



GRAND-FLO SOLUTION BERHAD (“GRAND-FLO” OR “COMPANY”)

PROPOSED ACQUISITION BY SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED (“SIMAT”), A 36.75%-OWNED ASSOCIATE COMPANY OF GRAND-FLO IN THAILAND, TO ACQUIRE 2,400,000 ORDINARY SHARES OF RM1.00 IN E-TECH IT SDN BHD (“E-TECH”), REPRESENTING 60% OF THE TOTAL ISSUED AND PAID-UP SHARE CAPITAL OF E-TECH, FOR A CASH CONSIDERATION OF RM6,600,000.00 (“PURCHASE CONSIDERATION”) PAYABLE IN THREE (3) TRANCHES (“PROPOSED ACQUISITION”)

Further to the announcements dated 13 August 2009 in respect of the proposed acquisition of 60% of the total issued and paid-up share capital of E-Tech and 17 November 2009 in respect of Simat’s shareholders approvals obtained via its Extraordinary General Meeting on 12 November 2009, Simat had on 11 December 2009 released the First Tranche payment upon satisfaction that all conditions precedent as per the share acquisition agreement of the Proposed Acquisition had been fulfilled.

This announcement is dated 14 December 2009.