

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

The unaudited results of Grand-Flo Berhad and its subsidiaries for the 12 months period ended 31 December 2016 are as follows:-

	NOTE	FOR THE QUARTER		FOR THE CUMULATIVE PERIOD	
		3 MONTHS ENDED		12 MONTHS ENDED	
		31/12/2016	31/12/2015	31/12/2016	31/12/2015
		RM	RM	RM	RM
REVENUE	A8	21,738,043	40,514,605	120,277,634	120,522,612
COST OF SALES		(15,346,760)	(27,020,225)	(90,121,716)	(81,142,332)
GROSS PROFIT		6,391,283	13,494,380	30,155,918	39,380,280
OTHER INCOME	A8(b)	202,415	510,129	887,457	3,811,905
SELLING AND DISTRIBUTION EXPENSES		(465,710)	(2,380,124)	(4,079,271)	(2,705,447)
ADMINISTRATIVE EXPENSES		(3,786,882)	(3,840,457)	(17,201,793)	(18,300,671)
OTHER OPERATING EXPENSES	A8(b)	(486,045)	(1,167,512)	(10,146,677)	(1,168,495)
RESULTS FROM OPERATING ACTIVITIES		1,855,061	6,616,416	(384,366)	21,017,572
FINANCE COSTS		(1,679,417)	(777,042)	(2,250,403)	(1,247,027)
SHARE OF PROFIT/(LOSS) OF ASSOCIATES, NET OF TAX		536,785	(310,422)	688,585	(1,174,867)
PROFIT/(LOSS) BEFORE TAXATION	A8	712,429	5,528,952	(1,946,184)	18,595,678
INCOME TAX EXPENSES	B4	(212,562)	(643,166)	(2,854,758)	(2,503,086)
PROFIT/(LOSS) AFTER TAXATION	A8	499,867	4,885,786	(4,800,942)	16,092,592
OTHER COMPREHENSIVE ITEM					
Exchange translation differences		102,131	926,570	(994,933)	2,067,006
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		601,998	5,812,356	(5,795,875)	18,159,598
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
OWNERS OF THE PARENT		109,890	3,164,149	(9,050,429)	11,930,661
NON-CONTROLLING INTERESTS		389,977	1,721,637	4,249,487	4,161,931
		499,867	4,885,786	(4,800,942)	16,092,592
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:-					
OWNERS OF THE PARENT		212,021	4,090,719	(10,045,362)	13,997,667
NON-CONTROLLING INTERESTS		389,977	1,721,637	4,249,487	4,161,931
		601,998	5,812,356	(5,795,875)	18,159,598
EARNINGS PER ORDINARY SHARE (SEN):-					
BASIC	B10	0.02	0.65	(1.87)	2.47
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 31 DECEMBER 2016

	Note	(UNAUDITED) AS AT 31/12/2016 RM	(AUDITED) AS AT 31/12/2015 RM
ASSETS			
Non-current assets			
Property, plant and equipment	A9	13,306,846	21,386,089
Investment in associate, quoted		11,629,248	11,864,750
Investment in associate, unquoted		1,779,003	1,980,058
Other investment, unquoted		15,204	15,614
Development costs		1,813,058	2,155,780
Goodwill on consolidation		34,126,122	39,209,748
Deferred tax assets		339,000	339,000
Total non-current assets		63,008,481	76,951,039
Current assets			
Property development cost		81,272,844	56,927,928
Inventories		6,640,229	11,881,830
Accrued billings		11,216,284	5,508,180
Trade receivables		22,341,256	47,138,287
Other receivables		2,828,403	1,447,036
Amount due from directors		3,780,495	4,706,310
Amount due from associates		-	107,052
Amount due from related parties		78,000	4,416,457
Tax recoverable		939,946	513,746
Dividend receivable		-	38,652
Fixed deposit with licensed banks		1,675,224	2,507,201
Cash and bank balances		11,174,574	11,564,296
Total current assets		141,947,255	146,756,975
Total assets		204,955,736	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	(1,497,294)	(1,098,173)
Other reserves		1,109,451	1,109,451
Foreign exchange fluctuation reserve		1,371,545	2,366,478
Revaluation reserve		6,160,852	6,160,852
Retained earnings		40,695,243	52,138,989
		110,689,643	123,527,443
Non controlling interests		42,041,318	22,751,871
Total Equity		152,730,961	146,279,314
LIABILITIES			
Non-current liabilities			
Long-term borrowings	B6	6,694,218	6,808,908
Deferred tax liabilities		1,075,050	1,348,662
Total non-current liabilities		7,769,268	8,157,570
Current liabilities			
Trade payables		24,787,772	39,642,357
Other payables		4,601,458	5,787,501
Progress billings		-	1,226,619
Amount due to directors		8,000	1,400,040
Amount due to an associate		-	1,975
Amount due to related parties		2,002,632	890,324
Amount due to shareholders		8,220	-
Short-term borrowings	B6	12,515,569	19,484,446
Tax payable		531,856	837,868
Total current liabilities		44,455,507	69,271,130
Total liabilities		52,224,775	77,428,700
TOTAL EQUITY AND LIABILITIES		204,955,736	223,708,014
NET ASSETS PER SHARE ATTRIBUTABLE TO			
ORDINARY OWNERS OF THE PARENT (SEN)			
		22.91	25.57
NTA per share (sen)			
		15.47	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 31 DECEMBER 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	-	-	-	-	-	-	(994,933)	-	(9,050,429)	(10,045,362)	4,249,487	(5,795,875)
<i>Transactions with owners:</i>												
Shares repurchased	-	-	-	(394,070)	-	-	-	-	-	(394,070)	-	(394,070)
Transaction costs	-	-	-	(5,051)	-	-	-	-	-	(5,051)	-	(5,051)
Dividend received	-	-	-	-	-	-	-	-	(16,905)	(16,905)	(40,000)	(56,905)
Issuance of preference shares	-	-	-	-	-	-	-	-	-	-	15,079,960	15,079,960
Dividend paid	-	-	-	-	-	-	-	-	(2,376,412)	(2,376,412)	-	(2,376,412)
Total transactions with owners	-	-	-	(399,121)	-	-	-	-	(2,393,317)	(2,792,438)	15,039,960	12,247,522
Balance as at 31 December 2016	48,311,571	-	14,538,275	(1,497,294)	-	1,109,451	1,371,545	6,160,852	40,695,243	110,689,643	42,041,318	152,730,961

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 31 DECEMBER 2016

	12 MONTHS ENDED 31/12/2016 RM	12 MONTHS ENDED 31/12/2015 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	(1,946,184)	18,595,678
Adjustments for:-		
Amortisation of development costs	1,080,720	1,049,982
Amortisation of other investment	410	410
Bad debts written off	-	841
Depreciation of property, plant and equipment	896,547	2,264,088
Dividend income	-	(38,652)
Gain on disposal of property, plant and equipment	84,977	(328,478)
Disposal of associate	(773,010)	(2,320,819)
Disposal of investment	8,644,938	-
Impairment loss on investment	3,131,889	-
Impairment loss on trade receivables no longer required	(434)	-
Interest income	(185,211)	(257,441)
Goodwill written off	-	117,516
Inventories written down	1,528,663	1,041,894
Interest expense	2,250,405	1,247,027
Property, plant and equipment written off	(8,619)	8,244
Share of associates of equity-accounted associates	(688,586)	1,174,867
Unrealised gain/loss on foreign exchange	213	(35,432)
Warrant reserves written off	-	(10,266)
	<u>15,962,902</u>	<u>3,913,781</u>
Operating profit/(loss) before working capital changes	14,016,718	22,509,459
Changes in working capital:-		
Property development activities	(31,279,639)	(22,814,624)
Inventories	1,792,285	(193,666)
Trade and other receivables	26,491,397	(19,646,925)
Trade and other payables	(14,520,914)	10,785,782
Subsidiaries	(10,340,009)	-
Directors	-	(4,706,310)
Related parties	88,948	(2,798,973)
Progress billing / Accrued billing	-	(4,236,998)
	<u>(27,767,932)</u>	<u>(43,611,714)</u>
CASH GENERATED USED IN OPERATION	<u>(13,751,214)</u>	<u>(21,102,255)</u>
Tax paid	(3,647,648)	(1,823,570)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	<u>(17,398,862)</u>	<u>(22,925,825)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Advances/(repayment) from associates	-	(69,838)
Advances from directors	-	1,400,040
Development costs incurred	(737,998)	(879,803)
Interest received	185,211	257,441
Proceeds from disposal of associates	-	1,307,108
Proceeds from disposal of property, plant and equipment	10,428	768,380
Proceeds from disposal of subsidiary	1,300,000	-
Placement of fixed deposit	-	(309,418)
Purchase of property, plant and equipment	(242,814)	(1,743,677)
Subscriptions of the redeemable non-convertible preference shares in a subsidiary by	25,999,960	16,219,936
	<u>26,514,787</u>	<u>16,950,169</u>
NET CASH FOR INVESTING ACTIVITIES	<u>26,514,787</u>	<u>16,950,169</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(2,136,922)	(1,891,909)
Net drawdown of term loans and short term borrowings	(4,743,701)	977,898
Purchase of treasury shares	(394,105)	(657,401)
Repayment of finance lease payables	(113,483)	(1,226,496)
Dividend paid to company shareholders	(2,363,317)	(4,800,756)
Dividend paid to holding co	(152,000)	-
Proceeds from conversion of warrants	-	13,914,908
Share issuance expenses	(5,326)	(6,315)
share application money	-	(39,920)
	<u>(9,908,854)</u>	<u>6,270,009</u>
NET CASH FROM/(FOR) FINANCING ACTIVITIES	<u>(9,908,854)</u>	<u>6,270,009</u>
Effect of foreign exchange translation	-	2,655,932
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(792,929)</u>	<u>2,950,285</u>
Foreign exchange fluctuation reserve	(44,710)	(725,409)
CASH AND CASH EQUIVALENTS B/F	<u>13,687,437</u>	<u>10,491,601</u>
CASH AND CASH EQUIVALENTS C/F	<u>12,849,798</u>	<u>12,716,477</u>
NOTES TO CASH FLOW STATEMENT		
Cash and cash equivalents comprise:		
Cash and bank balances	11,674,574	11,564,296
Fixed deposit with licensed banks	2,616,154	2,507,201
Less: Fixed deposit pledged with licensed banks	(940,930)	(970,960)
Less: Overdraft	(500,000)	(384,060)
	<u>12,849,798</u>	<u>12,716,477</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.