

**RAPID SYNERGY BERHAD**

(Company No. 325935-U)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2012 (UNAUDITED)****Condensed Consolidated Statement of Financial Position**

	UNAUDITED AS AT 30/06/2012 RM'000	UNAUDITED AS AT 31/12/2011 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	6,123	5,558
Investment properties	247,716	241,668
Prepaid lease payments	2,738	2,774
Other investments	260	260
Deferred tax assets	344	351
	<u>257,181</u>	<u>250,611</u>
<b>Current Assets</b>		
Inventories	6,080	2,427
Receivables, deposits and prepayment	6,162	6,083
Assets classified as held for sale	-	388
Current tax assets	214	401
Cash & bank balances	5,859	9,964
	<u>18,315</u>	<u>19,263</u>
<b>TOTAL ASSETS</b>	<u><b>275,496</b></u>	<u><b>269,874</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	87,334	87,279
Reserves	37,842	39,570
<b>Total equity</b>	<u>125,176</u>	<u>126,849</u>
<b>Non-current liabilities</b>		
Loan and borrowings	112,706	108,757
Deferred income	1,320	1,347
Deferred tax liabilities	1,086	1,069
	<u>115,112</u>	<u>111,173</u>
<b>Current liabilities</b>		
Loan and borrowings	13,674	8,820
Payables and accruals	21,438	22,977
Provision for taxation	41	-
Deferred income	55	55
	<u>35,208</u>	<u>31,852</u>
<b>Total liabilities</b>	<u>150,320</u>	<u>143,025</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>275,496</b></u>	<u><b>269,874</b></u>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	<b>1.43</b>	<b>1.45</b>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 2012 (UNAUDITED)**

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 2012. The figures have not been audited.

**Condensed Consolidated Statement of Comprehensive Income**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 30/06/2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2011 RM'000	CURRENT YEAR TO DATE 30/06/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2011 RM'000
<b>Continuing Operations</b>				
Revenue	9,779	6,277	15,096	13,339
Cost of sales	(3,914)	(2,492)	(5,947)	(5,259)
<b>Gross profit</b>	<b>5,865</b>	<b>3,785</b>	<b>9,149</b>	<b>8,080</b>
Interest income	8	-	14	-
Profit on disposal of investment properties	-	2,410	42	2,657
Other income	23	-	43	1
Administrative and Distribution expenses	(1,500)	(929)	(2,508)	(1,633)
Depreciation of investment properties and PPE	(1,148)	(987)	(2,262)	(1,991)
Other expenses	(870)	(492)	(1,353)	(1,049)
Finance costs	(2,114)	(1,629)	(4,031)	(3,230)
<b>(Loss)/Profit before tax</b>	<b>264</b>	<b>2,158</b>	<b>(906)</b>	<b>2,835</b>
Income tax expense	(627)	(370)	(822)	(743)
<b>(Loss)/Profit for the period</b>	<b>(363)</b>	<b>1,788</b>	<b>(1,728)</b>	<b>2,092</b>
<b>Other comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive Income</b>	<b>(363)</b>	<b>1,788</b>	<b>(1,728)</b>	<b>2,092</b>
Attributable to:				
Shareholders of the parent	(363)	1,788	(1,728)	2,092
Non-controlling interest	-	-	-	-
	<b>(363)</b>	<b>1,788</b>	<b>(1,728)</b>	<b>2,092</b>
<b>(Loss)/Earning per share attributable to shareholders of the parent:</b>				
Basic earnings per ordinary share (sen)	(0.42)	2.05	(1.98)	2.40
Diluted earnings per ordinary share (sen)	-	1.88	-	2.20

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statement for the year ended 31 December 2011 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 2012 (UNAUDITED)****Condensed Consolidated Statement of Changes in Equity**

	<-----Attributable to shareholders of the parent----->		<-----Non-distributable-----> Distributable		
	Share Capital RM'000	Share Premium RM'000	Property Revaluation Reserves RM'000	Retained Earnings RM'000	Total RM'000
<b>At 1 January 2011</b>	87,162	595	75	38,268	126,100
Effect of transition to MFRS	-	-	(75)	75	-
	<u>87,162</u>	<u>595</u>	<u>-</u>	<u>38,343</u>	<u>126,100</u>
Profit for the period representing total comprehensive income	-	-	-	2,092	2,092
Shares issued pursuant to exercise of warrant at RM 1 per ordinary share	30	-	-	-	30
<b>At 30 June 2011</b>	<u>87,192</u>	<u>595</u>	<u>-</u>	<u>40,435</u>	<u>128,222</u>
<b>At 1 January 2012</b>	87,279	595	75	38,900	126,849
Effect of transition to MFRS	-	-	(75)	75	-
	<u>87,279</u>	<u>595</u>	<u>-</u>	<u>38,975</u>	<u>126,849</u>
Loss for the period representing total comprehensive expense	-	-	-	(1,728)	(1,728)
Shares issued pursuant to exercise of warrant at RM 1 per ordinary share	55	-	-	-	55
<b>At 30 June 2012</b>	<u><u>87,334</u></u>	<u><u>595</u></u>	<u><u>-</u></u>	<u><u>37,247</u></u>	<u><u>125,176</u></u>

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**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2012 (UNAUDITED)****Condensed Consolidated Statement of Cash Flows**

	6 months period ended 30 June	
	2012 RM'000	2011 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (Loss)/Profit before tax	(906)	2,835
Adjustment for:-		
Depreciation and amortisation	2,262	1,991
Interest income	(14)	-
Interest expense	4,031	3,230
Gain on disposal of Investment properties	(42)	(2,654)
Operating profit before working capital changes	<u>5,331</u>	<u>5,402</u>
Decrease/(Increase) in:		
Inventories	(3,653)	(4)
Receivables	(78)	(9,684)
Increase/(Decrease) in:		
Deferred income	(28)	(28)
Payables	(1,539)	1,027
Cash generated from/(used in) operating activities	<u>33</u>	<u>(3,287)</u>
Tax (paid)/refund	(570)	(42)
Interest paid	(4,031)	(3,230)
Net cash used in operating activities	<u>(4,568)</u>	<u>(6,559)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additional to properties, plant & equipment	(1,039)	(64)
Additional to investment properties	(7,800)	(188)
Interest received	14	-
Proceeds from disposal of investment properties	430	10,223
Net cash (used in)/generated from investing activities	<u>(8,395)</u>	<u>9,971</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Drawdown term loan	8,279	-
Repayment of term loan	(3,814)	(6,102)
Placement of pledged deposits with a licensed bank	(791)	-
Proceeds from conversion of warrants to shares	55	30
Net cash generated from/(used in) financing activities	<u>3,729</u>	<u>(6,072)</u>
Net decrease in cash and cash equivalents	<u>(9,234)</u>	<u>(2,660)</u>
Cash and cash equivalents at 1 January	<u>9,964</u>	<u>2,466</u>
Cash and cash equivalents at 30 June	<u><u>730</u></u>	<u><u>(194)</u></u>

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	6 months period ended 30 June	
	2012	2011
	RM'000	RM'000
Net Cash Used In Operating Activities	(4,568)	(6,559)
Net Cash (Used In)/Generated From Investing Activities	(8,395)	9,971
Net Cash Generated From/(Used In) Financing Activities	3,729	(6,072)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>(9,234)</u>	<u>(2,660)</u>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	9,964	2,466
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<u><u>730</u></u>	<u><u>(194)</u></u>
<b>Cash and Cash Equivalents at 30 June consist of:-</b>		
Cash and bank balances	5,859	7,322
Bank overdrafts	(4,338)	(7,516)
Less: Deposit pledged to the financial institutions	(791)	
	<u><u>730</u></u>	<u><u>(194)</u></u>

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