

Quarterly rpt on consolidated results for the financial period ended 30 Jun 2018

GRAND CENTRAL ENTERPRISES BHD

Financial Year End 31 Dec 2018
 Quarter 2 Qtr
 Quarterly report for the financial period ended 30 Jun 2018
 The figures have not been audited

Attachments

[2nd quarter 2018 Bursa unaudited results.pdf](#)
 110.1 kB

Default Currency	Other Currency
-------------------------	-----------------------

Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION 30 Jun 2018

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
		\$\$'000	\$\$'000	\$\$'000	\$\$'000
1	Revenue	5,768	6,302	10,458	11,702
2	Profit/(loss) before tax	-1,593	-1,543	-3,898	-3,594
3	Profit/(loss) for the period	-1,714	-1,547	-4,084	-3,645
4	Profit/(loss) attributable to ordinary equity holders of the parent	-1,713	-1,517	-4,071	-3,630
5	Basic earnings/(loss) per share (Subunit)	-0.87	-0.77	-2.07	-1.84
6	Proposed/Declared dividend per share (Subunit)	0.00	2.00	2.00	2.00
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7	Net assets per share attributable to ordinary equity holders of the parent (\$\$)		1.1300		1.1700

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.
Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Announcement Info

Company Name	GRAND CENTRAL ENTERPRISES BHD
Stock Name	GCE
Date Announced	08 Aug 2018
Category	Financial Results
Reference Number	FRA-08082018-00008

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

	As At End Of Current Quarter 30.06.2018 RM'000	As At End Of Preceding Year End 31.12.2017 RM'000
ASSETS		
Non-current asset		
Property, plant and equipment	183,179	185,976
Current assets		
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>
TOTAL ASSETS	<u>244,984</u>	<u>253,551</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
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
Total equity	<u>224,287</u>	<u>232,311</u>
Non-current liabilities		
Hire purchase payable	81	3
Deferred tax liabilities	16,656	16,656
	<u>16,737</u>	<u>16,659</u>
Current liabilities		
Hire purchase payable	32	38
Trade & other payables	3,671	4,434
Tax payable	257	109
	<u>3,960</u>	<u>4,581</u>
Total liabilities	<u>20,697</u>	<u>21,240</u>
TOTAL EQUITY AND LIABILITIES	<u>244,984</u>	<u>253,551</u>
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)
(Incorporated in Malaysia)

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			
	Share Capital RM'000	Non-Distributable Share Premium Reserve RM'000	Distributable Retained Profits RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
6-month quarter ended <u>30 June 2018</u>						
At 1 January 2018	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)
At 30 June 2018	199,397	-	23,049	222,446	1,841	224,287
6-month quarter ended <u>30 June 2017</u>						
At 1 January 2017	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)
At 30 June 2017	197,002	2,395	31,784	231,181	1,858	233,039

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)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2018

	<u>2018</u> 6 Months Ended 30.06.2018 RM'000	<u>2017</u> 6 Months Ended 30.06.2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
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)
Net cash used in operating activities	(2,518)	(2,137)
CASH FLOWS FROM INVESTING ACTIVITIES		
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)
Net cash generated from investing activities	2,593	4,058
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payables	(23)	(16)
Dividends paid to equity shareholders of the Company	(3,940)	(3,940)
Net cash used in financing activities	(3,963)	(3,956)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,888)	(2,035)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6,936	8,304
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	3,048	6,269

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2018 (CONT'D.)

	As at 30.06.2018 RM'000	As at 30.06.2017 RM'000
CASH AND BANK BALANCES		
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.

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

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 30.06.2018 RM'000	Preceding Year Corresponding Period 30.06.2017 RM'000
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)

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

4 SEGMENTAL REPORTING (Cont'd.)

	Current Year To Date 30.06.2018 RM'000	Preceding Year Corresponding Period 30.06.2017 RM'000
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

	2018 RM'000	2017 RM'000
Ordinary		
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.

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

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.

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

**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

	Current Quarter 30.06.2018 RM'000	Immediate Preceding Quarter 31.03.2018 RM'000	Changes %
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	<u>(1,713)</u>	<u>(2,358)</u>	<u>(27)</u>

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.

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

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
Short Term Borrowings		
Hire purchase creditors	32	38
Long Term Borrowings		
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.

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

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>

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

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.