

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

The unaudited results of Grand-Flo Berhad and its subsidiaries for the 12 months period ended 31 December 2014 are as follows:-

	NOTE	FOR THE QUARTER 3 MONTHS ENDED		FOR THE CUMULATIVE PERIOD 12 MONTHS ENDED	
		31/12/2014 RM	31/12/2013 RM	31/12/2014 RM	31/12/2013 RM
REVENUE	A8	35,562,629	29,520,513	85,637,739	89,602,676
COST OF SALES		<u>(27,440,561)</u>	<u>(21,737,714)</u>	<u>(63,147,106)</u>	<u>(65,534,940)</u>
GROSS PROFIT		8,122,068	7,782,799	22,490,633	24,067,736
OTHER INCOME	A8(b)	161,138	(96,763)	5,420,095	10,894,231
SELLING AND DISTRIBUTION EXPENSES		(556,370)	(810,853)	(2,559,859)	(2,892,524)
ADMINISTRATIVE EXPENSES		(4,079,271)	(4,358,172)	(14,725,461)	(18,324,725)
OTHER OPERATING EXPENSES		<u>(29,525)</u>	<u>(160,852)</u>	<u>(31,501)</u>	<u>(180,851)</u>
RESULTS FROM OPERATING ACTIVITIES		3,618,040	2,356,159	10,593,907	13,563,867
FINANCE COSTS		(141,591)	(161,511)	(613,120)	(628,191)
SHARE OF (LOSS)/PROFIT OF ASSOCIATES, NET OF TAX		<u>(344,196)</u>	<u>44,316</u>	<u>(767,781)</u>	<u>1,153,108</u>
PROFIT/(LOSS) BEFORE TAXATION	A8	3,132,253	2,238,964	9,213,006	14,088,784
INCOME TAX EXPENSES	B4	(1,214,340)	(822,070)	(1,626,042)	(1,123,036)
PROFIT/(LOSS) AFTER TAXATION	A8	<u>1,917,913</u>	<u>1,416,894</u>	<u>7,586,964</u>	<u>12,965,748</u>
OTHER COMPREHENSIVE ITEM					
Surplus arising from revaluation of freehold and leasehold land and building, net of tax		-	1,411,989	-	1,411,989
Exchange translation differences		146,299	111,472	203,435	350,592
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		<u>2,064,212</u>	<u>2,940,355</u>	<u>7,790,399</u>	<u>14,728,329</u>
<b>PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-</b>					
OWNERS OF THE PARENT		777,438	1,436,229	6,158,984	12,968,010
NON-CONTROLLING INTERESTS		<u>1,140,475</u>	<u>(19,335)</u>	<u>1,427,980</u>	<u>(2,262)</u>
		<u>1,917,913</u>	<u>1,416,894</u>	<u>7,586,964</u>	<u>12,965,748</u>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:-</b>					
OWNERS OF THE PARENT		923,737	2,959,690	6,362,419	14,730,591
NON-CONTROLLING INTERESTS		<u>1,140,475</u>	<u>(19,335)</u>	<u>1,427,980</u>	<u>(2,262)</u>
		<u>2,064,212</u>	<u>2,940,355</u>	<u>7,790,399</u>	<u>14,728,329</u>
<b>EARNINGS PER ORDINARY SHARE (SEN):-</b>					
BASIC	B10	0.21	0.47	1.80	4.02
DILUTED	B10	0.16	0.33	1.32	2.85

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 DECEMBER 2014**

	Note	(UNAUDITED) AS AT 31/12/2014 RM	(AUDITED) AS AT 31/12/2013 RM
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	A9	21,862,463	22,697,729
Land held for property development		-	13,840,539
Investment in associate, quoted		13,798,878	12,262,628
Investment in associate, unquoted		207,085	1,093,604
Other investment, unquoted		16,024	16,434
Development costs		2,277,304	2,789,646
Goodwill		39,209,748	24,364,422
Deferred tax assets		367,898	339,000
		<u>77,739,400</u>	<u>77,404,002</u>
<b>Current Assets</b>			
Inventories		12,847,574	9,945,599
Trade receivables		28,571,374	22,777,675
Other receivables & prepayment		1,236,866	931,105
Property development cost		34,157,867	-
Amount due from associate		184,822	136,691
Amount due from related parties		-	245,676
Tax recoverable		1,164,657	358,491
Fixed deposit with licensed banks		952,600	8,523,739
Cash and bank balances		10,662,019	6,186,087
		<u>89,777,779</u>	<u>49,105,063</u>
<b>TOTAL ASSETS</b>		<u>167,517,179</u>	<u>126,509,065</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		36,709,161	32,578,515
Share application money		39,920	-
Share premium		11,369,844	3,819,265
Treasury shares, at cost	A6	(434,457)	(76,236)
Warrant reserves		866,200	1,112,078
Other reserves		1,109,451	1,109,451
Foreign exchange fluctuation reserve		270,921	67,486
Revaluation surplus		6,160,852	6,341,680
Retained earnings		44,495,069	41,662,207
<b>Total equity attributable to owners of the Company</b>		<u>100,586,961</u>	<u>86,614,446</u>
Non controlling interests		2,370,005	787,354
<b>Total Equity</b>		<u>102,956,966</u>	<u>87,401,800</u>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Long-term borrowings	B6	15,722,580	9,165,252
Deferred tax liabilities		2,552,448	2,107,506
		<u>18,275,028</u>	<u>11,272,758</u>
<b>Current Liabilities</b>			
Short-term borrowings	B6	11,761,954	9,708,887
Trade payables		18,519,907	10,952,760
Other payables & accruals		15,805,487	6,547,998
Amount due to related parties		-	183,208
Tax payable		197,837	441,654
		<u>46,285,185</u>	<u>27,834,507</u>
<b>Total Liabilities</b>		<u>64,560,213</u>	<u>39,107,265</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>167,517,179</u>	<u>126,509,065</u>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY OWNERS OF THE PARENT (SEN)</b>			
		27.40	26.59
<b>NTA per share (sen)</b>			
		16.10	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.



**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2014**

	← Attributable to owners of the Company →										Non Controlling Interests (NCI)	Total Equity
	← Non-Distributable →					Distributable						
	Share Capital	Share Premium	Treasury Shares	Warrant Reserves	Other Reserves	Foreign Exchange Fluctuation Reserve	Revaluation Reserves	Retained Earnings	Total			
RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
<b>Balance as at 1 January 2013</b>	31,956,585	3,639,189	(303,343)	1,174,271	1,109,451	(283,106)	4,929,691	31,944,451	74,167,189	306,569	74,473,758	
Total Comprehensive income for the year	-	-	-	-	-	350,592	1,411,989	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>	<b>32,578,515</b>	<b>3,819,265</b>	<b>(76,236)</b>	<b>1,112,078</b>	<b>1,109,451</b>	<b>67,486</b>	<b>6,341,680</b>	<b>41,662,207</b>	<b>86,614,446</b>	<b>787,354</b>	<b>87,401,800</b>	
<b>Balance as at 1 January 2014</b>	32,578,515	3,819,265	(76,236)	1,112,078	1,109,451	67,486	6,341,680	41,662,207	86,614,446	787,354	87,401,800	
Total Comprehensive income for the year	-	-	-	-	-	203,435	-	6,158,984	6,362,419	1,427,980	7,790,399	
<i>Transactions with owners:</i>												
Acquisition of subsidiary	2,941,177	7,058,823	-	-	-	-	-	-	10,000,000	154,671	10,154,671	
Shares repurchased	-	-	(355,091)	-	-	-	-	-	(355,091)	-	(355,091)	
Transaction costs	-	-	(3,130)	-	-	-	-	-	(3,130)	-	(3,130)	
Conversion of warrants	1,189,469	491,756	-	(245,878)	-	-	-	-	1,435,347	-	1,435,347	
Share application money	-	-	-	-	39,920	-	-	-	39,920	-	39,920	
Dividend paid	-	-	-	-	-	-	-	(3,326,122)	(3,326,122)	-	(3,326,122)	
Revaluation reserves	-	-	-	-	-	-	(180,828)	-	(180,828)	-	(180,828)	
Total transactions with owners	4,130,646	7,550,579	(358,221)	(245,878)	39,920	-	(180,828)	(3,326,122)	7,610,096	154,671	7,764,767	
<b>Balance as at 31 December 2014</b>	<b>36,709,161</b>	<b>11,369,844</b>	<b>(434,457)</b>	<b>866,200</b>	<b>1,149,371</b>	<b>270,921</b>	<b>6,160,852</b>	<b>44,495,069</b>	<b>100,586,961</b>	<b>2,370,005</b>	<b>102,956,966</b>	

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 DECEMBER 2014**

	12 MONTHS ENDED 31/12/2014 RM	12 MONTHS ENDED 31/12/2013 RM
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	9,213,006	14,088,784
Adjustments for:-		
Amortisation of development costs	1,310,395	1,150,784
Amortisation of other investment	410	955
Bad debts written off	-	32,973
Depreciation of plant and equipment	2,256,035	2,030,315
Loss on disposal investment	-	50,841
Gain/loss on disposal of property, plant and equipment	(58,024)	(59)
Gain on disposal of associate	(4,588,922)	(13,772,802)
Loss on deemed disposal of associate	-	3,604,274
Hire Purchase and lease Interest	214,760	-
Provision of doubtful debts	9,967	-
Interest income	(258,851)	(282,188)
Inventories written off	1,226	240,765
Interest expense	268,212	628,191
Overdraft interest	38,981	-
Property, plant and equipment written off	23,390	10,425
Share of associates' profits/loss	767,781	(1,153,108)
Term loan interest	91,169	-
Unrealised gain/loss on foreign exchange	12	47,187
	<u>76,541</u>	<u>(7,411,447)</u>
Operating profit before working capital changes	9,289,547	6,677,337
Inventories	(2,871,343)	(722,129)
Trade and other receivables	(1,989,564)	(2,456,365)
Trade and other payables	2,942,491	2,750,722
Land held for development	(8,282,306)	-
Subsidiaries	55,434	231,146
Associates	-	(34,312)
	<u>(10,145,288)</u>	<u>(230,938)</u>
<b>CASH FROM OPERATIONS</b>	(855,741)	6,446,399
Tax paid	(2,502,086)	(551,957)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>(3,357,827)</u>	5,894,442
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of subsidiary companies, net of cash and cash equivalents acquired	(4,919,001)	-
Additional investment in subsidiary	-	(2,381,856)
Additional investment in associate	(2,050,696)	(185,347)
Development costs incurred	(798,053)	(986,080)
Disposal of an associate	1,750,044	-
Disposal of a subsidiary	2	-
Proceeds from disposal of an associate	3,472,063	-
Interest received	258,851	282,188
Proceeds from disposal of property, plant and equipment	59,065	1,281
Proceeds from disposal of associate	-	15,874,719
Placement of fixed deposit	-	(19,237)
Purchase of property, plant and equipment	(1,401,867)	(1,262,501)
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<u>(3,629,592)</u>	11,323,167
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(307,193)	(628,191)
Dividend paid to company shareholders	(3,326,122)	(3,250,254)
Drawdown on finance lease payables	7,948,884	(4,875,258)
Hire purchase and lease interest	(214,760)	-
Proceeds from issuance of treasury shares	-	345,494
Proceeds from other short term borrowings	20,600,224	-
Proceeds from issuance of warrants	245,878	746,316
Proceeds from issuance of share	1,229,390	-
Purchase of treasury shares	(355,091)	(123,936)
Share issuance expenses	(3,130)	(954)
Repayment of term loan	(1,128,947)	-
Repayment of bills payable	(19,489,224)	-
Repayment of hire purchase and lease payables	(1,470,014)	(1,430,008)
Term loan interest	(91,169)	-
<b>NET CASH FROM/(FOR) FINANCING ACTIVITIES</b>	<u>3,638,726</u>	<u>(9,216,791)</u>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(3,348,693)	8,475,338
Foreign exchange fluctuation reserve	69,592	(318,029)
<b>CASH AND CASH EQUIVALENTS B/F</b>	14,432,246	5,633,455
<b>CASH AND CASH EQUIVALENTS C/F</b>	<u><b>11,153,145</b></u>	<u><b>13,790,764</b></u>
<b>NOTES TO CASH FLOW STATEMENT</b>		
Cash and cash equivalents comprise:		
Cash and bank balances	10,662,019	6,186,087
Fixed deposit with licensed banks	1,594,082	8,523,739
Less: Fixed deposit pledged with licensed banks	(641,482)	(641,482)
Less: Overdraft	(461,474)	(277,580)
	<u><b>11,153,145</b></u>	<u><b>13,790,764</b></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.