

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2012**

The unaudited results of Grand-Flo Solution Berhad and its subsidiaries for the 6 months period ended 30 June 2012 are as follows:-

	NOTE	FOR THE QUARTER 3 MONTHS ENDED		FOR THE CUMULATIVE PERIOD 6 MONTHS ENDED	
		30/6/2012 RM	30/6/2011 RM	30/6/2012 RM	30/6/2011 RM
REVENUE	A8	22,568,785	18,377,909	41,880,945	35,403,416
COST OF SALES		<u>(16,252,814)</u>	<u>(11,819,116)</u>	<u>(29,476,529)</u>	<u>(23,050,941)</u>
GROSS PROFIT		6,315,971	6,558,793	12,404,416	12,352,475
OTHER OPERATING INCOME		61,931	183,874	193,114	302,854
SELLING AND DISTRIBUTION EXPENSES		(677,808)	(513,810)	(1,263,702)	(1,137,958)
ADMINISTRATIVE EXPENSES		(3,491,207)	(3,322,097)	(7,016,034)	(6,340,690)
OTHER OPERATING EXPENSES		<u>(8,614)</u>	<u>(8,959)</u>	<u>(9,317)</u>	<u>(9,074)</u>
RESULTS FROM OPERATING ACTIVITIES		2,200,273	2,897,801	4,308,477	5,167,607
FINANCE COSTS		(210,547)	(122,563)	(343,821)	(280,047)
SHARE OF PROFIT OF ASSOCIATES, NET OF TAX		<u>406,010</u>	<u>(281,756)</u>	<u>871,039</u>	<u>(105,392)</u>
PROFIT BEFORE TAXATION	A8	2,395,736	2,493,482	4,835,695	4,782,168
INCOME TAX EXPENSES	B4	(143,890)	(328,388)	(368,725)	(527,780)
PROFIT AFTER TAXATION	A8	<u>2,251,846</u>	<u>2,165,094</u>	<u>4,466,970</u>	<u>4,254,388</u>
OTHER COMPREHENSIVE ITEM					
Foreign currency translation differences		(155,487)	(43,461)	51,022	(42,647)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>2,096,359</u>	<u>2,121,633</u>	<u>4,517,992</u>	<u>4,211,741</u>
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
OWNERS OF THE PARENT		2,248,145	2,163,982	4,463,106	4,251,235
NON-CONTROLLING INTERESTS		<u>3,701</u>	<u>1,112</u>	<u>3,864</u>	<u>3,153</u>
		<u>2,251,846</u>	<u>2,165,094</u>	<u>4,466,970</u>	<u>4,254,388</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
OWNERS OF THE PARENT		2,092,658	2,120,521	4,514,128	4,208,588
NON-CONTROLLING INTERESTS		<u>3,701</u>	<u>1,112</u>	<u>3,864</u>	<u>3,153</u>
		<u>2,096,359</u>	<u>2,121,633</u>	<u>4,517,992</u>	<u>4,211,741</u>
EARNINGS PER ORDINARY SHARE (SEN):-					
BASIC	B10a	1.41	1.47	2.80	2.91
DILUTED	B10b	0.99	1.01	1.96	1.99

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 30 JUNE 2012

		(UNAUDITED)	(AUDITED)
		AS AT	AS AT
	Note	30/06/2012	31/12/2011
		RM	RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	A9	13,309,698	13,581,851
Investment in associate, quoted		14,954,305	14,123,800
Investment in associate, unquoted		492,097	451,562
Other investment, unquoted		69,130	70,031
Development costs		1,856,399	1,728,811
Goodwill		22,447,722	22,447,722
Deferred tax assets		800,000	800,000
		<u>53,929,351</u>	<u>53,203,777</u>
Current Assets			
Inventories		11,848,266	11,363,688
Trade receivables		19,787,261	17,009,865
Other receivables & prepayment		1,835,707	615,091
Amount due from associate		249,452	87,597
Amount due from related parties		-	429,250
Tax recoverable		366,793	333,429
Fixed deposit with licensed banks		651,390	625,747
Cash and bank balances		6,927,238	5,512,319
		<u>41,666,107</u>	<u>35,976,986</u>
TOTAL ASSETS		<u>95,595,458</u>	<u>89,180,763</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		15,978,292	15,945,282
Share premium		19,663,087	19,586,565
Treasury shares, at cost	A6	-	(94,079)
Warrant reserves		1,175,105	1,180,873
Other reserves		1,109,451	1,109,451
Foreign exchange fluctuation reserve		(76,015)	(127,037)
Retained earnings		28,576,065	26,015,576
Total equity attributable to owners of the Company		<u>66,425,985</u>	<u>63,616,631</u>
Non controlling interests		295,555	291,691
Total Equity		<u>66,721,540</u>	<u>63,908,322</u>
LIABILITIES			
Non-Current Liabilities			
Long-term borrowings	B6	2,992,074	4,133,126
Deferred tax liabilities		1,065,451	1,061,270
		<u>4,057,525</u>	<u>5,194,396</u>
Current Liabilities			
Short-term borrowings	B6	8,965,169	8,946,383
Trade payables		11,001,367	7,199,564
Other payables & accruals		2,658,330	3,622,496
Amount due to related parties		1,947	113,531
Tax payable		286,963	196,071
Dividend payable	B8	1,902,617	-
		<u>24,816,393</u>	<u>20,078,045</u>
Total Liabilities		<u>28,873,918</u>	<u>25,272,441</u>
TOTAL EQUITY AND LIABILITIES		<u>95,595,458</u>	<u>89,180,763</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO			
ORDINARY OWNERS OF THE PARENT (SEN)			
		41.57	39.90
NTA per share (sen)		26.36	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 30 JUNE 2012

	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 (NCI)	Total Equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
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	-	-	-	-	-	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
Shares repurchased	-	-	(473,771)	-	-	-	-	(473,771)	-	(473,771)
Transaction costs	-	-	(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
Dividend paid	-	-	-	-	-	-	(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
Balance as at 31 December 2011	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
Balance as at 1 January 2012	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	-	-	-	-	-	51,022	4,463,106	4,514,128	3,864	4,517,992
<i>Transactions with owners:</i>										
Disposal of treasury stock	-	-	183,331	-	-	-	-	183,331	-	183,331
Shares repurchased	-	-	(88,560)	-	-	-	-	(88,560)	-	(88,560)
Transaction costs	-	-	(692)	-	-	-	-	(692)	-	(692)
Issuance of ordinary shares pursuant to allotment of ordinary shares	33,010	76,522	-	(5,768)	-	-	-	103,764	-	103,764
Dividends to owners of the Company	-	-	-	-	-	-	(1,902,617)	(1,902,617)	-	(1,902,617)
Total transactions with owners	33,010	76,522	94,079	(5,768)	-	-	(1,902,617)	(1,704,774)	-	(1,704,774)
Balance as at 30 June 2012	15,978,292	19,663,087	-	1,175,105	1,109,451	(76,015)	28,576,065	66,425,985	295,555	66,721,540

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 30 JUNE 2012

	6 MONTHS ENDED 30/6/2012 RM	6 MONTHS ENDED 30/6/2011 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	4,835,695	4,782,168
Adjustments for:-		
Amortisation of development costs	377,669	284,201
Amortisation of leasehold land	5,787	5,787
Amortisation of other investment	901	900
Depreciation of plant and equipment	854,809	741,641
Gain on disposal of property, plant and equipment	(100)	(125,049)
Hire Purchase and lease Interest	61,856	62,020
Impairment for doubtful debts no longer required	11,034	10,245
Interest income	(17,723)	(7,486)
Interest expense	131,753	120,771
Overdraft interest	35,078	33,059
Share of associates' (profit)/loss	(871,039)	105,392
Term loan interest	115,517	58,650
Unrealised loss on foreign exchange	(3)	(74)
	<u>705,539</u>	<u>1,290,057</u>
Operating profit before working capital changes	5,541,234	6,072,225
Inventories	(470,734)	(469,427)
Trade and other receivables	(9,936,265)	(5,586,774)
Trade and other payables	9,078,371	(401,618)
Subsidiaries	14,909	-
	<u>(1,313,719)</u>	<u>(6,457,819)</u>
CASH FROM OPERATIONS	4,227,515	(385,594)
Tax paid	(321,227)	(360,100)
Bank interest paid	(166,831)	(172,141)
	<u>(488,058)</u>	<u>(532,241)</u>
NET CASH FROM OPERATING ACTIVITIES	3,739,457	(917,835)
CASH FLOW FROM INVESTING ACTIVITIES		
Development costs incurred	(505,257)	(483,807)
Dividend received from associate	-	409,097
Interest income	17,723	7,486
Proceeds from disposal of property, plant and equipment	393	231,152
Purchase of property, plant and equipment	(581,179)	(2,365,569)
NET CASH FOR INVESTING ACTIVITIES	(1,068,320)	(2,201,641)
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown on finance lease payables	220,000	1,408,419
Disposal of treasury shares	(94,079)	109,203
Gain on disposal of treasury stock	21,239	79,194
Hire purchase and lease interest	(61,856)	(62,020)
Proceeds from other short term borrowings	8,259,000	11,382,694
Proceeds from issuance of share capital	103,764	6,177,959
Transaction costs - proceeds from issuance of share capital	-	(246,017)
Repayment of term loan	(323,097)	(1,069,017)
Repayment of bills payable	(8,183,792)	(12,045,045)
Repayment of hire purchase and lease payables	(475,489)	(512,866)
Term loan interest	(115,517)	(58,650)
	<u>(649,827)</u>	<u>5,163,854</u>
NET CASH FROM/(FOR) FINANCING ACTIVITIES	(649,827)	5,163,854
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	2,021,310	2,044,378
Foreign exchange fluctuation reserve	47,070	(5,074)
CASH AND CASH EQUIVALENTS B/F	5,149,564	3,891,633
CASH AND CASH EQUIVALENTS C/F	<u>7,217,944</u>	<u>5,930,937</u>
NOTES TO CASH FLOW STATEMENT		
Cash and cash equivalents comprise:		
Cash and bank balances	6,927,238	3,758,618
Fixed deposit with licensed banks	651,390	2,524,942
Overdraft	(360,684)	(352,623)
	<u>7,217,944</u>	<u>5,930,937</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.