



GRAND HOOVER BERHAD

Company No. **197101000134** (10493-P)

Incorporated in Malaysia

INTERIM FINANCIAL REPORT FOR PERIOD

31st MARCH 2019

(3RD 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 31 March 2020

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months Current Year Quarter 31.03.2020 RM'000 Unaudited	3 months Preceding Year Corresponding Quarter 31.03.2019 RM'000 Unaudited	9 months Current Year To Date 31.03.2020 RM'000 Unaudited	9 months Preceding Year To Date 31.03.2019 RM'000 Unaudited
Revenue	11,499	16,599	42,037	48,375
Cost of sales	<u>(9,744)</u>	<u>(13,921)</u>	<u>(35,713)</u>	<u>(42,114)</u>
Gross profit	1,755	2,678	6,324	6,261
Interest income	10	21	31	84
Other income	86	19	139	533
Administrative expenses	(2,216)	(2,688)	(6,206)	(6,572)
Depreciation and amortisation	(122)	(137)	(366)	(412)
Finance cost	(164)	(187)	(485)	(517)
Profit /(Loss) before taxation	<u>(651)</u>	<u>(294)</u>	<u>(563)</u>	<u>(623)</u>
Tax expense	<u>(100)</u>	<u>(132)</u>	<u>(520)</u>	<u>(452)</u>
Profit / (loss) for the period	<u><u>(751)</u></u>	<u><u>(426)</u></u>	<u><u>(1,083)</u></u>	<u><u>(1,075)</u></u>
Other comprehensive income				
Revaluation (deficit) / surplus, net of deferred taxation	-	-	-	-
Total comprehensive income	<u><u>(751)</u></u>	<u><u>(426)</u></u>	<u><u>(1,083)</u></u>	<u><u>(1,075)</u></u>
Profit / (loss) for the period attributable to:				
Equity holders of the Company	(757)	(526)	(1,471)	(1,438)
Non-controlling interests	<u>6</u>	<u>100</u>	<u>388</u>	<u>363</u>
	<u><u>(751)</u></u>	<u><u>(426)</u></u>	<u><u>(1,083)</u></u>	<u><u>(1,075)</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	(757)	(526)	(1,471)	(1,438)
Non-controlling interests	<u>6</u>	<u>100</u>	<u>388</u>	<u>363</u>
	<u><u>(751)</u></u>	<u><u>(426)</u></u>	<u><u>(1,083)</u></u>	<u><u>(1,075)</u></u>
Basic earnings per ordinary share (sen) Based on 40,000,000 ordinary shares	(1.89)	(1.32)	(3.68)	(3.60)

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 31 March 2020**

	Note	As at 31.03.2020 RM'000 (Unaudited)	As at 30.06.2019 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	A 9	20,849	21,191
Investment properties		8,900	8,998
Prepaid lease payments		80	85
Inventories (Note 1)		8,770	8,770
Goodwill on consolidation		1,151	1,151
		<u>39,750</u>	<u>40,195</u>
Current assets			
Inventories (Note 1)		15,325	15,098
Trade receivables		31,203	29,747
Other receivables, deposits and prepayments		230	400
Current tax assets		105	185
Fixed deposits with licensed banks		1,363	1,336
Cash and bank balances		521	475
		<u>48,747</u>	<u>47,241</u>
Assets held for sale		<u>-</u>	<u>95</u>
Total Current assets		<u>48,747</u>	<u>47,336</u>
TOTAL ASSETS		<u>88,497</u>	<u>87,531</u>

GRAND HOOVER BERHAD.

Co. No. 197101000134 (10493-P)

**Unaudited Condensed Consolidated Statement of Financial Position
as at 31 March 2020**

	As at 31.03.2020 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)	(10,208)	(8,737)
	<u>42,243</u>	<u>43,714</u>
Non-controlling interest	11,819	11,431
Total equity	<u>54,062</u>	<u>55,145</u>
Non current liabilities		
Finance lease liabilities	214	318
Term Loan	2,788	2,974
Deferred taxation	3,169	3,169
	<u>6,171</u>	<u>6,461</u>
Current liabilities		
Trade payables	14,559	14,660
Other payables and accruals	5,189	2,126
Finance lease liabilities	138	148
Term Loan	375	375
Bankers' acceptance	1,719	1,888
Bank overdraft	6,284	6,724
Current tax liabilities	-	4
	<u>28,264</u>	<u>25,925</u>
Total liabilities	34,435	32,386
TOTAL EQUITY AND LIABILITIES	<u>88,497</u>	<u>87,531</u>
Net tangible assets per share (RM)	<u>1.03</u>	<u>1.06</u>
Net assets per share attributable to ordinary equity holders of the parents (RM)	<u>1.06</u>	<u>1.09</u>

GRAND HOOVER BERHAD.

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	As at 31.03.2020	As at 30.06.2019
	RM'000 (Unaudited)	RM'000 (Audited)

Note. 1**Inventories**

i.	Finished Good	12,944	11,915
ii.	Completed Properties	1,448	3,183
iii.	On-going Development:		
	- Development	933	-
	- Launched	-	-
		<u>15,325</u>	<u>15,098</u>
iv.	Not within operating cycle <i>(Land held for property 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.

Co. No. 197101000134 (10493-P)

Unaudited Condensed Consolidated Statement of Change in Equity for the period ended 31 March 2020

	---- 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 / (loss) for the financial period	-	-	(1,471)	(1,471)	388	(1,083)
Other comprehensive income:						
Revaluation surplus / (deficit), net of deferred tax	-	-	-	-	-	-
Total comprehensive income	-	-	(1,471)	(1,471)	388	(1,083)
Dividends paid to non - controlling interests	-	-	-	-	-	-
Balance as at 31st March 2020	<u>44,186</u>	<u>8,265</u>	<u>(10,208)</u>	<u>42,243</u>	<u>11,819</u>	<u>54,062</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 31 March 2020**

	9 months Current Year To Date 31-03-2020 RM'000 Unaudited	12 months Preceding Year To Date 30-06-2019 RM'000 Audited
Cash flows from operating activities		
Profit / (loss) before taxation	(563)	(1,482)
Adjustments for :		
Non - cash items	221	2,167
Non - operating items - investing	343	528
Non - operating items - financing	454	582
Operating profit / (loss) before working capital changes	<u>455</u>	<u>1,795</u>
(Increase) / Decrease in working capital :		
Net Change in operating assets	(834)	(4,595)
Net Change in operating liabilities	2,962	1,458
Cash generated from / (used in) operation	<u>2,583</u>	<u>(1,342)</u>
Interest paid	(485)	(677)
Income tax paid	(543)	(728)
Income tax refund	100	62
Net cash from / (used in) operating activities	<u>1,655</u>	<u>(2,685)</u>
Cash Flows from investing activities		
Interest received	31	95
Proceeds from disposal of plant and equipment	23	-
Proceeds from disposal of investment property	193	-
Purchase of property, plant and equipment	(20)	(143)
Purchase of development land	(900)	0
Net cash from / (used in) investing activities	<u>(673)</u>	<u>(48)</u>
Balance carried forwards	982	(2,733)

GRAND HOOVER BERHAD.

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**Unaudited Condensed Consolidated Statement of Cash Flows
for the period ended 31 March 2020**

	9 months Current Year To Date 31-03-2020 RM'000 Unaudited	12 months Preceding Year To Date 30-06-2019 RM'000 Audited
Balance brought forward	982	(2,733)
Cash flows from financing activities		
Drawdown / (repayment of) bankers' acceptance	(169)	1,277
Drawdown of finance lease liability	-	80
Repayment of finance lease liabilities	(114)	(187)
Dividends paid to non-controlling interests	-	(75)
Drawdown of term loan	-	500
Repayment of term loan	(186)	(263)
Net cash used in financing activities	(469)	1,332
Net decrease in cash and cash equivalents	513	(1,401)
Cash and cash equivalents at beginning of year	(4,913)	(3,512)
Cash and cash at 31 March (i)	(4,400)	(4,913)

(i) Cash and cash equivalents

Cash and cash equivalents comprise the following balance sheet amounts :

	31/03/2020 RM'000	30/06/2019 RM'000
Cash and bank balances	521	475
Deposit with licensed banks	1,363	1,336
Bank overdrafts	(6,284)	(6,724)
	(4,400)	(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 31st March 2020 (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	-	1,820	40,217	-	42,037
Inter-segment revenue	35	54	-	(89)	-
Total Revenue	35	1,874	40,217	(89)	42,037
RESULTS					
Segment Results	(1,002)	(874)	1,768	-	(108)
Unallocated expenses	-	-	-	-	-
Net interest expenses	73	(459)	(69)	-	(455)
Profit / (Loss) Before Tax	(929)	(1,333)	1,699	-	(563)
Taxation	(2)	1	(519)	-	(220)
Profit / (Loss) After Tax	(931)	(1,332)	1,180	-	(1,083)
Segment assets	19,331	7,447	60,568	1,151	88,497
Segment liabilities	9,984	2,742	20,959	750	34,435

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 31st March 2020 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 31st March 2020 are RM750,000.00 (30th June 2019: RM750,000.00).

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Co. No. 197101000134 (10493-P)

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

The Group achieved a lower revenue of RM42.04 million for the period compared with corresponding period of RM48.38 million. The Group lower revenue was attributable to lower sale derived from the trading division while waiting for new launching of property development.

The Group's financial performance for the period ended 31st March 2020 had reported a loss before taxation of RM563,000 compared with the corresponding preceding period loss before taxation of RM623,000. In this reporting period, an impairment of receivable of RM300,000 was provided as compared to RM1,070,00 in corresponding preceding period which resulted lower losses.

RM'000

REVENUE	9 months period ended 31st March 2020 (unaudited)	9 months period ended 31st March 2019 (unaudited)	Variance	Variance (%)
Investment & Services	35	35	-	-
Property Development and Construction	1,874	678	1,196	>100%
Trading	40,217	47,751	-7,534	-15.78%
	42,126	48,464	-6,338	-13.08%
Elimination	(89)	(89)	-	-
Total	42,037	48,375	-6,338	-13.10%

Timing of Revenue Recognized				
- At point in time	42,037	48,375		
- Over time	-	-		
	42,037	48,375		

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

	9 months period ended 31st March 2020 (unaudited)	9 months period ended 31st March 2019 (unaudited)	Variance	Variance (%)
Revenue	42,037	48,375	-6,338	-13.10%
Profit / (Loss) before interest and taxation	(109)	(190)	81	-42.63%
Profit / (Loss) before taxation	(563)	(623)	60	-9.63%
Profit / (Loss) after taxation	(1,083)	(1,075)	-8	0.74%
Profit / (Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	(1,471)	(1,438)	-33	2.29%

B2. Variation of results against preceding quarter

The Group revenue for this reporting quarter was RM11.50 million compared with the immediate preceding quarter of RM15.09 million and reported loss before taxation of RM651,000 compared to profit before taxation of RM197,000 in the immediate preceding quarter.

The losses were mainly attributable to lower revenue generated from trading division and lower sale of property unsold inventory.

RM'000

REVENUE	Current Quarter 31st March 2020 (unaudited)	Immediate Preceding Quarter 31st December 2019 (unaudited)	Variance	Variance (%)
Investment & Services	13	11	2	18.18%
Property Development and Construction	548	1,308	-760	-58.10%
Trading	10,969	13,798	-2,829	-20.50%
	11,530	15,117	-3,587	-23.73%
Elimination	(31)	(29)	-2	6.90
Total	11,499	15,088	-3,589	-23.79%

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Co. No. 197101000134 (10493-P)

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

	Current Quarter 31st March 2020 (unaudited)	Immediate Preceding Quarter 31st December 2019 (unaudited)	Variance	Variance (%)
Revenue	11,499	15,088	-3,589	-23.79%
Profit / (Loss) before interest and taxation	(497)	332	-829	>-100%
Profit / (Loss) before taxation	(651)	197	-848	>-100%
Profit / (Loss) after taxation	(751)	(13)	-738	>100%
Profit / (Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	(757)	(203)	-554	>100%

B3. Prospects

The Group foresees the property market to remain soft and the trading division business to remain challenging due to the Covid-19 pandemic. The Movement Control Order is expected to have an impact on the Group's performance for the Q4 result ending 30 June 2020.

The eventual impact to this divisions cannot be ascertained with certainty as its performance will very much dependent on the construction related activities. We are anticipating a very challenging business environment moving forward. The Management has stepped up various cost realignment and foresee the revenue will gradually improve once the construction activities improve.

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**ADDITIONAL INFORMATION REQUIRED BY LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD****B4. Taxation**

	RM'000
Current year taxation	519
Under provision in previous year	1

	520
	=====

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 9th June 2020.

B6. Group borrowings and debt securities

RM'000

	As at 3 rd 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)	-	6,284	6,284
Finance lease liabilities (average int. 3.3% - 5.5% p.a)	214	138	352
Term loan (average int. 4.4% to 4.5% p.a)	2,788	375	3,163
Banker's Acceptance	-	1,719	1,719
Unsecured	-	-	-
Total	3,002	8,516	11,518

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**ADDITIONAL INFORMATION REQUIRED BY LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD****RM'000**

	As at 4th 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

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; and
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 31st March 2020.

B8. Changes in material litigation

There is no material litigation as at 9th June 2020.

B9. Dividends

No interim dividend was declared during the period from 1st July 2019 to 31st March 2020 (30th June 2018: NIL).

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**ADDITIONAL INFORMATION REQUIRED BY LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD****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 RM1,471,000 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		9 months	
	Quarter ended		Cumulative to date	
	31.03.20	31.03.19	31.03.20	31.03.19
	RM'000	RM'000	RM'000	RM'000
Interest income	(10)	(21)	(31)	(84)
Rental income	(6)	(12)	(26)	(50)
Bad debts recovery	(70)	(7)	(79)	(12)
(Gain) / loss on disposal of property, plant & equipment	-	-	(23)	-
Impairment loss on trade receivables	300	690	300	1,070
Impairment loss on property development cost	-	200	-	200
Depreciation of property, plant and equipment	120	135	361	407
Amortisation of prepaid lease payments	2	2	5	5
Interest expenses	164	187	485	517