

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2011

The unaudited results of Grand-Flo Solution Berhad and its subsidiaries for the 6 months period ended 30 June 2011 are as follows:-

	NOTE	FOR THE QUARTER 3 MONTHS ENDED		FOR THE CUMULATIVE PERIOD 6 MONTHS ENDED	
		30/6/2011 RM	30/6/2010 RM Restated	30/6/2011 RM	30/6/2010 RM Restated
REVENUE	A8	18,377,909	17,425,590	35,403,416	31,378,888
COST OF SALES		(11,819,116)	(12,145,134)	(23,050,941)	(21,559,071)
GROSS PROFIT		6,558,793	5,280,456	12,352,475	9,819,817
OTHER OPERATING INCOME		183,874	360,079	302,854	595,684
SELLING AND DISTRIBUTION EXPENSES		(513,810)	(468,949)	(1,137,958)	(1,113,795)
ADMINISTRATIVE EXPENSES		(3,322,097)	(3,017,266)	(6,340,690)	(5,374,244)
OTHER OPERATING EXPENSES		(8,959)	5,842	(9,074)	(2,635)
RESULTS FROM OPERATING ACTIVITIES	A8	2,897,801	2,160,162	5,167,607	3,924,827
LOSS ON DEEMED DISPOSAL IN ASSOCIATE COMPANY		-	(22,061)	-	(22,061)
FINANCE COSTS		(122,563)	(188,430)	(280,047)	(335,779)
SHARE OF (LOSS)/PROFIT OF ASSOCIATES, NET OF TAX		(281,756)	48,512	(105,392)	690,673
PROFIT BEFORE TAXATION	A8	2,493,482	1,998,183	4,782,168	4,257,660
INCOME TAX EXPENSES	B4	(328,388)	(264,439)	(527,780)	(494,008)
PROFIT AFTER TAXATION		2,165,094	1,733,744	4,254,388	3,763,652
OTHER COMPREHENSIVE ITEM					
Foreign currency translation differences		(43,461)	(74,404)	(42,647)	(144,100)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,121,633	1,659,340	4,211,741	3,619,552
PROFIT ATTRIBUTABLE TO:-					
OWNERS OF THE COMPANY		2,163,982	1,723,144	4,251,235	3,495,842
NON-CONTROLLING INTERESTS		1,112	10,600	3,153	267,810
		2,165,094	1,733,744	4,254,388	3,763,652
EARNINGS PER ORDINARY SHARE (SEN):-					
BASIC	B13a	1.47	1.19	2.91	2.49
DILUTED	B13b	1.01	0.90	1.99	2.13

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 30 JUNE 2011

		(UNAUDITED)	(AUDITED)
		AS AT	AS AT
	Note	30/06/2011	31/12/2010
		RM	RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	A9	12,586,722	11,084,907
Prepaid lease payment		962,660	968,446
Investment in associate		10,048,073	10,562,563
Other investment, unquoted		70,930	71,830
Development costs		1,397,345	1,197,739
Goodwill		22,217,077	22,217,707
		<u>47,282,807</u>	<u>46,103,192</u>
Current Assets			
Inventories		8,671,865	8,211,318
Trade receivables		17,493,415	15,410,325
Other receivables & prepayment		3,869,079	522,009
Amount due from associate		146,898	145,776
Tax recoverable		475,548	403,451
Fixed deposit with licensed banks		2,524,942	484,068
Cash and bank balances		3,758,618	4,474,560
		<u>36,940,365</u>	<u>29,651,507</u>
TOTAL ASSETS		<u>84,223,172</u>	<u>75,754,699</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		15,945,282	14,508,548
Share premium		19,605,248	15,030,846
Treasury shares, at cost	A6	-	(109,203)
Warrant reserves		1,180,873	1,180,873
Other reserves		1,109,451	1,109,451
Foreign exchange fluctuation reserve		(269,637)	(226,990)
Retained earnings		22,470,099	18,218,864
Total equity attributable to owners of the Company		<u>60,041,316</u>	<u>49,712,389</u>
Non controlling interests		285,399	282,246
Total Equity		<u>60,326,715</u>	<u>49,994,635</u>
Non-Current Liabilities			
Long-term borrowings	B8	6,106,599	4,370,764
Deferred tax		358,300	452,070
		<u>6,464,899</u>	<u>4,822,834</u>
Current Liabilities			
Short-term borrowings	B8	7,208,972	10,516,265
Trade payables		7,677,691	6,899,278
Other payables & accruals		2,128,135	2,943,850
Amount owing to directors		-	476,250
Provision for taxation		416,760	101,587
		<u>17,431,558</u>	<u>20,937,230</u>
Total Liabilities		<u>23,896,457</u>	<u>25,760,064</u>
TOTAL EQUITY AND LIABILITIES		<u>84,223,172</u>	<u>75,754,699</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY OWNERS OF THE PARENT (SEN)		37.65	34.26
NTA per share (sen)		22.84	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 PERIOD ENDED 30 JUNE 2011

	Attributable to owners of the Company		Distributable		Non Controlling Interests (NCI)		Total Equity					
	Share Capital	Share Premium	Treasury Shares	Warrant Reserves	Other Reserves	Foreign Exchange Fluctuation Reserve		Retained Earnings	Total	RM	RM	RM
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		
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		
Balance as at 31 December 2010	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		
Balance as at 1 January 2011	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	-	-	-	-	-	(42,647)	4,251,235	4,208,588	3,153	4,211,741		
<i>Transactions with owners:</i>												
Disposal of treasury stock	-	-	109,203	-	-	-	-	109,203	-	109,203		
Issuance of ordinary shares pursuant to allotment of ordinary shares	1,436,734	4,574,402	-	-	-	-	-	6,011,136	-	6,011,136		
Total transactions with owners	1,436,734	4,574,402	109,203	-	-	-	-	6,120,339	-	6,120,339		
Balance as at 30 June 2011	15,945,282	19,605,248	-	1,180,873	1,109,451	(269,637)	22,470,099	60,041,316	285,399	60,326,715		

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 PERIOD ENDED 30 JUNE 2011

	6 MONTHS ENDED 30/6/2011 RM	6 MONTHS ENDED 30/6/2010 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	4,782,168	4,257,660
Adjustments for:-		
Amortisation of development costs	284,201	144,551
Amortisation of leasehold land	5,787	4,573
Amortisation of other investment	900	900
Depreciation of plant and equipment	741,641	610,199
Gain on disposal of property, plant and equipment	(125,049)	(72,361)
Hire Purchase and lease Interest	62,020	62,413
Net loss on deemed disposal	-	22,061
Interest expense	120,771	85,875
Interest income	(7,486)	(5,938)
Overdraft interest	33,059	33,029
Share of associates' (profit)/loss	105,392	(690,673)
Provision for doubtful debts	10,245	1,003
Term loan interest	58,650	154,462
Unrealised loss on foreign exchange	(74)	(54)
	<u>1,290,057</u>	<u>350,040</u>
Operating profit before working capital changes	6,072,225	4,607,700
Inventories	(469,427)	(265,358)
Trade and other receivables	(5,586,774)	(7,219,137)
Trade and other payables	(401,618)	2,294,419
	<u>(6,457,819)</u>	<u>(5,190,076)</u>
CASH FROM OPERATIONS	(385,594)	(582,376)
Tax paid	(172,141)	(269,460)
Bank interest paid	(360,100)	(118,904)
	<u>(532,241)</u>	<u>(388,364)</u>
NET CASH FROM OPERATING ACTIVITIES	(917,835)	(970,740)
CASH FLOW FROM INVESTING ACTIVITIES		
Additional purchase price of subsidiaries	-	(297,609)
Development costs incurred	(483,807)	(351,115)
Dividend received from associated company	409,097	138,108
Interest income	7,486	5,938
Proceeds from disposal of property, plant and equipment	231,152	145,683
Purchase of plant and equipment	(2,365,569)	(2,255,980)
NET CASH FOR INVESTING ACTIVITIES	(2,201,641)	(1,256,428)
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown on finance lease payables	1,408,419	2,556,716
Hire purchase and lease interest	(62,020)	(62,413)
Proceeds from issuance of share capital	6,177,959	-
Transaction costs - Proceeds from issuance of share capital	(246,017)	-
Proceeds from issuance of warrants	-	(198,273)
Disposal of treasury shares	109,203	-
Gain on disposal of treasury stock	79,194	-
Proceeds from other short term borrowings	11,382,694	10,461,252
Repayment of term loan	(1,069,017)	(1,169,770)
Repayment of bills payable	(12,045,045)	(10,627,656)
Repayment of hire purchase and lease payables	(512,866)	(524,102)
Term loan interest	(58,650)	(154,462)
Purchase of treasury shares	-	(1,950)
Transaction costs - Purchase of treasury shares	-	(42)
NET CASH FROM/(FOR) FINANCING ACTIVITIES	5,163,854	279,300
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	2,044,378	(1,947,868)
Foreign exchange fluctuation reserve	(5,074)	(160,940)
CASH AND CASH EQUIVALENTS B/F	3,891,633	4,313,640
CASH AND CASH EQUIVALENTS C/F	<u>5,930,937</u>	<u>2,204,832</u>
NOTES TO CASH FLOW STATEMENT		
Cash and cash equivalents comprise:		
Cash and bank balances	3,758,618	3,117,931
Fixed deposit with licensed banks	2,524,942	396,975
Overdraft	(352,623)	(1,310,074)
	<u>5,930,937</u>	<u>2,204,832</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.