

**PRESS RELEASE**

# Grand-Flo FY07 net profit jumps 77% to RM6.4 million, proposes 20% dividend

- *Records net profit CAGR of 54.7% from 2004 to 2007*
- *Targets to replicate success in the region*

Selangor, 27 February, 2008 – Integrated tracking solutions provider **Grand-Flo Solution Berhad** (“Grand-Flo”), today announced sterling financial results for the year ended 31 December 2007 (“FY2007”), with net profit surging 76.7% to RM6.4 million from RM3.6 million in the previous financial year.

Grand-Flo’s FY2007 profit before tax grew 23.0% to RM9.1 million from RM7.4 million in the previous financial year. This is on the back of a 38.9% jump in revenue to RM64.9 million from RM46.7 million previously. Earnings per share increased significantly by 51.0% to 5.15 sen from 3.41 sen previously.

The local market contributed 48% to FY2007 group revenue; recording RM31.4 million compared to RM19.4 million in the previous year.

Commenting on this, Derrick Tan, Managing Director of Grand-Flo said: “The remarkable performance is evidence that we have retained our stronghold in the domestic market, where we strengthened our customer base in the FMCG and Gov-related industry and entered new market segments such as the healthcare sector. Besides achieving organic growth, this clearly demonstrates that we are reaping the synergistic benefits of the acquisition of Spritvest and Data Centrix in 2006.”

<b>Financial Summary (Un-audited consolidated results)</b>						
<b>RM '000</b>	<b>4Q to 31.12.07</b>	<b>4Q to 31.12.06</b>	<b>Change</b>	<b>FY2007 to 31.12.07</b>	<b>FY2007 to 31.12.06</b>	<b>Change</b>
<b>Revenue</b>	18,641	15,199	22.6%	64,910	46,736	38.9%
<b>Gross Profit</b>	5,235	5,161	1.4%	21,206	17,610	20.4%
<b>Operating Profit</b>	1,704	1,645	3.6%	8,211	7,543	8.9%
<b>Pre-tax Profit</b>	2,742	1,576	73.9%	9,060	7,366	23.0%
<b>Share of profit in Associate</b>	105	-	-	105	-	-
<b>Net Profit to Shareholders</b>	2,198	1,244	76.7%	6,390	3,616	76.7%
<b>Basic EPS (sen)</b>	1.77	1.17	51.3%	5.15	3.41	51.0%

In view of this excellent performance, the Group is proposing a final tax-exempt dividend of 20% or 2 sen per share for the financial year ended 31 December 2007, amounting to a total dividend payout of approximately RM2.5 million, subject to shareholders’ approval.

Tan said: “We have managed a three straight years of record financial performance, with group revenue and net profit growing 69.6% and 54.7% respectively on a compounded annual growth basis from 2004 to 2007. We are pleased with this high growth, and believe that with our recent acquisitions, we are poised to continue this trend in the years to come.”

On 12 December 2007, the Group’s Thailand unit Simat Technologies Public Company Limited (“Simat”) was listed on the Market of Alternative Investment of the Stock Exchange of Thailand, which resulted in

Grand-Flo's stake dilution from 49.0% to 36.75%, and a gain on deemed disposal of RM1.008 million. Associate profit for December 2007 amounted to RM104,711.

Grand-Flo acquired barcode labels manufacturer Labels Network Sdn Bhd ("Labels Network") to expand its product offering to provide barcode labels as well as boost its recurring income base. Following that, Simat and Labels Network set up a joint venture company, Simat Labels, to build a labels manufacturing plant in Bangkok, Thailand.

Commenting on the progress of its barcode labels business, Tan said: "We have noted very positive response from local customers to our comprehensive product and service offering. Regionally, the setting up of our Thailand manufacturing plant is in progress and is expected to be operational by the end of the second quarter this year. Our goal is to replicate the Malaysian success story in Thailand."

On the Group's plans, Tan said: "Our imminent focus is on expanding the Group's operations into emerging South East Asian countries. Currently we are in advanced talks to set up direct presence in Vietnam to market our comprehensive range of tracking solutions to the booming economy. We intend to have first-mover advantage in this country, and cement our reputation as the leading tracking solution provider in the region."

### **About Grand-Flo Solution Berhad**

Grand-Flo Solution Berhad ("Grand-Flo"), listed on the MESDAQ Market of Bursa Malaysia, is a leading player in the Enterprise Data Collection and Collation Systems ("EDCCS") sector in the region. The Group has established direct presence in Malaysia, Singapore, and Thailand, and extended its distribution network to Indonesia.

Grand-Flo's proprietary suite of solutions, "ManageSuite", facilitates asset tracking and sales force automation, and enables automated collation of real time data to assist enterprises in improving business efficiency.

To date, Grand-Flo's wide customer portfolio in Malaysia and Thailand comprises established multinational corporations, large conglomerates, reputable retail chains, Government and healthcare industries, and continues to expand.

More information about Grand-Flo can be found at [www.grand-flo.com](http://www.grand-flo.com)

<p>Issued for and on behalf of GRAND-FLO SOLUTION BERHAD by WallStraits FPR (M) Sdn Bhd. For further information, please contact: YAP Li Li (<a href="mailto:lilivap@grand-flo.com">lilivap@grand-flo.com</a>, T: 03-7880 2222), or Julia PONG (<a href="mailto:julia@wallstraits.com">julia@wallstraits.com</a>, H/P: 012-3909 258)</p>
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