### INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

#### **Condensed Consolidated Statement of Financial Position**

|   | UNAUDITED<br>AS AT<br>31/12/2015<br>RM'000                  | AUDITED<br>AS AT<br>31/12/2014<br>RM'000                     |
|---|---|--|
| ASSETS<br>Non-current assets  |   |  |
| Property, plant & equipment<br>Investment properties<br>Prepaid lease payments<br>Other investments<br>Deferred tax assets              | 5,537<br>248,367<br>2,482<br>7,077<br><u>295</u><br>263,758 | 6,977<br>243,162<br>2,555<br>21,291<br><u>156</u><br>274,141 |
| Current Assets  |   |  |
| Inventories<br>Receivables, deposits and prepayment<br>Assets classified as held for sale<br>Current tax assets<br>Cash & bank balances | 648<br>8,197<br>-<br>341<br><u>3,508</u><br>12,694          | 1,244<br>11,067<br>6,160<br>509<br>4,766<br>23,746           |
| TOTAL ASSETS  | 276,452   | 297,887  |
| EQUITY AND LIABILITIES<br>Equity attributable to equity holders of the parent<br>Share capital<br>Reserves<br>Total equity              | 87,445<br>29,237<br>116,682                                 | 87,432<br>46,365<br>133,797                                  |
| Non-current liabilities<br>Loan and borrowings<br>Deferred income<br>Deferred tax liabilities   | 116,468<br>1,127<br><u>694</u><br>118,289                   | 108,615<br>1,182<br>468<br>110,265                           |
| Current liabilities<br>Loan and borrowings<br>Payables and accruals<br>Provision for taxation<br>Deferred income                        | 26,563<br>14,813<br>50<br>55<br>41,481                      | 27,659<br>26,020<br>91<br><u>55</u><br>53,825                |
| Total liabilities<br>TOTAL EQUITY AND LIABILITIES   | - <b>276,452</b>  | 164,090<br><b>297,887</b>                                    |
| Net assets per share attributable to ordinary equity holders of the parent (RM)   | 1.33  | 1.53   |

(The Condensed Consolidated Statement of Financial Position should be read in conjuction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements).

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

### INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

The Board of directors is pleased to submit its quarterly report on the consolidated results of the group for the fourth quarter ended 31 December 2015. The figures have not been audited.

Condensed Consolidated Statement of Comprehensive Income

|   | INDIVIDU                                   | AL QUARTER<br>PRECEDING YEAR                     | CUMULAT   | VE QUARTER  |
|---|--|--|---|---|
|   | CURRENT<br>QUARTER<br>31/12/2015<br>RM'000 | CORRESPONDING<br>QUARTER<br>31/12/2014<br>RM'000 | CURRENT<br>YEAR TO DATE<br>31/12/2015<br>RM'000 | PRECEDING YEAR<br>TO DATE<br>31/12/2014<br>RM'000 |
| Continuing Operations   |  |  |   |   |
| Revenue   | 6,557                                      | 8,111  | 27,715  | 28,584  |
| Cost of sales<br>Gross profit   | (1,863)<br>4,694                           | (2,773)<br>5,338                                 | <u>(8,341)</u><br>19,374                        | <u>(9,540)</u><br>19,044                          |
| Interest income   | 34   | -  | 48  | 15  |
| Gain on disposal of investment properties   | -  | -  | 10,476  | 14,427  |
| Other income  | 248  | 140  | 427   | 1,289   |
| Administrative and Distribution expenses  | (2,116)                                    | (5,475)  | (28,074)  | (5,671)   |
| Depreciation of investment properties and PPE   | (1,256)                                    | (1,327)  | (5,076)   | (5,077)   |
| Other expenses  | (146)                                      | (732)  | (2,167)   | (2,213)   |
| Finance costs   | (2,537)                                    | (2,472)  | (10,051)  | (9,418)   |
| (Loss)/Prift before tax   | (1,079)                                    | (4,528)  | (15,043)  | 12,396  |
| Income tax expense  | (426)                                      | (31)   | (1,557)   | (1,059)   |
| (Loss)/Profit for the period  | (1,505)                                    | (4,559)  | (16,600)  | 11,337  |
| Other comprehensive income, net of tax<br>- fair value of available-for-sale financial assets | (528)                                      | 174  | (528)   | 357   |
|   | (2,033)                                    | (4,385)  | (17,128)  | 11,694  |
| Attributable to:<br>Shareholders of the parent<br>minority interests                          | (2,033)                                    | (4,385)  | (17,128)  | 11,694<br>-                                       |
|   | (2,033)                                    | (4,385)  | (17,128)  | 11,694  |
| Earning/(Loss) per share attributables to<br>shareholders of the parent:                      |  |  |   |   |
| Basic earnings/(loss) per ordinary share (sen)  | (1.72)                                     | (5.22)   | (18.99)   | 12.97   |
| Diluted earnings/(loss) per ordinary share (sen)  | (1.44)                                     | (4.40)   | (15.92)   | 10.93   |

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjuction with the audited financial statement for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements).

### INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

Condensed Consolidated Statement of Changes in Equity

|   | <> Attributable to shareholders of the parent<br><> Distributable |                            |                                 |                                |                 |
|---|---|----------------------------|---------------------------------|--------------------------------|-----------------|
|   | Share<br>Capital<br>RM'000  | Share<br>Premium<br>RM'000 | Fair Value<br>Reserve<br>RM'000 | Retained<br>Earnings<br>RM'000 | Total<br>RM'000 |
| At 1 January 2014   | 87,334  | 595                        | -                               | 34,076                         | 122,005         |
| Fair value of available-for-sale financial assets                 | -   | -                          | 357                             | -                              | 357             |
| Profit for the period   | -   | -                          | -                               | 11,337                         | 11,337          |
| Total comprehensive income for the period                         | -   | -                          | 357                             | 11,337                         | 11,694          |
| Shares Issued pursuant to exercise of warrant at RM1.00 per share | 98  | -                          | -                               | -                              | 98              |
| At 31 December 2014   | 87,432  | 595                        | 357                             | 45,413                         | 133,797         |
| At 1 January 2015   | 87,432  | 595                        | 357                             | 45,413                         | 133,797         |
| Fair value of available-for-sale financial assets                 | -   | -                          | (528)                           | -                              | (528)           |
| Loss for the period   | -   | -                          | -                               | (16,600)                       | (16,600)        |
| Total comprehensive income for the period                         | -   | -                          | (528)                           | (16,600)                       | (17,128)        |
| Shares Issued pursuant to exercise of warrant at RM1.00 per share | 13  | -                          | -                               | -                              | 13              |
| At 31 December 2015   | 87,445  | 595                        | (171)                           | 28,813                         | 116,682         |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjuction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements).

### INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

### **Condensed Consolidated Statement of Cash Flows**

| 2015<br>RM000     2014<br>RM000       CASH FLOWS FROM OPERATING ACTIVITIES<br>Net (Loss)Profit before tax     (15,043)     12,396       Adjustment for:     Deprecation and amortisation     5,076     5,077       Interest income     (16,043)     (16,043)     (16,043)       Dividenci income     (10,014)     (16,014)     (16,014)       Dividenci income     (10,0176)     (16,542)     (16,014)       Gain on dispocal of investment properties     (10,0176)     (16,542)     (16,014)       Construction on dispocal of investment properties     (10,0176)     (16,542)     (16,012)  |  | 12 months period ended 31 December |          |  |
|--|--|------------------------------------|----------|--|
| Net (Loss)/Profit before tax     (15,043)     12,396       Adjustment for-     Depreciation and amortisation     5,076     5,077       Interest income     (48)     (15)       Interest expense     10,051     9,418       Dividend income     (206)     (97)       Interest expense     10,051     9,418       Dividend income     (206)     (6,497)       Gain on disposal of Investment properties     (10,476)     (6,482)       Gain on disposal of thest meets the properties     (10,476)     (6,442)       Jentant an equipment written off     -     (4       Urrealized (gain/loss on foreign exchange     12,242     12,244       Decrease/(Increase) in:     Decrease/(Increase) in:     10       Decrease/(Increase) in:     0     (11,207)     10,446       Cash generated from operating activities     3,315     28,321       CASH FLOW FROM INVESTING ACTIVITES     4,659     24,822       Tax (paid)/irefund     (441)     (441)       Net cash (used in) investment     (463)     (433)       Additional to properties, plant & equipment     (4,659)   |  |                                    |          |  |
| Adjustment for-   Depreciation and anontisation   5.076   5.077     Interest income   (48)   (15)     Interest income   (206)   (97)     Impairment of other investment   22.830   -     Cain on disposal of neurosticated other investment properties   -   (8.935)     Loss/Cain) on disposal of other investment properties   -   (8.935)     Loss/Cain) on disposal of other investments   -   (41)     Unrealised (gain)/coss on foreign exchange   (213)   -     Unrealised (locarese) (n:   -   -   (42)     Decreasel (Increase) (n:   -   -   -     Defered income   (55)   (55)   -     Increasel (Decrease) (n:   -   -   -     Defered income   (55)   (55)   -     Tax (pad)/refund   (1,344)   (441)   -     Net cash generated from operating activities   3,315   -   -     Cash generated from operating activities   -   -   -   -     Additional to investment properties   -   -   -   -   -     Additiona   | CASH FLOWS FROM OPERATING ACTIVITIES         |                                    |          |  |
| Depreciation and amortisation     5.076     5.077       Interest income     (44)     (15)       Interest expense     10.051     9.418       Dividend income     (206)     (97)       Impairment of other investment     22.830     -       Gain on disposal of investment properties     -     (6.935)       Loss/(Gain) on disposal of other investments     44     (116)       Property, plant and equipment withen off     -     4       Unrealised (gain)/loss on foreign exchange     (213)     7       Impairment of office equipment     227     -       Operating profit before working capital changes     12.242     12.242       Decrease/(Increase)     586     827       Receivables     3.083     5.356       Increase/(Decrease) In:  | Net (Loss)/Profit before tax                 | (15,043)                           | 12,396   |  |
| Interest income     (48)     (15)       Interest expense     10.051     9.418       Dividend income     (206)     (97)       Impairment of other investment     (26, 422)     (26, 422)       Gain on disposal of asets held for sale     (10.476)     (6, 422)       Gain on disposal of investment properties     -     (8, 935)       Loss/(Cain) on disposal of other investments     -     4       Unrealized (gain)floss on foreign exchange     (213)     -       Unrealized (gain)floss on foreign exchange     (213)     -       Decrease/(Increase) in:     -     4       Decrease/(Increase) in:     -     12.242       Decrease/(Increase) in:     -     (65)       Defered income     (55)     (56)       Payables     (11.207)     10.446       Cash generated from operating activities     3.315     28.321       Tax (paid)/refund     (1.344)     (441)       Net cash generated from operating activities     3.315     28.381       CASH generated from operating activities     (46)     (4733)       Additional to propertise, pl  | Adjustment for:-                             |                                    |          |  |
| Interest expense     10.651     9.418       Dividend income     (206)     (97)       Impairment of other investment     22.830     -       Gain on disposal of seven their properties     -     (8.935)       Loss/(Gain) on disposal of three investments     44     (115)       Property, Jant and equipment written off     -     4       Urrealised (gan/loss on foreign exchange     (213)     7       Inversiting profit before working capital changes     12.242     12.242       Decrease(Increase) in:     596     827       Inversition     596     827       Receivables     3,083     5,356       Increase/(Decrease) in:     596     827       Deference income     (65)     (55)       Tax (paid)/refund     (1,344)     (441)       Net cash generated from operating activities     3,315     28,381       CASH FLOW FROM INVESTING ACTIVITIES     448     (17,269)       Additional to properties, plant & equipment     (40)     (433)       Additional to investment properties     -     12,581       Dividend received   |  | 5,076                              | 5,077    |  |
| Dividend income     (206)     (97)       Impairment of other investment     22.830        Gain on disposal of assets held for sale     (10.476)     (5.482)       Gain on disposal of neisment properties     -     4     (115)       Property, plant and equipment written off     -     4     (115)       Property, plant and equipment written off     -     4     (115)       Inpairment of office equipment     213)     7     Trajairment of office equipment     227     -       Operating profit before working capital changes     12.242     12.248     22.488     22.578       Decreases/(Decrease) in:     1reventories     596     827     7     10.446       Net cash generated from operating activities     4.659     22.822     Tax (paid)/refund     (11.207)     10.446       CASH generated from operating activities     3.315     28.821     7.900     16     17.2691       Interest received     44     17.2691     14.411     14.411     14.411     14.411     14.411     14.411     14.411     14.411     14.411     14.411   |  |                                    | . ,      |  |
| Impaiment of other investment 22.830 -   Gain on disposal of Investment properties (10,476) (5,492)   Gain on disposal of Investments 44 (115)   Deressed (gan/loss on foreign exchange (213) 7   Investige (gan/loss on foreign exchange (213) 7   Operating profit before working capital changes 12.242 12.242   Decrease(Increase) in: 596 827   Investige (Gan/loss on foreign exchange (55) (55)   Decrease(Increase) in: 596 827   Defered income (55) (55)   Payables (11.207) 10.446   Cash generated from operating activities 3.315 28.822   Tax (paid)/refund (1.344) (441)   Net cash generated from operating activities 3.315 28.381   CASH FLOW FROM INVESTING ACTIVITIES (400) (433)   Additional to properties, plant & equipment (40) (433)   Additional to investment properties (41,848) (7.900)   Proceeds from disposal of assets held for sale 7.900 8.556   Proceeds from disposal of assets held for sale 16,636 7.900   Proceeds from disposal of assets held for sale 16,636 7.900   Proceeds fro  |  |                                    |          |  |
| Gain on disposal of vasets held for sale     (10,476)     (5,492)       Gain on disposal of other investments     44     (115)       Property, plant and equipment written off     -     4       Unrealised (gain)/loss on foreign exchange     (213)     7       Impairment of office equipment     227     -       Operating profit before working capital changes     12,242     12,242       Decrease/(horease) in:     556     827       Inventories     556     827       Receivables     3,083     5,356       Increase/(Decrease) in:     0     11,207)     10,446       Cash generated from operating activities     4,659     28,822       Tax (paid)/refund     (1,344)     (441)       Net cash generated from operating activities     3,315     28,821       CASH FLOW FROM INVESTING ACTIVITIES     4659     (433)     (17,289)       Interest received     48     61     15       Dividend received     26     97     200     8,561     6,556       Proceeds from disposal of investment properties     16,636     7,900     8,561   |  |                                    | (97)     |  |
| Gain on disposal of Investment properties-(6,335)Loss/(Gain) on disposal of other investments44(115)Property, plant and equipment written off-44Unrealised (gain)/loss on foreign exchange(213)7Impairment of office equipment227-Operating profit before working capital changes12,24212,248Decrease/(Increase) in:556827Inventories556827Receivables3,0835,356Increase/(Decrease) in:0(55)Determed income(55)(55)Payables(11,207)10,446Cash generated from operating activities4,65928,822Tax (paid)/refund(1,344)(441)Net cash generated from operating activities3,31528,881CASH FLOW FROM INVESTING ACTIVITIES(40)(433)Additional to investment properties(6,866)(17,269)Investment properties(8,856)(17,269)Investment properties(1,814)(29,115)Dividend received20697Acquisition of other investment9,96115,581Proceeds from disposal of investment properties(1,233)(17,669)CASH FLOW FROM FINANCING ACTIVITIES(268)(166)Proceeds from disposal of investment properties(1,231)(17,669)CASH FLOW FROM FINANCING ACTIVITIES(268)(166)Proceeds from disposal of investment properties(1,231)(17,669)CASH FLOW FROM FINANCING ACT   |  |                                    | (5 492)  |  |
| Loss/(Gain) on disposal of other investments   44   (115)     Property, plant and equipment witten off   -   4     Unrealised (gain)/loss on foreign exchange   (213)   7     Impairment of office equipment   227   -     Operating profit before working capital changes   12,242   12,242     Decrease/(Increase) in:   566   827     Receivables   3,083   5,356     Increase/(Decrease) in:   555   (55)     Deferred income   (55)   (55)     Payables   (11,207)   10,446     Cash generated from operating activities   3,315   28,822     Tax (paid)/refund   (1,344)   (441)     Net cash generated from operating activities   3,315   28,381     CASH FLOW FROM INVESTING ACTIVITIES   460   (473)     Additional to investment properties   (40)   (423)     Interest received   48   97     Proceeds from disposal of assets held for sale   7,900     Proceeds from disposal of investment properties   1   1     Interest received   18,498   6,099     Oproceeds from disposal of i   |  | -                                  |          |  |
| Unrealised (gain)/loss on foreign exchange(213)7Impairment of office equipment227-Operating profit before working capital changes12,24212,248Decrease/(Increase) in:596827Receivables3,0835,356Increase/(Decrease) in:596827Deferred income(55)(55)Payables(11,207)10,446Cash generated from operating activities4,65928,822Tax (paid)/refund(1,344)(441)Net cash generated from operating activities3,31528,381CASH FLOW FROM INVESTING ACTIVITIES(405)(1,234)Additional to investment properties(405)(1,434)Additional to investment properties(48)15Dividend received4815Proceeds from disposal of other investment8,5617,900Proceeds from disposal of other investment8,5613,515Net cash (used in) investing activities(1,293)(17,668)CASH FLOW FROM FINANCINES(1,293)(17,668)CASH FLOW FROM FINANCINES(1,293)(17,668)CASH HLOW FROM FINANCINES(1,293)(1,668)Proceeds from disposal of investment properties11Net cash (used in) investing activities(2,669)(16,676)Proceeds from disposal of other investment11Proceeds from disposal of other investment11Repayment of finance lase liability(266)(1,677)Proceeds from disposal  |  | 44                                 |          |  |
| Impairment of office equipment 227 -   Operating profit before working capital changes 12,242 12,248   Decrease/(Increase) in: 596 827   Inventories 596 827   Receivables 3,083 5,356   Increase/(Decrease) in: 0 596   Deferred income (55) (55)   Payables (11,207) 10,446   Cash generated from operating activities 4,659 28,822   Tax (paid)/refund (1,344) (441)   Net cash generated from operating activities 3,315 28,381   CASH FLOW FROM INVESTING ACTIVITIES 48 15   Additional to properties, plant & equipment (8,956) (17,269)   Interest received 48 7,900   Proceeds from disposal of assets held for sale 7,000   Proceeds from disposal of investment 8,961   Proceeds from disposal of other investment 8,961   Proceeds from disposal of other investment 9,97   Proceeds from disposal of other investment 9,861   Proceeds from disposal of other investment 9,861   Proceeds from disposal of other investment 9,97   Proceeds from disposal of other investment 9,8961   Repayment of finance lease  | Property, plant and equipment written off    | -                                  |          |  |
| Operating profit before working capital changes 12,242 12,248   Decrease/(Increase) in:<br>Inventories 596 827   Receivables 3,083 5,356   Increase/(Decrease) in:<br>Deferred income (55) (55)   Payables (11,207) 10,446   Cash generated from operating activities 4,659 28,822   Tax (paid)/refund (1,344) (441)   Net cash generated from operating activities 3,315 28,381   CASH FLOW FROM INVESTING ACTIVITIES (400) (433)   Additional to properties, plant & equipment (400) (433)   Additional to properties, plant & equipment (4,956) (17,269)   Interest received 48 15   Dividend received 206 7,900   Proceeds from disposal of other investment 7,900   Proceeds from disposal of other investment properties 12,581   Net cash (used in) investing activities (1,233) (17,668)   CASH FLOW FROM FINANCING ACTIVITIES (268) (4,166)   Regargement of finance lease liability (268) (4,166)   Drawdown term loan (1,477) (9,477)   Increase/(Decrease) in placement of deposit pledged (164) (12,833)   Redeem term loan (1,677)   |  |                                    | 7        |  |
| Decrease/(Increase) in:<br>Inventories596827Receivables3,0835,356Increase/(Decrease) in:<br>Deferred income(55)(55)Payables(11,207)10,446Cash generated from operating activities4,65928,822Tax (paid)/refund(1,344)(441)Net cash generated from operating activities3,31528,821CASH FLOW FROM INVESTING ACTIVITIES(400)(433)Additional to properties, plant & equipment(400)(433)Additional to properties, plant & equipment(400)(4733)Additional to properties, plant & equipment(400)(4733)Additional to investment properties(48)15Dividend received20697Acquisition of other investment(41)(41)Proceeds from disposal of assets held for sale16,6367.900Proceeds from disposal of investment properties-12,581Net cash (used in) investing activities(1,293)(17,668)CASH FLOW FROM FINANCING ACTIVITIES(166)6,309Redewn term loan(1,617)-Interest paid(10,051)(9,437)Repayment of finance lease liability(18,489)(16,09)Drawdown term loan(1,617)-Interest paid(10,051)(9,437)(12,433)Repayment of tim loan(16,17)-Increase/(Decrease) in placement of deposit pledged16498Net cash (used in) financing activities(2,608)(14  | Impairment of office equipment               | 227                                | -        |  |
| Invertories596827Receivables3,0835,356Increase/(Decrease) in:<br>Deferred income(55)(55)Payables(11,207)10,446Cash generated from operating activities4,65928,822Tax (paid)/refund(1,344)(441)Net cash generated from operating activities3,31528,381CASH FLOW FROM INVESTING ACTIVITIES(40)(433)Additional to properties, plant & equipment(40)(433)Interest received4815Dividend received20697Acquisition of other investment(8,956)(17,269)Proceeds from disposal of asets held for sale16,6367,900Proceeds from disposal of other investment8,9617,900Proceeds from disposal of investment properties-12,581CASH FLOW FROM FINANCING ACTIVITIES(468)8,099Repayment of finance lease liability(268)(166)Drawdown term loan(16,177)(9,418)Repayment of rem loan(16,177)(9,418)Repayment of rem loan(16,177)(9,418)Repayment of rem loan(16,177)(9,418)Repayment of rem loan(13,207)(14,633)Net decrease in cash and cash equivalents(2,698)(14,633)Net decrease in cash and cash equivalents(2,698)(14,633)Net decrease in cash and cash equivalents(3,520)(2,628)Cash and cash equivalents at 1 January(12,224)(8,504)  |  | 12,242                             | 12,248   |  |
| Increase/(Decrease) in:<br>Deferred income(55)(55)Payables(11,207)10,446Cash generated from operating activities4,65928,822Tax (paid)/refund(1,344)(441)Net cash generated from operating activities3,31528,81CASH FLOW FROM INVESTING ACTIVITIES<br>Additional to investment properties(400)(433)Additional to investment properties(400)(433)Interest received2069Dividend received2069Proceeds from disposal of assets held for sale16,6367,900Proceeds from disposal of investment properties112,581Net cash (used in) investing activities(1,293)(17,668)CASH FLOW FROM FINANCING ACTIVITIES<br>Repayment of finance lease liability<br>Drawdown term loan<br>Interest paid<br>(10,051)(166)<br>  |  | 596                                | 827      |  |
| Deferred income(55)(55)Payables(11,207)10,446Cash generated from operating activities4,65928,822Tax (paid)/refund(1,344)(441)Net cash generated from operating activities3,31528,381CASH FLOW FROM INVESTING ACTIVITIES(40)(433)Additional to properties, plant & equipment(40)(433)Additional to investment properties(8,956)(17,269)Interest received20697Acquisition of other investment(18,148)(29,115)Proceeds from disposal of assets held for sale-12,581Proceeds from disposal of assets held for sale-12,581Net cash (used in) investing activities(1,293)(17,668)CASH FLOW FROM FINANCING ACTIVITIES(268)(166)Repayment of finance lease liability(268)(166)Drawdown term loan(1,617)9,418)Repayment of term loan(1,617)9,418)Repayment of term loan(14,633)(12,433)Increase/(Decrease) in placement of deposit pledged16498Net cash (used in) innacting activities(2,698)(14,633)Net decrease in cash and cash equivalents(3,520)(24,63)Net decrease in cash and cash equivalents(6,76)(3,920)Cash and cash equivalents at 1 January(12,424)(8,504)   | Receivables                                  | 3,083                              | 5,356    |  |
| Deferred income(55)(55)Payables(11,207)10,446Cash generated from operating activities4,65928,822Tax (paid)/refund(1,344)(441)Net cash generated from operating activities3,31528,381CASH FLOW FROM INVESTING ACTIVITIES(40)(433)Additional to properties, plant & equipment(40)(433)Additional to investment properties(8,956)(17,269)Interest received20697Acquisition of other investment(18,148)(29,115)Proceeds from disposal of assets held for sale-12,581Proceeds from disposal of assets held for sale-12,581Net cash (used in) investing activities(1,293)(17,668)CASH FLOW FROM FINANCING ACTIVITIES(268)(166)Repayment of finance lease liability(268)(166)Drawdown term loan(1,617)9,418)Repayment of term loan(1,617)9,418)Repayment of term loan(14,633)(12,433)Increase/(Decrease) in placement of deposit pledged16498Net cash (used in) innacting activities(2,698)(14,633)Net decrease in cash and cash equivalents(3,520)(24,63)Net decrease in cash and cash equivalents(6,76)(3,920)Cash and cash equivalents at 1 January(12,424)(8,504)   | Increase//Decrease) in:                      |                                    |          |  |
| Payables(11,207)10,446Cash generated from operating activities4,65928,822Tax (paid)/refund(1,344)(441)Net cash generated from operating activities3,31528,381CASH FLOW FROM INVESTING ACTIVITIES(40)(433)Additional to properties, plant & equipment(40)(433)Additional to investment properties(40)(433)Interest received20697Acquisition of other investment(18,148)(29,115)Proceeds from disposal of assets held for sale16,6367,900Proceeds from disposal of investment properties-12,581Net cash (used in) investing activities(1,293)(17,668)CASH FLOW FROM FINANCING ACTIVITIES(268)(166)Repayment of finance lease liability(268)(166)Drawdown term loan(1,617)-Increase/(Decrease) in placement of deposit pledged164Proceeds from conversion of warrants to shares1398Net cash (used in) financing activities(2,698)(14,633)Net cash (used in) financing activities(2,698)(14,633)Net cash (used in) financing activities(2,698)(14,633)Net cash used in finance lease liability(3,920)(268)CASH FLOW FROM FINANCING ACTIVITIES(413)98Net cash (used in) financing activities(2,698)(14,633)Net cash (used in) financing activities(2,698)(14,633)Net cash (used in) financing activities(2,698) <td></td> <td>(55)</td> <td>(55)</td> |  | (55)                               | (55)     |  |
| Tax (paid)/refund(1,344)(441)Net cash generated from operating activities3,31528,381CASH FLOW FROM INVESTING ACTIVITIES<br>Additional to properties, plant & equipment<br>Additional to investment properties(40)<br>(433)<br>(17,269)<br>(17,269)<br>(18,148)(433)<br>(17,269)<br>(17,269)<br>(18,148)Dividend received<br>Dividend received206<br>(29,115)<br>(29,115)<br>Proceeds from disposal of assets held for sale<br>Proceeds from disposal of assets held for sale<br>Proceeds from disposal of investment<br>Proceeds from disposal of investment properties(1,293)<br>(17,668)Net cash (used in) investing activities(1,293)<br>(17,668)(17,668)CASH FLOW FROM FINANCING ACTIVITIES<br>Repayment of finance lease liability<br>Drawdown tern loan<br>Redeem term loan<br>(16,617)<br>(10,051)<br>(10,051)<br>(10,051)<br>(10,051)<br>(10,051)<br>(10,051)<br>(10,051)<br>(10,051)<br>(12,433)(166)<br>(12,433)<br>(12,433)Net cash (used in) financing activities(2,698)<br>(14,633)(14,633)<br>(12,424)<br>(12,424)Net cash (used in) financing activities(2,698)<br>(14,633)(14,633)<br>(12,320)   | Payables                                     |                                    | . ,      |  |
| Tax (paid)/refund(1,344)(441)Net cash generated from operating activities3,31528,381CASH FLOW FROM INVESTING ACTIVITIES<br>Additional to properties, plant & equipment<br>Additional to investment properties(40)<br>(433)<br>(17,269)<br>(17,269)<br>(18,148)(433)<br>(17,269)<br>(17,269)<br>(18,148)Dividend received<br>Dividend received206<br>(29,115)<br>(29,115)<br>Proceeds from disposal of assets held for sale<br>Proceeds from disposal of assets held for sale<br>Proceeds from disposal of investment<br>Proceeds from disposal of investment properties(1,293)<br>(17,668)Net cash (used in) investing activities(1,293)<br>(17,668)(17,668)CASH FLOW FROM FINANCING ACTIVITIES<br>Repayment of finance lease liability<br>Drawdown tern loan<br>Redeem term loan<br>(16,617)<br>(10,051)<br>(10,051)<br>(10,051)<br>(10,051)<br>(10,051)<br>(10,051)<br>(10,051)<br>(10,051)<br>(12,433)(166)<br>(12,433)<br>(12,433)Net cash (used in) financing activities(2,698)<br>(14,633)(14,633)<br>(12,424)<br>(12,424)Net cash (used in) financing activities(2,698)<br>(14,633)(14,633)<br>(12,320)   | Cash generated from operating activities     | 4.659                              | 28.822   |  |
| CASH FLOW FROM INVESTING ACTIVITIES     Additional to properties, plant & equipment     Additional to investment properties     Interest received     Dividend received     Acquisition of other investment     Proceeds from disposal of assets held for sale     Proceeds from disposal of other investment     Proceeds from disposal of investment properties     Proceeds from disposal of investment properties     Vectors     Vectors     Repayment of finance lease liability     Drawdown term loan     Interest paid     Repayment of term loan     Interest paid     Proceeds from conversion of warrants to shares     Net cash (used in) financing activities     Out cash (used in) financing activities     Out cash (used in) financing activities     Out cash (used in) financing activities     Additional     (268)     (10,051)     (9,437)     Interest paid     (9,437)     Interest paid     Proceeds from conversion of   |  |                                    | ,        |  |
| Additional to properties, plant & equipment(40)(433)Additional to investment properties(40)(433)Interest received(8,956)(17,269)Dividend received20697Acquisition of other investment(18,148)(29,115)Proceeds from disposal of assets held for sale16,6367,900Proceeds from disposal of other investment8,9618,556Proceeds from disposal of investment properties-12,581Net cash (used in) investing activities(1,293)(17,668)CASH FLOW FROM FINANCING ACTIVITIES(268)(166)Repayment of finance lease liability(268)(166)Drawdown term loan(1,617)-Interest paid(10,051)(9,418)Repayment of term loan(164)(413)Proceeds from conversion of warrants to shares1398Net cash (used in) financing activities(2,698)(14,633)Net cash (used in) financing activities(2,698)(14,633)Net decrease in cash and cash equivalents(676)(3,920)Cash and cash equivalents at 1 January(12,424)(8,504)  | Net cash generated from operating activities | 3,315                              | 28,381   |  |
| Additional to properties, plant & equipment(40)(433)Additional to investment properties(40)(433)Interest received(8,956)(17,269)Dividend received20697Acquisition of other investment(18,148)(29,115)Proceeds from disposal of assets held for sale16,6367,900Proceeds from disposal of other investment8,9618,556Proceeds from disposal of investment properties-12,581Net cash (used in) investing activities(1,293)(17,668)CASH FLOW FROM FINANCING ACTIVITIES(268)(166)Repayment of finance lease liability(268)(166)Drawdown term loan(1,617)-Interest paid(10,051)(9,418)Repayment of term loan(164)(413)Proceeds from conversion of warrants to shares1398Net cash (used in) financing activities(2,698)(14,633)Net cash (used in) financing activities(2,698)(14,633)Net decrease in cash and cash equivalents(676)(3,920)Cash and cash equivalents at 1 January(12,424)(8,504)  | CASH FLOW FROM INVESTING ACTIVITIES          |                                    |          |  |
| Additional to investment properties(8,956)(17,269)Interest received20697Acquisition of other investment20697Acquisition of other investment(18,148)(29,115)Proceeds from disposal of assets held for sale16,6367,900Proceeds from disposal of other investment8,9618,556Proceeds from disposal of investment properties-12,581Net cash (used in) investing activities(1,293)(17,668)CASH FLOW FROM FINANCING ACTIVITIES(268)(166)Repayment of finance lease liability(268)(166)Drawdown term loan(16,17)-Interest paid(10,051)(9,418)Repayment of term loan(10,051)(12,833)Increase/(Decrease) in placement of deposit pledged164(413)Proceeds from conversion of warrants to shares1398Net cash (used in) financing activities(2,698)(14,633)Net cash and cash equivalents(676)(3,920)Cash and cash equivalents at 1 January(12,424)(8,504)   |  | (40)                               | (433)    |  |
| Dividend received20697Acquisition of other investment(18,148)(29,115)Proceeds from disposal of assets held for sale16,6367,900Proceeds from disposal of other investment8,961.Proceeds from disposal of investment properties.12,581Net cash (used in) investing activities(1,293)(17,668)CASH FLOW FROM FINANCING ACTIVITIES(268)(166)Drawdown term loan(1,617).Interest paid(10,051)(9,418)Repayment of france lease liability(16,677).Interest paid(10,051)(9,418)Repayment of term loan(1,617).Increase/(Decrease) in placement of deposit pledged164(413)Proceeds from conversion of warrants to shares13.Net cash (used in) financing activities(2,698)(14,633)Net cash (used in) financing activities(2,698)(14,633)Net decrease in cash and cash equivalents(676)(3,920)Cash and cash equivalents at 1 January(12,424)(8,504)  |  | (8,956)                            |          |  |
| Acquisition of other investment(18,148)(29,115)Proceeds from disposal of assets held for sale16,6367,900Proceeds from disposal of other investment8,961-Proceeds from disposal of investment properties-12,581Net cash (used in) investing activities(1,293)(17,668)CASH FLOW FROM FINANCING ACTIVITIES(268)(166)Repayment of finance lease liability(268)(166)Drawdown term loan(1,617)-Interest paid(10,051)(9,418)Repayment of term loan(14,031)Increase/(Decrease) in placement of deposit pledged13Proceeds from conversion of warrants to shares13Net cash (used in) financing activities(2,698)(14,633)Net decrease in cash and cash equivalents(676)(3,920)Cash and cash equivalents at 1 January(12,424)(8,504)   | Interest received                            | -                                  |          |  |
| Proceeds from disposal of assets held for sale16,6367,900Proceeds from disposal of other investment8,96112,581Proceeds from disposal of investment properties12,58112,581Net cash (used in) investing activities(1,293)(17,668)CASH FLOW FROM FINANCING ACTIVITIES(268)(166)Repayment of finance lease liability(268)(166)Drawdown term loan(1,617)9,418)Repayment of term loan(10,051)(9,418)Interest paid(10,051)(12,833)Increase/(Decrease) in placement of deposit pledged164(413)Proceeds from conversion of warrants to shares1398Net cash (used in) financing activities(2,698)(14,633)Net decrease in cash and cash equivalents(676)(3,920)Cash and cash equivalents at 1 January(12,424)(8,504)   |  |                                    |          |  |
| Proceeds from disposal of other investment<br>Proceeds from disposal of investment properties8,961<br>-8,556<br>12,581Net cash (used in) investing activities(1,293)(17,668)CASH FLOW FROM FINANCING ACTIVITIES<br>Repayment of finance lease liability(268)<br>18,498(166)<br>8,099<br>(1,617)Drawdown term Ioan<br>Net cest paid(1,617)<br>(10,051)(10,051)<br>(9,418)Repayment of term Ioan<br>Increase/(Decrease) in placement of deposit pledged<br>Proceeds from conversion of warrants to shares13Net cash (used in) financing activities(2,698)(14,633)Net cash (used in) financing activities(2,698)(14,633)Net decrease in cash and cash equivalents<br>Cash and cash equivalents at 1 January(12,424)(3,920)<br>(12,424)  | •  |                                    |          |  |
| Proceeds from disposal of investment properties-12,581Net cash (used in) investing activities(1,293)(17,668)CASH FLOW FROM FINANCING ACTIVITIES<br>Repayment of finance lease liability(268)<br>(166)(166)<br>(8,099)Drawdown term loan<br>Redeem term loan<br>Interest paid(1,617)<br>(10,051)(19,418)<br>(12,833)Repayment of term loan<br>Increase/(Decrease) in placement of deposit pledged<br>Proceeds from conversion of warrants to shares13(14,633)Net cash (used in) financing activities(2,698)(14,633)Net decrease in cash and cash equivalents<br>Cash and cash equivalents at 1 January(12,424)(3,920)<br>(3,920)  |  |                                    |          |  |
| Net cash (used in) investing activities(1,293)(17,668)CASH FLOW FROM FINANCING ACTIVITIES<br>Repayment of finance lease liability(268)<br>(166)(166)<br>(8,099)Drawdown term Ioan<br>Redeem term Ioan<br>Interest paid(1,617)<br>(10,051)(9,418)<br>(12,833)Repayment of term Ioan<br>Increase/(Decrease) in placement of deposit pledged<br>Proceeds from conversion of warrants to shares(14,13)<br>(413)Net cash (used in) financing activities(2,698)(14,633)Net cash (used in) financing activities(3,920)<br>(3,920)<br>(2ash and cash equivalents at 1 January(12,424)(8,504)   |  | -                                  |          |  |
| CASH FLOW FROM FINANCING ACTIVITIES   (268)   (166)     Drawdown term loan   18,498   8,099     Redeem term loan   (1617)   -     Interest paid   (10,051)   (9,437)     Repayment of term loan   (10,051)   (12,833)     Increase/(Decrease) in placement of deposit pledged   164   (413)     Proceeds from conversion of warrants to shares   13   98     Net cash (used in) financing activities   (2,698)   (14,633)     Net decrease in cash and cash equivalents   (676)   (3,920)     Cash and cash equivalents at 1 January   (12,424)   (8,504)  |  |                                    |          |  |
| Repayment of finance lease liability(268)(166)Drawdown term Ioan18,4988,099Redeem term Ioan(1,617)-Interest paid(10,051)(9,418)Repayment of term Ioan(9,437)(12,833)Increase/(Decrease) in placement of deposit pledged164(413)Proceeds from conversion of warrants to shares1398Net cash (used in) financing activities(2,698)(14,633)Net decrease in cash and cash equivalents(676)(3,920)Cash and cash equivalents at 1 January(12,424)(8,504)  | Net cash (used in) investing activities      | (1,293)                            | (17,668) |  |
| Repayment of finance lease liability(268)(166)Drawdown term Ioan18,4988,099Redeem term Ioan(1,617)-Interest paid(10,051)(9,418)Repayment of term Ioan(9,437)(12,833)Increase/(Decrease) in placement of deposit pledged164(413)Proceeds from conversion of warrants to shares1398Net cash (used in) financing activities(2,698)(14,633)Net decrease in cash and cash equivalents(676)(3,920)Cash and cash equivalents at 1 January(12,424)(8,504)  | CASH FLOW FROM FINANCING ACTIVITIES          |                                    |          |  |
| Drawdown term Ioan18,4988,099Redeem term Ioan(1,617)-Interest paid(10,051)(9,418)Repayment of term Ioan(9,437)(12,833)Increase/(Decrease) in placement of deposit pledged164(413)Proceeds from conversion of warrants to shares1398Net cash (used in) financing activities(2,698)(14,633)Net decrease in cash and cash equivalents(676)(3,920)Cash and cash equivalents at 1 January(12,424)(8,504)  |  | (268)                              | (166)    |  |
| Interest paid(10,051)(9,418)Repayment of term loan(9,437)(12,833)Increase/(Decrease) in placement of deposit pledged164(413)Proceeds from conversion of warrants to shares1398Net cash (used in) financing activities(2,698)(14,633)Net decrease in cash and cash equivalents(676)(3,920)Cash and cash equivalents at 1 January(12,424)(8,504)   |  |                                    |          |  |
| Repayment of term loan(9,437)(12,833)Increase/(Decrease) in placement of deposit pledged164(413)Proceeds from conversion of warrants to shares1398Net cash (used in) financing activities(2,698)(14,633)Net decrease in cash and cash equivalents(676)(3,920)Cash and cash equivalents at 1 January(12,424)(8,504)   |  |                                    | -        |  |
| Increase/(Decrease) in placement of deposit pledged164(413)Proceeds from conversion of warrants to shares1398Net cash (used in) financing activities(2,698)(14,633)Net decrease in cash and cash equivalents(676)(3,920)Cash and cash equivalents at 1 January(12,424)(8,504)  |  |                                    |          |  |
| Proceeds from conversion of warrants to shares   13   98     Net cash (used in) financing activities   (2,698)   (14,633)     Net decrease in cash and cash equivalents   (676)   (3,920)     Cash and cash equivalents at 1 January   (12,424)   (8,504)  |  |                                    |          |  |
| Net cash (used in) financing activities(2,698)(14,633)Net decrease in cash and cash equivalents(676)(3,920)Cash and cash equivalents at 1 January(12,424)(8,504)   |  |                                    |          |  |
| Net decrease in cash and cash equivalents(676)(3,920)Cash and cash equivalents at 1 January(12,424)(8,504)   |  | 10                                 | 30       |  |
| Cash and cash equivalents at 1 January (12,424) (8,504)  | Net cash (used in) financing activities      | (2,698)                            | (14,633) |  |
| Cash and cash equivalents at 1 January (12,424) (8,504)  | Net decrease in cash and cash equivalents    | (676)                              | (3,920)  |  |
| Cash and cash equivalents at 31 December (13,100) (12,424)   |  |                                    |          |  |
|  | Cash and cash equivalents at 31 December     | (13,100)                           | (12,424) |  |

(The Condensed Consolidated Statement of Cash Flows should be read in conjuction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements).

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

### INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

### **Condensed Consolidated Statement of Cash Flows**

|  | 12 months period ended 31 December |          |  |
|--|------------------------------------|----------|--|
|  | 2015                               | 2014     |  |
|  | RM'000                             | RM'000   |  |
| Net Cash Generated From Operating Activities           | 3,315                              | 28,381   |  |
| Net Cash Generated From/(Used In) Investing Activities | (1,293)                            | (17,668) |  |
| Net Cash Used In Financing Activities                  | (2,698)                            | (14,633) |  |
| NET CHANGE IN CASH AND CASH EQUIVALENTS                | (676)                              | (3,920)  |  |
| CASH AND CASH EQUIVALENTS AT 1 JANUARY                 | (12,424)                           | (8,504)  |  |
| CASH AND CASH EQUIVALENTS AT 31 DECEMBER               | (13,100)                           | (12,424) |  |
| Cash and Cash Equivalents at 31 December consist of:-  |                                    |          |  |
| Cash and bank balances                                 | 3,069                              | 4,353    |  |
| Deposit with a licensed bank                           | 439                                | 413      |  |
| Bank overdrafts  | (15,568)                           | (15,986) |  |
| Less: Deposit pledged to the financial institutions    | (1,040)                            | (1,204)  |  |
|  | (13,100)                           | (12,424) |  |

(The Condensed Consolidated Statement of Cash Flows should be read in conjuction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements).

# **RAPID SYNERGY BERHAD**

(Company No. 325935-U) (Incorporated in Malaysia)

### NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

# Selected explanatory notes pursuant to Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting

A1 Basis of preparation

These condensed consolidated interim financial reports, for the period ended 31 December 2015, have been prepared in accordance with MFRS 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 31 December 2014. The explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2014.

A2 Significant Accounting Policies

The significant accounting policies and methods of computation applied in the interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2014 except for the adoption of the following with effect from 1 January 2015:

# MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014

- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)
- Amendments to MFRS 3, Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)
- Amendments to MFRS 8, Operating Segments (Annual Improvements 2010-2012 Cycle)
- Amendments to FRS 13, Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)
- Amendments to MFRS 116, Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 119, Employee Benefits Defined Benefit Plans: Employee Contributions
- Amendments to MFRS 124, Related Party disclosures (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 138, Intangible Assets (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 140, Investment Property (Annual Improvements 2011-2013 Cycle)

The following revised MFRSs and Amendments to MFRSs applicable to the Group have been issued by the MASB and are not yet effective for adoption by the Group.

# MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

- Amendments to MFRS 5, Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements to MFRSs 2012-2014 Cycle)
- Amendments to MFRS 7, Financial Instruments; Disclosures (Annual Improvements 2012-2014 Cycle)

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 10, Consolidated Financial Statements, MFRS 12, Disclosure of Interests in Other Entities and MFRS 128, Investments in Associates and Joint Ventures Investment Entities: Applying the Consolidation Exception
- Amendments to MFRS 11, Joint Arrangements Accounting for Acquisitions of Interests in Joint Operations
- MFRS 14, Regulatory Deferral Accounts#
- Amendments MFRS 101, Presentation of Financial Statements: Disclosures Initiative
- Amendments to MFRS 116 and MFRS 138, Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to MFRS 119, Employee Benefits (Annual Improvements 2012 2014 Cycle)
- Amendments to MFRS 127, Separate Financial Statements Equity Method in Separate Financial Statements
- Amendments to MFRS 134, Interim Financial Reporting (Annual Improvements 2012 2014 Cycle)

# MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, Financial Instruments (IFRS 9 as issued by IASB in July 2014)
- MFRS 15, Revenue from Contracts with Customers

The adoption of the above standards and amendments are not expected to have any material financial impact to the Group upon their first adoption other than MFRS 9, Financial Instruments and MFRS 15, Revenue from Contracts with Customers.

- A3 Auditors' Report on Preceding Annual Financial Statements The auditors' report on the audited financial statements for the financial year ended 31 December 2014 was not qualified.
- A4 Seasonal or cyclical factors The Group's operations were not affected by any significant seasonal or cyclical factors in the current quarter.
- A5 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 2015.
- A6 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 2015.
- A7 Debts and equity securities Save as disclosed below, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter.

Issuance of Shares

For the current quarter ended 31 December 2015, the issued and paid up share capital has increased from 87,440,400 ordinary shares of RM1.00 each in Rapid Synergy Berhad to 87,445,500 shares by conversion of warrants to shares as follows:

Number of Shares Issued 5,100 Price per share (RM) 1.00

#### A8 Dividend

There was no dividend payment made for the current guarter under review.

#### Α9 Segmental Reporting

The segment information for business segments predominantly conducted in Malaysia for the financial period ended 31 December 2015 and 31 December 2014 are as follows:-

## **Business Segment**

| 12 Months ended<br>31 Dec 2015 | Manufacturing<br>RM'000 | Investment<br>Holding<br>RM'000 | Restaurant<br>RM'000 | Consolidated<br>RM'000 |  |
|--------------------------------|-------------------------|---------------------------------|----------------------|------------------------|--|
| Revenue                        | 10,910                  | 16,679                          | 126                  | 27,715                 |  |
| Result                         |                         |                                 |                      |                        |  |
| Segment results                | 651                     | (5,131)                         | (512)                | (4,992)                |  |
| Interest expense               |                         |                                 |                      | (10,051)               |  |
|                                |                         |                                 |                      |                        |  |
| Loss before taxation           |                         |                                 |                      | (15,043)               |  |

Loss before taxation

| 12 Months ended<br>31 Dec 2014 | Manufacturing<br>RM'000 | Investment<br>Holding<br>RM'000 | Restaurant<br>RM'000 | Consolidated<br>RM'000 |
|--------------------------------|-------------------------|---------------------------------|----------------------|------------------------|
| Revenue                        | 10,936                  | 17,464                          | 184                  | 28,584                 |
| Result                         |                         |                                 |                      |                        |
| Segment results                | (583)                   | 23,348                          | (951)                | 21,814                 |
| Interest expense               |                         |                                 |                      | (9,418)                |
| Profit before<br>taxation      |                         |                                 |                      | 12,396                 |

- A10 Valuations of property, plant and equipment The valuations of property, plant and equipment have been brought forward without amendments from the financial statements for the year ended 31 December 2014.
- A11 Material events subsequent to balance sheet date There were no material events subsequent to the end of the period under review to 15 February 2016.
- A12 Changes in the composition of the Group There were no changes to the composition of the Group for the current quarter under review.
- A13 Changes in contingent liabilities or contingent assets as at 31 December 2015

| Unsecured:  |         |
|---|---------|
| Corporate guarantee issued to banks for credit facilities | RM′000  |
| granted to subsidiary companies                           | 101,000 |

A14 Property, plant and equipment

There were no significant acquisitions for the current guarter ended 31 December 2015 except for the acquisition of investment properties with costs of RM6.16 million.

### A15 Capital commitments

There was no capital commitments during the current quarter ended 31 December 2015.

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

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

| Segment   | 3 months ended<br>31.12.2015 31.12.2014<br>RM'000 RM'000 |                  | .2015 31.12.2014 31.12.2015 31.12.2014 |                   |
|---|--|------------------|--|-------------------|
| Manufacturing division<br>Revenue<br>Profit/(Loss) before taxation      | 2,504<br>374   | 2,913<br>(441)   | 10,910<br>22                           | 10,936<br>(1,039) |
| Investment holding division<br>Revenue<br>(Loss)/Profit before taxation | 4,027<br>(1,191)   | 5,168<br>(3,692) | 16,679<br>(14,618)                     | 17,464<br>14,386  |
| Restaurant division<br>Revenue<br>Loss before taxation                  | 26<br>(262)  | 30<br>(395)      | 126<br>(447)                           | 184<br>(951)      |
| Total<br>Revenue<br>(Loss)/Profit before taxation                       | 6,557<br>(1,079)   | 8,111<br>(4,528) | 27,715<br>(15,043)                     | 28,584<br>12,396  |

For the current financial quarter, the group recorded revenue of RM6.56 million, a decrease of RM1.55 million as compared to RM8.11 million in the preceding year corresponding quarter. The Group recorded loss before tax of RM1.08 million in the current quarter as compared to loss before tax of RM4.53 million in the previous year corresponding quarter. The contributory factors to the above performances are explained in the respective operating business segments as follows:

Manufacturing division recorded revenue of RM2.50 million in the current financial quarter, a decrease of RM0.41 million as compared to RM2.91 million recorded in the preceding year corresponding quarter. The pretax profit recorded in the current quarter was RM0.37 million compared to loss before tax of RM0.44 million in the preceding year corresponding quarter. The decreased in revenue were mainly contributed by lower orders from customers. The improvement result was mainly due to increase efficiency of production processes.

The investment holding division recorded revenue of RM4.03 million for the current quarter against RM5.17 million in the preceding year corresponding quarter. Despite the lower revenue recorded which was mainly due to decrease in rental received, the division achieved slight improvement to the results. The division recorded loss before tax of RM1.19 million in the current financial quarter against loss before tax of RM3.69 million in preceding year corresponding quarter. The higher loss before tax recorded in the preceding year corresponding quarter was mainly due to no recognition of gain in the disposal of properties.

The restaurant division recorded about the same revenue of RM0.03 million in the current quarter compared to the preceding year corresponding quarter. The loss before tax recorded in the current quarter was RM0.26 million compared to loss before tax of RM0.40 million recorded in the preceding year corresponding quarter. The slight improved to the loss before tax in the current quarter compared to the preceding year corresponding quarter was mainly due to lower operating expenses.

B2 Material changes in profit before tax for the current quarter compared to immediate preceding quarter

For the current financial quarter the group recorded revenue of RM6.56 million, a decrease of RM0.1 million compared to RM6.66 million recorded in the immediate preceding quarter. The group recorded loss before tax of RM1.08 million compared to profit before tax of RM1.35 million in the immediate preceding quarter. The contributory factors to the above performances are explained in the respective operating business segments as follows :

|                               | 3 months ended |            |  |  |
|-------------------------------|----------------|------------|--|--|
| Segment                       | 31.12.2015     | 30.09.2015 |  |  |
|                               | RM `000        | RM `000    |  |  |
| Manufacturing division        |                |            |  |  |
| Revenue                       | 2,504          | 2,452      |  |  |
| Profit/(Loss) before taxation | 374            | (60)       |  |  |
|                               |                |            |  |  |
| Investment holding division   |                |            |  |  |
| Revenue                       | 4,027          | 4,177      |  |  |
| (Loss)/Profit before taxation | (1,191)        | 1,468      |  |  |
|                               |                |            |  |  |
| Restaurant division           | 26             | 24         |  |  |
| Revenue                       | 26             | 34         |  |  |
| Loss before taxation          | (262)          | (62)       |  |  |
| Total                         |                |            |  |  |
|                               | 6 557          | 6 662      |  |  |
| Revenue                       | 6,557          | 6,663      |  |  |
| (Loss)/Profit before taxation | (1,079)        | 1,346      |  |  |

Manufacturing division recorded a revenue RM2.50 million in the current quater compared to RM2.45 million in the immediate preceding quarter. The manufacturing division recorded profit before tax of RM0.37 million in the current quarter compared to loss before tax of RM0.06 million in the immediate preceding quarter. The improvement result was mainly due to increase in order from customers coupled with increase in production efficiencies.

The investment holding division recorded revenue of RM4.03 million in the current quarter compared to RM4.18 million in the immediate preceding quarter. The lower revenue recorded in the current quarter compared to the immediate preceding quarter was mainly due to decrease in rental received. The investment holding division recorded loss before tax of RM1.19 million compared to profit before tax of RM1.47million in the immediate preceding quarter. The profit before tax recorded in the immediate preceding quarter was mainly due to gain in disposal of properties.

The restaurant division recorded a revenue RM0.03 million in the current quarter and loss before tax of RM0.26 million. The increase loss before tax recorded in the current quarter was mainly due to impairment of equipment.

### B3 Prospects for the year 2016

The business environment for 2016 remains challenging given the intensifying competition and prevailing global economic condition. The manufacturing division performance would be dependent on the orders from existing customers and the expected gradual recovery of the global economy.

The retail business in Malaysia remains challenging due to unfavorable global economic condition coupled with depreciation of the Malaysian Ringgit which resulted increase of costs of imported material and implementation of goods and service tax in April 2015 has reduced the power of consumer spending. The above situation would have impact on the rental income received by the investment holding division.

### B4 Profit forecast

Not applicable as no profit forecast was published.

### B5 Profit/(Loss) before taxation

Profit/(Loss) before taxation is arrived at after crediting/ (charging) the following income/ (expenses):

|   | 3 months ended |            | 12 month   | ns ended   |
|---|----------------|------------|------------|------------|
|   | 31.12.2015     | 31.12.2014 | 31.12.2015 | 31.12.2014 |
|   | RM′000         | RM′000     | RM′000     | RM′000     |
| (a) Profit on disposal of investment properties | -              | -          | 10,476     | 14,427     |
| (b) Interest expense                            | (2,537)        | (2,472)    | (10,051)   | (9,418)    |
| (c) Interest income                             | 34             | -          | 48         | 15         |
| (d) Allowance for write (down)/back of          |                |            |            |            |
| inventories                                     | 424            | 8          | (85)       | 8          |
|   |                | (-)        |            |            |
| (e) (Loss)/Profit on foreign exchange-realised  | 108            | (5)        | 213        | -          |
| -unrealised                                     | 119            | 59         | 213        | (7)        |
| (f) Depreciation and amortisation               | (1,256)        | (1,327)    | (5,076)    | (5,077)    |
| (g) Impairment of other investment              | (501)          | -          | (22,830)   | -          |
| Tax expense                                     |                |            |            |            |
|   | 3 month        | c ondod    | 12 month   | nc and ad  |
|   | 5 1101101      | s enueu    |            |            |

|                      | 3 month    | 3 months ended |            | hs ended   |
|----------------------|------------|----------------|------------|------------|
|                      | 31.12.2015 | 31.12.2014     | 31.12.2015 | 31.12.2014 |
|                      | RM′000     | RM′000         | RM′000     | RM′000     |
| Income tax expense   |            |                |            |            |
| -Current             | 321        | 186            | 1,244      | 1,212      |
| -Prior year          | 3          | 16             | 226        | 24         |
| Deferred tax expense |            |                |            |            |
| -Current             | (17)       | (52)           | (32)       | (58)       |
| -Prior year          | 119        | (119)          | 119        | (119)      |
|                      | 426        | 31             | 1,557      | 1,059      |
|                      |            |                |            |            |

The effective tax rates for the current quarter is higher than the statutory tax rate mainly due to unqualified expenses being disallowed for taxation purposes.

- B7 Profits/ (Losses) on sale of unquoted investments and/or properties There were no profits/losses on sale of unquoted investment and/or properties in the current quarter ended 31 December 2015.
- B8 Marketable securities

B6

Total acquisition and disposal of quoted shares for the current quarter and financial year to date ended 31 December 2015 are as follows:-

|                   | Current Quarter | Year to date |
|-------------------|-----------------|--------------|
|                   | RM'000          | RM′000       |
| Total acquisition | Nil             | 18,148       |
| Total disposal    | Nil             | (9,004)      |

Investments in quoted securities as at 31 December 2015 were as follows:

|                             | RM′000   |
|-----------------------------|----------|
| Shares quoted in Malaysia:- |          |
| Balance at 1 January 2015   | 21,031   |
| Acquisition                 | 18,148   |
| Disposal                    | (9,004)  |
| Impairment loss             | (22,570) |
| Fair value adjustment       | (528)    |
|                             |          |
| Balance at 31 December 2015 | 7,077    |

# B9 Status of corporate proposals There were no corporate proposals for the current quarter ended 31 December 2015.

## B10 Borrowing and debts securities

|   | 31 December 2015<br>RM'000 |
|---|----------------------------|
| Current<br>Overdraft<br>Term Ioan - secured | 15,567<br>10,996           |
| Non-current<br>Term Ioan - secured          | 116,468                    |
|   | 110,408                    |

The above borrowings are denominated in Ringgit Malaysia.

- B11 Off balance sheet financial instruments The Group does not have any financial instruments with off balance sheet risk as at 15 February 2016.
- B12 Changes in material litigation

On 6 January 2003, Rapid Mall Sdn Bhd (RM) 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. On 14 August 2014, RPT had entered into Deed of Settlement with one of the guarantors for the indebted sum of RM1.84 million to be settled in full by 12 instalments and the final instalment to be paid on or before 14 September 2015. The guarantor had paid RM919,000 part payment of the amount owing and had defaulted by failing to make the monthly payment of RM100,000 per month from 14 December 2014 onwards. Following which RPT has issued a notice of demand and shall continue the bankruptcy proceeding against the guarantor. On 18 February 2016, the court has instructed the guarantor and RPT to file and serve Written Submission simultaneously by 23-03-2016.

# B13 Dividends

No dividend has been recommended for the quarter under review;

B14 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 |            | 12 months ended |            |
|---|----------------|------------|-----------------|------------|
|   | 31.12.2015     | 31.12.2014 | 31.12.2015      | 31.12.2014 |
| Net profit/(loss) for the period attributable to    |                |            |                 |            |
| owners of the Company (RM'000)                      | (1,505)        | (4,559)    | (16,600)        | 11,337     |
| Weighted average number of ordinary shares in issue | 87,436,732     | 87,334,350 | 87,436,732      | 87,383,254 |
| Basic earnings/(loss) per share (sen)               | (1.72)         | (5.22)     | (18.99)         | 12.97      |

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

|  | 3 month<br>31.12.2015    | ns ended<br>31.12.2014   | 12 montl<br>31.12.2015   | hs ended<br>31.12.2014   |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Net profit/(loss) for the period<br>attributable to owners of the<br>Company (RM'000)      | (1,505)                  | (4,559)                  | (16,600)                 | 11,337                   |
|  |                          |                          |                          |                          |
| Weighted average number of ordinary<br>shares in issue<br>Adjustments for warrants granted | 87,436,732<br>16,808,047 | 87,334,350<br>16,341,776 | 87,436,732<br>16,808,047 | 87,383,254<br>16,341,776 |
| Adjusted weighted average number of<br>ordinary shares in issue                            | 104,244,779              | 103,676,126              | 104,244,779              | 103,725,030              |
| Diluted earnings/(loss) per share<br>(sen)   | (1.44)                   | (4.40)                   | (15.92)                  | 10.93                    |

# B15 Authorisation for issue

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

# B16 Realised & Unrealised Profit/Losses Disclosure

The retained profits as at 31 December 2015 and 31 December 2014 is analysed as follows:

|  | 31.12.2015<br>RM'000 | 31.12.2014<br>RM′000 |
|--|----------------------|----------------------|
| The retained profits of RSB and its subsidiaries:          |                      |                      |
| - Realised   | 37,231               | 54,757               |
| -Unrealised  | 136                  | 300                  |
|  | 37,367               | 55,057               |
| Less: Consolidation adjustments                            | (8,554)              | (9,644)              |
| Total Group retained profits as per consolidated financial |                      |                      |
| statements   | 28,813               | 45,413               |

By order of the Board LEE CHIEW HIANG Executive Director Penang Date: 22 February 2016