



# GRAND HOOVER BERHAD

(Company No. 10493-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR  
1<sup>st</sup> QUARTER END 30<sup>TH</sup> SEPTEMBER 2017



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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months Current Year Quarter 30.09.2017 RM'000 unaudited	3 months Preceding Year Corresponding Quarter 30.09.2016 RM'000 audited (Restated)	3 months Current Year To Date 30.09.2017 RM'000 unaudited	3 months Preceding Year To Date 30.09.2016 RM'000 audited (Restated)
Revenue	11,640	12,195	11,640	12,195
Cost of sales	(10,263)	(10,458)	(10,263)	(10,458)
Gross profit	1,377	1,737	1,377	1,737
Interest income	69	72	69	72
Other income	42	111	42	111
Administrative expenses	(1,698)	(1,653)	(1,698)	(1,653)
Depreciation and amortisation	(137)	(107)	(137)	(107)
Finance cost	(151)	(186)	(151)	(186)
Profit / (Loss) before taxation	(498)	(26)	(498)	(26)
Tax expense	(72)	(229)	(72)	(229)
Profit / (loss) for the period	(570)	(255)	(570)	(255)
Other comprehensive income				
Revaluation (deficit) / surplus, net of deferred taxation	-	-	-	-
Total comprehensive income	(570)	(255)	(570)	(255)
Profit / (loss) for the period attributable to:				
Equity holders of the Company	(626)	(469)	(626)	(469)
Non-controlling interests	56	214	56	214
	(570)	(255)	(570)	(255)
Total comprehensive income attributable to:				
Equity holders of the Company	(626)	(469)	(626)	(469)
Non-controlling interests	56	214	56	214
	(570)	(255)	(570)	(255)
Basic earnings per ordinary share (sen) Based on 40,000,000 ordinary shares	(1.57)	(1.17)	(1.57)	(1.17)

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Report for the year ended 30<sup>th</sup> June 2017



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

	Note	As at 30.09.2017 RM'000 unaudited	As at 30.06.2017 RM'000 audited (restated)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	A 9	21,564	21,694
Investment properties		8,505	8,505
Prepaid lease payments		95	97
Land held for property development		8,770	8,770
Goodwill on consolidation		1,151	1,151
		<u>40,085</u>	<u>40,217</u>
<b>Current assets</b>			
Inventories-Finished Goods		9,759	9,875
Inventories-Completed Properties		3,161	3,161
Property Development Costs		386	369
Trade receivables		22,959	22,045
Other receivables, deposits and prepayments		1,087	1,750
Current tax assets		32	29
Fixed deposits with licensed banks		1,262	1,262
Cash and bank balances		3,797	3,619
		<u>42,443</u>	<u>42,110</u>
<b>TOTAL ASSETS</b>		<u><u>82,528</u></u>	<u><u>82,327</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		40,000	40,000
Share premium		4,186	4,186
Reserves		8,088	8,088
Retained profit / (Accumulated loss)		(4,745)	(4,119)
		<u>47,529</u>	<u>48,155</u>
<b>Non-controlling interest</b>		<u>11,094</u>	<u>11,038</u>
<b>Total equity</b>		<u><u>58,623</u></u>	<u><u>59,193</u></u>



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

	As at 30.09.2017 RM'000 unaudited	As at 30.06.2017 RM'000 audited (restated)
<b>Non current liabilities</b>		
Finance lease liabilities	530	579
Term Loan	3,023	3,068
Deferred taxation	2,893	2,893
	<u>6,446</u>	<u>6,540</u>
<b>Current liabilities</b>		
Trade payables	9,973	9,430
Other payables and accruals	836	715
Finance lease liabilities	193	190
Term Loan	336	336
Bill Payable	780	117
Bank overdraft	5,057	5,289
Current tax liabilities	284	517
	<u>17,459</u>	<u>16,594</u>
<b>Total liabilities</b>	<u>23,905</u>	<u>23,134</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>82,528</u>	<u>82,327</u>
<b>Net tangible assets per share (RM)</b>	<u>1.16</u>	<u>1.17</u>
<b>Net assets per share attributable to ordinary equity holders of the parents (RM)</b>	<u>1.19</u>	<u>1.20</u>

The unaudited condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Report for the year ended 30<sup>th</sup> June 2017



**GRAND HOOVER BHD (10493-P)**

**Unaudited Condensed Consolidated Statement of Change in Equity  
for the period ended 30 September 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
<b>Balance as at 1st July 2017</b>	40,000	4,186	8,088	(4,119)	48,155	11,038	59,193
Comprehensive income:							
Net profit / (loss) for the financial year	-	-	-	(626)	(626)	56	(570)
Other comprehensive income:							
Revaluation surplus / (deficit), net of deferred tax	-	-	-	-	-	-	-
Total comprehensive income / (loss)	-	-	-	(626)	(626)	56	(570)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-
<b>Balance as at 30th September 2017</b>	<u>40,000</u>	<u>4,186</u>	<u>8,088</u>	<u>(4,745)</u>	<u>47,529</u>	<u>11,094</u>	<u>58,623</u>
<b>Balance as at 1st July 2016</b>	40,000	4,186	7,898	(4,524)	47,560	10,355	57,915
Comprehensive income:							
Net profit 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 interests	-	-	-	-	-	(150)	(150)
<b>Balance as at 30th June 2017</b>	<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>
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 30<sup>th</sup> June 2017.



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

	<b>3 months Current Year To Date 30-09-2017 RM'000 unaudited</b>	<b>12 months Preceding Year To Date 30-06-2017 RM'000 audited (Restated)</b>
<b>Cash flows from operating activities</b>		
Profit / (loss) before taxation	(498)	2,250
Adjustments for :		
Non - cash items	(3)	268
Non - operating items - investing	114	460
Non - operating items - financing	82	497
Operating profit / (loss) before working capital changes	<u>(305)</u>	<u>3,475</u>
(Increase) / Decrease in working capital :		
Net Change in operating assets	(149)	4,922
Net Change in operating liabilities	664	(5,567)
Cash generated from / (used in) operation	<u>210</u>	<u>2,830</u>
Interest paid	(151)	(641)
Income tax paid	(308)	(1,301)
Income tax refund	-	2
Net cash from / (used in) operating activities	<u>(249)</u>	<u>890</u>
<b>Cash Flows from investing activities</b>		
Interest received	69	144
Proceeds from disposal of plant and equipment	23	43
Purchase of property, plant and equipment	(5)	(40)
Net cash from / (used in) investing activities	<u>87</u>	<u>147</u>
Balance carried forwards	(162)	1,037



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

Balance brought forward	(162)	1,037
<b>Cash flows from financing activities</b>		
Drawdown / (repayment of ) Bills Payable	663	(207)
Repayment of hire purchase	(46)	(244)
Dividends paid to non-controlling interests	-	(150)
Repayment of term loan	(45)	(270)
Net cash used in financing activities	<u>572</u>	<u>(871)</u>
Net decrease in cash and cash equivalents	410	166
Cash and cash equivalents at beginning of year	(408)	(574)
Cash and cash at 30 September (i)	<u>2</u>	<u>(408)</u>

**(i) Cash and cash equivalents**

Cash and cash equivalents comprise the following balance sheet amounts :

	30/09/2017	30/06/2017
	RM'000	RM'000
Cash and bank balances	3,797	3,619
Deposit with licensed banks	1,262	1,262
Bank overdrafts	(5,057)	(5,289)
	<u>2</u>	<u>(408)</u>

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the Audited Financial Report for the year ended 30<sup>th</sup> June 2017.

## **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 30<sup>th</sup> June 2017. 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<sup>th</sup> June 2017.

The Malaysian Financial Reporting Standards (MFRS) Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1<sup>st</sup> 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 entitles involved in the real estate and agriculture industries that had been given the option to continue applying the FRS Framework.

On 8<sup>th</sup> September 2015, MASB confirmed that the effective dated of MFRS 15 will be deferred to annual periods beginning on or after 1<sup>st</sup> 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 1<sup>st</sup> January 2018.

The core principle of MFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. For real estate industry, MFRS 15 includes new disclosures (quantitative and / or qualitative information) to help investors better understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.



**A1. Basis of preparation (cont'd)**

The Group expect to present the first set of MFRS financial statements from the financial year ending 30<sup>th</sup> June 2019. In presenting the first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

**A2. Audit Report of Preceding Annual Financial Statements**

The audited annual financial statements for the year ended 30<sup>th</sup> June 2017 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 2017 to 30th September 2017 (30th June 2017: 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
<b>REVENUE</b>					
Revenue from external customers	-	-	11,640		11,640
Inter-segment revenue	11	18	-	(29)	-
Total Revenue	11	18	11,640	(29)	11,640
<b>RESULTS</b>					
Segment Results	(259)	(368)	211	-	(416)
Unallocated expenses	-	-	-	-	-
Net interest expenses	32	(131)	17	-	(82)
Profit / (Loss) Before Tax	(227)	(499)	228	-	(498)
Taxation	-	-	(72)	-	(72)
Profit / (Loss) After Tax	(227)	(499)	156	-	(570)
Segment assets	19,326	9,288	52,763	1,151	82,528
Segment liabilities	6,381	1,402	15,372	750	23,905

**A9. Property, plant and equipment**

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

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

There were no material events subsequent to the current financial quarter ended 30<sup>th</sup> September 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 30<sup>th</sup> June 2017.

**A12.1 Performance Bonds**

The performance bonds issued during the period from 1<sup>st</sup> July 2017 to 30<sup>th</sup> September 2017 are RM1,060,400.00 (30<sup>th</sup> June 2017: RM1,060,400.00).

**A13. Capital commitments**

	<b>RM'000</b>
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 period ended 30<sup>th</sup> September 2017 had reported a loss before taxation of RM498,000 compared with the corresponding preceding period loss before taxation of RM26,000

The Group revenue for the period was RM11.64 million compared with the corresponding period of RM12.19 million. The lower revenue was mainly due to lower sale of sanitary and piping in the trading business in view of the soft market demand.

**RM'000**

<b>REVENUE</b>	<b>3 months period ended 30<sup>th</sup> September 2017 (unaudited)</b>	<b>3 months period ended 30<sup>th</sup> September 2016 (unaudited)</b>	<b>Variance</b>	<b>Variance (%)</b>
Investment & Services	11	11	-	-
Property Development and Construction	18	18	-	-
Trading	11,640	12,195	(555)	-4.55%
	11,669	12,224	(555)	-4.55%
Elimination	(29)	(29)		
<b>Total</b>	<b>11,640</b>	<b>12,195</b>	<b>(555)</b>	<b>-4.55%</b>

**RM'000**

	<b>3 months period ended 30<sup>th</sup> September 2017 (unaudited)</b>	<b>3 months period ended 30<sup>th</sup> September 2016 (unaudited)</b>	<b>Variance</b>	<b>Variance (%)</b>
Revenue	11,640	12,195	(555)	-4.55%
Profit / (Loss) before interest and taxation	(416)	88	(504)	>100%
Profit / (Loss) before taxation	(498)	(26)	(472)	>100%
Profit / (Loss) after taxation	(570)	(255)	(315)	>100%
Profit / (Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	(626)	(469)	(157)	-33.48%

**B2. Variation of results against preceding quarter**

The Group revenue for the period was RM11.64 million compared with the immediate preceding quarter of RM11.78 million. There was an marginal improvement in trading division revenue of 14.47% compared to immediate preceding quarter. However, the Group revenue was off-set with no sales generated from the property division as no new property development is launched.

For the quarter under review, the Group made a loss taxation RM498,000 compared to profit before taxation of RM3,417,000 in the immediate preceding quarter. The loss was mainly due to lower margin earned from sales generated from the trading business and no sales generated from the property division.

RM'000

<b>REVENUE</b>	<b>Current Quarter 30 September 2017 (unaudited)</b>	<b>Immediate Preceding Quarter 30 June 2017 (unaudited)</b>	<b>Variance</b>	<b>Variance (%)</b>
Investment & Services	11	187	(176)	-94.12%
Property Development and Construction	18	1,622	(1,604)	-98.89%
Trading	11,640	10,169	1,471	14.47%
	11,669	11,978	(309)	-2.58%
Elimination	(29)	(204)		
<b>Total</b>	<b>11,640</b>	<b>11,774</b>	<b>(134)</b>	<b>-1.14%</b>

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Additional Information Requested by the Bursa Malaysia Listing Requirements

RM'000

	<b>Current Quarter 30 September 2017 (unaudited)</b>	<b>Immediate Preceding Quarter 30 June 2017 (unaudited)</b>	<b>Variance</b>	<b>Variance (%)</b>
Revenue	11,640	11,774	(134)	-1.14%
Profit / (Loss) before interest and taxation	(416)	3,496	(3,912)	>100%
Profit / (Loss) before taxation	(498)	3,417	(3,915)	>100%
Profit / (Loss) after taxation	(570)	3,146	(3,716)	>100%
Profit / (Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	(626)	2,915	(3,541)	>100%

**B3. Prospects**

The Group's property division is expected to remain soft. The trading of building materials are expected to be challenging due to current market condition.

**B4. Taxation**

RM'000

Current year taxation

72

-----  
72

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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 22<sup>nd</sup> November 2017.

**B6. Group borrowings and debt securities**

RM'000

	As at 1 <sup>st</sup> quarters ended 2018		
	Long term	Short term	Total
	RM'000	RM'000	RM'000
<b>Secured</b>			
Bank Overdraft (average int. 8.4% – 8.5%)	-	5,057	5,057
Finance lease liabilities (average int. 3.3% - 5.5%)	530	193	723
Term loan (average int. 4.4% to 4.5%)	3,023	336	3,359
Banker's Acceptance (average int. 3.8%- 4.0%)	-	780	780
<b>Unsecured</b>	-	-	-
<b>Total</b>	<b>3,553</b>	<b>6,366</b>	<b>9,919</b>

RM'000

	As at 4 <sup>th</sup> quarters ended 2017		
	Long term	Short term	Total
	RM	RM	RM
<b>Secured</b>			
Bank Overdraft	-	5,289	5,289
Finance lease liabilities	579	190	769
Term loan	3,068	336	3,404
Banker's Acceptance	-	117	117
<b>Unsecured</b>	-	-	-
<b>Total</b>	<b>3,647</b>	<b>5,932</b>	<b>9,579</b>

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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;
4. 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 30.09 2017 (RM'000) (unaudited)	As at 30.06.2017 (RM'000) (audited)
Total retained profits / (accumulated losses) of the Company and its subsidiaries:		
- Realised	5,178	6,248
- Unrealised	7,052	7,052
	-----	-----
	12,230	13,300
Less: Consolidation adjustments	(16,975)	(17,419)
Total Group retained profits / (accumulated losses) as per consolidated accounts	----- (4,745)	----- (4,119)
	=====	=====

**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 22<sup>nd</sup> November 2017.



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Additional Information Requested by the Bursa Malaysia Listing Requirements

**B10. Dividends**

No interim dividend was declared during the period from 1<sup>st</sup> July 2017 to 30<sup>th</sup> September 2017 (30<sup>th</sup> June 2017: NIL).

**B11. Earnings per share*****Basic earnings per share***

The calculation of basic earnings per share for the quarter is based on the loss for the period attributable to equity holders of the parent of RM626,000 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 Quarter ended		3 months Cumulative to date	
	30.09.17 RM'000	30.09.16 RM'000	30.09.17 RM'000	30.09.16 RM'000
Interest income	(69)	(72)	(69)	(72)
Rental income	(14)	(11)	(14)	(11)
Bad debts recovery	(3)	(60)	(3)	(60)
(Gain) / loss on disposal of property, plant & equipment	(23)	(38)	(23)	(38)
Depreciation of property, plant and equipment	135	105	135	105
Amortisation of prepaid lease payments	2	2	2	2
Interest expenses	151	186	151	186