

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

The unaudited results of Grand-Flo Solution Berhad and its subsidiaries for the 12 months period ended 31 December 2011 are as follows:-

	NOTE	FOR THE QUARTER 3 MONTHS ENDED		FOR THE CUMULATIVE PERIOD 12 MONTHS ENDED	
		31/12/2011 RM	31/12/2010 RM Restated	31/12/2011 RM	31/12/2010 RM Restated
REVENUE	A8	20,193,354	19,456,688	74,938,650	68,647,343
COST OF SALES		<u>(13,624,634)</u>	<u>(13,961,420)</u>	<u>(49,816,224)</u>	<u>(47,995,741)</u>
GROSS PROFIT		6,568,720	5,495,268	25,122,426	20,651,602
OTHER OPERATING INCOME		135,834	790,211	949,103	1,640,534
SELLING AND DISTRIBUTION EXPENSES		(1,025,744)	(389,451)	(2,771,973)	(1,969,354)
ADMINISTRATIVE EXPENSES		(4,668,911)	(4,052,071)	(14,320,124)	(12,222,620)
OTHER OPERATING EXPENSES		<u>522</u>	<u>-</u>	<u>(8,552)</u>	<u>(118,169)</u>
RESULTS FROM OPERATING ACTIVITIES		1,010,421	1,843,957	8,970,880	7,981,993
FINANCE COSTS		(152,338)	(179,585)	(595,337)	(674,159)
SHARE OF (LOSS)/PROFIT OF ASSOCIATES, NET OF TAX		<u>1,389,814</u>	<u>(80,455)</u>	<u>1,686,761</u>	<u>1,227,630</u>
PROFIT BEFORE TAXATION	A8	2,247,897	1,583,917	10,062,304	8,535,464
INCOME TAX EXPENSES	B4	(133,163)	(140,816)	(837,089)	(840,052)
PROFIT AFTER TAXATION	A8	<u>2,114,734</u>	<u>1,443,101</u>	<u>9,225,215</u>	<u>7,695,412</u>
OTHER COMPREHENSIVE ITEM Foreign currency translation differences		<u>11,725</u>	<u>(239,949)</u>	<u>260,798</u>	<u>(481,818)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>2,126,459</u>	<u>1,203,152</u>	<u>9,486,013</u>	<u>7,213,594</u>
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
OWNERS OF THE PARENT		2,107,952	1,410,242	9,213,039	7,391,929
NON-CONTROLLING INTERESTS		<u>6,782</u>	<u>32,859</u>	<u>12,176</u>	<u>303,483</u>
		<u>2,114,734</u>	<u>1,443,101</u>	<u>9,225,215</u>	<u>7,695,412</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
OWNERS OF THE PARENT		2,119,677	1,170,293	9,473,837	6,910,111
NON-CONTROLLING INTERESTS		<u>6,782</u>	<u>32,859</u>	<u>12,176</u>	<u>303,483</u>
		<u>2,126,459</u>	<u>1,203,152</u>	<u>9,486,013</u>	<u>7,213,594</u>
EARNINGS PER ORDINARY SHARE (SEN):-					
BASIC	B10a	1.32	0.97	6.03	5.18
DILUTED	B10b	0.93	0.66	4.17	3.92

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 DECEMBER 2011

	Note	(UNAUDITED) AS AT 31/12/2011 RM	(AUDITED) AS AT 31/12/2010 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	A9	12,632,047	11,084,908
Prepaid lease payment		956,873	968,446
Investment in associate, quoted		14,200,064	10,156,288
Investment in associate, unquoted		451,562	406,274
Other investment, unquoted		70,030	71,830
Development costs		1,728,811	1,197,739
Goodwill		22,448,942	22,217,707
		<u>52,488,329</u>	<u>46,103,192</u>
Current Assets			
Inventories		11,363,688	8,211,318
Trade receivables		17,296,806	15,410,325
Other receivables & prepayment		623,386	522,009
Amount due from associate		182,359	145,776
Tax recoverable		408,475	403,451
Fixed deposit with licensed banks		641,054	484,068
Cash and bank balances		4,795,224	4,474,560
		<u>35,310,992</u>	<u>29,651,507</u>
TOTAL ASSETS		<u>87,799,321</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	(94,079)	(109,203)
Warrant reserves		1,180,873	1,180,873
Other reserves		1,109,451	1,109,451
Foreign exchange fluctuation reserve		33,808	(226,990)
Retained earnings		25,701,640	18,218,864
Total equity attributable to owners of the Company		<u>63,472,321</u>	<u>49,712,389</u>
Non controlling interests		294,422	282,246
Total Equity		<u>63,766,743</u>	<u>49,994,635</u>
Non-Current Liabilities			
Long-term borrowings	B6	3,180,653	4,370,764
Deferred tax		358,300	452,070
		<u>3,538,953</u>	<u>4,822,834</u>
Current Liabilities			
Short-term borrowings	B6	9,266,010	10,516,265
Trade payables		7,252,408	6,899,278
Other payables & accruals		3,604,529	2,943,850
Amount owing to directors		-	476,250
Provision for taxation		370,678	101,587
		<u>20,493,625</u>	<u>20,937,230</u>
Total Liabilities		<u>24,032,578</u>	<u>25,760,064</u>
TOTAL EQUITY AND LIABILITIES		<u>87,799,321</u>	<u>75,754,699</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO			
ORDINARY OWNERS OF THE PARENT (SEN)		39.81	34.26
NTA per share (sen)		24.64	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 31 DECEMBER 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	Interests (NCI)
	RM	RM	RM	RM	RM	RM	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	-	-	-	-	-	260,798	9,213,039	9,473,837	12,176	9,486,013
<i>Transactions with owners:</i>										
Disposal of treasury stock	-	-	109,203	-	-	-	-	109,203	-	109,203
Shares repurchased	-	-	(93,341)	-	-	-	-	(93,341)	-	(93,341)
Transaction costs	-	-	(738)	-	-	-	-	(738)	-	(738)
Dividend paid	-	-	-	-	-	-	(1,730,263)	(1,730,263)	-	(1,730,263)
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	15,124	-	-	-	(1,730,263)	4,286,095	-	4,286,095
Balance as at 31 December 2011	15,945,282	19,595,346	(94,079)	1,180,873	1,109,451	33,808	25,701,640	63,472,321	294,422	63,766,743

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 31 DECEMBER 2011

	12 MONTHS ENDED 31/12/2011 RM	12 MONTHS ENDED 31/12/2010 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	10,062,304	8,535,464
Adjustments for:-		
Amortisation of development costs	553,235	335,474
Amortisation of leasehold land	11,573	9,550
Amortisation of other investment	1,800	1,799
Bad debts written off	-	7,561
Depreciation of plant and equipment	1,558,718	1,308,379
Dividend income	-	(151,918)
Gain on disposal of property, plant and equipment	(125,053)	(109,342)
Gain on deemed disposal of associate	-	(181,499)
Hire Purchase and lease Interest	134,369	120,284
Impairment for doubtful debts no longer required	-	(79,546)
Interest income	(23,263)	(9,561)
Inventories written off	-	108,001
Interest expense	256,844	199,947
Overdraft interest	63,847	60,505
Property, plant and equipment written off	-	1,958
Share of associates' (profit)/loss	(1,686,761)	(1,199,054)
Term loan interest	141,285	293,423
Unrealised loss on foreign exchange	(129)	(211,805)
	886,465	504,156
Operating profit before working capital changes	10,948,769	9,039,620
Inventories	(3,135,196)	(2,394,600)
Trade and other receivables	4,606,498	(1,507,048)
Trade and other payables	(6,602,994)	(1,426,140)
Associates	-	86,290
Directors	476,252	(476,252)
	(4,655,440)	(5,717,750)
CASH FROM OPERATIONS	6,293,329	3,321,870
Tax paid	(692,676)	(279,401)
Bank interest paid	(320,691)	(260,452)
	(1,013,367)	(539,853)
NET CASH FROM OPERATING ACTIVITIES	5,279,962	2,782,017
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of subsidiary companies, net of cash and cash equivalents acquired	-	(300,674)
Additional purchase price of subsidiaries	(3,041,415)	-
Development costs incurred	(1,084,307)	(938,592)
Dividend received from associate	409,097	138,108
Interest income	23,263	9,561
Proceeds from disposal of property, plant and equipment	231,159	172,296
Prepaid land lease payment	-	(203,926)
Purchase of property, plant and equipment	(3,180,724)	(2,318,890)
NET CASH FOR INVESTING ACTIVITIES	(6,642,927)	(3,442,117)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid to company shareholders	(1,594,529)	-
Drawdown on finance lease payables	1,408,419	1,823,543
Disposal of treasury shares	109,203	-
Hire purchase and lease interest	(134,369)	(120,284)
Proceeds from issuance of warrants	-	1,180,873
Proceeds from other short term borrowings	19,759,792	20,436,519
Proceeds from issuance of share capital	6,247,251	-
Transaction costs - proceeds from issuance of share capital	(246,017)	-
Purchase of treasury shares	(93,341)	(99,923)
Transaction costs- purchase of treasury shares	(738)	(762)
Repayment of term loan	(1,493,348)	(2,171,558)
Repayment of bills payable	(20,422,941)	(19,600,656)
Repayment of hire purchase and lease payables	(1,022,039)	(927,773)
Term loan interest	(141,285)	(293,423)
	2,376,058	226,556
NET CASH FROM/(FOR) FINANCING ACTIVITIES	2,376,058	226,556
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1,013,093	(433,544)
Foreign exchange fluctuation reserve	175,898	324,525
CASH AND CASH EQUIVALENTS B/F	3,891,633	4,000,652
CASH AND CASH EQUIVALENTS C/F	5,080,624	3,891,633
NOTES TO CASH FLOW STATEMENT		
Cash and cash equivalents comprise:		
Cash and bank balances	4,795,224	4,474,560
Fixed deposit with licensed banks	641,054	484,068
Overdraft	(355,654)	(1,066,995)
	5,080,624	3,891,633

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.