

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

The unaudited results of Grand-Flo Solution Berhad and its subsidiaries for the 12 months period ended 31 December 2008 are as follows:-

	NOTE	FOR THE QUARTER 3 MONTHS ENDED		FOR THE CUMULATIVE PERIOD 12 MONTHS ENDED	
		31/12/2008 RM	31/12/2007 RM	31/12/2008 RM	31/12/2007 RM
REVENUE	A8	8,972,716	18,640,791	36,947,616	64,670,031
COST OF SALES		<u>(7,976,539)</u>	<u>(13,405,708)</u>	<u>(27,639,553)</u>	<u>(43,706,600)</u>
GROSS PROFIT		996,177	5,235,083	9,308,063	20,963,431
OTHER OPERATING INCOME		(262,588)	156,128	487,700	582,580
SELLING AND DISTRIBUTION EXPENSES		(353,101)	(673,505)	(1,324,701)	(2,485,650)
ADMINISTRATION EXPENSES		(2,100,013)	(2,856,374)	(7,028,458)	(10,549,278)
OTHER OPERATING EXPENSES		<u>(561,511)</u>	<u>(157,047)</u>	<u>(816,175)</u>	<u>(444,182)</u>
PROFIT FROM OPERATIONS	A8	(2,281,036)	1,704,285	626,429	8,066,901
GAIN ON DEEMED DISPOSAL		-	1,007,876	-	1,007,876
FINANCE EXPENSES		(173,180)	(74,580)	(471,772)	(266,947)
SHARE OF PROFIT IN ASSOCIATE CO.		<u>64,222</u>	<u>104,711</u>	<u>382,036</u>	<u>126,636</u>
PROFIT BEFORE TAXATION	A8	(2,389,994)	2,742,292	536,693	8,934,466
INCOME TAX EXPENSES	B4	416,267	(263,922)	(326,155)	(1,156,218)
PROFIT AFTER TAXATION		<u>(1,973,727)</u>	<u>2,478,370</u>	<u>210,538</u>	<u>7,778,248</u>
PROFIT ATTRIBUTABLE TO:-					
EQUITY HOLDERS OF THE COMPANY		(2,190,164)	2,197,563	(332,854)	6,261,277
MINORITY INTERESTS		<u>216,437</u>	<u>280,807</u>	<u>543,392</u>	<u>1,516,971</u>
		<u>(1,973,727)</u>	<u>2,478,370</u>	<u>210,538</u>	<u>7,778,248</u>
EARNINGS PER SHARE:-					
BASIC (SEN)	B12a	(1.76)	1.77	(0.27)	5.04
DILUTED (SEN)	B12b	-	1.76	-	5.01

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.



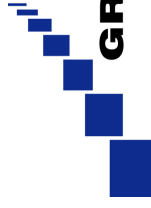
GRAND-FLO SOLUTION

BERHAD
(607392-W)

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	(UNAUDITED) AS AT 31/12/2008 RM	(AUDITED) AS AT 31/12/2007 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	A9	9,283,682	4,412,049
Prepaid lease payment		783,216	-
Investment in associate		8,832,332	8,697,449
Other investment, unquoted		75,429	108,509
Development costs		-	1,483,227
Goodwill		14,374,057	10,346,698
		<u>33,348,716</u>	<u>25,047,932</u>
Current Assets			
Inventories		4,439,582	3,760,316
Trade receivables		11,128,172	9,953,092
Other receivables & prepayment		1,460,688	496,750
Amount due from associate		55,586	385
Tax recoverable		427,631	89,362
Fixed deposit with licensed banks		586,857	4,306,307
Cash and bank balances		1,898,745	1,142,479
		<u>19,997,261</u>	<u>19,748,691</u>
TOTAL ASSETS		<u>53,345,977</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		108,176	70,476
Retained earnings		7,539,269	10,361,254
Treasury shares, at cost	A6 (b)	(2,043)	-
		<u>30,495,902</u>	<u>33,221,165</u>
Minority Interests		1,932,328	-
Total Equity		<u>32,428,230</u>	<u>33,221,165</u>
Non-Current Liabilities			
Long-term borrowings	B8	5,016,066	1,778,501
Deferred tax		160,800	138,000
		<u>5,176,866</u>	<u>1,916,501</u>
Current Liabilities			
Trade payables		4,655,819	3,038,893
Other payables & accruals		2,397,137	1,579,313
Amount owing to directors		2,815,002	3,303,180
Short-term borrowings	B8	5,689,959	1,737,067
Provision for taxation		182,964	504
		<u>15,740,881</u>	<u>9,658,957</u>
Total Liabilities		<u>20,917,747</u>	<u>11,575,458</u>
TOTAL EQUITY AND LIABILITIES		<u>53,345,977</u>	<u>44,796,623</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO			
ORDINARY EQUITY HOLDERS OF THE PARENT (SEN)			
		24.50	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 31 DECEMBER 2008

	Attributable to Equity Holders of the Company		Distributable		Minority Interest (MI)	Total Equity
	Share Capital	Share Premium	Non-Distributable	Share Reserve		
	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	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	588,823	70,476	33,221,165
Balance as at 1 January 2008	12,421,253	8,723,055	1,056,304	588,823	70,476	33,221,165
Issue of ordinary shares :-						
Pursuant to ESOS	24,400	36,600	-	-	-	61,000
Share options granted under ESOS	-	-	-	-	37,700	37,700
Shares repurchased	-	-	(2,043)	-	-	(2,043)
Dividend paid	-	-	-	-	(2,489,131)	(2,489,131)
Foreign exchange fluctuation reserve	-	-	-	65	-	65
Net profit for the year	-	-	-	-	(332,854)	(332,854)
Acquisition of Subsidiaries	-	-	-	-	-	1,388,936
Balance as at 31 December 2008	12,445,653	8,759,655	(2,043)	588,888	108,176	30,495,902
						1,932,328
						32,428,230

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 DECEMBER 2008

	12 MONTHS ENDED 31/12/2008 RM	12 MONTHS ENDED 31/12/2007 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	536,693	8,934,466
Adjustments for:-		
Amortisation of development costs	-	519,930
Amortisation of other investment	5,584	2,846
Bad debts written off	15,039	2,542
Development costs written off	1,483,227	-
Depreciation of plant and equipment	883,317	1,918,393
Gain on disposal of property, plant and equipment	(73,793)	(16,058)
Net gain on deemed disposal of a subsidiary	-	(1,007,876)
Overdraft interest	14,301	15,012
Provision for doubtful debts	354,117	-
Goodwill written off	8,241	-
Plant and equipment written off	-	51,448
Rental income	-	(1,035,569)
Share of associate profits	(382,037)	(126,636)
Share options granted under ESOS	37,700	37,704
Hire Purchase and lease Interest	130,863	129,978
Interest expense	100,107	71,180
Interest income	(63,800)	(136,354)
Term loan interest	226,501	50,777
Unrealised gain on foreign exchange	-	(68,883)
	<u>2,739,367</u>	<u>408,434</u>
Operating profit before working capital changes	3,276,060	9,342,900
Inventories	(273,921)	2,132,169
Trade and other receivables	4,585,143	2,973,202
Trade and other payables	(3,851,056)	(6,947,284)
	<u>460,166</u>	<u>(1,841,913)</u>
CASH FROM OPERATIONS	3,736,226	7,500,987
Tax paid	(460,874)	(1,956,263)
Bank interest paid	(114,408)	(160,388)
	<u>(575,282)</u>	<u>(2,116,651)</u>
NET CASH FROM OPERATING ACTIVITIES	3,160,944	5,384,336
CASH FLOW FROM INVESTING ACTIVITIES		
Interest income	63,800	136,354
Acquisition of subsidiaries	(5,194,785)	(2)
Additional purchase price of subsidiaries	(153,380)	(428,178)
Deemed disposal of subsidiary	-	(2,936,472)
Purchase of property	(187,522)	(31,332)
Purchase of plant and equipment	(2,722,113)	(1,991,125)
Proceeds from disposal of property, plant and equipment	348,150	97,499
Proceeds from disposal of other investment	26,000	-
Development costs incurred	-	(971,418)
Dividend received from associated company	738,674	-
Rental income	-	1,035,569
	<u>(7,081,176)</u>	<u>(5,089,105)</u>
NET CASH FOR INVESTING ACTIVITIES	(7,081,176)	(5,089,105)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital / exercise of ESOS	981,000	898,182
Transaction costs	-	(56,897)
Purchase of treasury shares	(2,043)	-
Term loan interest	(226,501)	(50,777)
Hire purchase and lease interest	(130,863)	(55,782)
Proceeds from other short term borrowings	479,103	1,974,000
Repayment of other short term borrowings	-	(2,061,721)
Repayment of term loan	(828,095)	(93,533)
Repayment of bills payable	(38,227)	-
Repayment of hire purchase and lease payables	(1,111,633)	(1,038,004)
Drawdown on finance lease payables	4,337,822	457,807
Dividend paid to company shareholders	(2,489,131)	(1,813,503)
Dividend paid to minority interest	-	(1,169,994)
	<u>971,432</u>	<u>(3,010,222)</u>
NET CASH FROM/(FOR) FINANCING ACTIVITIES	971,432	(3,010,222)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,948,800)	(2,714,991)
Foreign exchange fluctuation reserve	731	253,376
CASH AND CASH EQUIVALENTS B/F	5,084,165	7,545,780
CASH AND CASH EQUIVALENTS C/F	<u>2,136,096</u>	<u>5,084,165</u>
NOTES TO CASH FLOW STATEMENT		
Cash and cash equivalents comprise:		
Overdraft	(349,506)	(364,621)
Fixed deposit with licensed banks	586,857	4,306,307
Cash and bank balances	1,898,745	1,142,479
	<u>2,136,096</u>	<u>5,084,165</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