



GRAND HOOVER BERHAD

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

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR PERIOD ENDED

31st MARCH 2021

(3rd 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 period ended 31 March 2021

	INDIVIDUAL QUARTER ENDED		CUMULATIVE QUARTER ENDED	
	3 months Current Year Quarter 31.03.2021	3 months Preceding Year Corresponding Quarter 31.03.2020	9 months Current Year To Date 31.03.2021	9 months Preceding Year To Date 31.03.2020
	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited
Revenue	15,179	11,499	51,586	42,037
Cost of sales	<u>(12,445)</u>	<u>(9,744)</u>	<u>(43,359)</u>	<u>(35,713)</u>
Gross profit	2,734	1,755	8,227	6,324
Other income	148	96	940	170
Administrative expenses	(4,728)	(2,216)	(8,287)	(6,206)
Other expense	(139)	(122)	(400)	(366)
Finance cost	(165)	(164)	(474)	(485)
(Loss)/Profit before taxation	<u>(2,150)</u>	<u>(651)</u>	<u>6</u>	<u>(563)</u>
Tax expense	<u>(14)</u>	<u>(100)</u>	<u>(858)</u>	<u>(520)</u>
Loss for the period	<u><u>(2,164)</u></u>	<u><u>(751)</u></u>	<u><u>(852)</u></u>	<u><u>(1,083)</u></u>
Other comprehensive income				
Revaluation (deficit) / surplus, net of deferred taxation	-	-	-	-
Total comprehensive loss	<u><u>(2,164)</u></u>	<u><u>(751)</u></u>	<u><u>(852)</u></u>	<u><u>(1,083)</u></u>
Profit / (loss) for the period attributable to:				
Equity holders of the Company	(1,706)	(757)	(1,145)	(1,471)
Non-controlling interests	<u>(458)</u>	<u>6</u>	<u>293</u>	<u>388</u>
	<u><u>(2,164)</u></u>	<u><u>(751)</u></u>	<u><u>(852)</u></u>	<u><u>(1,083)</u></u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	(1,706)	(757)	(1,145)	(1,471)
Non-controlling interests	<u>(458)</u>	<u>6</u>	<u>293</u>	<u>388</u>
	<u><u>(2,164)</u></u>	<u><u>(751)</u></u>	<u><u>(852)</u></u>	<u><u>(1,083)</u></u>
(a) Earnings per share (sen):-	(4.27)	(1.89)	(2.86)	(3.68)
(b) Diluted	N/A	N/A	N/A	N/A
(c) Numbers of Ordinary Share ('000)	40,000	40,000	40,000	40,000

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 March 2021**

	As at 31.03.2021 RM'000 (Unaudited)	As at 30.06.2020 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	23,322	23,293
Investment properties	8,285	8,285
Right-of-use assets	1,665	1,750
Inventories	10,098	9,703
Goodwill on consolidation	1,151	1,151
	<u>44,521</u>	<u>44,182</u>
Current assets		
Inventories	14,531	13,683
Trade receivables	29,483	25,530
Other receivables, deposits and prepayments	245	245
Current tax assets	311	670
Fixed deposits with licensed banks	1,386	1,472
Cash and bank balances	1,218	941
	<u>47,174</u>	<u>42,541</u>
Assets held for sale	360	360
Total Current assets	<u>47,534</u>	<u>42,901</u>
TOTAL ASSETS	<u>92,055</u>	<u>87,083</u>

GRAND HOOVER BERHAD.

Co. No. 197101000134 (10493-P)

**Unaudited Condensed Consolidated Statement of Financial Position
as at 31 March 2021**

	As at 31.03.2021 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
Accumulated loss	(13,147)	(12,002)
	<u>40,732</u>	<u>41,877</u>
Non-controlling interest	12,172	11,924
	<u>52,904</u>	<u>53,801</u>
Total equity		
Non current liabilities		
Lease liability	1,234	1,354
Term Loan	4,164	2,868
Deferred taxation	3,681	3,681
	<u>9,079</u>	<u>7,903</u>
Current liabilities		
Trade payables	15,329	9,337
Other payables and accruals	6,803	6,605
Amount due to holding company	35	-
Lease liability	497	457
Term Loan	395	1,435
Bankers' acceptance	1,313	1,499
Bank overdraft	5,696	6,041
Current tax liabilities	4	5
	<u>30,072</u>	<u>25,379</u>
Total liabilities	39,151	33,282
	<u>92,055</u>	<u>87,083</u>
TOTAL EQUITY AND LIABILITIES		
Net assets per share attributable to ordinary equity holders of the parents (RM)	<u>1.02</u>	<u>1.05</u>

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**Unaudited Condensed Consolidated Statement of Change in Equity
for the period ended 31 March 2021**

	----- 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	<u>44,186</u>	<u>9,693</u>	<u>(12,002)</u>	<u>41,877</u>	<u>11,924</u>	<u>53,801</u>
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	-	-	(1,145)	(1,145)	293	(852)
Other comprehensive income:						
Revaluation surplus / (deficit), net of deferred tax	-	-	-	-	-	-
Total comprehensive income	-	-	(1,145)	(1,145)	293	(852)
Dividends paid to non controlling interests	-	-	-	-	(45)	(45)
Balance as at 31st March 2021	<u>44,186</u>	<u>9,693</u>	<u>(13,147)</u>	<u>40,732</u>	<u>12,172</u>	<u>52,904</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 2020.

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**Unaudited Condensed Consolidated Statement of Cash Flows
for the period ended 31 March 2021**

	9 months Current Year To Date 31-03-2021 RM'000 Unaudited	12 months Preceding Year To Date 30-06-2020 RM'000 Audited
Cash flows from operating activities		
Profit / (loss) before taxation	6	(3,561)
Adjustments for :		
Non - cash items	2,289	3,308
Non - operating items - investing	401	1,018
Non - operating items - financing	358	622
Operating profit before working capital changes	<u>3,054</u>	<u>1,387</u>
(Increase) / Decrease in working capital :		
Net Change in operating assets	(7,485)	1,544
Net Change in operating liabilities	3,800	(3,208)
Net cash used in operations	<u>(631)</u>	<u>(277)</u>
Interest paid	(474)	(660)
Income tax paid	(501)	(707)
Income tax refund	-	185
Net cash used in operating activities	<u>(1,606)</u>	<u>(1,459)</u>
Cash Flows from investing activities		
Interest received	116	39
Proceeds from disposal of plant and equipment	-	23
Proceeds from disposal of investment property	-	193
Purchase of property, plant and equipment	(344)	(20)
Net cash (used in)/from investing activities	<u>(228)</u>	<u>235</u>
Balance carried forwards	(1,834)	(1,224)

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**Unaudited Condensed Consolidated Statement of Cash Flows
for the period ended 31 March 2021**

	31-03-2021 RM'000 Unaudited	30-06-2020 RM'000 Audited
Balance brought forward	(1,834)	(1,224)
Cash flows from financing activities		
Advance from holding company	35	-
Advance from a shareholder	2,390	2,365
Drawdown / (repayment of) bankers' acceptance	(186)	(389)
Drawdown of lease liabilities	228	-
Repayment of lease liabilities	(308)	(421)
Dividends paid to non-controlling interests	(45)	-
Drawdown of term loan	1,500	1,157
Repayment of term loan	(1,244)	(203)
Net cash generated from financing activities	<u>2,370</u>	<u>2,509</u>
Net increase in cash and cash equivalents	536	1,285
Cash and cash equivalents at beginning of year	(3,628)	(4,913)
Cash and cash at 31st March (i)	<u><u>(3,092)</u></u>	<u><u>(3,628)</u></u>

(i) Cash and cash equivalents

Cash and cash equivalents comprise the following balance sheet amounts :

	31/03/2021 RM'000	30/06/2020 RM'000
Cash and bank balances	1,218	941
Deposit with licensed banks	1,386	1,472
Bank overdrafts	(5,696)	-6,041
	<u>(3,092)</u>	<u>(3,628)</u>

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 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

The adoption of the above standards, interpretation or amendments are not expected to have material financial impact to the financial statements of the Group.

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Co. No. 197101000134 (10493-P)

NOTES TO THE INTERIM FINANCIAL REPORT

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 affecting assets, liabilities, equity, net income or cash flows

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 March 2021 (30 June 2020: NIL).

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Co. No. 197101000134 (10493-P)

NOTES TO THE INTERIM FINANCIAL REPORT

A9. Segment information

Segment information is presented in respect of the Group's business segments.

	Investment & Services and Others RM'000	Property Development and Construction RM'000	Trading RM'000	Elimination RM'000	Group RM'000
REVENUE					
Revenue from external customers	-	1,350	50,236	-	51,586
Inter-segment revenue	139	54	-	(193)	-
Total Revenue	139	1,404	50,236	(193)	51,586
RESULTS					
Segment Results	(789)	(502)	1,766	(159)	316
Unallocated expenses	-	-	-	-	-
Net interest expenses	36	(350)	(52)	56	(310)
Profit / (Loss) Before Tax	(753)	(852)	1,714	(103)	6
Taxation	(2)	(6)	(850)	-	(858)
Profit / (Loss) After Tax	(755)	(858)	864	(103)	(852)
Segment assets	19,405	5,736	65,763	1,151	92,055
Segment liabilities	12,015	1,435	24,951	750	39,151

Note to the interim financial report

A10. Valuation of 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, wishes to undertake the following:

- (i) diversification of its existing core business to include construction and construction related activities (“Construction Business”) as well as property development activities (“Property Development Business”);
- (ii) a renounceable rights issue of 50,000,000 new ordinary shares in GHB at an issue price of RM0.60 per Rights Share, on the basis of 5 Rights Shares for every 4 existing GHB Shares held by the entitled shareholders of GHB on an entitlement date to be determined later; and
- (iii) new recurrent related party transactions of a revenue or trading nature (“RRPT”) expected to be entered between GHB and its subsidiaries with certain related parties following the Proposed Diversification.

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.

Note to the interim financial report

A14. Performance bonds

The performance bonds issued during the period from 1 July 2020 to 31 March 2021 are RM750,000.00 (30th June 2020: RM750,000.00).

ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B)

B1. Review of performance

	9 months period ended 31st March 2021 (unaudited) RM'000	9 months period ended 31st March 2020 (unaudited) RM'000	Variance RM'000	Variance (%)
Revenue	51,586	42,037	9,549	22.72%
Gross profit	8,227	6,324	1,903	30.09%
Profit / (Loss) before interest and taxation	364	(109)	473	>100%
Profit / (Loss) before taxation	6	(563)	569	>100%
Profit / (Loss) after taxation	(852)	(1,083)	231	21.33%
Profit / (Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	(1,145)	(1,471)	326	22.16%

Revenue

The Group achieved higher revenue of RM51.59 million as compared with corresponding period of RM42.04 million. Higher revenue was attributable to higher sales achieved from the trading division.

Gross Profit

Gross profit of the group amounted to RM8.2M in Q3 FY2021, representing an increase of 30% in Q3 FY2020 of RM6.3M. The increase mainly attributable to higher sales from trading division.

Profit Before Taxation (“PBT”)

PBT of the Group in Q3 FY2021 of RM6,000 as compared with the corresponding preceding period loss before taxation of RM563,000. The increase in PBT is in line with higher gross profit achieved.

ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B)

B1. Review of performance (cont'd)**Profit After Taxation ("PAT")**

PAT of the Group in Q3 FY2021 amounted to RM852,000 as compared with the corresponding preceding period loss after taxation of RM1,083,000.

The taxation reported for the period ended 31 March 2021 is RM858,000 as compared with the corresponding preceding period of RM520,000, the increase in taxation is mainly due to higher profit achieved in trading division.

B2. Variation of results against immediate preceding quarter

	Current Quarter 31st March 2021 (unaudited)	Immediate Preceding Quarter 31st December 2020 (unaudited)	Variance	Variance
	RM'000	RM'000	RM'000	(%)
Revenue	15,179	18,963	(3,784)	-19.95%
Gross profit	2,734	2,157	577	26.75%
Profit / (Loss) before interest and taxation	(1,991)	878	(2,869)	>100%
Profit / (Loss) before taxation	(2,150)	794	(2,944)	>100%
Profit / (Loss) after taxation	(2,164)	445	(2,609)	>100%
Profit / (Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	(1,706)	138	(1,844)	>-100%

Revenue

The Group revenue for this reporting quarter of RM15.18 million as compared with the immediate preceding quarter of RM18.96 million. The dropped of revenue of RM3.78 million is mainly due to the imposition of the Movement Control Order No.2 from 13 Jan 2021 to 4 Feb 2021 which limit the movement of people and goods nationwide, thus affected the trading business of the group.

B2. Variation of results against immediate preceding quarter (cont'd)

Gross Profit ("GP")

Gross profit of the Group for this reporting quarter is RM2.7M as compared to immediate preceding quarter of RM2.2M.

The GP rate for this reporting quarter had increase to 18% as compared to 11% in immediate preceding quarter, mainly due to selling price was increased in trading division for this reporting quarter.

Profit Before Taxation ("PBT")

The loss before taxation for this reporting quarter was RM2.15 million as compared with immediate preceding quarter profit before taxation of RM794,000.

The decrease in profit for this reporting quarter is mainly due to additional impairment losses on trade receivable of RM3 million and lower sales achieved of trading division in the current quarter as compared to preceding quarter.

Profit After Taxation ("PAT")

The loss after taxation for this reporting quarter was RM2.16 million as compared with immediate preceding quarter profit after taxation of RM445,000,

The taxation reported for this reporting quarter is RM14,000 as compared with the corresponding preceding quarter of RM349,000, the decrease in taxation is mainly due to dropped in profit for the current quarter end and the specific provision of the impairment for the trade receivable.

ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B)

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

	3 months		9 months	
	Quarter ended		Cumulative to date	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Income tax				
-Current year provision	14	100	857	519
- under provision in previous financial year	0	0	1	1
Total	14	100	858	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 19 May 2021.

ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B)

B6. Group borrowings and debt securities

	As at 3 rd 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)	-	5,696	5,696
Lease liabilities (average int. 3.72% - 6.40% p.a)	1,234	497	1,731
Term loan (average int. 3.17% - 3.67% p.a)	4,164	395	4,559
Banker's Acceptance ("BA") (average int. 3.45% - 3.59% p.a)	-	1,313	1,313
Unsecured	-	-	-
Total	5,398	7,901	13,299

	As at 4 th Quarters Ended 2020 (restated)		
	Long term	Short term	Total
	RM'000	RM'000	RM'000
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

ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B)

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 during the period ended 31 March 2021;
3. Reduction in 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 March 2021.

B8. Changes in material litigation

There is no material litigation as at 19 May 2021.

B9. Dividends

No interim dividend was declared during the period from 1st July 2020 to 31 March 2021 (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.

ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B)

B11. Earnings per share

	Individual Quarter Ended		9 months Cumulative Ended	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Net loss attributable to owners the parent (RM'000)	(1,706)	(757)	(1,145)	(1,471)
Basic EPS (sen)	(4.27)	(1.89)	(2.86)	(3.68)
No. of share ('000)	40,000	40,000	40,000	40,000

B12. Profit before tax

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

	3 months Quarter ended		9 months Cumulative to date	
	31.03.21 RM'000	31.03.20 RM'000	31.03.21 RM'000	31.03.20 RM'000
Interest income	(6)	(10)	(116)	(31)
Rental income	(17)	(6)	(31)	(26)
Bad debts recovery	(122)	(70)	(720)	(79)
(Gain) / loss on disposal of property, plant & equipment	-	-	-	(23)
Impairment loss on trade receivables	3,000	300	3,009	300
Depreciation of property, plant & equipment and right-of-use assets	139	122	400	366
Property, plant and equipment written off	-	-	1	-
Interest expenses	165	164	474	485

ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B)

B13. Trade Receivable

	As at 31.03.2021	As at 30.06.2020
	RM'000 (Unaudited)	RM'000 (Audited)
Trade Receivables	35,197	29,057
Less: Allowance for impairment losses	(5,714)	(3,527)
	<u>29,483</u>	<u>25,530</u>

The aging analysis of the Group' trade receivables is as follows:

Neither past due nor impaired	4,164	4,776
Past due not impaired:		
1 - 30 days	3,356	428
31 - 60 days	4,621	2,064
61 - 90 days	4,229	3,159
> 91 days	13,113	15,103
Impaired	5,714	3,527
Gross trade receivables	<u>35,197</u>	<u>29,057</u>

Trade receivables are non-interest bearing and are generally within the stipulated current credit term. They are recognized at their original invoice amounts which represent their fair values on initial recognition.