

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

The unaudited results of Grand-Flo Berhad and its subsidiaries for the 9 months period ended 30 September 2016 are as follows:-

	NOTE	FOR THE QUARTER		FOR THE CUMULATIVE PERIOD	
		3 MONTHS ENDED		9 MONTHS ENDED	
		30/9/2016	30/9/2015	30/9/2016	30/9/2015
		RM	RM	RM	RM
REVENUE	A8	25,561,617	32,907,842	98,539,591	80,379,127
COST OF SALES		(20,895,203)	(23,437,607)	(74,774,955)	(54,375,024)
GROSS PROFIT		4,666,414	9,470,235	23,764,636	26,004,103
OTHER INCOME	A8(b)	163,904	843,076	685,042	3,205,114
SELLING AND DISTRIBUTION EXPENSES		(858,841)	(949,917)	(3,613,561)	(2,550,493)
ADMINISTRATIVE EXPENSES		(4,049,439)	(4,110,302)	(13,414,911)	(12,185,401)
OTHER OPERATING EXPENSES	A8(b)	(8,595,330)	-	(9,660,632)	(3,277)
RESULTS FROM OPERATING ACTIVITIES		(8,673,292)	5,253,092	(2,239,426)	14,470,046
FINANCE COSTS		(181,269)	(170,011)	(570,986)	(475,157)
SHARE OF PROFIT/(LOSS) OF ASSOCIATES, NET OF TAX		699,962	(204,391)	151,799	(864,451)
(LOSS)/PROFIT BEFORE TAXATION	A8	(8,154,599)	4,878,690	(2,658,613)	13,130,438
INCOME TAX EXPENSES	B4	(514,774)	(864,293)	(2,642,196)	(1,871,803)
(LOSS)/PROFIT AFTER TAXATION	A8	(8,669,373)	4,014,397	(5,300,809)	11,258,635
OTHER COMPREHENSIVE ITEM					
Exchange translation differences		(141,027)	926,570	(1,473,676)	1,077,542
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD		(8,810,400)	4,940,967	(6,774,485)	12,336,177
(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
OWNERS OF THE PARENT		(9,292,195)	2,857,947	(9,160,318)	8,818,340
NON-CONTROLLING INTERESTS		622,822	1,156,450	3,859,509	2,440,295
		(8,669,373)	4,014,397	(5,300,809)	11,258,635
TOTAL COMPREHENSIVE (LOSS)/INCOME ATTRIBUTABLE TO:-					
OWNERS OF THE PARENT		(9,433,222)	3,784,517	(10,633,994)	9,895,882
NON-CONTROLLING INTERESTS		622,822	1,156,450	3,859,509	2,440,295
		(8,810,400)	4,940,967	(6,774,485)	12,336,177
EARNINGS PER ORDINARY SHARE (SEN):-					
BASIC	B10	(1.92)	0.59	(1.90)	1.83
DILUTED	B10	N/A	N/A	N/A	N/A

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 2015 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016

	Note	(UNAUDITED) AS AT 30/09/2016 RM	(AUDITED) AS AT 31/12/2015 RM
ASSETS			
Non-current assets			
Property, plant and equipment	A9	13,515,016	21,386,089
Investment in associate, quoted		11,303,020	11,864,750
Investment in associate, unquoted		1,568,445	1,980,058
Other investment, unquoted		15,307	15,614
Development costs		1,917,484	2,155,780
Goodwill on consolidation		34,126,122	39,209,748
Deferred tax assets		339,000	339,000
Total non-current assets		62,784,394	76,951,039
Current assets			
Property development cost		68,747,759	56,927,928
Inventories		9,030,355	11,881,830
Accrued billings		8,435,418	5,508,180
Trade receivables		28,912,737	47,138,287
Other receivables		1,931,824	1,447,036
Amount due from directors		172,925	4,706,310
Amount due from associates		15,236	107,052
Amount due from related parties		386,675	4,416,457
Tax recoverable		840,073	513,746
Dividend receivable		-	38,652
Fixed deposit with licensed banks		3,196,367	2,507,201
Cash and bank balances		8,429,628	11,564,296
Total current assets		130,098,997	146,756,975
Total assets		192,883,391	223,708,014
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to owners of the parent:			
Share capital		48,311,571	48,311,571
Share premium		14,538,275	14,538,275
Treasury shares, at cost	A6	(1,292,724)	(1,098,173)
Other reserves		1,109,451	1,109,451
Foreign exchange fluctuation reserve		892,802	2,366,478
Revaluation reserve		6,160,852	6,160,852
Retained earnings		40,615,352	52,138,989
		110,335,579	123,527,443
Non controlling interests		26,571,380	22,751,871
Total Equity		136,906,959	146,279,314
LIABILITIES			
Non-current liabilities			
Long-term borrowings	B6	3,285,647	6,808,908
Deferred tax liabilities		1,261,298	1,348,662
Total non-current liabilities		4,546,945	8,157,570
Current liabilities			
Trade payables		20,240,172	39,642,357
Other payables		14,563,106	5,787,501
Progress billings		-	1,226,619
Amount due to directors		-	1,400,040
Amount due to an associate		-	1,975
Amount due to related parties		20,255	890,324
Short-term borrowings	B6	15,288,640	19,484,446
Tax payable		1,317,314	837,868
Total current liabilities		51,429,487	69,271,130
Total liabilities		55,976,432	77,428,700
TOTAL EQUITY AND LIABILITIES		192,883,391	223,708,014
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY OWNERS OF THE PARENT (SEN)			
		22.84	25.57
NTA per share (sen)			
		15.38	17.01

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 2015 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 2016

	←-----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	
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	-	-	-	-	-	-	2,067,006	-	11,930,661	13,997,667	4,161,931	18,159,598
<i>Transactions with owners:</i>												
Shares repurchased	-	-	-	(657,402)	-	-	-	-	-	(657,402)	-	(657,402)
Share application money	-	(39,920)	-	-	-	-	-	-	-	(39,920)	-	(39,920)
Transaction costs	-	-	-	(6,314)	-	-	-	-	-	(6,314)	-	(6,314)
Conversion of warrants	11,602,410	-	3,168,432	-	(866,200)	-	-	-	-	13,904,642	-	13,904,642
Issuance of preference shares	-	-	-	-	-	-	-	-	-	-	16,219,936	16,219,936
Dividend paid	-	-	-	-	-	-	-	-	(4,800,756)	(4,800,756)	-	(4,800,756)
Total transactions with owners	11,602,410	(39,920)	3,168,432	(663,716)	(866,200)	-	-	-	(4,800,756)	8,400,250	16,219,936	24,620,186
Balance as at 31 December 2015	48,311,571	-	14,538,275	(1,098,173)	-	1,109,451	2,366,478	6,160,852	52,138,989	123,527,443	22,751,871	146,279,314
Balance as at 1 January 2016	48,311,571	-	14,538,275	(1,098,173)	-	1,109,451	2,366,478	6,160,852	52,138,989	123,527,443	22,751,871	146,279,314
Total Comprehensive income for the year	-	-	-	-	-	-	(1,473,676)	-	(9,160,318)	(10,633,994)	3,859,509	(6,774,485)
<i>Transactions with owners:</i>												
Shares repurchased	-	-	-	(191,664)	-	-	-	-	-	(191,664)	-	(191,664)
Transaction costs	-	-	-	(2,887)	-	-	-	-	-	(2,887)	-	(2,887)
Dividend received	-	-	-	-	-	-	-	-	-	-	(40,000)	(40,000)
Dividend paid	-	-	-	-	-	-	-	-	(2,363,319)	(2,363,319)	-	(2,363,319)
Total transactions with owners	-	-	-	(194,551)	-	-	-	-	(2,363,319)	(2,557,870)	(40,000)	(2,597,870)
Balance as at 30 September 2016	48,311,571	-	14,538,275	(1,292,724)	-	1,109,451	892,802	6,160,852	40,615,352	110,335,579	26,571,380	136,906,959

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the annual audited financial statements as at 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	9 MONTHS ENDED 30/9/2016 RM	9 MONTHS ENDED 30/9/2015 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	(2,658,613)	13,130,438
Adjustments for:-		
Amortisation of development costs	815,226	763,511
Amortisation of other investment	307	308
Bad debts written off	841	-
Depreciation of plant and equipment	1,644,613	1,720,245
Gain/loss on disposal investment	5,073,646	-
Loss/gain on disposal of property, plant and equipment	64,331	9,582
Gain on deemed disposal of associate	-	(2,360,019)
Goodwill written off	5,083,626	-
Hire Purchase and lease Interest	58,291	119,070
Interest income	(120,274)	(208,147)
Dividend income	(1,348)	-
Interest expense	326,116	294,139
Share of associates' profits/loss	(151,799)	864,445
Term loan interest	186,579	61,949
Unrealised gain/loss on foreign exchange	(35,432)	986
	<u>12,944,723</u>	<u>1,266,069</u>
Operating profit before working capital changes	10,286,110	14,396,507
Inventories	2,851,475	327,740
Trade and other receivables	17,739,921	(20,300,522)
Trade and other payables	(10,591,148)	10,292,458
Land held for development	-	(12,895,447)
Directors	4,533,385	-
Related parties	3,159,713	-
Progress billing / Accrued billing	(4,153,857)	-
Subsidiaries	-	(8,336,912)
	<u>13,539,489</u>	<u>(30,912,683)</u>
CASH FROM OPERATIONS	<u>23,825,599</u>	<u>(16,516,176)</u>
Tax paid	(2,576,441)	(299,187)
NET CASH FROM OPERATING ACTIVITIES	<u>21,249,158</u>	<u>(16,815,363)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Advances/(repayment) from associates	89,841	-
Advances/(repayment) from directors	(1,400,040)	-
Proceeds from disposal of subsidiary	1,400,000	-
Development costs incurred	(576,930)	(664,896)
Property development cost incurred	(11,819,831)	-
Disposal of an associate	1,125,000	(146,481)
Interest received	120,274	208,147
Proceeds from disposal of property, plant and equipment	9,346	388,000
Purchase of property, plant and equipment	(320,863)	(1,946,579)
NET CASH FOR INVESTING ACTIVITIES	<u>(11,373,203)</u>	<u>(2,161,809)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(326,116)	(294,139)
Dividend paid to company shareholders	(2,363,317)	(4,800,756)
Drawdown on finance lease payables	-	7,600,395
Hire purchase and lease interest	(58,291)	(119,070)
Proceeds from issuance of warrants	-	866,200
Proceeds from issuance of share	-	9,781,107
Proceeds from issuance of preference share	-	17,125,000
Purchase of treasury shares	(191,664)	(598,701)
Share issuance expenses	(2,887)	(5,467)
Repayment of hire purchase	(1,494,408)	(1,028,600)
Net (repayment)/ drawdown of term loans and short term borrowing	(6,815,692)	(3,613,988)
Term loan interest	(186,579)	(61,949)
NET CASH FROM/(FOR) FINANCING ACTIVITIES	<u>(11,438,954)</u>	<u>24,850,032</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(1,562,999)</u>	<u>5,872,860</u>
Foreign exchange fluctuation reserve	(1,473,536)	808,615
CASH AND CASH EQUIVALENTS B/F	<u>12,746,507</u>	<u>11,153,143</u>
CASH AND CASH EQUIVALENTS C/F	<u><u>9,709,972</u></u>	<u><u>17,834,618</u></u>
NOTES TO CASH FLOW STATEMENT		
Cash and cash equivalents comprise:		
Cash and bank balances	8,429,628	13,751,280
Fixed deposit with licensed banks	3,196,367	5,507,554
Less: Fixed deposit pledged with licensed banks	(940,930)	(940,930)
Less: Overdraft	(975,093)	(483,286)
	<u>9,709,972</u>	<u>17,834,618</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 2015.