

RAPID SYNERGY BERHAD
 (Company No. 325935-U)
 (Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

Condensed Consolidated Statement of Financial Position

	UNAUDITED AS AT 31/12/2010 RM'000	AUDITED AS AT 31/12/2009 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	6,199	7,322
Investment properties	163,781	165,524
Prepaid lease payments	50,533	51,435
Other investments	260	260
Deferred tax assets	364	392
	<u>221,137</u>	<u>224,933</u>
Current Assets		
Inventories	2,014	2,725
Receivables, deposits and prepayment	3,662	13,172
Assets classified as held for sale	943	-
Current tax assets	1,270	1,768
Cash & bank balances	4,643	1,721
	<u>12,532</u>	<u>19,386</u>
TOTAL ASSETS	<u>233,669</u>	<u>244,319</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	87,162	87,091
Reserves	38,937	42,732
Total equity	<u>126,099</u>	<u>129,823</u>
Non-current liabilities		
Loan and borrowings	89,000	90,062
Deferred income	1,402	1,458
Deferred tax liabilities	481	717
	<u>90,883</u>	<u>92,237</u>
Current liabilities		
Loan and borrowings	9,174	15,264
Payables and accruals	7,458	6,932
Deferred income	55	55
Provision for taxation	-	8
	<u>16,687</u>	<u>22,259</u>
Total liabilities	<u>107,570</u>	<u>114,496</u>
TOTAL EQUITY AND LIABILITIES	<u>233,669</u>	<u>244,319</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.45	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 YEAR ENDED 31 DECEMBER 2010

The Board of directors is pleased to submit its quarterly report on the consolidated results of the group for the year ended 31 December 2010. The figures have not been audited.

Condensed Consolidated Statement of Comprehensive Income

	3 MONTHS ENDED		CUMULATIVE 12 MONTHS ENDED	
	CURRENT YEAR QUARTER ENDED 31/12/2010 RM'000	PRECEDING YEAR QUARTER ENDED 31/12/2009 RM'000	CURRENT YEAR TO DATE (UNAUDITED) 31/12/2010 RM'000	PRECEDING YEAR TO DATE (AUDITED) 31/12/2009 RM'000
Continuing Operations				
Revenue	5,890	4,244	21,786	15,259
Cost of sales	(2,217)	(687)	(9,254)	(6,789)
Gross profit	3,673	3,557	12,532	8,470
Other income	-	11,397	20	12,077
Administrative and Distribution expenses	(1,021)	(668)	(3,604)	(2,677)
Other expenses	(1,824)	(2,211)	(6,043)	(5,446)
Finance costs	(1,793)	(1,620)	(6,540)	(5,650)
(Loss)/Profit before tax	(965)	10,455	(3,635)	6,774
Income tax expense	43	(447)	(160)	(683)
(Loss)/Profit for the period	(922)	10,008	(3,795)	6,091
Other comprehensive Income	-	-	-	-
Total comprehensive (loss)/Income	(922)	10,008	(3,795)	6,091
Attributable to:				
Shareholders of the parent	(922)	10,008	(3,795)	6,091
Minority interests	-	-	-	-
	(922)	10,008	(3,795)	6,091
Earning/(Loss) per share attributable to shareholders of the parent:				
Basic, for (loss)/profit for the period (sen)	(1.06)	11.50	(4.36)	7.01
Diluted, for (loss)/profit for the period (sen)	(0.96)	10.35	(3.97)	6.31

(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).

RAPID SYNERGY BERHAD

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INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2010**Condensed Consolidated Statement of Changes in Equity**

	<-----Attributable to shareholders of the parent----->					Total RM'000
	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 for the period	-	-	-	-	6,091	6,091
Share issued pursuant to exercise of warrant at RM1.00 per share	314	-	-	-	-	314
Share options exercised	309	6	-	-	-	315
Transfer to share premium/retained earnings for share options exercised and lapsed	-	253	-	(283)	30	-
At 31 December 2009	87,091	595	75	-	42,062	129,823
At 1 January 2010	87,091	595	75	-	42,062	129,823
Total comprehensive loss for the period	-	-	-	-	(3,795)	(3,795)
Issue Conversion warrant to share	71	-	-	-	-	71
At 31 December 2010	87,162	595	75	-	38,267	126,099

(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).

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INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2010**Condensed Consolidated Statement of Cash Flows**

	12 months period ended 31 December	
	2010 RM'000	2009 RM'000
Net Cash Generated From/(Used in) Operating Activities	11,134	(12,143)
Net Cash Generated From/(Used in) Investing Activities	(1,131)	(17,615)
Net Cash (Used in)/Generated From Financing Activities	(468)	37,964
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>9,535</u>	<u>8,206</u>
CASH AND CASH EQUIVALENTS AT 1 JANUARY	(7,070)	(15,276)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	<u><u>2,465</u></u>	<u><u>(7,070)</u></u>
Cash and Cash Equivalents at 31 December consist of:-		
Cash and bank balances	4,643	1,721
Bank overdrafts	<u>(2,178)</u>	<u>(8,791)</u>
	<u><u>2,465</u></u>	<u><u>(7,070)</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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NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

Selected explanatory notes pursuant to Financial Reporting Standards (FRS) 134 Interim Financial Reporting

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with Financial Reporting Standards (FRS) 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB"). The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2009. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2009.

The accounting policies and methods of computation adopted by the Group in this interim financial report is consistent with those adopted in the most recent audited financial statements for the year ended 31 December 2009, except for the following new and revised FRSs, IC Interpretations and Amendments to FRSs and IC interpretation which are applicable to its financial statements :

- FRS 4, Insurance Contract
- FRS 7, Financial Instruments: Disclosures
- FRS 101, Presentation of Financial Statements (revised)
- FRS 123, Borrowing Costs
- FRS 139, Financial Instruments: Recognition and Measurement
- Amendments to FRS 1, First-time Adoption of Financial Reporting Standards
- Amendments to FRS 2, Share-based Payment: Vesting Conditions and Cancellations
- Amendments to FRS 5, Non current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 8, Operating Segments
- Amendments to FRS 107, Cash Flow Statements
- Amendments to FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors
- Amendments to FRS110, Events after the Reporting Period
- Amendments to FRS 116, Property, Plant and Equipment
- Amendments to FRS 117, Leases
- Amendments to FRS 118, Revenue
- Amendments to FRS 119, Employee Benefits
- Amendments to FRS 120, Accounting for Government Grants and Disclosure of Government Assistance
- Amendments to FRS 123, Borrowing Costs
- Amendments to FRS 127, Consolidated and Separate Financial Statements
- Amendments to FRS 128, Investment in Associates
- Amendments to FRS 129, Financial Reporting in Hyperinflationary Economies
- Amendments to FRS 131, Interests in Joint Ventures
- Amendments to FRS 132, Financial Instruments: Presentation
- Amendments to FRS 134, Interim Financial Reporting
- Amendments to FRS 136, Impairment of Assets
- Amendments to FRS 138, Intangible Assets
- Amendments to FRS 139, Financial Instruments: Recognition and Measurement Of FRS 7 Financial Instruments, Disclosure and IC Interpretation 9 Reassessment of Embedded Derivatives

- Amendments to FRS 140, Investment Property
- Improvements to FRSs (2009)
- IC Interpretation 9, Reassessment of Embedded Derivatives
- IC Interpretation 10, Interim Financial Reporting and Impairment
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- IC Interpretation 11, FRS 2 – Group and Treasury Share Transactions
- IC Interpretation 13, Customer Loyalty Programmes
- IC Interpretation 14, FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction

The adoption of the above FRSs, Amendments and Interpretations do not have any significant financial impact on the Group's results.

The Group has not adopted the following new/revised FRSs, Amendments and IC Interpretations that were issued but not yet effective:

		Effective date
FRS 1(Revised)	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3(Revised)	Business Combinations	1 July 2010
FRS 127(Revised)	Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 2	Scope of FRS 2 and Revised FRS 3(2010)	1 July 2010
Amendments to FRS 5	Plan to Sell the Controlling Interest in a Subsidiary	1 July 2010
Amendments to FRS138	Consequential Amendments Arising from Revised FRS3(2010)	1 July 2010
Amendments to IC Interpretation 9	Scope of IC Interpretation 9 and FRS 3 (Revised)	1 July 2010
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distribution of Non-cash Assets To Owners	1 July 2010
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards – Limited Exemption From Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1	Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
IC Interpretation 4	Determining Whether An Arrangement Contains a Lease	1 January 2011
IC Interpretation 18	Transfers of Assets from Customers	1 January 2011
Improvements to FRSs(2010)		1 January 2011
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	1 July 2011
FRS 24	Related Party Disclosure (revised)	1 January 2012
IC Interpretation 15	Agreements for the Construction of Real Estate	1 January 2012

A2 Auditors' Report on Preceding Annual Financial Statements
The audit report of the preceding annual financial statements for the financial year ended 31 December 2009 was not subject to any qualification.

A3 Seasonal or cyclical factors
The Group's operations were not affected by any significant seasonal or cyclical factors in the current quarter.

A4 Unusual items Due to Their Nature, Size or Incidence
Other than disclosed in the financial statements there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group in the current quarter ended 31 December 2010.

- A5 Change in Estimates
There were no significant changes in estimates of amounts reported in prior financial years which have a material effect in the current quarter ended 31 December 2010.
- A6 Debts and equity securities
There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and financial year-to-date.
- A7 Dividend
There was no dividend payment made for the current quarter under review.
- A8 Segmental Reporting
The segment information for business segments predominantly conducted in Malaysia for the financial period ended 31 December 2010 is as follows:-

Business Segment	Manufacturing RM'000	Investment Holding RM'000	Consolidated RM'000
Revenue			
External sales	10,554	11,232	21,786
	<hr/>	<hr/>	<hr/>
	10,554	11,232	21,786
Result			
Segment results	(2,187)	5,092	2,905
	<hr/>	<hr/>	<hr/>
Interest Expense			(6,540)
Loss before taxation			<hr/> (3,635)
Taxation			(160)
Loss after taxation			<hr/> (3,795) =====

- A9 Valuations of land held for development, property, plant and equipment
The valuations of land held for development, property, plant and equipment have been brought forward, without amendments from the previous annual report.
- A10 Material events subsequent to balance sheet date
There were no material events subsequent to the end of the period under review to 18 February 2011.
- A11 Changes in the composition of the Group
There were no changes in composition of the Group for the current quarter under review.
- A12 Contingent liabilities as at 31 December 2010
Unsecured :
Corporate guarantee issued to banks for credit facilities granted to subsidiary companies RM'000
69,000
- A13 Property, plant and equipment
There were no significant acquisitions for the current quarter ended 31 December 2010.
- A14 Capital commitments
There were no capital commitments for the current quarter ended 31 December 2010.

Additional information required by the Listing Requirements of Bursa Malaysia Securities Berhad

B1 Review of the performance of the company and its principal subsidiaries

For the current financial quarter, the Group recorded a revenue and loss before tax of RM5.90 million and RM0.97 million respectively. This represents an increase of RM1.65 million in revenue compared to the revenue of RM4.24 million recorded in the previous year corresponding financial quarter. The increase in revenue was mainly contributed by manufacturing division. The pretax loss recorded a loss before tax of RM0.97 million compared to the profit of RM10.46 million recorded in the previous year corresponding financial quarter. The profit in previous year corresponding financial quarter was contributed from the sale of a subsidiary.

B2 Material changes in loss before tax against preceding quarter

For the current financial quarter there was an increased in consolidated revenue of RM0.30 million from RM5.6 million in the preceding quarter to RM5.90 million in the current quarter. The loss before tax for the current quarter was RM0.97 million compared to the loss of RM0.60 million recorded in the preceding quarter. The increased in revenue was mainly due to higher sales from the manufacturing division. The increased in pretax loss for the current quarter compared to the preceding quarter was mainly due to higher operational and interest expense compared to the preceding quarter.

B3 Prospects for the current year

The group expects its manufacturing business to improve based on strong and robust developing Asia economy. This could further improve the private consumption and intra regional trade opportunity within Asian economy and augur well for semiconductor products demand.

The investment property division will continue to contribute positively to the group's performance. Barring any unforeseen circumstances the Board expects the Group's performance to be satisfactory for the year 2011.

B4 Profit forecast

Not applicable as no profit forecast was published.

B5 Tax expense

	3 months ended		Cumulative	
	31 December		31 December	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
- Current	173	911	542	1,142
- Prior year	(173)	247	(173)	252
Deferred tax expense				
- Current	(43)	(626)	(222)	(626)
- Prior year	-	(85)	13	(85)
	-----	-----	-----	-----
	(43)	447	160	683
	=====	=====	=====	=====

The Group's effective tax rate is higher than the prima facie tax rate for the current quarter due to certain expenses being disallowed for taxation purposes.

B6 Profits/(Losses) on sale of unquoted investments and/or properties

There were no disposal of unquoted investment and/or properties for the current quarter ended 31 December 2010.

B7 Marketable securities

There were no purchase or disposal of quoted securities for the current quarter ended 31 December 2010.

B8 Status of corporate proposals

There were no corporate proposals for the current quarter ended 31 December 2010.

B9	Borrowing and debts securities	31 December 2010 RM'000
	Current	
	Overdraft	2,178
	Term loan - secured	6,996
	Non-current	
	Term loan - secured	89,000

The above borrowings are denominated in Ringgit Malaysia.

B10 Off balance sheet financial instruments
The Group does not have any financial instruments with off balance sheet risk as at 18 February 2011.

B11 Changes in material litigation

(i) The Writ of Summons filed by RSB against Relau Estate has been amicably settled on 11 October 2010.

(ii) On 6 January 2003, Rapid Construction Contractor Sdn Bhd (RCC) and Rapid Precision Technologies Sdn Bhd (RPT), both wholly owned subsidiaries of RSB had served summons on Nychem Technologies Sdn Bhd (Nychem) and two guarantors for the amount of RM450,000 and RM641,908 respectively in respect of outstanding amount due on the sale of equipment accessories goodwill, rent and lease of fixtures. The case between RCC and Nychem, the hearing date has been postponed until further notice. As to the case between RPT and Nychem, bankruptcy proceedings have been instituted against the two guarantors. One of the guarantors has withdrawn their application for stay of the adjudicating and receiving order (AORO) and with cost to be taxed. The other guarantor will be served with a bankruptcy notice.

B12 Dividends

(a)(i) no dividend has been recommended for the quarter under review;
(ii) amount per share nil;
(iii) previous corresponding period nil sen;
(iv) the date payable – not applicable;
(v) not applicable

(b) the total dividend for the current financial year nil sen per share

B13 Basis of calculation of earnings per share
The basic earnings per share for the current quarter and cumulative year to date are computed as follows:

	3 months ended		Year Ended	
	31.12.10	31.12.09	31.12.10	31.12.09
Net gain/(loss) for the period (RM'000)	(922)	10,008	(3,795)	6,091
Weighted average number of ordinary shares in issue	87,181,907	87,047,175	87,134,753	86,913,891
Basic earnings/(loss) per share (sen)	(1.06)	11.50	(4.36)	7.01

The diluted earnings per share for the current quarter and cumulative year to date are computed as follows:

	3 months ended		Year Ended	
	31.12.10	31.12.09	31.12.10	31.12.09
Net gain/(loss) for the period (RM'000)	(922)	10,008	(3,795)	6,091
Weighted average number of ordinary shares in issue	87,181,907	87,047,175	87,134,753	86,913,891
Adjustments for employees' share option	-	11,414	-	11,414
Adjustments for warrants granted	8,577,150	9,607,636	8,577,150	9,607,636
Adjusted weighted average number of ordinary shares in issue	95,759,057	96,666,225	95,711,903	96,532,941
Diluted earnings/(loss) per share (sen)	(0.96)	10.35	(3.97)	6.31

B14 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors

B15 Realised & Unrealised Profit/Losses Disclosure

The retained profits as at 31 December 2010 and 30 September 2010 is analysed as follows:

	Current Quarter Ended 31/12/2010 (RM'000)	Preceding Quarter Ended 30/09/2010 (RM'000)
The retained profits of RSB and its subsidiaries:		
- Realised	38,229	39,338
- Unrealised	38	107
	-----	-----
Total Group retained profits as per Consolidated financial statement	38,267	39,445
	=====	=====

Note: As per Bursa Malaysia's directive dated 20 December 2010, prior year comparatives are not required in the first year of complying with the Realised and Unrealised Profits/Losses Disclosure.

By order of the Board
LAM VOON KEAN (MIA 4793)
Company Secretary
Penang
Date : 25 February 2011