

**CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2007**

The unaudited results of Grand-Flo Solution Berhad and its subsidiaries for the 3 months period ended 31 December 2007 are as follows:-

	NOTE	FOR THE QUARTER 3 MONTHS ENDED		FOR THE CUMULATIVE PERIOD 12 MONTHS ENDED	
		31/12/2007 RM	31/12/2006 RM	31/12/2007 RM	31/12/2006 RM
REVENUE	A9	18,640,791	15,198,962	64,910,396	46,735,713
COST OF SALES		<u>(13,405,708)</u>	<u>(10,037,480)</u>	<u>(43,704,276)</u>	<u>(29,125,492)</u>
GROSS PROFIT		5,235,083	5,161,482	21,206,120	17,610,221
OTHER OPERATING INCOME		156,128	551,619	606,046	736,121
SELLING AND DISTRIBUTION EXPENSES		(673,505)	(692,081)	(2,525,372)	(2,198,004)
ADMINISTRATION EXPENSES		(2,856,374)	(3,961,066)	(10,624,760)	(8,195,076)
OTHER OPERATING EXPENSES		<u>(157,047)</u>	<u>585,505</u>	<u>(450,850)</u>	<u>(410,731)</u>
PROFIT FROM OPERATIONS	A9	1,704,285	1,645,459	8,211,184	7,542,531
GAIN ON DEEMED DISPOSAL	A12(b)	1,007,876	-	1,007,876	-
FINANCE EXPENSES		(74,580)	(68,968)	(263,941)	(176,112)
SHARE OF PROFIT IN ASSOCIATE CO.		<u>104,711</u>	<u>-</u>	<u>104,711</u>	<u>-</u>
PROFIT BEFORE TAXATION	A9	2,742,292	1,576,491	9,059,830	7,366,419
INCOME TAX EXPENSES	B4	(263,922)	(261,923)	(1,153,057)	(1,961,432)
PROFIT AFTER TAXATION		<u>2,478,370</u>	<u>1,314,568</u>	<u>7,906,773</u>	<u>5,404,987</u>
PROFIT ATTRIBUTABLE TO:-					
EQUITY HOLDERS OF THE COMPANY		2,197,563	1,244,003	6,389,802	3,615,755
MINORITY INTERESTS		<u>280,807</u>	<u>70,565</u>	<u>1,516,971</u>	<u>1,789,232</u>
		<u>2,478,370</u>	<u>1,314,568</u>	<u>7,906,773</u>	<u>5,404,987</u>
EARNINGS PER SHARE:-					
BASIC (SEN)	B13a	1.77	1.17	5.15	3.41
DILUTED (SEN)	B13b	1.76	1.17	5.12	3.40

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.



CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2007

	Note	(UNAUDITED) AS AT 31/12/2007 RM	(AUDITED) AS AT 31/12/2006 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	A10	4,386,565	7,215,243
Investment in associate		8,675,526	-
Other investment, unquoted		109,128	111,355
Development cost		1,483,228	1,031,739
Goodwill		9,918,520	12,554,813
		<u>24,572,967</u>	<u>20,913,150</u>
Current Assets			
Inventories		3,777,067	8,127,838
Trade receivables		10,108,502	12,064,699
Other receivables & prepayment		578,751	1,251,721
Tax recoverable		127,021	30,000
Fixed deposit with licensed banks	A15	4,306,308	4,154,510
Cash and bank balances		1,148,259	3,507,029
		<u>20,045,908</u>	<u>29,135,797</u>
TOTAL ASSETS		<u>44,618,875</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		10,489,779	5,734,666
Reserves on ESOS		70,476	32,772
Other capital reserve		1,056,304	1,109,451
Foreign exchange fluctuation reserve		588,983	127,988
		<u>33,349,850</u>	<u>27,254,755</u>
Minority Interests		-	4,416,040
Total Equity		<u>33,349,850</u>	<u>31,670,795</u>
Non-Current Liabilities			
Deferred tax		173,000	174,000
Long-term borrowing	B9	1,927,055	2,063,017
		<u>2,100,055</u>	<u>2,237,017</u>
Current Liabilities			
Trade payables		2,904,959	4,554,241
Other payables & accrual		1,858,191	3,074,907
Amount owing to directors	A14	2,875,000	5,750,000
Short-term borrowing	B9	1,530,820	1,915,477
Provision for taxation		-	846,510
		<u>9,168,970</u>	<u>16,141,135</u>
Total Liabilities		<u>11,269,025</u>	<u>18,378,152</u>
TOTAL EQUITY AND LIABILITIES		<u>44,618,875</u>	<u>50,048,947</u>
NET ASSETS PER SHARE (SEN) *		26.85	25.99
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (SEN)**		26.85	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



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 DECEMBER 2007

	Attributable to Equity Holders of the Company		Distributable		Minority Interest (MI)	Total Equity			
	Non-Distributable	Share Premium	Other Reserves	Foreign Exchange Fluctuation Reserve			Share Option Reserve	Retained Profits	Total
	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
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	-	-	-	-	32,772	-	32,772	-	32,772
Cash/share dividend declared by a foreign subsidiary	-	-	-	-	-	3,615,755	3,615,755	1,789,232	5,404,987
Share options granted under ESOS	-	-	-	-	-	-	246,321	265,073	511,394
Net profit for the year	-	-	-	-	-	-	-	-	-
Foreign exchange fluctuation reserve	-	-	-	-	-	-	-	-	-
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 :-	33,000	49,500	-	-	-	-	82,500	-	82,500
Pursuant to ESOS	203,920	611,760	-	-	-	-	815,680	-	815,680
Issued for cash	-	(3,750)	-	-	-	-	(3,750)	-	(3,750)
Transaction costs	-	-	-	-	37,704	-	37,704	-	37,704
Share options granted under ESOS	-	-	-	-	-	(1,813,503)	(1,813,503)	-	(1,813,503)
Dividend paid	-	-	(53,147)	-	-	-	(53,147)	-	(53,147)
Legal reserve of a subsidiary	-	-	-	460,995	-	-	460,995	543,522	1,004,517
Foreign exchange fluctuation reserve	-	-	-	-	-	178,814	178,814	(4,959,562)	(4,780,748)
Deemed disposal of subsidiary	-	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	6,389,802	6,389,802	-	6,389,802
Balance as at 31 December 2007	12,421,253	8,723,055	1,056,304	588,983	70,476	10,489,779	33,349,850	-	33,349,850

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.

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 31 DECEMBER 2007**

	(UNAUDITED) 12 MONTHS ENDED 31/12/2007 RM	(AUDITED) 12 MONTHS ENDED 31/12/2006 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	9,059,830	7,366,419
Adjustment for:-		
Amortisation of development costs	519,930	322,929
Depreciation of plant and equipment	1,920,959	1,327,205
Share options granted under ESOS	37,704	32,772
Share of associate profits	(104,711)	-
Gain on deemed disposal	(1,007,876)	-
Gain on disposal of property, plant and equipment	(12,961)	12,844
Impairment of property, plant and equipment	-	237,945
Hire Purchase and lease Interest	39,607	78,154
Interest expense	173,544	65,022
Interest income	(136,354)	(64,855)
Provision for doubtful debts	(74,934)	637
Write-down of inventories	(25,463)	120,161
Term loan interest	50,777	32,934
	<u>1,380,222</u>	<u>2,165,748</u>
Operating profit before working capital changes	10,440,052	9,532,167
Inventories	2,140,881	(114,791)
Trade and other receivables	(5,136,690)	(2,546,759)
Trade and other payables	281,078	4,685,722
	<u>(2,714,731)</u>	<u>2,024,172</u>
CASH FROM/(FOR) OPERATIONS	7,725,321	11,556,339
Tax paid	(1,586,403)	(2,262,241)
Bank interest paid	(173,544)	(65,022)
	<u>(1,759,947)</u>	<u>(2,327,263)</u>
NET CASH FROM/(FOR) OPERATING ACTIVITIES	5,965,374	9,229,076
CASH FLOW FROM INVESTING ACTIVITIES		
Interest income	136,354	64,855
Deemed disposal of subsidiary	(2,936,472)	-
Acquisition of subsidiaries	-	(5,112,405)
Purchase of property, plant and equipment	(2,614,832)	(1,980,755)
Proceeds from disposal of property, plant and equipment	97,499	107,834
Development costs incurred	(971,418)	(666,171)
Minority interest share in dividends received	(1,169,994)	(934,536)
NET CASH FOR INVESTING ACTIVITIES	(7,458,863)	(8,521,178)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(1,813,503)	-
Proceeds from issuance of share capital / exercise of ESOS	894,430	3,342,500
Transaction costs	(53,147)	(137,620)
Term loan interest	(50,777)	(32,934)
Hire purchase and lease interest	(39,607)	(78,154)
Proceeds from other short term borrowings	943,000	3,699,738
Repayment of other short term borrowings	(1,030,721)	(3,180,489)
Proceeds from hire purchase and lease payables	557,807	-
Proceeds from term loan	563,698	1,200,000
Repayment of term loan	(94,753)	(620,914)
Repayment of hire purchase and lease payables	(1,054,181)	(819,873)
NET CASH (FOR)/FROM FINANCING ACTIVITIES	<u>(1,177,754)</u>	<u>3,372,254</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,671,243)	4,080,152
Foreign exchange fluctuation reserve	253,535	503,378
CASH AND CASH EQUIVALENTS B/F	7,545,780	2,962,250
CASH AND CASH EQUIVALENTS C/F	<u><u>5,128,072</u></u>	<u><u>7,545,780</u></u>
NOTES TO CASH FLOW STATEMENT		
Cash and cash equivalents comprise:		
Overdraft	(326,495)	(115,759)
Fixed deposit with licensed banks	4,306,308	4,154,510
Cash and bank balances	1,148,259	3,507,029
	<u><u>5,128,072</u></u>	<u><u>7,545,780</u></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.