

CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2008

The unaudited results of Grand-Flo Solution Berhad and its subsidiaries for the 9 months period ended 30 September 2008 are as follows:-

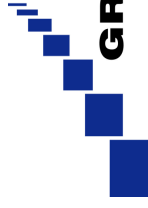
	NOTE	FOR THE QUARTER 3 MONTHS ENDED		FOR THE CUMULATIVE PERIOD 9 MONTHS ENDED	
		30/09/2008	30/09/2007	30/09/2008	30/09/2007
		RM	RM	RM	RM
REVENUE	A8	9,718,486	19,318,330	27,974,900	47,866,866
COST OF SALES		<u>(7,446,349)</u>	<u>(13,396,633)</u>	<u>(19,663,014)</u>	<u>(31,586,390)</u>
GROSS PROFIT		2,272,137	5,921,697	8,311,886	16,280,476
OTHER OPERATING INCOME		82,849	65,986	425,003	455,640
SELLING AND DISTRIBUTION EXPENSES		(388,189)	(739,233)	(971,600)	(1,988,823)
ADMINISTRATION EXPENSES		(1,727,459)	(2,519,135)	(4,972,983)	(7,805,338)
OTHER OPERATING EXPENSES		<u>(101,636)</u>	<u>(100,808)</u>	<u>(254,664)</u>	<u>(303,552)</u>
PROFIT FROM OPERATIONS	A8	137,702	2,628,507	2,537,642	6,638,403
FINANCE EXPENSES		(132,555)	(55,499)	(298,592)	(213,133)
SHARE OF PROFIT IN ASSOCIATE CO.		<u>57,260</u>	<u>-</u>	<u>317,814</u>	<u>-</u>
PROFIT BEFORE TAXATION	A8	62,407	2,573,008	2,556,864	6,425,270
INCOME TAX EXPENSES	B4	64,948	(415,597)	(372,600)	(908,190)
PROFIT AFTER TAXATION		<u>127,355</u>	<u>2,157,411</u>	<u>2,184,264</u>	<u>5,517,080</u>
PROFIT ATTRIBUTABLE TO:-					
EQUITY HOLDERS OF THE COMPANY		23,530	1,561,855	1,857,309	4,235,725
MINORITY INTERESTS		<u>103,825</u>	<u>595,556</u>	<u>326,955</u>	<u>1,281,355</u>
		<u>127,355</u>	<u>2,157,411</u>	<u>2,184,264</u>	<u>5,517,080</u>
EARNINGS PER SHARE:-					
BASIC (SEN)	B12a	0.02	1.26	1.48	3.42
DILUTED (SEN)	B12b	0.02	1.25	1.48	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 2007 and the accompanying explanatory notes attached to the interim financial statements.

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

	Note	(UNAUDITED) AS AT 30/09/2008 RM	(AUDITED) AS AT 31/12/2007 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	A9	9,012,347	4,412,049
Prepaid lease payment		650,373	-
Investment in associate		8,532,821	8,697,449
Other investment, unquoted		75,630	108,509
Development costs		1,465,527	1,483,227
Goodwill		14,369,629	10,346,698
		<u>34,106,327</u>	<u>25,047,932</u>
Current Assets			
Inventories		4,522,945	3,760,316
Trade receivables		11,839,334	9,953,092
Other receivables & prepayment		1,266,407	496,750
Amount due from associate		568,477	385
Tax recoverable		133,852	89,362
Fixed deposit with licensed banks		582,328	4,306,307
Cash and bank balances		2,004,420	1,142,479
		<u>20,917,763</u>	<u>19,748,691</u>
TOTAL ASSETS		<u>55,024,090</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		98,751	70,476
Retained earnings		9,729,432	10,361,254
Treasury shares, at cost	A6 (b)	(2,043)	-
		<u>32,676,640</u>	<u>33,221,165</u>
Minority Interests		1,603,890	-
Total Equity		<u>34,280,530</u>	<u>33,221,165</u>
Non-Current Liabilities			
Long-term borrowings	B8	4,413,006	1,778,501
Deferred tax		157,250	138,000
		<u>4,570,256</u>	<u>1,916,501</u>
Current Liabilities			
Trade payables		4,849,922	3,038,893
Other payables & accruals		2,210,640	1,579,313
Amount owing to directors		2,510,895	3,303,180
Short-term borrowings	B8	6,433,543	1,737,067
Provision for taxation		168,304	504
		<u>16,173,304</u>	<u>9,658,957</u>
Total Liabilities		<u>20,743,560</u>	<u>11,575,458</u>
TOTAL EQUITY AND LIABILITIES		<u>55,024,090</u>	<u>44,796,623</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO			
ORDINARY EQUITY HOLDERS OF THE PARENT (SEN)			
		26.26	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 SEPTEMBER 2008

	Share Capital		Share Premium		Treasury Shares		Other Reserves		Foreign Exchange Fluctuation Reserve		Share Option Reserve		Distributable		Minority Interest		Total Equity	
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM		RM
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 :-																		
Pursuant to ESOS	33,000	49,500	-	-	-	-	-	82,500	-	82,500								82,500
Issued for cash	203,920	611,760	-	-	-	-	-	815,680	-	815,680								815,680
Transaction costs	-	(3,750)	-	-	-	-	-	(3,750)	-	(3,750)								(3,750)
Share options granted under ESOS	-	-	-	-	-	37,704	-	37,704	-	37,704								37,704
Dividend paid	-	-	-	-	-	-	(1,813,503)	(1,813,503)	-	(1,813,503)								(1,813,503)
Legal reserve of a subsidiary	-	-	-	(53,147)	-	-	-	(53,147)	-	(53,147)								(53,147)
Foreign exchange fluctuation reserve	-	-	-	-	460,835	-	-	460,835	-	460,835								1,004,357
Deemed disposal of subsidiary	-	-	-	-	-	-	178,814	178,814	-	178,814								(6,297,719)
Net profit for the year	-	-	-	-	-	-	6,261,277	6,261,277	-	6,261,277								7,778,248
Balance as at 31 December 2007	12,421,253	8,723,055	-	1,056,304	588,823	70,476	10,361,254	33,221,165	-	33,221,165								33,221,165
Balance as at 1 January 2008	12,421,253	8,723,055	-	1,056,304	588,823	70,476	10,361,254	33,221,165	-	33,221,165								33,221,165
Issue of ordinary shares :-																		
Pursuant to ESOS	24,400	36,600	-	-	-	28,275	-	89,275	-	89,275								89,275
Shares repurchased	-	-	(2,043)	-	-	-	-	(2,043)	-	(2,043)								(2,043)
Dividend paid	-	-	-	-	-	-	(2,489,131)	(2,489,131)	-	(2,489,131)								(2,489,131)
Foreign exchange fluctuation reserve	-	-	-	-	65	-	-	65	-	65								65
Net profit for the year	-	-	-	-	-	-	1,857,309	1,857,309	-	1,857,309								326,955
Acquisition of Subsidiaries	-	-	-	-	-	-	-	-	-	-								1,276,935
Balance as at 30 September 2008	12,445,653	8,759,655	(2,043)	1,056,304	588,888	98,751	9,729,432	32,676,640	1,603,890	34,280,530								34,280,530

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 SEPTEMBER 2008

	9 MONTHS ENDED 30/09/2008 RM	9 MONTHS ENDED 30/09/2007 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	2,556,864	6,425,270
Adjustments for:-		
Amortisation of development costs	481,672	385,745
Amortisation of other investment	3,333	-
Depreciation of plant and equipment	597,649	1,543,194
Share options granted under ESOS	28,275	28,278
Share of associate profits	(317,814)	-
Gain on disposal of property, plant and equipment	(77,634)	(13,295)
Hire Purchase and lease Interest	94,385	110,332
Interest expense	71,072	66,762
Interest income	(40,052)	(101,080)
Provision for doubtful debts	-	(77,674)
Write-down of inventories	-	(26,394)
Term loan interest	133,135	36,038
	<u>974,021</u>	<u>1,951,906</u>
Operating profit before working capital changes	3,530,885	8,377,176
Inventories	(357,286)	(325,664)
Trade and other receivables	5,003,176	(1,851,729)
Trade and other payables	(5,276,159)	(1,067,908)
	<u>(630,269)</u>	<u>(3,245,301)</u>
CASH FROM OPERATIONS	2,900,616	5,131,875
Tax paid	(264,376)	(1,496,580)
Bank interest paid	(71,072)	(66,762)
	<u>(335,448)</u>	<u>(1,563,342)</u>
NET CASH FROM OPERATING ACTIVITIES	2,565,168	3,568,533
CASH FLOW FROM INVESTING ACTIVITIES		
Interest income	40,052	101,080
Acquisition of subsidiaries	(5,007,496)	-
Dividend received from associated company	482,442	-
Purchase of property, plant and equipment	(1,717,649)	(1,293,272)
Proceeds from disposal of property, plant and equipment	372,000	32,602
Development costs incurred	(463,972)	(713,347)
NET CASH FOR INVESTING ACTIVITIES	<u>(6,294,623)</u>	<u>(1,872,937)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid to company shareholders	(2,489,131)	(1,813,501)
Proceeds from issuance of share capital / exercise of ESOS	621,000	894,430
Purchase of treasury shares	(2,043)	-
Term loan interest	(133,135)	(36,038)
Hire purchase and lease interest	(94,385)	(110,332)
Proceeds from other short term borrowings	3,566,663	265,000
Repayment of other short term borrowings	(3,695,636)	(1,000,926)
Proceeds from hire purchase and lease payables	4,207,822	-
Proceeds from term loan	-	192,121
Repayment of term loan	(507,175)	(94,928)
Repayment of hire purchase and lease payables	(857,753)	(818,503)
NET CASH FROM/(FOR) FINANCING ACTIVITIES	<u>616,227</u>	<u>(2,522,677)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,113,228)	(827,081)
Foreign exchange fluctuation reserve	731	66,046
CASH AND CASH EQUIVALENTS B/F	5,084,165	7,545,781
CASH AND CASH EQUIVALENTS C/F	<u>1,971,668</u>	<u>6,784,746</u>
NOTES TO CASH FLOW STATEMENT		
Cash and cash equivalents comprise:		
Overdraft	(615,080)	-
Fixed deposit with licensed banks	582,328	4,341,242
Cash and bank balances	2,004,420	2,443,504
	<u>1,971,668</u>	<u>6,784,746</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