



GRAND HOOVER BERHAD

(Company No. 10493-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR YEAR ENDED
30th JUNE 2018 (4th QUARTER)



Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2018

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months Current Year Quarter 30.06.2018 RM'000 unaudited	3 months Preceding Year Corresponding Quarter 30.06.2017 RM'000 audited (Restated)	12 months Current Year To Date 30.06.2018 RM'000 unaudited	12 months Preceding Year To Date 30.06.2017 RM'000 audited (Restated)
Revenue	13,599	11,774	52,161	54,019
Cost of sales	(11,056)	(5,867)	(43,599)	(43,611)
Gross profit	2,543	5,907	8,562	10,408
Interest income	11	28	121	144
Other income	14	116	222	457
Administrative expenses	(3,078)	(2,279)	(8,988)	(7,550)
Depreciation and amortisation	(152)	(247)	(559)	(568)
Finance cost	(127)	(108)	(552)	(641)
Profit / (Loss) before taxation	(789)	3,417	(1,194)	2,250
Tax expense	113	(271)	(359)	(995)
Profit / (loss) for the period	(676)	3,146	(1,553)	1,255
Other comprehensive income				
Revaluation (deficit) / surplus, net of deferred taxation	221	173	221	173
Total comprehensive income	(455)	3,319	(1,332)	1,428
Profit / (loss) for the period attributable to:				
Equity holders of the Company	(513)	2,915	(1,789)	405
Non-controlling interests	(163)	231	236	850
	(676)	3,146	(1,553)	1,255
Total comprehensive income attributable to:				
Equity holders of the Company	(336)	3,105	(1,612)	595
Non-controlling interests	(119)	214	280	833
	(455)	3,319	(1,332)	1,428
Basic earnings per ordinary share (sen) Based on 40,000,000 ordinary shares	(1.28)	7.29	(4.47)	1.01

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



**Unaudited Condensed Consolidated Statement of Financial Position
as at 30 June 2018**

	Note	As at 30.06.2018 RM'000 unaudited	As at 30.06.2017 RM'000 audited (restated)
ASSETS			
Non-current assets			
Property, plant and equipment	A 9	21,598	21,694
Investment properties		9,065	8,505
Prepaid lease payments		91	97
Land held for property development		8,770	8,770
Goodwill on consolidation		1,151	1,151
		<u>40,675</u>	<u>40,217</u>
Current assets			
Inventories-Finished Goods		11,360	9,875
Inventories-Completed Properties		3,146	3,161
Property Development Costs		392	369
Trade receivables		26,926	22,045
Other receivables, deposits and prepayments		1,014	1,750
Current tax assets		181	29
Fixed deposits with licensed banks		1,335	1,262
Cash and bank balances		1,525	3,619
		<u>45,879</u>	<u>42,110</u>
TOTAL ASSETS		<u><u>86,554</u></u>	<u><u>82,327</u></u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		44,186	40,000
Share premium		-	4,186
Reserves		8,265	8,088
Retained profit / (Accumulated loss)		(5,908)	(4,119)
		<u>46,543</u>	<u>48,155</u>
Non-controlling interest		<u>11,168</u>	<u>11,038</u>
Total equity		<u><u>57,711</u></u>	<u><u>59,193</u></u>



**Unaudited Condensed Consolidated Statement of Financial Position
as at 30 June 2018**

	As at 30.06.2018 RM'000 unaudited	As at 30.06.2017 RM'000 audited (restated)
Non current liabilities		
Finance lease liabilities	391	579
Term Loan	2,777	3,068
Deferred taxation	2,826	2,893
	<u>5,994</u>	<u>6,540</u>
Current liabilities		
Trade payables	14,393	9,430
Other payables and accruals	908	715
Finance lease liabilities	181	190
Term Loan	336	336
Bill Payable	611	117
Bank overdraft	6,414	5,289
Current tax liabilities	6	517
	<u>22,849</u>	<u>16,594</u>
Total liabilities	<u>28,843</u>	<u>23,134</u>
TOTAL EQUITY AND LIABILITIES	<u>86,554</u>	<u>82,327</u>
Net tangible assets per share (RM)	<u>1.13</u>	<u>1.17</u>
Net assets per share attributable to ordinary equity holders of the parents (RM)	<u>1.16</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 30th June 2017



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**Unaudited Condensed Consolidated Statement of Change in Equity
for the period ended 30 June 2018**

	---- Attributable to Equity Holders of the Parent ----						Total Equity RM'000
	-- 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	
Balance as at 1st July 2017	40,000	4,186	8,088	(4,119)	48,155	11,038	59,193
Comprehensive income:							
Net profit / (loss) for the financial year	-	-	-	(1,789)	(1,789)	236	(1,553)
Other comprehensive income:							
Transfer arising from Sec. 618(2), CA 2016 (Note. 2)	4,186	(4,186)	-	-	-	-	-
Revaluation surplus, net of deferred tax	-	-	177	-	177	44	221
Total comprehensive income / (loss)	4,186	(4,186)	177	(1,789)	(1,612)	280	(1,332)
Dividends paid to non-controlling interest	-	-	-	-	-	(150)	(150)
Balance as at 30th June 2018	<u>44,186</u>	<u>-</u>	<u>8,265</u>	<u>(5,908)</u>	<u>46,543</u>	<u>11,168</u>	<u>57,711</u>
Balance as at 1st July 2016	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)
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>

1. 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 2017.

2. Pursuant to the Companies Act 2016, any credit amount in the share premium account will form part of the Company's share capital pursuant to Section 618 (2) of CA 2016. The transfer will not have any impact on the numbers of ordinary shares in issue .



**Unaudited Condensed Consolidated Statement of Cash Flows
for the period ended 30 June 2018**

	12 months Current Year To Date 30-06-2018 RM'000 unaudited	12 months Preceding Year To Date 30-06-2017 RM'000 audited (Restated)
Cash flows from operating activities		
Profit / (loss) before taxation	(1,194)	2,250
Adjustments for :		
Non - cash items	1,533	268
Non - operating items - investing	658	460
Non - operating items - financing	431	497
Operating profit / (loss) before working capital changes	<u>1,428</u>	<u>3,475</u>
(Increase) / Decrease in working capital :		
Net Change in operating assets	(7,171)	4,922
Net Change in operating liabilities	5,156	(5,567)
Cash generated from / (used in) operation	<u>(587)</u>	<u>2,830</u>
Interest paid	(552)	(641)
Income tax paid	(1,176)	(1,301)
Income tax refund	18	2
Net cash from / (used in) operating activities	<u>(2,297)</u>	<u>890</u>
Cash Flows from investing activities		
Interest received	121	144
Proceeds from disposal of plant and equipment	131	43
Purchase of property, plant and equipment	(173)	(40)
Purchase of investment property	(784)	-
Net cash from / (used in) investing activities	<u>(705)</u>	<u>147</u>
Balance carried forwards	(3,002)	1,037



**Unaudited Condensed Consolidated Statement of Cash Flows
for the period ended 30 June 2018**

Balance brought forward	(3,002)	1,037
Cash flows from financing activities		
Drawdown / (repayment of) Bills Payable	494	(207)
Drawdown of hire purchase	80	-
Repayment of hire purchase	(277)	(244)
Dividends paid to non-controlling interests	(150)	(150)
Repayment of term loan	(291)	(270)
Net cash used in financing activities	(144)	(871)
Net decrease in cash and cash equivalents	(3,146)	166
Cash and cash equivalents at beginning of year	(408)	(574)
Cash and cash at 30 June (i)	(3,554)	(408)

(i) Cash and cash equivalents

Cash and cash equivalents comprise the following balance sheet amounts :

	30/06/2018	30/06/2017
	RM'000	RM'000
Cash and bank balances	1,525	3,619
Deposit with licensed banks	1,335	1,262
Bank overdrafts	(6,414)	(5,289)
	(3,554)	(408)

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

A1. Basis of preparation

The condensed consolidated interim financial statements have 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 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 30th 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 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 date of MFRS 15 will be deferred to annual periods beginning on or after 1st January 2018. As a result, 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.

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 30th 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 30th 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 June 2018 (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
REVENUE					
Revenue from external customers	-	825	51,336		52,161
Inter-segment revenue	396	72	-	(468)	-
Total Revenue	396	897	51,336	(468)	52,161
RESULTS					
Segment Results	(660)	(526)	873	(450)	(763)
Unallocated expenses	-	-	-	-	-
Net interest expenses	106	(597)	60	-	(431)
Profit / (Loss) Before Tax	(554)	(1,123)	933	(450)	(1,194)
Taxation	(3)	(11)	(369)	24	(359)
Profit / (Loss) After Tax	(557)	(1,134)	564	(426)	(1,553)
Segment assets	19,295	9,575	56,533	1,151	86,554
Segment liabilities	7,879	1,324	18,890	750	28,843

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 2018 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

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 expect for the above, 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 30th June 2017.

A12.1 Performance Bonds

The performance bonds issued during the period from 1st July 2017 to 30th June 2018 are RM750,000.00 (30th June 2017: RM1,060,400.00).

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 archived a lower revenue of RM52.16 million for the year compared with the corresponding year of RM54.02 million. The lower revenue was due to defer launching of property development other than sale of unsold properties.

The Group's financial performance for the year ended 30th June 2018 had reported a loss before taxation of RM1,194,000 compared with the corresponding preceding year profit before taxation of RM2,250,000.

In the reporting year, the Group losses were due to low revenue derived from property development division to cover its operating expenses and the impairment made on the trade receivable in the trading division.

RM'000

REVENUE	12 months period ended 30th June 2018 (unaudited)	12 months period ended 30th June 2017 (audited)	Variance	Variance (%)
Investment & Services	396	397	(1)	-0.25%
Property Development and Construction	897	7,311	(6,414)	-87.73%
Trading	51,336	46,779	4,557	9.74%
	52,629	54,487	(1,858)	-3.41%
Elimination	(468)	(468)	-	-
Total	52,161	54,019	(1,858)	-3.44%

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Additional Information Requested by the Bursa Malaysia Listing Requirements

RM'000

	12 months period ended 30th June 2018 (unaudited)	12 months period ended 30th June 2017 (audited)	Variance	Variance (%)
Revenue	52,161	54,019	(1,858)	-3.44%
Profit / (Loss) before interest and taxation	(763)	2,747	(3,510)	>100%
Profit / (Loss) before taxation	(1,194)	2,250	(3,444)	>100%
Profit / (Loss) after taxation	(1,553)	1,255	(2,808)	>100%
Profit / (Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	(1,789)	405	(2,194)	>100%

B2. Variation of results against preceding quarter

The Group revenue for the period was RM13.60 million compared with the immediate preceding quarter of RM14.41 million and reported loss before taxation of RM789,000 compared to profit before taxation of RM33,000 in the immediate preceding quarter.

In the reporting quarter under review, the loss was due to impairment made on the trade receivable.

RM'000

REVENUE	Current Quarter 30th June 2018 (unaudited)	Immediate Preceding Quarter 31st March 2018 (unaudited)	Variance	Variance (%)
Investment & Services	186	188	(2)	-1.06%
Property Development and Construction	18	523	(505)	-96.55%
Trading	13,599	13,907	(308)	-2.21%
	13,803	14,618	(815)	-5.57%
Elimination	(204)	(206)	2	
Total	13,599	14,412	(813)	-5.64%

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Additional Information Requested by the Bursa Malaysia Listing Requirements

RM'000

	Current Quarter 30th June 2018 (unaudited)	Immediate Preceding Quarter 31st March 2018 (unaudited)	Variance	Variance (%)
Revenue	13,599	14,412	(813)	-5.64%
Profit / (Loss) before interest and taxation	(673)	196	(869)	>100%
Profit / (Loss) before taxation	(789)	33	(822)	>100%
Profit / (Loss) after taxation	(676)	(156)	(520)	>100%
Profit / (Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	(513)	(311)	(202)	64.95%

B3. Prospects

The property market 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	494
Deferred taxation	(137)
Under provision in previous year	2

	359
	=====

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 27th August 2018.

B6. Group borrowings and debt securities

RM'000

	As at 4 th quarters ended 2018		
	Long term	Short term	Total
	RM'000	RM'000	RM'000
Secured			
Bank Overdraft (average int. 8.4% – 8.5%)	-	6,414	6,414
Finance lease liabilities (average int. 3.3% - 5.5%)	391	181	572
Term loan (average int. 4.4% to 4.5%)	2,777	336	3,113
Banker's Acceptance	-	611	611
Unsecured	-	-	-
Total	3,168	7,542	10,710

RM'000

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

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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. Derivatives

There were no derivatives entered by the Group as at 30th June 2018

B8. Changes in material litigation

There is no material litigation as at 27th August 2018.

B9. Dividends

No interim dividend was declared during the period from 1st July 2017 to 30th June 2018 (30th 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 RM1,789,000 and the number of ordinary shares in issue during the quarter of 40,000,000.

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Additional Information Requested by the Bursa Malaysia Listing Requirements

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	
	30.06.18	30.06.17	30.06.18	30.06.17
	RM'000	RM'000	RM'000	RM'000
Interest income	(11)	(28)	(121)	(144)
Rental income	(4)	(7)	(76)	(36)
Bad debts recovery	(2)	-	(15)	(46)
(Gain) / loss on disposal of property, plant & equipment	-	-	(121)	(43)
Reversal of impairment loss on trade receivables	-	(33)	-	(253)
Fair value adjustment, net	224	(65)	224	(65)
Impairment loss on trade receivables	568	151	1,048	153
Bad debts written off		3		3
Depreciation of property, plant and equipment	151	246	553	562
Amortisation of prepaid lease payments	1	1	6	6
Property, plant & equipment written off	1	-	1	-
Interest expenses	127	107	552	640
Impairment of goodwill	-	285	-	285