

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2021

	INDIVIDUAL PERIOD		Changes %	CUMULATIVE PERIOD		Changes %
	Current Year Quarter 31.03.2021 RM'000	Preceding Year Corresponding Quarter 31.03.2020 RM'000		Current Year To Date 31.03.2021 RM'000	Preceding Year Corresponding Period 31.03.2020 RM'000	
Revenue	3,468	3,761	(8)	3,468	3,761	(8)
Operating expenses	(6,093)	(7,553)		(6,093)	(7,553)	
Other operating income	579	501		579	501	
Finance costs	-	(1)		-	(1)	
Loss before taxation	(2,046)	(3,292)	(38)	(2,046)	(3,292)	(38)
Taxation	-	-		-	-	
Loss net of taxation	(2,046)	(3,292)	(38)	(2,046)	(3,292)	(38)
Other comprehensive profit	-	-		-	-	
Total comprehensive loss	(2,046)	(3,292)		(2,046)	(3,292)	
Attributable to:						
Equity holders of the Company	(2,003)	(3,239)	(38)	(2,003)	(3,239)	(38)
Non-controlling interests	(43)	(53)		(43)	(53)	
	(2,046)	(3,292)		(2,046)	(3,292)	
Loss per share (sen)	(1.02)	(1.64)		(1.02)	(1.64)	

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	As At End Of Current Quarter 31.03.2021 RM'000	As At End Of Preceding Year End 31.12.2020 RM'000
Assets		
Non-current assets		
Property, plant and equipment	168,576	169,879
Current assets		
Inventories	572	549
Trade and other receivables	3,536	3,337
Cash and bank balances	46,842	47,776
Total current assets	50,950	51,662
Total assets	219,526	221,541
Equity and liabilities		
Equity attributable to equity holders of the Company		
Share capital	199,397	199,397
Retained earnings	2,495	4,498
Shareholders' equity	201,892	203,895
Non-controlling interests	1,493	1,536
Total equity	203,385	205,431
Non-current liabilities		
Deferred tax liabilities	12,824	12,824
Current liabilities		
Lease liability	6	14
Trade & other payables	3,064	3,025
Tax payable	247	247
Total current liabilities	3,317	3,286
Total liabilities	16,141	16,110
Total equity and liabilities	219,526	221,541
Net assets per share (RM)	1.02	1.03

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 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 2021

	Share capital RM'000	Distributable retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
3-month quarter ended <u>31 March 2021</u>					
At 1 January 2021	199,397	4,498	203,895	1,536	205,431
Total comprehensive loss	-	(2,003)	(2,003)	(43)	(2,046)
At 31 March 2021	<u>199,397</u>	<u>2,495</u>	<u>201,892</u>	<u>1,493</u>	<u>203,385</u>
3-month quarter ended <u>31 March 2020</u>					
At 1 January 2020	199,397	14,071	213,468	1,685	215,153
Total comprehensive loss	-	(3,239)	(3,239)	(53)	(3,292)
At 31 March 2020	<u>199,397</u>	<u>10,832</u>	<u>210,229</u>	<u>1,632</u>	<u>211,861</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2021

	<u>2021</u> 3 Months Ended 31.03.2021 RM'000	<u>2020</u> 3 Months Ended 31.03.2020 RM'000
Cash flows from operating activities		
Loss before taxation	(2,046)	(3,292)
Adjustments for:		
Depreciation	1,655	1,725
Inventories written off	1	-
Finance costs	-	1
Finance income	(209)	(463)
Property, plant and equipment written off	-	1
Operating loss before working capital changes	(599)	(2,028)
Net change in current receivables	(196)	(86)
Net change in current payables	39	(942)
Cash used in operations	(756)	(3,056)
Finance costs paid	-	(1)
Tax paid	-	(37)
Net cash used in operating activities	<u>(756)</u>	<u>(3,094)</u>
Cash flows from investing activities		
Finance income received	182	643
(Placement)/withdrawal of deposits with licensed banks	(28,569)	18,582
Purchase of property, plant and equipment	(352)	(119)
Net cash (used in)/from investing activities	<u>(28,739)</u>	<u>19,106</u>
Cash flows from financing activity		
Repayment of lease liability, representing net cash used in financing activity	<u>(8)</u>	<u>(11)</u>
Net changes in cash and cash equivalents	(29,503)	16,001
Cash and cash equivalents at beginning of financial year	46,591	6,529
Cash and cash equivalents at end of financial period	<u>17,088</u>	<u>22,530</u>

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2021 (CONT'D.)

	As at 31.03.2021 RM'000	As at 31.03.2020 RM'000
Cash and bank balances		
Cash on hand and at banks	3,295	4,658
Deposits with licensed banks	43,547	47,618
Cash and bank balances	<u>46,842</u>	<u>52,276</u>

Cash and cash equivalents included in the statements of cash flows comprise the following:

Cash and bank balances	46,842	52,276
Less: Short-term deposits with licensed banks	<u>(29,754)</u>	<u>(29,746)</u>
	<u>17,088</u>	<u>22,530</u>

These 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 (2020: 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 2020 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 2020. 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 2020.

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 2020 except for the adoption of the new and amended MFRSs and IC Interpretations effective for annual financial periods beginning on or after 1 January 2021. 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 2020 was not qualified.

4 SEGMENTAL REPORTING

Business segments

The chief operating decision-maker has been identified as the Board of Directors (the "Board"). The Board reviews the Group's internal reporting in order to assess performance and allocation of resources. The Group is principally engaged in the hotel business conducted in Malaysia.

Due to the interrelated nature of hotel business and similar operational characteristic of managing the same field, the Board believes that it is overseeing a single reportable segment. Hence, the Group does not present its results by industry or products segments.

Geographical segments

The Group's business are operated entirely within Malaysia and as such, no segment information based on geographical location is presented.

Major customers

For the period under review, there is one (2020: Nil) major customer with revenue of 49% (2020: Nil) of the Group's revenue which amounted to RM1.69 million (2020: Nil). This is due to one of the hotels in the Group being contracted as a quarantine facility.

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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.

12 CAPITAL COMMITMENTS

Capital expenditures as at the reporting date are as follows:

	As At End Of Current Quarter 31.03.2021 RM'000	As At End Of Preceding Year End 31.12.2020 RM'000
Approved and contracted for: Property, plant and equipment	369	466

13 CONTINGENT LIABILITIES

The Group does not have any contingent liabilities as at 31 March 2021.

14 SUBSEQUENT EVENTS

There were no material events subsequent to the end of the period under review other than the effect of "COVID-19" pandemic and various phases of movement control order ("MCO"), enhanced movement control order ("EMCO"), conditional movement control order ("CMCO") and recovery movement control order ("RMCO") implemented in Malaysia which has significant financial impact to the Group.

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

15 PERFORMANCE REVIEW

For the financial period ended 31 March 2021, the Group recorded a revenue of RM3.5 million (2020: RM3.8 million) and loss before taxation of RM2.0 million (2020: RM3.3 million).

The Group recorded a lower revenue due to the re-implementation of the MCO by the Malaysian government in January 2021 in response to the COVID-19 pandemic. The reduction in losses was mainly due to one of the hotels being contracted as a quarantine facility, the Group's cost saving measures and the government's Wage Subsidy Programme.

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 other than the MCO.

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

	Current Quarter 31.03.2021 RM'000	Immediate Preceding Quarter 31.12.2020 RM'000	Changes %
Revenue	3,468	3,672	(6)
Loss before interest and taxation	(2,046)	(2,153)	(5)
Loss before taxation	(2,046)	(2,154)	(5)
Loss after taxation	(2,046)	(237)	763
Loss attributable to the equity holders of the Company	<u>(2,003)</u>	<u>(241)</u>	731

The Group's revenue for this quarter decreased as compared to the immediate preceding quarter due to re-implementing of MCO in January 2021. This resulted in a 2% decrease of overall average room occupancy rates and a 12% decrease in average room rates.

17 PROSPECTS

Malaysia has implemented MCO 3.0 and inter-district and interstate travel remained disallowed. Due to significant uncertainties surrounding the COVID-19 pandemic, travel restrictions remain unpredictable as to their timing and may evolve in response to the COVID-19 evolution in Malaysia. Hence, the Directors anticipate the performance of the Group for the next quarter will continue to suffer significant losses.

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 31.03.2021 RM'000	Preceding Year Quarter 31.03.2020 RM'000	Current Year To Date 31.03.2021 RM'000	Preceding Year Corresponding Period 31.03.2020 RM'000
Current period's provision	-	-	-	-

There is no tax expense for the period under review as the Group is in a tax loss position.

20 CORPORATE PROPOSALS

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

21 BORROWINGS

	As At End Of Current Quarter 31.03.2021 RM'000	As At End Of Preceding Year End 31.12.2020 RM'000
Short Term Borrowings		
Lease liability	6	14

The lease liability bears interest rate at 7.15% (2020: 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.

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24 LOSS PER SHARE

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

	<--- INDIVIDUAL PERIOD --->		<--- CUMULATIVE PERIOD --->	
	Current Year Quarter 31.03.2021	Preceding Year Quarter 31.03.2020	Current Year To Date 31.03.2021	Preceding Year Corresponding Period 31.03.2020
Loss attributable to equity holders of the Company (RM'000)	(2,003)	(3,239)	(2,003)	(3,239)
Weighted average number of ordinary shares in issue ('000)	197,002	197,002	197,002	197,002
Loss per share (sen)	(1.02)	(1.64)	(1.02)	(1.64)

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 31.03.2021 RM'000	Preceding Year Quarter 31.03.2020 RM'000	Current Year To Date 31.03.2021 RM'000	Preceding Year Corresponding Period 31.03.2020 RM'000
Interest income	209	463	209	463
Sundry revenue	370	38	370	38
Lease liability interests	-	(1)	-	(1)
Depreciation	(1,655)	(1,725)	(1,655)	(1,725)
Bad debts written off	-	-	-	-
Allowance for impairment of other receivable	-	-	-	-
Allowance for impairment of trade receivable	-	-	-	-
Reversal of allowance for impairment of trade receivable	-	-	-	-
Inventories written off	(1)	-	(1)	-
Gain on disposal of investments	-	-	-	-
Gain on disposal of property, plant and equipment	-	-	-	-
Loss on disposal of property, plant and equipment	-	-	-	-
Property, plant and equipment written off	-	(1)	-	(1)
Impairment of assets	-	-	-	-
Foreign exchange gain	-	-	-	-

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 10 May 2021.