

RAPID SYNERGY BERHAD

(Company No. 325935-U)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010**Condensed Consolidated Statement of Financial Position**

	UNAUDITED AS AT 30/6/2010 RM'000	AUDITED AS AT 31/12/2009 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	6,744	7,322
Investment properties	165,062	165,524
Prepaid lease payments	51,142	51,435
Other investments	260	260
Deferred tax assets	371	392
	<u>223,579</u>	<u>224,933</u>
Current Assets		
Inventories	2,198	2,725
Receivables, deposits and prepayment	9,249	13,172
Current tax assets	1,440	1,768
Cash & cash balances	3,603	1,721
	<u>16,490</u>	<u>19,386</u>
TOTAL ASSETS	<u>240,069</u>	<u>244,319</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	87,162	87,091
Reserves	40,846	42,732
Total equity	<u>128,008</u>	<u>129,823</u>
Non-current liabilities		
Loan and borrowings	88,539	90,062
Deferred income	1,430	1,458
Deferred tax liabilities	594	717
	<u>90,563</u>	<u>92,237</u>
Current liabilities		
Loan and borrowings	13,874	15,264
Payables and accruals	7,569	6,932
Deferred income	55	55
Provision for taxation	-	8
	<u>21,498</u>	<u>22,259</u>
Total liabilities	<u>112,061</u>	<u>114,496</u>
TOTAL EQUITY AND LIABILITIES	<u>240,069</u>	<u>244,319</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.47	1.49

(The condensed consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements).

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010

The Board of directors is pleased to submit its quarterly report on the consolidated results of the group for the Second quarter ended 30 June 2010. The figures have not been audited.

Condensed Consolidated Statement of Comprehensive Income

	3 MONTHS ENDED		CUMULATIVE 6 MONTHS ENDED	
	CURRENT QUARTER ENDED 30/6/2010 RM'000	COMPARATIVE QUARTER ENDED 30/6/2009 RM'000	CURRENT QUARTER ENDED 30/6/2010 RM'000	COMPARATIVE QUARTER ENDED 30/6/2009 RM'000
Continuing Operations				
Revenue	5,031	3,452	10,292	5,482
Cost of sales	(2,198)	(1,989)	(4,688)	(3,344)
Gross profit	2,833	1,463	5,604	2,138
Other income	2	261	8	328
Administrative and Distribution expenses	(936)	(455)	(1,537)	(1,056)
Other expenses	(1,439)	(1,039)	(2,805)	(1,980)
Finance costs	(1,603)	(1,046)	(3,119)	(2,553)
Loss before tax	(1,143)	(816)	(1,849)	(3,123)
Income tax expense	(4)	(80)	(37)	(133)
Loss for the period	(1,147)	(896)	(1,886)	(3,256)
Other comprehensive Income	-	-	-	-
Total comprehensive Income/(Loss)	(1,147)	(896)	(1,886)	(3,256)
Attributable to:				
Shareholders of the parent	(1,147)	(896)	(1,886)	(3,256)
Minority interests	-	-	-	-
	(1,147)	(896)	(1,886)	(3,256)
Earnings per share attributable to shareholders of the parent:				
Basic, for profit for the period (sen)	(1.32)	(1.03)	(2.16)	(3.75)
Diluted, for profit for the period (sen)	(1.19)	(0.92)	(1.96)	(3.36)

(The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statement for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements).

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010**Condensed Consolidated Statement of Changes in Equity**

	<-----Attributable to shareholders of the parent----->					Total RM'000
	<-----Non-distributable----->		Distributable			
	Share Capital RM'000	Share Premium RM'000	Property Revaluation Reserves RM'000	Share Option Reserve RM'000	Retained Earnings RM'000	
At 1 January 2009	86,468	336	75	283	35,941	123,103
Total comprehensive income/(loss) for the period	-	-	-	-	(3,256)	(3,256)
Issue of ordinary shares pursuant to ESOS	271	5	-	-	-	276
Issue Conversion warrant to share	262	-	-	-	-	262
At 30 June 2009	<u>87,001</u>	<u>341</u>	<u>75</u>	<u>283</u>	<u>32,685</u>	<u>120,385</u>
At 1 January 2010	87,091	595	75	-	42,062	129,823
Total comprehensive income/(loss) for the period	-	-	-	-	(1,886)	(1,886)
Issue Conversion warrant to share	71	-	-	-	-	71
At 30 June 2010	<u>87,162</u>	<u>595</u>	<u>75</u>	<u>-</u>	<u>40,176</u>	<u>128,008</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements).

RAPID SYNERGY BERHAD

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010**Condensed Consolidated Statement of Cash Flows**

	6 months period ended 30 June	
	2010	2009
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss before tax	(1,849)	(3,123)
Adjustment for:-		
Depreciation	1,964	1,457
Interest expense	3,119	2,553
Interest income	-	(3)
Gain on valuation short term investment	-	(193)
Operating profit/(loss) before working capital changes	<u>3,234</u>	<u>691</u>
Decrease/(Increase) in:		
Inventories	527	(32)
Receivables	3,924	2,579
Deferred income	(28)	(28)
(Decrease)/Increase in payables	637	(4,121)
Cash generated from/(used in) operating activities	<u>8,294</u>	<u>(911)</u>
Tax (paid)/refund	180	(814)
Interest paid	(3,119)	(2,553)
Net cash generated from/(used in) operating activities	<u>5,355</u>	<u>(4,278)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	-	3
Additional to properties, plant & equipment	(34)	(3)
Additional to investment properties	(597)	(21,630)
Net cash used in investing activities	(631)	(21,630)
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown term loan	2,300	36,009
Repayment of term loan	(3,233)	(3,217)
Proceeds from Esos subscription	-	276
Proceeds from conversion warrant to share	71	262
Net cash (used in)/generated from financing activities	(862)	33,330
Net increase in cash and cash equivalents	<u>3,862</u>	<u>7,422</u>
Cash and cash equivalents at 1 January	<u>(7,070)</u>	<u>(15,276)</u>
Cash and cash equivalents at 30 June	<u><u>(3,208)</u></u>	<u><u>(7,854)</u></u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements).

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010**Condensed Consolidated Statement of Cash Flows**

	6 months period ended 30 June	
	2010 RM'000	2009 RM'000
Net Cash Generated From/(Used In) Operating Activities	5,355	(4,278)
Net Cash Used In Investing Activities	(631)	(21,630)
Net Cash (Used In)/Generated From Financing Activities	(862)	33,330
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>3,862</u>	<u>7,422</u>
CASH AND CASH EQUIVALENTS AT 1 JANUARY	(7,070)	(15,276)
CASH AND CASH EQUIVALENTS AT 30 JUNE	<u><u>(3,208)</u></u>	<u><u>(7,854)</u></u>
Cash and Cash Equivalents at 30 June consist of:-		
Cash and bank balances	3,603	1,650
Bank overdrafts	<u>(6,811)</u>	<u>(9,504)</u>
	<u><u>(3,208)</u></u>	<u><u>(7,854)</u></u>

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