

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

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2018**

	INDIVIDUAL PERIOD		Changes %	CUMULATIVE PERIOD		Changes %
	Current Year Quarter 30.06.2018 RM'000	Preceding Year Corresponding Quarter 30.06.2017 RM'000		Current Year To Date 30.06.2018 RM'000	Preceding Year Corresponding Period 30.06.2017 RM'000	
Revenue	5,768	6,302	(8)	10,458	11,702	(11)
Operating expenses	(7,973)	(8,531)		(15,585)	(16,663)	
Other operating income	613	687		1,231	1,369	
Finance cost	(1)	(1)		(2)	(2)	
Loss before taxation	(1,593)	(1,543)	3	(3,898)	(3,594)	8
Taxation	(121)	(4)		(186)	(51)	
Loss net of tax	(1,714)	(1,547)	11	(4,084)	(3,645)	12
Other comprehensive profit	-	-		-	-	
Total comprehensive loss	(1,714)	(1,547)		(4,084)	(3,645)	
Loss attributable to:						
Equity holders of the Company	(1,713)	(1,517)	13	(4,071)	(3,630)	12
Non-controlling interests	(1)	(30)		(13)	(15)	
Loss for the period	(1,714)	(1,547)		(4,084)	(3,645)	
Loss per share (sen)	(0.87)	(0.77)		(2.07)	(1.84)	

*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)**  
**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2018**

	<b>As At End Of Current Quarter 30.06.2018 RM'000</b>	<b>As At End Of Preceding Year End 31.12.2017 RM'000</b>
<b>ASSETS</b>		
<b>Non-current asset</b>		
Property, plant and equipment	183,179	185,976
<b>Current assets</b>		
Inventories	380	383
Trade and other receivables	3,766	4,206
Cash and bank balances	57,659	62,986
	<u>61,805</u>	<u>67,575</u>
<b>TOTAL ASSETS</b>	<b><u>244,984</u></b>	<b><u>253,551</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	199,397	199,397
Reserves	23,049	31,060
	<u>222,446</u>	<u>230,457</u>
Non-controlling interests	1,841	1,854
<b>Total equity</b>	<u>224,287</u>	<u>232,311</u>
<b>Non-current liabilities</b>		
Hire purchase payable	81	3
Deferred tax liabilities	16,656	16,656
	<u>16,737</u>	<u>16,659</u>
<b>Current liabilities</b>		
Hire purchase payable	32	38
Trade & other payables	3,671	4,434
Tax payable	257	109
	<u>3,960</u>	<u>4,581</u>
<b>Total liabilities</b>	<u>20,697</u>	<u>21,240</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>244,984</u></b>	<b><u>253,551</u></b>
Net assets per share (RM)	1.13	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.*

**GRAND CENTRAL ENTERPRISES BHD (131696-V)**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FIRST QUARTER ENDED 30 JUNE 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
6-month quarter ended <u>30 June 2018</u>						
<b>At 1 January 2018</b>	199,397	-	31,060	230,457	1,854	232,311
Loss for the period	-	-	(4,071)	(4,071)	(13)	(4,084)
Dividends	-	-	(3,940)	(3,940)	-	(3,940)
<b>At 30 June 2018</b>	<b>199,397</b>	<b>-</b>	<b>23,049</b>	<b>222,446</b>	<b>1,841</b>	<b>224,287</b>
6-month quarter ended <u>30 June 2017</u>						
<b>At 1 January 2017</b>	197,002	2,395	39,354	238,751	1,873	240,624
Loss for the period	-	-	(3,630)	(3,630)	(15)	(3,645)
Dividends	-	-	(3,940)	(3,940)	-	(3,940)
<b>At 30 June 2017</b>	<b>197,002</b>	<b>2,395</b>	<b>31,784</b>	<b>231,181</b>	<b>1,858</b>	<b>233,039</b>

*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 SECOND QUARTER ENDED 30 JUNE 2018**

	<b><u>2018</u></b> <b>6 Months</b> <b>Ended</b> <b>30.06.2018</b> <b>RM'000</b>	<b><u>2017</u></b> <b>6 Months</b> <b>Ended</b> <b>30.06.2017</b> <b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(3,898)	(3,594)
Adjustments for:-		
Depreciation	3,332	3,280
Gain on disposal of property, plant and equipment	(25)	(1)
Interest expense	2	2
Interest income	(1,121)	(1,186)
Property, plant and equipment written off	1	1
Operating loss before working capital changes	(1,709)	(1,498)
Net change in current receivables	(189)	953
Net change in current payables	(763)	(1,462)
Cash used in operating activities	(2,661)	(2,007)
Interest paid	(2)	(2)
Net taxes refunded/(paid)	145	(128)
<b>Net cash used in operating activities</b>	<b>(2,518)</b>	<b>(2,137)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	1,570	1,826
Withdrawal of fixed deposits	1,439	4,549
Proceeds from disposal of property, plant and equipment	25	1
Purchase of property, plant and equipment	(441)	(2,318)
<b>Net cash generated from investing activities</b>	<b>2,593</b>	<b>4,058</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of hire purchase payables	(23)	(16)
Dividends paid to equity shareholders of the Company	(3,940)	(3,940)
<b>Net cash used in financing activities</b>	<b>(3,963)</b>	<b>(3,956)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(3,888)</b>	<b>(2,035)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>6,936</b>	<b>8,304</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>3,048</b>	<b>6,269</b>

**GRAND CENTRAL ENTERPRISES BHD (131696-V)**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2018 (CONT'D.)**

	<b>As at</b> <b>30.06.2018</b> <b>RM'000</b>	<b>As at</b> <b>30.06.2017</b> <b>RM'000</b>
<b>CASH AND BANK BALANCES</b>		
Cash on hand and at banks	3,048	3,417
Deposits with licensed banks	<u>54,611</u>	<u>58,544</u>
Cash and bank balances	<u>57,659</u>	<u>61,961</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	57,659	61,961
Less: Short-term deposits with licensed banks	<u>(54,611)</u>	<u>(55,692)</u>
Total cash and cash equivalents	<u>3,048</u>	<u>6,269</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.

	<b>Current Year To Date 30.06.2018 RM'000</b>	<b>Preceding Year Corresponding Period 30.06.2017 RM'000</b>
Revenue from external customers	10,458	11,702
Reportable segment loss	(1,797)	(1,683)
Reportable segment assets	244,872	254,104
Reportable segment liabilities	3,671	3,935
Reportable segment loss is reconciled as follows:		
Total loss for reportable segment	(1,797)	(1,683)
Interest income	1,121	1,186
Other income	110	183
Depreciation	(3,332)	(3,280)
Loss before taxation	(3,898)	(3,594)

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**4 SEGMENTAL REPORTING (Cont'd.)**

	<b>Current Year To Date 30.06.2018 RM'000</b>	<b>Preceding Year Corresponding Period 30.06.2017 RM'000</b>
Reportable segment assets are reconciled as follows:		
Total assets for reportable segment	244,872	254,104
Tax recoverable	112	204
Total assets	<u>244,984</u>	<u>254,308</u>
Reportable segment liabilities are reconciled as follows:		
Total liabilities for reportable segment	3,671	3,935
Tax payable	257	121
Deferred tax liabilities	16,656	17,158
Hire purchase payable	113	55
Total liabilities	<u>20,697</u>	<u>21,269</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**

	<b>2018 RM'000</b>	<b>2017 RM'000</b>
<b>Ordinary</b>		
Interim paid		
2018 - 2% single tier	3,940	-
2017 - 2% single tier	-	3,940
	<u>-</u>	<u>3,940</u>

**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 30 June 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 30 June 2018, the Group recorded a revenue of RM10.46 million (2017: RM11.70 million) and loss before taxation of RM3.90 million (2017: RM3.59 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 rates, 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**

	<b>Current Quarter 30.06.2018 RM'000</b>	<b>Immediate Preceding Quarter 31.03.2018 RM'000</b>	<b>Changes %</b>
Revenue	5,768	4,690	23
Loss before interest and tax	(1,592)	(2,304)	(31)
Loss before tax	(1,593)	(2,305)	(31)
Loss after tax	(1,714)	(2,370)	(28)
Loss attributable to the ordinary equity holders of the parent	(1,713)	(2,358)	(27)

The Group's performance for this quarter improved as compared to the immediate preceding quarter. This is mainly due to a 6% increase of overall average room occupancy rates despite a 10% 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 30.06.2018 RM'000	Preceding Year Quarter 30.06.2017 RM'000	Current Year To Date 30.06.2018 RM'000	Preceding Year Corresponding Period 30.06.2017 RM'000
Current period's provision	121	4	121	51
Underprovision in respect of previous year	-	-	65	-
	<u>121</u>	<u>4</u>	<u>186</u>	<u>51</u>

The effective tax rate of the Group for the current quarter is higher than the statutory tax rate of 24%. This is mainly due to tax charged on profits from certain companies in the Group and non-deductible expenses for tax purposes.

**20 CORPORATE PROPOSALS**

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

**21 BORROWINGS**

	As At End Of Current Quarter 30.06.2018 RM'000	As At End Of Preceding Year End 31.12.2017 RM'000
<b>Short Term Borrowings</b>		
Hire purchase creditors	32	38
<b>Long Term Borrowings</b>		
Hire purchase creditors	81	3
	<u>113</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**

No interim ordinary dividend has been declared for the current quarter. An interim single tier dividend of 2 sen per ordinary share was declared on 26 February 2018 and the amount RM3,940,040 was paid on 25 May 2018.

An interim single tier dividend of 2 sen per ordinary share was declared on 3 April 2017 and the amount RM3,940,040 was paid on 25 May 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 30.06.2018	Preceding Year Quarter 30.06.2017	Current Year To Date 30.06.2018	Preceding Year Corresponding Period 30.06.2017
Loss attributable to ordinary equity holders of the Company (RM'000)	(1,713)	(1,517)	(4,071)	(3,630)
Number of ordinary shares in issue ('000)	197,002	197,002	197,002	197,002
Loss per share (sen)	<u>(0.87)</u>	<u>(0.77)</u>	<u>(2.07)</u>	<u>(1.84)</u>

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**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 30.06.2018 RM'000	Preceding Year Quarter 30.06.2017 RM'000	Current Year To Date 30.06.2018 RM'000	Preceding Year Corresponding Period 30.06.2017 RM'000
Interest income	560	592	1,121	1,186
Sundry revenue	51	60	83	146
Interest expense	(1)	(1)	(2)	(2)
Depreciation	(1,667)	(1,672)	(3,332)	(3,280)
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
Loss on disposal of property, plant and equipment	-	-	-	-
Property, plant and equipment written off	-	-	(1)	(1)
Impairment of assets	-	-	-	-
Foreign exchange gain	2	-	2	1

**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 August 2018.