

Quarterly rpt on consolidated results for the financial period ended 31 Dec 2020

GRAND CENTRAL ENTERPRISES BHD

Financial Year End	31 Dec 2020
Quarter	4 Qtr
Quarterly report for the financial period ended	31 Dec 2020
The figures	have not been audited

Attachments

[4th quarter 2020 KLSE unaudited results.pdf](#)
112.0 kB

Default Currency	Other Currency
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Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 31 Dec 2020

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	3,672	6,838	12,042	23,549
2 Profit/(loss) before tax	-2,154	-1,810	-11,639	-7,796
3 Profit/(loss) for the period	-237	-702	-9,722	-6,753
4 Profit/(loss) attributable to ordinary equity holders of the parent	-241	-717	-9,573	-6,700
5 Basic earnings/(loss) per share (Subunit)	-0.12	-0.36	-4.86	-3.40
6 Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7 Net assets per		1.0300		1.0800

share attributable to ordinary equity holders of the parent (\$\$)		
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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

Company Name	GRAND CENTRAL ENTERPRISES BHD
Stock Name	GCE
Date Announced	22 Feb 2021
Category	Financial Results
Reference Number	FRA-22022021-00051

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 2020

	INDIVIDUAL PERIOD		Changes %	CUMULATIVE PERIOD		Changes %
	Current Year Quarter 31.12.2020 RM'000	Preceding Year Corresponding Quarter 31.12.2019 RM'000		Current Year To Date 31.12.2020 RM'000	Preceding Year Corresponding Period 31.12.2019 RM'000	
Revenue	3,672	6,838	(46)	12,042	23,549	(49)
Operating expenses	(6,306)	(9,197)		(26,646)	(33,621)	
Other operating income	481	550		2,968	2,280	
Finance cost	(1)	(1)		(3)	(4)	
Loss before taxation	(2,154)	(1,810)	19	(11,639)	(7,796)	49
Taxation	1,917	1,108		1,917	1,043	
Loss net of taxation	(237)	(702)	(66)	(9,722)	(6,753)	44
Other comprehensive profit	-	-		-	-	
Total comprehensive loss	(237)	(702)		(9,722)	(6,753)	
Attributable to:						
Equity holders of the Company	(241)	(717)	(66)	(9,573)	(6,700)	43
Non-controlling interests	4	15		(149)	(53)	
	(237)	(702)		(9,722)	(6,753)	
Loss per share (sen)	(0.12)	(0.36)		(4.86)	(3.40)	

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2019 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 2020

	As At End Of Current Quarter 31.12.2020 RM'000	As At End Of Preceding Year End 31.12.2019 RM'000
Assets		
Non-current asset		
Property, plant and equipment	169,879	176,239
Current assets		
Inventories	549	501
Trade and other receivables	3,337	3,597
Cash and bank balances	47,776	54,857
	<u>51,662</u>	<u>58,955</u>
Total assets	<u>221,541</u>	<u>235,194</u>
Equity and liabilities		
Equity attributable to equity holders of the Company		
Share capital	199,397	199,397
Retained earnings	4,498	14,071
Shareholders' equity	<u>203,895</u>	<u>213,468</u>
Non-controlling interests	<u>1,536</u>	<u>1,685</u>
Total equity	<u>205,431</u>	<u>215,153</u>
Non-current liabilities		
Hire purchase payable	-	17
Deferred tax liabilities	12,824	14,663
	<u>12,824</u>	<u>14,680</u>
Current liabilities		
Hire purchase payable	14	33
Trade & other payables	3,025	4,966
Tax payable	247	362
	<u>3,286</u>	<u>5,361</u>
Total liabilities	<u>16,110</u>	<u>20,041</u>
Total equity and liabilities	<u>221,541</u>	<u>235,194</u>
Net assets per share (RM)	1.03	1.08

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2019 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 2020

	← Attributable to Owners of the Parent →			Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Distributable Retained Earnings RM'000	Total RM'000		
12-month quarter ended <u>31 December 2020</u>					
At 1 January 2020	199,397	14,071	213,468	1,685	215,153
Total comprehensive loss	-	(9,573)	(9,573)	(149)	(9,722)
At 31 December 2020	199,397	4,498	203,895	1,536	205,431
12-month quarter ended <u>31 December 2019</u>					
At 1 January 2019	199,397	20,771	220,168	1,738	221,906
Total comprehensive loss	-	(6,700)	(6,700)	(53)	(6,753)
At 31 December 2019	199,397	14,071	213,468	1,685	215,153

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

GRAND CENTRAL ENTERPRISES BHD
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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

	<u>2020</u> 12 Months Ended 31.12.2020 RM'000	<u>2019</u> 12 Months Ended 31.12.2019 RM'000
Cash flows from operating activities		
Loss before taxation	(11,639)	(7,796)
Adjustments for:		
Depreciation	6,777	7,217
Gain on disposal of property, plant and equipment	(1)	-
Inventories written off	3	2
Interest expense	3	4
Interest income	(1,232)	(2,047)
Property, plant and equipment written off	2	6
Allowance for impairment of other receivable	-	20
Allowance for impairment of trade receivable	-	56
Reversal of allowance for impairment of trade receivable	(2)	(9)
Reversal of short term accumulating compensated absences	(139)	(8)
Operating loss before working capital changes	<u>(6,228)</u>	<u>(2,555)</u>
Net change in current receivables	(763)	(456)
Net change in current payables	<u>(1,802)</u>	<u>180</u>
Cash used in operations	(8,793)	(2,831)
Interest paid	(3)	(4)
Net income taxes paid	<u>(37)</u>	<u>(123)</u>
Net cash used in operating activities	<u>(8,833)</u>	<u>(2,958)</u>
Cash flows from investing activities		
Interest received	2,206	1,781
Withdrawal of deposits with licensed banks	47,143	1,335
Proceeds from disposal of property, plant and equipment	1	-
Purchase of property, plant and equipment	<u>(419)</u>	<u>(2,524)</u>
Net cash generated from investing activities	<u>48,931</u>	<u>592</u>
Cash flows from financing activity		
Repayment of hire purchase payable representing net cash used in financing activity	<u>(36)</u>	<u>(31)</u>
Net increase/(decrease) in cash and cash equivalents	40,062	(2,397)
Cash and cash equivalents at beginning of year	6,529	8,926
Cash and cash equivalents at end of financial year	<u>46,591</u>	<u>6,529</u>

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (CONT'D.)

	As at 31.12.2020 RM'000	As at 31.12.2019 RM'000
Cash and bank balances		
Cash on hand and at banks	2,609	5,756
Deposits with licensed banks	45,167	49,101
Cash and bank balances	<u>47,776</u>	<u>54,857</u>

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

Cash and bank balances	47,776	54,857
Less: Short-term deposits with licensed banks	<u>(1,185)</u>	<u>(48,328)</u>
Total cash and cash equivalents	<u>46,591</u>	<u>6,529</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 (2019: 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 2019 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 2019. 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 2019.

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 2019 except for the adoption of the new and amended MFRSs and IC Interpretations effective for annual financial periods beginning on or after 1 January 2020. 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 2019 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 31.12.2020 RM'000	Preceding Year Corresponding Period 31.12.2019 RM'000
Revenue from external customers	12,042	23,549
Reportable segment loss	(7,830)	(2,859)
Reportable segment assets	221,538	235,191
Reportable segment liabilities	3,025	4,966
Reportable segment loss is reconciled as follows:		
Total loss for reportable segment	(7,830)	(2,859)
Interest income	1,232	2,047
Other income	1,736	233
Depreciation	(6,777)	(7,217)
Loss before taxation	(11,639)	(7,796)

4 SEGMENTAL REPORTING (Cont'd.)

	Current Year To Date 31.12.2020 RM'000	Preceding Year Corresponding Period 31.12.2019 RM'000
Reportable segment assets are reconciled as follows:		
Total assets for reportable segment	221,538	235,191
Tax recoverable	3	3
Total assets	<u>221,541</u>	<u>235,194</u>
Reportable segment liabilities are reconciled as follows:		
Total liabilities for reportable segment	3,025	4,966
Tax payable	247	362
Deferred tax liabilities	12,824	14,663
Hire purchase payable	14	50
Total liabilities	<u>16,110</u>	<u>20,041</u>

The Group has one (2019: Nil) major customer with revenue of 10% (2019: Nil) of the Group's revenue which amounted to RM1,198,530 (2019: Nil).

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.

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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

Capital expenditures as at the reporting date are as follows:

	As At End Of Current Quarter 31.12.2020 RM'000	As At End Of Preceding Year End 31.12.2019 RM'000
Approved and contracted for: Property, plant and equipment	466	78

13 CONTINGENT LIABILITIES

The Group does not have any contingent liabilities as at 31 December 2020.

14 SUBSEQUENT EVENTS

There were no material events subsequent to the end of the period under review other than the "COVID-19" pandemic which has significant financial impact to the Group.

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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 financial year ended 31 December 2020, the Group recorded a revenue of RM12.0 million (2019: RM23.5 million) and loss before taxation of RM11.6 million (2019: RM7.8 million).

The Group's results were adversely impacted by the movement control order ("MCO") imposed by the Malaysian government effective 18 March 2020 in response to the COVID-19 pandemic.

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 other than the MCO.

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

	Current Quarter 31.12.2020 RM'000	Immediate Preceding Quarter 30.09.2020 RM'000	Changes %
Revenue	3,672	3,871	(5)
Loss before interest and taxation	(2,153)	(2,218)	(3)
Loss before taxation	(2,154)	(2,218)	(3)
Loss after taxation	(237)	(2,218)	(89)
Loss attributable to the equity holders of the Company	(241)	(2,170)	(89)

The Group's revenue for this quarter decreased as compared to the immediate preceding quarter due to implementing of Conditional MCO ("CMCO") in Klang Valley on 14 October 2020 and it further expanded to all Peninsular except Perlis, Pahang and Kelantan on 9 November 2020. This resulted in a 1% decrease of overall average room occupancy rates and a 8% decrease in average room rates.

17 PROSPECTS

The Coronavirus 2019 ("COVID-19") pandemic, the MCO and CMCO since 18 March 2020 have caused significant disruptions and financial impact to the Group. The Directors anticipate the performance of the Group for the next quarter will continue to suffer significant losses as MCO 2.0 has been imposed in the country except for the state of Sarawak due to the increase in the number of new COVID-19 cases. MCO 2.0 has been further extended till 4 March 2021 for Kuala Lumpur, Selangor, Johor and Penang. Meanwhile interstate and interdistrict travel remained disallowed.

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 31.12.2020 RM'000	Preceding Year Quarter 31.12.2019 RM'000	Current Year To Date 31.12.2020 RM'000	Preceding Year Corresponding Period 31.12.2019 RM'000
Current period's provision	-	(12)	-	104
Deferred taxation	(1,839)	(1,091)	(1,839)	(1,091)
Overprovision in respect of previous year	(78)	(5)	(78)	(56)
	<u>(1,917)</u>	<u>(1,108)</u>	<u>(1,917)</u>	<u>(1,043)</u>

The effective tax rate of the Group for the preceding 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 31.12.2020 RM'000	As At End Of Preceding Year End 31.12.2019 RM'000
Short Term Borrowings		
Hire purchase creditors	14	33
Long Term Borrowings		
Hire purchase creditors	-	17
	<u>14</u>	<u>50</u>

The hire purchase payable bears interest rate at 7.15% (2019: 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.

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23 DIVIDEND

No interim ordinary dividend has been declared for the current quarter.

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 31.12.2020	Preceding Year Quarter 31.12.2019	Current Year To Date 31.12.2020	Preceding Year Corresponding Period 31.12.2019
Loss attributable to equity holders of the Company (RM'000)	(241)	(717)	(9,573)	(6,700)
Weighted average number of ordinary shares in issue ('000)	197,002	197,002	197,002	197,002
Loss per share (sen)	<u>(0.12)</u>	<u>(0.36)</u>	<u>(4.86)</u>	<u>(3.40)</u>

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 31.12.2020 RM'000	Preceding Year Quarter 31.12.2019 RM'000	Current Year To Date 31.12.2020 RM'000	Preceding Year Corresponding Period 31.12.2019 RM'000
Interest income	210	482	1,232	2,047
Sundry revenue	269	68	1,733	224
Interest expense	(1)	(1)	(3)	(4)
Depreciation	(1,674)	(1,850)	(6,777)	(7,217)
Bad debts written off	-	-	-	-
Allowance for impairment of other receivable	-	-	-	(20)
Allowance for impairment of trade receivable	-	(56)	-	(56)
Reversal of allowance for impairment of trade receivable	2	-	2	9
Inventories written off	(1)	-	(3)	(2)
Gain on disposal of investments	-	-	-	-
Gain on disposal of property, plant and equipment	-	-	1	-
Loss on disposal of property, plant and equipment	-	-	-	-
Property, plant and equipment written off	-	(3)	(2)	(6)
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 22 February 2021.