

**RAPID SYNERGY BERHAD**

(Company No. 325935-U)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014****Condensed Consolidated Statement of Financial Position**

	UNAUDITED AS AT 31/03/2014 RM'000	AUDITED AS AT 31/12/2013 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	7,070	7,372
Investment properties	238,176	238,950
Prepaid lease payments	2,610	2,628
Other investments	260	260
Deferred tax assets	320	323
	<u>248,436</u>	<u>249,533</u>
<b>Current Assets</b>		
Inventories	1,939	2,071
Receivables, deposits and prepayment	14,916	16,430
Assets classified as held for sale	683	2,408
Current tax assets	692	1,351
Cash & bank balances	4,467	4,889
	<u>22,697</u>	<u>27,149</u>
<b>TOTAL ASSETS</b>	<u><b>271,133</b></u>	<u><b>276,682</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	87,352	87,334
Reserves	38,568	34,671
<b>Total equity</b>	<u>125,920</u>	<u>122,005</u>
<b>Non-current liabilities</b>		
Loan and borrowings	111,237	114,311
Deferred income	1,210	1,237
Deferred tax liabilities	874	812
	<u>113,321</u>	<u>116,360</u>
<b>Current liabilities</b>		
Loan and borrowings	17,061	22,988
Payables and accruals	14,691	15,136
Provision for taxation	85	138
Deferred income	55	55
	<u>31,892</u>	<u>38,317</u>
<b>Total liabilities</b>	<u>145,213</u>	<u>154,677</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>271,133</b></u>	<u><b>276,682</b></u>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	<b>1.44</b>	<b>1.40</b>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements).

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

The Board of directors is pleased to submit its quarterly report on the consolidated results of the group for the first quarter ended 31 March 2014. The figures have not been audited.

**Condensed Consolidated Statement of Comprehensive Income**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 31/03/2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2013 RM'000 (Restated)	CURRENT YEAR TO DATE 31/03/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2013 RM'000 (Restated)
<b>Continuing Operations</b>				
Revenue	7,647	6,114	7,647	6,114
Cost of sales	(2,705)	(1,505)	(2,705)	(1,505)
<b>Gross profit</b>	<u>4,942</u>	<u>4,609</u>	<u>4,942</u>	<u>4,609</u>
Interest income	13	-	13	-
Profit on disposal of investment properties	4,755	2,037	4,755	2,037
Other income	30	104	30	104
Administrative and Distribution expenses	(1,168)	(1,160)	(1,168)	(1,160)
Depreciation of investment properties and PPE	(1,241)	(1,221)	(1,241)	(1,221)
Other expenses	(644)	(185)	(644)	(185)
Finance costs	(2,337)	(2,466)	(2,337)	(2,466)
<b>Profit before tax</b>	<u>4,350</u>	<u>1,718</u>	<u>4,350</u>	<u>1,718</u>
Income tax expense	(454)	(286)	(454)	(286)
<b>Profit for continuing operations</b>	<u>3,896</u>	<u>1,432</u>	<u>3,896</u>	<u>1,432</u>
<b>Discontinued operations</b>				
<b>Profit/(Loss) from discontinued operations</b>	-	(1,326)	-	(1,326)
	<u>3,896</u>	<u>106</u>	<u>3,896</u>	<u>106</u>
<b>Profit/(Loss) attributable to:</b>				
- from continuing operations	3,896	1,432	3,896	1,432
- from discontinued operations	-	(1,326)	-	(1,326)
	<u>3,896</u>	<u>106</u>	<u>3,896</u>	<u>106</u>
<b>Earning/(Loss) per share attributable to shareholders of the parent:</b>				
- from continuing operations	4.46	1.64	4.46	1.64
- from discontinuing operations	-	(1.52)	-	(1.52)
Basic earnings/(loss) per ordinary share (sen)	<u>4.46</u>	<u>0.12</u>	<u>4.46</u>	<u>0.12</u>
- from continuing operations	3.79	1.53	3.79	1.53
- from discontinued operations	-	(1.42)	-	(1.42)
Diluted earnings/(loss) per ordinary share (sen)	<u>3.79</u>	<u>0.11</u>	<u>3.79</u>	<u>0.11</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statement for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements).

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014****Condensed Consolidated Statement of Changes in Equity**

	<-----Attributable to shareholders of the parent----->			
	<-----Non-distributable----->		Distributable	
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Total RM'000
<b>At 1 January 2013</b>	87,333	595	31,456	119,384
Total comprehensive income for the period	-	-	106	106
Issue Conversion warrant to share	-	-	-	-
<b>At 31 March 2013</b>	<u>87,333</u>	<u>595</u>	<u>31,562</u>	<u>119,490</u>
<b>At 1 January 2014</b>	87,334	595	34,077	122,006
Total comprehensive income for the period	-	-	3,896	3,896
Issue Conversion warrant to share	18	-	-	18
<b>At 31 March 2014</b>	<u>87,352</u>	<u>595</u>	<u>37,973</u>	<u>125,920</u>

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014****Condensed Consolidated Statement of Cash Flows**

	3 months period ended 31 March	
	2014 RM'000	2013 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit before tax		
- continuing operations	4,350	1,718
- discontinued operations	-	(1,326)
	<u>4,350</u>	<u>392</u>
Adjustment for:-		
Depreciation and amortisation	1,241	1,432
Interest income	(13)	(2)
Interest expense	2,326	3,349
Gain on disposal of Investment properties	(4,755)	(2,037)
Operating profit before working capital changes	<u>3,149</u>	<u>3,134</u>
Decrease/(Increase) in:		
Inventories	132	(1,080)
Receivables	1,514	(3,797)
Increase/(Decrease) in:		
Deferred income	(27)	(14)
Payables	(444)	2
Cash generated from/(used in) operating activities	<u>4,324</u>	<u>(1,755)</u>
Tax (paid)/refund	217	(462)
Interest paid	(2,326)	(3,349)
Net cash generated from/(used in) operating activities	<u>2,215</u>	<u>(5,566)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additional to properties, plant & equipment	(548)	(1,173)
Additional to investment properties	(20)	(55)
Interest received	13	2
Proceeds from disposal of investment properties	6,900	5,990
Net cash generated from investing activities	<u>6,345</u>	<u>4,764</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of hire purchase	(46)	-
Redeem term loan	(250)	-
Repayment of term loan	(2,517)	(3,528)
Proceeds from conversion of warrants to shares	18	-
Net cash used in financing activities	<u>(2,795)</u>	<u>(3,528)</u>
Net increase/(decrease) in cash and cash equivalents	<u>5,765</u>	<u>(4,330)</u>
Cash and cash equivalents at 1 January	<u>(8,504)</u>	<u>(8,439)</u>
Cash and cash equivalents at 31 March	<u>(2,739)</u>	<u>(12,769)</u>

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014****Condensed Consolidated Statement of Cash Flows**

	3 months period ended 31 March	
	2014 RM'000	2013 RM'000
Net Cash Generated From/(Used In) Operating Activities	2,215	(5,566)
Net Cash Generated From Investing Activities	6,345	4,764
Net Cash Used In Financing Activities	(2,795)	(3,528)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>5,765</u>	<u>(4,330)</u>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	(8,504)	(8,439)
<b>CASH AND CASH EQUIVALENTS AT 31 March</b>	<u><u>(2,739)</u></u>	<u><u>(12,769)</u></u>
<b>Cash and Cash Equivalents at 31 March consist of:-</b>		
Cash and bank balances	4,467	4,409
Bank overdrafts	(6,415)	(16,387)
Less: Deposit pledged to the financial institutions	(791)	(791)
	<u><u>(2,739)</u></u>	<u><u>(12,769)</u></u>

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