



GRAND-FLO BERHAD

(607392-W)

A Main Market listed company
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2018

	Note	QUARTER ENDED			YEAR-TO-DATE ENDED		
		31/12/2018 RM	31/12/2017 RM	Changes %	31/12/2018 RM	31/12/2017 RM	Changes %
Revenue	A9	27,333,699	30,468,819	(10.3)	82,095,156	104,050,523	(21.1)
Cost of sales		(20,096,991)	(24,348,890)	(17.5)	(58,354,100)	(80,026,232)	(27.1)
Gross profit		7,236,708	6,119,929	18.2	23,741,056	24,024,291	(1.2)
Other income	A10	1,705,953	7,361,213	(76.8)	2,525,370	12,981,767	(80.5)
Administrative expenses		(4,888,536)	(4,145,452)	17.9	(15,949,442)	(13,606,814)	17.2
Selling and distribution expenses		(540,931)	(955,816)	(43.4)	(2,567,096)	(3,432,950)	(25.2)
Depreciation and amortisation		(127,899)	(426,650)	(70.0)	(467,933)	(1,674,434)	(72.1)
Other operating expenses		(478,329)	(1,967,204)	(75.7)	(478,329)	(2,787,738)	(82.8)
Profit from operations		2,906,966	5,986,020	(51.4)	6,803,626	15,504,122	(56.1)
Finance costs		(108,472)	(647,651)	(83.3)	(342,896)	(1,279,505)	(73.2)
Share of results of associates, net of tax		109,585	51,689	112.0	503,819	813,523	(38.1)
Profit before tax		2,908,079	5,390,058	(46.0)	6,964,549	15,038,140	(53.7)
Income tax expense	B4	(1,114,436)	444,525	(350.7)	(1,598,097)	(516,963)	209.1
Profit for the period		1,793,643	5,834,583	(69.3)	5,366,452	14,521,177	(63.0)
Other comprehensive income:							
Items that may be subsequently reclassified to profit or loss:							
Surplus arising from revaluation of freehold lands and buildings		-	944,408	(100.0)	-	944,408	(100.0)
Tax effect adjustment on revaluation of freehold lands and buildings		-	(85,962)	(100.0)	-	(85,962)	(100.0)
Exchange translation differences		(41,451)	(190,751)	(78.3)	112,956	(586,868)	119.2
Total comprehensive income		1,752,192	6,502,278	(73.1)	5,479,408	14,792,755	(63.0)
Profit attributable to:							
Owners of the Company		2,106,299	5,596,794	(62.4)	5,472,226	13,188,670	(58.5)
Non-controlling interest		(312,656)	237,789	(231.5)	(105,774)	1,332,507	(107.9)
Profit for the period		1,793,643	5,834,583	(69.3)	5,366,452	14,521,177	(63.0)
Total comprehensive income attributable to:							
Owners of the Company		2,064,848	6,264,489	(67.0)	5,585,182	13,460,248	(58.5)
Non-controlling interest		(312,656)	237,789	(231.5)	(105,774)	1,332,507	(107.9)
Total comprehensive income		1,752,192	6,502,278	(73.1)	5,479,408	14,792,755	(63.0)
Earnings per share attributable to owners of the Company:							
Basic	B9	0.44	1.18		1.16	2.77	
Diluted	B9	-	-		-	-	

The above unaudited condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	Note	As at 31/12/2018 RM	As at 31/12/2017 RM (Restated)	As at 1/1/2017 RM
Assets				
Property, plant and equipment	A12	8,029,753	8,350,022	13,306,846
Investment in associate, quoted		-	-	11,629,247
Investment in associate, unquoted		1,859,745	1,355,925	718,172
Other investment, unquoted		14,384	14,794	15,204
Development costs		-	-	1,813,059
Contract assets		4,526	-	-
Goodwill on consolidation		33,447,524	33,447,524	34,126,122
Deferred tax assets		-	-	339,000
Non-current assets		43,355,932	43,168,265	61,947,650
Property development cost		39,382,551	47,854,767	81,272,845
Inventories		37,894,274	28,271,678	6,010,694
Accrued billings		-	3,781,856	11,216,282
Trade receivables		16,243,194	29,503,333	22,284,852
Other receivables		1,738,291	4,590,170	2,880,249
Contract assets		490,407	-	-
Amount due from director		-	-	3,563,019
Amount due from related parties		1,990,843	36,227	134,405
Tax recoverable		2,044,289	1,441,276	777,654
Dividend receivable		1,060,831	1,060,831	1,060,831
Fixed deposit with licensed banks		15,438,851	21,137,792	1,693,174
Cash and bank balances		9,643,023	10,856,409	12,956,623
Current assets		125,926,554	148,534,339	143,850,628
Total assets		169,282,486	191,702,604	205,798,278
Equities and liabilities				
Share capital	A6	62,849,846	62,849,846	48,311,571
Share premium	A6	-	-	14,538,275
Treasury shares, at cost	A7	(2,893,864)	(2,006,102)	(1,497,290)
Other reserves		1,109,451	1,109,451	1,109,451
Foreign exchange fluctuation reserve		917,782	804,826	1,391,694
Revaluation reserve	A12	4,596,522	4,596,522	6,160,852
Retained earnings		45,621,250	55,459,875	40,021,750
Equity attributable to owners of the Company		112,200,987	122,814,418	110,036,303
Non-controlling interest		15,776,496	37,428,476	42,030,530
Total equity		127,977,483	160,242,894	152,066,833
Long-term borrowings	B6	650,418	1,823,550	8,309,693
Contract liabilities		14,664	4,958	-
Deferred tax liabilities		39,918	27,849	1,091,691
Amount due to a director	A14	13,405,624	-	-
Non-current liabilities		14,110,624	1,856,357	9,401,384
Trade payables		17,145,126	15,712,235	26,587,772
Other payables		3,349,959	4,032,550	4,444,048
Contract liabilities		107,565	168,363	-
Amount due to director	A14	4,650,435	4,870,961	8,000
Amount due to related parties		1,171,162	141,996	2,002,632
Short-term borrowings	B6	151,661	4,486,553	10,900,094
Tax payable		618,471	190,695	387,515
Current liabilities		27,194,379	29,603,353	44,330,061
Total liabilities		41,305,003	31,459,710	53,731,445
Total equity and liabilities		169,282,486	191,702,604	205,798,278
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Net assets per share attributable to owners of the Company		23.22	25.42	22.78
Net tangible assets per share		16.30	18.50	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 2017 and the accompanying explanatory notes attached to these interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR-TO-DATE ENDED 31 DECEMBER 2018**

NOTE	Attributable to owners of the Company						Distributable		Non-Controlling Interest ("NCI") RM	Total Equity RM
	Share Capital RM	Share Premium RM	Treasury Shares RM	Other Reserves RM	Foreign Exchange Fluctuation Reserve RM	Revaluation Reserve RM	Retained Earnings RM	Total RM		
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	-	-	-	-	(586,868)	858,446	13,188,670	13,460,248	1,332,507	14,792,755
Transition to no-par value regime	A6	14,538,275	(14,538,275)	-	-	-	-	-	-	-
<i>Transactions with owners:</i>										
Realisation of revaluation reserve on disposal of property, plant and equipment	-	-	-	-	-	(2,422,776)	2,422,776	-	-	-
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(318,561)	(318,561)
Shares repurchased	-	-	(503,464)	-	-	-	-	(503,464)	-	(503,464)
Transaction costs	-	-	(5,348)	-	-	-	-	(5,348)	-	(5,348)
Redeemed of preference shares	-	-	-	-	-	-	-	-	(5,616,000)	(5,616,000)
Total transactions with owners	-	-	(508,812)	-	-	(2,422,776)	2,422,776	(508,812)	(5,934,561)	(6,443,373)
Balance as at 31 December 2017	62,849,846	-	(2,006,102)	1,109,451	804,826	4,596,522	55,633,196	122,987,739	37,428,476	160,416,215
Balance as at 1 January 2018, previously stated	62,849,846	-	(2,006,102)	1,109,451	804,826	4,596,522	55,633,196	122,987,739	37,428,476	160,416,215
Change to adjustments from the adoption of MFRS 15	A1(b)	-	-	-	-	-	(173,321)	(173,321)	-	(173,321)
Balance at 1 January 2018, restated	62,849,846	-	(2,006,102)	1,109,451	804,826	4,596,522	55,459,875	122,814,418	37,428,476	160,242,894
Total comprehensive income for the year	-	-	-	-	112,956	-	5,472,226	5,585,182	(105,774)	5,479,408
<i>Transactions with owners:</i>										
Acquisition of NCI	A14	-	-	-	-	-	(12,473,794)	(12,473,794)	(9,426,206)	(21,900,000)
Shares repurchased	-	-	(880,457)	-	-	-	-	(880,457)	-	(880,457)
Transaction costs	-	-	(7,305)	-	-	-	-	(7,305)	-	(7,305)
Redeemed of preference shares	-	-	-	-	-	-	-	-	(12,120,000)	(12,120,000)
Dividend paid	A8	-	-	-	-	-	(2,837,057)	(2,837,057)	-	(2,837,057)
Total transactions with owners	-	-	(887,762)	-	-	-	(15,310,851)	(16,198,613)	(21,546,206)	(37,744,819)
Balance as at 31 December 2018	62,849,846	-	(2,893,864)	1,109,451	917,782	4,596,522	45,621,250	112,200,987	15,776,496	127,977,483

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 2017 and the accompanying explanatory notes attached to these interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR-TO-DATE ENDED 31 DECEMBER 2018**

	12 MONTHS ENDED 31/12/2018 RM	12 MONTHS ENDED 31/12/2017 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,964,549	15,038,140
Adjustments for:		
Amortisation of development costs	-	1,013,846
Amortisation of other investment	410	410
Bad debts written off	-	-
Depreciation of Property, Plant and Equipment ("PPE")	467,523	660,178
Gain on disposal investment	-	-
Gain on disposal of associate	-	(12,348,072)
(Gain)/loss on disposal of a PPE	(10,660)	172,301
Fair value gain on amount due to director	(1,005,926)	-
Loss on disposal of a subsidiary	-	1,184,325
Loss on struck off of a subsidiary	-	100,000
Development cost written off	-	1,619,956
Goodwill written off	-	-
Impairment loss on other & trade receivables	-	862,352
Interest income	(765,658)	(288,016)
Inventories written off	271,349	152,482
Inventories written down	202,412	543,319
Interest expense	342,896	1,279,505
PPE written off	2,050	-
Reversal of impairment loss on trade receivables	(354,626)	-
Share of results of associates, net of tax	(503,819)	(813,523)
Unrealised loss on foreign exchange	-	24,310
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Operating profit before working capital changes	5,610,500	9,201,513
Property development activities	8,472,216	33,468,149
Inventories	(10,096,357)	(23,244,810)
Trade and other receivables	16,466,645	(10,599,858)
Trade and other payables	750,293	(10,815,122)
Directors	(490,407)	3,563,019
Related parties	(925,450)	(1,981,306)
Contract assets	(4,526)	-
Contract liabilities	(51,091)	-
Progress billing / Accrued billing	3,781,856	7,434,426
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CASH GENERATED FROM OPERATIONS	23,513,679	7,026,011
Tax refund	148,826	106,162
Tax paid	(1,904,715)	(2,188,259)
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NET CASH FROM OPERATING ACTIVITIES	21,757,790	4,943,914
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash inflow from disposal of subsidiary	-	172,855
Net cash outflow from struck off a subsidiary	-	(100,000)
Development costs incurred	-	(820,743)
Interest received	765,658	288,016
Proceeds from disposal of associate	-	24,153,089
Proceeds from disposal of PPE	-	4,546,124
Uplift/(placement) of fixed deposit	1,467,612	(2,044,510)
Purchase of PPE	(146,583)	(79,514)
Redemption of the redeemable non-convertible preference shares in subsidiaries by non-controlling interest	(12,120,000)	(5,616,000)
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NET CASH (USED IN)/FROM INVESTING ACTIVITIES	(10,033,313)	20,499,317
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(342,896)	(1,329,576)
Advance from related parties	-	218,848
(Repayment to)/advance from director	(4,708,976)	4,862,961
Net repayment of term loan and short term borrowing	(5,397,594)	(12,188,151)
Acquisition of NCI	(3,000,000)	-
Purchase of treasury shares	(880,457)	(503,464)
Repayment of hire purchase and finance lease payables	(110,430)	(149,409)
Dividend paid to shareholders	(2,837,057)	-
Share issuance expenses	(7,305)	(5,348)
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NET CASH USED IN FINANCING ACTIVITIES	(17,284,715)	(9,094,139)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(5,560,238)	16,349,092
Foreign exchange fluctuation reserve	115,523	(548,979)
CASH AND CASH EQUIVALENTS B/	29,949,691	14,149,578
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CASH AND CASH EQUIVALENTS C/	24,504,976	29,949,691
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NOTES TO CASH FLOW STATEMENT		
Cash and cash equivalents comprise:		
Cash and bank balances	9,643,023	10,856,409
Fixed deposit with licensed banks	15,438,851	21,137,792
Less : fixed deposit pledged with licensed banks	(576,898)	(2,044,510)
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	24,504,976	29,949,691

The above unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.