

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

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

	NOTE	FOR THE QUARTER 3 MONTHS ENDED		FOR THE CUMULATIVE PERIOD 9 MONTHS ENDED	
		30/09/2007	30/09/2006	30/09/2007	30/09/2006
		RM	RM (Restated)	RM	RM (Restated)
REVENUE	A9	19,318,330	12,911,906	47,866,866	31,536,751
COST OF SALES		<u>(13,396,633)</u>	<u>(8,232,129)</u>	<u>(31,586,390)</u>	<u>(19,088,012)</u>
GROSS PROFIT		5,921,697	4,679,777	16,280,476	12,448,739
OTHER OPERATING INCOME		65,986	56,509	455,640	184,502
SELLING AND DISTRIBUTION EXPENSES		(739,233)	(474,572)	(1,988,823)	(1,505,923)
ADMINISTRATION EXPENSES		(2,519,135)	(1,696,081)	(7,805,338)	(4,234,010)
OTHER OPERATING EXPENSES		<u>(100,808)</u>	<u>(386,193)</u>	<u>(303,552)</u>	<u>(996,236)</u>
PROFIT FROM OPERATIONS	A9	2,628,507	2,179,440	6,638,403	5,897,072
FINANCE EXPENSES		(55,499)	(40,824)	(213,133)	(107,144)
PROFIT BEFORE TAXATION	A9	<u>2,573,008</u>	<u>2,138,616</u>	<u>6,425,270</u>	<u>5,789,928</u>
INCOME TAX EXPENSES	B4	(415,597)	(668,861)	(908,190)	(1,699,509)
PROFIT AFTER TAXATION		<u><u>2,157,411</u></u>	<u><u>1,469,755</u></u>	<u><u>5,517,080</u></u>	<u><u>4,090,419</u></u>
PROFIT ATTRIBUTABLE TO:-					
EQUITY HOLDERS OF THE COMPANY		1,561,855	804,299	4,235,725	2,371,752
MINORITY INTERESTS		<u>595,556</u>	<u>665,456</u>	<u>1,281,355</u>	<u>1,718,667</u>
		<u><u>2,157,411</u></u>	<u><u>1,469,755</u></u>	<u><u>5,517,080</u></u>	<u><u>4,090,419</u></u>
EARNINGS PER SHARE:-					
BASIC (SEN)	B13a	1.26	0.79	3.42	2.36
DILUTED (SEN)	B13b	1.25	0.79	3.40	2.34

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 SEPTEMBER 2007

		(UNAUDITED) AS AT 30/09/2007 RM	(AUDITED) AS AT 31/12/2006 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	A10	7,732,170	7,215,243
Other investment, unquoted		111,355	111,355
Development cost		1,359,342	1,031,739
Goodwill		12,554,813	12,554,813
		<u>21,757,680</u>	<u>20,913,150</u>
Current Assets			
Inventories		8,741,398	8,127,838
Trade receivables		12,721,598	12,064,699
Other receivables & prepayment		1,502,009	1,251,721
Tax recoverable		-	30,000
Fixed deposit with licensed banks	A15	4,341,242	4,154,510
Cash and bank balances		2,443,504	3,507,029
		<u>29,749,751</u>	<u>29,135,797</u>
TOTAL ASSETS		<u>51,507,431</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		8,135,438	5,734,666
Reserves on ESOS		61,050	32,772
Other capital reserve		1,130,903	1,109,451
Foreign exchange fluctuation reserve		431,583	127,988
		<u>30,903,282</u>	<u>27,254,755</u>
Minority Interests		<u>6,013,683</u>	<u>4,416,040</u>
Total Equity		<u>36,916,965</u>	<u>31,670,795</u>
Non-Current Liabilities			
Deferred tax		174,000	174,000
Long-term borrowing	B9	1,891,128	2,063,017
		<u>2,065,128</u>	<u>2,237,017</u>
Current Liabilities			
Trade payables		6,106,097	4,554,241
Other payables & accrual		2,071,579	3,074,907
Amount owing to directors	A14	2,875,000	5,750,000
Short-term borrowing	B9	1,127,697	1,915,477
Provision for taxation		344,965	846,510
		<u>12,525,338</u>	<u>16,141,135</u>
Total Liabilities		<u>14,590,466</u>	<u>18,378,152</u>
TOTAL EQUITY AND LIABILITIES		<u>51,507,431</u>	<u>50,048,947</u>
NET ASSETS PER SHARE (SEN) *		29.72	25.99
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (SEN)**		24.88	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 SEPTEMBER 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	
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	750,000	2,465,000	-	-	-	-	3,215,000	-	3,215,000	
Issue of ordinary shares :-	25,500	102,000	-	-	-	-	127,500	-	127,500	
Issued for cash	1,333,333	5,666,667	-	-	-	-	7,000,000	-	7,000,000	
Pursuant to ESOS	5,075,500	(5,075,500)	-	-	-	-	-	-	-	
Acquisition of subsidiaries	-	(137,620)	-	-	-	-	(137,620)	-	(137,620)	
Bonus issue	-	-	171,802	-	-	(350,616)	(178,814)	178,814	-	
Transaction costs	-	-	937,649	-	-	(937,649)	-	(934,537)	(934,537)	
Legal reserve of a subsidiary	-	-	-	-	-	-	-	-	-	
Cash/share dividend declared by a foreign subsidiary	-	-	-	-	32,772	-	32,772	-	32,772	
Share options granted under ESOS	-	-	-	-	-	3,615,755	3,615,755	1,789,232	5,404,987	
Net profit for the year	-	-	-	-	-	-	246,321	265,073	511,394	
Foreign exchange fluctuation reserve	-	-	-	246,321	-	-	-	-	-	
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 :-	203,920	611,760	-	-	-	-	815,680	-	815,680	
Issued for cash	33,000	49,500	-	-	28,278	-	110,778	-	110,778	
Pursuant to ESOS	-	(3,750)	-	-	-	-	(3,750)	-	(3,750)	
Transaction costs	-	-	21,452	-	-	(21,452)	-	-	-	
Legal reserve of a subsidiary	-	-	-	-	-	4,235,725	4,235,725	1,281,355	5,517,080	
Net profit for the period	-	-	-	303,595	-	-	303,595	316,288	619,883	
Foreign exchange fluctuation reserve	-	-	-	-	-	(1,813,501)	(1,813,501)	-	(1,813,501)	
Dividend paid	-	-	-	-	-	-	-	-	-	
Balance as at 30 September 2007	12,421,253	8,723,055	1,130,903	431,583	61,050	8,135,438	30,903,282	6,013,683	36,916,965	

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 SEPTEMBER 2007

	(UNAUDITED) 9 MONTHS ENDED 30/09/2007 RM	(UNAUDITED) 9 MONTHS ENDED 30/09/2006 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	6,425,270	5,789,928
Adjustment for:-		
Amortisation of development costs	385,745	575,247
Depreciation of plant and equipment	1,543,194	846,809
Share options granted under ESOS	28,278	24,579
Gain on disposal of property, plant and equipment	(13,295)	(61,885)
Hire Purchase and lease Interest	110,332	54,403
Interest expense	66,762	32,241
Interest income	(101,080)	(35,307)
Provision for doubtful debts	(77,674)	-
Write-down of inventories	(26,394)	-
Term loan interest	36,038	20,500
	<u>1,951,906</u>	<u>1,456,587</u>
Operating profit before working capital changes	8,377,176	7,246,515
Increase in inventories	(325,664)	(127,020)
Decrease in trade and other receivables	(1,851,729)	(11,907,743)
Decrease in trade and other payables	(1,067,908)	3,997,681
	<u>(3,245,301)</u>	<u>(8,037,082)</u>
CASH FROM/(FOR) OPERATIONS	5,131,875	(790,567)
Tax paid	(1,496,580)	(1,325,487)
Bank interest paid	(66,762)	(32,241)
	<u>(1,563,342)</u>	<u>(1,357,728)</u>
NET CASH FROM/(FOR) OPERATING ACTIVITIES	3,568,533	(2,148,295)
CASH FLOW FROM INVESTING ACTIVITIES		
Interest income	101,080	35,307
Acquisition of subsidiary	-	(2)
Purchase of property, plant and equipment	(1,293,272)	(1,426,855)
Proceeds from disposal of property, plant and equipment	32,602	152,784
Development costs incurred	(713,347)	(457,884)
NET CASH FOR INVESTING ACTIVITIES	(1,872,937)	(1,696,650)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(1,813,501)	-
Proceeds from issuance of share capital / exercise of ESOS	894,430	1,742,500
Transaction costs	-	(134,867)
Term loan interest	(36,038)	(20,500)
Hire purchase and lease interest	(110,332)	(54,403)
Proceeds from other short term borrowings	265,000	858,114
Repayment of other short term borrowings	(1,000,926)	-
Proceeds from hire purchase and lease payables	(602,558)	781,729
Proceeds from term loan	192,121	-
Repayment of term loan	(94,928)	(94,877)
Repayment of hire purchase and lease payables	(215,945)	(628,435)
NET CASH (FOR)/FROM FINANCING ACTIVITIES	<u>(2,522,677)</u>	<u>2,449,261</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(827,081)	(1,395,684)
Foreign exchange fluctuation reserve	66,046	(26,207)
CASH AND CASH EQUIVALENTS B/F	7,545,781	2,962,250
CASH AND CASH EQUIVALENTS C/F	<u>6,784,746</u>	<u>1,540,359</u>
NOTES TO CASH FLOW STATEMENT		
Cash and cash equivalents comprise:		
Fixed deposit with licensed banks	4,341,242	1,285,531
Cash and bank balances	2,443,504	254,828
	<u>6,784,746</u>	<u>1,540,359</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.