

**CONSOLIDATED INCOME STATEMENTS  
FOR THE QUARTER ENDED 31 MARCH 2008**

The unaudited results of Grand-Flo Solution Berhad and its subsidiaries for the 3 months period ended 31 March 2008 are as follows:-

	NOTE	FOR THE QUARTER 3 MONTHS ENDED		FOR THE CUMULATIVE PERIOD 3 MONTHS ENDED	
		31/03/2008 RM	31/03/2007 RM	31/03/2008 RM	31/03/2007 RM
REVENUE	A9	8,563,356	14,005,545	8,563,356	14,005,545
COST OF SALES		<u>(5,508,734)</u>	<u>(9,313,977)</u>	<u>(5,508,734)</u>	<u>(9,313,977)</u>
GROSS PROFIT		3,054,622	4,691,568	3,054,622	4,691,568
OTHER OPERATING INCOME		229,033	60,125	229,033	60,125
SELLING AND DISTRIBUTION EXPENSES		(283,461)	(551,980)	(283,461)	(551,980)
ADMINISTRATION EXPENSES		(1,683,174)	(2,180,669)	(1,683,174)	(2,180,669)
OTHER OPERATING EXPENSES		<u>(94,208)</u>	<u>(42,102)</u>	<u>(94,208)</u>	<u>(42,102)</u>
PROFIT FROM OPERATIONS	A9	1,222,812	1,976,942	1,222,812	1,976,942
FINANCE EXPENSES		(68,483)	(73,231)	(68,483)	(73,231)
SHARE OF PROFIT IN ASSOCIATE CO.	A9	<u>253,796</u>	<u>-</u>	<u>253,796</u>	<u>-</u>
PROFIT BEFORE TAXATION	A9	1,408,125	1,903,711	1,408,125	1,903,711
INCOME TAX EXPENSES	B4	(149,471)	(247,597)	(149,471)	(247,597)
PROFIT AFTER TAXATION		<u>1,258,654</u>	<u>1,656,114</u>	<u>1,258,654</u>	<u>1,656,114</u>
PROFIT ATTRIBUTABLE TO:-					
EQUITY HOLDERS OF THE COMPANY		1,167,912	1,205,058	1,167,912	1,205,058
MINORITY INTERESTS		<u>90,742</u>	<u>451,056</u>	<u>90,742</u>	<u>451,056</u>
		<u>1,258,654</u>	<u>1,656,114</u>	<u>1,258,654</u>	<u>1,656,114</u>
EARNINGS PER SHARE:-					
BASIC (SEN)	B13a	0.96	0.98	0.96	0.98
DILUTED (SEN)	B13b	0.95	0.97	0.95	0.97

The unaudited condensed Consolidated Income Statements should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.



**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2008**

	Note	(UNAUDITED) AS AT 31/03/2008 RM	(AUDITED) AS AT 31/12/2007 RM
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	A10	7,830,032	4,412,049
Investment in associate		8,951,245	8,697,449
Other investment, unquoted		107,819	108,509
Development cost		1,526,455	1,483,227
Goodwill		13,691,031	10,346,698
		<u>32,106,582</u>	<u>25,047,932</u>
<b>Current Assets</b>			
Inventories		3,853,382	3,760,316
Trade receivables		11,568,008	9,953,092
Other receivables & prepayment		697,452	496,750
Amount due from associates		23,911	385
Tax recoverable		61,352	89,362
Fixed deposit with licensed banks	A15	3,288,432	4,306,307
Cash and bank balances		1,503,723	1,142,479
		<u>20,996,260</u>	<u>19,748,691</u>
<b>TOTAL ASSETS</b>		<u>53,102,842</u>	<u>44,796,623</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the company</b>			
Share capital		12,445,653	12,421,253
Share premium		8,759,655	8,723,055
Retained earnings		13,046,137	11,878,225
Reserves on ESOS		70,476	70,476
Other capital reserve		1,056,304	1,056,304
Foreign exchange fluctuation reserve		588,888	588,823
		<u>35,967,113</u>	<u>34,738,136</u>
<b>Minority Interests</b>		<u>(514,092)</u>	<u>(1,516,971)</u>
<b>Total Equity</b>		<u>35,453,021</u>	<u>33,221,165</u>
<b>Non-Current Liabilities</b>			
Deferred tax		157,250	138,000
Long-term borrowing	B9	3,507,553	1,778,501
		<u>3,664,803</u>	<u>1,916,501</u>
<b>Current Liabilities</b>			
Trade payables		4,119,655	3,038,893
Other payables & accrual		1,565,777	1,579,313
Amount owing to directors	A14	5,208,180	3,303,180
Short-term borrowing	B9	3,029,594	1,737,067
Provision for taxation		61,812	504
		<u>13,985,018</u>	<u>9,658,957</u>
<b>Total Liabilities</b>		<u>17,649,821</u>	<u>11,575,458</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>53,102,842</u>	<u>44,796,623</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO			
ORDINARY EQUITY HOLDERS OF THE PARENT (SEN)		28.90	27.97

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 2007 and the accompanying explanatory notes attached to the interim financial statements.



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2008**

	Attributable to Equity Holders of the Company		Distributable		Minority Interest (MI)	Total Equity			
	Share Capital	Share Premium	Other Reserves	Foreign Exchange Fluctuation Reserve			Share Option Reserve	Retained Profits	Total
	RM	RM	RM	RM	RM	RM	RM		
<b>Balance as at 1 January 2007</b>	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 :-									
Pursuant to ESOS	33,000	49,500	-	-	-	-	82,500	-	82,500
Issued for cash	203,920	611,760	-	-	-	-	815,680	-	815,680
Transaction costs	-	(3,750)	-	-	-	-	(3,750)	-	(3,750)
Share options granted under ESOS	-	-	-	-	37,704	-	37,704	-	37,704
Dividend paid	-	-	-	-	-	(1,813,503)	(1,813,503)	-	(1,813,503)
Legal reserve of a subsidiary	-	-	(53,147)	-	-	-	(53,147)	-	(53,147)
Foreign exchange fluctuation reserve	-	-	-	460,835	-	-	460,835	543,522	1,004,357
Deemed disposal of subsidiary	-	-	-	-	-	178,814	178,814	(6,476,533)	(6,297,719)
Net profit for the year	-	-	-	-	-	7,778,248	7,778,248	-	7,778,248
<b>Balance as at 31 December 2007</b>	12,421,253	8,723,055	1,056,304	588,823	70,476	11,878,225	34,738,136	(1,516,971)	33,221,165
<b>Balance as at 1 January 2008</b>	12,421,253	8,723,055	1,056,304	588,823	70,476	11,878,225	34,738,136	(1,516,971)	33,221,165
Issue of ordinary shares :-									
Pursuant to ESOS	24,400	36,600	-	-	-	-	61,000	-	61,000
Foreign exchange fluctuation reserve	-	-	-	65	-	-	65	-	65
Net profit for the year	-	-	-	-	-	1,167,912	1,167,912	90,742	1,258,654
Acquisition of Subsidiaries	-	-	-	-	-	-	-	912,137	912,137
<b>Balance as at 31 March 2008</b>	12,445,653	8,759,655	1,056,304	588,888	70,476	13,046,137	35,967,113	(514,092)	35,453,021

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual audited financial statements as at 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE QUARTER ENDED 31 MARCH 2008**

	<b>3 MONTHS ENDED 31/03/2008 RM</b>	<b>3 MONTHS ENDED 31/03/2007 RM</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,408,125	1,903,711
Adjustments for:-		
Amortisation of development costs	147,393	122,574
Depreciation of plant and equipment	167,109	450,239
Share of associate profits	(253,796)	-
Gain on disposal of property, plant and equipment	(82,442)	(6,878)
Hire Purchase and lease Interest	23,479	29,337
Interest expense	24,475	33,394
Interest income	(26,182)	(34,033)
Write-down of inventories	-	30,322
Term loan interest	20,530	10,500
	<u>20,566</u>	<u>635,455</u>
Operating profit before working capital changes	1,428,691	2,539,166
Inventories	120,857	(895,387)
Trade and other receivables	3,651,421	(3,304,830)
Trade and other payables	(818,788)	1,669,954
	<u>2,953,490</u>	<u>(2,530,263)</u>
<b>CASH FROM/(FOR) OPERATIONS</b>	4,382,181	8,903
Tax paid	(96,998)	(265,660)
Bank interest paid	(24,475)	(33,394)
	<u>(121,473)</u>	<u>(299,054)</u>
<b>NET CASH FROM/(FOR) OPERATING ACTIVITIES</b>	4,260,708	(290,151)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest income	26,182	34,033
Acquisition of subsidiaries	(3,729,387)	-
Purchase of property, plant and equipment	(780,124)	(950,329)
Proceeds from disposal of property, plant and equipment	346,000	22,200
Development costs incurred	(190,621)	(207,595)
Minority interest share in dividends received	-	-
<b>NET CASH FOR INVESTING ACTIVITIES</b>	(4,327,950)	(1,101,691)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of share capital / exercise of ESOS	61,000	890,680
Transaction costs	-	(3,750)
Term loan interest	(20,530)	(10,500)
Hire purchase and lease interest	(23,479)	(29,337)
Proceeds from other short term borrowings	-	601,295
Repayment of other short term borrowings	(461,416)	-
Proceeds from hire purchase and lease payables	274,826	-
Proceeds from term loan	187,522	-
Repayment of term loan	(38,737)	(23,730)
Repayment of hire purchase and lease payables	(215,869)	(300,347)
<b>NET CASH (FOR)/FROM FINANCING ACTIVITIES</b>	<u>(236,683)</u>	<u>1,124,311</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(303,925)	(267,531)
Foreign exchange fluctuation reserve	731	851,818
<b>CASH AND CASH EQUIVALENTS B/F</b>	5,084,165	7,545,780
<b>CASH AND CASH EQUIVALENTS C/F</b>	<u><b>4,780,971</b></u>	<u><b>8,130,067</b></u>
<b>NOTES TO CASH FLOW STATEMENT</b>		
Cash and cash equivalents comprise:		
Overdraft	(11,184)	-
Fixed deposit with licensed banks	3,288,432	4,539,279
Cash and bank balances	1,503,723	3,590,788
	<u><b>4,780,971</b></u>	<u><b>8,130,067</b></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 2007