

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

The unaudited results of Grand-Flo Solution Berhad and its subsidiaries for the 9 months period ended 30 September 2010 are as follows:-

	NOTE	FOR THE QUARTER 3 MONTHS ENDED		FOR THE CUMULATIVE PERIOD 9 MONTHS ENDED	
		30/9/2010 RM	30/9/2009 RM	30/9/2010 RM	30/9/2009 RM
REVENUE	A8	17,811,768	13,349,394	49,190,655	31,467,889
COST OF SALES		<u>(12,475,250)</u>	<u>(9,030,779)</u>	<u>(34,034,321)</u>	<u>(21,418,673)</u>
GROSS PROFIT		5,336,518	4,318,615	15,156,334	10,049,216
OTHER OPERATING INCOME		244,275	235,532	850,323	818,587
SELLING AND DISTRIBUTION EXPENSES		(437,008)	(457,514)	(1,739,340)	(1,159,254)
ADMINISTRATIVE EXPENSES		(2,838,498)	(2,201,816)	(7,744,280)	(6,251,054)
OTHER OPERATING EXPENSES		<u>(92,080)</u>	<u>(120,645)</u>	<u>(385,005)</u>	<u>(391,943)</u>
RESULTS FROM OPERATING ACTIVITIES	A8	2,213,207	1,774,172	6,138,032	3,065,552
GAIN ON DEEMED DISPOSAL	A11	203,560	-	181,499	165,680
FINANCE COSTS		(158,794)	(178,350)	(494,574)	(429,843)
SHARE OF PROFIT/(LOSS) OF ASSOCIATES, NET OF TAX		<u>435,913</u>	<u>(15,318)</u>	<u>1,126,586</u>	<u>(280,256)</u>
PROFIT BEFORE TAXATION	A8	2,693,886	1,580,504	6,951,543	2,521,133
INCOME TAX EXPENSES	B4	(205,228)	(254,995)	(699,236)	(545,968)
PROFIT AFTER TAXATION		<u>2,488,658</u>	<u>1,325,509</u>	<u>6,252,307</u>	<u>1,975,165</u>
PROFIT ATTRIBUTABLE TO:-					
OWNERS OF THE COMPANY		2,485,844	1,000,437	5,981,683	1,204,140
MINORITY INTERESTS		<u>2,814</u>	<u>325,072</u>	<u>270,624</u>	<u>771,025</u>
		<u>2,488,658</u>	<u>1,325,509</u>	<u>6,252,307</u>	<u>1,975,165</u>
EARNINGS PER ORDINARY SHARE (SEN):-					
BASIC	B13a	1.71	0.74	4.21	0.90
DILUTED	B13b	1.17	0.74	3.31	0.90

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 SEPTEMBER 2010

		(UNAUDITED) AS AT 30/09/2010 RM	(AUDITED) AS AT 31/12/2009 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	A9	10,871,640	9,385,846
Prepaid lease payment		767,211	774,070
Investment in associate		10,461,519	9,363,508
Other investment, unquoted		72,280	73,629
Development costs		890,822	594,621
Goodwill		21,767,893	22,214,574
		<u>44,831,365</u>	<u>42,406,248</u>
Current Assets			
Inventories		7,177,524	5,924,719
Trade receivables		13,587,830	13,704,050
Other receivables & prepayment		2,198,132	437,446
Amount due from associate		218,595	218,256
Tax recoverable		376,678	362,310
Fixed deposit with licensed banks		434,594	392,750
Cash and bank balances		4,917,604	4,372,213
		<u>28,910,957</u>	<u>25,411,744</u>
TOTAL ASSETS		<u>73,742,322</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	(39,623)	(8,519)
Warrant reserves	B9	1,180,873	-
Other reserves		1,109,451	1,109,451
Foreign exchange fluctuation reserve		12,959	254,828
Retained earnings		16,808,618	10,826,935
Total equity attributable to owners of the Company		<u>48,611,672</u>	<u>38,122,089</u>
Minority Interests		249,387	2,894,309
Total Equity		<u>48,861,059</u>	<u>41,016,398</u>
Non-Current Liabilities			
Long-term borrowings	B8	5,480,167	4,426,154
Deferred tax		321,800	321,800
		<u>5,801,967</u>	<u>4,747,954</u>
Current Liabilities			
Short-term borrowings	B8	9,247,586	9,520,127
Trade payables		6,685,371	6,296,929
Other payables & accruals		1,348,373	4,972,339
Amount owing to directors		1,288,500	952,502
Provision for taxation		509,466	311,743
		<u>19,079,296</u>	<u>22,053,640</u>
Total Liabilities		<u>24,881,263</u>	<u>26,801,594</u>
TOTAL EQUITY AND LIABILITIES		<u>73,742,322</u>	<u>67,817,992</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO			
ORDINARY EQUITY HOLDERS OF THE PARENT (SEN)		33.51	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 SEPTEMBER 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	Minority Interest (MI)	Total Equity
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	1,842,008	32,331,840
Share options granted under ESOS lapsed	-	-	-	-	-	-	(76,560)	-	-	-
Shares repurchased	-	-	(6,386)	-	-	-	-	76,560	-	-
Transaction costs	-	-	(90)	-	-	-	-	-	-	(6,386)
Issuance of ordinary shares pursuant to acquisition of subsidiary companies	1,139,817	3,647,416	-	-	-	-	-	-	-	(90)
Net profit for the year	-	-	-	-	-	-	-	3,185,560	1,052,301	4,787,233
Foreign exchange fluctuation reserve	-	-	-	-	(334,060)	-	-	-	-	(334,060)
Balance as at 31 December 2009	13,585,470	12,353,924	(8,519)	-	1,109,451	254,828	-	10,826,935	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	2,894,309	41,016,398
Shares repurchased	-	-	(30,850)	-	-	-	-	-	-	(30,850)
Transaction costs	-	-	(254)	(177,674)	-	-	-	-	-	(177,928)
Issuance of warrants	-	-	-	1,358,547	-	-	-	-	-	1,358,547
Acquisition of additional shares in an existing s	923,078	2,676,922	-	-	-	-	-	-	(2,915,546)	684,454
Foreign exchange fluctuation reserve	-	-	-	-	-	(241,869)	-	-	-	(241,869)
Net profit for the year	-	-	-	-	-	-	-	5,981,683	270,624	6,252,307
Balance as at 30 September 2010	14,508,548	15,030,846	(39,623)	1,180,873	1,109,451	12,959	-	16,808,618	249,387	48,861,059

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 SEPTEMBER 2010

	9 MONTHS ENDED 30/9/2010 RM	9 MONTHS ENDED 30/9/2009 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	6,951,543	2,521,133
Adjustments for:-		
Amortisation of development costs	213,414	97,332
Amortisation of leasehold land	6,859	-
Amortisation of other investment	1,350	7,829
Depreciation of plant and equipment	956,264	782,077
Gain on disposal of property, plant and equipment	(94,287)	(155,503)
Hire Purchase and lease Interest	96,924	111,561
Net gain on deemed disposal	(181,499)	(165,680)
Interest expense	141,529	67,909
Interest income	(9,245)	(10,839)
Overdraft interest	47,314	24,962
Share of associates' (profit)/loss	(1,126,586)	280,256
Provision for doubtful debts	4,967	-
Share options granted under ESOS	-	16,530
Term loan interest	208,807	225,411
Unrealised loss on foreign exchange	(102)	(24)
	<u>265,709</u>	<u>1,281,821</u>
Operating profit before working capital changes	7,217,252	3,802,954
Inventories	(1,286,227)	(522,145)
Trade and other receivables	(8,914,676)	(2,525,255)
Trade and other payables	5,924,337	6,125,583
	<u>(4,276,566)</u>	<u>3,078,183</u>
CASH FROM OPERATIONS	2,940,686	6,881,137
Tax paid	(509,946)	(340,039)
Bank interest paid	(188,843)	(92,871)
	<u>(698,789)</u>	<u>(432,910)</u>
NET CASH FROM OPERATING ACTIVITIES	2,241,897	6,448,227
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries	-	(8,048,580)
Additional purchase price of subsidiaries	(297,609)	(621,149)
Development costs incurred	(509,615)	(486,659)
Dividend received from associated company	138,108	-
Interest income	9,245	10,839
Proceeds from disposal of property, plant and equipment	167,543	349,916
Purchase of plant and equipment	(2,543,383)	(1,204,449)
NET CASH FOR INVESTING ACTIVITIES	(3,035,711)	(10,000,082)
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown on finance lease payables	2,515,516	3,835,000
Hire purchase and lease interest	(96,924)	(111,561)
Proceeds from issuance of share capital	-	4,787,234
Proceeds from issuance of warrants	1,358,547	-
Transaction costs - Issuance of warrants	(177,674)	-
Proceeds from other short term borrowings	8,843,822	-
Repayment of term loan	(1,702,525)	(1,801,357)
Repayment of bills payable	(8,933,444)	(1,106,987)
Repayment of hire purchase and lease payables	(775,464)	(792,639)
Term loan interest	(208,807)	(225,411)
Purchase of treasury shares	(30,850)	(6,386)
Transaction costs - Purchase of treasury shares	(254)	(90)
NET CASH FROM/(FOR) FINANCING ACTIVITIES	791,943	4,577,803
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,871)	1,025,948
Foreign exchange fluctuation reserve	(278,685)	(144,967)
CASH AND CASH EQUIVALENTS B/F	4,313,640	2,168,047
CASH AND CASH EQUIVALENTS C/F	<u>4,033,084</u>	<u>3,049,028</u>
NOTES TO CASH FLOW STATEMENT		
Cash and cash equivalents comprise:		
Cash and bank balances	4,917,604	3,617,444
Fixed deposit with licensed banks	434,594	390,805
Overdraft	(1,319,114)	(959,221)
	<u>4,033,084</u>	<u>3,049,028</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.