



GRAND-FLO BERHAD

200301004972

(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 PERIOD ENDED 30 JUNE 2020

	Note	QUARTER ENDED			PERIOD ENDED		
		30/6/2020 RM	30/6/2019 RM	Changes %	30/6/2020 RM	30/6/2019 RM	Changes %
Continuing Operations							
Revenue	A9	18,877,011	20,492,805	(7.9)	42,305,189	61,352,943	(31.0)
Cost of sales		(15,671,214)	(14,576,892)	7.5	(34,024,423)	(45,610,529)	(25.4)
Gross profit		3,205,798	5,915,913	(45.8)	8,280,766	15,742,414	(47.4)
Other income	A10	565,761	180,031	214.3	635,659	1,368,782	(53.6)
Administrative expenses		(3,270,662)	(3,636,057)	(10.0)	(7,351,813)	(7,216,657)	1.9
Selling and distribution expenses		(697,339)	(894,907)	(22.1)	(872,764)	(2,184,872)	(60.1)
Depreciation and amortisation		(83,927)	(81,887)	2.5	(188,144)	(171,841)	9.5
Other operating expenses		(121,531)	(20,863)	482.5	(337,054)	(99,251)	239.6
(Loss)/profit from operations		(401,901)	1,462,229	(127.5)	166,650	7,438,575	(97.8)
Finance costs		(18,068)	(10,889)	65.9	(59,523)	(99,049)	(39.9)
Share of results of associates, net of tax		-	-	-	-	50,212	(100.0)
Profit before tax		(419,969)	1,451,341	(128.9)	107,127	7,389,738	(98.6)
Income tax expense	B4	(265,008)	(505,002)	(47.5)	(749,304)	(1,704,649)	(56.0)
(Loss)/ profit from continuing operations		(684,977)	946,338	(172.4)	(642,177)	5,685,089	(111.3)
Discontinued Operations							
Gain from discontinued operations, net of tax		267,824	275,253	(2.7)	270,877	610,831	(55.7)
Profit/ (loss) for the period		(417,153)	1,221,590	(134.1)	(371,300)	6,295,920	(105.9)
Other comprehensive income:							
Items that may be subsequently reclassified to profit or loss:							
Exchange translation differences		11,192	16,650	(32.8)	234,286	(81,975)	385.8
Total comprehensive (loss)/income		(405,961)	1,238,240	(132.8)	(137,014)	6,213,945	(102.2)
(Loss)/profit attributable to:							
Owners of the Company		(417,153)	757,403	(155.1)	(371,300)	5,463,290	(106.8)
Non-controlling interest		-	464,187	(100.0)	-	832,630	(100.0)
(Loss)/profit for the period		(417,153)	1,221,590	(134.1)	(371,300)	6,295,920	(105.9)
Total comprehensive (loss)/income attributable to:							
Owners of the Company		(405,961)	774,053	(152.4)	(137,014)	5,381,315	(102.5)
Non-controlling interest		-	464,187	(100.0)	-	832,630	(100.0)
Total comprehensive (loss)/income		(405,961)	1,238,240	(132.8)	(137,014)	6,213,945	(102.2)
Continuing Operations							
Earnings per share attributable to owners of the Company:							
Basic	B9	Sen per share (0.14)	Sen per share 0.10		Sen per share (0.13)	Sen per share 1.03	
Diluted	B9	-	-		-	-	
Discontinued Operations							
Earnings per share attributable to owners of the Company:							
Basic	B9	Sen per share 0.06	Sen per share 0.06		Sen per share 0.06	Sen per share 0.13	
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 2019 and the accompanying explanatory notes attached to these interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 30 JUNE 2020**

	Note	As at 30/6/2020 RM	As at 31/12/2019 RM (Audited)
Assets			
Property, plant and equipment	A12	5,023,068	5,377,529
Investment properties		2,367,554	2,367,554
Right of use asset		-	1,074,579
Other investment, unquoted		20,500	20,500
Financial investments at fair value through profit or loss		-	363,998
Goodwill on consolidation		10,338,457	10,338,457
Deferred tax assets		132,266	23,037
Non-current assets		17,881,845	19,565,654
Inventory properties		70,860,954	50,088,866
Inventories		9,658,461	8,007,768
Contract assets - accrued billings		23,083,504	19,285,503
Trade receivables		25,453,242	27,769,993
Other receivables		4,367,409	4,176,592
Tax recoverable		1,329,786	433,201
Short term funds		-	2,274,063
Fixed deposit with licensed banks		-	427,399
Cash and bank balances		7,770,551	11,310,456
Current assets		142,523,907	123,773,841
Total assets		160,405,752	143,339,495
Equities and liabilities			
Share capital	A6	68,069,926	66,619,846
Treasury shares, at cost	A7	(4,091,238)	(2,978,779)
Foreign exchange fluctuation reserve		-	319,820
Revaluation reserve	A12	4,434,566	4,434,566
Retained earnings		26,876,602	31,029,661
Equity attributable to owners of the Company		95,289,857	99,425,114
Non-controlling interest		-	-
Total equity		95,289,857	99,425,114
Long-term borrowings	B6	565,884	594,448
Lease liabilities		19,929	620,607
Deferred tax liabilities		2,504,324	2,510,435
Non-current liabilities		3,090,136	3,725,490
Trade payables		29,820,223	20,450,679
Contract liabilities		1,772,717	3,006,570
Lease liability		9,060	514,090
Other payables		5,823,288	7,854,196
Amount due to related parties		19,062,341	5,523,129
Short-term borrowings	B6	94,680	1,767,492
Tax payable		1,661,688	1,072,735
Dividend payable		3,781,761	-
Current liabilities		62,025,758	40,188,891
Total liabilities		65,115,894	43,914,381
Total equity and liabilities		160,405,752	143,339,495
		Sen	Sen
Net assets per share attributable to owners of the Company		18.92	19.98
Net tangible assets per share		16.87	17.90

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 2019 and the accompanying explanatory notes attached to these interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2020**

NOTE	Attributable to owners of the parent					Retained Earnings RM	Total RM	Non-Controlling Interest ("NCI") RM	Total Equity RM
	Share Capital RM	Treasury Shares RM	Foreign Exchange Fluctuation Reserve RM	Revaluation Reserve RM	Other Reserve RM				
Balance as at 1 January 2019, as previously stated	62,849,846	(2,893,864)	919,738	4,596,522	1,109,451	45,699,274	113,390,418	15,776,495	129,166,913
Prior year adjustments	-	-	(74,380)	(323,933)	(1,058,873)	(15,505,681)	(18,072,318)	(13,260,767)	(31,333,085)
Balance as at 1 January 2019, as restated	A19 62,849,846	(2,893,864)	845,358	4,272,589	50,578	30,193,593	95,318,100	2,515,728	97,833,828
Realisation of legal reserve upon disposal of foreign associate	-	-	-	-	(50,578)	-	(50,578)	-	(50,578)
Realisation of foreign currency translation reserve upon disposal of foreign associate	-	-	(407,507)	-	-	50,578	(356,929)	-	(356,929)
Total comprehensive income for the year	-	-	(118,031)	161,977	-	2,647,929	2,691,875	777,921	3,469,796
Transactions with owners:									
Issuance of ordinary shares pursuant to private placement	3,770,000	-	-	-	-	-	3,770,000	-	3,770,000
Shares repurchased	-	(84,915)	-	-	-	-	(84,915)	-	(84,915)
Transaction costs	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	(2,352,088)	(2,352,088)	(1,920,000)	(4,272,088)
Acquisition of ownership interest of a subsidiary from non-controlling interest	-	-	-	-	-	489,649	489,649	(1,373,649)	(884,000)
Total transactions with owners	3,770,000	(84,915)	-	-	-	(1,862,439)	1,822,646	(3,293,649)	(1,471,003)
Balance as at 31 December 2019	66,619,846	(2,978,779)	319,820	4,434,566	-	31,029,661	99,425,114	-	99,425,114
Balance as at 1 January 2020, as previously stated	66,619,846	(2,978,779)	319,820	4,434,566	-	31,029,661	99,425,114	-	99,425,114
Prior year adjustments	A19 -	-	-	-	-	-	-	-	-
Balance as at 1 January 2020, as restated	66,619,846	(2,978,779)	319,820	4,434,566	-	31,029,661	99,425,114	-	99,425,114
Total comprehensive income for the year	-	-	234,286	-	-	(371,300)	(137,014)	-	(137,014)
Transactions with owners:									
Realisation of legal reserve upon disposal of foreign subsidiary	-	-	(554,106)	-	-	-	(554,106)	-	(554,106)
Issuance of ordinary shares	A6 1,450,080	-	-	-	-	-	1,450,080	-	1,450,080
Shares repurchased	-	(1,112,459)	-	-	-	-	(1,112,459)	-	(1,112,459)
Transaction costs	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	(3,781,761)	(3,781,761)	-	(3,781,761)
Acquisition of ownership interest of a subsidiary from non-controlling interest	-	-	-	-	-	-	-	-	-
Total transactions with owners	1,450,080	(1,112,459)	(554,106)	-	-	(3,781,761)	(3,998,246)	-	(3,998,246)
Balance as at 30 JUNE 2020	68,069,926	(4,091,238)	(0)	4,434,566	-	26,876,602	95,289,857	-	95,289,857

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 2019 and the accompanying explanatory notes attached to these interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 30 JUNE 2020**

	6 MONTHS ENDED 30/6/2020 RM	6 MONTHS ENDED 30/6/2019 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation from continuing operations	107,127	8,061,237
Profit before taxation from discontinued operations	(130,554)	
Adjustments for:		
Amortisation of other investment	-	205
Amortisation of land costs	25,464	-
Depreciation of Property, Plant and Equipment ("PPE")	188,144	235,488
Gain on disposal of an associate	-	(997,258)
Gain on disposal of investment held at fair value through profit or loss	(367,053)	-
Loss on derecognition of investment held at fair value through profit or loss	147,567	-
Loss on disposal of a foreign subsidiary	70,122	-
Loss/(gain) on disposal of a PPE	(81,125)	-
Interest income	(45,921)	(260,609)
Inventories written off	6,622	60,604
Inventories written down	-	40,247
Interest expense	59,523	99,049
Share of gain of equity-accounted associates	-	(848)
Unrealised gain on foreign exchange	-	(50,212)
Operating profit before working capital changes	(20,084)	7,187,903
Inventory properties	(20,746,624)	3,948,944
Inventories	(1,884,878)	15,209,239
Trade and other receivables	2,861,970	(19,378,897)
Trade and other payables	6,727,404	(3,687,627)
Directors	-	-
Related parties	13,539,212	1,034,048
Contract assets	(3,052,508)	(41)
Contract liabilities	-	(344,870)
Associates	-	-
CASH GENERATED FROM OPERATIONS	(2,575,508)	3,968,699
Tax refunded	-	1,010,723
Tax paid	(1,149,473)	(1,003,352)
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	(3,724,981)	3,976,070
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	45,921	260,609
Placement of fixed deposit	-	(8,978)
Proceeds from disposal of an associate	-	2,907,214
Proceeds from disposal of PPE	200,000	(122,489)
Proceeds from disposal of investment held at fair value through profit or loss	572,443	-
Proceeds from disposal of foreign subsidiary	1,443,439	-
Uplift of fixed deposit	427,399	-
Redemption of the redeemable non-convertible preference shares in subsidiaries by non-controlling interest	-	(3,999,896)
NET CASH USED IN INVESTING ACTIVITIES	2,689,202	(963,540)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(59,523)	(99,049)
Proceed from issuance of share capital	1,450,080	-
Share buy back	(1,112,459)	-
Advance from related parties	-	-
Repayment to a former director	-	(6,357,980)
Repayment of term loan and short term borrowing	(1,747,903)	(42,850)
Purchase of treasury shares	-	(84,050)
Repayment of hire purchase and finance lease liabilities	-	(23,479)
Drawdown of hire purchase and finance lease liabilities	-	39,400
Dividend paid to shareholders	-	-
Dividend paid to non-controlling interest	-	-
Share issuance expenses	-	(865)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	(1,469,805)	(6,568,873)
CASH AND CASH EQUIVALENTS		
Net decrease	(2,505,583)	(3,556,343)
As at beginning of the financial year	13,584,519	24,504,974
Effect of foreign exchange translation	-	(82,190)
Cash and cash equivalents attributable to discontinued operations	(3,308,385)	-
As at end of the financial period	7,770,551	20,866,441
NOTE TO THE STATEMENT OF CASH FLOWS		
Cash and cash equivalents included in the statement of cash flows comprise the following:-		
Cash and bank balances	7,770,551	18,146,945
Fixed deposit with licensed banks	-	3,305,373
Less : fixed deposit pledged with licensed banks	-	(585,877)
	7,770,551	20,866,441

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 2019 and the accompanying explanatory notes attached to these interim financial statements.