

GRAND HOOVER BERHAD (10493-P)

Unaudited Condensed Consolidated Balance Sheet as at 31 December 2008

	Note	As at 31.12.08 RM'000 unaudited	As at 30.06.2008 RM'000 audited (restated)
ASSETS			
Non-current assets			
Property, plant and equipment	A 10	5,716	5,395
Investment properties		2,017	2,028
Prepaid lease payments		411	416
Goodwill on consolidation		1,436	1,436
		<u>9,580</u>	<u>9,275</u>
Current assets			
Amount due from contract customers		1	305
Inventory		6,320	8,114
Trade receivables		16,593	28,218
Accrued billings		-	469
Other receivables, deposits and prepayments		9,860	15,305
Development expenditure		8,455	7,513
Tax recoverable		5	122
Sinking funds with licensed bank		-	152
Fixed deposits with licensed banks		64	1,294
Cash under Housing Development Account		1,868	1,674
Cash and bank balances		3,007	2,401
		<u>46,173</u>	<u>65,567</u>
TOTAL ASSETS		<u><u>55,753</u></u>	<u><u>74,842</u></u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		40,000	40,000
Share premium		4,186	4,186
Reserves		714	1,724
Retained profit / (Accumulated loss)		(11,780)	(13,773)
		<u>33,120</u>	<u>32,137</u>
Minority interest		<u>6,103</u>	<u>5,837</u>
Total equity		<u><u>39,223</u></u>	<u><u>37,974</u></u>

GRAND HOOVER BERHAD (10493-P)

Unaudited Condensed Consolidated Balance Sheet as at 31 December 2008.

	As at 31.12.08 RM'000 unaudited	As at 30.06.2008 RM'000 audited (restated)
Non current liabilities		
Hire purchase	458	264
Deferred taxation	181	181
	<u>639</u>	<u>445</u>
Current liabilities		
Amount due to contract customers	-	1,433
Trade payables	6,831	23,663
Other payables	5,360	5,445
Bills payable	358	1,078
Hire purchase and lease payables	124	195
Bank overdrafts	2,876	4,365
Provision for taxation	342	244
	<u>15,891</u>	<u>36,423</u>
Total liabilities	<u>16,530</u>	<u>36,868</u>
TOTAL EQUITY AND LIABILITIES	<u>55,753</u>	<u>74,842</u>
Net tangible assets per share (RM)	<u>0.79</u>	<u>0.77</u>
Net assets per share attributable to ordinary equity holders of the parents (RM)	<u>0.83</u>	<u>0.80</u>

The unaudited condensed consolidated balance sheet should be read in conjunction with the Financial Statements for the year ended 30th June 2008

GRAND HOOVER BERHAD (10493-P)

Unaudited Condensed Consolidated Income Statement for the period ended 31 December 2008

	Year Quarter 31.12.08 RM'000 unaudited	Corresponding Quarter 31.12.07 RM'000 unaudited	Year To Date 31.12.08 RM'000 unaudited	Year To Date 31.12.07 RM'000 unaudited
Continuing Operations				
Revenue	14,465	6,957	25,850	13,335
Cost of sales	<u>(11,071)</u>	<u>(5,495)</u>	<u>(21,371)</u>	<u>(10,669)</u>
Gross profit	3,394	1,462	4,479	2,666
Other income	23	15	287	36
Administrative expenses	(1,405)	(1,411)	(2,898)	(2,741)
Finance cost	<u>(9)</u>	<u>(76)</u>	<u>(33)</u>	<u>(141)</u>
Profit /(Loss) before taxation	2,003	(10)	1,835	(180)
Tax expense	<u>(392)</u>	<u>(150)</u>	<u>(590)</u>	<u>(270)</u>
Profit /(loss) for the period	<u>1,611</u>	<u>(160)</u>	<u>1,245</u>	<u>(450)</u>
Attributable to:				
Equity holders of the parent	1,459	(338)	919	(761)
Minority interests	<u>152</u>	<u>178</u>	<u>326</u>	<u>311</u>
	<u>1,611</u>	<u>(160)</u>	<u>1,245</u>	<u>(450)</u>
Basic earnings per ordinary share (sen) Based on 40,000,000 ordinary shares	3.65	(0.85)	2.30	(1.90)
Proposed / Declared Dividend per share (sen)	-	-	-	-

The unaudited condensed consolidated income statement should be read in conjunction with the Financial Statements for the year ended 30th June 2008

GRAND HOOVER BERHAD (10493-P)

Unaudited Condensed Consolidated Statement of Change in Equity for the period ended 31 December 2008

	----- Attributable to Equity Holders of the Parent -----				Total	Minority Interest	Total Equity
	Share Capital	Share Premium	Share Revaluation Reserve	Unappro. Profit/(Loss)			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1st July 2008	40,000	4,186	1,724	(13,773)	32,137	5,837	37,974
Disposal of subsidiary	-	-	-	67	67	-	67
Realisation upon disposal of shares in subsidiary	-	-	(1,010)	1,010	-	-	-
Profit / (Loss) for the period	-	-	-	916	916	329	1,245
Dividend paid to minority interest			-	-	-	(63)	(63)
Balance as at 31st December 2008	<u>40,000</u>	<u>4,186</u>	<u>714</u>	<u>(11,780)</u>	<u>33,120</u>	<u>6,103</u>	<u>39,223</u>
Balance as at 1st July 2007	40,000	4,186	1,724	(12,883)	33,027	5,486	38,513
Loss for the year	-	-	-	(890)	(890)	501	(389)
Dividend paid to minority interest			-	-	-	(150)	(150)
Balance as at 30th June 2008 (restated)	<u>40,000</u>	<u>4,186</u>	<u>1,724</u>	<u>(13,773)</u>	<u>32,137</u>	<u>5,837</u>	<u>37,974</u>

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the Financial Statements for the year ended 30th June 2008

GRAND HOOVER BERHAD (10493-P)

Unaudited Condensed Consolidated Cash Flow Statement for the period ended 31 December 2008

	6 months Current Year To Date 31-12-08 RM'000 unaudited	12 months Preceding Year To Date 30-06-08 RM'000 audited (Restated)
Cash flows from operating activities		
Profit / (loss) before taxation	1,835	339
Adjustments for :		
Non - cash items	485	1,456
Non - operating items - investing	(8)	(64)
Non - operating items - financing	33	291
Operating profit / (loss) before working capital changes	<u>2,345</u>	<u>2,022</u>
(Increase) / Decrease in working capital :		
Net Change in operating assets	18,393	(1,925)
Net Change in operating liabilities	<u>(18,350)</u>	<u>(210)</u>
Cash generated from / (used in) operation	2,388	(113)
Interest paid	(33)	(336)
Income tax refund	-	2
Income tax paid	<u>(389)</u>	<u>(525)</u>
Net cash from / (used in) operating activities	1,966	(972)
Cash Flows from investing activities		
Interest received	8	45
Proceeds from disposal of property, plant and equipment	85	64
Purchase of property, plant and equipment	(654)	(118)
Withdrawal / (Placement) of fixed deposits	1,230	(48)
Withdrawal / (Placement) of sinking funds	152	(152)
Net cash (used in) / from investing activities	<u>821</u>	<u>(209)</u>
Balance carried forwards	2,787	(1,181)

GRAND HOOVER BERHAD (10493-P)

Unaudited Condensed Consolidated Cash Flow Statement for the period ended 31 December 2008

Balance brought forward	2,787	(1,181)
Cash flows from financing activities		
Drawdown/(Repayment) of bankers' acceptances	(720)	860
Dividends paid to minority shareholders	(63)	(150)
Drawdown of hire purchase	403	75
Repayment of hire purchase	(118)	(276)
Net cash used in financing activities	<u>(498)</u>	<u>509</u>
Net increase/(decrease) in cash and cash equivalents	<u>2,289</u>	<u>(672)</u>
Cash and cash equivalents at beginning of year	<u>(290)</u>	<u>382</u>
Cash and cash at 31 December (i)	<u><u>1,999</u></u>	<u><u>(290)</u></u>

(i) Cash and cash equivalents

Cash and cash equivalents comprise the following balance sheet amounts :

	31/12/2008	30/06/2008
	RM'000	RM'000
Cash and bank balances	3,007	2,401
Cash under Housing Development Account	1,868	1,674
Bank overdrafts	(2,876)	(4,365)
	<u>1,999</u>	<u>(290)</u>

The unaudited condensed consolidated cash flow statement should be read in conjunction with the Financial Statements for the year ended 30th June 2008

GRAND HOOVER BHD (10493-P)
Note to the interim financial report

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 2008. 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 2008.

A2. Changes in accounting policies

The significant accounting policies, method of computation and basis of consolidation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 30th June 2008 except for the new and revised FRSs issued by MASB that are effective and applicable for financial year beginning on or after 1 July 2008.

A3. Audit Report of Preceding Annual Financial Statements

The audited annual financial statements for the year ended 30th June 2008 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 cash flows 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 2008 to 31st December 2008. (30th June 2008: NIL).

GRAND HOOVER BHD (10493-P)

Note to the interim financial report

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	1	7,639	9	18,201	-		25,850
Inter-segment revenue	271	21	6,043	527	-	(6,862)	-
Total revenue	<u>272</u>	<u>7,660</u>	<u>6,052</u>	<u>18,728</u>	<u>-</u>	<u>(6,862)</u>	<u>25,850</u>
<u>Results</u>							
Segment Results	(61)	1,124	80	1,285	(3)	(565)	1,860
Unallocated expenses	-	-	-	-	-	-	-
Net interest expense	(19)	2	(1)	(3)	(4)		(25)
Profit/(loss) before tax	(80)	1,126	79	1,282	(7)	(565)	1,835
Taxation	46	(269)	-	(367)	-	-	(590)
Profit/(loss) After tax	<u>(34)</u>	<u>857</u>	<u>79</u>	<u>915</u>	<u>(7)</u>	<u>(565)</u>	<u>1,245</u>

A10. Property, plant and equipment

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

A11. Material events subsequent to the end of the interim period

There were no material events subsequent to the current financial quarter ended 30th December 2008 up to the date of this report which is likely to substantially affect the results of the operations of the Group.

A12. Changes in composition of the Group

There were no major changes in the composition of the Group during the current quarter except for on 28th August 2008, the Company had entered into a share Sale and Purchase Agreement for the disposal of the entire 6,000,000 ordinary shares of RM1.00 each fully paid in L' Grande Development Sdn Bhd ("LGD"), a wholly owned subsidiary of the Company for a cash consideration of RM1,000. As a result of the Disposal, LGD ceased to be a subsidiary of the Company.

A13. 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 2008.

Performance Bonds

The Performance Bonds issued has reduced from RM442,584.16 as at 30th June 2008 to NIL as at 31st December 2008.

Litigation

There is no claim filed by any debtor as at 31 December 2008.

A14. Capital commitments

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

GRAND HOOVER BHD (10493-P)

Additional Information Requested by the Bursa Malaysia Listing Requirements

B1. Review of performance

The Group's financial performance for the period ended 31 December 2008 has reported a profit before tax of RM1,835,000 compared with the corresponding period of the preceding year loss before tax of RM180,000.

B2. Variation of results against preceding quarter

For the quarter under review, the Group made a profit before tax of RM2,003,000 as compared to a loss before tax of RM168,000 in the immediate preceding quarter.

The profit was contributed by trading division and the property division. The property division has better certification of progressive billing compared to immediate preceding quarter.

B3. Current financial year prospects

The Group's business is mainly in the construction of residential properties and trading of building materials. Barring any unforeseen circumstances, the Group's result is expected to be challenging in the current financial year.

B4. Taxation

	RM'000
Current year taxation	635
Over Provision of taxation	(45)

	590
	=====

The provision of taxation was derived from profit made on trading and property development segment.

B5. Sales of Unquoted Investment and properties

The Company had on 28th August 2008 entered into a Share Sale and Purchase Agreement to dispose of the entire 6,000,000 ordinary share of RM1.00 each fully paid in L' Grande Development Sdn Bhd ("LGD"), a wholly owned subsidiary of the Company, for the cash consideration of RM1,000.

The book value of the investment in LGD had been fully written off due to impairment loss, therefore the gain on disposal of unquoted investment for the Company was RM1,000.

GRAND HOOVER BHD (10493-P)

Additional Information Requested by the Bursa Malaysia Listing Requirements

B6. Status of corporate proposal announced

Status of corporate proposals announced but not completed as at 25th February 2009 are:

- a) Proposed Acquisition of A Parcel of Land From Perbadanan Kemajuan Negeri Kedah ("PKNK") For A Total Cash Consideration of RM20,000,000.00

As per the announcement made to the Bursa Malaysia Securities Bhd. on 16th December 2008, PKNK and the Company had by way of exchange of letters mutually agreed to vary certain terms and conditions of the Sale and Purchase Agreement dated 7th May 2003 ("SPA").

The variation to the SPA reduces the Company's acquisition to only 125 acres instead of the 500 acres of the Land for a total cash consideration of RM5,000,000 which has been paid in full and PKNK is to identify and transfer the 125 acres to the Company in a block title.

- b) Proposed Employees' Share Option Scheme ("ESOS") and Proposed Grant of ESOS to Certain Directors.

The ESOS of the Company has lapsed.

B7. Group borrowings and debt securities

All the borrowings of the Group are in Ringgit Malaysia.

	Secured RM'000	Unsecured RM'000
BANK OVERDRAFT		
Repayable within the next 12 months	2,876	-
BILLS PAYABLE	-	358
HIRE PURCHASE		
Repayable within the next 12 months	124	
Repayable after the next 12 months	458	
Total:	----- 3,458 =====	----- 358 =====

B8. Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk for the current financial period to date.

GRAND HOOVER BHD (10493-P)

Additional Information Requested by the Bursa Malaysia Listing Requirements

B9. Changes in material litigation

Material litigation as at 25th February 2009 is as follows:-

Separate Civil Suit by Grand Hoover Berhad ('GHB') against Konsep Karisma Sdn Bhd ('KKSB')

KL High Court Originating Summons No. D4 – 24 – 138 – 2007 (the "Injunction Application") and KL High Court Suite No. S3 – 22-492-2007 (Counter claim petition)

There is no further development. The case management has been postponed and fixed on 4 March 2009.

B10. Dividends

No interim dividend was declared during the period from 1st July 2008 to 31st December 2008 (30th June 2008: NIL).

B11. Earnings per share

Basic earnings per share

The calculation of basic earnings per share for the quarter is based on the profit for the period attributable to equity holders of the parent of RM919,000 and the number of ordinary shares in issue during the quarter of 40,000,000.