

GRAND CENTRAL ENTERPRISES BHD (131696-V)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

	INDIVIDUAL PERIOD		Changes %	CUMULATIVE PERIOD		Changes %
	Current Year Quarter 31.03.2018 RM'000	Preceding Year Corresponding Quarter 31.03.2017 RM'000		Current Year To Date 31.03.2018 RM'000	Preceding Year Corresponding Period 31.03.2017 RM'000	
Revenue	4,690	5,400	(13)	4,690	5,400	(13)
Operating expenses	(7,612)	(8,132)		(7,612)	(8,132)	
Other operating income	618	682		618	682	
Finance cost	(1)	(1)		(1)	(1)	
Loss before taxation	(2,305)	(2,051)	12	(2,305)	(2,051)	12
Taxation	(65)	(47)		(65)	(47)	
Loss net of tax	(2,370)	(2,098)	13	(2,370)	(2,098)	13
Other comprehensive profit	-	-		-	-	
Total comprehensive loss	(2,370)	(2,098)		(2,370)	(2,098)	
(Loss)/profit attributable to:						
Equity holders of the Company	(2,358)	(2,113)	12	(2,358)	(2,113)	12
Non-controlling interests	(12)	15		(12)	15	
Loss for the period	(2,370)	(2,098)		(2,370)	(2,098)	
Loss per share (sen)	(1.20)	(1.07)		(1.20)	(1.07)	

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

GRAND CENTRAL ENTERPRISES BHD (131696-V)
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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	As At End Of Current Quarter 31.03.2018 RM'000	As At End Of Preceding Year End 31.12.2017 RM'000
ASSETS		
Non-current asset		
Property, plant and equipment	184,472	185,976
Current assets		
Inventories	371	383
Trade and other receivables	3,955	4,206
Cash and bank balances	62,271	62,986
	<u>66,597</u>	<u>67,575</u>
TOTAL ASSETS	<u>251,069</u>	<u>253,551</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	199,397	199,397
Reserves	24,762	31,060
	<u>224,159</u>	<u>230,457</u>
Non-controlling interests	1,842	1,854
Total equity	<u>226,001</u>	<u>232,311</u>
Non-current liabilities		
Hire purchase payable	3	3
Deferred tax liabilities	16,656	16,656
	<u>16,659</u>	<u>16,659</u>
Current liabilities		
Hire purchase payable	27	38
Trade & other payables	4,283	4,434
Tax payable	159	109
Dividend payable	3,940	-
	<u>8,409</u>	<u>4,581</u>
Total liabilities	<u>25,068</u>	<u>21,240</u>
TOTAL EQUITY AND LIABILITIES	<u>251,069</u>	<u>253,551</u>
Net assets per share (RM)	1.14	1.17

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

	←——— Attributable to Owners of the Parent ———→			Non-controlling Interests	Total Equity	
	Share Capital RM'000	Non-Distributable Share Premium Reserve RM'000	Distributable Retained Profits RM'000			Total RM'000
3-month quarter ended 31 March 2018						
At 1 January 2018	199,397	-	31,060	230,457	1,854	232,311
Loss for the period	-	-	(2,358)	(2,358)	(12)	(2,370)
Dividends	-	-	(3,940)	(3,940)	-	(3,940)
At 31 March 2018	199,397	-	24,762	224,159	1,842	226,001
3-month quarter ended 31 March 2017						
At 1 January 2017	197,002	2,395	39,354	238,751	1,873	240,624
(Loss)/profit for the period	-	-	(2,113)	(2,113)	15	(2,098)
At 31 March 2017	197,002	2,395	37,241	236,638	1,888	238,526

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

GRAND CENTRAL ENTERPRISES BHD (131696-V)
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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

	<u>2018</u>	<u>2017</u>
	3 Months	3 Months
	Ended	Ended
	31.03.2018	31.03.2017
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(2,305)	(2,051)
Adjustments for:-		
Depreciation	1,665	1,608
Gain on disposal of property, plant and equipment	(25)	(1)
Interest expense	1	1
Interest income	(561)	(594)
Property, plant and equipment written off	1	1
Operating loss before working capital changes	<u>(1,224)</u>	<u>(1,036)</u>
Net change in current receivables	(154)	518
Net change in current payables	<u>(151)</u>	<u>(378)</u>
Cash used in operating activities	(1,529)	(896)
Interest paid	(1)	(1)
Net taxes refunded/(paid)	<u>185</u>	<u>(54)</u>
Net cash used in operating activities	<u>(1,345)</u>	<u>(951)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	779	365
Withdrawal of fixed deposits	7,999	(356)
Proceeds from disposal of property, plant and equipment	25	1
Purchase of property, plant and equipment	<u>(162)</u>	<u>(740)</u>
Net cash generated from/(used in) investing activities	<u>8,641</u>	<u>(730)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Repayment of hire purchase payable representing net cash used in financing activity	<u>(11)</u>	<u>(8)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	7,285	(1,689)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>6,936</u>	<u>8,304</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>14,221</u>	<u>6,615</u>

GRAND CENTRAL ENTERPRISES BHD (131696-V)
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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018 (CONT'D.)

	As at 31.03.2018 RM'000	As at 31.03.2017 RM'000
CASH AND BANK BALANCES		
Cash on hand and at banks	4,510	5,793
Deposits with licensed banks	<u>57,761</u>	<u>61,419</u>
Cash and bank balances	<u>62,271</u>	<u>67,212</u>

For the purpose of the statements of cash flows of the Group, cash and cash equivalents comprise the following as at the reporting date:

Cash and bank balances	62,271	67,212
Less: Short-term deposits with licensed banks	<u>(48,050)</u>	<u>(60,597)</u>
Total cash and cash equivalents	<u>14,221</u>	<u>6,615</u>

Short-term deposits have maturity periods of more than 3 months but not more than one year. Included in short-term deposits with licensed banks are deposits of RM1,185,000 (2017: RM1,185,000) pledged as bank guarantees for credit facilities granted to the Group.

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

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PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

1 BASIS OF PREPARATION

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standard Board ("MASB") and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 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 31 December 2017.

2 CHANGES IN ACCOUNTING POLICIES

The accounting policies applied by the Group in the interim financial statements are consistent with those adopted in the most recent audited financial statements for the year ended 31 December 2017 except for the adoption of the new and amended MFRSs and IC Interpretations effective for annual financial periods beginning on or after 1 January 2018. The initial application of these new and amended MFRSs and IC Interpretations have no material impact on this interim financial reporting.

3 AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 December 2017 was not qualified.

4 SEGMENTAL REPORTING

The Board of Directors reviews the Group's internal reporting in order to assess performance and allocation of resources. The Group's principal activities are principally in the hotel business conducted within Malaysia.

	Current Year To Date 31.03.2018 RM'000	Preceding Year Corresponding Period 31.03.2017 RM'000
Revenue from external customers	4,690	5,400
Reportable segment loss	(1,258)	(1,125)
Reportable segment assets	250,975	260,753
Reportable segment liabilities	4,283	5,019
Reportable segment loss is reconciled as follows:		
Total loss for reportable segment	(1,258)	(1,125)
Interest income	561	594
Other income	57	88
Depreciation	(1,665)	(1,608)
Loss before taxation	(2,305)	(2,051)

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4 SEGMENTAL REPORTING (Cont'd.)

	Current Year To Date 31.03.2018 RM'000	Preceding Year Corresponding Period 31.03.2017 RM'000
Reportable segment assets are reconciled as follows:		
Total assets for reportable segment	250,975	260,753
Tax recoverable	94	121
Total assets	<u>251,069</u>	<u>260,874</u>
Reportable segment liabilities are reconciled as follows:		
Total liabilities for reportable segment	4,283	5,019
Tax payable	159	108
Dividend payable	3,940	-
Deferred tax liabilities	16,656	17,158
Hire purchase payable	30	63
Total liabilities	<u>25,068</u>	<u>22,348</u>

The Group has no significant concentration of revenue generated from a single external customer during the financial period under review.

5 UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review because of their nature, size or incidence.

6 CHANGES IN ESTIMATES

There were no changes in estimates that have had a material effect in the current quarter results.

7 SEASONAL OR CYCLICAL FACTORS

The operations of the Group are not subject to seasonality/cyclicality of operations.

8 DIVIDENDS PAID

An interim single tier dividend of 2 sen per ordinary share was declared on 26 February 2018 and the amount RM3,940,040 will be paid on 25 May 2018.

9 CARRYING AMOUNT OF REVALUED ASSETS

There was no valuation of property, plant and equipment for the period under review.

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10 DEBT AND EQUITY SECURITIES

There were no issuances and repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current quarter under review.

11 CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current financial period to date except for the following dormant subsidiary company which has commenced member's voluntary winding up on 4 December 2015:

- Hotel Grand Olympic (M) Sdn. Bhd.

12 CAPITAL COMMITMENTS

There are no authorised capital expenditure that has been provided for in the financial statements.

13 CONTINGENT LIABILITIES

The Group does not have any contingent liabilities as at 31 March 2018.

14 SUBSEQUENT EVENTS

There are no material events subsequent to the end of the period under review that have not been reflected in the quarterly financial statements.

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**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD**

15 PERFORMANCE REVIEW

For the period ended 31 March 2018, the Group recorded a revenue of RM4.69 million (2017: RM5.40 million) and loss before taxation of RM2.31 million (2017: RM2.05 million).

The Group's increased in loss before taxation as compared to the preceding year corresponding period was mainly due to overall lower average room rate, interest income and sundry revenue for the current period as compared to the preceding year corresponding period.

In the opinion of the Directors, the results for the financial period under review have not been affected by any transaction or event of a material or unusual nature.

16 COMMENTS ON MATERIAL CHANGES IN LOSS BEFORE TAXATION AS COMPARED WITH IMMEDIATE PRECEDING QUARTER

	Current Quarter 31.03.2018 RM'000	Immediate Preceding Quarter 31.12.2017 RM'000	Changes %
Revenue	4,690	7,460	(37)
Loss before interest and tax	(2,304)	(559)	312
Loss before tax	(2,305)	(559)	312
Loss after tax	(2,370)	(199)	1,091
Loss attributable to the ordinary equity holders of the parent	<u>(2,358)</u>	<u>(234)</u>	<u>908</u>

The Group's performance for this quarter deteriorated as compared to the immediate preceding quarter. This is mainly due to a 11% decrease of overall average room occupancy rates and 5% decrease in average room rates.

17 PROSPECTS

Barring any unforeseen circumstances, the Directors anticipate the performance of the Group for the next quarter to be challenging.

18 PROFIT FORECAST

The Group has not provided any profit forecast in a public document.

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19 INCOME TAX EXPENSE

Taxation includes:

	<---- INDIVIDUAL PERIOD ---->		<--- CUMULATIVE PERIOD --->	
	Current Year Quarter 31.03.2018 RM'000	Preceding Year Quarter 31.03.2017 RM'000	Current Year To Date 31.03.2018 RM'000	Preceding Year Corresponding Period 31.03.2017 RM'000
Current period's provision	-	47	-	47
Underprovision in respect of previous year	65	-	65	-
	<u>65</u>	<u>47</u>	<u>65</u>	<u>47</u>

The Group did not provide for any tax in the current quarter as there is no chargeable income except for the underprovision of tax expense in prior year.

20 CORPORATE PROPOSALS

There were no corporate proposals announced during the financial period to date.

21 BORROWINGS

	As At End Of Current Quarter 31.03.2018 RM'000	As At End Of Preceding Year End 31.12.2017 RM'000
Short Term Borrowings		
Hire purchase creditors	27	38
Long Term Borrowings		
Hire purchase creditors	3	3
	<u>30</u>	<u>41</u>

The hire purchase payable bears interest rate at 6.84% (2017: 6.84%) per annum.

22 CHANGES IN MATERIAL LITIGATION

There are no changes in material litigation, including the status of pending material litigation as at the date of this report.

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23 DIVIDEND

An interim single tier dividend of 2 sen per ordinary share was declared on 26 February 2018 and the amount RM3,940,040 will be paid on 25 May 2018.

No interim ordinary dividend has been declared for the preceding financial period ended 31 March 2017.

24 LOSS PER SHARE

Loss per share is calculated by dividing loss for the period attributable to ordinary equity holders of the Company by the number of ordinary shares in issue during the financial period.

	<--- INDIVIDUAL PERIOD --->		<--- CUMULATIVE PERIOD --->	
	Current Year Quarter 31.03.2018	Preceding Year Quarter 31.03.2017	Current Year To Date 31.03.2018	Preceding Year Corresponding Period 31.03.2017
Loss attributable to ordinary equity holders of the Company (RM'000)	(2,358)	(2,113)	(2,358)	(2,113)
Number of ordinary shares in issue ('000)	197,002	197,002	197,002	197,002
Loss per share (sen)	(1.20)	(1.07)	(1.20)	(1.07)

25 NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Loss for the period is arrived at after crediting/(charging):

	<--- INDIVIDUAL PERIOD --->		<--- CUMULATIVE PERIOD --->	
	Current Year Quarter 31.03.2018 RM'000	Preceding Year Quarter 31.03.2017 RM'000	Current Year To Date 31.03.2018 RM'000	Preceding Year Corresponding Period 31.03.2017 RM'000
Interest income	561	594	561	594
Sundry revenue	32	86	32	86
Interest expense	(1)	(1)	(1)	(1)
Depreciation	(1,665)	(1,608)	(1,665)	(1,608)
Reversal of impairment loss on receivables	-	-	-	-
Bad debts written off	-	-	-	-
Inventories written down	-	-	-	-
Gain on disposal of investments	-	-	-	-
Gain on disposal of property, plant and equipment	25	1	25	1
Loss on disposal of property, plant and equipment	-	-	-	-
Property, plant and equipment written off	(1)	(1)	(1)	(1)
Impairment of assets	-	-	-	-
Foreign exchange gain	-	1	-	1

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26 AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 8 May 2018.