

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 MARCH 2010**

The unaudited results of Grand-Flo Solution Berhad and its subsidiaries for the 3 months period ended 31 March 2010 are as follows:-

	NOTE	FOR THE QUARTER 3 MONTHS ENDED		FOR THE CUMULATIVE PERIOD 3 MONTHS ENDED	
		31/03/2010 RM	31/03/2009 RM	31/03/2010 RM	31/03/2009 RM
REVENUE	A8	13,953,298	7,815,057	13,953,298	7,815,057
COST OF SALES		<u>(9,413,936)</u>	<u>(5,140,430)</u>	<u>(9,413,936)</u>	<u>(5,140,430)</u>
<b>GROSS PROFIT</b>		4,539,362	2,674,627	4,539,362	2,674,627
OTHER OPERATING INCOME		235,605	271,080	235,605	271,080
SELLING AND DISTRIBUTION EXPENSES		(456,308)	(300,025)	(456,308)	(300,025)
ADMINISTRATIVE EXPENSES		(2,401,063)	(2,039,077)	(2,401,063)	(2,039,077)
OTHER OPERATING EXPENSES		<u>(152,930)</u>	<u>(104,023)</u>	<u>(152,930)</u>	<u>(104,023)</u>
<b>RESULTS FROM OPERATING ACTIVITIES</b>	A8	1,764,666	502,582	1,764,666	502,582
FINANCE COSTS		(147,349)	(100,908)	(147,349)	(100,908)
SHARE OF PROFIT OF ASSOCIATES, NET OF TAX		<u>642,161</u>	<u>(165,837)</u>	<u>642,161</u>	<u>(165,837)</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	A8	2,259,478	235,837	2,259,478	235,837
INCOME TAX EXPENSES	B4	(229,569)	(97,756)	(229,569)	(97,756)
<b>PROFIT/(LOSS) AFTER TAXATION</b>		<u>2,029,909</u>	<u>138,081</u>	<u>2,029,909</u>	<u>138,081</u>
<b>PROFIT ATTRIBUTABLE TO:-</b>					
OWNERS OF THE COMPANY		1,772,699	26,944	1,772,699	26,944
MINORITY INTERESTS		<u>257,210</u>	<u>111,137</u>	<u>257,210</u>	<u>111,137</u>
		<u>2,029,909</u>	<u>138,081</u>	<u>2,029,909</u>	<u>138,081</u>
<b>EARNINGS PER ORDINARY SHARE (SEN):-</b>					
BASIC	B12a	1.30	0.02	1.30	0.02
DILUTED	B12b	1.30	0.02	1.30	0.02

The unaudited condensed consolidated statements of comprehensive income should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2010**

		<b>(UNAUDITED)</b>	<b>(AUDITED)</b>
		<b>AS AT</b>	<b>AS AT</b>
	<b>Note</b>	<b>31/03/2010</b>	<b>31/12/2009</b>
		<b>RM</b>	<b>RM</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	A9	9,239,720	9,385,846
Prepaid lease payment		771,784	774,070
Investment in associate		10,005,669	9,363,508
Other investment, unquoted		73,179	73,629
Development costs		679,797	594,621
Goodwill		22,212,403	22,214,574
		<u>42,982,552</u>	<u>42,406,248</u>
<b>Current Assets</b>			
Inventories		6,448,784	5,924,719
Trade receivables		12,043,196	13,704,050
Other receivables & prepayment		1,122,539	437,446
Amount due from associate		274,263	218,256
Tax recoverable		383,306	362,310
Fixed deposit with licensed banks		394,681	392,750
Cash and bank balances		3,768,651	4,372,213
		<u>24,435,420</u>	<u>25,411,744</u>
<b>TOTAL ASSETS</b>		<u>67,417,972</u>	<u>67,817,992</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		13,585,470	13,585,470
Share premium		12,353,924	12,353,924
Treasury shares, at cost	A6	(10,511)	(8,519)
Other reserves		1,109,451	1,109,451
Foreign exchange fluctuation reserve		36,310	254,828
Retained earnings		12,599,634	10,826,935
		<u>39,674,278</u>	<u>38,122,089</u>
<b>Total equity attributable to owners of the Company</b>		<u>39,674,278</u>	<u>38,122,089</u>
Minority Interests		3,151,519	2,894,309
<b>Total Equity</b>		<u>42,825,797</u>	<u>41,016,398</u>
<b>Non-Current Liabilities</b>			
Long-term borrowings	B8	4,471,724	4,426,154
Deferred tax		321,800	321,800
		<u>4,793,524</u>	<u>4,747,954</u>
<b>Current Liabilities</b>			
Short-term borrowings	B8	8,591,924	9,520,127
Trade payables		4,963,289	6,296,929
Other payables & accruals		4,549,914	4,972,339
Amount owing to directors		1,288,500	952,502
Provision for taxation		405,024	311,743
		<u>19,798,651</u>	<u>22,053,640</u>
<b>Total Liabilities</b>		<u>24,592,175</u>	<u>26,801,594</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>67,417,972</u>	<u>67,817,992</u>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO</b>			
ORDINARY EQUITY HOLDERS OF THE PARENT (SEN)		29.20	28.06

The unaudited condensed consolidated statement of financial position should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2010**

	Attributable to owners of the Company										
	Non-Distributable					Distributable					
	Share Capital	Share Premium	Treasury Shares	Other Reserves	Foreign Exchange Fluctuation Reserve	Share Option Reserve	Retained Earnings	Minority Interest	Total Equity	RM	RM
<b>Balance as at 1 January 2009</b>	12,445,653	8,706,508	(2,043)	1,109,451	588,888	76,560	7,564,815	1,842,008	32,331,840		
Share options granted under ESOS lapsed	-	-	-	-	-	(76,560)	-	-	-		
Share repurchased	-	-	(6,386)	-	-	-	76,560	-	(6,386)		(6,386)
Transaction costs	-	-	(90)	-	-	-	-	-	(90)		(90)
Issuance of ordinary shares pursuant to acquisition of subsidiary companies	1,139,817	3,647,416	-	-	-	-	3,185,560	-	4,787,233		4,787,233
Net profit for the year	-	-	-	-	-	-	3,185,560	1,052,301	4,237,861		4,237,861
Foreign exchange fluctuation reserve	-	-	-	-	(334,060)	-	-	-	(334,060)		(334,060)
<b>Balance as at 31 December 2009</b>	13,585,470	12,353,924	(8,519)	1,109,451	254,828	-	10,826,935	2,894,309	41,016,398		
<b>Balance as at 1 January 2010</b>	13,585,470	12,353,924	(8,519)	1,109,451	254,828	-	10,826,935	2,894,309	41,016,398		
Shares repurchased	-	-	(1,950)	-	-	-	-	-	(1,950)		(1,950)
Transaction costs	-	-	(42)	-	-	-	-	-	(42)		(42)
Foreign exchange fluctuation reserve	-	-	-	-	(218,518)	-	-	-	(218,518)		(218,518)
Net profit for the year	-	-	-	-	-	-	1,772,699	257,210	2,029,909		2,029,909
<b>Balance as at 31 March 2010</b>	13,585,470	12,353,924	(10,511)	1,109,451	36,310	-	12,599,634	3,151,519	42,825,797		

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the annual audited financial statements as at 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 31 MARCH 2010**

	<b>3 MONTHS ENDED</b> <b>31/03/2010</b> <b>RM</b>	<b>3 MONTHS ENDED</b> <b>31/03/2009</b> <b>RM</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,259,478	235,837
Adjustments for:-		
Amortisation of development costs	67,749	13,166
Amortisation of leasehold land	2,286	-
Amortisation of other investment	450	2,609
Depreciation of plant and equipment	279,344	251,086
Gain on disposal of property, plant and equipment	(69,721)	-
Hire Purchase and lease Interest	30,958	36,428
Interest expense	38,709	24,257
Interest income	(2,852)	(5,158)
Overdraft interest	15,554	11,843
Share of associate (profit)/loss	(642,161)	165,837
Share options granted under ESOS	-	16,530
Term loan interest	62,128	28,380
Unrealised loss on foreign exchange	(54)	-
	<u>(217,610)</u>	<u>544,978</u>
Operating profit before working capital changes	2,041,868	780,815
Inventories	(538,311)	253,399
Trade and other receivables	(2,528,523)	3,138,614
Trade and other payables	1,962,800	4,782,425
	<u>(1,104,034)</u>	<u>8,174,438</u>
<b>CASH FROM OPERATIONS</b>	937,834	8,955,253
Tax paid	(154,430)	(147,830)
Bank interest paid	(54,263)	(36,100)
	<u>(208,693)</u>	<u>(183,930)</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	729,141	8,771,323
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of subsidiaries	-	(8,624,971)
Additional purchase price of subsidiaries	-	(596,478)
Development costs incurred	(152,924)	(141,832)
Interest income	2,852	5,158
Proceeds from disposal of property, plant and equipment	140,388	-
Purchase of plant and equipment	(205,755)	(64,908)
Purchase of Property	-	-
<b>NET CASH FOR INVESTING ACTIVITIES</b>	(215,439)	(9,423,031)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Drawdown on finance lease payables	-	294,000
Hire purchase and lease interest	(30,958)	(36,428)
Proceeds from issuance of share capital	-	4,787,234
Proceeds from other short term borrowings	6,011,260	-
Purchase of treasury stock	(1,950)	(3,295)
Repayment of term loan	(733,279)	(433,108)
Repayment of bills payable	(5,839,712)	(995,074)
Repayment of hire purchase and lease payables	(248,073)	(294,709)
Term loan interest	(62,128)	(28,380)
Transaction costs	(42)	-
<b>NET CASH FROM/(FOR) FINANCING ACTIVITIES</b>	<u>(904,882)</u>	<u>3,290,240</u>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(391,180)	2,638,532
Foreign exchange fluctuation reserve	(137,622)	918
<b>CASH AND CASH EQUIVALENTS B/F</b>	4,313,640	2,168,047
<b>CASH AND CASH EQUIVALENTS C/F</b>	<b>3,784,838</b>	<b>4,807,497</b>
<b>NOTES TO CASH FLOW STATEMENT</b>		
Cash and cash equivalents comprise:		
Cash and bank balances	3,768,651	5,416,240
Fixed deposit with licensed banks	394,681	390,255
Overdraft	(378,494)	(998,998)
	<b>3,784,838</b>	<b>4,807,497</b>

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2009.