

RAPID SYNERGY BERHAD

(Company No. 325935-U)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2006**Condensed Consolidated Balance Sheet**

	UNAUDITED AS AT 30/6/2006 RM'000	AUDITED AS AT 31/12/2005 RM'000 (restated)
ASSETS		
Non-current assets		
Property, plant & equipment	6,368	5,994
Investment properties	20,969	6,072
Prepaid lease payments	3,176	3,212
Land held for development	15,631	15,561
Other investments	285	285
	<u>46,429</u>	<u>31,124</u>
Current Assets		
Inventories	4,050	2,174
Property development cost	-	2,382
Trade receivables	10,653	5,966
Other receivables	504	1,638
Tax refundable	611	60
Cash & cash equivalents	16,901	31,902
	<u>32,719</u>	<u>44,122</u>
TOTAL ASSETS	<u>79,148</u>	<u>75,246</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	41,998	41,998
Reserves	23,720	22,141
Total equity	<u>65,718</u>	<u>64,139</u>
Non-current liabilities		
Borrowings	935	1,556
Deferred tax liabilities	1,830	2,060
	<u>2,765</u>	<u>3,616</u>
Current liabilities		
Borrowings	1,513	1,174
Trade payables	3,422	1,197
Other payables	5,430	4,992
Current tax payable	300	128
	<u>10,665</u>	<u>7,491</u>
Total liabilities	<u>13,430</u>	<u>11,107</u>
TOTAL EQUITY AND LIABILITIES	<u>79,148</u>	<u>75,246</u>

(The condensed consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements).

RAPID SYNERGY BERHAD

(Company No. 325935-U)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2006**Condensed Consolidated Income Statement**

	3 MONTHS ENDED		CUMULATIVE 6 MONTHS ENDED	
	CURRENT QUARTER ENDED 30/6/2006 RM'000	COMPARATIVE QUARTER ENDED 30/6/2005 RM'000 (restated)	CURRENT QUARTER ENDED 30/6/2006 RM'000	COMPARATIVE QUARTER ENDED 30/6/2005 RM'000 (restated)
Continuing Operations				
Revenue	8,841	5,215	13,229	9,500
Cost of sales	(5,919)	(3,650)	(8,834)	(6,914)
Gross profit	2,922	1,565	4,395	2,586
Other income	559	161	722	273
Administrative and Distribution expenses	(597)	(647)	(1,109)	(1,165)
Other expenses	(658)	(165)	(882)	(333)
Finance costs	(46)	(67)	(100)	(144)
Profit before tax	2,180	847	3,026	1,217
Income tax expense	(507)	(64)	(634)	(18)
Profit for the period	1,673	783	2,392	1,199
Attributable to:				
Equitable holders of the parent	1,673	783	2,392	1,199
Minority interests	-	-	-	-
	1,673	783	2,392	1,199
Earning per share attributable to equity holders of the parents:				
Basis, for profit for the period (sen)	3.98	1.86	5.69	2.85
Diluted, for profit for the period (sen)	3.98	1.86	5.69	2.85

(The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statement for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements).

RAPID SYNERGY BERHAD

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INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2006**Condensed Consolidated Statement of Changes in Equity**

	<-----Attributable to equity holders of the parent----->				Total RM'000	Minority Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Retained Earnings RM'000			
At 1 January 2005	41,998	1,511	583	17,075	61,167		
Profit for the period	-	-	-	1,199	1,199		
Total recognised income and expense for the period	-	-	-	1,199	1,199	-	-
Dividend	-	-	-	(840)	(840)		
Issue of ordinary shares pursuant to ESOS	-	-	-	-	-	-	-
Share-based payment under ESOS	-	-	-	-	-	-	-
At 30 June 2005	41,998	1,511	583	17,434	61,526		
At 1 January 2006							
As previously stated	41,998	1,511	583	20,258	64,350	-	-
Restating investment properties to cost	-	-	-	(211)	(211)	-	-
At 1 January 2006 (restated)	41,998	1,511	583	20,047	64,139	-	-
Profit for the period				2,392	2,392		
Total recognised income and expense for the period	-	-	-	2,392	2,392	-	-
Dividend paid	-	-	-	(840)	(840)	-	-
Share-based ESOS expense	-	-	27	-	27	-	-
At 30 June 2006	41,998	1,511	610	21,599	65,718	-	-

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements).

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INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2006

Condensed Consolidated Cash Flow Statement

	6 months period ended 30 June	
	2006	2005
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax	3,026	1,217
Adjustment for:-		
Depreciation	583	624
Interest expense	100	144
Interest income	(722)	(251)
Others	16	-
Operating profit before working capital changes	<u>3,003</u>	<u>1,734</u>
Decrease/(Increase) in:		
Inventories	(1,876)	(327)
Receivables	(3,117)	(1,138)
Development cost	2,382	899
(Decrease)/Increase in payables	2,663	435
Cash generated from/(used in) operating activities	<u>3,055</u>	<u>1,603</u>
Net Tax paid	(1,243)	(1,000)
Interest paid	(100)	(144)
Net cash generated from/(used in) operating activities	<u>1,712</u>	<u>459</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	285	251
Purchase of plant & equipment	(875)	-
Purchase of investment property	(14,784)	(1,650)
Proceeds from disposal of fixed assets	50	-
Purchase of subsidiary (Note A)	(266)	-
Net cash generated used in investing activities	(15,590)	(1,399)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of term loan	(574)	(680)
Dividend paid	(840)	(840)
Net cash generated used in financing activities	(1,414)	(1,520)
Net decrease in cash and cash equivalents	<u>(15,292)</u>	<u>(2,460)</u>
Cash and cash equivalents at 1 January	<u>31,902</u>	<u>23,904</u>
Cash and cash equivalents at 30 June	<u><u>16,610</u></u>	<u><u>21,444</u></u>
Note A:	RM'000	
Purchase of subsidiary		
Property	3,279	
Other receivable	10	
Payables	<u>(3,023)</u>	
Net assets acquired	<u>266</u>	
Cash outflow on purchase of subsidiary	<u><u>266</u></u>	

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements).