

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2010

The unaudited results of Grand-Flo Solution Berhad and its subsidiaries for the 6 months period ended 30 June 2010 are as follows:-

	NOTE	FOR THE QUARTER 3 MONTHS ENDED		FOR THE CUMULATIVE PERIOD 6 MONTHS ENDED	
		30/6/2010 RM	30/6/2009 RM	30/6/2010 RM	30/6/2009 RM
REVENUE	A8	17,425,590	10,204,632	31,378,888	18,275,806
COST OF SALES		<u>(12,145,134)</u>	<u>(7,148,660)</u>	<u>(21,559,071)</u>	<u>(12,549,671)</u>
GROSS PROFIT		5,280,456	3,055,972	9,819,817	5,726,135
OTHER OPERATING INCOME		360,079	501,205	606,046	583,022
SELLING AND DISTRIBUTION EXPENSES		(468,949)	(401,715)	(1,113,795)	(701,570)
ADMINISTRATIVE EXPENSES		(2,871,430)	(2,199,387)	(5,094,317)	(4,045,901)
OTHER OPERATING EXPENSES		<u>(139,994)</u>	<u>(167,398)</u>	<u>(292,924)</u>	<u>(271,190)</u>
RESULTS FROM OPERATING ACTIVITIES	A8	2,160,162	788,677	3,924,827	1,290,496
(LOSS)/GAIN ON DEEMED DISPOSAL	A11	(22,061)	165,680	(22,061)	165,680
FINANCE COSTS		(188,430)	(150,463)	(335,779)	(251,494)
SHARE OF PROFIT/(LOSS) OF ASSOCIATES, NET OF TAX		<u>48,512</u>	<u>(99,101)</u>	<u>690,673</u>	<u>(264,938)</u>
PROFIT BEFORE TAXATION	A8	1,998,183	704,793	4,257,660	939,744
INCOME TAX EXPENSES	B4	(264,439)	(193,217)	(494,008)	(290,808)
PROFIT AFTER TAXATION		<u>1,733,744</u>	<u>511,576</u>	<u>3,763,652</u>	<u>648,936</u>
PROFIT ATTRIBUTABLE TO:-					
OWNERS OF THE COMPANY		1,723,144	176,761	3,495,842	202,983
MINORITY INTERESTS		<u>10,600</u>	<u>334,815</u>	<u>267,810</u>	<u>445,953</u>
		<u>1,733,744</u>	<u>511,576</u>	<u>3,763,652</u>	<u>648,936</u>
EARNINGS PER ORDINARY SHARE (SEN):-					
BASIC	B13a	1.19	0.13	2.49	0.15
DILUTED	B13b	0.90	0.13	2.13	0.15

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 30 JUNE 2010

		(UNAUDITED)	(AUDITED)
		AS AT	AS AT
	Note	30/06/2010	31/12/2009
		RM	RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	A9	10,956,450	9,385,846
Prepaid lease payment		769,497	774,070
Investment in associate		9,822,046	9,363,508
Other investment, unquoted		72,729	73,629
Development costs		801,185	594,621
Goodwill		21,769,920	22,214,574
		<u>44,191,827</u>	<u>42,406,248</u>
Current Assets			
Inventories		6,175,799	5,924,719
Trade receivables		15,618,127	13,704,050
Other receivables & prepayment		900,166	437,446
Amount due from associate		380,114	218,256
Tax recoverable		382,326	362,310
Fixed deposit with licensed banks		396,975	392,750
Cash and bank balances		3,117,931	4,372,213
		<u>26,971,438</u>	<u>25,411,744</u>
TOTAL ASSETS		<u>71,163,265</u>	<u>67,817,992</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		14,508,548	13,585,470
Share premium		15,030,846	12,353,924
Treasury shares, at cost	A6	(10,511)	(8,519)
Warrant reserve	B9	1,160,274	-
Other reserves		1,109,451	1,109,451
Foreign exchange fluctuation reserve		110,714	254,828
Retained earnings		14,322,777	10,826,935
		<u>46,232,099</u>	<u>38,122,089</u>
Total equity attributable to owners of the Company		<u>46,232,099</u>	<u>38,122,089</u>
Minority Interests		246,573	2,894,309
Total Equity		<u>46,478,672</u>	<u>41,016,398</u>
Non-Current Liabilities			
Long-term borrowings	B8	6,330,130	4,426,154
Deferred tax		321,800	321,800
		<u>6,651,930</u>	<u>4,747,954</u>
Current Liabilities			
Short-term borrowings	B8	9,171,340	9,520,127
Trade payables		5,570,304	6,296,929
Other payables & accruals		1,450,448	4,972,339
Amount owing to directors		1,288,500	952,502
Provision for taxation		552,071	311,743
		<u>18,032,663</u>	<u>22,053,640</u>
Total Liabilities		<u>24,684,593</u>	<u>26,801,594</u>
TOTAL EQUITY AND LIABILITIES		<u>71,163,265</u>	<u>67,817,992</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO			
ORDINARY EQUITY HOLDERS OF THE PARENT (SEN)			
		31.87	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 30 JUNE 2010

	Attributable to owners of the Company										
	Non-Distributable					Distributable					
	Share Capital	Share Premium	Treasury Shares	Warrant Reserves	Other Reserves	Foreign Exchange Fluctuation Reserve	Share Option Reserve	Retained Earnings	Total	Minority Interest	Total Equity
RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Balance as at 1 January 2009	12,445,653	8,706,508	(2,043)	-	1,109,451	588,888	76,560	7,564,815	30,489,832	1,842,008	32,331,840
Share options granted under ESOS lapsed	-	-	(6,386)	-	-	-	(76,560)	76,560	-	-	-
Share repurchased	-	-	(90)	-	-	-	-	-	(6,386)	-	(6,386)
Transaction costs	-	-	-	-	-	-	-	-	(90)	-	(90)
Issuance of ordinary shares pursuant to acquisition of subsidiary companies	1,139,817	3,647,416	-	-	-	-	-	3,185,560	4,787,233	1,052,301	4,787,233
Net profit for the year	-	-	-	-	-	(334,060)	-	-	(334,060)	-	(334,060)
Foreign exchange fluctuation reserve	-	-	-	-	-	254,828	-	-	254,828	-	254,828
Balance as at 31 December 2009	13,585,470	12,353,924	(8,519)	-	1,109,451	254,828	-	10,826,935	38,122,089	2,894,309	41,016,398
Balance as at 1 January 2010	13,585,470	12,353,924	(8,519)	-	1,109,451	254,828	-	10,826,935	38,122,089	2,894,309	41,016,398
Shares repurchased	-	-	(1,950)	-	-	-	-	-	(1,950)	-	(1,950)
Transaction costs	-	-	(42)	(198,273)	-	-	-	-	(198,315)	-	(198,315)
Issuance of warrants	-	-	-	1,358,547	-	-	-	-	1,358,547	-	1,358,547
Acquisition of additional shares in an existing s	923,078	2,676,922	-	-	-	-	-	-	3,600,000	(2,915,546)	684,454
Foreign exchange fluctuation reserve	-	-	-	-	-	(144,114)	-	-	(144,114)	-	(144,114)
Net profit for the year	-	-	-	-	-	-	-	3,495,842	3,495,842	267,810	3,763,652
Balance as at 30 June 2010	14,508,548	15,030,846	(10,511)	1,160,274	1,109,451	110,714	-	14,322,777	46,232,099	246,573	46,478,672

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 30 JUNE 2010

	6 MONTHS ENDED 30/6/2010 RM	6 MONTHS ENDED 30/6/2009 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	4,257,660	939,744
Adjustments for:-		
Amortisation of development costs	144,551	61,930
Amortisation of leasehold land	4,573	-
Amortisation of other investment	900	5,220
Depreciation of plant and equipment	610,199	506,218
Gain on disposal of property, plant and equipment	(72,361)	(155,503)
Hire Purchase and lease Interest	62,413	70,170
Net loss/gain on deemed disposal	22,061	(165,680)
Interest expense	85,875	42,523
Interest income	(5,938)	(7,925)
Overdraft interest	33,029	19,298
Share of associate (profit)/loss	(690,673)	264,938
Provision for doubtful debts	1,003	-
Share options granted under ESOS	-	16,530
Term loan interest	154,462	119,503
Unrealised loss on foreign exchange	(54)	(38)
	<u>350,040</u>	<u>777,184</u>
Operating profit before working capital changes	4,607,700	1,716,928
Inventories	(265,358)	(293,660)
Trade and other receivables	(7,219,137)	2,172,483
Trade and other payables	2,294,419	7,603,490
	<u>(5,190,076)</u>	<u>9,482,313</u>
CASH FROM OPERATIONS	(582,376)	11,199,241
Tax paid	(269,460)	(262,990)
Bank interest paid	(118,904)	(61,821)
	<u>(388,364)</u>	<u>(324,811)</u>
NET CASH FROM OPERATING ACTIVITIES	(970,740)	10,874,430
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries	-	(8,624,971)
Additional purchase price of subsidiaries	(297,609)	(621,149)
Development costs incurred	(351,115)	(309,649)
Dividend received from associated company	138,108	-
Issuance of warrants	1,358,547	-
Interest income	5,938	7,925
Proceeds from disposal of property, plant and equipment	145,683	349,080
Purchase of plant and equipment	(2,255,980)	(907,553)
NET CASH FOR INVESTING ACTIVITIES	(1,256,428)	(10,106,317)
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown on finance lease payables	2,556,716	2,794,000
Hire purchase and lease interest	(62,413)	(70,170)
Proceeds from issuance of share capital	-	4,787,234
Proceeds from issuance of warrants	(198,273)	-
Proceeds from other short term borrowings	10,461,252	-
Purchase of treasury stock	(1,950)	(3,250)
Repayment of term loan	(1,169,770)	(1,066,986)
Repayment of bills payable	(10,627,656)	(990,980)
Repayment of hire purchase and lease payables	(524,102)	(538,914)
Term loan interest	(154,462)	(119,503)
Transaction costs	(42)	(45)
NET CASH FROM/(FOR) FINANCING ACTIVITIES	279,300	4,791,386
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,947,868)	5,559,499
Foreign exchange fluctuation reserve	(160,940)	(75,853)
CASH AND CASH EQUIVALENTS B/F	4,313,640	2,168,047
	<u>2,204,832</u>	<u>7,651,693</u>
CASH AND CASH EQUIVALENTS C/F	2,204,832	7,651,693
NOTES TO CASH FLOW STATEMENT		
Cash and cash equivalents comprise:		
Cash and bank balances	3,117,931	5,168,513
Fixed deposit with licensed banks	396,975	2,888,792
Overdraft	(1,310,074)	(405,612)
	<u>2,204,832</u>	<u>7,651,693</u>

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.