

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 31 MARCH 2011**

The unaudited results of Grand-Flo Solution Berhad and its subsidiaries for the 3 months period ended 31 March 2011 are as follows:-

	NOTE	FOR THE QUARTER 3 MONTHS ENDED		FOR THE CUMULATIVE PERIOD 3 MONTHS ENDED	
		31/3/2011 RM	31/3/2010 RM	31/3/2011 RM	31/3/2010 RM
REVENUE	A8	17,025,508	13,953,298	17,025,508	13,953,298
COST OF SALES		<u>(11,231,825)</u>	<u>(9,413,936)</u>	<u>(11,231,825)</u>	<u>(9,413,936)</u>
<b>GROSS PROFIT</b>		5,793,683	4,539,362	5,793,683	4,539,362
OTHER OPERATING INCOME		118,866	235,605	118,866	235,605
SELLING AND DISTRIBUTION EXPENSES		(624,146)	(456,308)	(624,146)	(456,308)
ADMINISTRATIVE EXPENSES		(2,925,246)	(2,401,063)	(2,925,246)	(2,401,063)
OTHER OPERATING EXPENSES		<u>(97,836)</u>	<u>(152,930)</u>	<u>(97,836)</u>	<u>(152,930)</u>
<b>RESULTS FROM OPERATING ACTIVITIES</b>	A8	2,265,321	1,764,666	2,265,321	1,764,666
FINANCE COSTS		(152,996)	(147,349)	(152,996)	(147,349)
SHARE OF PROFIT/(LOSS) OF ASSOCIATES, NET OF TAX		<u>176,364</u>	<u>642,161</u>	<u>176,364</u>	<u>642,161</u>
<b>PROFIT BEFORE TAXATION</b>	A8	2,288,689	2,259,478	2,288,689	2,259,478
INCOME TAX EXPENSES	B4	(199,392)	(229,569)	(199,392)	(229,569)
<b>PROFIT AFTER TAXATION</b>		<u>2,089,297</u>	<u>2,029,909</u>	<u>2,089,297</u>	<u>2,029,909</u>
<b>OTHER COMPREHENSIVE ITEM</b>					
Foreign currency translation differences		<u>(86,108)</u>	<u>36,310</u>	<u>(86,108)</u>	<u>36,310</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u><u>2,003,189</u></u>	<u><u>2,066,219</u></u>	<u><u>2,003,189</u></u>	<u><u>2,066,219</u></u>
<b>PROFIT ATTRIBUTABLE TO:-</b>					
OWNERS OF THE COMPANY		2,087,256	1,772,699	2,087,256	1,772,699
NON-CONTROLLING INTERESTS		<u>2,041</u>	<u>257,210</u>	<u>2,041</u>	<u>257,210</u>
		<u><u>2,089,297</u></u>	<u><u>2,029,909</u></u>	<u><u>2,089,297</u></u>	<u><u>2,029,909</u></u>
<b>EARNINGS PER ORDINARY SHARE (SEN):-</b>					
BASIC	B13a	1.44	1.30	1.44	1.30
DILUTED	B13b	0.98	1.30	0.98	1.30

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 2010 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2011**

	Note	(UNAUDITED) AS AT 31/03/2011 RM	(AUDITED) AS AT 31/12/2010 RM
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	A9	11,589,705	11,084,907
Prepaid lease payment		965,553	968,446
Investment in associate		10,738,926	10,562,563
Other investment, unquoted		71,380	71,830
Development costs		1,291,257	1,197,739
Goodwill		22,216,849	22,217,707
		<u>46,873,670</u>	<u>46,103,192</u>
<b>Current Assets</b>			
Inventories		8,523,955	8,211,318
Trade receivables		14,362,635	15,410,325
Other receivables & prepayment		1,198,217	522,009
Amount due from associate		124,285	145,776
Tax recoverable		512,545	403,451
Fixed deposit with licensed banks		502,070	484,068
Cash and bank balances		3,318,407	4,474,560
		<u>28,542,114</u>	<u>29,651,507</u>
<b>TOTAL ASSETS</b>		<u>75,415,784</u>	<u>75,754,699</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		14,508,548	14,508,548
Share premium		15,030,846	15,030,846
Treasury shares, at cost	A6	(480,873)	(109,203)
Warrant reserves		1,180,873	1,180,873
Other reserves		1,109,451	1,109,451
Foreign exchange fluctuation reserve		(313,098)	(226,990)
Retained earnings		20,306,120	18,218,864
		<u>51,341,867</u>	<u>49,712,389</u>
<b>Total equity attributable to owners of the Company</b>		<u>51,341,867</u>	<u>49,712,389</u>
Non controlling interests		284,287	282,246
<b>Total Equity</b>		<u>51,626,154</u>	<u>49,994,635</u>
<b>Non-Current Liabilities</b>			
Long-term borrowings	B8	5,256,448	4,370,764
Deferred tax		358,300	452,070
		<u>5,614,748</u>	<u>4,822,834</u>
<b>Current Liabilities</b>			
Short-term borrowings	B8	8,501,241	10,516,265
Trade payables		6,389,402	6,899,278
Other payables & accruals		2,496,487	2,943,850
Amount owing to directors		476,250	476,250
Provision for taxation		311,502	101,587
		<u>18,174,882</u>	<u>20,937,230</u>
<b>Total Liabilities</b>		<u>23,789,630</u>	<u>25,760,064</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>75,415,784</u>	<u>75,754,699</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY OWNERS OF THE PARENT (SEN)		35.39	34.26
NTA per share (sen)		19.18	18.13

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 2010 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2011**

	Attributable to owners of the Company									
	Non-Distributable					Distributable				
	Share Capital	Share Premium	Treasury Shares	Warrant Reserves	Other Reserves	Foreign Exchange Fluctuation Reserve	Retained Earnings	Total	Non Controlling Interests (MI)	Total Equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Balance as at 1 January 2010</b>	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
Total Comprehensive income for the year	-	-	-	-	-	(481,818)	7,391,929	6,910,111	303,483	7,213,594
<i>Transactions with owners:</i>										
Warrant reserves	-	-	-	1,358,547	-	-	-	1,358,547	-	1,358,547
Shares repurchased	-	-	(99,880)	-	-	-	-	(99,880)	-	(99,880)
Transaction costs	-	-	(804)	(177,674)	-	-	-	(178,478)	-	(178,478)
Issuance of ordinary shares pursuant to acquisition of subsidiary companies	923,078	2,676,922	-	-	-	-	-	3,600,000	(2,915,546)	684,454
Total transactions with owners	923,078	2,676,922	(100,684)	1,180,873	-	-	-	4,680,189	(2,915,546)	1,764,643
<b>Balance as at 31 December 2010</b>	14,508,548	15,030,846	(109,203)	1,180,873	1,109,451	(226,990)	18,218,864	49,712,389	282,246	49,994,635
<b>Balance as at 1 January 2011</b>	14,508,548	15,030,846	(109,203)	1,180,873	1,109,451	(226,990)	18,218,864	49,712,389	282,246	49,994,635
Total Comprehensive income for the year	-	-	-	-	-	(86,108)	2,087,256	2,001,148	2,041	2,003,189
<i>Transactions with owners:</i>										
Shares repurchased	-	-	(368,937)	-	-	-	-	(368,937)	-	(368,937)
Transaction costs	-	-	(2,733)	-	-	-	-	(2,733)	-	(2,733)
Total transactions with owners	-	-	(371,670)	-	-	-	-	(371,670)	-	(371,670)
<b>Balance as at 31 March 2011</b>	14,508,548	15,030,846	(480,873)	1,180,873	1,109,451	(313,098)	20,306,120	51,341,867	284,287	51,626,154

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the annual audited financial statements as at 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 31 MARCH 2011**

	<b>3 MONTHS ENDED</b> <b>31/3/2011</b> <b>RM</b>	<b>3 MONTHS ENDED</b> <b>31/3/2010</b> <b>RM</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,288,689	2,259,478
Adjustments for:-		
Amortisation of development costs	133,376	67,749
Amortisation of leasehold land	2,893	2,286
Amortisation of other investment	450	450
Depreciation of plant and equipment	362,858	279,344
Gain on disposal of property, plant and equipment	(42,049)	(69,721)
Hire Purchase and lease Interest	24,598	30,958
Interest expense	59,092	38,709
Interest income	(3,521)	(2,852)
Overdraft interest	16,185	15,554
Share of associates' (profit)/loss	(176,364)	(642,161)
Term loan interest	53,237	62,128
Unrealised loss on foreign exchange	(28)	(54)
	<u>430,727</u>	<u>(217,610)</u>
Operating profit before working capital changes	2,719,416	2,041,868
Inventories	(323,163)	(538,311)
Trade and other receivables	(1,225,519)	(2,528,523)
Trade and other payables	586,764	1,962,800
	<u>(961,918)</u>	<u>(1,104,034)</u>
<b>CASH FROM OPERATIONS</b>	1,757,498	937,834
Tax paid	(191,986)	(154,430)
Bank interest paid	(75,277)	(54,263)
	<u>(267,263)</u>	<u>(208,693)</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	1,490,235	729,141
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Development costs incurred	(226,894)	(152,924)
Interest income	3,521	2,852
Proceeds from disposal of property, plant and equipment	76,152	140,388
Purchase of plant and equipment	(923,404)	(205,755)
<b>NET CASH FOR INVESTING ACTIVITIES</b>	(1,070,625)	(215,439)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Drawdown on finance lease payables	276,919	-
Hire purchase and lease interest	(24,598)	(30,958)
Proceeds from other short term borrowings	6,856,964	6,011,260
Repayment of term loan	(503,801)	(733,279)
Repayment of bills payable	(7,692,045)	(5,839,712)
Repayment of hire purchase and lease payables	(232,590)	(248,073)
Term loan interest	(53,237)	(62,128)
Purchase of treasury shares	(368,937)	(1,950)
Transaction costs - Purchase of treasury shares	(2,733)	(42)
<b>NET CASH FROM/(FOR) FINANCING ACTIVITIES</b>	<u>(1,744,058)</u>	<u>(904,882)</u>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,324,448)	(391,180)
Foreign exchange fluctuation reserve	(37,450)	(137,622)
<b>CASH AND CASH EQUIVALENTS B/F</b>	3,891,633	4,313,640
<b>CASH AND CASH EQUIVALENTS C/F</b>	<u><b>2,529,735</b></u>	<u><b>3,784,838</b></u>
<b>NOTES TO CASH FLOW STATEMENT</b>		
Cash and cash equivalents comprise:		
Cash and bank balances	3,318,407	3,768,651
Fixed deposit with licensed banks	502,070	394,681
Overdraft	(1,290,742)	(378,494)
	<u><b>2,529,735</b></u>	<u><b>3,784,838</b></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 2010.