

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

The unaudited results of Grand-Flo Berhad (formerly known as Grand-Flo Solution Berhad) and its subsidiaries for the 3 months period ended 31 March 2014 are as follows:-

	NOTE	FOR THE QUARTER 3 MONTHS ENDED		FOR THE CUMULATIVE PERIOD 3 MONTHS ENDED	
		31/3/2014 RM	31/3/2013 RM	31/3/2014 RM	31/3/2013 RM
REVENUE	A8	14,201,073	18,912,488	14,201,073	18,912,488
COST OF SALES		<u>(10,045,750)</u>	<u>(14,023,486)</u>	<u>(10,045,750)</u>	<u>(14,023,486)</u>
GROSS PROFIT		4,155,323	4,889,002	4,155,323	4,889,002
OTHER INCOME	A8(b)	3,274,585	2,875,091	3,274,585	2,875,091
SELLING AND DISTRIBUTION EXPENSES		(599,117)	(620,012)	(599,117)	(620,012)
ADMINISTRATIVE EXPENSES		(3,573,505)	(3,388,177)	(3,573,505)	(3,388,177)
OTHER OPERATING EXPENSES		<u>(1,500)</u>	<u>(14,609)</u>	<u>(1,500)</u>	<u>(14,609)</u>
RESULTS FROM OPERATING ACTIVITIES		3,255,786	3,741,295	3,255,786	3,741,295
FINANCE COSTS		(157,158)	(159,944)	(157,158)	(159,944)
SHARE OF PROFIT OF ASSOCIATES, NET OF TAX		<u>328,219</u>	<u>907,909</u>	<u>328,219</u>	<u>907,909</u>
PROFIT BEFORE TAXATION	A8	3,426,847	4,489,260	3,426,847	4,489,260
INCOME TAX EXPENSES	B4	(92,679)	(84,425)	(92,679)	(84,425)
PROFIT AFTER TAXATION	A8	<u>3,334,168</u>	<u>4,404,835</u>	<u>3,334,168</u>	<u>4,404,835</u>
OTHER COMPREHENSIVE ITEM					
Exchange translation differences		340,877	86,057	(9,715)	86,057
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>3,675,045</u>	<u>4,490,892</u>	<u>3,324,453</u>	<u>4,490,892</u>
<b>PROFIT AFTER TAXATION ATTRIBUTABLE TO:-</b>					
OWNERS OF THE PARENT		3,340,852	4,399,309	3,340,852	4,399,309
NON-CONTROLLING INTERESTS		<u>(6,684)</u>	<u>5,526</u>	<u>(6,684)</u>	<u>5,526</u>
		<u>3,334,168</u>	<u>4,404,835</u>	<u>3,334,168</u>	<u>4,404,835</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-</b>					
OWNERS OF THE PARENT		3,681,729	4,485,366	3,331,137	4,485,366
NON-CONTROLLING INTERESTS		<u>(6,684)</u>	<u>5,526</u>	<u>(6,684)</u>	<u>5,526</u>
		<u>3,675,045</u>	<u>4,490,892</u>	<u>3,324,453</u>	<u>4,490,892</u>
<b>EARNINGS PER ORDINARY SHARE (SEN):-</b>					
BASIC	B10	1.03	1.38	1.03	1.38
DILUTED	B10	0.73	0.97	0.73	0.97

The unaudited condensed consolidated statements of profit or loss should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2014**

	Note	(UNAUDITED) AS AT 31/3/2014 RM	(AUDITED) AS AT 31/12/2013 RM
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	A9	22,601,702	22,697,729
Land held for property development		14,072,613	13,840,539
Investment in associate, quoted		13,813,293	12,262,628
Investment in associate, unquoted		1,159,799	1,093,604
Other investment, unquoted		16,332	16,434
Development costs		2,661,435	2,789,646
Goodwill		24,364,422	24,364,422
Deferred tax assets		339,000	339,000
		<u>79,028,596</u>	<u>77,404,002</u>
<b>Current Assets</b>			
Inventories		13,499,678	9,945,599
Trade receivables		13,959,424	22,777,675
Other receivables & prepayment		1,213,338	931,105
Amount due from associate		97,640	136,691
Amount due from related parties		177,827	245,676
Tax recoverable		414,489	358,491
Fixed deposit with licensed banks		10,193,280	8,523,739
Cash and bank balances		9,949,427	6,186,087
		<u>49,505,103</u>	<u>49,105,063</u>
<b>TOTAL ASSETS</b>		<u>128,533,699</u>	<u>126,509,065</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		32,578,515	32,578,515
Share premium		3,819,265	3,819,265
Treasury shares, at cost	A6	(89,348)	(76,236)
Warrant reserves		1,112,078	1,112,078
Other reserves		1,109,451	1,109,451
Foreign exchange fluctuation reserve		57,771	67,486
Revaluation surplus		6,341,680	6,341,680
Retained earnings		45,003,059	41,662,207
<b>Total equity attributable to owners of the Company</b>		<u>89,932,471</u>	<u>86,614,446</u>
Non controlling interests		780,670	787,354
<b>Total Equity</b>		<u>90,713,141</u>	<u>87,401,800</u>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Long-term borrowings	B6	7,669,776	9,165,252
Deferred tax liabilities		2,049,123	2,107,506
		<u>9,718,899</u>	<u>11,272,758</u>
<b>Current Liabilities</b>			
Short-term borrowings	B6	13,304,511	9,708,887
Trade payables		9,247,093	10,952,760
Other payables & accruals		5,049,001	6,547,998
Amount due to related parties		68,492	183,208
Tax payable		432,562	441,654
		<u>28,101,659</u>	<u>27,834,507</u>
<b>Total Liabilities</b>		<u>37,820,558</u>	<u>39,107,265</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>128,533,699</u>	<u>126,509,065</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO			
ORDINARY OWNERS OF THE PARENT (SEN)		27.60	26.59
NTA per share (sen)		19.31	18.25

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 2013 and the accompanying explanatory notes attached to the interim financial statements.



**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2014**

	←----- Attributable to owners of the Company -----→											
	←----- Non-Distributable -----→						----- Distributable -----→				Non Controlling Interests (NCI) RM	Total Equity RM
	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			
<b>Balance as at 1 January 2013</b>	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		
Total Comprehensive income for the year	-	-	-	-	1,411,989	-	350,592	12,968,010	14,730,591	(2,262)	14,728,329	
<i>Transactions with owners:</i>												
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	483,047	483,047	
Issuance of treasury shares	-	(6,503)	351,997	-	-	-	-	-	345,494	-	345,494	
Shares repurchased	-	-	(123,936)	-	-	-	-	-	(123,936)	-	(123,936)	
Transaction costs	-	-	(954)	-	-	-	-	-	(954)	-	(954)	
Conversion of warrants	621,930	186,579	-	(62,193)	-	-	-	-	746,316	-	746,316	
Dividend paid	-	-	-	-	-	-	-	(3,250,254)	(3,250,254)	-	(3,250,254)	
Total transactions with owners	621,930	180,076	227,107	(62,193)	-	-	-	(3,250,254)	(2,283,334)	483,047	(1,800,287)	
<b>Balance as at 31 December 2013</b>	32,578,515	3,819,265	(76,236)	1,112,078	6,341,680	1,109,451	67,486	41,662,207	86,614,446	787,354	87,401,800	
<b>Balance as at 1 January 2014</b>	32,578,515	3,819,265	(76,236)	1,112,078	6,341,680	1,109,451	67,486	41,662,207	86,614,446	787,354	87,401,800	
Total Comprehensive income for the year	-	-	-	-	-	-	(9,715)	3,340,852	3,331,137	(6,684)	3,324,453	
<i>Transactions with owners:</i>												
Shares repurchased	-	-	(13,000)	-	-	-	-	-	(13,000)	-	(13,000)	
Transaction costs	-	-	(112)	-	-	-	-	-	(112)	-	(112)	
Total transactions with owners	-	-	(13,112)	-	-	-	-	-	(13,112)	-	(13,112)	
<b>Balance as at 31 March 2014</b>	32,578,515	3,819,265	(89,348)	1,112,078	6,341,680	1,109,451	57,771	45,003,059	89,932,471	780,670	90,713,141	

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the annual audited financial statements as at 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 MARCH 2014**

	<b>3 MONTHS ENDED</b> <b>31/3/2014</b>	<b>3 MONTHS ENDED</b> <b>31/3/2013</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	3,426,847	4,489,260
Adjustments for:-		
Amortisation of development costs	327,567	285,157
Amortisation of leasehold land	9,358	9,358
Amortisation of other investment	103	451
Depreciation of plant and equipment	537,666	436,696
Gain on disposal of associate	-	(2,790,388)
Gain on conversion of warrants	(511,064)	-
Hire Purchase and lease Interest	59,035	34,046
Impairment for doubtful debts no longer required	9,885	15,230
Interest income	(72,994)	(19,127)
Interest expense	67,101	95,588
Overdraft interest	9,205	12,298
Share of associates' profits	(328,219)	(907,909)
Term loan interest	21,817	18,000
Unrealised loss on foreign exchange	(175)	5
	<u>129,285</u>	<u>(2,810,595)</u>
Operating profit before working capital changes	3,556,132	1,678,665
Inventories	(3,557,662)	786,116
Trade and other receivables	10,546,749	67,562
Trade and other payables	(3,116,642)	(542,660)
Land held for development	(232,074)	-
Subsidiaries	(1,812,211)	(518,463)
	<u>1,828,160</u>	<u>(207,445)</u>
<b>CASH FROM OPERATIONS</b>	5,384,292	1,471,220
Tax paid	(157,550)	(125,718)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	5,226,742	1,345,502
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additional investment in associate	(2,050,696)	-
Development costs incurred	(199,356)	(230,630)
Disposal of an associate	(1,273,119)	-
Interest received	72,994	19,127
Proceeds from disposal of property, plant and equipment	-	9,073
Proceeds from disposal of associate	2,464,562	-
Purchase of property, plant and equipment	(455,902)	(59,485)
<b>NET CASH FOR INVESTING ACTIVITIES</b>	(1,441,517)	(261,915)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(76,306)	(107,886)
Drawdown on finance lease payables	200,000	-
Disposal of treasury shares	-	345,493
Hire purchase and lease interest	(59,035)	(34,046)
Proceeds from issuance of treasury shares	-	6,503
Proceeds from other short term borrowings	5,166,000	7,288,000
Purchase of treasury shares	(13,000)	(50,500)
Share issuance expenses	(112)	(398)
Repayment of term loan	(220,721)	(217,996)
Repayment of bills payable	(2,925,000)	(8,066,000)
Repayment of hire purchase and lease payables	(396,960)	(271,987)
Term loan interest	(21,817)	(18,000)
<b>NET CASH FROM/(FOR) FINANCING ACTIVITIES</b>	1,653,049	(1,126,817)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	5,438,274	(43,230)
Foreign exchange fluctuation reserve	(5,393)	66,575
<b>CASH AND CASH EQUIVALENTS B/F</b>	14,709,826	5,633,455
<b>CASH AND CASH EQUIVALENTS C/F</b>	<u>20,142,707</u>	<u>5,656,800</u>
<b>NOTES TO CASH FLOW STATEMENT</b>		
Cash and cash equivalents comprise:		
Cash and bank balances	9,949,427	5,828,778
Fixed deposit with licensed banks	10,815,525	903,155
Less: Fixed deposit pledged with licensed banks	(622,245)	(622,245)
Less: Overdraft	-	(452,888)
	<u>20,142,707</u>	<u>5,656,800</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 2013.