

GRAND CENTRAL ENTERPRISES BHD
Registration No: 198401019138 (131696-V)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

	← INDIVIDUAL PERIOD →		Changes %	← CUMULATIVE PERIOD →		Changes %
	Current Year Quarter 31.12.2019 RM'000	Preceding Year Corresponding Quarter 31.12.2018 RM'000		Current Year To Date 31.12.2019 RM'000	Preceding Year Corresponding Period 31.12.2018 RM'000	
Revenue	6,838	6,221	10	23,549	23,175	2
Operating expenses	(9,245)	(8,461)		(33,669)	(32,057)	
Other operating income	598	558		2,328	2,472	
Finance cost	(1)	(1)		(4)	(5)	
Loss before taxation	(1,810)	(1,683)	8	(7,796)	(6,415)	22
Taxation	1,108	1,282		1,043	1,074	
Loss net of taxation	(702)	(401)	75	(6,753)	(5,341)	26
Other comprehensive profit	-	-		-	-	
Total comprehensive loss	(702)	(401)		(6,753)	(5,341)	
(Loss)/profit attributable to:						
Equity holders of the Company	(717)	(440)	63	(6,700)	(5,380)	25
Non-controlling interests	15	39		(53)	39	
Loss for the year	(702)	(401)		(6,753)	(5,341)	
Loss per share (sen)	(0.36)	(0.22)		(3.40)	(2.73)	

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

GRAND CENTRAL ENTERPRISES BHD
Registration No: 198401019138 (131696-V)
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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	As At End Of Current Quarter 31.12.2019 RM'000	As At End Of Preceding Year End 31.12.2018 RM'000
ASSETS		
Non-current asset		
Property, plant and equipment	176,239	180,939
Current assets		
Inventories	501	364
Trade and other receivables	3,605	3,143
Cash and bank balances	54,857	58,589
	<u>58,963</u>	<u>62,096</u>
TOTAL ASSETS	<u>235,202</u>	<u>243,035</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	199,397	199,397
Retained earnings	14,071	20,771
	<u>213,468</u>	<u>220,168</u>
Non-controlling interests	1,684	1,737
Total equity	<u>215,152</u>	<u>221,905</u>
Non-current liabilities		
Hire purchase payable	17	48
Deferred tax liabilities	14,663	15,754
	<u>14,680</u>	<u>15,802</u>
Current liabilities		
Hire purchase payable	34	34
Trade & other payables	4,974	4,794
Tax payable	362	500
	<u>5,370</u>	<u>5,328</u>
Total liabilities	<u>20,050</u>	<u>21,130</u>
TOTAL EQUITY AND LIABILITIES	<u>235,202</u>	<u>243,035</u>
Net assets per share (RM)	1.08	1.12

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

	← Attributable to Owners of the Parent →			Non-controlling Interests	Total Equity
	Share Capital RM'000	Distributable Retained Earnings RM'000	Total RM'000		
12-month quarter ended 31 December 2019					
At 1 January 2019	199,397	20,771	220,168	1,737	221,905
Loss for the year	-	(6,700)	(6,700)	(53)	(6,753)
At 31 December 2019	199,397	14,071	213,468	1,684	215,152
12-month quarter ended 31 December 2018					
At 1 January 2018	199,397	31,060	230,457	1,854	232,311
Effect of early adoption of IC Interpretation 23	-	(439)	(439)	(6)	(445)
	199,397	30,621	230,018	1,848	231,866
Loss for the year	-	(5,380)	(5,380)	39	(5,341)
Effect of change in tax rate on revaluation surplus previously transferred to retained earnings	-	(530)	(530)	-	(530)
Dividends	-	(3,940)	(3,940)	-	(3,940)
Dividend paid to non-controlling interests	-	-	-	(150)	(150)
At 31 December 2018	199,397	20,771	220,168	1,737	221,905

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

	<u>2019</u> 12 Months Ended 31.12.2019 RM'000	<u>2018</u> 12 Months Ended 31.12.2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(7,796)	(6,415)
Adjustments for:-		
Depreciation	7,217	6,640
Gain on disposal of property, plant and equipment	-	(25)
Inventories written down	2	-
Interest expense	4	5
Interest income	(2,047)	(2,198)
Property, plant and equipment written off	7	2
Provision for doubtful debts	76	9
Provision for doubtful debts recovered	(9)	-
Reversal of short-term accumulating compensated absences	(8)	(16)
Operating loss before working capital changes	(2,554)	(1,998)
Net change in current receivables	(465)	481
Net change in current payables	188	377
Cash used in operations	(2,831)	(1,140)
Interest paid	(4)	(5)
Net income taxes paid	(123)	(181)
Net cash used in operating activities	(2,958)	(1,326)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,781	2,559
Withdrawal of deposits with licensed banks	1,335	6,386
Proceeds from disposal of property, plant and equipment	-	25
Purchase of property, plant and equipment	(2,524)	(1,510)
Net cash generated from investing activities	592	7,460
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payable	(31)	(55)
Dividends paid to non-controlling interests	-	(150)
Dividends paid to equity holders of the Company	-	(3,940)
Net cash used in financing activities	(31)	(4,145)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,397)	1,989
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	8,926	6,937
CASH AND CASH EQUIVALENTS AT END OF YEAR	6,529	8,926

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019 (CONT'D.)

	As at 31.12.2019 RM'000	As at 31.12.2018 RM'000
CASH AND BANK BALANCES		
Cash on hand and at banks	5,756	4,689
Deposits with licensed banks	<u>49,101</u>	<u>53,900</u>
Cash and bank balances	<u>54,857</u>	<u>58,589</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	54,857	58,589
Less: Short-term deposits with licensed banks	<u>(48,328)</u>	<u>(49,663)</u>
Total cash and cash equivalents	<u>6,529</u>	<u>8,926</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 (2018: 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 2018 and the accompanying explanatory notes attached to the interim financial statements.

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 Standards ("MFRSs") 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 2018. 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 2018.

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 2018 except for the adoption of the new and amended MFRSs and IC Interpretations effective for annual financial periods beginning on or after 1 January 2019. 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 2018 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 31.12.2019 RM'000	Preceding Year Corresponding Period 31.12.2018 RM'000
Revenue from external customers	23,549	23,175
Reportable segment loss	(2,907)	(2,247)
Reportable segment assets	235,202	242,972
Reportable segment liabilities	4,974	4,794
Reportable segment loss is reconciled as follows:		
Total loss for reportable segment	(2,907)	(2,247)
Interest income	2,047	2,198
Other income	281	274
Depreciation	(7,217)	(6,640)
Loss before taxation	(7,796)	(6,415)

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4 SEGMENTAL REPORTING (Cont'd.)

	Current Year To Date 31.12.2019 RM'000	Preceding Year Corresponding Period 31.12.2018 RM'000
Reportable segment assets are reconciled as follows:		
Total assets for reportable segment	235,202	242,972
Tax recoverable	-	63
Total assets	<u>235,202</u>	<u>243,035</u>
Reportable segment liabilities are reconciled as follows:		
Total liabilities for reportable segment	4,974	4,794
Tax payable	362	500
Deferred tax liabilities	14,663	15,754
Hire purchase payable	51	82
Total liabilities	<u>20,050</u>	<u>21,130</u>

The Group has no significant concentration of revenue generated from a single external customer during the year.

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

There were no dividends paid during the current quarter.

9 CARRYING AMOUNT OF REVALUED ASSETS

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

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

Capital expenditures as at the reporting date are as follows:

	As At End Of Current Quarter 31.12.2019 RM'000	As At End Of Preceding Year End 31.12.2018 RM'000
Approved and contracted for: Property, plant and equipment	78	857

13 CONTINGENT LIABILITIES

The Group does not have any contingent liabilities as at 31 December 2019.

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 year ended 31 December 2019, the Group recorded a revenue of RM23.55 million (2018: RM23.18 million) and loss before taxation of RM7.80 million (2018: RM6.42 million).

The Group's increased in loss before taxation as compared to the preceding year corresponding period was mainly due to a decrease in weighted average room rate, lower interest income and higher depreciation and operating expenses for the current year as compared to the preceding year corresponding period.

In the opinion of the Directors, the results for the financial year 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 31.12.2019 RM'000	Immediate Preceding Quarter 30.09.2019 RM'000	Changes %
Revenue	6,838	6,761	1
Loss before interest and tax	(1,809)	(755)	140
Loss before tax	(1,810)	(755)	140
Loss after tax	(702)	(799)	(12)
Loss attributable to the ordinary equity holders of the parent	(717)	(773)	(7)

The Group's performance for this quarter improved as compared to the immediate preceding quarter. This is mainly due to a 2% increase of overall average room occupancy rate despite a 9% decrease in average room rate.

17 PROSPECTS

Barring any unforeseen circumstances, the Directors anticipate the performance of the Group for the next quarter to be uncertain due to Coronavirus and current economic climate.

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 31.12.2019 RM'000	Preceding Year Quarter 31.12.2018 RM'000	Current Year To Date 31.12.2019 RM'000	Preceding Year Corresponding Period 31.12.2018 RM'000
Current period's provision	(12)	22	104	266
Deferred taxation	(1,091)	(1,386)	(1,091)	(1,386)
(Over)/under provision in respect of previous year	(5)	82	(56)	46
	(1,108)	(1,282)	(1,043)	(1,074)

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 31.12.2019 RM'000	As At End Of Preceding Year End 31.12.2018 RM'000
Short Term Borrowings		
Hire purchase creditors	34	34
Long Term Borrowings		
Hire purchase creditors	17	48
	51	82

The hire purchase payable bears interest rate at 6.78% (2018: 5.51 to 7.15%) 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.

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.

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 31.12.2019	Preceding Year Quarter 31.12.2018	Current Year To Date 31.12.2019	Preceding Year Corresponding Period 31.12.2018
Loss attributable to ordinary equity holders of the Company (RM'000)	(717)	(440)	(6,700)	(5,380)
Weighted average number of ordinary shares in issue ('000)	197,002	197,002	197,002	197,002
Loss per share (sen)	(0.36)	(0.22)	(3.40)	(2.73)

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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 31.12.2019 RM'000	Preceding Year Quarter 31.12.2018 RM'000	Current Year To Date 31.12.2019 RM'000	Preceding Year Corresponding Period 31.12.2018 RM'000
Interest income	482	538	2,047	2,198
Sundry revenue	107	19	272	245
Interest expense	(1)	(1)	(4)	(5)
Depreciation	(1,850)	(1,625)	(7,217)	(6,640)
Reversal of impairment loss on receivables	-	-	-	-
Bad debts written off	-	-	-	-
Provision for doubtful debts	(56)	(9)	(76)	(9)
Provision for doubtful debts recovered	-	-	9	-
Inventories written down	-	-	(2)	-
Gain on disposal of investments	-	-	-	-
Gain on disposal of property, plant and equipment	-	-	-	25
Loss on disposal of property, plant and equipment	-	-	-	-
Property, plant and equipment written off	(4)	-	(7)	(2)
Impairment of assets	-	-	-	-
Foreign exchange gain	-	1	-	4

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 25 February 2020.