

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

Condensed Consolidated Statement of Financial Position

	UNAUDITED AS AT 30/09/2017 RM'000	AUDITED AS AT 31/12/2016 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	3,197	3,389
Investment properties	256,162	245,566
Prepaid lease payments	2,354	2,409
Other investments	8,455	8,455
Deferred tax assets	271	282
	<u>270,439</u>	<u>260,101</u>
<b>Current Assets</b>		
Inventories	833	896
Receivables, deposits and prepayment	9,077	5,054
Current tax assets	107	419
Cash & bank balances	5,667	3,697
	<u>15,684</u>	<u>10,066</u>
<b>TOTAL ASSETS</b>	<u><u>286,123</u></u>	<u><u>270,167</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	106,896	87,457
Reserves	31,234	29,234
<b>Total equity</b>	<u>138,130</u>	<u>116,691</u>
<b>Non-current liabilities</b>		
Loan and borrowings	111,282	106,502
Deferred income	1,030	1,071
Deferred tax liabilities	600	600
	<u>112,912</u>	<u>108,173</u>
<b>Current liabilities</b>		
Loan and borrowings	26,581	31,039
Payables and accruals	8,377	14,137
Provision for taxation	68	72
Deferred income	55	55
	<u>35,081</u>	<u>45,303</u>
<b>Total liabilities</b>	<u>147,993</u>	<u>153,476</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>286,123</u></u>	<u><u>270,167</u></u>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	<b>1.29</b>	<b>1.33</b>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements).

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

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 2017. The figures have not been audited.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Individual Period (3rd quarter)		Changes in Amount	Changes in %	Cumulative Period		Changes in Amount	Changes in %
	Current Year Quarter	Preceding Year Corresponding Quarter			Current Year To- date	Preceding Year Corresponding Period		
	31/9/2017	30/09/2016			30/09/2017	30/09/2016		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Continuing Operations</b>								
Revenue	9,070	7,106	1,964	28	22,810	19,416	3,394	17
Cost of sales	(3,091)	(2,194)	(897)	41	(6,986)	(5,738)	(1,248)	22
Gross profit	5,979	4,912	1,067	22	15,824	13,678	2,146	16
Interest income	17	-	17	-	38	-	38	-
Gain from disposal of investment properties	-	458	(458)	(100)	3,527	2,021	1,506	75
Other income	23	904	(881)	(97)	93	1,016	(923)	91
Administrative and Distribution expenses	(1,616)	(1,131)	(485)	43	(4,216)	(3,186)	(1,030)	32
Depreciation of investment properties and PPE	(985)	(1,249)	264	21	(3,252)	(3,755)	503	13
Other expenses	(570)	(525)	(45)	9	(1,689)	(1,630)	(59)	4
Finance costs	(2,399)	(2,574)	175	7	(7,250)	(7,730)	480	6
Profit before taxation	449	795	(346)	(44)	3,075	414	2,661	643
Income tax expense	(251)	(545)	294	54	(1,075)	(1,168)	93	8
Profit/(Loss) for the period	198	250	(52)	(21)	2,000	(754)	2,754	365
Other comprehensive income, net of tax - fair value of available-for-sale financial assets	-	-	-	-	-	-	-	-
	198	250	(52)	(21)	2,000	(754)	2,754	365
Attributable to:								
Shareholders of the parent	198	250	(52)	(21)	2,000	(754)	2,754	365
minority interests	-	-	-	-	-	-	-	-
	198	250	(52)	(21)	2,000	(754)	2,754	365
<b>Earning/(Loss) per share attributable to shareholders of the parent:</b>								
Basic earnings/(loss) per ordinary share (sen)	0.19	0.29			1.99	(0.86)		
Diluted earnings/(loss) per ordinary share (sen)	-	0.24			-	(0.72)		

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statement for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements).

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

Condensed Consolidated Statement of Changes in Equity

	←-----Attributable to shareholders of the parent-----→				Total RM'000
	←-----Non-distributable-----→		Distributable		
	Share Capital RM'000	Share Premium RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	
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	87,457	595	(171)	28,059	115,940
At 1 January 2017	87,457	595	1,468	27,171	116,691
Other comprehensive income - fair value of available-for-sale financial assets	-	-	-	-	-
Profit for the period	-	-	-	2,000	2,000
Total comprehensive income for the period	-	-	-	2,000	2,000
Shares Issued pursuant to exercise of warrant at RM1.00 per share	19,439	-	-	-	19,439
At 30 September 2017	106,896	595	1,468	29,171	138,130

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements).

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**

**Condensed Consolidated Statement of Cash Flows**

Note	9 months period ended 30 September 2017 RM'000	2016 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before tax	3,075	414
Adjustment for:-		
Depreciation and amortisation	3,252	3,755
Dividend received	(18)	(18)
Interest income	38	
Interest expense	7,250	7,730
Gain from disposal of Investment properties	(3,527)	(2,021)
Operating profit before working capital changes	<u>10,070</u>	<u>9,860</u>
Decrease/(Increase) in:		
Inventories	63	(497)
Receivables, deposits and prepayment	(4,023)	(2,262)
Increase/(Decrease) in:		
Deferred income	(41)	(41)
Payables and accruals	(5,760)	(3,042)
Cash generated from operating activities	<u>309</u>	<u>4,018</u>
Tax (paid)/refund	(1,735)	(1,039)
Net cash (used in)/generated from operating activities	<u>(1,426)</u>	<u>2,979</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received	(38)	-
Dividend received	18	18
Acquisition of:		
- property, plant and equipment	(208)	(4)
- investment properties	(15,844)	(2,020)
Proceeds from disposal of other investment	-	3,629
Proceeds from disposal of investment properties	6,957	-
Net cash (used in)/generated from investing activities	<u>(9,115)</u>	<u>1,623</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of finance lease liability	(217)	(209)
Interest paid	(7,250)	(7,730)
Redemption of term loan	(8,353)	-
Drawdown of term loan	21,999	4,312
Repayment of term loan	(9,368)	(8,873)
Proceeds from conversion of warrants to shares	19,439	12
Placement of pledged deposit	(14)	-
Net cash generated from/(used in) financing activities	<u>16,236</u>	<u>(12,488)</u>
Net increase/(decrease) in cash and cash equivalents	<u>5,695</u>	<u>(7,886)</u>
Cash and cash equivalents at 1 January	<u>(15,430)</u>	<u>(13,099)</u>
Cash and cash equivalents at 30 September	<u>(9,735)</u>	<u>(20,985)</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 THIRD QUARTER ENDED 30 SEPTEMBER 2017**

**Condensed Consolidated Statement of Cash Flows**

	9 months period ended 30 September	
	2017	2016
	RM'000	RM'000
Net Cash (Used In)/Generated From Operating Activities	(1,426)	2,979
Net Cash (Used In)/Generated From Investing Activities	(9,115)	1,623
Net Cash Generated From/(Used In) Financing Activities	16,236	(12,488)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>5,695</u>	<u>(7,886)</u>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	(15,430)	(13,099)
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>	<u><u>(9,735)</u></u>	<u><u>(20,985)</u></u>
<b>Cash and Cash Equivalents at 30 September consist of:-</b>		
Cash and bank balances	5,667	6,574
Bank overdrafts	(14,327)	(22,246)
Less: Deposit pledged to the financial institutions	<u>(1,075)</u>	<u>(1,040)</u>
	<u><u>(9,735)</u></u>	<u><u>(16,712)</u></u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements).

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER IN RESPECT OF FINANCIAL YEAR ENDING 31 DECEMBER 2017 – UNAUDITED**

**Part A: 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 30 September 2017, 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 statement of the Group for the financial year ended 31 December 2016. 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 2016.

**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 2016 except for the newly issued Malaysian Financial Reporting Standards (“MFRS”) and amendments to standards to be applied by all Entities Other Than Private Entities for the financial periods beginning on or after 1 January 2017:

- Amendments to MFRS 12 Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014-2016 Cycle)
- Amendments to MFRS 107 Statement of Cash Flows - Disclosure Initiative
- Amendments to MFRS 112 Income Taxes - Recognition of Deferred Tax Assets for Unrealised losses

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 2018**

- MFRS 9 Financial Instruments (2014)
- MFRS 15 Revenue from Contracts with Customers
- Clarifications to MFRS 15 Revenue from Contracts with Customers

(Incorporated in Malaysia)

- Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards
- Amendments to MFRS 2 Share-based Payment - Classification and Measurement of Share-based Payment Transactions
- Amendments to MFRS 128 Investments in Associates and Joint Ventures
- Amendments to MFRS 140 Investment Property - Transfers of Investment Property
- IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

**MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019**

- MFRS 16 Leases
- IC Interpretations 23 Uncertainty over Income Tax Treatments

**MFRSs, Interpretations and amendments effective for a date yet to be confirmed**

- Amendments to MFRS 10 Consolidated Financial Statements
- MFRS 128 Investment in Associates and Joint Ventures - Sale or Contribution by Assets between an Investor and its Associate or Joint Venture

The adoption of the above standards and amendments are not expected to have any material financial impact to the Group.

**A3 Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the audited financial statements for the financial year ended 31 December 2016 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.

(Incorporated in Malaysia)

**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 during the current third quarter ended 30 September 2017 in respect of financial year ending 31 December 2017 ("Q3 FY17").

**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 30 September 2017.

**A7 Debts and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter and financial year-to-date.

**A8 Dividend**

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

**A9 Segmental Reporting**

	3 Months ended Q3 FY17	Manufacturing RM'000		Investment Holding RM'000		Restaurant RM'000		Consolidated RM'000	
		2017	2016	2017	2016	2017	2016	2017	2016
<b>Revenue</b>		4,747	3,306	4,323	3,800	-	-	9,070	7,106
<b>Results</b>									
Segment results		978	563	1,870	2,806	-	-	2,848	3,369
Interest expense		(154)	(184)	(2,245)	(2,390)	-	-	(2,399)	(2,574)
								449	795



(Incorporated in Malaysia)

9 Months ended Q3 FY17	Manufacturing RM'000		Investment Holding RM'000		Restaurant RM'000		Consolidated RM'000	
	2017	2016	2017	2016	2017	2016	2017	2016
<b>Revenue</b>	10,772	7,367	12,038	12,024	-	25	22,810	19,416
<b>Results</b>								
Segment results	1,751	214	8,574	8,005	-	(75)	10,325	8,144
Interest expense	(395)	(526)	(6,855)	(7,204)	-	-	(7,250)	(7,730)
							3,075	414

#### A10 Valuations of property, plant and equipment

The valuations of property, plant and equipment have been brought forward without amendments from the audited financial statements for the financial year ended 31 December 2016.

#### A11 Material events subsequent to balance sheet date

There were no material events subsequent to the end of the period under review to 17 November 2017.

#### A12 Changes in the composition of the Group

There were no changes in the composition of the Group subsequent to the end of the period under review to 17 November 2017.

#### A13 Changes in contingent liabilities or contingent assets as at 30 September 2017

The contingent liabilities / assets as at 30 September 2017 is as tabulated:

Unsecured:	RM '000
Corporate guarantee issued to banks for credit facilities granted to subsidiary companies	105,340

(Incorporated in Malaysia)

**A14 Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation, amortisation and impairment losses.

**A15 Capital commitments**

There was no capital commitment during the current quarter ended 30 September 2017.

**Part B: Additional information required under Part A of Appendix 9B of Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

**B1 Group's Financial Performance Review and Segmental Analysis**

(a) Overall review of Group's financial performance

Segment	3 months ended 30 September			
	Current year quarter 3Q FY17	Preceding Year Corresponding Quarter 3Q FY16	Changes in amount RM'000	Changes in %
<b>Manufacturing</b>				
Revenue	4,747	3,306	1,441	44
Operating profit/(loss)	824	380	444	117
Profit Before Interest and Tax	978	563	415	74
Profit/(Loss) Before Tax	824	380	444	117
Profit/(Loss) After taxation	619	191	428	224
<b>Investment holding</b>				
Revenue	4,323	3,800	523	14
Operating profit/(loss)	(375)	415	(790)	(190)
Profit/(Loss) Before Interest and Tax	1,870	2,806	(936)	(33)
Profit/(Loss) Before Tax	(375)	415	(790)	(190)
Profit/(Loss) After taxation	(421)	59	(480)	(814)
<b>Restaurant</b>				
Revenue	-	-	-	-
Operating profit/(loss)	-	-	-	-
Profit/(Loss) Before Interest and Tax	-	-	-	-
Profit/(Loss) Before Tax	-	-	-	-
Profit/(Loss) After taxation	-	-	-	-

(Incorporated in Malaysia)

Segment	3 months ended 30 September			
	Current year quarter 3Q FY17	Preceding Year Corresponding Quarter 3Q FY16	Changes in amount RM'000	Changes in %
<b>Total</b>				
Revenue	9,070	7,106	1,964	28
Operating profit/(loss)	449	795	(346)	(44)
Profit/(Loss) Before Interest and Tax	2,848	3,369	(521)	(15)
Profit/(Loss) Before Tax	449	795	(346)	(44)
Profit/(Loss) After taxation	198	250	52	(21)

Segment	9 months ended 30 September			
	Current year quarter 3Q FY17	Preceding year corresponding quarter 3Q FY16	Changes in amount RM'000	Changes in %
<b>Manufacturing</b>				
Revenue	10,772	7,367	3,405	46
Operating profit/(loss)	1,356	(311)	1,667	536
Profit Before Interest and Tax	1,671	204	1,467	719
Profit/(Loss) Before Tax	1,356	(311)	1,667	536
Profit/(Loss) After taxation	864	(526)	1,390	264
<b>Investment holding</b>				
Revenue	12,038	12,024	14	0
Operating profit/(loss)	1,719	800	919	115
Profit/(Loss) Before Interest and Tax	8,654	8,015	639	8
Profit/(Loss) Before Tax	1,719	800	919	115
Profit/(Loss) After taxation	1,136	(153)	1,289	842
<b>Restaurant</b>				
Revenue	-	25	-	-
Operating profit/(loss)	-	(75)	-	-
Profit/(Loss) Before Interest and Tax	-	(75)	-	-
Profit/(Loss) Before Tax	-	(75)	-	-
Profit/(Loss) After taxation	-	(75)	-	-

(Incorporated in Malaysia)

Segment	9 months ended 30 September			
	Current year quarter 3Q FY17	Preceding year corresponding quarter 3Q FY16	Changes in amount RM'000	Changes in %
<b>Total</b>				
Revenue	22,810	19,416	3,394	15
Operating profit/(loss)	3,075	414	2,661	87
Profit/(Loss) Before Interest and Tax	10,325	8,144	2,181	21
Profit/(Loss) Before Tax	3,075	414	2,661	87
Profit/(Loss) After taxation	2,000	(754)	2,754	138

(i) Statement of Profit or Loss and Other Comprehensive Income

The Group recorded revenue of RM9.07 million for Q3 FY17, an increase of RM1.96 million from RM7.11 million reported in the preceding year corresponding quarter with growth attributed to both key operating divisions of manufacturing and investment holding. Group profit before tax ("PBT") was RM0.45 million compared to RM0.80 million reported for Q3 FY16. The drop in PBT was due to non-availability of other income from capitalization of investment property during the quarter under review.

For the nine months ended 30 September 2017, the Group recorded revenue of RM22.81 million and PBT of RM3.08 million against revenue of RM19.42 million and PBT of RM0.41 million for the corresponding period in FY16. The increase in revenue was contributed by manufacturing division arising from higher orders from existing customers whilst higher PBT was contributed by both key operating divisions.

(ii) Statement of Financial Position

As at 30 September 2017, total equity attributable to owners of the Company increased to RM138.13 million from RM116.69 as at FY16 mainly due to issuance of new ordinary shares arising from conversion of warrants and retained earnings for the period ended 30 September 2017. Total borrowings of the Group increased to RM146.04 million against RM143.03 million as at FY16 mainly due to drawdown of term loan

(iii) Statement of Cash Flows

As a result of increase in revenue, the net operating cash flows used in operations of the Group was RM1.43 million for the nine months ended 30 September 2017 against surplus of RM2.98 million for the corresponding period in 2016 mainly due to full settlement of payables owing to a building contractor.

(Incorporated in Malaysia)

The net cash used in investing activities increased to RM9.12 million against RM1.62 million generated from investing activities during period ended 3Q FY16. However, net cash generated from financing activities increased to RM16.24 million against RM12.49 million net cash used in financing activities in the corresponding period in 2016. On overall, cash and cash equivalents increased by RM5.7 million as compared with opening cash and cash equivalents as at 1 January 2017.

**(b) Segmental Analysis**

**(i) Current quarter compared with previous corresponding quarter**

The manufacturing division recorded a revenue and PBT of RM4.75 million and RM0.82 million compared with RM3.31 million and RM0.38 million respectively in the preceding year corresponding quarter. The overall improvement in performance of the division is attributed to higher orders received from existing customers.

The investment holding division recorded a revenue of RM4.32 million for the current quarter, a marginal increase of RM0.52 million from RM3.80 million in the preceding year corresponding quarter. The increase in revenue was mainly due to procurement of new tenants for existing investment properties. However, the investment holding division results were reduced to loss before tax of RM0.37 million against PBT of RM0.41 million in preceding year corresponding quarter. The PBT achieved in preceding year corresponding quarter was due to gain in disposal of investment property.

**(ii) Current nine (9) months financial period compared with previous corresponding financial period**

The Group recorded revenue of RM22.81 million as compared to RM19.42 million in the previous corresponding period. The Group PBT for the current nine months is RM3.08 million as compared to RM0.41 million recorded in the previous corresponding period. The performance of the Group is explained in the respective operating segments as follows.

The manufacturing division recorded a revenue of RM10.77 million compared with RM7.37 million achieved in the previous year corresponding period. The PBT was RM1.36 million against loss before tax of RM0.31 million for the previous year corresponding period. The overall improvement in performance of the manufacturing division was attributed to higher orders received from existing customers.

The investment holding division recorded a revenue and PBT of RM12.04 million and RM1.72 million respectively. Although the revenue recorded is fairly close to the previous corresponding period, PBT grew significantly by RM0.92 million from RM0.80 million recorded in the previous corresponding period. The improved in the PBT was due to higher gain from disposal of investment property.

(Incorporated in Malaysia)

**B2 Financial review for current quarter compared with immediate preceding quarter**

The Group posted revenue of RM9.07 million in respect of the current financial quarter, an increase of RM1.70 million from RM7.37 million recorded in the immediate preceding quarter. However, the Group PBT shrank to RM0.45 million compared to RM1.50 million reported in the immediate preceding quarter. The contributory factors to the above performance are explained in the respective business segments as follows:

	Current Quarter 30.09.2017 RM'000	Immediate Preceding Quarter 30.06.2017 RM'000	Changes in amount RM'000	Changes in %
<b>Manufacturing</b>				
Revenue	4,747	3,354	1,393	42
Operating Profit	824	497	327	66
Profit before Interest and Tax	978	580	398	69
Profit before Tax	824	497	327	66
Profit after Tax	619	215	404	188
<b>Investment holding</b>				
Revenue	4,323	4,014	309	8
Operating Profit/(Loss)	(375)	1,003	(1,378)	(137)
Profit before Interest and Tax	1,870	3,262	(1,392)	(43)
Profit/(Loss) before Tax	(375)	1,003	(1,378)	(137)
Profit/(Loss) after Tax	(421)	735	(1,156)	(157)
<b>Total</b>				
Revenue	9,070	7,368	1,702	23
Operating Profit	449	1,500	(1,051)	(70)
Profit before Interest and Tax	2,848	3,872	(994)	(26)
Profit before Tax	449	1,500	(1,051)	(70)
Profit after Tax	198	950	(752)	(79)

(Incorporated in Malaysia)

- (a) The manufacturing division recorded revenue of RM4.75 million and PBT of RM0.82 million in the current quarter compared to RM3.35 million and RM0.50 million in the immediate preceding quarter respectively. The higher revenue and corresponding PBT in the quarter under review was mainly due to increase in orders from existing customers.
- (b) The investment holding division reported revenue of RM4.32 million in the current quarter, an increase of RM0.31 million from RM4.01 million in the immediate preceding quarter. The increase in revenue was mainly due to procurement of new tenants for existing investment properties. However, the division reported loss before tax for the current quarter of RM0.38 million compared to PBT of RM0.74 million recorded in the immediate preceding quarter. The PBT recorded in the immediate preceding quarter was mainly due to gain from disposal of investment property.

### **B3 Current Year Prospects**

The manufacturing division's performance is still very much dependent on continued orders from existing customers and are expected to contribute positively for the current financial year in line with improvements seen in the semiconductor industry.

The main revenue stream for the Group is from the investment holding division which is derived through rental income from investment properties.

The retail business in Malaysia remains tough due to unfavorable global economic conditions, inflationary impact from general increase in cost of living which has reduced the purchasing powers tremendously coupled with depreciation of the Malaysian Ringgit. The continued dismal outlook will be a challenge to the investment holding division to maintain its tenancies.

### **B4 Profit forecast**

This was not applicable as no profit forecast was published.

(Incorporated in Malaysia)

**B5 Profit/(Loss) before taxation**

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

	3 months ended		9 months ended	
	30.09.2017 RM'000	30.09.2016 RM'000	30.09.2017 RM'000	30.09.2016 RM'000
(a) Gain on disposal of investment properties	-	458	3,527	2,021
(b) Interest expense	(2,401)	(2,574)	(7,250)	(7,730)
(c) Interest income	17	-	38	-
(d) Allowance for write (down)/back of inventories	(75)	-	(225)	(21)
(e) Gain/(loss) on foreign exchange				
- realised	-	(8)	48	118
- unrealised	(34)	26	(17)	(183)
(f) Depreciation and amortisation	(985)	(1,246)	(3,252)	(3,755)

**B6 Tax expense**

	3 months ended		9 months ended	
	30.09.2017 RM'000	30.09.2016 RM'000	30.09.2017 RM'000	30.09.2016 RM'000
Income tax expense				
-Current	248	571	1,065	1,163
-Prior year	-	25	-	58
Deferred tax expense				
-Current	3	(51)	10	(53)
	251	545	1,075	1,168



(Incorporated in Malaysia)

The effective tax rate for the current quarter is higher than the statutory tax rate mainly due to certain expenses which are not tax deductible.

**B7 Gain/(losses) on sale of unquoted investments and/or properties**

There were no gain or loss on sale of unquoted investment and/or properties in the current quarter ended 30 September 2017.

**B8 Marketable securities**

There were no purchase or disposal of quoted securities during the current quarter ended 30 September 2017.

**B9 Status of corporate proposals**

There were no corporate proposals for the current quarter ended 30 September 2017.

**B10 Borrowing and debts securities**

All borrowings of the Group are denominated in Ringgit Malaysia.

	As at third quarter ended 2017 (RM'000)		
	Long Term	Short Term	Total Borrowings
Bank Overdraft	-	14,327	14,327
Bank Loan	110,971	12,115	123,086
Finance Lease Liability	311	139	450
Total	111,282	26,581	137,863

	As at third quarter ended 2016 (RM'000)		
	Long Term	Short Term	Total Borrowings
Bank Overdraft	-	23,301	23,301
Bank Loan	109,734	12,269	122,003
Finance Lease Liability	525	215	740
Total	110,259	35,785	146,044

(Incorporated in Malaysia)

**B11 Off balance sheet financial instruments**

The Group does not have any financial instruments with off-balance sheet risk as at 17 November 2017.

**B12 Changes in material litigation**

There were no material litigation during the current quarter and period ended 30 September 2017.

**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		9 months ended	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
Net profit for the period attributable to owners of the Company (RM'000)	198	250	2,000	(754)
Weighted average number of ordinary shares in issue	106,896,506	87,447,962	106,896,506	87,453,224
Basic earnings/(loss) per share (sen)	0.20	0.29	1.99	(0.86)
Diluted earnings/(loss) per share (sen)	-	0.24	(0.72)	-

The diluted earnings per share for the current quarter and cumulative year-to-date is no longer applicable as the detachable warrants which were issued to subscribers of the Rights shares on 9 April 2017 had expired on 10 April 2017.

(Incorporated in Malaysia)

**B15 Realised & Unrealised Profit/(Losses) Disclosure**

The retained earnings as at 30 September 2017 and 31 December 2016 are analyze as follows:

	30.09.2017 RM'000	31.12.2016 RM'000
The retained earnings of RSB and its subsidiaries:		
- Realised	39,317	37,686
- Unrealised	153	(222)
	39,470	37,464
Less: Consolidation adjustments	(10,299)	(10,293)
Total Group retained earnings as per consolidated financial statements	29,171	27,171

**B16 Authorisation for issue**

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

By order of the Board  
LEE CHIEW HIANG  
Executive Director  
24 November 2017