

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the Financial Reporting Standards ("FRS") No. 134, Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad's listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2007. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 30 June 2007.

A2. Changes in accounting policies

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 30th June 2007 except for the following new and revised Financial Reporting Standards ("FRS") that are effective for financial period beginning on and after 1 October 2006:-

FRS 117	Lease
FRS 124	Related Party Disclosures

The Group has not adopted FRS 139 Financial Instruments: Recognition and Measurements as its effective date has been deferred.

The adoption of the above standards does not have any significant financial impact on the Group except for the followings: -

FRS 117 : Lease

Prior to 1 July 2007, the Group's leasehold land held for own use was classified as property, plant and equipment and was stated as cost / valuation less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 resulted in a change in the accounting policy relating to the classification of leasehold land and building separately from Property, plant and equipment. Leases of land and buildings are classified as operating or finance leases in the same way as leases of the other assets. Leasehold land held for own use is now classified as operating lease. The upfront payments for leasehold land represent prepaid lease payments and are amortised on a straight-line basis over the lease term. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and the comparatives in the balance sheet have been restated.

The following comparative amounts have been restated due to the adoption of the new FRS.

	Previously Stated RM'000	Adjustment RM'000	Restated RM'000
At 30 June 2007			
Property, plant & equipment	6,326	(426)	5,900
Prepaid lease payments	-	426	426

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A3. Audit Report of Preceding Annual Financial Statements

The audited annual financial statements for the year ended 30th June 2007 were not subject to any qualification.

A4. Seasonal or cyclical factors

The business of the Group was not affected by any significant seasonal or cyclical fluctuations.

A5. Unusual Items

There were no unusual items of nature, size or incidence that affect the assets, liabilities, equity, net income or cashflows of the Group during the financial period under review other than those disclosed in this interim condensed financial statements.

A6. Changes in Estimates

There were no changes in estimate of amount reported in the current quarter or changes in estimate of amount reported in prior financial years that have a material effect in the current quarter under review.

A7. Debt and equity securities

There were no issuances and repayment of debt and equity securities, share buy-backs, share cancellations, share held as treasury shares and resale of treasury shares for the period under review.

A8. Dividends paid

No dividend was paid during the period from 1st July 2007 to 30th September 2007. (30th June 2007: NIL).

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A9. Segment information

Segment information is presented in respect of the Group's business segments.

	Investment & Services	Property Development	Construction	Trading	Manufacturing	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>							
Revenue from external customers	-	-	46	6,332	-	-	6,378
Inter-segment revenue	215	11	824	-	-	(1,050)	-
Total revenue	215	11	870	6,332	-	(1,050)	6,378
<u>Results</u>							
Segment Results	(204)	(91)	(369)	550	(1)	-	(115)
Unallocated expenses	-	-	-	-	-	-	-
Net interest expense	(9)	(8)	(41)	6	(3)	-	(55)
Profit/(loss) before tax	(213)	(99)	(410)	556	(4)	-	(170)
Taxation	-	-	-	(120)	-	-	(120)
Profit/(loss) After tax	(213)	(99)	(410)	436	(4)	-	(290)
<u>Other Information</u>							
Segment Assets	11,965	10,790	24,774	23,584	317	-	71,430
Unallocated assets	-	-	-	-	-	-	1,436
Total Assets	-	-	-	-	-	-	72,866

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A10. Continuing and discontinuing operations

The discontinuing operation represents the cessation of the manufacturing operation.

	Continuing Operation	Discontinuing Operation	Elimination	Group
<u>Revenue</u>				
Revenue from external customers	6,378	-		6,378
Inter-segment revenue	1,050	-	(1,050)	-
Total revenue	<u>7,428</u>	<u>-</u>	<u>(1,050)</u>	<u>6,378</u>
<u>Results</u>				
Segment Results	(114)	(1)	-	(115)
Unallocated expenses	-	-		-
Net interest expense	(52)	(3)		(55)
Profit/(loss) before tax	(166)	(4)	-	(170)
Taxation	(120)	-	-	(120)
Profit/(loss) After tax	<u>(286)</u>	<u>(4)</u>	<u>-</u>	<u>(290)</u>

A11. Property, plant and equipment

The valuations of land and buildings have been brought forward, without amendment from the previous annual audited financial statements.

A12. Material events subsequent to the end of the interim period

There were no material events subsequent to the current financial quarter ended 30th September 2007 up to the date of this report which is likely to substantially affect the results of the operations of the Group.

A13. Changes in composition of the Group

There were no material changes in the composition of the Group for the current quarter and financial year-to-date.

A14. Changes in contingent liabilities

There is no material changes on contingent liabilities other than those highlighted in the financial report for the year ended 30th June 2007

Performance Bonds

The Performance Bonds issued has reduced from RM1,858,888.20 as at 30th June 2007 to RM462,584.16 as at 30th September 2007.

Litigation

There were no material changes on the counterclaims filed by a debtor as reported in the financial statements for the year ended 30th June 2007.

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A15. Capital commitments

	RM'000
Property, plant and equipment	
Authorised but not contracted for	NIL
Contracted but not provided for in the financial statements	15,000