

# Quarterly rpt on consolidated results for the financial period ended 30/6/2012

GRAND CENTRAL ENTERPRISES BHD

Financial Year End 31/12/2012  
 Quarter 2  
 Quarterly report for the financial period ended 30/06/2012  
 The figures have not been audited  
**Attachments**

[2nd quarter 2012 KLSE unaudited results.pdf](#)

61 KB

- Default Currency
- Other Currency

Currency: **Malaysian Ringgit (MYR)**

## SUMMARY OF KEY FINANCIAL INFORMATION 30/06/2012

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/06/2012 \$\$'000	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2011 \$\$'000	CURRENT YEAR TO DATE 30/06/2012 \$\$'000	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2011 \$\$'000
<b>1 Revenue</b>	9,464	10,879	16,585	19,194
<b>2 Profit/(loss) before tax</b>	1,367	1,866	1,189	2,194
<b>3 Profit/(loss) for the period</b>	860	1,239	412	1,284
<b>4 Profit/(loss) attributable to ordinary equity holders of the parent</b>	835	1,213	344	1,227
<b>5 Basic earnings/(loss) per share (Subunit)</b>	0.42	0.61	0.17	0.62
<b>6 Proposed/Declared dividend per share (Subunit)</b>	0.00	0.00	0.00	0.00
	<b>AS AT END OF CURRENT</b>		<b>AS AT PRECEDING FINANCIAL</b>	

	<b>QUARTER</b>	<b>YEAR END</b>
<b>7 Net assets per share attributable to ordinary equity holders of the parent (\$\$)</b>	1.3000	1.3200

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:

<b>Country</b>	<b>Base Unit</b>	<b>Subunit</b>
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

**Announcement Info**

Company Name	GRAND CENTRAL ENTERPRISES BHD
Stock Name	GCE
Date Announced	8 Aug 2012
Category	Financial Results
Reference No	CA-120804-36988

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

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2012**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 30.06.2012 RM'000	Preceding Year Corresponding Quarter 30.06.2011 RM'000	Current Year To Date 30.06.2012 RM'000	Preceding Year Corresponding Period 30.06.2011 RM'000
Revenue	9,464	10,879	16,585	19,194
Operating expenses	(8,802)	(9,442)	(16,698)	(17,832)
Other operating income	706	514	1,304	1,049
Finance cost	(1)	(85)	(2)	(217)
Profit before taxation	1,367	1,866	1,189	2,194
Taxation	(507)	(627)	(777)	(910)
Profit for the period	860	1,239	412	1,284
Other comprehensive income	-	-	-	-
Total comprehensive income	860	1,239	412	1,284
Profit attributable to:				
Owners of the parent	835	1,213	344	1,227
Non-controlling interest	25	26	68	57
Profit for the period	860	1,239	412	1,284
Earnings per share (sen)	0.42	0.61	0.17	0.62

*The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.*

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2012**

	<b>As At End Of Current Quarter 30.06.2012 RM'000</b>	<b>As At End Of Preceding Year End 31.12.2011 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	215,728	221,899
Deferred tax assets	8,772	8,862
	<u>224,500</u>	<u>230,761</u>
<b>Current assets</b>		
Inventories	456	484
Trade and other receivables	5,079	4,917
Cash and cash equivalents	55,996	58,753
	61,531	64,154
Asset for disposal classified as held for sale	4,278	-
	<u>65,809</u>	<u>64,154</u>
<b>TOTAL ASSETS</b>	<b><u>290,309</u></b>	<b><u>294,915</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Owners of the Parent</b>		
Share capital	197,002	197,002
Reserves	58,150	63,716
	255,152	260,718
Non-controlling interests	2,139	2,071
<b>Total equity</b>	<b><u>257,291</u></b>	<b><u>262,789</u></b>
<b>Non-current liabilities</b>		
Long term borrowings	39	39
Deferred taxation	25,291	25,291
	<u>25,330</u>	<u>25,330</u>
<b>Current liabilities</b>		
Borrowings	10	20
Trade & other payables	7,366	6,442
Current tax payable	312	334
	<u>7,688</u>	<u>6,796</u>
<b>Total liabilities</b>	<b><u>33,018</u></b>	<b><u>32,126</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>290,309</u></b>	<b><u>294,915</u></b>
Net assets per share (RM)	1.30	1.32

*The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.*

**GRAND CENTRAL ENTERPRISES BHD (131696-V)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2012**

	Attributable to Owners of the Parent				Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Distributable Retained Profits RM'000			
6-month quarter ended <u>30 June 2012</u>							
<b>At 1 January 2012</b>	197,002	2,395	5,458	55,863	260,718	2,071	262,789
Profit for the period	-	-	-	344	344	68	412
Dividends	-	-	-	(5,910)	(5,910)	-	(5,910)
<b>At 30 June 2012</b>	<b>197,002</b>	<b>2,395</b>	<b>5,458</b>	<b>50,297</b>	<b>255,152</b>	<b>2,139</b>	<b>257,291</b>
6-month quarter ended <u>30 June 2011</u>							
<b>At 1 January 2011</b>	197,002	2,395	5,458	51,423	256,278	2,085	258,363
Profit for the period	-	-	-	1,227	1,227	57	1,284
Dividends	-	-	-	(4,433)	(4,433)	-	(4,433)
<b>At 30 June 2011</b>	<b>197,002</b>	<b>2,395</b>	<b>5,458</b>	<b>48,217</b>	<b>253,072</b>	<b>2,142</b>	<b>255,214</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 2011 and the accompanying explanatory notes attached to the interim financial statements.*

**GRAND CENTRAL ENTERPRISES BHD (131696-V)**  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2012**

	<u>2012</u> <b>6 Months</b> <b>Ended</b> <b>30.06.2012</b> <b>RM'000</b>	<u>2011</u> <b>6 Months</b> <b>Ended</b> <b>30.06.2011</b> <b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,189	2,194
Adjustments:-		
Depreciation	2,944	3,067
Inventory written off	1	-
Interest expenses	2	217
Interest income	(912)	(519)
Operating profit before changes in working capital	3,224	4,959
Net change in current receivables	(131)	(1,139)
Net change in current payables	924	779
Cash generated from operating activities	4,017	4,599
Interest paid	(2)	(218)
Tax paid, net	(709)	(604)
<b>Net cash generated from operating activities</b>	<b>3,306</b>	<b>3,777</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	908	520
Proceeds from disposal of property, plant and equipment	-	7
Purchase of property, plant and equipment	(1,051)	(557)
<b>Net cash used in investing activities</b>	<b>(143)</b>	<b>(30)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of hire purchase and lease payables	(10)	(19)
Repayment of revolving credit	-	(100)
Dividends paid to shareholders	(5,910)	(4,433)
<b>Net cash used in financing activities</b>	<b>(5,920)</b>	<b>(4,552)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,757)</b>	<b>(805)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>58,753</b>	<b>37,195</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>55,996</b>	<b>36,390</b>

Cash and cash equivalents at the end of the financial period comprise the following:

	<b>As At</b> <b>30.06.2012</b> <b>RM'000</b>	<b>As At</b> <b>30.06.2011</b> <b>RM'000</b>
Cash and bank balances	55,996	36,672
Bank overdrafts	-	(282)
	<b>55,996</b>	<b>36,390</b>

*The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 Standard ("MFRS") 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). These condensed consolidated interim financial statements also comply with IAS 34: Interim Financial Reporting issued by the International Accounting Standard Board.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011. 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 2011.

**2 CHANGES IN ACCOUNTING POLICIES**

The Group has adopted the new MFRSs with effect from 1 January 2012. In adopting the new framework, the Group has applied MFRS 1: First Time Adoption of MFRS. The adoption of MFRS 1 did not result in a significant impact on the financial statements of the Group. Accordingly, the financial statements have been properly drawn up in accordance with MFRSs for the quarter ended 30 June 2012.

**3 AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the financial statements for the year ended 31 December 2011 was not qualified.

**4 SEGMENTAL REPORTING**

There is no segmental reporting as the Group's activities are in the hotel business conducted within Malaysia.

**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>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Ordinary		
Final paid		
2011 - 4% less 25% taxation	5,910	-
2010 - 3% less 25% taxation	-	4,433
	<hr/>	<hr/>

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**9 CARRYING AMOUNT OF REVALUED ASSETS**

The valuation of land and buildings of the Group which represent hotel properties have been brought forward without amendment from the most recent annual audited financial statements for the year ended 31 December 2011.

**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**

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 2012.

**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 except as disclosed in Note 20.

**15 PERFORMANCE REVIEW**

During the period ended 30 June 2012, the Group achieved a revenue of RM16.6 million (2011: RM19.2 million) and profit before taxation of RM1.2 million (2011: RM2.2 million). The lower revenue as compared to preceding year corresponding period is due to the cessation of Grand Central (K.L.) Sdn. Bhd.'s operations effective 31 July 2011 and overall lower occupancy rates.

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 PROFIT BEFORE TAXATION**

The Group's decrease performance was mainly due to higher utilities and maintenance of equipment and premises charges. Despite the above, Hotel Grand Continental, Langkawi and Hotel Grand Continental, Kuala Terengganu results improved as compared to preceding year corresponding period.

**17 PROSPECTS**

Barring any unforeseen circumstances, the Directors anticipate the performance of the Group for the next quarter to remain quiet due to Hari Raya festive season.

**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 30.06.2012 RM'000	Preceding Year Quarter 30.06.2011 RM'000	Current Year To Date 30.06.2012 RM'000	Preceding Year Corresponding Period 30.06.2011 RM'000
Current period's provision	417	515	687	773
Deferred taxation	90	112	90	137
	<u>507</u>	<u>627</u>	<u>777</u>	<u>910</u>

The effective tax rate of the Group for the current quarter is higher than the statutory tax rate of 25%. This is mainly due to certain expenses which are not deductible for tax purposes.

Deferred taxation is mainly due to utilisation of investment tax allowances and unabsorbed business losses from certain subsidiaries of which deferred tax assets were recognised previously.

**20 CORPORATE PROPOSALS**

On 11 May 2012, the Company's wholly owned subsidiary company, Grand Central Enterprises (Perak) Sdn. Bhd. had entered into a Sale and Purchase Agreement to dispose a piece of vacant land held under Geran 55104 Lot No. 2636S in Bandar Ipoh (S), Daerah Kinta, Negeri Perak Darul Ridzuan to an unrelated party, Ilham Embun Sdn. Bhd. for the total consideration of RM6,562,836 (Ringgit Malaysia Six Million Five Hundred Sixty Two Thousand Eight Hundred and Thirty Six) only for cash.

This is expected to be completed by the third quarter of this financial year.

**21 BORROWINGS**

	As At End Of Current Quarter 30.06.2012 RM'000	As At End Of Preceding Year End 31.12.2011 RM'000
<b>Short Term Borrowings</b>		
Lease and hire purchase creditors	10	20
<b>Long Term Borrowings</b>		
Lease and hire purchase creditors	<u>39</u>	<u>39</u>
	<u>49</u>	<u>59</u>

**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 financial period ended 30 June 2012 (30 June 2011: Nil).

**GRAND CENTRAL ENTERPRISES BHD (131696-V)**  
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**24 EARNINGS PER SHARE**

Earnings per share is calculated by dividing profit 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 30.06.2012	Preceding Year Quarter 30.06.2011	Current Year To Date 30.06.2012	Preceding Year Corresponding Period 30.06.2011
Profit attributable to ordinary equity holders of the Company (RM'000)	835	1,213	344	1,227
Number of ordinary shares in issue ('000)	197,002	197,002	197,002	197,002
Earnings per share (sen)	0.42	0.61	0.17	0.62

**25 NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

Profit for the period is arrived at after crediting/(charging):

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 30.06.2012 RM'000	Preceding Year Quarter 30.06.2011 RM'000	Current Year To Date 30.06.2012 RM'000	Preceding Year Corresponding Period 30.06.2011 RM'000
Interest income	454	240	912	519
Sundry revenue	251	274	391	465
Interest expense	(1)	(85)	(2)	(217)
Depreciation	(1,499)	(1,559)	(2,944)	(3,067)
Reversal of impairment loss on receivables	-	-	-	64
Bad debts written off	-	-	-	-
Inventories written off	(1)	-	(1)	-
Gain on disposal of investments	-	-	-	-
Gain on disposal of properties	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange gain	-	(2)	-	1

**26 REALISED AND UNREALISED PROFITS DISCLOSURE**

	As At End Of Current Quarter 30.06.2012 RM'000	As At End Of Preceding Year End 31.12.2011 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	61,991	67,482
- Unrealised	(13,578)	(13,488)
	48,413	53,994
Add: Consolidated adjustments	1,884	1,869
Retained profits as per financial statements	50,297	55,863

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**27 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 2012.