



# GRAND HOOVER BERHAD

(Company No. 10493-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR  
2<sup>nd</sup> QUARTER END 31<sup>st</sup> DECEMBER 2017



**Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 December 2017**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months Current Year Quarter 31.12.2017 RM'000 unaudited	3 months Preceding Year Corresponding Quarter 31.12.2016 RM'000 audited (Restated)	6 months Current Year To Date 31.12.2017 RM'000 unaudited	6 months Preceding Year To Date 31.12.2016 RM'000 audited (Restated)
Revenue	12,510	17,410	24,150	29,605
Cost of sales	<u>(10,428)</u>	<u>(16,354)</u>	<u>(20,691)</u>	<u>(26,812)</u>
Gross profit	2,082	1,056	3,459	2,793
Interest income	31	27	100	99
Other income	17	42	59	153
Administrative expenses	(1,832)	(1,861)	(3,530)	(3,514)
Depreciation and amortisation	(137)	(107)	(274)	(214)
Finance cost	<u>(101)</u>	<u>(155)</u>	<u>(252)</u>	<u>(341)</u>
Profit /(Loss) before taxation	60	(998)	(438)	(1,024)
Tax expense	<u>(211)</u>	<u>(206)</u>	<u>(283)</u>	<u>(435)</u>
Profit / (loss) for the period	<u><u>(151)</u></u>	<u><u>(1,204)</u></u>	<u><u>(721)</u></u>	<u><u>(1,459)</u></u>
Other comprehensive income				
Revaluation (deficit) / surplus, net of deferred taxation	-	-	-	-
Total comprehensive income	<u><u>(151)</u></u>	<u><u>(1,204)</u></u>	<u><u>(721)</u></u>	<u><u>(1,459)</u></u>
Profit / (loss) for the period attributable to:				
Equity holders of the Company	(338)	(1,384)	(964)	(1,853)
Non-controlling interests	<u>187</u>	<u>180</u>	<u>243</u>	<u>394</u>
	<u><u>(151)</u></u>	<u><u>(1,204)</u></u>	<u><u>(721)</u></u>	<u><u>(1,459)</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	(338)	(1,384)	(964)	(1,853)
Non-controlling interests	<u>187</u>	<u>180</u>	<u>243</u>	<u>394</u>
	<u><u>(151)</u></u>	<u><u>(1,204)</u></u>	<u><u>(721)</u></u>	<u><u>(1,459)</u></u>
Basic earnings per ordinary share (sen) Based on 40,000,000 ordinary shares	(0.85)	(3.46)	(2.41)	(4.63)

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 31 December 2017**

	Note	As at 31.12.2017 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	21,554	21,694
Investment properties		8,505	8,505
Prepaid lease payments		94	97
Land held for property development		8,770	8,770
Goodwill on consolidation		1,151	1,151
		<u>40,074</u>	<u>40,217</u>
<b>Current assets</b>			
Inventories-Finished Goods		10,065	9,875
Inventories-Completed Properties		2,951	3,161
Property Development Costs		388	369
Trade receivables		24,284	22,045
Other receivables, deposits and prepayments		949	1,750
Current tax assets		35	29
Fixed deposits with licensed banks		1,296	1,262
Cash and bank balances		4,413	3,619
		<u>44,381</u>	<u>42,110</u>
<b>TOTAL ASSETS</b>		<u><u>84,455</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)		(5,083)	(4,119)
		<u>47,191</u>	<u>48,155</u>
<b>Non-controlling interest</b>		<u>11,281</u>	<u>11,038</u>
<b>Total equity</b>		<u><u>58,472</u></u>	<u><u>59,193</u></u>



**Unaudited Condensed Consolidated Statement of Financial Position  
as at 31 December 2017**

	As at 31.12.2017 RM'000 unaudited	As at 30.06.2017 RM'000 audited (restated)
<b>Non current liabilities</b>		
Finance lease liabilities	560	579
Term Loan	2,923	3,068
Deferred taxation	2,893	2,893
	<u>6,376</u>	<u>6,540</u>
<b>Current liabilities</b>		
Trade payables	12,047	9,430
Other payables and accruals	983	715
Finance lease liabilities	195	190
Term Loan	336	336
Bill Payable	-	117
Bank overdraft	5,834	5,289
Current tax liabilities	212	517
	<u>19,607</u>	<u>16,594</u>
<b>Total liabilities</b>	<u>25,983</u>	<u>23,134</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>84,455</u>	<u>82,327</u>
<b>Net tangible assets per share (RM)</b>	<u>1.15</u>	<u>1.17</u>
<b>Net assets per share attributable to ordinary equity holders of the parents (RM)</b>	<u>1.18</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 31 December 2017**

	---- Attributable to Equity Holders of the Parent ----						
	-- Non-distributable --			Distributable			
	Share Capital	Share Premium	Revaluation Reserve	Unappro. Profit/ (Loss)	Total	Minority Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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	-	-	-	(964)	(964)	243	(721)
Other comprehensive income:							
Revaluation surplus / (deficit), net of deferred tax	-	-	-	-	-	-	-
Total comprehensive income / (loss)	-	-	-	(964)	(964)	243	(721)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-
<b>Balance as at 31st December 2017</b>	<u>40,000</u>	<u>4,186</u>	<u>8,088</u>	<u>(5,083)</u>	<u>47,191</u>	<u>11,281</u>	<u>58,472</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 31 December 2017**

	<b>6 months Current Year To Date 31-12-2017 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	(438)	2,250
Adjustments for :		
Non - cash items	(5)	268
Non - operating items - investing	243	460
Non - operating items - financing	152	497
Operating profit / (loss) before working capital changes	<u>(48)</u>	<u>3,475</u>
(Increase) / Decrease in working capital :		
Net Change in operating assets	(1,432)	4,922
Net Change in operating liabilities	2,885	(5,567)
Cash generated from / (used in) operation	<u>1,405</u>	<u>2,830</u>
Interest paid	(252)	(641)
Income tax paid	(594)	(1,301)
Income tax refund	-	2
Net cash from / (used in) operating activities	<u>559</u>	<u>890</u>
<b>Cash Flows from investing activities</b>		
Interest received	100	144
Proceeds from disposal of plant and equipment	31	43
Purchase of property, plant and equipment	(131)	(40)
Net cash from / (used in) investing activities	<u>-</u>	<u>147</u>
Balance carried forwards	559	1,037



**Unaudited Condensed Consolidated Statement of Cash Flows  
for the period ended 31 December 2017**

Balance brought forward	559	1,037
<b>Cash flows from financing activities</b>		
Drawdown / (repayment of ) Bills Payable	(117)	(207)
Drawdown of hire purchase	80	-
Repayment of hire purchase	(94)	(244)
Dividends paid to non-controlling interests	-	(150)
Repayment of term loan	(145)	(270)
Net cash used in financing activities	<u>(276)</u>	<u>(871)</u>
Net decrease in cash and cash equivalents	283	166
Cash and cash equivalents at beginning of year	(408)	(574)
Cash and cash at 31 December (i)	<u><u>(125)</u></u>	<u><u>(408)</u></u>

**(i) Cash and cash equivalents**

Cash and cash equivalents comprise the following balance sheet amounts :

	31/12/2017	30/06/2017
	RM'000	RM'000
Cash and bank balances	4,413	3,619
Deposit with licensed banks	1,296	1,262
Bank overdrafts	(5,834)	(5,289)
	<u>(125)</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 entities 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 31<sup>st</sup> December 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	-	320	23830		24,150
Inter-segment revenue	22	36	-	(58)	-
Total Revenue	22	356	23,830	(58)	24,150
<b>RESULTS</b>					
Segment Results	(535)	(666)	915	-	(286)
Unallocated expenses	-	-	-	-	-
Net interest expenses	63	(281)	66	-	(152)
Profit / (Loss) Before Tax	(472)	(947)	981	-	(438)
Taxation	-	-	(283)	-	(283)
Profit / (Loss) After Tax	(472)	(947)	698	-	(721)
Segment assets	19,330	9,339	54,635	1,151	84,455
Segment liabilities	7,197	1,416	16,620	750	25,983

**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**

On 4 Jan 2018, Grand Hoover Berhad through its 70% owned subsidiary, Heap Wah Enterprise Sdn Bhd (HW) had incorporated a wholly owned subsidiary, Anggun Tegas Merak Sdn Bhd (ATMSB). The issued and paid up capital of ATMSB is RM2.00 consisting of 2 ordinary shares. The principal activity is trading of building materials.

On 26 Jan 2018, Grand Hoover Berhad through its indirect 70% owned subsidiary, Anggun Tegas Merak Sdn Bhd (ATMSB) had incorporated a wholly owned subsidiary, PTS Dura Marketing Sdn Bhd (PTS). The issued and paid up capital of PTS is RM2.00 consisting of 2 ordinary shares. The principal activity is trading of building materials

Save for the above, there were no material events subsequent to the current financial quarter ended 31<sup>st</sup> December 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 other changes in the composition of the Group during the current quarter and financial period-to-date under review.

**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 31<sup>st</sup> December 2017 are RM1,000,000.00 (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

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

Additional Information Requested by the Bursa Malaysia Listing Requirements

**B1. Review of performance**

The Group achieved a lower revenue of RM24.15 million for the period compared with the corresponding period of RM29.61 million. The lower revenue was due to no new launching of property development in the current quarter other than sale of unsold properties.

The Group's financial performance for the period ended 31 December 2017 had reported a loss before taxation of RM438,000 compared with the corresponding preceding period loss before taxation of RM1,024,000. Lower losses was attributed to better performance in the property division and trading division.

**RM'000**

<b>REVENUE</b>	<b>6 months period ended 31<sup>st</sup> December 2017 (unaudited)</b>	<b>6 months period ended 31<sup>st</sup> December 2016 (unaudited)</b>	<b>Variance</b>	<b>Variance (%)</b>
Investment & Services	22	22	-	-
Property Development and Construction	356	5,672	(5,316)	-93.72%
Trading	23,830	23,969	(139)	-0.58%
	24,208	29,663	(5,455)	-18.39%
Elimination	(58)	(58)		
Total	24,150	29,605	(5,455)	-18.43%

**RM'000**

	<b>6 months period ended 31<sup>st</sup> December 2017 (unaudited)</b>	<b>6 months period ended 31<sup>st</sup> December 2016 (unaudited)</b>	<b>Variance</b>	<b>Variance (%)</b>
Revenue	24,150	29,605	(5,455)	-18.43%
Profit / (Loss) before interest and taxation	(286)	(782)	496	63.43%
Profit / (Loss) before taxation	(438)	(1,024)	586	57.23%
Profit / (Loss) after taxation	(721)	(1,459)	738	50.58%
Profit / (Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	(964)	(1,853)	889	47.98%

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

The Group revenue for the period was RM12.51 million compared with the immediate preceding quarter of RM11.64 million. The increased in Group revenue was attributed to marginal increase in sale for the trading division and sale of unsold property in current quarter.

For the quarter under review, the Group marginally improved its performance with profit before taxation RM60,000 compared to loss before taxation of RM498,000 in the immediate preceding quarter due to better performance achieved by the trading division.

The trading division achieved a better performance of RM981,000 in current quarter compared to RM228,000 in immediate preceding quarter

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

Additional Information Requested by the Bursa Malaysia Listing Requirements

RM'000

<b>REVENUE</b>	<b>Current Quarter 31<sup>st</sup> December 2017 (unaudited)</b>	<b>Immediate Preceding Quarter 30<sup>th</sup> September 2017 (unaudited)</b>	<b>Variance</b>	<b>Variance (%)</b>
Investment & Services	11	11	-	-
Property Development and Construction	338	18	320	>100%
Trading	12,190	11,640	550	4.73%
	12,539	11,669	870	7.46%
Elimination	(29)	(29)		
<b>Total</b>	<b>12,510</b>	<b>11,640</b>	<b>870</b>	<b>7.47%</b>

RM'000

	<b>Current Quarter 31<sup>st</sup> December 2017 (unaudited)</b>	<b>Immediate Preceding Quarter 30<sup>th</sup> September 2017 (unaudited)</b>	<b>Variance</b>	<b>Variance (%)</b>
Revenue	12,150	11,640	510	4.38%
Profit / (Loss) before interest and taxation	130	(416)	546	>100%
Profit / (Loss) before taxation	60	(498)	558	>100%
Profit / (Loss) after taxation	(151)	(570)	419	73.51%
Profit / (Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	(338)	(626)	288	46.01%

**B3. Prospects**

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

**B4. Taxation**

RM'000

Current year taxation

283

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283

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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 26<sup>th</sup> February 2018.

**B6. Group borrowings and debt securities**

RM'000

	As at 2 <sup>nd</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%)	-	5,834	5,834
Finance lease liabilities (average int. 3.3% - 5.5%)	560	195	755
Term loan (average int. 4.4% to 4.5%)	2,923	336	3,259
Banker's Acceptance (average int. 3.8%- 4.0%)	-	-	-
<b>Unsecured</b>	-	-	-
<b>Total</b>	<b>3,483</b>	<b>6,365</b>	<b>9,848</b>

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

Additional Information Requested by the Bursa Malaysia Listing Requirements

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>

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. Derivatives**

There were no derivatives entered by the Group as at 31 December 2017

**B8. Changes in material litigation**

There is no material litigation as at 26<sup>th</sup> February 2018.

**B9. Dividends**

No interim dividend was declared during the period from 1<sup>st</sup> July 2017 to 31<sup>st</sup> December 2017 (30<sup>th</sup> June 2017: NIL).



**B10. Gains / losses arising from fair value changes in financial liabilities**

There were no gains / losses arising from fair value changes in financial liabilities for the financial period under review.

**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 RM964,000 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		6 months	
	Quarter ended		Cumulative to date	
	31.12.17	31.12.16	31.12.17	31.12.16
	RM'000	RM'000	RM'000	RM'000
Interest income	(31)	(27)	(100)	(99)
Rental income	(7)	(8)	(21)	(19)
Bad debts recovery	(2)	(33)	(5)	(93)
(Gain) / loss on disposal of property, plant & equipment	(8)	-	(31)	(38)
Impairment losses on trade receivables	-	84	-	84
Depreciation of property, plant and equipment	136	106	271	211
Amortisation of prepaid lease payments	1	1	3	3
Interest expenses	101	155	252	341