

The Board of directors is pleased to submit its quarterly report on the consolidated results of the Group for the third quarter ended 31 March 2024. The figures have not been audited.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Individual Period		Cumulative Period	
	Current Year Quarter 31/3/2024 RM'000 (3 months)	Preceding Year Corresponding Quarter 31/3/2023 RM'000 (3 months)	Current Year-to date 31/3/2024 RM'000 (9 months)	Preceding Year Corresponding Period 31/3/2023 RM'000 (9 months)
Continuing Operations				
Revenue	5,011	N/A	17,304	N/A
Cost of sales	(2,116)	N/A	(7,699)	N/A
Gross profit	2,895	N/A	9,605	N/A
Interest income	22	N/A	61	N/A
Gain from disposal of investment properties	5,010	N/A	23,159	N/A
Other income	4	N/A	20	N/A
Administrative and Distribution expenses	(1,493)	N/A	(4,465)	N/A
Depreciation of investment properties and PPE	(809)	N/A	(2,538)	N/A
Other expenses	(365)	N/A	(1,433)	N/A
Finance costs	(2,293)	N/A	(7,184)	N/A
Profit/(Loss) before taxation	2,971	N/A	17,225	N/A
Income tax expense	(1,132)	N/A	(2,631)	N/A
Profit/(Loss) for the period	1,839	N/A	14,594	N/A
Other comprehensive loss				
Fair value of available-for sale financial assets	-	N/A	-	N/A
	1,839	N/A	14,594	N/A

Earning/(Loss) per share attributable to shareholders of the parent:

Basic and diluted earnings/(loss) per ordinary share (sen)	1.72	13.65
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Note: Due to the change in financial year end from 31 December 2022 to 30 June 2023, there is no comparative figures for this quarter.

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statement for the period ended 30 June 2023 and the accompanying explanatory explanatory notes attached to the interim financial statements).

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024
Condensed Consolidated Statement of Financial Position

	Unaudited As At 31/03/2024 RM'000	Audited As At 30/06/2023 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	3,115	3,402
Investment properties	223,689	268,139
Prepaid lease payments	1,880	1,935
Other investments	387	387
Deferred tax assets	173	183
Deposits	32,271	32,271
	<u>261,515</u>	<u>306,317</u>
Current Assets		
Inventories	1,104	342
Contract assets	731	2,923
Receivables, deposits and prepayment	54,443	14,654
Current tax assets	1,892	798
Assets classified as held for sale	19,137	488
Fixed Deposit	2,586	1,239
Cash & bank balances	8,433	8,164
	<u>88,326</u>	<u>28,608</u>
TOTAL ASSETS	<u>349,841</u>	<u>334,925</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	107,491	107,491
Reserves	67,546	52,952
Total equity	<u>175,037</u>	<u>160,443</u>
Non-current liabilities		
Loan and borrowings	66,384	92,615
Payables and accruals	2,607	2,607
Deferred income	700	700
Contract liability	671	713
Deferred tax liabilities	515	640
	<u>70,877</u>	<u>97,275</u>
Current liabilities		
Loan and borrowings	53,376	60,737
Deferred income	100	100
Payables and accruals	50,396	16,282
Provision for taxation	-	33
Deferred income	55	55
	<u>103,927</u>	<u>77,207</u>
Total liabilities	<u>174,804</u>	<u>174,482</u>
TOTAL EQUITY AND LIABILITIES	<u>349,841</u>	<u>334,925</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.63	1.49

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the period ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements).

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024
Condensed Consolidated Statement of Cash Flows

	Unaudited 31/3/2024 RM'000 (9 months)	Audited 30/6/2023 RM'000 (18 months)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax	17,225	5,101
Adjustment for:-		
Depreciation and amortisation	2,538	6,432
Government grants for purchase of plant and machinery	-	(200)
Interest income	(61)	(745)
Interest expense	7,184	13,351
Gain on disposal of :		
- investment properties	(23,159)	(2,320)
- assets classified as held for sale	-	(232)
Operating profit before working capital changes	<u>3,727</u>	<u>21,387</u>
Decrease/(Increase) in:		
Inventories	(762)	(118)
Contract assets	2,192	(1,272)
Receivables	(39,789)	(4,192)
Increase/(Decrease) in:		
Contract liabilities	(41)	(82)
Payables	34,114	7,967
Cash (used in)/generated from operating activities	<u>(559)</u>	<u>23,690</u>
Tax paid	(3,874)	(3,735)
Net cash (used in)/generated from operating activities	<u>(4,433)</u>	<u>19,955</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	61	745
Acquisition of:		
- property, plant and equipment	(23)	(139)
- investment properties	(3,184)	(11,929)
Deposits paid for acquisition of investment properties	-	(32,271)
Grant received for purchase of plant and machinery	-	1,000
Proceeds from disposal of :		
- Investment properties	49,972	4,160
- asset classified as held for sale	-	1,495
Proceeds refunded from cancellation of properties purchased	-	11,370
Net cash generated from/(used in) investing activities	<u>46,826</u>	<u>(25,569)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(7,184)	(13,351)
Repayment of hire purchase creditor, net	(255)	(494)
Redeem term loan	(15,325)	-
(Repayment)/Drawdown of term loans	(13,479)	(628)
(Repayment)/Drawdown of revolving credit	(5,162)	4,675
Withdrawal/(Placement) of pledged deposit	(1,347)	1,182
Net cash used in financing activities	<u>(42,752)</u>	<u>(8,616)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(359)</u>	<u>(14,230)</u>
Cash and cash equivalents at beginning of Year	<u>8,126</u>	<u>22,356</u>
Cash and cash equivalents at end of Year	<u><u>7,767</u></u>	<u><u>8,126</u></u>
Net Cash (Used in)/Generated From Operating Activities	(4,433)	19,955
Net Cash Generated From/(Used in) Investing Activities	46,826	(25,569)
Net Cash (Used in)/Generated From Financing Activities	(42,752)	(8,616)
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(359)</u>	<u>(14,230)</u>
CASH AND CASH EQUIVALENTS AT 1 JANUARY	<u>8,126</u>	<u>22,356</u>
CASH AND CASH EQUIVALENTS AT 31 MARCH	<u><u>7,767</u></u>	<u><u>8,126</u></u>
Cash and Cash Equivalents at 31 March consist of:-		
Cash and bank balances	8,433	8,164
Bank overdrafts	(666)	(38)
	<u><u>7,767</u></u>	<u><u>8,126</u></u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the period ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements).

RAPID SYNERGY BERHAD Registration No. 199401040248 (325935-U)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024
Condensed Consolidated Statement of Changes in Equity

	<----- Attributable to shareholders of the parent ----->				Total RM'000
	Share Capital RM'000	Share Premium RM'000	Fair Value Reserve RM'000	Distributable Retained Earnings RM'000	
At 1 January 2022	107,491		(293)	51,669	158,867
Other comprehensive income					
- Fair value of available-for-sale financial assets	-	-	(164)	-	(164)
Profit for the period	-	-	-	1,740	1,740
Total comprehensive income for the period	-	-	(164)	1,740	1,576
At 30 June 2023	107,491	-	(457)	53,409	160,443
At 1 July 2023	107,491	-	(457)	53,409	160,443
Other comprehensive loss					
- Fair value of available-for-sale financial assets	-	-	-	-	-
Profit for the period	-	-	-	14,594	14,594
Total comprehensive income for the period	-	-	-	14,594	14,594
At 31 March 2024	107,491	-	(457)	68,003	175,037

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the period ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2024 – 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 31 March 2024, 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 30 June 2023. 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 30 June 2023.

A2 Significant Accounting Policies

The accounting policies and presentation adopted by the Group for the quarterly financial statements are consistent with those adopted in the Group’s consolidated audited financial statements for the financial year ended 30 June 2023.

The following revised Malaysian Financial Reporting Standards (“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 and Amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17 Insurance Contracts
- Amendments to MFRS 17 Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101 Presentation of Financial Statements-Classification of Liabilities as Current or Non-Current and Disclosure of Accounting Policies
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
- Amendments to MFRS 112 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform – Pillar Two Model Rules

MFRSs and Amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16 Leases – Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101 Presentation of Financial Statements-Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-Current
- Amendments to MFRS 107 Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements

MFRSs and Amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

MFRSs and Amendments effective for a date yet to be confirmed

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

The Group plan to apply the abovementioned amendments, where applicable in the respective financial years when the abovementioned amendments become effective.

The adoption of the above MFRSs and Amendments to MFRSs are not expected to have any material financial impact to the Group upon their first adoption.

A3 Auditors' Report on Preceding Annual Financial Statements

The auditor has expressed the basis for qualified opinion in their independent auditors' report to the members of the company for financial period ended 30 June 2023.

Kindly refer to the Group's financial statement for more detail on the auditor's report as well as the relevant announcement to Bursa relating to the Audit.

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 during the third quarter ended 31 March 2024 ("Q3 FY24").

A6 Change in Estimates

There were no significant changes in estimates of amounts reported in prior financial year which have a material effect in Q3 FY24.

A7 Debts and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debts 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

Segmental reporting by quarter and cumulative year-to-date basis is as tabulated.

	Manufacturing RM'000	Investment Holding RM'000	Consolidated RM'000
3 Months ended Q3 FY24	2024	2024	2024
Revenue	2,827	2,184	5,011
Results			
Segment results	238	5,026	5,264
Interest Expenses	(159)	(2,134)	(2,293)
Total			2,971
	Manufacturing RM'000	Investment Holding RM'000	Consolidated RM'000
9 Months ended Q3 FY24	2024	2024	2024
Revenue	10,207	7,097	17,304
Results			
Segment results	909	23,500	24,409
Interest Expenses	(468)	(6,716)	(7,184)
Total			17,225

Note : Due to the change in financial year end from 31 December 2022 to 30 June 2023, there is no comparative figures for this quarter.

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 30 June 2023.

A11 Material events subsequent to balance sheet date

There were no material events subsequent to the end of the period under review to 13 May 2024.

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 13 May 2024.

A13 Changes in contingent liabilities or contingent assets as at 31 March 2024

The contingent liabilities / assets as at 31 March 2024 is as tabulated:

Unsecured:	RM '000
Corporate guarantee issued to banks for credit facilities granted to subsidiary companies	76,131

A14 Property, plant and equipment

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

A15 Capital commitments

There were no capital commitments during the current quarter except for the balance of deposits amounted to RM9.6 million paid to a legal firm pending finalizing the list of investment properties for acquisition.

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

(1) Overall review of Group's financial performance by quarter

	<-----3 months ended 31 March ----->			
	Current year quarter 3Q FY24 RM'000	Preceding year Corresponding Quarter 3Q FY23 RM'000	Changes in Amount RM'000	Changes in %
Manufacturing				
Revenue	2,827	N/A	N/A	N/A
Profit Before Interest and Tax	238	N/A	N/A	N/A
Profit Before Tax	79	N/A	N/A	N/A
Loss After Tax	(311)	N/A	N/A	N/A
Investment holding				
Revenue	2,184	N/A	N/A	N/A
Profit Before Interest and Tax	5,026	N/A	N/A	N/A
Profit Before Tax	2,892	N/A	N/A	N/A
Profit After Tax	2,150	N/A	N/A	N/A
Total				
Revenue	5,011	N/A	N/A	N/A
Profit Before Interest and Tax	5,264	N/A	N/A	N/A
Profit Before Tax	2,971	N/A	N/A	N/A
Profit After Tax	1,839	N/A	N/A	N/A

	<-----9 months ended 31 March ----->			
	Current year quarter 3Q FY24 RM'000	Preceding year Corresponding Quarter 3Q FY23 RM'000	Changes in Amount RM'000	Changes in %
Manufacturing				
Revenue	10,207	N/A	N/A	N/A
Profit Before Interest and Tax	909	N/A	N/A	N/A
Profit Before Tax	440	N/A	N/A	N/A
Loss After Tax	(124)	N/A	N/A	N/A
Investment holding				
Revenue	7,097	N/A	N/A	N/A
Profit Before Interest and Tax	23,500	N/A	N/A	N/A
Profit Before Tax	16,785	N/A	N/A	N/A
Profit After Tax	14,718	N/A	N/A	N/A
Total				
Revenue	17,304	N/A	N/A	N/A
Profit Before Interest and Tax	24,409	N/A	N/A	N/A
Profit Before Tax	17,225	N/A	N/A	N/A
Profit After Tax	14,594	N/A	N/A	N/A

There is no comparative figures with the preceding year corresponding quarter and preceding year corresponding period-to-date quarter following change in financial year end from 31 December to 30 June.

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

During the current quarter under review the Group recorded revenue of RM5.01 million and profit before tax ("PBT") of RM2.97 million.

For the nine months ended 31 March 2024, the Group recorded revenue of RM17.30 million and PBT of RM17.23 million.

Statement of Financial Position

The total equity attributable to the owners of the Company as at 31 March 2024 increase to RM175.04 million.

Total borrowings of the Group decreased to RM119.76 million as at 31 March 2024.

(ii) Statement of Cash Flows

The net cash used in operations of the Group was RM4.43 million for the nine months ended 31 March 2024. The net cash generated from investing activities was RM46.83 million and net cash used in financing activities was RM42.75 million. Overall, cash and cash equivalents as at 31 March 2024 was RM7.77 million.

(3) Segmental Analysis

Current quarter compared with previous year corresponding quarter

There is no comparative figures with the current quarter and previous year corresponding period-to-date quarter following change in financial year end from 31 December to 30 June.

B2 Financial review for current quarter compared with immediate preceding quarter

The Group posted revenue of RM5.01 million during the current financial quarter compared with RM4.40 million recorded in the immediate preceding quarter. In the current quarter the Group recorded profit before tax ("PBT") of RM2.97 million as compared with LBT of RM1.15 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 ended 31.03.2024 RM'000	Immediate Preceding Quarter 31.12.2023 RM'000	Changes in amount RM'000	Changes in %
Manufacturing				
Revenue	2,827	2,233	594	27
Profit before Interest and Tax	238	467	(229)	(49)
Profit before Tax	79	315	(236)	(75)
(Loss)/Profit after Tax	(311)	212	(523)	(247)
Investment holding				
Revenue	2,184	2,165	19	1
Profit before Interest and Tax	5,026	803	4,223	526
Profit/(Loss) before Tax	2,892	(1,463)	4,355	298
Profit/(Loss) after Tax	2,150	(1,314)	3,464	264

	Current Quarter ended 31.03.2024 RM'000	Immediate Preceding Quarter 31.12.2023 RM'000	Changes in amount RM'000	Changes in %
Total				
Revenue	5,011	4,398	613	14
Profit before Interest and Tax	5,264	1,270	3,994	314
Profit/(Loss) before Tax	2,971	(1,148)	4,119	359
Profit/(Loss) after Tax	1,839	(1,102)	2,941	267

(a) The manufacturing division recorded revenue of RM2.83 million and PBT of RM0.08 million in the current quarter as compared with RM2.23 million and RM0.32 million respectively in the immediate preceding quarter. The lower PBT recorded in the current quarter as compared to PBT in the preceding quarter was mainly due to higher cost of production.

(b) During the current quarter, the investment holding division recorded revenue of RM2.18 million as compared with RM2.17 million recorded in the immediate preceding quarter. The investment holding division recorded a PBT of RM2.89 million during the current quarter as compared loss before tax of RM1.46 million recorded in the immediate preceding quarter. The PBT recorded in the current quarter as compared to LBT in the preceding quarter was mainly due to gain from disposal of investment properties.

B3 Prospects for FY2024

Given the uncertainties and challenges ahead the global economy is expected to soften in 2024. This is due to the higher interest rates and tighter credit will take a bigger toll on the global economy.

The investment property division is expected to contribute continuous income to the group via rental received and disposal of properties.

The semiconductor industry is cyclical and the long-term prospects for this sector are incredibly bright. The long-term market outlook remains strong for the manufacturing division and is expected to contribute positively to the Group for FY2024.

B4 Profit forecast

This was 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-----→		←-----9 months ended-----→	
	31.03.2024 RM'000	31.03.2023 RM'000	31.03.2024 RM'000	31.03.2023 RM'000
(a) Gain from disposal of investment properties	5,010	N/A	23,159	N/A
(b) Interest expense	(2,293)	N/A	(7,184)	N/A
(c) Interest income	22	N/A	61	N/A
(d) Allowance for write (down)/back of inventories	(75)	N/A	(225)	N/A
(e) Gain/(loss) on foreign exchange				
- Realized	46	N/A	19	N/A
- Unrealized	(53)	N/A	(14)	N/A
(f) Depreciation and amortization	(809)	N/A	(2,538)	N/A

B6 Tax expense

	←-----3 months ended-----→		←-----9 months ended-----→	
	31.03.2024 RM'000	31.03.2023 RM'000	31.03.2024 RM'000	31.03.2023 RM'000
Income tax expense				
- Current	1,129	N/A	2,621	N/A
Deferred tax expense				
- Current	3	N/A	10	N/A
	<u>1,132</u>	<u>N/A</u>	<u>2,631</u>	<u>N/A</u>

The effective tax rate for the current quarter is higher than the statutory tax rate.

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

There was no profit/(losses) on sale of unquoted investment and/or properties in the current quarter ended 31 March 2024 except as follows:

1. On 18 January 2024, Fresh Melody Sdn Bhd a wholly owned subsidiaries of the company had entered into sale and purchase agreement to dispose off a unit of double-storey shop/office amounting to RM0.70 million with approximately gain of RM0.30 million. The disposal is expected to be completed by fourth quarter of FY 2024.
2. On 28 January 2024, the company had entered into sale and purchase agreement to dispose off a vacant freehold land amounting to RM39.00 million with expected gain of RM25.00 million which would be recognized upon fulfillment of the terms and conditions of the SPA.

B8 Marketable securities

There were no purchase or disposal of quoted securities during the current quarter ended 31 March 2024.

B9 Status of corporate proposals

There were no corporate proposals during the current quarter ended 31 March 2024.

B10 Borrowing and debts securities

All borrowings of the Group are denominated in Ringgit Malaysia.

	9 months ended 31.03.2024 (RM'000)		
	Long Term	Short Term	Total Borrowings
Bank Overdraft	-	666	666
Bank Loan	65,781	33,408	99,189
Revolving credit	-	18,962	18,962
Finance Lease Liability	603	340	943
Total	66,384	53,376	119,760

B11 Off balance sheet financial instruments

The Group does not have any financial instruments with off-balance sheet risk as at 13 May 2024.

B12 Changes in material litigation

There was no material litigation during the current quarter and period ended 31 March 2024.

B13 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 31.03.2024	9 months ended 31.03.2024
Net Profit for the period attributable to owners of the Company (RM'000)	1,839	14,594
Weighted average number of ordinary shares in issue	106,896,506	106,896,506
Profit Basic earnings per share (sen)	1.72	13.65

B14 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
20 May 2024