

**ADVANCE SYNERGY BERHAD**  
**(Company No: 1225-D)**

**COMPANY ANNOUNCEMENT**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND PERIOD ENDED**  
**30 SEPTEMBER 2010**

The Board of Directors of Advance Synergy Berhad wishes to announce the unaudited financial results of the Group for the quarter and period ended 30 September 2010.

This interim report is prepared in accordance with Financial Reporting Standards (“FRS”) No. 134 “Interim Financial Reporting” and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group’s financial statements for the year ended 31 December 2009.

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS**

	<u>Unaudited</u>		<u>Unaudited</u>	
	<u>3 months ended</u>		<u>Year-to-date</u>	
	<u>30.09.2010</u>	<u>30.09.2009</u>	<u>30.09.2010</u>	<u>30.09.2009</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	57,046	54,463	162,018	158,856
Cost of sales	<u>(38,244)</u>	<u>(33,762)</u>	<u>(102,138)</u>	<u>(99,477)</u>
Gross profit/(loss)	18,802	20,701	59,880	59,379
Other operating income	3,191	5,530	7,787	10,988
Operating expenses	<u>(18,927)</u>	<u>(24,435)</u>	<u>(63,911)</u>	<u>(68,401)</u>
Profit/(Loss) from operations	3,066	1,796	3,756	1,966
Finance costs	(2,117)	(2,041)	(6,048)	(5,587)
Share of results of associates	2,711	4,482	11,858	15,836
Profit/(Loss) before taxation	3,660	4,237	9,566	12,215
Taxation	<u>(448)</u>	<u>(626)</u>	<u>(680)</u>	<u>(2,050)</u>
Net profit/(loss) for the financial period	<u>3,212</u>	<u>3,611</u>	<u>8,886</u>	<u>10,165</u>
Attributable to:				
Equity holders of the Company	2,715	2,833	6,638	7,614
Minority interests	497	778	2,248	2,551
	<u>3,212</u>	<u>3,611</u>	<u>8,886</u>	<u>10,165</u>
Earnings/(Loss) per share attributable to equity holders of the Company:				
Basic (sen)	<u>0.57</u>	<u>0.60</u>	<u>1.40</u>	<u>1.63</u>
Diluted (sen)	<u>0.33</u>	<u>0.34</u>	<u>0.83</u>	<u>0.94</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	<u>Unaudited</u>		<u>Unaudited</u>	
	<u>3 months ended</u>		<u>Year-to-date</u>	
	<u>30.09.2010</u>	<u>30.09.2009</u>	<u>30.09.2010</u>	<u>30.09.2009</u>
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) for the financial period	3,212	3,611	8,886	10,165
Other comprehensive income:				
Available-for-sale financial assets' fair value movements	643	(482)	1,125	-
Share of other comprehensive income of associates	239	-	855	-
Currency translation differences	(1,570)	(3,097)	(10,166)	725
	<hr/>	<hr/>	<hr/>	<hr/>
Other comprehensive income/(loss) for the period	(688)	(3,579)	(8,186)	725
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income/(loss) for the period	2,524	32	700	10,890
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Attributable to:				
Equity holders of the Company	1,886	(1,235)	(1,213)	9,023
Minority interests	638	1,267	1,913	1,867
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income/(loss) for the period	2,524	32	700	10,890
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited As at <u>30.09.2010</u>	Audited As at <u>31.12.2009</u> <u>(Restated*)</u>
	RM'000	RM'000
<b>ASSETS</b>		
<b><u>Non-current assets</u></b>		
Property, plant and equipment	213,759	222,207
Investment in associates	140,540	130,268
Available-for-sale investments	59,140	-
Other investments	-	58,015
Goodwill on consolidation	59,423	59,423
Intangible assets	8,048	5,914
Loans and receivables	6,400	6,969
Deferred tax assets	3,194	3,324
	490,504	486,120
<b><u>Current assets</u></b>		
Property development costs	24,142	22,310
Progress billings	2,284	676
Inventories	32,098	35,328
Loans and receivables	37,434	55,152
Tax recoverable	1,398	1,342
Held for trading investments	862	-
Marketable securities	-	1,144
Short term deposits	69,566	53,055
Cash and bank balances	47,456	50,027
	215,240	219,034
<b>TOTAL ASSETS</b>	<b>705,744</b>	<b>705,154</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	142,209	142,014
Irredeemable Convertible Unsecured Loan		
Stocks ("ICULS") - equity component	119,038	119,208
Reserves	202,926	202,824
	464,173	464,046
<b>Minority interests</b>	<b>28,917</b>	<b>27,422</b>
<b>Total equity</b>	<b>493,090</b>	<b>491,468</b>
<b><u>Non-current liabilities</u></b>		
Term loans	61,094	66,934
Irredeemable Convertible Unsecured Loan		
Stocks ("ICULS") - liability component	15,380	16,477
Finance lease payable	20,993	20,914
Hire purchase payables	54	128
Deferred tax liabilities	2,865	2,881
Retirement benefits	684	629
	101,070	107,963
<b><u>Current liabilities</u></b>		
Payables	72,570	66,777
Bank overdrafts	2,162	184
Short term borrowings	36,185	37,659
Taxation	667	1,103
	111,584	105,723
<b>Total Liabilities</b>	<b>212,654</b>	<b>213,686</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>705,744</b>	<b>705,154</b>

\* Refer to Note 2

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER 2010

	← Attributable to equity holders of the Company →						Total	Minority Interests	Total Equity	
	Share Capital	ICULS- Equity Component	Share Premium	← Non-distributable →		→ Distributable				
				Revaluation Reserve	Exchange Translation Reserve	Available-For-Sale Reserve				Retained Profits/ (Accumulated Losses)
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Balance as at 1 January 2010	142,014	119,208	117,317	12,591	5,862	-	67,054	464,046	27,422	491,468
Effect arising on adoption of FRS139	-	-	-	-	-	1,280	35	1,315	-	1,315
Balance as at 1 January 2010, as restated	142,014	119,208	117,317	12,591	5,862	1,280	67,089	465,361	27,422	492,783
Net profit/(loss) for the financial period	-	-	-	-	-	-	6,638	6,638	2,248	8,886
Other comprehensive income/(loss)	-	-	-	(4)	(9,827)	1,980	-	(7,851)	(335)	(8,186)
Total comprehensive income/(loss) for the period	-	-	-	(4)	(9,827)	1,980	6,638	(1,213)	1,913	700
<b>Transactions with owners in their capacity as owners:</b>										
Issue of new ordinary shares pursuant to the conversion of ICULS	195	(170)	-	-	-	-	-	25	-	25
Dividend paid to minority interest of a subsidiary	-	-	-	-	-	-	-	-	(418)	(418)
Balance as at 30 September 2010	142,209	119,038	117,317	12,587	(3,965)	3,260	73,727	464,173	28,917	493,090

FOR THE PERIOD ENDED 30 SEPTEMBER 2009

	← Attributable to equity holders of the Company →						Total	Minority Interests	Total Equity	
	Share Capital	ICULS- Equity component	Share Premium	← Non-distributable →		→ Distributable				
				Revaluation Reserve	Exchange Translation Reserve	Available-For-Sale Reserve				Retained Profits/ (Accumulated Losses)
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Balance as at 1 January 2009	138,572	122,210	117,317	12,725	3,222	-	13,982	408,028	52,735	460,763
Net profit/(loss) for the financial period	-	-	-	-	-	-	7,614	7,614	2,551	10,165
Other comprehensive income/(loss)	-	-	-	(173)	1,582	-	-	1,409	(684)	725
Total comprehensive income/(loss) for the period	-	-	-	(173)	1,582	-	7,614	9,023	1,867	10,890
<b>Transactions with owners in their capacity as owners:</b>										
Issue of new ordinary shares pursuant to the conversion of ICULS	3,441	(3,002)	-	-	-	-	-	439	-	439
Acquisition of additional interest from minority shareholders	-	-	-	-	-	-	9,647	9,647	(12,187)	(2,540)
	3,441	(3,002)	-	-	-	-	9,647	10,086	(12,187)	(2,101)
Balance as at 30 September 2009	142,013	119,208	117,317	12,552	4,804	-	31,243	427,137	42,415	469,552

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2010**

	<b>Unaudited 9 months ended <u>30.09.2010</u> RM'000</b>	<b>Unaudited 9 months ended <u>30.09.2009</u> RM'000</b>
<b>Operating Activities</b>		
Profit/(Loss) before taxation	9,566	12,215
Adjustments for :-		
Depreciation	6,387	8,494
Other investing and financing items and non-cash items	(5,314)	(13,095)
Operating profit/(loss) before working capital changes	<u>10,639</u>	<u>7,614</u>
Net changes in working capital		
(Increase)/Decrease in current assets	17,589	13,972
Increase/(Decrease) in current liabilities	6,488	(15,499)
Cash generated from/(used in) operating activities	<u>34,716</u>	<u>6,087</u>
Tax paid	(1,152)	(1,560)
<b>Net cash from/(used in) operating activities</b>	<u><u>33,564</u></u>	<u><u>4,527</u></u>
<b>Investing Activities</b>		
(Increase)/ Decrease in equity investments	4,045	9,746
(Increase)/ Decrease in property, plant and equipment	(9,111)	1,239
(Increase)/ Decrease in other investments	(884)	(663)
<b>Net cash from/(used in) investing activities</b>	<u><u>(5,950)</u></u>	<u><u>10,322</u></u>
<b>Financing Activities</b>		
Net drawdown/(repayment) of borrowings	(4,506)	(9,755)
Other payments	(8,153)	(5,587)
<b>Net cash from/(used in) financing activities</b>	<u><u>(12,659)</u></u>	<u><u>(15,342)</u></u>
Effect of exchange rate changes	(913)	5,777
<b>Net increase in cash and cash equivalents</b>	<u>14,042</u>	<u>5,284</u>
<b>Cash and cash equivalents as at beginning of financial period</b>		
As previously reported	<u>77,967</u>	<u>71,130</u>
Effect of exchange rate changes	<u>(3,283)</u>	<u>(1,084)</u>
As restated	74,684	70,046
<b>Cash and cash equivalents as at end of financial period *</b>	<u><u>88,726</u></u>	<u><u>75,330</u></u>
<b>* Cash and cash equivalents at the end of the financial period comprising the following :</b>		
Short term deposits	69,566	54,506
Cash and bank balances	47,456	46,025
Bank overdrafts	(2,162)	(938)
	<u>114,860</u>	<u>99,593</u>
Less : Deposits placed with lease creditors as security deposit for lease payments	<u>(17,826)</u>	<u>(17,163)</u>
Deposits pledged to licensed banks	<u>(8,308)</u>	<u>(7,100)</u>
	<u>(26,134)</u>	<u>(24,263)</u>
	<u><u>88,726</u></u>	<u><u>75,330</u></u>

## NOTES TO THE INTERIM FINANCIAL REPORT

### 1. Basis of preparation

The unaudited interim financial report has been prepared in compliance with FRS 134 - "Interim Financial Reporting" and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The unaudited interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2009.

### 2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2009, except for the adoption of the following new and revised Financial Reporting Standards ("FRSs"), amendments/improvements to FRSs and IC Interpretations ("IC Int") with effect from financial periods beginning 1 January 2010:

#### New FRSs

FRS 4	Insurance Contracts
FRS 7	Financial Instruments : Disclosures
FRS 8	Operating Segments
FRS 139	Financial Instruments : Recognition and Measurement

#### Revised FRSs

FRS 101	Presentation of Financial Statements
FRS 123	Borrowing costs

#### Amendments/Improvements

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 2	Share-based Payment
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 7	Financial Instruments: Disclosure
FRS 8	Operating Segments
FRS 107	Statement of Cash Flows
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events After the Reporting Period
FRS 116	Property, Plant and Equipment
FRS 117	Leases
FRS 118	Revenue
FRS 119	Employee Benefits
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 123	Borrowing Costs
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investment in Associates
FRS 129	Financial Reporting in Hyperinflationary Economies
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Presentation
FRS 134	Interim Financial Reporting
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 139	Financial Instruments : Recognition and Measurement
FRS 140	Investment Property

#### IC Int

IC Int 9	Reassessment of Embedded Derivatives
IC Int 10	Interim Financial Reporting and Impairment
IC Int 11	FRS 2 – Group and Treasury Share Transactions
IC Int 13	Customer Loyalty Programmes
IC Int 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

## 2. Changes in Accounting Policies (Continued)

Other than FRS 8, FRS 101, FRS 7, FRS 139 and FRS 117, the application of the above new and revised FRSs, amendments/improvements to FRSs and IC Int have no significant impact on the financial statements of the Group.

- (a) FRS 8 replaces FRS 114<sub>2004</sub> Segment Reporting. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. As the Group's Board of Directors, relies on internal reports which are similar to those currently disclosed externally, no further segmental information disclosures will be necessary.
- (b) FRS 101 separates owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. Comparative information, with exception of the requirements under FRS 139, had been re-presented so that it is also in conformity with the revised standard. This standard does not have any impact on the financial position and results of the Group.
- (c) FRS 7 requires additional disclosures regarding fair value measurements and liquidity risk in the full year financial statements, and has no effect on reported profit or equity. However, FRS 7 disclosures are not required in the interim financial statements, and hence, no further disclosures have been made in these interim financial statements.
- (d) The amendments to FRS 117 require entities with existing leases of land and buildings (combined) to reassess the classification of land as a finance or operating lease. The Group has reclassified the existing leasehold land to property, plant and equipment following this reassessment, with no effect on reported profit or equity.  
The following comparative figures have been restated:

	Previously stated RM'000	Effect of FRS 117 RM'000	As restated RM'000
<b>Assets</b>			
Prepaid lease payments	2,407	(2,407)	-
Property, plant and equipment	219,800	2,407	222,207

- (e) FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments. The Group determines the classification at initial recognition and for the purpose of the first adoption of the standard, as at transitional date on 1 January 2010.

### Financial assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available-for-sale ("AFS") financial assets, or derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial assets include cash and short-term deposits, loans and receivables, available-for-sale investments and held for trading investments.

#### (i) Loans and receivables

Prior to 1 January 2010, loans and receivables were stated at gross receivables less provision for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest rate (EIR) method. Gains and losses arising from the derecognition of the loans and receivables, EIR amortisation and impairment losses are recognised in the income statement. Interest is recognised by applying the EIR method, except for short term receivables where the recognition of interest would be immaterial.

#### (ii) Available-For-Sale

Prior to 1 January 2010, available-for-sale financial assets such as investments were accounted for at cost adjusted for amortisation of premium and accretion of discount less impairment or at the lower of cost and market value, determined on an aggregate basis. Under FRS 139, available-for-sale financial asset is measured at fair value initially and subsequently with amortisation of premium with accretion of discount and other accrual of income recognised in income statement and with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the income statement or determined to be impaired, at which time the cumulative loss is recognised in the income statement and removed from the available-for-sale reserve.

#### (iii) Held for trading

Securities are classified as held for trading with the intention of resale in the short term. Securities held for trading are stated at fair value and any gain or loss arising from a change in their fair value and the recognition of the securities held for trading are recognised in the income statement.

## 2. Changes in Accounting Policies (Continued)

### Financial liabilities

Financial liabilities of the Group comprise trade and other payables, borrowings and derivative financial liabilities. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities at amortised cost using the effective interest method.

### Impact on opening balances

In accordance with the transitional provisions of FRS 139, the above changes are applied prospectively and the comparatives as at 31 December 2009 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the balance sheet as at 1 January 2010.

	Previously stated RM'000	Effect of FRS 139 RM'000	As restated RM'000
<b>Assets</b>			
Other investments	58,015	(58,015)	-
Available-for-sale investment	-	58,015	58,015
Marketable securities	1,144	(1,144)	-
Held for trading investments	-	1,179	1,179
Investment in associates	130,268	1,280	131,548
<b>Equity</b>			
Available-for-sale reserve	-	1,280	1,280
Retained profits	67,054	35	67,089

## 3 Audit report

The auditors' report on the financial statements for the year ended 31 December 2009 was not subject to any qualification.

## 4 Seasonal or cyclical factors

The operations of the Group for the quarter and period ended 30 September 2010 were not materially affected by any seasonal or cyclical factors.

## 5 Unusual items

There were no unusual items for the financial year under review.

## 6 Changes in estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the quarter and period under review.

## 7 Debt and equity securities

For the nine-month period ended 30 September 2010, a total of 1,300,000 2% 10-Year Irredeemable Convertible Unsecured Loan Stocks at 100% of the nominal value of RM0.15 each ("ICULS") have been converted into 650,000 new ordinary shares of RM0.30 each of the Company by surrendering for cancellation two ICULS for every one new ordinary share of RM0.30 each in the Company.

On 10 March 2010, the 14,916,535 shares of Advance Synergy Capital Berhad ("ASC") (now a private limited company, Advance Synergy Capital Sdn Bhd) which were held as treasury shares by ASC were distributed as share dividend to the Company.

Apart from the above, there were no issuances, cancellations, repurchases, resale and/or repayments of debt and equity securities during the financial period ended 30 September 2010.

## 8 Dividends paid

There was no payment of any dividend during the financial period ended 30 September 2010.



## 9. Segmental Information

For the nine-month period ended 30 September 2010

	Investment Holding	Property Development	Hotels & Resorts	Information & Communications Technology	Coach Building (Note)	Travel & Tours	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>									
External	706	9,482	53,536	28,426	2,913	51,590	15,365	-	162,018
Inter-segment	587	11	-	-	155	361	-	(1,114)	-
<b>Total revenue</b>	<b>1,293</b>	<b>9,493</b>	<b>53,536</b>	<b>28,426</b>	<b>3,068</b>	<b>51,951</b>	<b>15,365</b>	<b>(1,114)</b>	<b>162,018</b>
<b>Results</b>									
Segment results	(7,303)	653	4,820	2,017	(2,267)	829	(4,316)	3,275	(2,292)
Share of results of associates	9,794	-	-	2,064	-	-	-	-	11,858
Consolidated profit/(loss) before taxation	2,491	653	4,820	4,081	(2,267)	829	(4,316)	3,275	9,566
Taxation									(680)
Consolidated profit/(loss) after taxation									8,886
Minority interests									(2,248)
Net profit/(loss) for the financial period									6,638

	Investment Holding	Property Development	Hotels & Resorts	Information & Communications Technology	Coach Building (Note)	Travel & Tours	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Other information</b>									
Segment assets	91,217	60,772	219,937	132,306	13,480	15,124	27,776	-	560,612
Investment in associates	137,715	-	-	2,825	-	-	-	-	140,540
Unallocated corporate assets									4,592
Total assets									705,744
Segment liabilities	54,165	10,509	99,406	13,769	4,360	7,109	19,804	-	209,122
Unallocated corporate liabilities									3,532
Total liabilities									212,654
Capital expenditure	856	1	5,078	2,747	114	314	300	-	9,410
Depreciation	404	68	3,416	1,037	108	138	131	-	5,302
Impairment loss on: - property, plant and equipment	-	-	-	270	-	-	-	-	270
Write back of impairment loss on: - investment in associates				78					78
Fair value gain recognised in profit and loss - held for trading investments	90	-	78	-	-	-	-	-	168
Amortisation of intangible assets	-	-	-	1,085	-	-	-	-	1,085
Other non cash expenses	24	1	71	2	-	228	11	-	337

Note : The division has been renamed from "Bus Transportation Services" to "Coach Building" after taking into consideration the disposal of the bus transportation business on 21 December 2009.

9.Segmental Information (Continued)

For the nine-month period ended 30 September 2009

	Investment Holding	Property Development	Hotels & Resorts	Information & Communications Technology	Bus Transportation Services/Coach Building (Note)	Travel & Tours	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>									
External	233	14,490	52,861	28,742	9,602	41,065	11,863	-	158,856
Inter-segment	679	50	-	-	-	510	39	(1,278)	-
<b>Total revenue</b>	<b>912</b>	<b>14,540</b>	<b>52,861</b>	<b>28,742</b>	<b>9,602</b>	<b>41,575</b>	<b>11,902</b>	<b>(1,278)</b>	<b>158,856</b>
<b>Results</b>									
Segment results	(18,970)	1,020	4,452	3,490	(2,250)	1,373	(6,443)	13,707	(3,621)
Share of results of associates	13,839	-	-	1,997	-	-	-	-	15,836
Consolidated profit/(loss) before taxation	(5,131)	1,020	4,452	5,487	(2,250)	1,373	(6,443)	13,707	12,215
Taxation									(2,050)
Consolidated profit/(loss) after taxation									10,165
Minority interests									(2,551)
Net profit/(loss) for the financial period									7,614

	Investment Holding	Property Development	Hotels & Resorts	Information & Communications Technology	Bus Transportation Services/Coach Building (Note)	Travel & Tours	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Other information</b>									
Segment assets	92,052	67,601	207,566	127,936	10,126	13,546	24,298	-	543,125
Investment in associates	106,238	-	-	1,468	-	-	-	-	107,706
Unallocated corporate assets									3,613
Total assets									654,444
Segment liabilities	53,066	8,643	82,511	13,938	1,763	4,941	16,466	-	181,328
Unallocated corporate liabilities									3,564
Total liabilities									184,892
Capital expenditure	1,684	5	2,115	6,839	83	274	162	-	11,162
Depreciation	259	82	4,353	1,872	653	127	335	-	7,681
Impairment loss on:									
- investment in associates	3,174	-	-	-	-	-	-	-	3,174
Write back of impairment loss on:									
- available for sale investments	2,170	-	-	-	-	-	-	-	2,170
- held for trading investments	408	-	-	-	-	-	-	-	408
- inventories	-	-	-	-	554	-	-	-	554
Amortisation of intangible assets	-	-	-	813	-	-	-	-	813
Other non cash expenses	62	167	553	41	-	-	11	-	834

Note : The division has been renamed from "Bus Transportation Services" to "Coach Building" after taking into consideration the disposal of the bus transportation business on 21 December 2009.

#### 10. Property, plant and equipment

The valuations of land and buildings have been brought forward without amendment from the financial statements for the year ended 31 December 2009.

#### 11. Events subsequent to the balance sheet date

On 10 November 2010, the Company announced that the Company has on 9 November 2010 disposed of its entire shareholding of 102,000 shares representing 51% equity interest in P.T. Asbindo Infocitra ("PT Asbindo"), an inactive subsidiary, for a cash consideration of RM1.00 only. Consequently, PT Asbindo ceased to be a subsidiary of the Company.

Apart from the above, there were no events subsequent to the balance sheet date.

#### 12. Changes in the composition of the Group

- (a) On 18 May 2010, the Company announced that its wholly-owned subsidiary, Alam Samudera Corporation Sdn Bhd ("ASSB"), had acquired the entire issued and paid-up share capital of Orient Escape Travel (Sabah) Sdn Bhd ("OETS"), another wholly-owned subsidiary [held via Orient Escape Travel Sdn Bhd which is also wholly-owned by the Company], comprising 350,000 ordinary shares of RM1.00 each at par. Consequently, OETS became a wholly-owned subsidiary of ASSB. On 12 August 2010, OETS changed its name to Synergy Tours (Borneo) Sdn Bhd.
- (b) On 7 July 2010, the Company announced that its wholly-owned subsidiary, Alangka-Suka Hotels & Resorts Sdn Bhd, had incorporated a wholly-owned subsidiary in France, Legenda de Malaisie, a French Société par Actions Simplifiée (simplified joint stock company) with a share capital of 10,000 Euros.
- (c) On 9 July 2010, the Company announced that the following wholly-owned subsidiaries of ASC have been struck off and dissolved following the publication of the notices of striking off pursuant to Section 308(4) of the Companies Act 1965 in the Gazette:-
  - (i) Triton Terminal Management Sdn Bhd
  - (ii) Triton Excursions Sdn Bhd
  - (iii) Triton Synergy Holdings Sdn Bhd
  - (iv) Triton Express Holdings Sdn Bhd
- (d) On 17 August 2010, Langkawi Holiday Villa Sdn Bhd, an indirect wholly-owned subsidiary of the Company [held via Alangka-Suka Hotels & Resorts Sdn Bhd which is wholly-owned by the Company], subscribed for 15,000 new ordinary shares of RM1.00 each representing 30% equity interest in M OOD Perfumes Sdn Bhd at an issue price of RM1.00 per new ordinary share.
- (e) On 9 September 2010, the Company announced that Unified Communications Holdings Limited ("UCHL"), a 58.3%-owned subsidiary of the Company (held via Worldwide Matrix Sdn Bhd, another wholly-owned subsidiary of the Company) had incorporated a wholly-owned subsidiary in Malaysia, namely Unified Assets Sdn Bhd, with an issued and paid-up share capital of RM100.00.

Other than the above, there were no other changes in the composition of the Group for the current financial period.

#### 13. Changes in contingent liabilities

There were no changes in contingent liabilities since the last annual balance sheet as at 31 December 2009.

#### 14. Review of performance

The Group recorded a lower profit after taxation of RM8.9 million for the nine-month period ended 30 September 2010 compared to the corresponding nine-month period ended 30 September 2009 of RM10.2 million. The results last year comprised a net positive effect arising from a one-off gain from sale of certain assets and liabilities by an associated company of RM13.0 million. Excluding this one-off gain, the current period showed an overall improved Group performance except for lower profit contribution from Information & Communications Technology, Property Development and Travel and Tours divisions compared to the corresponding period in the previous year.

#### 15. Comparison of results with preceding quarter

The Group recorded a profit after taxation of RM3.2 million for the current quarter ended 30 September 2010 compared to the preceding quarter ended 30 June 2010 of RM1.3 million. The higher profit for this quarter compared to preceding quarter is mainly due to a write back in impairment loss on investment in associated companies while a provision was made in the previous quarter and improved results from all divisions except for Property Development and Manufacturing divisions partly offset by lower contribution from associated companies.

#### 16. Prospects

Barring unforeseen circumstances, the Directors expect the Group's operating environment to remain challenging for the financial year ending 31 December 2010.

**17. Board of Directors' opinion on revenue or profit estimate, forecast, projection or internal targets**

The Group did not previously announce or disclose any revenue or profit estimate, forecast, projection or internal targets in a public document.

**18. Profit variance and shortfall in profit guarantee**

Not Applicable.

**19. Taxation**

	<b>3 months ended 30.09.2010 RM'000</b>	<b>Year to date ended 30.09.2010 RM'000</b>
On current quarter/period results		
- Malaysian income tax	458	1,376
- Overseas taxation	(108)	1
Under/(Over) provision in prior year	65	(794)
Transfer (to)/from deferred taxation	33	97
	<u>448</u>	<u>680</u>

The effective tax rate of the Group for the financial period under review is higher than the statutory tax rate. This is mainly due to certain expenses which were not deductible for taxation purposes and the non-availability of group relief where tax losses of certain subsidiary companies cannot be set off against the taxable income of other subsidiary companies.

**20. Profit/(Loss) on Sale of Unquoted Investments and/or Properties**

There were no sales of unquoted investments and / or properties for the current quarter and financial period ended 30 September 2010.

**21. Quoted securities**

Details of purchases and sales of quoted securities by the Group are as follows :-

	<b>3 months ended 30.09.2010</b>		<b>Year to date ended 30.9.2010</b>	
	<b>Held for trading investments RM'000</b>	<b>Available- for-sale investments RM'000</b>	<b>Held for trading investments RM'000</b>	<b>Available- for-sale investments RM'000</b>
Total purchases	<u>60</u>	<u>-</u>	<u>302</u>	<u>-</u>
Total disposals	<u>(12)</u>	<u>-</u>	<u>612</u>	<u>-</u>
Fair value gain/ (loss) recognised in profit and loss	<u>84</u>	<u>-</u>	<u>168</u>	<u>-</u>
Fair value gain/ (loss) recognised in other comprehensive income	<u>-</u>	<u>643</u>	<u>-</u>	<u>1,125</u>
Gain/ (loss) on disposals	<u>8</u>	<u>-</u>	<u>(61)</u>	<u>-</u>

Details of investment in quoted securities by the Group as at 30 September 2010 are as follows :-

	<b>Held for trading investments RM'000</b>	<b>Available- for-sale investments RM'000</b>
- at cost	<u>774</u>	<u>20,289</u>
- at carrying amount	<u>862</u>	<u>10,460</u>
- at market value	<u>862</u>	<u>10,460</u>

**22. Status of corporate proposals**

On 25 March 1996, the Company announced that it had accepted the offer from Perbadanan Kemajuan Negeri Kedah ("PKNK") to purchase from the Company 52,500,000 ordinary shares of RM1.00 each representing 70% equity interest in Kedah Marble Sdn Bhd ("KMSB") for a total cash consideration of RM59,797,500. In the meantime, a Winding-Up Petition dated 25 March 2002 was served on KMSB, on or about 19 April 2002, by Malaysia Airports Sdn Bhd, a trade creditor of KMSB. On 11 June 2003, a Winding-Up Order was granted by the Kuala Lumpur High Court and the Official Receiver was appointed the Provisional Liquidator.

The Company had on 14 June 2004 instituted legal action vide Alor Setar High Court Civil Suit No. 22-95-2004 against PKNK to recover its investment in KMSB. Details of this legal suit are set out in Note 25 (a).

### 23. Group borrowings

(a) Details of the borrowings by the Group are as follows :-

	<u>As At</u> <u>30.09.2010</u> RM'000	<u>As At</u> <u>31.12.2009</u> RM'000
Short term - secured	36,810	36,311
- unsecured	-	-
Long term - secured	55,584	61,130
- unsecured	5,564	5,932
ICULS- liability portion	15,380	16,477
Finance lease payable		
- Short term	1,537	1,532
- Long term	20,993	20,914
	<u>135,868</u>	<u>142,296</u>

(b)

	<u>As At</u> <u>30.09.2010</u> RM'000	<u>As At</u> <u>31.12.2009</u> RM'000
Australian Dollars	5,564	5,932
Sterling Pounds	1,307	1,683
Euro	<u>13,625</u>	<u>16,693</u>

### 24. Financial Instruments

(a) Derivatives

The Group does not have any outstanding derivatives as at the date of this report.

(b) Gain/Loss arising from fair value changes of financial liabilities

There were no gain/loss arising from the fair value changes in financial liabilities for the current interim financial period.

### 25. Material litigation

(a) The Company had on 14 June 2004 instituted legal action against PKNK to recover its investment of RM52,500,000 in KMSB together with other sums, damages, interests and costs. The Company's solicitors have obtained the signed and sealed copy of the Judgment in Default of Appearance dated 1 August 2004 ("Default Judgment") from the High Court of Alor Setar for the sum of RM52,500,000, interest thereon at the rate of 8% per annum from the date of judgment to the date of realisation and cost of RM225. On 10 November 2004, PKNK applied to the court to set aside the Default Judgment. On 3 August 2005, the court had allowed PKNK's application to set aside the Default Judgment. As a procedural step to progress the suit to a trial, the Company's solicitor had on 29 December 2005 forwarded to the court for filing of the Notice to Attend Pre-Trial Case Management and the Pre-Trial Case Management was fixed for hearing on 17 May 2006.

Due to a change in PKNK's solicitors, PKNK's new solicitors had asked for an adjournment on the grounds that they require time to take their client's instructions and there is a likelihood for an application to amend the Statement of Defence. The court had fixed the Pre-Trial Case Management ("PTCM") for mention on 21 November 2006. PKNK's new solicitors filed an application to amend PKNK's Statement of Defence and the application was also fixed for hearing on 21 November 2006. On 21 November 2006, the court granted leave to PKNK to amend their Statement of Defence.

Since then, the case was fixed for case management, mention and PTCM on various dates and the last date fixed for further PTCM was on 2 November 2010. Subsequently, the Company received a sealed and signed copy of the Summons in Chambers dated 1 November 2010 in relation to PKNK's application for the determination of points or issues of law for the disposal of the case ("the said Application"). The said Application is fixed for mention on 5 December 2010 and for hearing on 13 January 2011.

The Company's solicitors for the litigation are of the opinion that the Company has good grounds to contest the said Application.

## 25 Material litigation (Continued)

- (b) Further to the originating summons no. D-24NCC-72-2009 dated 3 November 2009 which was issued on the application of ACE INA International Holdings Ltd ("ACE INA")(as "Plaintiff") and served on ASC (as "Defendant") on 9 November 2009 ("Originating Summons"), ASC had on 13 September 2010 received a letter dated 9 September 2010 from Bank Negara Malaysia in response to ASC's letter which was submitted pursuant to a Court Order; notifying ASC that the Minister of Finance has approved the proposed disposal by ASC of its 49% equity interest in ACE Synergy Insurance Berhad to ACE INA pursuant to Section 67 of the Insurance Act 1996 ("Transaction").

Subsequently on 22 September 2010, the Company announced that ASC has received a letter dated 20 September 2010 from the solicitors of ACE INA ("ACE INA Solicitors") notifying ASC that ACE INA has accepted the terms of the Minister of Finance' approval in respect of the aforesaid Transaction. In the said letter, ACE INA Solicitors informed ASC that the relevant sale and purchase agreement must be executed by ASC and the Company within 3 days from the date of the letter, failing which the agreement is deemed to have become effective and binding on ASC and the Company. ACE INA Solicitors also informed ASC that completion of the Transaction shall occur on 28 September 2010. ASC's Solicitors have written to ACE INA solicitors to inform that pending the hearing fixed on 8 November 2010 of ASC's application for Leave to Appeal to the Federal Court, ASC will not complete the Transaction.

On 9 November 2010, the Company announced the following:-

- (i) ASC's application for Leave to Appeal to the Federal Court was dismissed on 8 November 2010.
- (ii) ACE INA has filed an originating summons no. D-24NCC-332-2010 ("Originating Summons") seeking various orders, the effect of which is to compel ASC to perform the Transaction. This originating summons is fixed for hearing on 23 November 2010. ASC has sought legal advice for a stay of the hearing of the said originating summons.

On 11 November 2010, the Company announced that the Kuala Lumpur High Court ("KL High Court") has fixed 1 December 2010 to hear the Application of ASC to seek leave of the KL High Court for a Judicial Review in relation to the aforesaid approval of the Minister of Finance for the Transaction.

On 23 November 2010, ASC was informed that the hearing of the Originating Summon has been postponed to 29 November 2010 for submission and the Court's decision on the matter.

The solicitors are of the view that ASC has merits in its defence to the claim of ACE INA.

## 26. Dividend

The Directors do not recommend the payment of any dividend for the financial period ended 30 September 2010.

## 27. Earnings/(Loss) per share

### Basic earnings/(loss) per share

The basic earnings/(loss) per share for the current quarter and current year-to-date are computed based on the Group's net profit/(loss) attributable to equity holders of the Company of RM2,715,000 and RM6,638,000 respectively, divided by the weighted average number of ordinary shares of 474,028,927 and 473,968,670 for the current quarter and current year-to-date respectively as follows:

	3 months ended		Year to date ended	
	<u>30.09.2010</u>	<u>30.09.2009</u>	<u>30.09.2010</u>	<u>30.09.2009</u>
	No. of shares		No. of shares	
Issued ordinary shares at beginning of the period	474,028,927	473,378,927	473,378,927	461,908,377
Weighted average number of new ordinary shares arising from ICULS converted to date	-	-	589,743	4,399,505
Weighted average number of ordinary shares	<u>474,028,927</u>	<u>473,378,927</u>	<u>473,968,670</u>	<u>466,307,882</u>
	3 months ended		Year to date ended	
	<u>30.09.2010</u>	<u>30.09.2009</u>	<u>30.09.2010</u>	<u>30.09.2009</u>
Basic earnings/(loss) per share (sen)	<u>0.57</u>	<u>0.60</u>	<u>1.40</u>	<u>1.63</u>

**27. Earnings/(Loss) per share (Continued)**  
**Diluted earnings/(loss) per share**

The diluted earnings/(loss) per share for the current quarter and current year-to-date are computed based on the Group's net profit/(loss) attributable to equity holders of the Company of RM3,075,000 and RM7,735,000 respectively, after adjusting for interest saving on ICULS, divided by the weighted average number of ordinary shares of 928,932,452 and 928,932,452 for the current quarter and current year-to-date respectively as follows:

	<b>3 months ended</b>		<b>Year to date ended</b>	
	<b><u>30.09.2010</u></b>	<b><u>30.09.2009</u></b>	<b><u>30.09.2010</u></b>	<b><u>30.09.2009</u></b>
	<b>RM'000</b>		<b>RM'000</b>	
Net profit/(loss) attributable to equity holders	2,715	2,833	6,638	7,615
Profit impact of assumed conversion- Interest on ICULS	<u>360</u>	<u>362</u>	<u>1,097</u>	<u>1,074</u>
	<u><u>3,075</u></u>	<u><u>3,195</u></u>	<u><u>7,735</u></u>	<u><u>8,689</u></u>

**Weighted average number of ordinary shares (diluted)**

	<b>3 months ended</b>		<b>Year to date ended</b>	
	<b><u>30.09.2010</u></b>	<b><u>30.09.2009</u></b>	<b><u>30.09.2010</u></b>	<b><u>30.09.2009</u></b>
	<b>No. of shares</b>		<b>No. of shares</b>	
Issued ordinary shares at beginning of the period	474,028,927	473,378,927	473,378,927	461,908,377
Weighted average number of new ordinary shares arising from ICULS converted to date	-	-	589,743	4,399,505
Weighted average number of new ordinary shares assuming conversion of the remaining ICULS	454,903,525	455,553,525	454,963,782	462,666,587
Weighted average number of ordinary shares	<u><u>928,932,452</u></u>	<u><u>928,932,452</u></u>	<u><u>928,932,452</u></u>	<u><u>928,974,469</u></u>

	<b>3 months ended</b>		<b>Year to date ended</b>	
	<b><u>30.09.2010</u></b>	<b><u>30.09.2009</u></b>	<b><u>30.09.2010</u></b>	<b><u>30.09.2009</u></b>
Diluted earnings/(loss) per share (sen)	<u><u>0.33</u></u>	<u><u>0.34</u></u>	<u><u>0.83</u></u>	<u><u>0.94</u></u>

**28. Status of E-commerce activities**  
Not applicable.

**29. Other information**

On 23 July 2010, the Company despatched a notice to the holders of the Warrants 2000/2010 ("Warrants") issued by the Company concerning the expiry date of the Warrants, i.e. at 5.00 p.m. on Friday, 27 August 2010 ("Expiry Date").

On 30 August 2010, the Company announced that none of the 168,896,809 outstanding Warrants had been exercised as at the Expiry Date. The Warrants have been removed from the Official List of Bursa Securities with effect from 9.00 a.m. on Monday, 30 August 2010.

BY ORDER OF THE BOARD  
**ADVANCE SYNERGY BERHAD**

HO TSAE FENG  
 Company Secretary  
 24 November 2010