

**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2015**

The unaudited results of Grand-Flo Berhad and its subsidiaries for the 6 months period ended 30 June 2015 are as follows:-

	NOTE	FOR THE QUARTER 3 MONTHS ENDED		FOR THE CUMULATIVE PERIOD 6 MONTHS ENDED	
		30/6/2015 RM	30/6/2014 RM	30/6/2015 RM	30/6/2014 RM
REVENUE	A8	20,249,839	16,556,957	47,471,285	30,758,029
COST OF SALES		<u>(13,880,220)</u>	<u>(11,838,719)</u>	<u>(30,937,419)</u>	<u>(21,884,469)</u>
GROSS PROFIT		6,369,619	4,718,238	16,533,866	8,873,560
OTHER INCOME	A8(b)	416,287	72,032	2,354,393	3,867,273
SELLING AND DISTRIBUTION EXPENSES		(832,755)	(640,196)	(1,600,576)	(1,239,314)
ADMINISTRATIVE EXPENSES		(3,557,150)	(3,512,807)	(8,067,453)	(7,086,313)
OTHER OPERATING EXPENSES		<u>-</u>	<u>(1,041)</u>	<u>(3,277)</u>	<u>(2,541)</u>
RESULTS FROM OPERATING ACTIVITIES		2,396,001	636,226	9,216,953	4,412,665
FINANCE COSTS		(150,602)	(171,087)	(305,146)	(328,243)
SHARE OF LOSS OF ASSOCIATES, NET OF TAX		<u>(281,322)</u>	<u>(199,681)</u>	<u>(660,053)</u>	<u>(404,391)</u>
PROFIT BEFORE TAXATION	A8	1,964,077	265,458	8,251,754	3,680,031
INCOME TAX EXPENSES	B4	(360,032)	(91,117)	(1,007,508)	(183,796)
PROFIT AFTER TAXATION	A8	<u>1,604,045</u>	<u>174,341</u>	<u>7,244,246</u>	<u>3,496,235</u>
OTHER COMPREHENSIVE ITEM					
Exchange translation differences		150,972	220,209	331,809	(120,668)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>1,755,017</u>	<u>394,550</u>	<u>7,576,055</u>	<u>3,375,567</u>
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
OWNERS OF THE PARENT		931,018	177,467	5,960,402	3,506,045
NON-CONTROLLING INTERESTS		<u>673,027</u>	<u>(3,126)</u>	<u>1,283,844</u>	<u>(9,810)</u>
		<u>1,604,045</u>	<u>174,341</u>	<u>7,244,246</u>	<u>3,496,235</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:-					
OWNERS OF THE PARENT		1,081,990	397,676	6,292,211	3,385,377
NON-CONTROLLING INTERESTS		<u>673,027</u>	<u>(3,126)</u>	<u>1,283,844</u>	<u>(9,810)</u>
		<u>1,755,017</u>	<u>394,550</u>	<u>7,576,055</u>	<u>3,375,567</u>
EARNINGS PER ORDINARY SHARE (SEN):-					
BASIC	B10	0.20	0.05	1.37	1.07
DILUTED	B10	0.19	0.04	1.23	0.77

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 2014 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	(UNAUDITED) AS AT 30/6/2015 RM	(AUDITED) AS AT 31/12/2014 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	A9	22,130,490	21,862,462
Investment in associate, quoted		11,954,608	12,534,349
Investment in associate, unquoted		1,751,544	1,471,615
Other investment, unquoted		15,819	16,024
Development costs		2,310,581	2,325,959
Goodwill		39,209,749	39,209,748
Deferred tax assets		367,898	367,898
		<u>77,740,689</u>	<u>77,788,055</u>
Current Assets			
Inventories		11,890,152	12,847,574
Trade receivables		32,209,570	27,692,200
Other receivables & prepayment		1,605,966	1,291,602
Property development cost		44,429,413	34,113,304
Amount due from associate		368,197	35,239
Amount due from related parties		-	907,292
Tax recoverable		799,314	1,104,026
Fixed deposit with licensed banks		6,132,570	952,600
Cash and bank balances		10,319,926	10,662,017
		<u>107,755,108</u>	<u>89,605,854</u>
TOTAL ASSETS		<u>185,495,797</u>	<u>167,393,909</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		48,311,571	36,709,161
Share application money		-	39,920
Share premium		9,548,541	11,369,843
Treasury shares, at cost	A6	(879,328)	(434,457)
Warrant reserves		-	866,200
Other reserves		1,109,451	1,109,451
Foreign exchange fluctuation reserve		631,281	299,472
Revaluation surplus		6,160,852	6,160,852
Retained earnings		46,168,730	45,009,084
Total equity attributable to owners of the Company		<u>111,051,098</u>	<u>101,129,526</u>
Non controlling interests		3,653,848	2,370,004
Total Equity		<u>114,704,946</u>	<u>103,499,530</u>
LIABILITIES			
Non-Current Liabilities			
Long-term borrowings	B6	18,530,325	12,614,574
Deferred tax liabilities		2,076,788	2,073,129
		<u>20,607,113</u>	<u>14,687,703</u>
Current Liabilities			
Short-term borrowings	B6	11,905,744	14,869,959
Trade payables		16,265,954	17,436,454
Other payables & accruals		21,499,945	16,648,821
Amount due to related parties		-	180,132
Tax payable		512,095	71,310
		<u>50,183,738</u>	<u>49,206,676</u>
Total Liabilities		<u>70,790,851</u>	<u>63,894,379</u>
TOTAL EQUITY AND LIABILITIES		<u>185,495,797</u>	<u>167,393,909</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO			
ORDINARY OWNERS OF THE PARENT (SEN)			
		22.99	27.55
NTA per share (sen)			
		14.39	16.23

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 2014 and the accompanying explanatory notes attached to the interim financial statements.



UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2015

	← Attributable to owners of the Company →										Non Controlling Interests (NCI)	Total Equity
	← Non-Distributable →						Distributable					
	Share Capital	Share application money	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	
Balance as at 1 January 2014	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	-	-	-	-	-	-	231,986	(180,828)	6,672,998	6,724,156	1,427,979	8,152,135
<i>Transactions with owners:</i>												
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	154,671	154,671
Issuance of ordinary shares	2,941,176	-	7,058,824	-	-	-	-	-	-	10,000,000	-	10,000,000
Shares repurchased	-	-	-	(355,091)	-	-	-	-	-	(355,091)	-	(355,091)
Share application money	-	39,920	-	-	-	-	-	-	-	39,920	-	39,920
Transaction costs	-	-	-	(3,130)	-	-	-	-	-	(3,130)	-	(3,130)
Conversion of warrants	1,189,470	-	491,754	-	(245,878)	-	-	-	-	1,435,346	-	1,435,346
Dividend paid	-	-	-	-	-	-	-	-	(3,326,121)	(3,326,121)	-	(3,326,121)
Total transactions with owners	4,130,646	39,920	7,550,578	(358,221)	(245,878)	-	-	-	(3,326,121)	7,790,924	154,671	7,945,595
Balance as at 31 December 2014	36,709,161	39,920	11,369,843	(434,457)	866,200	1,109,451	299,472	6,160,852	45,009,084	101,129,526	2,370,004	103,499,530
Balance as at 1 January 2015	36,709,161	39,920	11,369,843	(434,457)	866,200	1,109,451	299,472	6,160,852	45,009,084	101,129,526	2,370,004	103,499,530
Total Comprehensive income for the year	-	-	-	-	-	-	331,809	-	5,960,402	6,292,211	1,283,844	7,576,055
<i>Transactions with owners:</i>												
Acquisition of subsidiary	-	-	(5,000,000)	-	-	-	-	-	-	(5,000,000)	-	(5,000,000)
Shares repurchased	-	-	-	(440,971)	-	-	-	-	-	(440,971)	-	(440,971)
Share application money	-	(39,920)	-	-	-	-	-	-	-	(39,920)	-	(39,920)
Transaction costs	-	-	-	(3,900)	-	-	-	-	-	(3,900)	-	(3,900)
Conversion of warrants	11,602,410	-	3,178,698	-	(866,200)	-	-	-	-	13,914,908	-	13,914,908
Dividend paid	-	-	-	-	-	-	-	-	(4,800,756)	(4,800,756)	-	(4,800,756)
Total transactions with owners	11,602,410	(39,920)	(1,821,302)	(444,871)	(866,200)	-	-	-	(4,800,756)	3,629,361	-	3,629,361
Balance as at 30 June 2015	48,311,571	-	9,548,541	(879,328)	-	1,109,451	631,281	6,160,852	46,168,730	111,051,098	3,653,848	114,704,946

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the annual audited financial statements as at 31 December 2014 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 30 JUNE 2015

	6 MONTHS ENDED 30/6/2015 RM	6 MONTHS ENDED 30/6/2014 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	8,251,754	3,680,031
Adjustments for:-		
Amortisation of development costs	498,636	660,233
Amortisation of other investment	205	205
Impairment for doubtful debts no longer required	-	9,720
Depreciation of plant and equipment	1,110,869	1,105,855
Loss/gain on disposal of property, plant and equipment	9,582	1,036
Gain on deemed disposal of associate	(1,667,351)	(876,608)
Hire Purchase and lease Interest	84,992	113,856
Interest income	(135,521)	(165,146)
Interest expense	185,495	157,075
Property, plant and equipment written off	-	2,200
Share of associates' profits/loss	660,053	404,391
Term loan interest	34,659	57,251
Unrealised gain/loss on foreign exchange	-	416
	<u>781,619</u>	<u>1,470,484</u>
Operating profit before working capital changes	9,033,373	5,150,515
Inventories	992,070	(2,544,402)
Trade and other receivables	(5,461,901)	9,713,421
Trade and other payables	8,628,714	222,144
Land held for development	(10,271,546)	(567,220)
Subsidiaries	(4,025,440)	(4,861,084)
	<u>(10,138,103)</u>	<u>1,962,859</u>
CASH FROM OPERATIONS	(1,104,730)	7,113,374
Tax paid	(268,624)	(298,520)
NET CASH FROM OPERATING ACTIVITIES	(1,373,354)	6,814,854
CASH FLOW FROM INVESTING ACTIVITIES		
Additional investment in subsidiary	-	(2,050,696)
Development costs incurred	(464,540)	(424,205)
Disposal of an associate	-	(1,223,544)
Interest received	135,521	165,146
Proceeds from disposal of property, plant and equipment	388,000	-
Proceeds from disposal of associate	-	2,514,137
Purchase of property, plant and equipment	(1,750,982)	(931,701)
NET CASH FOR INVESTING ACTIVITIES	(1,692,001)	(1,950,863)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(185,495)	(157,075)
Dividend paid to company shareholders	(4,800,756)	-
Drawdown on finance lease payables	4,600,395	200,000
Hire purchase and lease interest	(84,992)	(113,856)
Proceeds from other short term borrowings	-	10,324,645
Proceeds from issuance of warrants	672,495	-
Proceeds from issuance of share	9,587,403	872,965
Purchase of treasury shares	(440,971)	(78,715)
Share issuance expenses	(3,900)	(723)
Repayment of term loan	(1,330,632)	(721,717)
Net drawdown of bills payable	582,000	(10,112,645)
Repayment of hire purchase and lease payables	(658,080)	(761,993)
Term loan interest	(34,659)	(57,251)
	<u>7,902,808</u>	<u>(606,365)</u>
NET CASH FROM/(FOR) FINANCING ACTIVITIES	7,902,808	(606,365)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	4,837,453	4,257,626
Foreign exchange fluctuation reserve	248,111	(95,794)
CASH AND CASH EQUIVALENTS B/F	11,153,143	14,432,246
CASH AND CASH EQUIVALENTS C/F	<u>16,238,707</u>	<u>18,594,078</u>
NOTES TO CASH FLOW STATEMENT		
Cash and cash equivalents comprise:		
Cash and bank balances	10,319,926	10,713,929
Fixed deposit with licensed banks	6,132,570	8,986,782
Less: Fixed deposit pledged with licensed banks	-	(622,245)
Less: Overdraft	(213,789)	(484,388)
	<u>16,238,707</u>	<u>18,594,078</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 2014.