



GRAND HOOVER BERHAD

(Company No. 10493-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR
4th QUARTER END 30TH JUNE 2017



Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2017

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months Current Year Quarter 30.06.2017 RM'000 unaudited	3 months Preceding Year Corresponding Quarter 30.06.2016 RM'000 audited (Restated)	12 months Current Year To Date 30.06.2017 RM'000 unaudited	12 months Preceding Year To Date 30.06.2016 RM'000 audited (Restated)
Revenue	11,774	15,550	54,019	63,539
Cost of sales	<u>(5,899)</u>	<u>(12,215)</u>	<u>(43,643)</u>	<u>(54,744)</u>
Gross profit	5,875	3,335	10,376	8,795
Interest income	28	18	144	93
Other income	116	363	457	583
Administrative expenses	(2,248)	(2,068)	(7,519)	(7,684)
Depreciation and amortisation	(247)	(103)	(568)	(403)
Finance cost	<u>(107)</u>	<u>(177)</u>	<u>(640)</u>	<u>(662)</u>
Profit / (Loss) before taxation	3,417	1,368	2,250	722
Tax expense	<u>(271)</u>	<u>(511)</u>	<u>(995)</u>	<u>(997)</u>
Profit / (loss) for the period	<u>3,146</u>	<u>857</u>	<u>1,255</u>	<u>(275)</u>
Other comprehensive income				
Revaluation (deficit) / surplus, net of deferred taxation	173	(3)	173	(3)
Total comprehensive income	<u>3,319</u>	<u>854</u>	<u>1,428</u>	<u>(278)</u>
Profit / (loss) for the period attributable to:				
Equity holders of the Company	2,915	404	405	(1,150)
Non-controlling interests	<u>231</u>	<u>453</u>	<u>850</u>	<u>875</u>
	<u>3,146</u>	<u>857</u>	<u>1,255</u>	<u>(275)</u>
Total comprehensive income attributable to:				
Equity holders of the Company	3,105	425	595	(1,130)
Non-controlling interests	<u>214</u>	<u>429</u>	<u>833</u>	<u>852</u>
	<u>3,319</u>	<u>854</u>	<u>1,428</u>	<u>(278)</u>
Basic earnings per ordinary share (sen) Based on 40,000,000 ordinary shares	7.29	1.01	1.01	(2.88)

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Report for the year ended 30th June 2016



**Unaudited Condensed Consolidated Statement of Financial Position
as at 30 June 2017**

	Note	As at 30.06.2017 RM'000 unaudited	As at 30.06.2016 RM'000 audited (restated)
ASSETS			
Non-current assets			
Property, plant and equipment	A 9	21,694	21,989
Investment properties		8,505	8,440
Prepaid lease payments		97	103
Land held for property development		8,770	8,770
Goodwill on consolidation		1,151	1,436
		<u>40,217</u>	<u>40,738</u>
Current assets			
Inventories-Finished Goods		9,875	9,985
Inventories-Completed Properties		3,161	-
Property Development Costs		369	7,410
Trade receivables		22,045	24,268
Other receivables, deposits and prepayments		1,824	441
Tax recoverable		29	1
Fixed deposits with licensed banks		1,262	1,228
Cash and bank balances		3,198	4,751
		<u>41,763</u>	<u>48,084</u>
TOTAL ASSETS		<u><u>81,980</u></u>	<u><u>88,822</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		8,088	7,898
Retained profit / (Accumulated loss)		(4,119)	(4,524)
		<u>48,155</u>	<u>47,560</u>
Non-controlling interest		<u>11,038</u>	<u>10,355</u>
Total equity		<u><u>59,193</u></u>	<u><u>57,915</u></u>



**Unaudited Condensed Consolidated Statement of Financial Position
as at 30 June 2017**

	As at 30.06.2017 RM'000 unaudited	As at 30.06.2016 RM'000 audited (restated)
Non current liabilities		
Finance lease liabilities	579	769
Term Loan	3,068	3,337
Deferred taxation	2,893	2,875
	<u>6,540</u>	<u>6,981</u>
Current liabilities		
Trade payables	9,348	15,100
Other payables and accruals	698	611
Finance lease liabilities	190	244
Term Loan	336	336
Bill Payable	117	324
Bank overdraft	5,041	6,553
Provision for taxation	517	758
	<u>16,247</u>	<u>23,926</u>
Total liabilities	<u>22,787</u>	<u>30,907</u>
TOTAL EQUITY AND LIABILITIES	<u>81,980</u>	<u>88,822</u>
Net tangible assets per share (RM)	<u>1.17</u>	<u>1.15</u>
Net assets per share attributable to ordinary equity holders of the parents (RM)	<u>1.20</u>	<u>1.19</u>

The unaudited condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Report for the year ended 30th June 2016



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**Unaudited Condensed Consolidated Statement of Change in Equity
for the period ended 30 June 2017**

	---- Attributable to Equity Holders of the Parent ----						
	-- Non-distributable --			Distributable			
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Unappro. Profit/ (Loss) RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
Balance as at 1st July 2016	40,000	4,186	7,898	(4,524)	47,560	10,355	57,915
Comprehensive income:							
Net profit / (loss) for the financial year	-	-	-	405	405	850	1,255
Other comprehensive income:							
Revaluation surplus / (deficit), net of deferred tax	-	-	190	-	190	(17)	173
Total comprehensive income	-	-	190	405	595	833	1,428
Dividends paid to non-controlling interest	-	-	-	-	-	(150)	(150)
Balance as at 30th June 2017	<u>40,000</u>	<u>4,186</u>	<u>8,088</u>	<u>(4,119)</u>	<u>48,155</u>	<u>11,038</u>	<u>59,193</u>
Balance as at 1st July 2015	40,000	4,186	7,877	(3,374)	48,689	9,729	58,418
Comprehensive income:							
Net profit / (loss) for the financial year	-	-	-	(1,150)	(1,150)	875	(275)
Other comprehensive income:							
Revaluation surplus, net of deferred tax	-	-	21	-	21	(24)	(3)
Total comprehensive income	-	-	21	(1,150)	(1,129)	851	(278)
Dividends paid to non - controlling interests	-	-	-	-	-	(225)	(225)
Balance as at 30th June 2016	<u>40,000</u>	<u>4,186</u>	<u>7,898</u>	<u>(4,524)</u>	<u>47,560</u>	<u>10,355</u>	<u>57,915</u>
Dividend distribution per ordinary share for the quarter		-	-	-	-		

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the Audited Financial Report for the year ended 30th June 2016



**Unaudited Condensed Consolidated Statement of Cash Flows
for the period ended 30 June 2017**

	12 months Current Year To Date 30-06-2017 RM'000 unaudited	12 months Preceding Year To Date 30-06-2016 RM'000 audited (Restated)
Cash flows from operating activities		
Profit / (loss) before taxation	2,250	722
Adjustments for :		
Non - cash items	143	82
Non - operating items - investing	460	153
Non - operating items - financing	496	569
Operating profit / (loss) before working capital changes	<u>3,349</u>	<u>1,526</u>
(Increase) / Decrease in working capital :		
Net Change in operating assets	4,972	2,216
Net Change in operating liabilities	(5,665)	(3,271)
Cash generated from / (used in) operation	<u>2,656</u>	<u>471</u>
Interest paid	(640)	(662)
Income tax paid	(1,301)	(525)
Income tax refund	2	-
Net cash from / (used in) operating activities	<u>717</u>	<u>(716)</u>
Cash Flows from investing activities		
Interest received	144	93
Proceeds from disposal of plant and equipment	43	-
Purchase of property, plant and equipment	(40)	(390)
Purchase of investment property	-	(250)
Net cash from / (used in) investing activities	<u>147</u>	<u>(547)</u>
Balance carried forwards	864	(1,263)



**Unaudited Condensed Consolidated Statement of Cash Flows
for the period ended 30 June 2017**

Balance brought forward	864	(1,263)
Cash flows from financing activities		
Drawdown of Hire Purchase	-	318
Drawdown / (repayment of) Bills Payable	(207)	324
Repayment of hire purchase	(244)	(224)
Dividends paid to non-controlling interests	(150)	(225)
Repayment of term loan	(270)	(2,187)
Net cash used in financing activities	(871)	(1,994)
Net decrease in cash and cash equivalents	(7)	(3,257)
Cash and cash equivalents at beginning of year	(574)	2,683
Cash and cash at 30 June (i)	(581)	(574)

(i) Cash and cash equivalents

Cash and cash equivalents comprise the following balance sheet amounts :

	30/06/2017	30/06/2016
	RM'000	RM'000
Cash and bank balances	3,198	4,751
Deposit with licensed banks	1,262	1,228
Bank overdrafts	(5,041)	(6,553)
	(581)	(574)

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the Audited Financial Report for the year ended 30th June 2016.

A1. Basis of preparation

The condensed consolidated interim financial statements has been prepared in accordance with the Financial Reporting Standards (FRSs) 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (MASB) and the applicable disclosure provision under Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These condensed interim financial statements also comply with the International Accounting Standards (IAS) 34, *Interim Financial Reporting* issued by the International Accounting Standard Board (IASB).

The condensed consolidated interim financial statements should be read in conjunction with the Group's annual audited financial statements for the year ended 30th June 2016. 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 30th June 2016.

The Malaysian Financial Reporting Standards (MRS) Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1st January 2012, with the exception of entities that are within the scope of MFRS 141, Agriculture and / or IC interpretation 15 Agreements for the Construction of Real Estate, including its parent, significant investor and joint venture (herein called "Transitioning Entities"). Generally, Transitioning Entities are entities involved in the real estate and agriculture industries that had been given the option to continue applying the FRS Framework.

On 8th September 2015, MASB confirmed that the effective dated of MFRS 15 will be deferred to annual periods beginning on or after 1st January 2018. As a results, the effective date for Transitioning Entities to apply the MFRS framework will also be deferred to annual periods beginning on or after 1st January 2018.

Accordingly, as a transitioning entity as defined by the MASB, the Group has elected to continue to apply the FRS Framework up till its financial year ending 30 June 2018 and will adopt the Standards of the MFRS Framework that were issued by the MASB during the financial year ending 30 June 2019.

A2. Audit Report of Preceding Annual Financial Statements

The audited annual financial statements for the year ended 30th June 2016 were not subject to any qualification.

A3. Seasonal or cyclical factors

The business of the Group was not affected by any significant seasonal or cyclical fluctuations. However, the trading division was marginally affected by the strong competitive environments.

A4. 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.

A5. 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.

A6. 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.

A7. Dividends paid

There were no dividends paid by the Company during the period from 1st July 2016 to 30th June 2017 (30th June 2016: NIL).

A8. Segment information

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

RM'000

	Investment & Services and Others	Property Development and Construction	Trading	Elimination	Group
REVENUE					
Revenue from external customers	1	7,239	46,779		54,019
Inter-segment revenue	396	72	-	(468)	-
Total Revenue	397	7,311	46,779	(468)	54,019
RESULTS					
Segment Results	(429)	(2,235)	3,545	1,866	2,747
Unallocated expenses	-	-	-	-	-
Net interest expenses	(384)	(165)	52	-	(497)
Profit / (Loss) Before Tax	(813)	(2,400)	3,597	1,866	2,250
Taxation	(104)	2	(964)	71	(995)
Profit / (Loss) After Tax	(917)	(2,398)	2,633	1,937	1,255
Segment assets	19,458	10,027	51,344	1,151	81,980
Segment liabilities	6,383	1,463	14,191	750	22,787

A9. Property, plant and equipment

The valuations of land and buildings are determined by directors based on valuations carried out by Mr D.B Das Gupta of Stocker Roberts & Gupta Sdn Bhd, an independent valuer, who holds a recognized qualification and has relevant experience, by reference to market evidence of transaction prices of similar properties or comparable available market data.

A10. Material events subsequent to the end of the interim period

There were no material events subsequent to the current financial quarter ended 30th June 2017 up to the date of this report which is likely to substantially affect the results of the operations of the Group.

A11 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.

A12 Changes in contingent liabilities

There are no material changes on contingent liabilities other than those highlighted in the financial report for the year ended 30th June 2016.

A12.1 Performance Bonds

The performance bonds issued during the period from 1st July 2016 to 30th June 2017 are RM1,000,000.00 (30th June 2016: RM1,323,880.00).

A13. Capital commitments

	RM'000
Property, plant and equipment	
Authorised but not contracted for	NIL
Contracted but not provided for in the financial statements	900

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Additional Information Requested by the Bursa Malaysia Listing Requirements

B1. Review of performance

The Group's financial performance for the year ended 30th June 2017 had reported a profit before taxation of RM2,250,000 compared with the corresponding preceding period profit before tax of RM722,000.

The Group revenue for the financial year was RM54.5 million compared with the corresponding period of RM63.5 million. The lower revenue was mainly due to defer launching of new property development. The trading business generated lower sale of sanitary and piping due to soft market demand.

Although lower revenue generated, the improvement in performance was due to improvement in profit margin in trading and better recovery bad debts provided compared to preceding corresponding financial period.

RM'000

REVENUE	12 months period ended 30th June 2017 (unaudited)	12 months period ended 30th June 2016 (audited)	Variance	Variance (%)
Investment & Services	397	895	(498)	-55.6%
Property Development and Construction	7,311	12,247	(4,936)	-40.3%
Trading	46,779	51,040	(4,261)	-8.3%
	54,487	64,182	(9,695)	-15.1%
Elimination	(468)	(643)	-	-
Total	54,019	63,539	(9,520)	-15.0%

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Additional Information Requested by the Bursa Malaysia Listing Requirements

RM'000

	12 months period ended 30th June 2017 (unaudited)	12 months period ended 30th June 2016 (audited)	Variance	Variance (%)
Revenue	54,019	63,539	(9,520)	-15.0%
Profit / (Loss) before interest and taxation	2,746	1,291	1,455	>100%
Profit / (Loss) before taxation	2,250	722	1,528	>100%
Profit / (Loss) after taxation	1,255	(275)	1,530	>100%
Profit / (Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	405	(1,150)	1,555	>100%

B2. Variation of results against preceding quarter

For the quarter under review, the Group made a profit before tax of RM3,417,000 compared to a loss before tax of RM143,000 in the immediate preceding quarter.

A marginal improvement in performance was due to realization of profit on sale of property, an improvement of profit margin in trading sanitary & piping and recovery of bad debts provided compared to immediate preceding quarter.

RM'000

REVENUE	Current Quarter 30 June 2017 (unaudited)	Immediate Preceding Quarter 31 March 2017 (unaudited)	Variance	Variance (%)
Investment & Services	187	188	(1)	-
Property Development and Construction	1,622	17	1,605	>100%
Trading	10,169	12,641	(2,472)	-19.6%
	11,978	12,846	(868)	-6.8%
Elimination	(204)	(206)		
Total	11,774	12,640	(866)	-6.8%

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Additional Information Requested by the Bursa Malaysia Listing Requirements

RM'000

	Current Quarter 30 June 2017 (unaudited)	Immediate Preceding Quarter 31 March 2017 (unaudited)	Variance	Variance (%)
Revenue	11,774	12,640	(866)	-6.85%
Profit / (Loss) before interest and taxation	3,496	32	3,464	>100%
Profit / (Loss) before taxation	3,417	(143)	3,560	>100%
Profit / (Loss) after taxation	3,146	(432)	3,578	>100%
Profit / (Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	2,915	(657)	3,572	>100%

B3. Prospects

The Group's businesses in the property development would remain soft. The trading of building materials are expected to be challenging due to current market condition.

B4. Taxation

RM'000

Current year taxation	1,001
Under provision in previous year	29
Deferred taxation	(35)

	995
	=====

The provision of taxation relates to profit made on investment & service and trading segment.

B5. Status of corporate proposal announced

There are no corporate proposals not completed as at 29th August 2017.

B6. Group borrowings and debt securities

RM'000

	As at 4 th quarters ended 2017		
	Long term	Short term	Total
	RM'000	RM'000	RM'000
Secured			
Bank Overdraft (average int. 8.0% – 8.5%)	-	5,041	5,041
Finance lease liabilities (average int. 2.7% - 6.7%)	579	190	769
Term loan (average int. 4.0% to 5.0%)	3,068	336	3,404
Banker's Acceptance (average int. 4.0%- 5.0%)	-	117	117
Unsecured	-	-	-
Total	3,647	5,684	9,331

RM'000

	As at 4 th quarters ended 2016		
	Long term	Short term	Total
	RM	RM	RM
Secured			
Bank Overdraft	-	6,553	6,553
Finance lease liabilities	769	244	1,013
Term loan	3,337	336	3,673
Banker's Acceptance	-	324	324
Unsecured	-	-	-
Total	4,106	7,457	11,563

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Additional Information Requested by the Bursa Malaysia Listing Requirements

1. There are no new loan facilities for the quarter under review;
2. All the Group borrowings are in Ringgit Malaysia;
3. The reduction of term loan and finance lease liabilities were due to fixed schedule monthly repayment under the facilities agreement and the changes in bank overdraft and bankers' acceptance were due to short-term working capital requirement;

B7. Realised and Unrealised Profits / Losses Disclosure

	As at 30.06 2017 (RM'000) (unaudited)	As at 30.06.2016 (RM'000) (audited)
Total retained profits / (accumulated losses) of the Company and its subsidiaries:		
- Realised	6,248	8,027
- Unrealised	7,052	6,705
	-----	-----
	13,300	14,732
Less: Consolidation adjustments	(17,419)	(19,256)
	-----	-----
Total Group retained profits / (accumulated losses) as per consolidated accounts	(4,119)	(4,524)
	=====	=====

B8. Off balance sheet financial instruments

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

B9. Changes in material litigation

There is no material litigation as at 29th August 2017.

B10. Dividends

No interim dividend was declared during the period from 1st July 2016 to 30th June 2017 (30th June 2016: 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 RM404,000 and the number of ordinary shares in issue during the quarter of 40,000,000.

B 12. Profit before tax

Profit before tax is arrived at after charging / (crediting) the following items:

	3 months		12 months	
	Quarter ended		Cumulative to date	
	30.06.17	30.06.16	30.06.17	30.06.16
	RM'000	RM'000	RM'000	RM'000
Interest income	(28)	(18)	(144)	(93)
Rental income	(7)	(54)	(36)	(354)
Bad debts recovery	-	-	(46)	(67)
Reversal of impairment losses on trade receivables	(33)	(211)	(253)	(211)
Fair value adjustment, net (Gain) / loss on disposal of property, plant & equipment	(65)	(250)	(65)	(250)
Impairment losses on trade receivable	-	-	(43)	-
Bad debts written off	151	274	153	284
Depreciation of property, plant and equipment	3	10	3	10
Amortisation of prepaid lease payments	246	102	562	397
Interest expenses	1	1	6	6
Impairment of goodwill	107	177	640	662
	285	-	285	-