

RAPID SYNERGY BERHAD

(Company No. 325935-U)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016**Condensed Consolidated Statement of Financial Position**

	UNAUDITED AS AT 30/09/2016 RM'000	AUDITED AS AT 31/12/2015 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	4,679	5,536
Investment properties	245,452	248,368
Prepaid lease payments	2,427	2,482
Other investments	7,077	7,077
Deferred tax assets	285	295
	<u>259,920</u>	<u>263,758</u>
Current Assets		
Inventories	1,145	648
Receivables, deposits and prepayment	10,459	8,197
Current tax assets	485	341
Asset held for sale	487	-
Cash & bank balances	4,556	3,508
	<u>17,132</u>	<u>12,694</u>
TOTAL ASSETS	<u>277,052</u>	<u>276,452</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	87,457	87,445
Reserves	28,483	29,237
Total equity	<u>115,940</u>	<u>116,682</u>
Non-current liabilities		
Loan and borrowings	110,259	116,468
Deferred income	1,085	1,127
Deferred tax liabilities	631	694
	<u>111,975</u>	<u>118,289</u>
Current liabilities		
Loan and borrowings	36,985	26,563
Payables and accruals	11,771	14,813
Provision for taxation	326	50
Deferred income	55	55
	<u>49,137</u>	<u>41,481</u>
Total liabilities	<u>161,112</u>	<u>159,770</u>
TOTAL EQUITY AND LIABILITIES	<u>277,052</u>	<u>276,452</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.33	1.33

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements).

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

The Board of directors is pleased to submit its quarterly report on the consolidated results of the group for the third quarter ended 30 September 2016. The figures have not been audited.

Condensed Consolidated Statement of Comprehensive Income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 30/09/2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2015 RM'000	CURRENT YEAR TO DATE 30/09/2016 RM'000	PRECEDING YEAR TO DATE 30/09/2015 RM'000
Continuing Operations				
Revenue	7,106	6,663	19,416	21,158
Cost of sales	(2,194)	(2,138)	(5,738)	(6,478)
Gross profit	<u>4,912</u>	<u>4,525</u>	<u>13,678</u>	<u>14,680</u>
Interest income	-	1	-	14
Gain on disposal of investment properties	458	1,928	2,021	10,476
Other income	904	56	1,016	179
Administrative and Distribution expenses	(1,131)	(757)	(3,186)	(25,958)
Depreciation of investment properties and PPE	(1,249)	(1,270)	(3,755)	(3,820)
Other expenses	(525)	(593)	(1,630)	(2,020)
Finance costs	(2,574)	(2,544)	(7,730)	(7,514)
Profit/(Loss) before tax	<u>795</u>	<u>1,346</u>	<u>414</u>	<u>(13,963)</u>
Income tax expense	(545)	(459)	(1,168)	(1,131)
Profit/(Loss) for the period	<u>250</u>	<u>887</u>	<u>(754)</u>	<u>(15,094)</u>
Other comprehensive income, net of tax - fair value of available-for-sale financial assets	-	-	-	-
	<u>250</u>	<u>887</u>	<u>(754)</u>	<u>(15,094)</u>
Attributable to:				
Shareholders of the parent	250	887	(754)	(15,094)
minority interests	-	-	-	-
	<u>250</u>	<u>887</u>	<u>(754)</u>	<u>(15,094)</u>
Earning/(Loss) per share attributable to shareholders of the parent:				
Basic earnings/(loss) per ordinary share (sen)	0.29	1.01	(0.86)	(17.26)
Diluted earnings/(loss) per ordinary share (sen)	0.24	0.85	(0.72)	(14.48)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statement for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements).

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016**Condensed Consolidated Statement of Changes in Equity**

	<-----Attributable to shareholders of the parent----->		<----- Non-distributable-----> Distributable		
	Share Capital RM'000	Share Premium RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	Total RM'000
At 1 January 2015	87,432	595	357	45,413	133,797
Fair value of available-for-sale financial assets	-	-	(357)	-	(357)
Loss for the period	-	-	-	(15,094)	(15,094)
Total comprehensive income for the period	-	-	(357)	(15,094)	(15,451)
Shares Issued pursuant to exercise of warrant at RM1.00 per share	8	-	-	-	8
At 30 September 2015	<u>87,440</u>	<u>595</u>	<u>-</u>	<u>30,319</u>	<u>118,354</u>
At 1 January 2016	87,445	595	(171)	28,813	116,682
Fair value of available-for-sale financial assets	-	-	-	-	-
Loss for the period	-	-	-	(754)	(754)
Total comprehensive income for the period	-	-	-	(754)	(754)
Shares Issued pursuant to exercise of warrant at RM1.00 per share	12	-	-	-	12
At 30 September 2016	<u>87,457</u>	<u>595</u>	<u>(171)</u>	<u>28,059</u>	<u>115,940</u>

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016**Condensed Consolidated Statement of Cash Flows**

	9 months period ended 30 September	
	2016	2015
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	414	(15,309)
Adjustment for:-		
Depreciation and amortisation	3,755	2,550
Dividend received	(18)	-
Interest income	-	(13)
Interest expense	7,730	4,970
Impairment of other investment	-	22,219
Gain on disposal of Investment properties	(2,021)	(8,548)
Operating profit before working capital changes	9,860	5,869
Decrease/(Increase) in:		
Inventories	(497)	266
Receivables	(2,262)	(1,201)
Increase/(Decrease) in:		
Deferred income	(41)	(28)
Payables	(3,042)	(7,039)
Cash generated from/(used in) operating activities	4,018	(2,133)
Tax (paid)/refund	(1,039)	(492)
Net cash generated from/(used in) operating activities	2,979	(2,625)
CASH FLOW FROM INVESTING ACTIVITIES		
Additional to properties, plant & equipment	(4)	(26)
Additional to investment properties	(2,020)	(272)
Dividend received	18	-
Interest received	-	13
Acquisition of other investment	-	(18,148)
Proceeds from disposal of other investment	3,629	9,117
Proceeds from disposal of investment properties	-	12,136
Net cash generated from investing activities	1,623	2,820
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of finance lease liability	(209)	(135)
Drawdown term loan	4,312	11,455
Redeem term loan	-	(615)
Interest paid	(7,730)	(4,970)
Repayment of term loan	(8,873)	(5,019)
Proceeds from conversion of warrants to shares	12	1
Net cash (used in)/generated from financing activities	(12,488)	717
Net (decrease)/increase in cash and cash equivalents	(7,886)	912
Cash and cash equivalents at 1 January	(13,099)	(12,424)
Cash and cash equivalents at 30 September	(20,985)	(11,512)

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements).

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	9 months period ended 30 September	
	2016	2015
	RM'000	RM'000
Net Cash Generated From/(Used In) Operating Activities	2,979	(2,625)
Net Cash Generated From Investing Activities	1,623	2,820
Net Cash (Used In)/Generated From Financing Activities	(12,488)	717
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(7,886)</u>	<u>912</u>
CASH AND CASH EQUIVALENTS AT 1 JANUARY	(13,099)	(12,424)
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	<u><u>(20,985)</u></u>	<u><u>(11,512)</u></u>
Cash and Cash Equivalents at 30 September consist of:-		
Cash and bank balances	4,556	4,404
Deposit with a licensed bank		-
Bank overdrafts	(24,501)	(14,712)
Less: Deposit pledged to the financial institutions	(1,040)	(1,204)
	<u><u>(20,985)</u></u>	<u><u>(11,512)</u></u>

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