



GRAND HOOVER BERHAD

Company No. 197101000134 (10493-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR PERIOD

30th September 2019

(1st QUARTER OF FY 2020)

GRAND HOOVER BERHAD.

Co. No. 197101000134 (10493-P)

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 September 2019

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months Current Year Quarter 30.09.2019 RM'000 Unaudited	3 months Preceding Year Corresponding Quarter 30.09.2018 RM'000 Unaudited	3 months Current Year To Date 30.09.2019 RM'000 Unaudited	3 months Preceding Year To Date 30.09.2018 RM'000 Unaudited
Revenue	15,450	16,056	15,450	16,056
Cost of sales	<u>(13,214)</u>	<u>(14,006)</u>	<u>(13,214)</u>	<u>(14,006)</u>
Gross profit	2,236	2,050	2,236	2,050
Interest income	10	11	10	11
Other income	42	33	42	33
Administrative expenses	(2,101)	(1,892)	(2,101)	(1,892)
Depreciation and amortisation	(121)	(137)	(121)	(137)
Finance cost	(175)	(184)	(175)	(184)
Profit /(Loss) before taxation	<u>(109)</u>	<u>(119)</u>	<u>(109)</u>	<u>(119)</u>
Tax expense	<u>(210)</u>	<u>(170)</u>	<u>(210)</u>	<u>(170)</u>
Profit / (loss) for the period	<u><u>(319)</u></u>	<u><u>(289)</u></u>	<u><u>(319)</u></u>	<u><u>(289)</u></u>
Other comprehensive income				
Revaluation (deficit) / surplus, net of deferred taxation	-	-	-	-
Total comprehensive income	<u><u>(319)</u></u>	<u><u>(289)</u></u>	<u><u>(319)</u></u>	<u><u>(289)</u></u>
Profit / (loss) for the period attributable to:				
Equity holders of the Company	(511)	(416)	(511)	(416)
Non-controlling interests	<u>192</u>	<u>127</u>	<u>192</u>	<u>127</u>
	<u><u>(319)</u></u>	<u><u>(289)</u></u>	<u><u>(319)</u></u>	<u><u>(289)</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	(511)	(416)	(511)	(416)
Non-controlling interests	<u>192</u>	<u>127</u>	<u>192</u>	<u>127</u>
	<u><u>(319)</u></u>	<u><u>(289)</u></u>	<u><u>(319)</u></u>	<u><u>(289)</u></u>
Basic earnings per ordinary share (sen) Based on 40,000,000 ordinary shares	(1.28)	(1.04)	(1.28)	(1.04)

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Report for the year ended 30th June 2019

GRAND HOOVER BERHAD.

Co. No. 197101000134 (10493-P)

**Unaudited Condensed Consolidated Statement of Financial Position
as at 30 September 2019**

	Note	As at 30.09.2019 RM'000 (Unaudited)	As at 30.06.2019 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	A 9	21,078	21,191
Investment properties		8,900	8,998
Prepaid lease payments		83	85
Inventories (Note 1)		8,770	8,770
Goodwill on consolidation		1,151	1,151
		<u>39,982</u>	<u>40,195</u>
Current assets			
Inventories (Note 1)		14,501	15,098
Trade receivables		31,548	29,747
Other receivables, deposits and prepayments		273	400
Current tax assets		60	185
Fixed deposits with licensed banks		1,396	1,336
Cash and bank balances		517	475
		<u>48,295</u>	<u>47,241</u>
Assets held for sale		<u>-</u>	<u>95</u>
Total Current assets		<u>48,295</u>	<u>47,336</u>
TOTAL ASSETS		<u>88,277</u>	<u>87,531</u>

GRAND HOOVER BERHAD.

Co. No. 197101000134 (10493-P)

**Unaudited Condensed Consolidated Statement of Financial Position
as at 30 September 2019**

	As at 30.09.2019 RM'000 (Unaudited)	As at 30.06.2019 RM'000 (Audited)
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	44,186	44,186
Reserves	8,265	8,265
Retained profit / (Accumulated loss)	(9,248)	(8,737)
	<u>43,203</u>	<u>43,714</u>
Non-controlling interest	11,623	11,431
Total equity	<u>54,826</u>	<u>55,145</u>
Non current liabilities		
Finance lease liabilities	284	318
Term Loan	2,919	2,974
Deferred taxation	3,169	3,169
	<u>6,372</u>	<u>6,461</u>
Current liabilities		
Trade payables	14,085	14,660
Other payables and accruals	3,588	2,126
Finance lease liabilities	137	148
Term Loan	376	375
Bankers' acceptance	2,707	1,888
Bank overdraft	6,184	6,724
Current tax liabilities	2	4
	<u>27,079</u>	<u>25,925</u>
Total liabilities	33,451	32,386
TOTAL EQUITY AND LIABILITIES	<u>88,277</u>	<u>87,531</u>
Net tangible assets per share (RM)	<u>1.05</u>	<u>1.06</u>
Net assets per share attributable to ordinary equity holders of the parents (RM)	<u>1.08</u>	<u>1.09</u>

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	As at 30.09.2019 RM'000 (Unaudited)	As at 30.06.2019 RM'000 (Audited)
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Note. 1**Inventories**

i.	Finished Good	11,318	11,915
ii.	Completed Properties	3,183	3,183
iii.	On-going Development:		
	- Development	-	-
	- Launched	-	-
		<u>14,501</u>	<u>15,098</u>
iv	Not within operating cycle <i>(Land held for development)</i>	<u>8,770</u>	<u>8,770</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 2019

GRAND HOOVER BERHAD.

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Unaudited Condensed Consolidated Statement of Change in Equity for the period ended 30 September 2019

	---- Attributable to Equity Holders of the Parent ----					Total Equity RM'000
	-- Non-distributable --		Distributable		Minority Interest RM'000	
	Share Capital RM'000	Revaluation Reserve RM'000	Unappro. Profit/ (Loss) RM'000	Total RM'000		
Balance as at 1st July 2018	44,186	8,265	(5,911)	46,540	11,168	57,708
Comprehensive income:						
Net profit / (loss) for the financial year	-	-	(2,826)	(2,826)	338	(2,488)
Other comprehensive income:						
Revaluation surplus, net of deferred tax	-	-	-	-	-	-
Total comprehensive income / (loss)	-	-	(2,826)	(2,826)	338	(2,488)
Dividends paid to non-controlling interest	-	-	-	-	(75)	(75)
Balance as at 30th June 2019	<u>44,186</u>	<u>8,265</u>	<u>(8,737)</u>	<u>43,714</u>	<u>11,431</u>	<u>55,145</u>
Balance as at 1st July 2019	44,186	8,265	(8,737)	43,714	11,431	55,145
Comprehensive income:						
Net profit for the financial period	-	-	(511)	(511)	192	(319)
Other comprehensive income:						
Revaluation surplus / (deficit), net of deferred tax	-	-	-	-	-	-
Total comprehensive income	-	-	(511)	(511)	192	(319)
Dividends paid to non - controlling interests	-	-	-	-	-	-
Balance as at 30th September 2019	<u>44,186</u>	<u>8,265</u>	<u>(9,248)</u>	<u>43,203</u>	<u>11,623</u>	<u>54,826</u>

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 2019.

GRAND HOOVER BERHAD.

Co. No. 197101000134 (10493-P)

**Unaudited Condensed Consolidated Statement of Cash Flows
for the period ended 30 September 2019**

	3 months Current Year To Date 30-09-2019 RM'000 Unaudited	12 months Preceding Year To Date 30-06-2019 RM'000 Audited
Cash flows from operating activities		
Loss before taxation	(109)	(1,482)
Adjustments for :		
Non - cash items	(9)	2,167
Non - operating items - investing	98	528
Non - operating items - financing	165	582
Operating profit / (loss) before working capital changes	<u>145</u>	<u>1,795</u>
(Increase) / Decrease in working capital :		
Net Change in operating assets	(1,068)	(4,595)
Net Change in operating liabilities	887	1,458
Cash generated from / (used in) operation	<u>(36)</u>	<u>(1,342)</u>
Interest paid	(175)	(677)
Income tax paid	(178)	(728)
Income tax refund	91	62
Net cash from / (used in) operating activities	<u>(298)</u>	<u>(2,685)</u>
Cash Flows from investing activities		
Interest received	10	95
Proceeds from disposal of plant and equipment	216	-
Purchase of property, plant and equipment	(6)	(143)
Net cash from / (used in) investing activities	<u>220</u>	<u>(48)</u>
Balance carried forwards	(78)	(2,733)

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**Unaudited Condensed Consolidated Statement of Cash Flows
for the period ended 30 September 2019**

	3 months Current Year To Date 30-09-2019 RM'000 Unaudited	12 months Preceding Year To Date 30-06-2019 RM'000 Audited
Balance brought forward	(78)	(2,733)
Cash flows from financing activities		
Drawdown / (repayment of) bankers' acceptance	819	1,277
Drawdown of finance lease liability	-	80
Repayment of finance lease liabilities	(45)	(187)
Dividends paid to non-controlling interests	-	(75)
Drawdown of term loan	-	500
Repayment of term loan	(54)	(263)
Net cash used in financing activities	720	1,332
Net decrease in cash and cash equivalents	642	(1,401)
Cash and cash equivalents at beginning of year	(4,913)	(3,512)
Cash and cash at 30 September (i)	(4,271)	(4,913)

(i) Cash and cash equivalents

Cash and cash equivalents comprise the following balance sheet amounts :

	30/09/2019 RM'000	30/06/2019 RM'000
Cash and bank balances	517	475
Deposit with licensed banks	1,396	1,336
Bank overdrafts	(6,184)	(6,724)
	(4,271)	(4,913)

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the Audited Financial Report for the year ended 30th June 2019.

NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Company for the year ended 30 June 2019. These explanation notes attached to the interim financial statements provided an explanation of events and transactions that are significant for an understanding of the financial position and performance of the Group since the financial year ended 30 June 2019.

A2. Changes in accounting policies

The significant accounting policies adopted are consistent with those used in the preparation of the audited financial statements for the financial year ended 30 June 2019.

In preparing the current financial report, the Group has adopted the following changes in accounting policies and effects arising from new Malaysia Financial Reporting Standards (“MFRSs”), amendments to MFRSs and Issues Committee (“IC”) Interpretations for annual financial period beginning on or after 1 January 2019:

	Effective date
MFRS 16, <i>Leases</i>	1 January 2019
IC Interpretation 23 - <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS128 - Investments in Associate in Joint Ventures. <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9 - Financial Instruments. <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 3 - Business Combinations; MFRS 112 - Income Taxes; MFRS 123- Borrowing Cost and MFRS 11 – Joint Arrangement. (Annual Improvement to MFRS Standards 2015 - 2017 Cycle)	1 January 2019
Amendments to MFRS 119, Employee Benefits. <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019

NOTES TO THE INTERIM FINANCIAL REPORT

A2. Changes in accounting policies (cont'd)

The new MFRSs, amendments to MFRSs and IC that came into effect in the financial quarter under review and the adoption do not expected to have any significant impact on the financial statements of the Group.

A3. Auditors' Report of Preceding Annual Audited Financial Statements

The auditors' report on the preceding audited annual financial statements for the year ended 30th June 2019 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. However, the trading division was marginally affected by the strong competitive environments.

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.

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

There were no dividends paid by the Company during the period from 1st July 2019 to 30th September 2019 (30th June 2019: NIL).

A9. 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	-	-	15,450	-	15,450
Inter-segment revenue	11	18	-	(29)	-
Total Revenue	11	18	15,450	(29)	15,450
RESULTS					
Segment Results	(522)	(302)	880	-	56
Unallocated expenses	-	-	-	-	-
Net interest expenses	20	(153)	(32)	-	(165)
Profit / (Loss) Before Tax	(502)	(455)	848	-	(109)
Taxation	-	-	(210)	-	(210)
Profit / (Loss) After Tax	(502)	(455)	638	-	(319)
Segment assets	19,295	7,698	60,133	1,151	88,277
Segment liabilities	8,934	2,594	21,173	750	33,451

A10. Property, plant and equipment

The valuations of land and buildings have been brought forward, without amendment from the previous annual audited financial statements for year ended 30th June 2019.

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

There were no material events subsequent to the current financial quarter ended 30th September 2019 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 are no material changes on contingent liabilities other than those highlighted in the financial report for the year ended 30th June 2019.

A13 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 2019.

A14 Performance Bonds

The performance bonds issued during the period from 1st July 2019 to 30th September 2019 are RM750,000.00 (30th June 2019: RM750,000.00).

A15. Capital commitments

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

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**ADDITIONAL INFORMATION REQUIRED BY LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD****B1. Review of performance**

The Group achieved a lower revenue of RM15.45 million for the period compared with corresponding period of RM16.06 million. The marginally lower revenue was derived from the trading division while the Group has deferred launching of new property development other than sale of unsold properties.

The Group's financial performance for the period ended 30th September 2019 had reported a loss before taxation of RM109,000 compared with the corresponding preceding period loss before taxation of RM119,000.

RM'000

REVENUE	3 months period ended 30th September 2019 (unaudited)	3 months period ended 30th September 2018 (unaudited)	Variance	Variance (%)
Investment & Services	11	11	-	-
Property Development and Construction	18	18	-	-
Trading	15,450	16,056	-606	-3.77%
	15,479	16,085	-606	-3.77%
Elimination	(29)	(29)	-	-
Total	15,450	16,056	-606	-3.77%

Timing of Revenue Recognized				
- At point in time	15,450	16,056		
- Over time	-	-		
	15,450	16,056		

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**ADDITIONAL INFORMATION REQUIRED BY LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD****B1. Review of performance (cont'd)****RM'000**

	3 months period ended 30th September 2019 (unaudited)	3 months period ended 30th September 2018 (unaudited)	Variance	Variance (%)
Revenue	15,450	16,056	(606)	-3.77%
Profit / (Loss) before interest and taxation	56	54	2	3.70%
Profit / (Loss) before taxation	(109)	(119)	10	-8.40%
Profit / (Loss) after taxation	(319)	(289)	(30)	10.38%
Profit / (Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	(511)	(416)	(95)	22.84%

B2. Variation of results against preceding quarter

The Group revenue for the quarter was RM15.45 million compared with the immediate preceding quarter of RM14.30 million and reported loss before taxation of RM109,000 compared to loss before taxation of RM859,000 in the immediate preceding quarter. The variation was mainly due to no impairment made in current quarter compared immediate preceding quarter.

RM'000

REVENUE	Current Quarter 30th September 2019 (unaudited)	Immediate Preceding Quarter 30th June 2019 (audited)	Variance	Variance (%)
Investment & Services	11	186	(175)	-94.09%
Property Development and Construction	18	18	-	-
Trading	15,450	14,301	1,149	8.03%
	14,479	14,505	(26)	-0.18%
Elimination	(29)	(204)	175	-85.78%
Total	15,450	14,301	1,149	8.03%

GRAND HOOVER BHD

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**ADDITIONAL INFORMATION REQUIRED BY LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD****B2. Variation of results against preceding quarter (cont'd)****RM'000**

	Current Quarter 30th September 2019 (unaudited)	Immediate Preceding Quarter 30th June 2019 (audited)	Variance	Variance (%)
Revenue	15,450	14,301	1,149	8.03%
Profit / (Loss) before interest and taxation	56	(710)	766	>-100%
Profit / (Loss) before taxation	(109)	(859)	750	-87.31%
Profit / (Loss) after taxation	(319)	(1,413)	1,094	-77.42%
Profit / (Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	(511)	(1,388)	877	-63.18%

B3. Prospects

The Group foresee the property market is expected to remain soft and the trading division business would remain challenging.

B4. Taxation

RM'000

Current year taxation

210

210

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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 28th November 2019.

GRAND HOOVER BHD

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ADDITIONAL INFORMATION REQUIRED BY LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD**B6. Group borrowings and debt securities**

RM'000

	As at 1 st quarters ended 2020		
	Long term	Short term	Total
	RM'000	RM'000	RM'000
Secured			
Bank Overdraft (average int. 8.4% – 8.5% p.a)	-	6,184	6,184
Finance lease liabilities (average int. 3.3% - 5.5% p.a)	284	137	421
Term loan (average int. 4.4% to 4.5% p.a)	2,919	376	3,295
Banker's Acceptance	-	2,707	2,707
Unsecured	-	-	-
Total	3,203	9,404	12,607

RM'000

	As at 4 th quarters ended 2019 (restated)		
	Long term	Short term	Total
	RM	RM	RM
Secured			
Bank Overdraft (average int. 8.6% – 8.65% p.a)	-	6,724	6,724
Finance lease liabilities (average int. 3.3% - 5.12% p.a)	318	148	466
Term loan (average int. 4.67% p.a)	2,974	375	3,349
Banker's Acceptance	-	1,888	1,888
Unsecured	-	-	-
Total	3,292	9,135	12,427

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ADDITIONAL INFORMATION REQUIRED BY LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B6. Group borrowings and debt securities (cont'd)

1. All the Group borrowings are in Ringgit Malaysia;
2. Reduction of term loans and finance lease liabilities were due to fixed schedule monthly repayment under the facilities agreement;
3. 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 September 2019.

B8. Changes in material litigation

There is no material litigation as at 28th November 2019.

B9. Dividends

No interim dividend was declared during the period from 1st July 2019 to 30th September 2019 (30th June 2018: 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 RM511,000 and the number of ordinary shares in issue during the quarter of 40,000,000.

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**ADDITIONAL INFORMATION REQUIRED BY LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD****B 12. Profit before tax**

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

	3 months		3 months	
	Quarter ended		Cumulative to date	
	30.09.19	30.09.18	30.09.19	30.09.18
	RM'000	RM'000	RM'000	RM'000
Interest income	(10)	(11)	(10)	(11)
Rental income	(10)	(30)	(10)	(30)
Bad debts recovery	(9)	-	(9)	-
(Gain) / loss on disposal of property, plant & equipment	(23)	-	(23)	-
Impairment loss on trade receivables	-	200	-	200
Depreciation of property, plant and equipment	119	135	119	135
Amortisation of prepaid lease payments	2	2	2	2
Interest expenses	175	184	175	184