

TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS): NON RELATED PARTY TRANSACTIONS The Board of Directors of Grand Central Enterprises Berhad ("GCE" or "the Company") wishes to announce that the Company's wholly owned subsidiary company, Grand Central Enterprises (Malacca) Sdn. Bhd. (Company No. 186115-U) had on 24 September 2012 entered into a Sale and Purchase Agreement to dispose a piece of freehold land held under Geran 22040 Lot No. 231, Kawasan Bandar XVIII, Daerah Melaka Tengah, Negeri Melaka measuring 2,114.4791 square metres in area together with a multi storeyed hotel building known as "Hotel Grand Continental" and bearing postal address of No. 20 Jalan Tun Sri Lanang, 75100 Melaka to an unrelated party, Cangkat Mulia Sdn. Bhd. (Company No. 987364-X) for the total consideration of RM21,500,000 (Ringgit Malaysia Twenty One Million and Five Hundred Thousand) only for cash.

GRAND CENTRAL ENTERPRISES BHD

Type	Announcement
Subject	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) NON RELATED PARTY TRANSACTIONS
Description	The Board of Directors of Grand Central Enterprises Berhad ("GCE" or "the Company") wishes to announce that the Company's wholly owned subsidiary company, Grand Central Enterprises (Malacca) Sdn. Bhd. (Company No. 186115-U) had on 24 September 2012 entered into a Sale and Purchase Agreement to dispose a piece of freehold land held under Geran 22040 Lot No. 231, Kawasan Bandar XVIII, Daerah Melaka Tengah, Negeri Melaka measuring 2,114.4791 square metres in area together with a multi storeyed hotel building known as "Hotel Grand Continental" and bearing postal address of No. 20 Jalan Tun Sri Lanang, 75100 Melaka to an unrelated party, Cangkat Mulia Sdn. Bhd. (Company No. 987364-X) for the total consideration of RM21,500,000 (Ringgit Malaysia Twenty One Million and Five Hundred Thousand) only for cash.

Please refer attached file on detailed announcement.

Attachments

[GCE Malacca.pdf](#)

422 KB

Announcement Info

Company Name

GRAND CENTRAL ENTERPRISES BHD

Stock Name	GCE
Date Announced	24 Sept 2012
Category	General Announcement
Reference No	CA-120924-62175

**GRAND CENTRAL ENTERPRISES BERHAD
- DISPOSAL OF PROPERTY BY GRAND CENTRAL ENTERPRISES (MALACCA) SDN. BHD.**

1. INTRODUCTION

The Board of Directors of Grand Central Enterprises Berhad ("GCE" or "the Company") wishes to announce that the Company's wholly owned subsidiary company, Grand Central Enterprises (Malacca) Sdn. Bhd. (Company No. 186115-U) ("GCE Malacca") had on 24 September 2012 entered into a Sale and Purchase Agreement ("the Agreement") to dispose a piece of freehold land held under Geran 22040 Lot No. 231, Kawasan Bandar XVIII, Daerah Melaka Tengah, Negeri Melaka measuring 2,114.4791 square metres in area together with a multi storeyed hotel building known as "Hotel Grand Continental" and bearing postal address of No. 20 Jalan Tun Sri Lanang, 75100 Melaka ("the Property") to an unrelated party, Cangkat Mulia Sdn. Bhd. (Company No. 987364-X) ("Purchaser" or "CMSB") for the total consideration of RM21,500,000 (Ringgit Malaysia Twenty One Million and Five Hundred Thousand) only ("the Consideration") for cash ("the Disposal").

2. INFORMATION ON GCE Malacca

GCE Malacca was incorporated in Malaysia on 29 August 1989. The authorised capital is RM10,000,000 divided into 10,000,000 ordinary shares of RM1 each and the issued and paid up capital is RM10,000,000 divided into 10,000,000 ordinary shares of RM1 each.

GCE Malacca is engage in all aspects of the hotel business.

3. INFORMATION ON THE PURCHASER

CMSB was incorporated in Malaysia on 19 April 2012. The authorised capital is RM100,000 divided into 100,000 ordinary shares of RM1 each and the issued and paid up capital is RM2.00 divided into 2 ordinary shares of RM1 each.

The principal activities of CMSB are general trader and investment holding.

4. CONSIDERATION

The Consideration was arrived at on a willing-buyer willing-seller basis, after taking into consideration of the prevailing market value of the Property.

5. **INFORMATION OF THE PROPERTY**

The Property was acquired in 1989 and is a freehold land held under Geran 22040 Lot No. 231, Kawasan Bandar XVIII, Daerah Melaka Tengah, Negeri Melaka measuring 2,114.4791 square metres in area together with a multi storeyed hotel building known as “Hotel Grand Continental” and bearing postal address of No. 20, Jalan Tun Sri Lanang, 75100 Melaka.

6. **RATIONALE FOR THE DISPOSAL**

The hotel is facing steep competition from existing hotels and new entrants in its surrounding areas. Further, the hotel required substantial refurbishment to stay competitive.

7. **MODE OF PAYMENT/SALIENT TERMS OF THE AGREEMENT**

The Consideration of RM21.5 million only shall be paid in cash in the following manner:

- a. The sum of RM2.15 million only paid by the Purchaser as deposit and part payment to the Consideration for the Property on execution of the Sale and Purchase Agreement.
- b. The balance of the Consideration of RM19.35 million only (“the Balance Purchase Price”) and interest (if applicable) shall be paid by the Purchaser to GCE Malacca’s solicitors as stakeholders not later than ninety (90) days calculated from the date of the Agreement (“Completion Date”).

In the event the Purchaser fails to pay the balance of the Consideration within the Completion Date at 5.00 p.m., a thirty (30) days commencing the day after the Completion Date or any dates to be mutually agreed upon by the Parties (“the Last Date”) will be automatically invoked provided always that the Balance Purchase Price and the Interest (if applicable) on Balance Purchase Price or any outstanding amount of the same which must be paid on or before the Last Day.

The Vendor shall obtain and furnish to the Purchaser’s Solicitors Tenaga Nasional Bhd (“TNB”), being the lessee over part of the Property, consent for the transfer of the Property (“TNB’s Consent”) to the Purchaser before or on the Completion Date.

In the event that the Vendor fails to obtain TNB’s Consent on or before the Completion Date, the Completion Date shall be automatically extended without interest and the Purchaser obligation to pay the Balance Purchase Price shall likewise be extended until the Vendor has obtained and furnished to the Purchaser’s Solicitors the TNB’s Consent provided always that the Vendor shall bear the delayed registration fee as may be imposed by the relevant land registry.

8. **COMPLETION DATE**

The Disposal is expected to be completed by fourth quarter of the financial year 2012.

9. **ORIGINAL COST OF INVESTMENT**

The Property was acquired in 1989. Total cost of property was RM12,581,875. The net book value as of 31 December 2011 for the Property was RM12,539,223.

10. **EXPECTED GAIN**

The expected net gain before taxation from the Disposal is approximately RM8.4 million. The sale proceeds will be reserved for working capital purpose.

11. **FINANCIAL EFFECT**

Earnings per Share

Upon completion of the Disposal, GCE Group is expected to realize an estimated gain after tax of approximately RM6.8 million or RM0.035 per share for the financial year ending 31 December 2012.

The Disposal is not expected to have any material effect on the earnings per share of GCE Group for the financial year ending 31 December 2012.

Net Assets per Share and Gearing

Upon completion, the Disposal will result in an increase of RM0.035 net asset per share and will not have any material effect on the gearing of GCE Group for the financial year ending 31 December 2012.

Share Capital and Substantial Shareholders Shareholding

The Disposal will have no effect on the share capital and substantial shareholders' shareholding of the Company.

12. **HIGHEST PERCENTAGE RATIO APPLICABLE TO THE TRANSACTION PURSUANT TO PARAGRAPH 10.02(g)**

The highest percentage ratio applicable to the said Disposal is 9.81%.

13. **APPROVAL**

No shareholders approval is required.

14. **INTEREST OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND CONNECTED PERSONS**

None of the Directors and Substantial Shareholders, persons connected to the Directors or Substantial Shareholders of the Company and its subsidiaries or persons connected thereto have any interest, direct or indirect in the Disposal.

15. **DIRECTORS' RECOMMENDATION**

The Directors of the Company are of the opinion that the Disposal is in the best interest of the Group.

16. **DOCUMENT FOR INSPECTION**

The Agreement signed between GCE Malacca and CMSB dated 24 September 2012 in respect of the Disposal will be made available for inspection at the registered office of GCE at No. 1 & 1A, 2nd Floor (Room 2), Jalan Ipoh Kecil, 50350 Kuala Lumpur during the normal business hours from Mondays to Fridays (except public holidays) for a period being not less than three (3) months from the date of this announcement.

This announcement is dated 24 September 2012.