

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

The unaudited results of Grand-Flo Berhad and its subsidiaries for the 9 months period ended 30 September 2015 are as follows:-

|  | NOTE  | FOR THE QUARTER<br>3 MONTHS ENDED |                     | FOR THE CUMULATIVE PERIOD<br>9 MONTHS ENDED |                     |
|--|-------|-----------------------------------|---------------------|---|---------------------|
|  |       | 30/9/2015<br>RM                   | 30/9/2014<br>RM     | 30/9/2015<br>RM                             | 30/9/2014<br>RM     |
| REVENUE  | A8    | 32,907,842                        | 19,317,081          | 80,379,127                                  | 50,075,111          |
| COST OF SALES  |       | <u>(23,437,607)</u>               | <u>(13,747,588)</u> | <u>(54,375,024)</u>                         | <u>(35,706,544)</u> |
| GROSS PROFIT   |       | 9,470,235                         | 5,569,493           | 26,004,103                                  | 14,368,567          |
| OTHER INCOME   | A8(b) | 843,076                           | 1,391,683           | 3,205,114                                   | 5,258,956           |
| SELLING AND DISTRIBUTION EXPENSES                          |       | (949,917)                         | (764,177)           | (2,550,493)                                 | (2,003,492)         |
| ADMINISTRATIVE EXPENSES                                    |       | (4,110,302)                       | (3,635,299)         | (12,185,401)                                | (10,646,191)        |
| OTHER OPERATING EXPENSES                                   |       | <u>-</u>                          | <u>1,500</u>        | <u>(3,277)</u>                              | <u>(1,976)</u>      |
| RESULTS FROM OPERATING ACTIVITIES                          |       | 5,253,092                         | 2,563,200           | 14,470,046                                  | 6,975,864           |
| FINANCE COSTS  |       | (170,011)                         | (143,286)           | (475,157)                                   | (471,529)           |
| SHARE OF LOSS OF ASSOCIATES, NET OF TAX                    |       | <u>(204,391)</u>                  | <u>(19,195)</u>     | <u>(864,451)</u>                            | <u>(423,585)</u>    |
| PROFIT BEFORE TAXATION                                     | A8    | 4,878,690                         | 2,400,719           | 13,130,438                                  | 6,080,750           |
| INCOME TAX EXPENSES  | B4    | (864,293)                         | (227,904)           | (1,871,803)                                 | (411,701)           |
| PROFIT AFTER TAXATION                                      | A8    | <u>4,014,397</u>                  | <u>2,172,815</u>    | <u>11,258,635</u>                           | <u>5,669,049</u>    |
| OTHER COMPREHENSIVE ITEM                                   |       |                                   |                     |   |                     |
| Exchange translation differences                           |       | 926,570                           | 146,299             | 1,077,542                                   | (73,910)            |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD                  |       | <u>4,940,967</u>                  | <u>2,319,114</u>    | <u>12,336,177</u>                           | <u>5,595,139</u>    |
| <b>PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-</b>      |       |                                   |                     |   |                     |
| OWNERS OF THE PARENT                                       |       | 2,857,947                         | 1,875,500           | 8,818,340                                   | 5,381,544           |
| NON-CONTROLLING INTERESTS                                  |       | <u>1,156,450</u>                  | <u>297,315</u>      | <u>2,440,295</u>                            | <u>287,505</u>      |
|  |       | <u>4,014,397</u>                  | <u>2,172,815</u>    | <u>11,258,635</u>                           | <u>5,669,049</u>    |
| <b>TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:-</b> |       |                                   |                     |   |                     |
| OWNERS OF THE PARENT                                       |       | 3,784,517                         | 2,021,799           | 9,895,882                                   | 5,307,634           |
| NON-CONTROLLING INTERESTS                                  |       | <u>1,156,450</u>                  | <u>297,315</u>      | <u>2,440,295</u>                            | <u>287,505</u>      |
|  |       | <u>4,940,967</u>                  | <u>2,319,114</u>    | <u>12,336,177</u>                           | <u>5,595,139</u>    |
| <b>EARNINGS PER ORDINARY SHARE (SEN):-</b>                 |       |                                   |                     |   |                     |
| BASIC  | B10   | 0.59                              | 0.54                | 1.83  | 1.61                |
| DILUTED  | B10   | n/a                               | 0.40                | n/a   | 1.17                |

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 SEPTEMBER 2015**

|   |    | (UNAUDITED)<br>AS AT<br>30/9/2015<br>RM | (AUDITED)<br>AS AT<br>31/12/2014<br>RM |
|---|----|---|--|
| <b>ASSETS</b>   |    |   |  |
| <b>Non-Current Assets</b>                                 |    |   |  |
| Property, plant and equipment                             | A9 | 21,845,000                              | 21,862,462                             |
| Investment in associate, quoted                           |    | 12,237,960                              | 12,534,349                             |
| Investment in associate, unquoted                         |    | 1,955,914                               | 1,471,615                              |
| Other investment, unquoted                                |    | 15,717                                  | 16,024                                 |
| Development costs   |    | 2,227,344                               | 2,325,959                              |
| Goodwill  |    | 39,209,749                              | 39,209,748                             |
| Deferred tax assets                                       |    | 367,898                                 | 367,898                                |
|   |    | <u>77,859,582</u>                       | <u>77,788,055</u>                      |
| <b>Current Assets</b>                                     |    |   |  |
| Inventories   |    | 12,633,682                              | 12,847,574                             |
| Trade receivables   |    | 47,868,033                              | 27,692,200                             |
| Other receivables & prepayment                            |    | 1,849,723                               | 1,291,602                              |
| Property development cost                                 |    | 47,053,314                              | 34,113,304                             |
| Amount due from associate                                 |    | 12,025                                  | 35,239                                 |
| Amount due from related parties                           |    | 193,115                                 | 907,292                                |
| Tax recoverable   |    | 412,617                                 | 1,104,026                              |
| Fixed deposit with licensed banks                         |    | 5,507,554                               | 952,600                                |
| Cash and bank balances                                    |    | 12,810,350                              | 10,662,017                             |
|   |    | <u>128,340,413</u>                      | <u>89,605,854</u>                      |
| <b>TOTAL ASSETS</b>                                       |    | <u>206,199,995</u>                      | <u>167,393,909</u>                     |
| <b>EQUITY AND LIABILITIES</b>                             |    |   |  |
| <b>EQUITY</b>   |    |   |  |
| 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 | (1,038,625)                             | (434,457)                              |
| Warrant reserves  |    | -                                       | 866,200                                |
| Other reserves  |    | 1,109,451                               | 1,109,451                              |
| Foreign exchange fluctuation reserve                      |    | 1,377,014                               | 299,472                                |
| Revaluation surplus                                       |    | 6,160,852                               | 6,160,852                              |
| Retained earnings   |    | 49,026,668                              | 45,009,084                             |
| <b>Total equity attributable to owners of the Company</b> |    | <u>114,495,472</u>                      | <u>101,129,526</u>                     |
| Non controlling interests                                 |    | 13,030,299                              | 2,370,004                              |
| <b>Total Equity</b>                                       |    | <u>127,525,771</u>                      | <u>103,499,530</u>                     |
| <b>LIABILITIES</b>  |    |   |  |
| <b>Non-Current Liabilities</b>                            |    |   |  |
| Long-term borrowings                                      | B6 | 18,136,046                              | 12,614,574                             |
| Deferred tax liabilities                                  |    | 2,085,060                               | 2,073,129                              |
|   |    | <u>20,221,106</u>                       | <u>14,687,703</u>                      |
| <b>Current Liabilities</b>                                |    |   |  |
| Short-term borrowings                                     | B6 | 12,360,857                              | 14,869,959                             |
| Trade payables  |    | 28,015,134                              | 17,436,454                             |
| Other payables & accruals                                 |    | 17,119,545                              | 16,648,821                             |
| Amount due to related parties                             |    | -                                       | 180,132                                |
| Tax payable   |    | 957,582                                 | 71,310                                 |
|   |    | <u>58,453,118</u>                       | <u>49,206,676</u>                      |
| <b>Total Liabilities</b>                                  |    | <u>78,674,224</u>                       | <u>63,894,379</u>                      |
| <b>TOTAL EQUITY AND LIABILITIES</b>                       |    | <u>206,199,995</u>                      | <u>167,393,909</u>                     |
| NET ASSETS PER SHARE ATTRIBUTABLE TO                      |    |   |  |
| ORDINARY OWNERS OF THE PARENT (SEN)                       |    | 23.70                                   | 27.55                                  |
| NTA per share (sen)                                       |    | 15.12                                   | 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.



INTERIM FINANCIAL STATEMENTS

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

|   | ←----- Attributable to owners of the Company -----> |                         |               |                 |                  |                |                                      |                      |                   |             |                                 |              |
|---|---|-------------------------|---------------|-----------------|------------------|----------------|--------------------------------------|----------------------|-------------------|-------------|---------------------------------|--------------|
|   | ←----- 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       | Non Controlling Interests (NCI) | Total Equity |
| RM                                      | RM  | RM                      | RM            | RM              | RM               | RM             | RM                                   | RM                   | RM                | RM          | RM                              |              |
| <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 | -   | -                       | -             | -               | -                | -              | 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    |
| <b>Balance as at 31 December 2014</b>   | 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  |
| <b>Balance as at 1 January 2015</b>     | 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 | -   | -                       | -             | -               | -                | -              | 1,077,542                            | -                    | 8,818,340         | 9,895,882   | 2,440,295                       | 12,336,177   |
| <i>Transactions with owners:</i>        |   |                         |               |                 |                  |                |                                      |                      |                   |             |                                 |              |
| Acquisition of subsidiary               | -   | -                       | (5,000,000)   | -               | -                | -              | -                                    | -                    | -                 | (5,000,000) | -                               | (5,000,000)  |
| Shares repurchased                      | -   | -                       | -             | (598,701)       | -                | -              | -                                    | -                    | -                 | (598,701)   | -                               | (598,701)    |
| Share application money                 | -   | (39,920)                | -             | -               | -                | -              | -                                    | -                    | -                 | (39,920)    | -                               | (39,920)     |
| Transaction costs                       | -   | -                       | -             | (5,467)         | -                | -              | -                                    | -                    | -                 | (5,467)     | -                               | (5,467)      |
| Conversion of warrants                  | 11,602,410  | -                       | 3,178,698     | -               | (866,200)        | -              | -                                    | -                    | -                 | 13,914,908  | -                               | 13,914,908   |
| Issuance of preference shares           | -   | -                       | -             | -               | -                | -              | -                                    | -                    | -                 | -           | 8,220,000                       | 8,220,000    |
| Dividend paid                           | -   | -                       | -             | -               | -                | -              | -                                    | -                    | (4,800,756)       | (4,800,756) | -                               | (4,800,756)  |
| Total transactions with owners          | 11,602,410  | (39,920)                | (1,821,302)   | (604,168)       | (866,200)        | -              | -                                    | -                    | (4,800,756)       | 3,470,064   | 8,220,000                       | 11,690,064   |
| <b>Balance as at 30 September 2015</b>  | 48,311,571  | -                       | 9,548,541     | (1,038,625)     | -                | 1,109,451      | 1,377,014                            | 6,160,852            | 49,026,668        | 114,495,472 | 13,030,299                      | 127,525,771  |

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 SEPTEMBER 2015**

|   | <b>9 MONTHS ENDED<br/>30/9/2015<br/>RM</b> | <b>9 MONTHS ENDED<br/>30/9/2014<br/>RM</b> |
|---|--|--|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                    |  |  |
| Profit before taxation  | 13,130,438                                 | 6,080,750                                  |
| Adjustments for:-   |  |  |
| Amortisation of development costs   | 763,511                                    | 983,924                                    |
| Amortisation of other investment  | 308  | 308  |
| Impairment for doubtful debts no longer required                              | -  | 9,967                                      |
| Depreciation of plant and equipment   | 1,720,245                                  | 1,676,808                                  |
| Loss/gain on disposal of property, plant and equipment                        | 9,582                                      | (58,960)                                   |
| Gain on deemed disposal of associate  | (2,360,019)                                | (4,588,922)                                |
| Hire Purchase and lease interest  | 119,070                                    | 166,364                                    |
| Interest income   | (208,147)                                  | (222,724)                                  |
| Interest expense  | 294,139                                    | 229,914                                    |
| Property, plant and equipment written off                                     | -  | 2,200                                      |
| Share of associates' profits/loss   | 864,445                                    | 423,585                                    |
| Term loan interest  | 61,949                                     | 75,251                                     |
| Unrealised gain/loss on foreign exchange                                      | 211  | 424  |
|   | <u>1,265,294</u>                           | <u>(1,301,861)</u>                         |
| Operating profit before working capital changes                               | 14,395,732                                 | 4,778,889                                  |
| Inventories   | 327,740                                    | (2,690,397)                                |
| Trade and other receivables   | (20,300,522)                               | 2,979,468                                  |
| Trade and other payables  | 10,292,458                                 | (1,096,172)                                |
| Land held for development   | (12,895,447)                               | 3,868,507                                  |
| Subsidiaries  | <u>(8,336,912)</u>                         | <u>(7,547,924)</u>                         |
|   | <u>(30,912,683)</u>                        | <u>(4,486,518)</u>                         |
| <b>CASH FROM OPERATIONS</b>   | <u>(16,516,951)</u>                        | 292,371                                    |
| Tax paid  | <u>(299,187)</u>                           | <u>(1,095,011)</u>                         |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>                                     | <u>(16,816,138)</u>                        | <u>(802,640)</u>                           |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                    |  |  |
| Acquisition of subsidiary companies, net of cash and cash equivalent acquired | -  | 602,179                                    |
| Additional investment in subsidiary   | -  | (2,050,696)                                |
| Development costs incurred  | (664,896)                                  | (604,182)                                  |
| Disposal of an associate  | (146,481)                                  | 1,750,044                                  |
| Interest received   | 208,922                                    | 222,724                                    |
| Proceeds from disposal of property, plant and equipment                       | 388,000                                    | 60,001                                     |
| Proceeds from disposal of associate   | -  | 3,472,063                                  |
| Purchase of property, plant and equipment                                     | <u>(1,946,579)</u>                         | <u>(1,271,947)</u>                         |
| <b>NET CASH FOR INVESTING ACTIVITIES</b>                                      | <u>(2,161,034)</u>                         | 2,180,186                                  |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                                    |  |  |
| Interest paid   | (294,139)                                  | (229,914)                                  |
| Dividend paid to company shareholders   | (4,800,756)                                | (3,326,122)                                |
| Drawdown on finance lease payables  | 7,600,395                                  | 791,818                                    |
| Hire purchase and lease interest  | (119,070)                                  | (166,364)                                  |
| Proceeds from other short term borrowings                                     | -  | 13,008,259                                 |
| Proceeds from issuance of warrants  | 866,200                                    | 162,534                                    |
| Proceeds from issuance of share   | 9,781,107                                  | 812,670                                    |
| Proceeds from issuance of preference share                                    | 17,125,000                                 | -  |
| Purchase of treasury shares   | (598,701)                                  | (81,865)                                   |
| Share issuance expenses   | (5,467)                                    | (767)                                      |
| Repayment of term loan  | (4,466,988)                                | (949,982)                                  |
| Net drawdown of bills payable   | 853,000                                    | (12,584,259)                               |
| Repayment of hire purchase and lease payables                                 | (1,028,600)                                | (1,023,316)                                |
| Term loan interest  | <u>(61,949)</u>                            | <u>(75,251)</u>                            |
| <b>NET CASH FROM/(FOR) FINANCING ACTIVITIES</b>                               | <u>24,850,032</u>                          | <u>(3,662,559)</u>                         |
| <b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                 | 5,872,860                                  | (2,285,013)                                |
| Foreign exchange fluctuation reserve  | 808,615                                    | (88,876)                                   |
| <b>CASH AND CASH EQUIVALENTS B/F</b>  | 11,153,143                                 | 14,432,246                                 |
| <b>CASH AND CASH EQUIVALENTS C/F</b>  | <u><b>17,834,618</b></u>                   | <u><b>12,058,357</b></u>                   |
| <b>NOTES TO CASH FLOW STATEMENT</b>   |  |  |
| Cash and cash equivalents comprise:   |  |  |
| Cash and bank balances  | 12,810,350                                 | 10,899,282                                 |
| Fixed deposit with licensed banks   | 5,507,554                                  | 1,998,425                                  |
| Less: Fixed deposit pledged with licensed banks                               | -  | (641,482)                                  |
| Less: Overdraft   | <u>(483,286)</u>                           | <u>(197,868)</u>                           |
|   | <u><b>17,834,618</b></u>                   | <u><b>12,058,357</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 2014.