

GRAND-FLO BERHAD (607392-W)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2017

	Note	Quarter Ended			Year-To-Date Ended		
		30/9/2017 RM	30/9/2016 RM	Changes %	30/9/2017 RM	30/9/2016 RM	Changes %
Revenue	A9	28,485,453	25,561,617	11.4	73,581,704	98,539,591	(25.3)
Cost of sales		(21,052,544)	(20,895,203)	0.8	(55,677,342)	(74,774,955)	(25.5)
Gross profit		7,432,909	4,666,414	59.3	17,904,362	23,764,636	(24.7)
Other income	A10	229,268	163,904	39.9	5,620,554	685,042	720.5
Administrative expenses		(3,272,216)	(3,158,233)	3.6	(10,222,738)	(10,954,764)	(6.7)
Selling and distribution expenses		(707,081)	(858,841)	(17.7)	(2,477,134)	(3,613,561)	(31.4)
Depreciation and amortisation		(98,347)	(891,206)	(89.0)	(486,408)	(2,460,147)	(80.2)
Other operating expenses		(535,384)	(8,595,330)	(93.8)	(820,534)	(9,660,632)	(91.5)
Profit from operations		3,049,149	(8,673,292)	135.2	9,518,102	(2,239,426)	525.0
Finance costs		(106,451)	(181,269)	(41.3)	(631,854)	(570,986)	10.7
Share of profit/(loss) of associates, net of tax		68,247	699,962	(90.2)	761,834	151,799	401.9
Profit before tax		3,010,944	(8,154,599)	136.9	9,648,082	(2,658,613)	462.9
Income tax expense	B4	(376,621)	(514,774)	(26.8)	(961,488)	(2,642,196)	(63.6)
Profit for the period		2,634,323	(8,669,373)	130.4	8,686,594	(5,300,809)	263.9
Profit attributable to:							
Owners of the Company		2,078,997	(9,292,195)	122.4	7,591,876	(9,160,318)	182.9
Non-controlling interest		555,326	622,822	(10.8)	1,094,718	3,859,509	(71.6)
Profit for the period		2,634,323	(8,669,373)	130.4	8,686,594	(5,300,809)	263.9

Earnings Per Share ("EPS") attributable to owners of the Company:	Note	Quarter Ended		Year-To-Date Ended	
		30/9/2017 Sen per share	30/9/2016 Sen per share	30/9/2017 Sen per share	30/9/2016 Sen per share
Basic EPS	B10	0.43	(1.92)	1.57	(1.90)
Diluted EPS	B10	-	-	-	-

The above unaudited condensed consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to these interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2017 (CONT'D)**

Note	Quarter Ended			Year-To-Date Ended		
	30/9/2017 RM	30/9/2016 RM	Changes %	30/9/2017 RM	30/9/2016 RM	Changes %
Profit for the period	2,634,323	(8,669,373)	130.4	8,686,594	(5,300,809)	263.9
Other comprehensive income: Items that may be subsequently reclassified to profit or loss:						
Exchange translation differences	63,673	(141,027)	145.1	(396,117)	(1,473,676)	(73.1)
Total comprehensive income/(loss)	2,697,996	(8,810,400)	130.6	8,290,477	(6,774,485)	222.4
Total comprehensive income attributable to:						
Owners of the Company	2,142,670	(9,433,222)	122.7	7,195,759	(10,633,994)	167.7
Non-controlling interest	555,326	622,822	(10.8)	1,094,718	3,859,509	(71.6)
Total comprehensive income/(loss)	2,697,996	(8,810,400)	130.6	8,290,477	(6,774,485)	222.4

The above unaudited condensed consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to these interim financial statements.

GRAND-FLO BERHAD (607392-W)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017

	Note	As at 30/9/2017 RM	As at 31/12/2016 RM (Audited)
Assets			
Property, plant and equipment	A12	8,095,504	13,306,846
Investment in associate, quoted		7,939,075	11,629,247
Investment in associate, unquoted		1,174,833	718,172
Other investment, unquoted		14,897	15,204
Development costs		1,674,823	1,813,059
Goodwill on consolidation		34,126,122	34,126,122
Deferred tax assets		339,000	339,000
Non-current assets		53,364,254	61,947,650
Property development cost		77,717,423	81,272,845
Inventories		5,343,647	6,010,694
Accrued billings		1,993,327	11,216,282
Trade receivables		24,436,731	22,341,257
Other receivables		1,964,443	2,880,249
Amount due from directors		-	3,563,019
Amount due from associates		1,322,997	-
Amount due from related parties		-	78,000
Tax recoverable		1,684,884	777,654
Dividend receivable		1,060,831	1,060,831
Fixed deposit with licensed banks		6,548,944	1,693,174
Cash and bank balances		12,715,838	12,956,623
Current assets		134,789,065	143,850,628
Total assets		188,153,319	205,798,278
Equities and liabilities			
Share capital	A6	62,849,846	48,311,571
Share premium	A6	-	14,538,275
Treasury shares, at cost	A7	(1,836,566)	(1,497,290)
Other reserves		1,109,451	1,109,451
Foreign exchange fluctuation reserve		995,577	1,391,694
Revaluation reserve	A12	3,738,076	6,160,852
Retained earnings		50,036,402	40,021,750
Equity attributable to owners of the Company		116,892,786	110,036,303
Non-controlling interest		39,189,248	42,030,530
Total equity		156,082,034	152,066,833
Long-term borrowings	B6	1,878,612	8,309,693
Deferred tax liabilities		1,086,982	1,091,691
Non-current liabilities		2,965,594	9,401,384
Trade payables		12,722,003	26,587,772
Other payables		7,607,906	4,444,048
Progress billings		556,987	-
Amount due to directors		-	8,000
Amount due to related parties		-	2,002,632
Short-term borrowings	B6	7,626,603	10,900,094
Tax payable		592,192	387,515
Current liabilities		29,105,691	44,330,061
Total liabilities		32,071,285	53,731,445
Total equity and liabilities		188,153,319	205,798,278
		Sen	Sen
Net assets per share attributable to owners of the Company		24.20	22.78
Net tangible assets per share		16.79	15.34

The above unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to these interim financial statements.

GRAND-FLO BERHAD (607392-W)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR-TO-DATE ENDED 30 SEPTEMBER 2017

NOTE	Attributable to owners of the Company							Total	Non Controlling Interest (NCI)	Total Equity	
	Share Capital	Share Premium	Treasury Shares	Other Reserves	Foreign Exchange Fluctuation Reserve	Revaluation Reserve	Retained Earnings				
	RM	RM	RM	RM	RM	RM	RM	RM	RM		
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	-	-	-	-	(974,784)	-	(9,723,921)	(10,698,705)	4,238,699	(6,460,006)	
<i>Transactions with owners:</i>											
Shares repurchased	-	-	(394,070)	-	-	-	-	(394,070)	-	(394,070)	
Transaction costs	-	-	(5,047)	-	-	-	-	(5,047)	-	(5,047)	
Issuance of preference shares	-	-	-	-	-	-	-	-	15,079,960	15,079,960	
Dividend paid	-	-	-	-	-	-	(2,393,318)	(2,393,318)	(40,000)	(2,433,318)	
Total transactions with owners	-	-	(399,117)	-	-	-	(2,393,318)	(2,792,435)	15,039,960	12,247,525	
Balance as at 31 December 2016	48,311,571	14,538,275	(1,497,290)	1,109,451	1,391,694	6,160,852	40,021,750	110,036,303	42,030,530	152,066,833	
Balance as at 1 January 2017	48,311,571	14,538,275	(1,497,290)	1,109,451	1,391,694	6,160,852	40,021,750	110,036,303	42,030,530	152,066,833	
Total Comprehensive income for the year	-	-	-	-	(396,117)	-	7,591,876	7,195,759	1,094,718	8,290,477	
<i>Transactions with owners:</i>											
Realisation of revaluation reserve on disposal of property, plant and equipment	-	-	-	-	-	(2,422,776)	2,422,776	-	-	-	
Shares repurchased	-	-	(335,388)	-	-	-	-	(335,388)	-	(335,388)	
Transaction costs	-	-	(3,888)	-	-	-	-	(3,888)	-	(3,888)	
Redeemed of preference shares	-	-	-	-	-	-	-	-	(3,936,000)	(3,936,000)	
Transfer in accordance with Section 618(2) of the Companies Act 2016	A6	14,538,275	(14,538,275)	-	-	-	-	-	-	-	
Total transactions with owners		14,538,275	(14,538,275)	(339,276)	-	-	(2,422,776)	2,422,776	(3,936,000)	(4,275,276)	
Balance as at 30 September 2017		62,849,846	-	(1,836,566)	1,109,451	995,577	3,738,076	50,036,402	116,892,786	39,189,248	156,082,034

The above unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to these interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR-TO-DATE ENDED 30 SEPTEMBER 2017

	9 MONTHS ENDED 30/9/2017 RM	9 MONTHS ENDED 30/9/2016 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	9,648,082	(2,658,613)
Adjustments for:-		
Amortisation of development costs	760,762	815,226
Amortisation of other investment	307	307
Bad debts written off	-	841
Goodwill written off	-	5,083,626
Depreciation of plant and equipment	486,715	1,644,613
Gain on disposal investment	-	5,073,646
Loss on disposal of property, plant and equipment	208,561	64,331
Gain on disposal of associate	(5,155,431)	-
Interest income	(142,756)	(120,274)
Dividend income	-	(1,348)
Interest expense	631,854	570,986
Share of associates' profits/loss	(761,834)	(151,799)
Unrealised gain/loss on foreign exchange	-	(35,432)
	<u>(3,971,822)</u>	<u>12,944,723</u>
Operating profit before working capital changes	5,676,260	10,286,110
Inventories	667,047	2,851,475
Trade and other receivables	(1,179,668)	17,739,921
Trade and other payables	(10,701,912)	(10,591,148)
Directors	3,563,019	4,533,385
Related parties	-	3,159,713
Progress billing / Accrued billing	9,779,942	(4,153,857)
Associates	(1,924,632)	-
	<u>203,796</u>	<u>13,539,489</u>
CASH FROM OPERATIONS	5,880,056	23,825,599
Tax paid	(1,668,750)	(2,576,441)
NET CASH FROM OPERATING ACTIVITIES	4,211,306	21,249,158
CASH FLOW FROM INVESTING ACTIVITIES		
Advances from associates	(1,322,997)	89,841
Repayment from directors	(8,000)	(1,400,040)
Development costs incurred	(622,526)	(576,930)
Property development cost incurred	3,555,422	(11,819,831)
Proceeds from isposal of a subsidiary	-	1,400,000
Redeemed of preference shares	(3,936,000)	-
Interest received	142,756	120,274
Proceeds from disposal of property, plant and equipment	4,500,000	9,346
Proceeds from disposal of associate	9,150,776	1,125,000
Purchase of property, plant and equipment	(72,587)	(320,863)
NET CASH FOR INVESTING ACTIVITIES	11,386,844	(11,373,203)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(631,854)	(570,986)
Dividend paid to company shareholders	-	(2,363,317)
Purchase of treasury shares	(335,388)	(191,664)
Share issuance expenses	(3,888)	(2,887)
Net (repayment)/drawdown of term loans and short term borrowings	(9,577,988)	(1,494,408)
Repayment of hire purchase and lease payables	(126,584)	(6,815,692)
NET CASH FROM/(FOR) FINANCING ACTIVITIES	(10,675,702)	(11,438,954)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	4,922,448	(1,562,999)
Foreign exchange fluctuation reserve	(307,463)	(1,473,536)
CASH AND CASH EQUIVALENTS B/F	14,649,797	12,746,507
CASH AND CASH EQUIVALENTS C/F	<u><u>19,264,782</u></u>	<u><u>9,709,972</u></u>
NOTES TO CASH FLOW STATEMENT		
Cash and cash equivalents comprise:		
Cash and bank balances	12,715,838	8,429,628
Fixed deposit with licensed banks	6,548,944	3,196,367
Less: Fixed deposit pledged with licensed banks	-	(940,930)
Less: Overdraft	-	(975,093)
	<u><u>19,264,782</u></u>	<u><u>9,709,972</u></u>

The above unaudited condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to these interim financial statements.