

**CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2009**

The unaudited results of Grand-Flo Solution Berhad and its subsidiaries for the 6 months period ended 30 June 2009 are as follows:-

	NOTE	FOR THE QUARTER 3 MONTHS ENDED		FOR THE CUMULATIVE PERIOD 6 MONTHS ENDED	
		30/06/2009 RM	30/06/2008 RM	30/06/2009 RM	30/06/2008 RM
REVENUE	A8	10,204,632	9,693,059	18,275,806	18,256,415
COST OF SALES		<u>(7,148,660)</u>	<u>(6,707,931)</u>	<u>(12,549,671)</u>	<u>(12,216,665)</u>
GROSS PROFIT		3,055,972	2,985,128	5,726,135	6,039,750
OTHER OPERATING INCOME		501,205	201,835	583,022	430,868
SELLING AND DISTRIBUTION EXPENSES		(401,715)	(299,950)	(701,570)	(583,411)
ADMINISTRATION EXPENSES		(2,199,387)	(1,651,064)	(4,045,901)	(3,334,238)
OTHER OPERATING EXPENSES		<u>(167,398)</u>	<u>(58,820)</u>	<u>(271,190)</u>	<u>(153,028)</u>
PROFIT FROM OPERATIONS	A8	788,677	1,177,129	1,290,496	2,399,941
GAIN ON DEEMED DISPOSAL	A11	165,680	-	165,680	-
FINANCE EXPENSES		(150,463)	(97,554)	(251,494)	(166,037)
SHARE OF PROFIT/(LOSS) IN ASSOCIATE CO.		<u>(99,101)</u>	<u>6,758</u>	<u>(264,938)</u>	<u>260,554</u>
PROFIT BEFORE TAXATION	A8	704,793	1,086,333	939,744	2,494,458
INCOME TAX EXPENSES	B4	(193,217)	(288,077)	(290,808)	(437,548)
PROFIT AFTER TAXATION		<u>511,576</u>	<u>798,256</u>	<u>648,936</u>	<u>2,056,910</u>
PROFIT ATTRIBUTABLE TO:-					
EQUITY HOLDERS OF THE COMPANY		176,761	665,868	202,983	1,833,780
MINORITY INTERESTS		<u>334,815</u>	<u>132,388</u>	<u>445,953</u>	<u>223,130</u>
		<u>511,576</u>	<u>798,256</u>	<u>648,936</u>	<u>2,056,910</u>
EARNINGS PER SHARE:-					
BASIC (SEN)	B12a	0.13	0.54	0.15	1.47
DILUTED (SEN)	B12b	0.13	0.53	0.15	1.47

The unaudited condensed Consolidated Income Statements should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2009

	Note	(UNAUDITED) AS AT 30/06/2009 RM	(AUDITED) AS AT 31/12/2008 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	A9	9,557,287	9,290,397
Prepaid lease payment		778,643	783,216
Investment in associate		8,671,542	8,770,800
Other investment, unquoted		74,782	75,429
Development costs		247,719	-
Goodwill		22,792,807	14,366,638
		<u>42,122,780</u>	<u>33,286,480</u>
Current Assets			
Inventories		5,211,528	4,531,763
Trade receivables		9,558,536	10,653,592
Other receivables & prepayment		654,219	1,223,584
Amount due from associate		119,580	115,746
Tax recoverable		350,088	239,241
Fixed deposit with licensed banks		2,888,792	589,984
Cash and bank balances		5,168,513	1,927,569
		<u>23,951,256</u>	<u>19,281,479</u>
TOTAL ASSETS		<u>66,074,036</u>	<u>52,567,959</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the company			
Share capital		13,585,471	12,445,653
Share premium		12,407,071	8,759,655
Treasury shares, at cost	A6	(5,338)	(2,043)
Other reserves		1,056,304	1,056,304
Foreign exchange fluctuation reserve		443,662	588,888
Share option reserves		93,090	76,560
Retained earnings		7,767,798	7,564,815
		<u>35,348,058</u>	<u>30,489,832</u>
Minority Interests		2,287,961	1,842,008
Total Equity		<u>37,636,019</u>	<u>32,331,840</u>
Non-Current Liabilities			
Amount due to directors		1,120,500	1,120,500
Long-term borrowings	B8	6,184,873	3,929,372
Deferred tax		118,800	118,800
		<u>7,424,173</u>	<u>5,168,672</u>
Current Liabilities			
Short-term borrowings	B8	6,204,377	7,416,654
Trade payables		4,725,766	4,381,108
Other payables & accruals		7,807,972	1,550,798
Amount owing to directors		1,694,500	1,484,502
Provision for taxation		581,229	234,385
		<u>21,013,844</u>	<u>15,067,447</u>
Total Liabilities		<u>28,438,017</u>	<u>20,236,119</u>
TOTAL EQUITY AND LIABILITIES		<u>66,074,036</u>	<u>52,567,959</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO			
ORDINARY EQUITY HOLDERS OF THE PARENT (SEN)		26.02	24.50

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 2008 and the accompanying explanatory notes attached to the interim financial statements.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 JUNE 2009

	6 MONTHS ENDED 30/06/2009 RM	6 MONTHS ENDED 30/06/2008 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	939,744	2,494,458
Adjustments for:-		
Amortisation of development costs	61,930	281,456
Amortisation of other investment	5,220	-
Depreciation of plant and equipment	506,218	377,364
Gain on disposal of property, plant and equipment	(155,503)	(82,442)
Overdraft interest	19,298	-
Share of associate profit/(loss)	264,938	221,888
Share options granted under ESOS	16,530	-
Hire Purchase and lease Interest	70,170	55,762
Net gain on deemed disposal of a subsidiary	(165,680)	-
Interest expense	42,523	38,919
Interest income	(7,925)	(45,894)
Term loan interest	119,503	71,356
Unrealised gain on foreign exchange	(38)	-
	<u>777,184</u>	<u>918,409</u>
Operating profit before working capital changes	1,716,928	3,412,867
Inventories	(293,660)	(367,457)
Trade and other receivables	2,172,483	3,510,362
Trade and other payables	7,603,490	(4,471,928)
	<u>9,482,313</u>	<u>(1,329,023)</u>
CASH FROM OPERATIONS	11,199,241	2,083,844
Tax paid	(262,990)	(209,220)
Bank interest paid	(61,821)	(33,163)
	<u>(324,811)</u>	<u>(242,383)</u>
NET CASH FROM OPERATING ACTIVITIES	10,874,430	1,841,461
CASH FLOW FROM INVESTING ACTIVITIES		
Interest income	7,925	45,894
Acquisition of subsidiaries	(8,624,971)	(3,729,387)
Additional purchase price of subsidiaries	(621,149)	-
Purchase of plant and equipment	(907,553)	(559,941)
Proceeds from disposal of property, plant and equipment	349,080	346,000
Development costs incurred	(309,649)	(351,326)
NET CASH FOR INVESTING ACTIVITIES	(10,106,317)	(4,248,760)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital / exercise of ESOS	4,787,234	61,000
Transaction costs	(45)	-
Purchase of treasury shares	(3,250)	-
Term loan interest	(119,503)	(77,112)
Hire purchase and lease interest	(70,170)	(55,762)
Proceeds from other short term borrowings	-	2,634,922
Repayment of other short term borrowings	-	(338,237)
Repayment of term loan	(1,066,986)	(58,779)
Repayment of bills payable	(990,980)	-
Repayment of hire purchase and lease payables	(538,914)	(531,335)
Drawdown on finance lease payables	2,794,000	746,100
NET CASH FROM/(FOR) FINANCING ACTIVITIES	<u>4,791,386</u>	<u>2,380,797</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	5,559,499	(26,502)
Foreign exchange fluctuation reserve	(75,853)	731
CASH AND CASH EQUIVALENTS B/F	2,168,047	5,084,165
CASH AND CASH EQUIVALENTS C/F	<u>7,651,693</u>	<u>5,058,394</u>
NOTES TO CASH FLOW STATEMENT		
Cash and cash equivalents comprise:		
Overdraft	(405,612)	(70,774)
Fixed deposit with licensed banks	2,888,792	3,087,643
Cash and bank balances	5,168,513	2,041,525
	<u>7,651,693</u>	<u>5,058,394</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 2008.