

RAPID SYNERGY BERHAD  
(Company No. 325935-U)  
(Incorporated in Malaysia under the Companies Act, 1965)

QUARTERLY REPORT

Quarterly report on consolidated results for the second quarter ended 30/06/2002  
The figures have not been audited.

CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/06/2002 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2001 RM'000	CURRENT YEAR TO DATE 30/06/2002 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2001 RM'000
1 (a) Revenue	5,483	4,772	9,248	9,455
(b) Investment income	20	168	90	348
(c) Other income	93	201	208	412
2 (a) Profit/(loss) before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	1,466	1,062	2,530	2,197
(b) Finance cost	16	(57)	26	(52)
(c) Depreciation and amortisation	405	446	738	875
(d) Exceptional items	-	-	-	-
(e) Profit/(loss) before income tax, minority interests and extraordinary items	1,045	673	1,766	1,374
(f) Share in the results of associated companies	-	-	-	-
(g) Profit/(loss) before tax, minority interests and extraordinary items	1,045	673	1,766	1,374
(h) Income tax	260	2	286	60
(i) (i) Profit/(loss) after taxation before deducting minority interests	785	671	1,480	1,314
(ii) Less minority interests	-	-	-	-
(j) Net profit/(loss) from ordinary activities attributable to members of the company	785	671	1,480	1,314
(k) (i) Extraordinary item	-	-	-	-
(ii) Less minority interests	-	-	-	-
(iii) Extraordinary items attributable to members of the company	-	-	-	-
(l) Net profit/(loss) attributable to members of the company	785	671	1,480	1,314
3 (a) Earnings per share based on 2(i) above after deducting any provision for preference dividends, if any:-				
(i) Basic (based on 19,999,000 ordinary shares)(sen)	3.9	3.4	7.4	6.6
(ii) Fully diluted (based on 19,999,000 ordinary shares)(sen)	3.9	3.4	7.4	6.6

CONSOLIDATED BALANCE SHEET

	UNAUDITED AS AT END OF CURRENT QUARTER 30/06/2002 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2001 RM'000
1 Property, plant and equipment	17,824	18,078
2 Non-current development project	12,894	6,670
3 Investment in associated companies	-	-
4 Long Term Investments, unquoted	285	285
5 Goodwill on consolidation	-	-
6 Intangible Assets	-	-
7 Other long term assets	-	-
8 Current Assets		
Inventories	4,329	4,077
Trade Debtors	6,438	3,634
Short Term Investments, at market value	1,145	13,547
Short Term Deposits with Licensed Banks	-	1,794
Tax Refundable	127	138
Cash	583	3,673
Other Debtors, Deposits & Prepayment	20,325	8,397
	<u>32,947</u>	<u>35,260</u>
9 Current Liabilities		
Short Term Borrowings	1,081	-
Trade Creditors	1,137	729
Other Creditors	2,685	2,214
Dividend Payable	400	-
	<u>5,303</u>	<u>2,943</u>
10 Net Current Assets /(Current Liabilities)	27,644	32,317
	<u>58,647</u>	<u>57,350</u>
11 Shareholders' Funds		
Share Capital	19,999	19,999
Reserves		
Share Premium	1,541	1,541
Revaluation Reserve	-	-
Capital Reserve	809	809
Statutory Reserve	-	-
Retained Profit	35,600	34,520
Others	-	-
	<u>57,949</u>	<u>56,869</u>
12 Minority Interests	-	-
13 Long Term Borrowings	-	-
14 Other Long Term Liabilities	-	-
15 Deferred taxation	698	481
	<u>58,647</u>	<u>57,350</u>
16 Net tangible assets per share (RM)	2.90	2.84

## NOTES

### 1. Accounting Policies

The current quarter's financial statements have been prepared based on accounting policies and methods of computation consistent with those adopted in the 2001 annual financial statement.

### 2. Exceptional Items

There were no exceptional items for the current quarter and financial year-to-date.

### 3. Extraordinary Items

There were no extraordinary items for the current quarter and financial year-to-date.

### 4. Tax Expense as at 30/06/2002

	RM'000
Current tax expense	69
Deferred tax	<u>217</u>
	<u>286</u>

The effective Tax Rate is different from statutory tax rate for current year to date due to the claiming of Reinvestment Allowance and unutilised tax losses brought forward.

Subject to agreement by the Inland Revenue Board, the Group has potential deferred tax benefits not taken up under the liability method in respect of unutilised tax losses and other timing differences amounting to RM9.36 million for the current quarter and financial year-to-date.

### 5. Sale of Unquoted Investment and/or Properties

There were no sales of unquoted investment and/or properties for the current quarter.

	Current Quarter RM'000	Current YTD RM'000
Profit from sale of unquoted securities	<u>NIL</u>	<u>123</u>

### 6. Purchase or Disposal of Quoted Securities as at 30/06/2002

There were no purchase or disposal of quoted securities for the current quarter and financial year-to-date.

### 7. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year-to-date.

### 8. Status of Corporate Proposal

The Group has not announced any corporate proposals which has not been completed as at 14 August 2002.

### 9. Issuances and Repayment of Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter and financial year to date.

### 10. Group Borrowing as at 30/06/2002

	RM'000
Unsecured Bank Overdrafts	<u>1,081</u>

### 11. Contingent Liability

As at 14 August 2002, the Company's corporate guarantees to financial institutions has been reduced to RM4.82 million from RM8.82 million since the last annual Balance Sheet date.

### 12. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 14 August 2002.

### 13. Material Litigation

Rapid Synergy Berhad has initiated legal proceeding against Relau Estate Sdn Bhd for specific performance and or damages over a proposed purchase of land which as of 14 August 2002 the amount of damages has not yet been quantified.

14. Segmental Information as at 30/6/2002

	Manufacturing RM'000	Investment holding RM'000	Property investment/ development RM'000	Total RM'000
<u>Revenue</u>				
External sales	9,335	120	-	9,455
<u>Result</u>				
Operating profit/(loss)	1,905	87	(200)	1,792
Interest expense	19	7	-	26
Profit/(loss) before tax	1,886	80	(200)	1,766
Income tax	286	-	-	286
Profit/(loss) after tax	1,600	80	(200)	1,480
<u>Other Information</u>				
Segment Assets	27,814	8,059	27,951	63,824
Segment Liabilities	4,059	777	68	4,904
Capital expenditure	250	-	95	345
Depreciation & amortisation	385	13	7	405
Non-cash expenses other than depreciation & amortisation	140	38	-	178

Segmental reporting on geographical location has not been prepared as the Group's operations are principally carried out in Malaysia.

15. Material Changes in the Quarter's Profit Before Tax as compared to the immediate Preceding Quarter  
The Group achieved a 45% increase in Profit Before Tax over the immediate preceding quarter mainly due to a higher revenue of RM5.5million. This quarter's revenue increase of RM1.7million is an improvement of 45.6% as compared to the immediate preceding quarter.
16. Review of Performance  
The main activity for the current quarter and financial year-to-date is its precision tooling division. This division has been able to consistently improve its earnings over the past years due to improved sales and operation efficiencies.
17. Material Events subsequent to the Current Quarter end  
No material events, subsequent to the current quarter which were not reflected in the financial statements of the current quarter, were noted as at 14 August 2002.
18. Seasonal or Cyclical Factors  
The business operations of the Group are not affected by any seasonal or cyclical factors.
19. Current Year Prospects  
Although the economic outlook is still uncertain and volatile, the Board is cautiously optimistic of maintaining its performance in the second half of 2002.
20. Variance of Actual Profit from Forecast Profit and shortfall in Profit Guarantee  
Not Applicable.
21. Dividend
- (a)
    - (i) No dividend has been recommended for the quarter under review;
    - (ii) amount per share NIL;
    - (iii) previous corresponding period NIL;
    - (iv) the first and final tax exempt dividend was paid out on 5 July 2002 totalling RM399,980.
    - (v) Not Applicable
  - (b) the total dividend for the current financial year - NIL.

BY ORDER OF THE BOARD

Lam Voon Kean  
Company Secretary  
19-Aug-2002  
Penang