



GRAND HOOVER BERHAD

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

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR PERIOD ENDED

31st DECEMBER 2020

(2nd QUARTER OF FY2021)

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 December 2020

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months Current Year Quarter 31.12.2020 RM'000 Unaudited	3 months Preceding Year Corresponding Quarter 31.12.2019 RM'000 Unaudited	6 months Current Year To Date 31.12.2020 RM'000 Unaudited	6 months Preceding Year To Date 31.12.2019 RM'000 Unaudited
Revenue	18,963	15,088	36,407	30,538
Cost of sales	<u>(16,806)</u>	<u>(12,755)</u>	<u>(30,914)</u>	<u>(25,969)</u>
Gross profit	2,157	2,333	5,493	4,569
Interest income	67	11	110	21
Other income	434	11	682	53
Administrative expenses	(1,579)	(1,889)	(3,559)	(3,990)
Depreciation and amortisation	(134)	(123)	(261)	(244)
Finance cost	(151)	(146)	(309)	(321)
Profit /(Loss) before taxation	<u>794</u>	<u>197</u>	<u>2,156</u>	<u>88</u>
Tax expense	<u>(349)</u>	<u>(210)</u>	<u>(844)</u>	<u>(420)</u>
Profit / (loss) for the period	<u><u>445</u></u>	<u><u>(13)</u></u>	<u><u>1,312</u></u>	<u><u>(332)</u></u>
Other comprehensive income				
Revaluation (deficit) / surplus, net of deferred taxation	-	-	-	-
Total comprehensive income	<u><u>445</u></u>	<u><u>(13)</u></u>	<u><u>1,312</u></u>	<u><u>(332)</u></u>
Profit / (loss) for the period attributable to:				
Equity holders of the Company	138	(203)	561	(714)
Non-controlling interests	<u>307</u>	<u>190</u>	<u>751</u>	<u>382</u>
	<u><u>445</u></u>	<u><u>(13)</u></u>	<u><u>1,312</u></u>	<u><u>(332)</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	138	(203)	561	(714)
Non-controlling interests	<u>307</u>	<u>190</u>	<u>751</u>	<u>382</u>
	<u><u>445</u></u>	<u><u>(13)</u></u>	<u><u>1,312</u></u>	<u><u>(332)</u></u>
Basic earnings per ordinary share (sen) Based on 40,000,000 ordinary shares	0.35	(0.51)	1.40	(1.79)

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Report for the year ended 30th June 2020.

GRAND HOOVER BERHAD.

Co. No. 197101000134 (10493-P)

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

	Note	As at 31.12.2020 RM'000 (Unaudited)	As at 30.06.2020 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	A 10	23,337	23,293
Investment properties		8,285	8,285
Right-of-use assets		1,634	1,750
Inventories (Note 1)		10,094	9,703
Goodwill on consolidation		1,151	1,151
		<u>44,501</u>	<u>44,182</u>
Current assets			
Inventories (Note 1)		13,354	13,683
Trade receivables		34,003	25,530
Other receivables, deposits and prepayments		261	245
Current tax assets		55	670
Fixed deposits with licensed banks		1,479	1,472
Cash and bank balances		2,297	941
		<u>51,449</u>	<u>42,541</u>
Assets held for sale		<u>360</u>	<u>360</u>
Total Current assets		<u>51,809</u>	<u>42,901</u>
TOTAL ASSETS		<u>96,310</u>	<u>87,083</u>

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

	As at 31.12.2020 RM'000 (Unaudited)	As at 30.06.2020 RM'000 (Audited)
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	44,186	44,186
Reserves	9,693	9,693
Retained profit / (Accumulated loss)	(11,441)	(12,002)
	<u>42,438</u>	<u>41,877</u>
Non-controlling interest	12,675	11,924
	<u>55,113</u>	<u>53,801</u>
Total equity		
Non current liabilities		
Lease liability	1,257	1,354
Term Loan	4,234	2,868
Deferred taxation	3,681	3,681
	<u>9,172</u>	<u>7,903</u>
Current liabilities		
Trade payables	17,306	9,337
Other payables and accruals	2,117	4,240
Amount due to a director	4,200	2,365
Lease liability	476	457
Term Loan	395	1,435
Bankers' acceptance	1,562	1,499
Bank overdraft	5,965	6,041
Current tax liabilities	4	5
	<u>32,025</u>	<u>25,379</u>
Total liabilities	41,197	33,282
	<u>96,310</u>	<u>87,083</u>
TOTAL EQUITY AND LIABILITIES		
Net tangible assets per share (RM)	<u>1.03</u>	<u>1.02</u>
Net assets per share attributable to ordinary equity holders of the parents (RM)	<u>1.06</u>	<u>1.05</u>

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	As at 31.12.2020	As at 30.06.2020
	RM'000 (Unaudited)	RM'000 (Audited)

Note. 1**Inventories**

i.	Finished Good	13,044	12,235
ii.	Completed Properties	310	1,448
		<u>13,354</u>	<u>13,683</u>
iv	Not within operating cycle		
	- Land held for property development	10,061	9,670
	- Property development cost	<u>33</u>	<u>33</u>
		<u>10,094</u>	<u>9,703</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 2020.

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Unaudited Condensed Consolidated Statement of Change in Equity for the period ended 31 December 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 2019	44,186	8,265	(8,737)	43,714	11,431	55,145
Comprehensive income:						
Net profit / (loss) for the financial year	-	-	(3,265)	(3,265)	(184)	(3,449)
Other comprehensive income:						
Revaluation surplus, net of deferred tax	-	1,428	-	1,428	677	2,105
Total comprehensive income / (loss)	-	1,428	(3,265)	(1,837)	493	(1,344)
Balance as at 30th June 2020	44,186	9,693	(12,002)	41,877	11,924	53,801
Balance as at 1st July 2020	44,186	9,693	(12,002)	41,877	11,924	53,801
Comprehensive income:						
Net profit / (loss) for the financial period	-	-	561	561	751	1,312
Other comprehensive income:						
Revaluation surplus / (deficit), net of deferred tax	-	-	-	-	-	-
Total comprehensive income	-	-	561	561	751	1,312
Balance as at 31st December 2020	44,186	9,693	(11,441)	42,438	12,675	55,113

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 2020.

GRAND HOOVER BERHAD.

Co. No. 197101000134 (10493-P)

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

	6 months Current Year To Date 31-12-2020 RM'000 Unaudited	12 months Preceding Year To Date 30-06-2020 RM'000 Audited
Cash flows from operating activities		
Profit / (loss) before taxation	2,156	(3,561)
Adjustments for :		
Non - cash items	(589)	3,308
Non - operating items - investing	262	1,018
Non - operating items - financing	199	622
Operating profit / (loss) before working capital changes	<u>2,028</u>	<u>1,387</u>
(Increase) / Decrease in working capital :		
Net Change in operating assets	(7,962)	1,544
Net Change in operating liabilities	<u>5,846</u>	<u>(3,208)</u>
Cash generated from / (used in) operation	(88)	(277)
Interest paid	(309)	(660)
Income tax paid	(231)	(707)
Income tax refund	-	185
Net cash from / (used in) operating activities	<u>(628)</u>	<u>(1,459)</u>
Cash Flows from investing activities		
Interest received	110	39
Proceeds from disposal of plant and equipment	-	23
Proceeds from disposal of investment property	-	193
Purchase of property, plant and equipment	(189)	(20)
Net cash from / (used in) investing activities	<u>(79)</u>	<u>235</u>
Balance carried forwards	(707)	(1,224)

GRAND HOOVER BERHAD.

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

	6 months Current Year To Date 31-12-2020 RM'000 Unaudited	12 months Preceding Year To Date 30-06-2020 RM'000 Audited
Balance brought forward	(707)	(1,224)
Cash flows from financing activities		
Advance from a director	1,835	2,365
Drawdown / (repayment of) bankers' acceptance	63	(389)
Drawdown of lease liabilities	110	-
Repayment of lease liabilities	(188)	(421)
Dividends paid to non-controlling interests	-	-
Drawdown of term loan	1,500	1,157
Repayment of term loan	(1,174)	(203)
Net cash used in financing activities	2,146	2,509
Net decrease in cash and cash equivalents	1,439	1,285
Cash and cash equivalents at beginning of year	(3,628)	(4,913)
Cash and cash at 31st December (i)	(2,189)	(3,628)

(i) Cash and cash equivalents

Cash and cash equivalents comprise the following balance sheet amounts :

	31/12/2020 RM'000	30/06/2020 RM'000
Cash and bank balances	2,297	941
Deposit with licensed banks	1,479	1,472
Bank overdrafts	(5,965)	(6,041)
	(2,189)	(3,628)

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the Audited Financial Report for the year ended 30th June 2020.

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 30th June 2020. 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 30th June 2020.

A2. Changes in accounting policies

The significant accounting policies and presentation adopted for this Unaudited Condensed Consolidated Interim Financial Information are mainly consistent with those used in the preparation of the audited financial statements for the financial year ended 30th June 2020 except for the following:

Effective for financial periods beginning on or after 1st January 2020:

Amendment to MFRS 3 – Definition of a Business

Amendment to MFRS 9, MFRS 139 and MFRS 7 – Interest Rates Benchmark Reform

Amendment to MFRS 101 and 108 – Definition of Material

Effective for financial periods beginning on or after 1st June 2020:

Amendment to MFRS 16 – Covid 19 Related Rent Concessions

Effective for financial periods beginning on or after 17th August 2020:

Amendments to MFRS 4 Insurance contracts – Extension of the Temporary Exemption from Applying MFRS 9.

Amendment to MFRS 101 – Classification of Liabilities as Current or Non-Current

NOTES TO THE INTERIM FINANCIAL REPORT

A2. Changes in accounting policies (cont'd)

The adoption of the above standards, interpretation or amendments are not expected to have material financial impact to 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 30 June 2020 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 1 July 2020 to 31 December 2020 (30 June 2020: NIL).

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NOTES TO THE INTERIM FINANCIAL REPORT

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	-	1,350	35,057	-	36,407
Inter-segment revenue	22	36	-	(58)	-
Total Revenue	22	1,386	35,057	(58)	36,407
RESULTS					
Segment Results	(631)	(276)	3,265	(36)	2,322
Unallocated expenses	-	-	-	-	-
Net interest expenses	23	(232)	5	38	(166)
Profit / (Loss) Before Tax	(608)	(508)	3,270	2	2,156
Taxation	(2)	-	(842)	-	(844)
Profit / (Loss) After Tax	(610)	(508)	2,428	2	1,312
Segment assets	19,451	5,728	69,980	1,151	96,310
Segment liabilities	11,500	1,450	27,497	750	41,197

Note to the interim financial report

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 30 June 2020

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

The Board of Directors of GHB received a notice of unconditional mandatory take-over offer from AmlInvestment Bank Berhad on behalf of the Offeror on 3 February 2021.

On 4 February 2021, the Board (save for interested directors) has appointed Malacca Securities Sdn. Bhd. to act as the Independent Adviser to advise the non-interested directors and non-interested shareholders of GHB in relation to the Offer.

Save and except for the above, there were no material events subsequent to the current financial quarter ended 31 December 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 were no material changes in the composition of the Group for the current quarter and financial year-to-date.

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 30 June 2020.

A14. Performance Bonds

The performance bonds issued during the period from 1 July 2020 to 31 December 2020 are RM750,000.00 (30th June 2020: RM750,000.00).

A15. Amount due to Director

The amount due to director is non-interest bearing.

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ADDITIONAL INFORMATION REQUIRED BY LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of performance

The Group achieved higher revenue of RM36.41 million as compared with corresponding period of RM30.54 million. Higher revenue was attributable to better sale achieved from the trading division.

The Group's financial performance for the period ended 31 December 2020 had reported a profit before taxation of RM2,156,000 as compared with the corresponding preceding period profit before taxation of RM88,000. The profit was due to higher sale achieved and recovery of impairment on trade receivable.

RM'000

REVENUE	6 months period ended 31 st December 2020 (unaudited)	6 months period ended 31 st December 2019 (unaudited)	Variance	Variance (%)
Investment & Services	22	22	-	-
Property Development and Construction	1,386	1,326	60	4.52%
Trading	35,057	29,248	5,809	19.86%
	36,465	30,596	5,869	19.18%
Elimination	(58)	(58)	-	-
Total	36,407	30,538	5,869	19.22%

Timing of Revenue Recognized				
- At point in time	36,407	30,538		
- Over time	-	-		
	36,407	30,538		

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

	6 months period ended 31st December 2020 (unaudited)	6 months period ended 31st December 2019 (unaudited)	Variance	Variance (%)
Revenue	36,407	30,538	5,869	19.22%
Profit / (Loss) before interest and taxation	2,355	388	1,967	>100%
Profit / (Loss) before taxation	2,156	88	2,068	>100%
Profit / (Loss) after taxation	1,312	(332)	1,644	>-100%
Profit / (Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	561	(714)	1,275	>-100%

B2. Variation of results against preceding quarter

The Group revenue for this reporting quarter of RM18.96 million as compared with the immediate preceding quarter of RM17.44 million. The profit before taxation for this reporting quarter was RM794,000 as compared with immediate preceding quarter profit before taxation of RM1,362,000.

The lower profit before taxation was attributable to lower margin achieved from trading division as compared to immediate preceding performance.

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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**

REVENUE	Current Quarter 31st December 2020 (unaudited)	Immediate Preceding Quarter 30th September 2020 (unaudited)	Variance	Variance (%)
Investment & Services	11	11	-	-
Property Development and Construction	18	1,368	-1,350	-98.68%
Trading	18,963	16,094	2,869	17.83%
	18,992	17,473	1,519	8.69%
Elimination	(29)	(29)	-	-
Total	18,963	17,444	1,519	8.71%

RM'000

	Current Quarter 31st December 2020 (unaudited)	Immediate Preceding Quarter 30th September 2020 (unaudited)	Variance	Variance (%)
Revenue	18,963	17,444	1,519	8.71%
Profit / (Loss) before interest and taxation	878	1,477	-599	-40.56%
Profit / (Loss) before taxation	794	1,362	-568	-41.70%
Profit / (Loss) after taxation	445	867	-422	-48.67%
Profit / (Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	138	423	-285	-67.38%

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ADDITIONAL INFORMATION REQUIRED BY LISTING REQUIREMENTS OF BURSA MALAYSIA
SECURITIES BERHAD

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 with Conditional Movement Control Order enforced by the government.

The eventual impact to this division 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 been maintaining various cost control and foresee the revenue will gradually improve once the construction activities improve.

B4. Taxation

	RM'000
Current year taxation	844

	844
	=====

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 24th February 2021.

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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 2nd Quarters Ended 2021		
	Long term	Short term	Total
	RM'000	RM'000	RM'000
Secured			
Bank Overdraft (average int. 7.2% – 7.45% p.a)	-	5,965	5,965
Lease liabilities (average int. 3.72% - 6.40% p.a)	1,257	476	1,733
Term loan (average int. 3.17% - 3.67% p.a)	4,234	395	4,629
Banker's Acceptance ("BA") (average int. 3.45% - 3.59% p.a)	-	1,562	1,562
Unsecured	-	-	-
Total	5,491	8,398	13,889

RM'000

	As at 4th Quarters Ended 2020 (restated)		
	Long term	Short term	Total
	RM	RM	RM
Secured			
Bank Overdraft (average int. 5.77% – 8.45% p.a)	-	6,041	6,041
Lease liabilities (average int. 3.72% - 6.40% p.a)	1,354	457	1,811
Term loan (average int. 3.17 – 3.67% p.a)	2,868	1,435	4,303
Banker's Acceptance ("BA")	-	1,499	1,499
Unsecured	-	-	-
Total	4,222	9,432	13,654

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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. Additional term loan facilities of RM1.5m in current quarter;
3. Reduction in term loans and finance lease liabilities were due to fixed schedule monthly repayment under the facilities agreement;
4. The changes in bank overdraft and BA were due to short-term working capital requirement;

B7. Derivatives

There were no derivatives entered by the Group as at 31 December 2020.

B8. Changes in material litigation

There is no material litigation as at 24 February 2021.

B9. Dividends

No interim dividend was declared during the period from 1st July 2020 to 31 December 2020 (30th June 2020: 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 profit for the period attributable to equity holders of the parent of RM561,000 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		6 months	
	Quarter ended		Cumulative to date	
	31.12.20	31.12.19	31.12.20	31.12.19
	RM'000	RM'000	RM'000	RM'000
Interest income	(67)	(11)	(110)	(21)
Rental income	(10)	(10)	(14)	(20)
Bad debts recovery	(398)	-	(598)	(9)
(Gain) / loss on disposal of property, plant & equipment	-	-	-	(23)
Impairment loss on trade receivables	-	-	9	-
Bad debt written off	-	-	-	-
Depreciation of property, plant & equipment and right-of-use assets	134	123	261	244
Property, plant and equipment written off	1	-	1	-
Interest expenses	151	146	309	321