

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 MARCH 2012**

The unaudited results of Grand-Flo Solution Berhad and its subsidiaries for the 3 months period ended 31 March 2012 are as follows:-

	NOTE	FOR THE QUARTER 3 MONTHS ENDED		FOR THE CUMULATIVE PERIOD 3 MONTHS ENDED	
		31/3/2012 RM	31/3/2011 RM	31/3/2012 RM	31/3/2011 RM
REVENUE	A8	20,365,869	17,025,508	20,365,869	17,025,508
COST OF SALES		<u>(14,280,318)</u>	<u>(11,231,825)</u>	<u>(14,280,318)</u>	<u>(11,231,825)</u>
GROSS PROFIT		6,085,551	5,793,683	6,085,551	5,793,683
OTHER OPERATING INCOME		131,183	118,866	131,183	118,866
SELLING AND DISTRIBUTION EXPENSES		(585,893)	(624,146)	(585,893)	(624,146)
ADMINISTRATIVE EXPENSES		(3,521,934)	(2,925,246)	(3,521,934)	(2,925,246)
OTHER OPERATING EXPENSES		<u>(703)</u>	<u>(97,836)</u>	<u>(703)</u>	<u>(97,836)</u>
RESULTS FROM OPERATING ACTIVITIES		2,108,204	2,265,321	2,108,204	2,265,321
FINANCE COSTS		(133,276)	(152,996)	(133,276)	(152,996)
SHARE OF PROFIT OF ASSOCIATES, NET OF TAX		<u>465,029</u>	<u>176,364</u>	<u>465,029</u>	<u>176,364</u>
PROFIT BEFORE TAXATION	A8	2,439,957	2,288,689	2,439,957	2,288,689
INCOME TAX EXPENSES	B4	(224,836)	(199,392)	(224,836)	(199,392)
PROFIT AFTER TAXATION	A8	<u>2,215,121</u>	<u>2,089,297</u>	<u>2,215,121</u>	<u>2,089,297</u>
OTHER COMPREHENSIVE ITEM					
Foreign currency translation differences		(22,355)	(86,108)	(104,465)	(86,108)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>2,192,766</u>	<u>2,003,189</u>	<u>2,110,656</u>	<u>2,003,189</u>
<b>PROFIT AFTER TAXATION ATTRIBUTABLE TO:-</b>					
OWNERS OF THE PARENT		2,214,958	2,087,256	2,214,958	2,087,256
NON-CONTROLLING INTERESTS		<u>163</u>	<u>2,041</u>	<u>163</u>	<u>2,041</u>
		<u>2,215,121</u>	<u>2,089,297</u>	<u>2,215,121</u>	<u>2,089,297</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-</b>					
OWNERS OF THE PARENT		2,192,603	2,001,148	2,110,493	2,001,148
NON-CONTROLLING INTERESTS		<u>163</u>	<u>2,041</u>	<u>163</u>	<u>2,041</u>
		<u>2,192,766</u>	<u>2,003,189</u>	<u>2,110,656</u>	<u>2,003,189</u>
<b>EARNINGS PER ORDINARY SHARE (SEN):-</b>					
BASIC	B10a	1.39	1.44	1.39	1.44
DILUTED	B10b	0.97	0.98	0.97	0.98

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 2011 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2012**

		(UNAUDITED)	(AUDITED)
		AS AT	AS AT
	Note	31/03/2012	31/12/2011
		RM	RM
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	A9	13,353,047	13,581,851
Investment in associate, quoted		14,588,312	14,123,800
Investment in associate, unquoted		452,080	451,562
Other investment, unquoted		69,580	70,031
Development costs		1,810,568	1,728,811
Goodwill		22,447,722	22,447,722
Deferred tax assets		800,000	800,000
		<u>53,521,309</u>	<u>53,203,777</u>
<b>Current Assets</b>			
Inventories		11,270,471	11,363,688
Trade receivables		16,554,887	17,009,865
Other receivables & prepayment		2,042,340	615,091
Amount due from associate		33,371	87,597
Amount due from related parties		659,610	429,250
Tax recoverable		373,867	333,429
Fixed deposit with licensed banks		646,451	625,747
Cash and bank balances		3,900,671	5,512,319
		<u>35,481,668</u>	<u>35,976,986</u>
<b>TOTAL ASSETS</b>		<u>89,002,977</u>	<u>89,180,763</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		15,945,282	15,945,282
Share premium		19,586,565	19,586,565
Treasury shares, at cost	A6	(183,331)	(94,079)
Warrant reserves		1,180,873	1,180,873
Other reserves		1,109,451	1,109,451
Foreign exchange fluctuation reserve		(231,502)	(127,037)
Retained earnings		28,230,534	26,015,576
<b>Total equity attributable to owners of the Company</b>		<u>65,637,872</u>	<u>63,616,631</u>
Non controlling interests		291,854	291,691
<b>Total Equity</b>		<u>65,929,726</u>	<u>63,908,322</u>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Long-term borrowings	B6	3,013,205	4,133,126
Deferred tax liabilities		1,061,754	1,061,270
		<u>4,074,959</u>	<u>5,194,396</u>
<b>Current Liabilities</b>			
Short-term borrowings	B6	6,597,736	8,946,383
Trade payables		9,682,334	7,199,564
Other payables & accruals		2,444,129	3,622,496
Amount due to related parties		1,947	113,531
Tax payable		272,146	196,071
		<u>18,998,292</u>	<u>20,078,045</u>
<b>Total Liabilities</b>		<u>23,073,251</u>	<u>25,272,441</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>89,002,977</u>	<u>89,180,763</u>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO</b>			
ORDINARY OWNERS OF THE PARENT (SEN)		41.16	39.90
NTA per share (sen)		25.95	24.73

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 2011 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2012**

	Attributable to owners of the Company										Non Controlling Interests (NCI)	Total Equity
	Non-Distributable					Distributable						
	Share Capital	Share Premium	Treasury Shares	Warrant Reserves	Other Reserves	Foreign Exchange Fluctuation Reserve	Retained Earnings	Total				
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<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	-	-	-	-	-	99,953	9,391,240	9,491,193	9,445	9,500,638		
<i>Transactions with owners:</i>												
Warrant reserves	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of treasury shares	-	70,413	494,744	-	-	-	-	565,157	-	565,157	-	565,157
Shares repurchased	-	-	(473,771)	-	-	-	-	(473,771)	-	(473,771)	-	(473,771)
Transaction costs	-	-	(5,849)	-	-	-	-	(5,849)	-	(5,849)	-	(5,849)
Issuance of ordinary shares pursuant to allotment of ordinary shares	1,436,734	4,485,306	-	-	-	-	-	5,922,040	-	5,922,040	-	5,922,040
Dividend paid	-	-	-	-	-	-	(1,594,528)	(1,594,528)	-	(1,594,528)	-	(1,594,528)
Total transactions with owners	1,436,734	4,555,719	15,124	-	-	-	(1,594,528)	4,413,049	-	4,413,049	-	4,413,049
<b>Balance as at 31 December 2011</b>	15,945,282	19,586,565	(94,079)	1,180,873	1,109,451	(127,037)	26,015,576	63,616,631	291,691	63,908,322		
<b>Balance as at 1 January 2012</b>	15,945,282	19,586,565	(94,079)	1,180,873	1,109,451	(127,037)	26,015,576	63,616,631	291,691	63,908,322		
Total Comprehensive income for the year	-	-	-	-	-	(104,465)	2,214,958	2,110,493	163	2,110,656		
<i>Transactions with owners:</i>												
Shares repurchased	-	-	(88,560)	-	-	-	-	(88,560)	-	(88,560)	-	(88,560)
Transaction costs	-	-	(692)	-	-	-	-	(692)	-	(692)	-	(692)
Total transactions with owners	-	-	(89,252)	-	-	-	-	(89,252)	-	(89,252)	-	(89,252)
<b>Balance as at 31 March 2012</b>	15,945,282	19,586,565	(183,331)	1,180,873	1,109,451	(231,502)	28,230,534	65,637,872	291,854	65,929,726		

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the annual audited financial statements as at 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 MARCH 2012**

	<b>3 MONTHS ENDED</b> <b>31/3/2012</b> <b>RM</b>	<b>3 MONTHS ENDED</b> <b>31/3/2011</b> <b>RM</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,439,957	2,288,689
Adjustments for:-		
Amortisation of development costs	193,325	133,376
Amortisation of leasehold land	2,893	2,893
Amortisation of other investment	450	450
Depreciation of plant and equipment	417,708	362,858
Gain on disposal of property, plant and equipment	(68)	(42,049)
Hire Purchase and lease Interest	30,423	24,598
Interest income	(9,633)	(3,521)
Interest expense	55,915	59,092
Overdraft interest	19,973	16,185
Share of associates' (profit)/loss	(465,029)	(176,364)
Term loan interest	26,996	53,237
Unrealised loss on foreign exchange	(3)	(28)
	<u>272,950</u>	<u>430,727</u>
Operating profit before working capital changes	2,712,907	2,719,416
Inventories	34,909	(323,163)
Trade and other receivables	(975,416)	(1,225,519)
Trade and other payables	1,303,343	586,764
Associates	(54,226)	-
Subsidiaries	(193,228)	-
	<u>115,382</u>	<u>(961,918)</u>
<b>CASH FROM OPERATIONS</b>	<b>2,828,289</b>	<b>1,757,498</b>
Tax paid	(191,995)	(191,986)
Bank interest paid	(75,888)	(75,277)
	<u>(267,883)</u>	<u>(267,263)</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>2,560,406</b>	<b>1,490,235</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Development costs incurred	(275,083)	(226,894)
Interest income	9,633	3,521
Proceeds from disposal of property, plant and equipment	321	76,152
Purchase of property, plant and equipment	(223,866)	(923,404)
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(488,995)</b>	<b>(1,070,625)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Drawdown on finance lease payables	-	276,919
Hire purchase and lease interest	(30,423)	(24,598)
Proceeds from other short term borrowings	2,716,000	6,856,964
Purchase of treasury shares	(88,560)	(368,937)
Transaction costs- purchase of treasury shares	(692)	(2,733)
Repayment of term loan	(187,534)	(503,801)
Repayment of bills payable	(5,226,792)	(7,692,045)
Repayment of hire purchase and lease payables	(230,865)	(232,590)
Term loan interest	(26,996)	(53,237)
	<u>(3,075,862)</u>	<u>(1,744,058)</u>
<b>NET CASH FROM/(FOR) FINANCING ACTIVITIES</b>	<b>(3,075,862)</b>	<b>(1,744,058)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,004,451)</b>	<b>(1,324,448)</b>
Foreign exchange fluctuation reserve	(85,778)	(37,450)
<b>CASH AND CASH EQUIVALENTS B/F</b>	<b>5,149,564</b>	<b>3,891,633</b>
<b>CASH AND CASH EQUIVALENTS C/F</b>	<b><u>4,059,335</u></b>	<b><u>2,529,735</u></b>
<b>NOTES TO CASH FLOW STATEMENT</b>		
Cash and cash equivalents comprise:		
Cash and bank balances	3,899,615	3,318,407
Fixed deposit with licensed banks	646,451	502,070
Overdraft	(486,731)	(1,290,742)
	<u>4,059,335</u>	<u>2,529,735</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 2011.