

**CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2008**

The unaudited results of Grand-Flo Solution Berhad and its subsidiaries for the 6 months period ended 30 June 2008 are as follows:-

	NOTE	FOR THE QUARTER 3 MONTHS ENDED		FOR THE CUMULATIVE PERIOD 6 MONTHS ENDED	
		30/06/2008 RM	30/06/2007 RM	30/06/2008 RM	30/06/2007 RM
REVENUE	A8	9,693,059	14,238,216	18,256,415	27,765,581
COST OF SALES		<u>(6,707,931)</u>	<u>(9,138,567)</u>	<u>(12,216,665)</u>	<u>(18,125,263)</u>
GROSS PROFIT		2,985,128	5,099,649	6,039,750	9,640,318
OTHER OPERATING INCOME		201,835	278,551	430,868	388,755
SELLING AND DISTRIBUTION EXPENSES		(299,950)	(728,443)	(583,411)	(1,271,341)
ADMINISTRATION EXPENSES		(1,651,064)	(2,550,909)	(3,334,238)	(4,611,264)
OTHER OPERATING EXPENSES		<u>(58,820)</u>	<u>(152,618)</u>	<u>(153,028)</u>	<u>(195,234)</u>
PROFIT FROM OPERATIONS	A8	1,177,129	1,946,230	2,399,941	3,951,234
FINANCE EXPENSES		(97,554)	(59,394)	(166,037)	(152,657)
SHARE OF PROFIT IN ASSOCIATE CO.		<u>6,758</u>	<u>-</u>	<u>260,554</u>	<u>-</u>
PROFIT BEFORE TAXATION	A8	1,086,333	1,886,836	2,494,458	3,798,577
INCOME TAX EXPENSES	B4	(288,077)	(277,957)	(437,548)	(527,098)
PROFIT AFTER TAXATION		<u>798,256</u>	<u>1,608,879</u>	<u>2,056,910</u>	<u>3,271,479</u>
PROFIT ATTRIBUTABLE TO:-					
EQUITY HOLDERS OF THE COMPANY		665,868	1,415,970	1,833,780	2,624,207
MINORITY INTERESTS		<u>132,388</u>	<u>192,909</u>	<u>223,130</u>	<u>647,272</u>
		<u>798,256</u>	<u>1,608,879</u>	<u>2,056,910</u>	<u>3,271,479</u>
EARNINGS PER SHARE:-					
BASIC (SEN)	B12a	0.54	1.14	1.47	2.12
DILUTED (SEN)	B12b	0.53	1.13	1.47	2.10

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.

**GRAND-FLO SOLUTION****BERHAD**
(607392-W)**CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2008**

	Note	(UNAUDITED) AS AT 30/06/2008 RM	(AUDITED) AS AT 31/12/2007 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	A9	7,893,003	4,412,049
Investment in associate		8,475,561	8,697,449
Other investment, unquoted		107,129	108,509
Development costs		1,554,477	1,483,227
Goodwill		13,691,031	10,346,698
		<u>31,721,201</u>	<u>25,047,932</u>
Current Assets			
Inventories		4,341,695	3,760,316
Trade receivables		11,028,038	9,953,092
Other receivables & prepayment		929,744	496,750
Amount due from associate		60,064	385
Tax recoverable		70,921	89,362
Fixed deposit with licensed banks		3,087,643	4,306,307
Cash and bank balances		2,041,525	1,142,479
		<u>21,559,630</u>	<u>19,748,691</u>
TOTAL ASSETS		<u>53,280,831</u>	<u>44,796,623</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the company			
Share capital		12,445,653	12,421,253
Share premium		8,759,655	8,723,055
Other reserves		1,056,304	1,056,304
Foreign exchange fluctuation reserve		588,888	588,823
Share option reserves		70,476	70,476
Retained earnings		12,195,034	10,361,254
		<u>35,116,010</u>	<u>33,221,165</u>
Minority Interests		1,135,268	-
Total Equity		<u>36,251,278</u>	<u>33,221,165</u>
Non-Current Liabilities			
Long-term borrowings	B8	4,860,092	1,778,501
Deferred tax		157,250	138,000
		<u>5,017,342</u>	<u>1,916,501</u>
Current Liabilities			
Trade payables		4,428,232	3,038,893
Other payables & accruals		988,751	1,579,313
Amount owing to directors	A13	1,905,002	3,303,180
Short-term borrowings	B8	4,442,990	1,737,067
Provision for taxation		247,236	504
		<u>12,012,211</u>	<u>9,658,957</u>
Total Liabilities		<u>17,029,553</u>	<u>11,575,458</u>
TOTAL EQUITY AND LIABILITIES		<u>53,280,831</u>	<u>44,796,623</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO			
ORDINARY EQUITY HOLDERS OF THE PARENT (SEN)		28.22	26.75

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.



**GRAND-FLO SOLUTION
BERHAD**
(607392-W)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 JUNE 2008

	Attributable to Equity Holders of the Company		Distributable		Minority Interest (MI)	Total Equity
	Share Capital	Share Premium	Other Reserves	Share Option Reserve		
	RM	RM	RM	RM	RM	RM
Balance as at 1 January 2007	12,184,333	8,065,545	1,109,451	32,772	5,734,666	27,254,755
Issue of ordinary shares :-						
Pursuant to ESOS	33,000	49,500	-	-	-	82,500
Issued for cash	203,920	611,760	-	-	-	815,680
Transaction costs	-	(3,750)	-	-	-	(3,750)
Share options granted under ESOS	-	-	-	37,704	-	37,704
Dividend paid	-	-	-	-	(1,813,503)	(1,813,503)
Legal reserve of a subsidiary	-	-	(53,147)	-	-	(53,147)
Foreign exchange fluctuation reserve	-	-	460,835	-	-	460,835
Deemed disposal of subsidiary	-	-	-	-	178,814	178,814
Net profit for the year	-	-	-	-	6,261,277	6,261,277
Balance as at 31 December 2007	12,421,253	8,723,055	1,056,304	70,476	10,361,254	33,221,165
Balance as at 1 January 2008	12,421,253	8,723,055	1,056,304	70,476	10,361,254	33,221,165
Issue of ordinary shares :-						
Pursuant to ESOS	24,400	36,600	-	-	-	61,000
Foreign exchange fluctuation reserve	-	-	-	65	-	65
Net profit for the year	-	-	-	-	1,833,780	1,833,780
Acquisition of Subsidiaries	-	-	-	-	-	912,138
Balance as at 30 June 2008	12,445,653	8,759,655	1,056,304	70,476	12,195,034	35,116,010
						1,135,268
						36,251,278

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 30 JUNE 2008

	6 MONTHS ENDED 30/06/2008 RM	6 MONTHS ENDED 30/06/2007 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	2,494,458	3,798,577
Adjustments for:-		
Amortisation of development costs	281,456	254,133
Depreciation of plant and equipment	377,364	958,791
Share of associate profits	221,888	-
Gain on disposal of property, plant and equipment	(82,442)	(15,860)
Hire Purchase and lease Interest	55,762	58,718
Interest expense	38,919	71,784
Interest income	(45,894)	(82,295)
Write-down of inventories	-	(24,911)
Term loan interest	71,356	22,156
	<u>918,409</u>	<u>1,242,516</u>
Operating profit before working capital changes	3,412,867	5,041,093
Inventories	(367,457)	(112,274)
Trade and other receivables	3,510,362	(1,726,285)
Trade and other payables	(4,471,928)	(2,377,153)
	<u>(1,329,023)</u>	<u>(4,215,712)</u>
CASH FROM/(FOR) OPERATIONS	2,083,844	825,381
Tax paid	(209,220)	(1,417,777)
Bank interest paid	(33,163)	(71,784)
	<u>(242,383)</u>	<u>(1,489,561)</u>
NET CASH FROM/(FOR) OPERATING ACTIVITIES	1,841,461	(664,180)
CASH FLOW FROM INVESTING ACTIVITIES		
Interest income	45,894	82,295
Acquisition of subsidiaries	(3,729,387)	-
Purchase of property, plant and equipment	(559,941)	(1,135,299)
Proceeds from disposal of property, plant and equipment	346,000	32,825
Development costs incurred	(351,326)	(460,212)
NET CASH FOR INVESTING ACTIVITIES	(4,248,760)	(1,480,391)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital / exercise of ESOS	61,000	894,430
Term loan interest	(77,112)	(22,156)
Hire purchase and lease interest	(55,762)	(58,718)
Proceeds from other short term borrowings	-	1,119,341
Repayment of other short term borrowings	(338,237)	(387,372)
Proceeds from hire purchase and lease payables	746,100	-
Proceeds from term loan	2,634,922	-
Repayment of term loan	(58,779)	(59,330)
Repayment of hire purchase and lease payables	(531,335)	(586,277)
NET CASH (FOR)/FROM FINANCING ACTIVITIES	<u>2,380,797</u>	<u>899,918</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(26,502)	(1,244,653)
Foreign exchange fluctuation reserve	731	208,478
CASH AND CASH EQUIVALENTS B/F	5,084,165	7,545,780
CASH AND CASH EQUIVALENTS C/F	<u>5,058,394</u>	<u>6,509,605</u>
NOTES TO CASH FLOW STATEMENT		
Cash and cash equivalents comprise:		
Overdraft	(70,774)	(65,005)
Fixed deposit with licensed banks	3,087,643	2,746,821
Cash and bank balances	2,041,525	3,827,789
	<u>5,058,394</u>	<u>6,509,605</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