

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

The unaudited results of Grand-Flo Solution Berhad and its subsidiaries for the 9 months period ended 30 September 2011 are as follows:-

	NOTE	FOR THE QUARTER 3 MONTHS ENDED		FOR THE CUMULATIVE PERIOD 9 MONTHS ENDED	
		30/9/2011 RM	30/9/2010 RM Restated	30/9/2011 RM	30/9/2010 RM Restated
REVENUE	A8	19,341,878	17,811,768	54,745,295	49,190,655
COST OF SALES		<u>(13,140,647)</u>	<u>(12,475,250)</u>	<u>(36,191,588)</u>	<u>(34,034,321)</u>
GROSS PROFIT		6,201,231	5,336,518	18,553,707	15,156,334
OTHER OPERATING INCOME		366,413	244,275	669,269	850,323
SELLING AND DISTRIBUTION EXPENSES		(608,273)	(437,008)	(1,746,231)	(1,739,340)
ADMINISTRATIVE EXPENSES		(3,162,009)	(2,917,563)	(9,502,699)	(8,118,904)
OTHER OPERATING EXPENSES		<u>-</u>	<u>(13,015)</u>	<u>(9,074)</u>	<u>(10,381)</u>
RESULTS FROM OPERATING ACTIVITIES	A8	2,797,362	2,213,207	7,964,972	6,138,032
GAIN ON DEEMED DISPOSAL IN ASSOCIATE COMPANY		-	203,560	-	181,499
FINANCE COSTS		(167,466)	(158,794)	(447,515)	(494,574)
SHARE OF (LOSS)/PROFIT OF ASSOCIATES, NET OF TAX		<u>402,339</u>	<u>435,913</u>	<u>296,947</u>	<u>1,126,586</u>
PROFIT BEFORE TAXATION	A8	3,032,235	2,693,886	7,814,404	6,951,543
INCOME TAX EXPENSES	B4	(176,145)	(205,228)	(703,926)	(699,236)
PROFIT AFTER TAXATION		<u>2,856,090</u>	<u>2,488,658</u>	<u>7,110,478</u>	<u>6,252,307</u>
OTHER COMPREHENSIVE ITEM					
Foreign currency translation differences		291,720	(97,755)	249,073	(241,869)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>3,147,810</u>	<u>2,390,903</u>	<u>7,359,551</u>	<u>6,010,438</u>
PROFIT ATTRIBUTABLE TO:-					
OWNERS OF THE COMPANY		2,853,848	2,485,844	7,105,083	5,981,683
NON-CONTROLLING INTERESTS		<u>2,242</u>	<u>2,814</u>	<u>5,395</u>	<u>270,624</u>
		<u>2,856,090</u>	<u>2,488,658</u>	<u>7,110,478</u>	<u>6,252,307</u>
EARNINGS PER ORDINARY SHARE (SEN):-					
BASIC	B13a	1.79	1.71	4.72	4.21
DILUTED	B13b	1.26	1.17	3.25	3.31

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 SEPTEMBER 2011

	Note	(UNAUDITED) AS AT 30/09/2011 RM	(AUDITED) AS AT 31/12/2010 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	A9	12,385,223	11,084,907
Prepaid lease payment		959,766	968,446
Investment in associate, quoted	B6	12,806,266	10,156,289
Investment in associate, unquoted		455,546	406,274
Other investment, unquoted		70,480	71,830
Development costs		1,483,916	1,197,739
Goodwill		22,449,067	22,217,707
		<u>50,610,264</u>	<u>46,103,192</u>
Current Assets			
Inventories		9,361,543	8,211,318
Trade receivables		16,013,749	15,410,325
Other receivables & prepayment		2,423,894	522,009
Amount due from associate		162,900	145,776
Tax recoverable		491,210	403,451
Fixed deposit with licensed banks		37,721	484,068
Cash and bank balances		4,748,994	4,474,560
		<u>33,240,011</u>	<u>29,651,507</u>
TOTAL ASSETS		<u>83,850,275</u>	<u>75,754,699</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		15,945,282	14,508,548
Share premium		19,595,346	15,030,846
Treasury shares, at cost	A6	(11,802)	(109,203)
Warrant reserves		1,180,873	1,180,873
Other reserves		1,109,451	1,109,451
Foreign exchange fluctuation reserve		22,083	(226,990)
Retained earnings		23,585,779	18,218,864
Total equity attributable to owners of the Company		<u>61,427,012</u>	<u>49,712,389</u>
Non controlling interests		287,641	282,246
Total Equity		<u>61,714,653</u>	<u>49,994,635</u>
Non-Current Liabilities			
Long-term borrowings	B8	5,911,116	4,370,764
Deferred tax		358,300	452,070
		<u>6,269,416</u>	<u>4,822,834</u>
Current Liabilities			
Short-term borrowings	B8	7,042,767	10,516,265
Trade payables		5,937,755	6,899,278
Other payables & accruals		2,467,777	2,943,850
Amount owing to directors		-	476,250
Provision for taxation		417,907	101,587
		<u>15,866,206</u>	<u>20,937,230</u>
Total Liabilities		<u>22,135,622</u>	<u>25,760,064</u>
TOTAL EQUITY AND LIABILITIES		<u>83,850,275</u>	<u>75,754,699</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO			
ORDINARY OWNERS OF THE PARENT (SEN)		38.52	34.26
NTA per share (sen)		23.51	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 SEPTEMBER 2011

	Attributable to owners of the Company		Distributable		Non Controlling Interests (NCI)		Total Equity
	Non-Distributable	Distributable	Foreign Exchange Fluctuation Reserve	Retained Earnings	Total	RM	
	Share Capital	Share Premium	Treasury Shares	Warrant Reserves	Other Reserves	Total	RM
Balance as at 1 January 2010	13,585,470	12,353,924	(8,519)	-	1,109,451	38,122,089	41,016,398
Total Comprehensive income for the year	-	-	-	-	(481,818)	6,910,111	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	684,454
Total transactions with owners	923,078	2,676,922	(100,684)	1,180,873	-	4,680,189	1,764,643
Balance as at 31 December 2010	14,508,548	15,030,846	(109,203)	1,180,873	1,109,451	49,712,389	49,994,635
Balance as at 1 January 2011	14,508,548	15,030,846	(109,203)	1,180,873	1,109,451	49,712,389	49,994,635
Total Comprehensive income for the year	-	-	-	-	249,073	7,354,156	7,359,551
<i>Transactions with owners:</i>							
Disposal of treasury stock	-	-	109,203	-	-	109,203	109,203
Shares repurchased	-	-	(11,700)	-	-	(11,700)	(11,700)
Transaction costs	-	-	(102)	-	-	(102)	(102)
Dividend paid	-	-	-	-	-	(1,738,168)	(1,738,168)
Issuance of ordinary shares pursuant to Allotment of ordinary shares	1,436,734	4,574,402	-	-	-	6,011,136	6,011,136
Transaction costs	-	(9,902)	-	-	-	(9,902)	(9,902)
Total transactions with owners	1,436,734	4,564,500	97,401	-	-	4,360,467	4,360,467
Balance as at 30 September 2011	15,945,282	19,595,346	(11,802)	1,180,873	1,109,451	61,427,012	61,714,653

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 SEPTEMBER 2011

	9 MONTHS ENDED 30/9/2011 RM	9 MONTHS ENDED 30/9/2010 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	7,814,404	6,951,543
Adjustments for:-		
Amortisation of development costs	446,398	213,414
Amortisation of leasehold land	8,680	6,859
Amortisation of other investment	1,350	1,350
Depreciation of plant and equipment	1,146,104	956,264
Gain on disposal of property, plant and equipment	(125,053)	(94,287)
Hire Purchase and lease Interest	100,195	96,924
Net loss on deemed disposal	-	(181,499)
Interest expense	188,761	141,529
Interest income	(18,243)	(9,245)
Overdraft interest	49,021	47,314
Share of associates' (profit)/loss	(296,947)	(1,126,586)
Provision for doubtful debts	-	4,967
Term loan interest	104,769	208,807
Unrealised loss on foreign exchange	(129)	(102)
	<u>1,604,906</u>	<u>265,709</u>
Operating profit before working capital changes	9,419,310	7,217,252
Inventories	(1,131,304)	(1,286,227)
Trade and other receivables	3,255,398	(8,914,676)
Trade and other payables	(7,604,451)	5,924,337
	<u>(5,480,357)</u>	<u>(4,276,566)</u>
CASH FROM OPERATIONS	3,938,953	2,940,686
Tax paid	(573,076)	(509,946)
Bank interest paid	(237,782)	(188,843)
	<u>(810,858)</u>	<u>(698,789)</u>
NET CASH FROM OPERATING ACTIVITIES	3,128,095	2,241,897
CASH FLOW FROM INVESTING ACTIVITIES		
Additional purchase price of subsidiaries	(3,041,415)	(297,609)
Development costs incurred	(732,575)	(509,615)
Dividend received from associated company	409,097	138,108
Interest income	18,243	9,245
Proceeds from disposal of property, plant and equipment	231,160	167,543
Purchase of plant and equipment	(2,518,122)	(2,543,383)
NET CASH FOR INVESTING ACTIVITIES	(5,633,612)	(3,035,711)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid to company shareholders	(1,594,529)	-
Drawdown on finance lease payables	1,408,419	2,515,516
Hire purchase and lease interest	(100,195)	(96,924)
Proceeds from issuance of share capital	6,247,251	-
Transaction costs - Proceeds from issuance of share capital	(246,017)	-
Proceeds from issuance of warrants	-	1,358,547
Transaction costs - Issuance of warrants	-	(177,674)
Disposal of treasury shares	109,203	-
Proceeds from other short term borrowings	15,740,271	8,843,822
Repayment of term loan	(1,297,073)	(1,702,525)
Repayment of bills payable	(16,986,941)	(8,933,444)
Repayment of hire purchase and lease payables	(766,745)	(775,464)
Term loan interest	(104,769)	(208,807)
Purchase of treasury shares	(11,700)	(30,850)
Transaction costs - Purchase of treasury shares	(102)	(254)
NET CASH FROM/(FOR) FINANCING ACTIVITIES	<u>2,397,073</u>	<u>791,943</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(108,444)	(1,871)
Foreign exchange fluctuation reserve	12,936	(278,685)
CASH AND CASH EQUIVALENTS B/F	3,891,633	4,313,640
CASH AND CASH EQUIVALENTS C/F	<u>3,796,125</u>	<u>4,033,084</u>
NOTES TO CASH FLOW STATEMENT		
Cash and cash equivalents comprise:		
Cash and bank balances	4,748,994	4,917,604
Fixed deposit with licensed banks	37,721	434,594
Overdraft	(990,590)	(1,319,114)
	<u>3,796,125</u>	<u>4,033,084</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.