

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2013**

The unaudited results of Grand-Flo Berhad (formerly known as Grand-Flo Solution Berhad) and its subsidiaries for the 6 months period ended 30 June 2013 are as follows:-

	NOTE	FOR THE QUARTER 3 MONTHS ENDED		FOR THE CUMULATIVE PERIOD 6 MONTHS ENDED	
		30/6/2013 RM	30/6/2012 RM	30/6/2013 RM	30/6/2012 RM
REVENUE	A8	21,190,510	22,568,785	40,102,999	41,880,945
COST OF SALES		(14,708,241)	(16,252,814)	(28,731,729)	(29,476,529)
GROSS PROFIT		6,482,269	6,315,971	11,371,270	12,404,416
OTHER OPERATING INCOME	A8(b)	9,507,303	61,931	12,382,394	193,114
SELLING AND DISTRIBUTION EXPENSES		(732,755)	(677,808)	(1,352,766)	(1,263,702)
ADMINISTRATIVE EXPENSES		(4,655,231)	(3,491,207)	(8,043,410)	(7,016,034)
OTHER OPERATING EXPENSES		(6,907)	(8,614)	(21,516)	(9,317)
RESULTS FROM OPERATING ACTIVITIES		10,594,679	2,200,273	14,335,972	4,308,477
FINANCE COSTS		(164,086)	(210,547)	(324,030)	(343,821)
SHARE OF PROFIT OF ASSOCIATES, NET OF TAX		115,646	406,010	1,023,555	871,039
PROFIT BEFORE TAXATION	A8	10,546,239	2,395,736	15,035,497	4,835,695
INCOME TAX EXPENSES	B4	(2,545,775)	(143,890)	(2,630,201)	(368,725)
PROFIT AFTER TAXATION	A8	8,000,464	2,251,846	12,405,296	4,466,970
OTHER COMPREHENSIVE ITEM					
Foreign currency translation differences		101,133	(155,487)	187,190	51,022
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		8,101,597	2,096,359	12,592,486	4,517,992
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
OWNERS OF THE PARENT		7,990,954	2,248,145	12,390,260	4,463,106
NON-CONTROLLING INTERESTS		9,510	3,701	15,036	3,864
		8,000,464	2,251,846	12,405,296	4,466,970
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
OWNERS OF THE PARENT		8,092,087	2,092,658	12,577,450	4,514,128
NON-CONTROLLING INTERESTS		9,510	3,701	15,036	3,864
		8,101,597	2,096,359	12,592,486	4,517,992
EARNINGS PER ORDINARY SHARE (SEN):-					
BASIC	B10	2.49	0.70	3.87	1.40
DILUTED	B10	1.76	0.49	2.72	0.98

The unaudited condensed consolidated statements of comprehensive income should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	(UNAUDITED) AS AT 30/06/2013 RM	(AUDITED) AS AT 31/12/2012 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	A9	22,588,789	19,802,884
Investment in associate, quoted		13,762,474	17,272,406
Investment in associate, unquoted		1,351,571	451,562
Other investment, unquoted		16,605	68,230
Development costs		2,934,283	2,967,140
Goodwill		22,447,722	22,447,722
Deferred tax assets		437,000	437,000
		<u>63,538,444</u>	<u>63,446,944</u>
Current Assets			
Inventories		12,254,321	9,464,235
Trade receivables		11,374,070	19,556,071
Other receivables & prepayment		3,701,227	1,714,848
Amount due from associate		155,895	102,379
Amount due from related parties		-	925,400
Tax recoverable		477,095	407,157
Fixed deposit with licensed banks		18,017,000	645,505
Cash and bank balances		3,848,152	6,403,115
		<u>49,827,760</u>	<u>39,218,710</u>
TOTAL ASSETS		<u>113,366,204</u>	<u>102,665,654</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		32,479,515	31,956,585
Share premium		3,791,050	3,639,189
Treasury shares, at cost	A6	(2,244)	(303,343)
Warrant reserves		1,126,997	1,174,271
Other reserves		1,109,451	1,109,451
Foreign exchange fluctuation reserve		(95,916)	(283,106)
Revaluation surplus		4,929,691	4,929,691
Retained earnings		44,334,711	31,944,451
Total equity attributable to owners of the Company		<u>87,673,255</u>	<u>74,167,189</u>
Non controlling interests		321,605	306,569
Total Equity		<u>87,994,860</u>	<u>74,473,758</u>
LIABILITIES			
Non-Current Liabilities			
Long-term borrowings	B6	4,307,071	3,244,333
Deferred tax liabilities		2,787,279	2,783,528
		<u>7,094,350</u>	<u>6,027,861</u>
Current Liabilities			
Short-term borrowings	B6	7,169,742	11,620,212
Trade payables		8,662,711	7,700,226
Other payables & accruals		2,370,415	2,147,823
Amount due to related parties		-	631,786
Tax payable		74,126	63,988
		<u>18,276,994</u>	<u>22,164,035</u>
Total Liabilities		<u>25,371,344</u>	<u>28,191,896</u>
TOTAL EQUITY AND LIABILITIES		<u>113,366,204</u>	<u>102,665,654</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO			
ORDINARY OWNERS OF THE PARENT (SEN)		26.99	23.21
NTA per share (sen)			
		19.18	15.26

The unaudited condensed consolidated statement of financial position should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2013

	Attributable to owners of the Company										Total Equity RM
	Non-Distributable					Distributable					
	Share Capital RM	Share Premium RM	Treasury Shares RM	Warrant Reserves RM	Revaluation Reserves RM	Other Reserves RM	Foreign Exchange Fluctuation Reserve RM	Retained Earnings RM	Total RM	Non Controlling Interests (NCI) RM	
Balance as at 1 January 2012	15,945,282	19,586,565	(94,079)	1,180,873	-	1,109,451	(127,037)	26,015,576	63,616,631	291,691	63,908,322
Total Comprehensive income for the year	-	-	-	-	4,929,691	-	(156,069)	7,831,492	12,605,114	14,878	12,619,992
<i>Transactions with owners:</i>											
Warrant reserves	-	-	-	-	-	-	-	-	-	-	-
Issuance of treasury shares	-	21,239	184,209	-	-	-	-	-	205,448	-	205,448
Shares repurchased	-	-	(389,643)	-	-	-	-	-	(389,643)	-	(389,643)
Transaction costs	-	(46,439)	(3,830)	-	-	-	-	-	(50,269)	-	(50,269)
Issuance of ordinary shares	33,010	56,117	-	(6,602)	-	-	-	-	82,525	-	82,525
Bonus issue of shares	15,978,293	(15,978,293)	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	(1,902,617)	(1,902,617)	-	(1,902,617)
Total transactions with owners	16,011,303	(15,947,376)	(209,264)	(6,602)	-	-	-	(1,902,617)	(2,054,556)	-	(2,054,556)
Balance as at 31 December 2012	31,956,585	3,639,189	(303,343)	1,174,271	4,929,691	1,109,451	(283,106)	31,944,451	74,167,189	306,569	74,473,758
Balance as at 1 January 2013	31,956,585	3,639,189	(303,343)	1,174,271	4,929,691	1,109,451	(283,106)	31,944,451	74,167,189	306,569	74,473,758
Total Comprehensive income for the year	-	-	-	-	-	-	187,190	12,390,260	12,577,450	15,036	12,592,486
<i>Transactions with owners:</i>											
Disposal of treasury stock	-	-	303,343	-	-	-	-	-	303,343	-	303,343
Shares repurchased	-	-	(2,200)	-	-	-	-	-	(2,200)	-	(2,200)
Transaction costs	-	-	(44)	-	-	-	-	-	(44)	-	(44)
Issuance of ordinary shares pursuant to conversion of warrants	522,930	151,861	-	(47,274)	-	-	-	-	627,517	-	627,517
Dividends to owners of the Company	-	-	-	-	-	-	-	-	-	-	-
Revaluation surplus	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	522,930	151,861	301,099	(47,274)	-	-	-	-	928,616	-	928,616
Balance as at 30 June 2013	32,479,515	3,791,050	(2,244)	1,126,997	4,929,691	1,109,451	(95,916)	44,334,711	87,673,255	321,605	87,994,860

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the annual audited financial statements as at 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2013**

	6 MONTHS ENDED 30/6/2013 RM	6 MONTHS ENDED 30/6/2012 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	15,035,497	4,835,695
Adjustments for:-		
Amortisation of development costs	589,365	377,669
Amortisation of leasehold land	18,717	5,787
Amortisation of other investment	784	901
Depreciation of plant and equipment	939,307	854,809
Gain on disposal of property, plant and equipment	(59)	(100)
Gain on deemed disposal of associate	(2,790,388)	-
Hire Purchase and lease Interest	96,145	61,856
Impairment for doubtful debts no longer required	-	11,034
Interest income	(112,619)	(17,723)
Interest expense	155,232	131,753
Overdraft interest	19,169	35,078
Share of associates' (profit)/loss	(1,023,555)	(871,039)
Term loan interest	53,636	115,517
Unrealised loss on foreign exchange	(6)	(3)
	<u>(2,054,272)</u>	<u>705,539</u>
Operating profit before working capital changes	12,981,225	5,541,234
Inventories	(2,767,671)	(470,734)
Trade and other receivables	4,783,042	(9,936,265)
Trade and other payables	4,010,639	9,078,371
Subsidiaries	(1,132,316)	14,909
	<u>4,893,694</u>	<u>(1,313,719)</u>
CASH FROM OPERATIONS	17,874,919	4,227,515
Tax paid	(2,691,768)	(321,227)
Bank interest paid	(174,401)	(166,831)
	<u>(2,866,169)</u>	<u>(488,058)</u>
NET CASH FROM OPERATING ACTIVITIES	15,008,750	3,739,457
CASH FLOW FROM INVESTING ACTIVITIES		
Additional purchase price of subsidiaries	(185,346)	-
Development costs incurred	(556,507)	(505,257)
Interest income	112,619	17,723
Proceeds from disposal of property, plant and equipment	1,230	393
Proceeds from disposal of associate	6,609,213	-
Proceeds from disposal of other investments	59,914	-
Purchase of property, plant and equipment	(3,712,994)	(581,179)
NET CASH FOR INVESTING ACTIVITIES	2,328,129	(1,068,320)
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown on finance lease payables	2,930,200	220,000
Disposal of treasury shares	345,493	(94,079)
Hire purchase and lease interest	(96,145)	(61,856)
Proceeds from issuance of treasury shares	6,503	21,239
Proceeds from other short term borrowings	11,070,000	8,259,000
Proceeds from issuance of share capital	627,516	103,764
Purchase of treasury shares	(50,500)	-
Transaction costs- purchase of treasury shares	(398)	-
Repayment of term loan	(433,078)	(323,097)
Repayment of bills payable	(15,788,000)	(8,183,792)
Repayment of hire purchase and lease payables	(657,153)	(475,489)
Term loan interest	(53,636)	(115,517)
	<u>(2,099,198)</u>	<u>(649,827)</u>
NET CASH FROM/(FOR) FINANCING ACTIVITIES	(2,099,198)	(649,827)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	15,237,681	2,021,310
Foreign exchange fluctuation reserve	156,934	47,070
CASH AND CASH EQUIVALENTS B/F	5,633,455	5,149,564
CASH AND CASH EQUIVALENTS C/F	<u>21,028,070</u>	<u>7,217,944</u>
NOTES TO CASH FLOW STATEMENT		
Cash and cash equivalents comprise:		
Cash and bank balances	3,848,152	6,927,238
Fixed deposit with licensed banks	18,017,000	651,390
Less: Fixed deposit pledged with licensed banks	(622,245)	-
Less: Overdraft	(214,837)	(360,684)
	<u>21,028,070</u>	<u>7,217,944</u>

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2012.