



General Announcement

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Submitted

Company Information

ACE Market Company	
New Announcement	
Submitting Investment Bank/Advisor (if applicable)	
Submitting Secretarial Firm (if applicable)	COSPEC MANAGEMENT SERVICES SDN. BHD.
* Company name	GRAND-FLO SOLUTION BERHAD
* Stock name	GRANFLO
* Stock code	0056
* Contact person	CATHERINE CHAN
* Designation	COMPANY SECRETARY
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Announcement reviewed and approved by Sponsor? * NOT APPLICABLE

Type * Announcement

Subject *: GRAND-FLO SOLUTION BERHAD ('GRAND-FLO' OR 'THE COMPANY')
 - NOTICE OF EXTRAORDINARY GENERAL MEETING

Note: If the announcement is a long announcement, please summarize the announcement in the contents and enter the details of the announcement in the Announcement Details or attached the full details of the announcement as attachment.

Contents *:-

(This field is to be used for the summary of the announcement)

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting ("EGM") of the Company will be held at The Greens I, Golf Wing, Ground Level, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 5 March 2010 at 10.30 a.m.

Please refer to the attached file for the Notice of the EGM.

This announcement is dated 11 February 2010.

Announcement Details :-

(This field is for the details of the announcement, if applicable)

Attachment(s):- (please attach the attachments here)

ⓂGrandflo_Notice_of_EGM.pdf

Tables Section - This section is to be used to create and insert tables. Please make the appropriate reference to the table(s) in the Contents of the Announcement:



GRAND-FLO SOLUTION

BERHAD

INCORPORATED IN MALAYSIA

ACE - NEW MARKET

(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("EGM") of Grand-Flo Solution Berhad ("Grand-Flo" or the "Company") will be held at The Greens I, Golf Wing, Ground Level, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 5 March 2010 at 10.30am for the purpose of considering and if thought fit, passing the following resolutions: -

ORDINARY RESOLUTION 1

PROPOSED ACQUISITION BY GRAND-FLO OF 369,000 ORDINARY SHARES OF RM1.00 EACH IN LABELS NETWORK SDN BHD ("LNSB"), A 55%-OWNED SUBSIDIARY OF GRAND-FLO, REPRESENTING THE REMAINING 46% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF LNSB NOT ALREADY HELD BY GRAND-FLO AT A PURCHASE CONSIDERATION OF RM3,600,000 TO BE WHOLLY SETTLED BY WAY OF ISSUANCE OF 9,230,769 NEW ORDINARY SHARES OF RM0.10 EACH IN GRAND-FLO ("CONSIDERATION SHARES") AT AN ISSUE PRICE OF RM0.39 PER CONSIDERATION SHARE ("PROPOSED ACQUISITION");

"THAT, subject to the approval of all relevant authorities, approval be and is hereby given for the Company to acquire 369,000 ordinary shares of RM1.00 each in LNSB, a 55%-owned subsidiary of Grand-Flo, representing the remaining 46% equity interest not already owned by Grand-Flo in LNSB, from Wan Kok Weng and Chan Pik Khew ("Vendors") for an aggregate consideration of RM3,600,000 to be wholly satisfied by way of issuance of 9,230,769 Consideration Shares subject to and upon such terms and conditions as set out in the Shares Acquisition Agreement dated 18 January 2010 entered into between Grand-Flo and the Vendors ("SAA");

AND THAT such new Consideration Shares shall, upon issuance and allotment, rank *pari passu* in all respects with the existing issued and paid-up share capital of Grand-Flo, except that the new Consideration Shares shall not be entitled to any dividend, right, allotment and other distributions, the entitlement date (namely the date as at the close of business on which the shareholders must be registered in order to be entitled to any dividend, right, allotment and other distributions) of which is prior to the date of issuance and allotment of the new Consideration Shares. Notwithstanding the above-mentioned, under the terms of the SAA and upon completion of the Proposed Acquisition, the holders of the Consideration Shares have agreed that they shall not be entitled to any rights warrant under the Proposed Rights Issue (as defined in Ordinary Resolution 2) in respect of the Consideration Shares held;

AND FURTHER THAT, the Directors of the Company be and are hereby authorised to approve all amendments or variations to the Proposed Acquisition, in order to comply with the relevant conditions imposed by the relevant authorities, or take all such steps and to enter into all deeds, agreements, arrangements, undertakings, transfers and indemnities as they may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed Acquisition with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by any relevant authorities and as the Directors deem fit, appropriate and in the best interest of the Company."

ORDINARY RESOLUTION 2

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 67,927,355 FIVE (5)-YEAR 2010/2015 WARRANTS ("WARRANTS") ON THE BASIS OF ONE (1) NEW WARRANT FOR EVERY TWO (2) ORDINARY SHARES OF RM0.10 EACH IN GRAND-FLO ("SHARES") HELD AT AN ISSUE PRICE OF RM0.02 PER WARRANT ("PROPOSED RIGHTS ISSUE")

"THAT, subject to the approval-in-principle of Bursa Malaysia Securities Berhad ("Bursa Securities") for the admission, listing and quotation on Bursa Securities will be made for the Warrants to be issued pursuant to the Proposed Rights Issue and the listing of and quotation on the ACE Market of Bursa Securities for the new Shares to be issued following the exercise of the Warrants, approval be and is hereby given to the Directors of the Company:-

- (i) to issue by way of a renounceable rights issue of up to 67,927,355 Warrants at an issue price of RM0.02 per Warrant on the basis of one (1) Warrant for every two (2) Shares held, by way of provisional allotment to shareholders whose names appear in the Record of Depositors at the close of business on a date to be determined by the Directors including any person entitled on renunciation of a provisional allotment who has successfully subscribed for the Warrants;
- (ii) wherein each of the Warrants will carry the right to subscribe, subject to any adjustment in accordance with a deed poll ("Deed Poll") to be executed, at any time during the period commencing on, and inclusive of, the date of issue of the Warrants and ending on the date preceding the fifth (5th) anniversary of the date of issue of the Warrants, or if such date is not a market day, then it shall be the market day immediately preceding the said non market day, but excluding the five (5) clear market days prior to a books closure date or entitlement date announced by the Company on which the Record of Depositors is closed, for one (1) new Grand-Flo Share at an exercise price of RM0.25;
- (iii) to deal with any fractional Warrants and any Warrants not accepted by the shareholders of Grand-Flo in such manner as the Directors may in their discretion deem fit and expedient;
- (iv) to allot and issue such appropriate number of additional Warrants ("Additional Warrants") if any, as a consequence of the adjustment of the exercise price and/or the number of Warrants in accordance with the provisions of the Deed Poll and/or any amendments thereof or as may be imposed by the relevant authorities and such appropriate number of new Shares in connection with and arising from the exercise of the Warrants and/or Additional Warrants ("Additional New Shares"). The Additional New Shares shall, upon allotment and issue, rank *pari passu* in all respects with the existing Shares except that they shall not be entitled to any dividends, rights, allotment and/or other distributions, the entitlement date of which precedes the relevant dates of allotment of such Additional New Shares; and
- (v) to do all such acts and things and to execute all necessary documents including without limitation, the Deed Poll to give full effect to and complete the Proposed Rights Issue with full power to assent to or make any modifications, variations and/or amendments as may be in the best interest of the Company or as may be required by the relevant authorities and to take all steps and actions as may be required by the relevant authorities and as the Directors may deem necessary and/or expedient to finalise, implement and give full effect to and complete the Proposed Rights Issue and the Deed Poll."

ORDINARY RESOLUTION 3

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY FROM RM25,000,000, COMPRISING 250,000,000 ORDINARY SHARES OF RM0.10 EACH TO RM50,000,000, COMPRISING 500,000,000 ORDINARY SHARES OF RM0.10 EACH, BY CREATION OF AN ADDITIONAL 250,000,000 ORDINARY SHARES OF RM0.10 EACH ("PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL")

"THAT, the authorised share capital of the Company be and is hereby increased from RM25,000,000 comprising 250,000,000 ordinary shares of RM0.10 each to RM50,000,000 comprising 500,000,000 ordinary shares of RM0.10 each by the creation of an additional 250,000,000 ordinary shares of RM0.10 each and such additional ordinary shares when issued shall rank *pari passu* in all respects with the existing ordinary shares of RM0.10 each in the Company AND THAT in consequences thereof, Clause 6 of the Memorandum and Articles of Association of the Company and relevant documents be amended accordingly AND FURTHER THAT the Directors and the Secretaries of the Company be and are hereby authorised to do all acts, things and deeds which are necessary to give effect to the Proposed Increase in Authorised Share Capital."

By Order of the Board

Tea Sor Hua (MACS 01324)
Chan Bee Fang (MAICSA 7032365)
Joint Company Secretaries

Petaling Jaya, Selangor Darul Ehsan
12 February 2010

Notes:-

1. A shareholder shall be entitled to appoint up to two (2) proxies to attend and vote at the same meeting. Where a shareholder appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
2. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Third Floor, No. 79 (Room A), Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.