

GRAND-FLO SOLUTION BERHAD (607392-W)
CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2007

The unaudited results of Grand-Flo Solution Berhad and its subsidiaries for the 3 months period ended 30 June 2007 are as follows:-

	NOTE	FOR THE QUARTER 3 MONTHS ENDED		FOR THE CUMULATIVE PERIOD 6 MONTHS ENDED	
		30/06/2007 RM	30/06/2006 RM (Restated)	30/06/2007 RM	30/06/2006 RM (Restated)
REVENUE	A9	14,238,216	8,890,008	27,765,581	18,668,257
COST OF SALES		<u>(9,138,567)</u>	<u>(5,179,311)</u>	<u>(18,125,263)</u>	<u>(10,897,408)</u>
GROSS PROFIT		5,099,649	3,710,697	9,640,318	7,770,849
OTHER OPERATING INCOME		278,551	147,699	388,755	262,697
SELLING AND DISTRIBUTION COSTS		(728,443)	(366,494)	(1,271,341)	(788,268)
ADMINISTRATION EXPENSES		(2,550,909)	(1,563,602)	(4,611,264)	(3,008,218)
OTHER OPERATING EXPENSES		<u>(152,618)</u>	<u>(307,620)</u>	<u>(195,234)</u>	<u>(546,099)</u>
PROFIT FROM OPERATIONS	A9	1,946,230	1,620,680	3,951,234	3,690,961
FINANCE COSTS		(59,394)	(34,417)	(152,657)	(66,551)
PROFIT BEFORE TAXATION	A9	<u>1,886,836</u>	<u>1,586,263</u>	<u>3,798,577</u>	<u>3,624,410</u>
INCOME TAX EXPENSE	B4	(277,957)	(426,671)	(527,098)	(1,036,484)
PROFIT AFTER TAXATION		<u><u>1,608,879</u></u>	<u><u>1,159,592</u></u>	<u><u>3,271,479</u></u>	<u><u>2,587,926</u></u>
PROFIT ATTRIBUTABLE TO:-					
EQUITY HOLDERS OF THE COMPANY		1,415,970	728,564	2,624,207	1,551,329
MINORITY INTEREST		<u>192,909</u>	<u>431,028</u>	<u>647,272</u>	<u>1,036,597</u>
		<u><u>1,608,879</u></u>	<u><u>1,159,592</u></u>	<u><u>3,271,479</u></u>	<u><u>2,587,926</u></u>
EARNINGS PER SHARE:-					
BASIC (SEN)	B13a	1.14	0.73	2.12	1.55
DILUTED (SEN)	B13b	1.13	0.72	2.10	1.54

The unaudited condensed Consolidated Income Statements should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

GRAND-FLO SOLUTION BERHAD (607392-W)
CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2007

	Note	(UNAUDITED) AS AT 30/06/2007 RM	(AUDITED) AS AT 31/12/2006 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	A10	7,720,822	7,215,243
Other investment, unquoted		111,355	111,355
Development cost		1,237,819	1,031,739
Goodwill		12,554,813	12,554,813
		<u>21,624,809</u>	<u>20,913,150</u>
Current Assets			
Inventories		8,636,188	8,127,838
Trade receivables		14,637,884	12,064,699
Other receivables & prepayment		1,256,002	1,251,721
Tax recoverable		30,000	30,000
Fixed deposit with licensed banks	A15	2,746,821	4,154,510
Cash and bank balances		3,827,789	3,507,029
		<u>31,134,684</u>	<u>29,135,797</u>
TOTAL ASSETS		<u>52,759,493</u>	<u>50,048,947</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the company			
Share capital		12,421,253	12,184,333
Share premium		8,723,055	8,065,545
Retained earnings		8,326,002	5,734,666
Reserves on ESOS		32,772	32,772
Other capital reserve		1,142,322	1,109,451
Foreign exchange fluctuation reserve		596,753	127,988
		<u>31,242,157</u>	<u>27,254,755</u>
Minority Interest		<u>5,551,679</u>	<u>4,416,040</u>
Total Equity		<u>36,793,836</u>	<u>31,670,795</u>
Non-Current Liabilities			
Deferred tax		174,000	174,000
Long-term borrowing	B9	1,956,591	2,063,017
		<u>2,130,591</u>	<u>2,237,017</u>
Current Liabilities			
Trade payables		5,899,174	4,554,241
Other payables & accrual		1,816,236	3,074,907
Amount owing to directors	A14	2,875,000	5,750,000
Short-term borrowing	B9	2,272,195	1,915,477
Provision for taxation		972,461	846,510
		<u>13,835,066</u>	<u>16,141,135</u>
Total Liabilities		<u>15,965,657</u>	<u>18,378,152</u>
TOTAL EQUITY AND LIABILITIES		<u>52,759,493</u>	<u>50,048,947</u>
NET ASSETS PER SHARE (SEN) *		29.62	25.99
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (SEN)**		25.15	22.37

The unaudited condensed Consolidated Balance Sheet should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

*Including minority interest

** Excluding minority interest

GRAND-FLO SOLUTION BERHAD (607392-W)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2007

	Attributable to Equity Holders of the Company									
	Non-Distributable					Distributable				
	Share Capital	Share Premium	Other Reserves	Foreign Exchange Fluctuation Reserve	Share Option Reserve	Retained Profits	Total	Minority Interest (MI)	Total Equity	
RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
As at 1 January 2006	5,000,000	5,044,998	415,555	(118,333)	-	2,991,621	13,333,841	3,117,458	16,451,299	-
As previously stated	-	-	(415,555)	-	-	415,555	-	-	-	-
Effects of adopting FRS 3	-	-	-	-	-	-	-	-	-	-
Issue of ordinary shares :-	-	-	-	-	-	-	-	-	-	-
Issued for cash	750,000	2,465,000	-	-	-	-	3,215,000	-	3,215,000	-
Pursuant to ESOS	25,500	102,000	-	-	-	-	127,500	-	127,500	-
Acquisition of subsidiaries	1,333,333	5,666,667	-	-	-	-	7,000,000	-	7,000,000	-
Bonus issue	5,075,500	(5,075,500)	-	-	-	-	-	-	-	-
Transaction costs	-	(137,620)	-	-	-	-	(137,620)	-	(137,620)	-
Legal reserve of a subsidiary	-	-	171,802	-	-	(350,616)	(178,814)	178,814	-	-
Cash/share dividend declared by a foreign subsidiary	-	-	937,649	-	-	(937,649)	-	(934,537)	(934,537)	-
Share options granted under ESOS	-	-	-	-	32,772	-	32,772	-	32,772	-
Net profit for the year	-	-	-	-	-	3,615,755	3,615,755	1,789,232	5,404,987	-
Foreign exchange fluctuation reserve	-	-	-	246,321	-	-	246,321	265,073	511,394	-
Balance as at 31 December 2006	12,184,333	8,065,545	1,109,451	127,988	32,772	5,734,666	27,254,755	4,416,040	31,670,795	-
Balance as at 1 January 2007	12,184,333	8,065,545	1,109,451	127,988	32,772	5,734,666	27,254,755	4,416,040	31,670,795	-
Issue of ordinary shares :-	-	-	-	-	-	-	-	-	-	-
Issued for cash	203,920	611,760	-	-	-	-	815,680	-	815,680	-
Pursuant to ESOS	33,000	49,500	-	-	-	-	82,500	-	82,500	-
Transaction costs	-	(3,750)	-	-	-	-	(3,750)	-	(3,750)	-
Legal reserve of a subsidiary	-	-	32,871	-	-	(32,871)	-	-	-	-
Net profit for the period	-	-	-	-	-	2,624,207	2,624,207	647,272	3,271,479	-
Foreign exchange fluctuation reserve	-	-	-	468,765	-	-	468,765	488,367	957,132	-
Balance as at 30 June 2007	12,421,253	8,723,055	1,142,322	596,753	32,772	8,326,002	31,242,157	5,551,679	36,793,836	-

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual audited financial statements as at 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

GRAND-FLO SOLUTION BERHAD (607392-W)
CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 JUNE 2007

	(UNAUDITED) ENDED 30/06/2007 RM	(AUDITED) ENDED 30/06/2006 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	3,798,577	3,624,410
Adjustment for:-		
Amortisation of development costs	254,133	380,817
Amortisation of other investment	-	-
Depreciation of plant and equipment	958,791	537,018
Share options granted under ESOS	-	16,386
(Gain)/Loss on disposal of property, plant and equipment	(15,860)	(35,697)
Hire Purchase and lease Interest	58,718	-
Interest expense	71,784	38,364
Interest income	(82,295)	(17,683)
Impairment of property, plant and equipment	-	-
Provision for doubtful debts	-	-
Write-down of inventories	(24,911)	-
Term loan interest	22,156	-
	<u>1,242,516</u>	<u>919,205</u>
Operating profit before working capital changes	5,041,093	4,543,615
(Increase)/decrease in inventories	(112,274)	(1,613,054)
(Increase)/decrease in trade and other receivables	(1,726,285)	(4,633,695)
Increase/(decrease) in trade and other payables	(2,377,153)	2,905,252
	<u>(4,215,712)</u>	<u>(3,341,497)</u>
CASH FROM OPERATIONS	825,381	1,202,118
Tax paid	(1,417,777)	(295,336)
Bank interest paid	(71,784)	(38,364)
	<u>(1,489,561)</u>	<u>(333,700)</u>
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(664,180)	868,418
CASH FLOW FROM INVESTING ACTIVITIES		
Interest income	82,295	17,683
Acquisition of subsidiary	-	2
Purchase of property, plant and equipment	(1,135,299)	(596,146)
Proceeds from disposal of property, plant and equipment	32,825	90,000
Development costs incurred	(460,212)	(291,853)
Minority interest shares in dividends received	-	-
NET CASH FOR/FROM INVESTING ACTIVITIES	<u>(1,480,391)</u>	<u>(780,314)</u>
	(2,144,571)	88,104
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital / exercise of ESOS	894,430	127,500
Transaction costs	-	-
Term loan interest	(22,156)	(14,505)
Hire purchase and lease interest	(58,718)	(13,682)
Proceeds from other short term borrowings	1,119,341	825,305
Repayment of other short term borrowings	(387,372)	(213,000)
Proceeds from term loan	-	-
Repayment of term loan	(59,330)	(48,746)
Repayment of hire purchase and lease payables	(586,277)	(312,131)
NET CASH FOR/FROM FINANCING ACTIVITIES	<u>899,918</u>	<u>350,741</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,244,653)	438,845
Foreign exchange fluctuation reserve	208,477	44,672
CASH AND CASH EQUIVALENTS B/F	7,545,781	2,962,250
CASH AND CASH EQUIVALENTS C/F	<u>6,509,605</u>	<u>3,445,767</u>
NOTES TO CASH FLOW STATEMENT		
Cash and cash equivalents comprise:		
Fixed deposit with licensed banks	2,746,821	1,211,628
Cash and bank balances	3,827,789	2,438,560
Bank overdraft	(65,005)	(204,421)
	<u>6,509,605</u>	<u>3,445,767</u>

The unaudited condensed Consolidated Cash Flow Statement should be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2006.