

Quarterly rpt on consolidated results for the financial period ended 31/12/2012

GRAND CENTRAL ENTERPRISES BHD

Financial Year End	31/12/2012
Quarter	4
Quarterly report for the financial period ended	31/12/2012
The figures	have not been audited

Attachments

[4th quarter 2012 KLSE unaudited results.pdf](#)

88 KB

- Default Currency

- Other Currency

Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 31/12/2012

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	11,170	11,255	36,124	39,035
2 Profit/(loss) before tax	10,999	2,502	14,933	9,547
3 Profit/(loss) for the period	10,267	1,906	13,189	9,038
4 Profit/(loss) attributable to ordinary equity holders of the parent	10,193	1,820	13,031	8,873

5	Basic earnings/(loss) per share (Subunit)	5.17	0.92	6.61	4.50
6	Proposed/Declared dividend per share (Subunit)	4.00	4.00	4.00	4.00
		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 (\$\$)		1.3600		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:

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

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 31.12.2012 RM'000	Preceding Year Corresponding Quarter 31.12.2011 RM'000	Current Year To Date 31.12.2012 RM'000	Preceding Year Corresponding Period 31.12.2011 RM'000
Revenue	11,170	11,255	36,124	39,035
Operating expenses	(10,048)	(9,633)	(35,482)	(36,550)
Other operating income	9,880	881	14,298	7,281
Finance cost	(3)	(1)	(7)	(219)
Profit before taxation	10,999	2,502	14,933	9,547
Taxation	(732)	(596)	(1,744)	(509)
Profit net of tax	10,267	1,906	13,189	9,038
Other comprehensive income	-	-	-	-
Total comprehensive income	10,267	1,906	13,189	9,038
Profit attributable to:				
Owners of the parent	10,193	1,820	13,031	8,873
Non-controlling interests	74	86	158	165
Profit for the period	10,267	1,906	13,189	9,038
Earnings per share (sen)	5.17	0.92	6.61	4.50

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 31 DECEMBER 2012

	As At End Of Current Quarter 31.12.2012 RM'000	As At End Of Preceding Year End 31.12.2011 RM'000	As At 01.01.2011 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	201,575	221,899	241,393
Deferred tax assets	8,529	8,862	9,198
	<u>210,104</u>	<u>230,761</u>	<u>250,591</u>
Current assets			
Inventories	391	484	463
Trade and other receivables	24,354	4,917	3,993
Cash and cash equivalents	68,241	58,753	45,735
	<u>92,986</u>	<u>64,154</u>	<u>50,191</u>
TOTAL ASSETS	<u>303,090</u>	<u>294,915</u>	<u>300,782</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	197,002	197,002	197,002
Reserves	70,837	63,716	59,276
	<u>267,839</u>	<u>260,718</u>	<u>256,278</u>
Non-controlling interests	2,049	2,071	2,086
Total equity	<u>269,888</u>	<u>262,789</u>	<u>258,364</u>
Non-current liabilities			
Long term borrowings	161	39	59
Deferred taxation	23,985	25,291	26,559
	<u>24,146</u>	<u>25,330</u>	<u>26,618</u>
Current liabilities			
Borrowings	95	20	8,675
Trade & other payables	7,301	6,442	6,841
Current tax payable	1,660	334	284
	<u>9,056</u>	<u>6,796</u>	<u>15,800</u>
Total liabilities	<u>33,202</u>	<u>32,126</u>	<u>42,418</u>
TOTAL EQUITY AND LIABILITIES	<u>303,090</u>	<u>294,915</u>	<u>300,782</u>
Net assets per share (RM)	1.36	1.32	1.30

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)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012

	← Attributable to Owners of the Parent →			Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Non-Distributable Share Premium Reserve RM'000	Distributable Retained Profits RM'000			
12-month quarter ended <u>31 December 2012</u>						
At 1 January 2012	197,002	2,395	61,321	260,718	2,071	262,789
Profit for the period	-	-	13,031	13,031	158	13,189
Dividends	-	-	(5,910)	(5,910)	-	(5,910)
Dividends paid to non-controlling interests	-	-	-	-	(180)	(180)
At 31 December 2012	197,002	2,395	68,442	267,839	2,049	269,888
12-month quarter ended <u>31 December 2011</u>						
At 1 January 2011	197,002	2,395	56,881	256,278	2,086	258,364
Profit for the period	-	-	8,873	8,873	165	9,038
Dividends	-	-	(4,433)	(4,433)	-	(4,433)
Dividends paid to non-controlling interests	-	-	-	-	(180)	(180)
At 31 December 2011	197,002	2,395	61,321	260,718	2,071	262,789

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)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012

	<u>2012</u> 12 Months Ended 31.12.2012 RM'000	<u>2011</u> 12 Months Ended 31.12.2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation from continuing operations	14,933	9,547
Adjustments:-		
Bad debts written off	-	4
Depreciation	5,929	6,136
Gain on disposal of property, plant and equipment	(10,836)	(4,852)
Inventories written off	1	1
Interest expenses	7	219
Interest income	(1,903)	(1,208)
Property, plant and equipment expensed off	-	6
Provision for short term accumulating compensated absences	53	(8)
Reversal of impairment loss on trade and other receivables	-	(64)
Operating profit before changes in working capital	<u>8,184</u>	<u>9,781</u>
Net change in current receivables	45	(536)
Net change in current payables	806	(391)
Cash generated from operating activities	<u>9,035</u>	<u>8,854</u>
Interest paid	(7)	(219)
Tax paid, net	<u>(1,385)</u>	<u>(1,294)</u>
Net cash generated from operating activities	<u>7,643</u>	<u>7,341</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,857	761
Proceeds from disposal of property, plant and equipment	8,726	20,213
Purchase of property, plant and equipment	<u>(2,596)</u>	<u>(2,009)</u>
Net cash generated from investing activities	<u>7,987</u>	<u>18,965</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase and lease payables	(52)	(35)
Repayment of revolving credit	-	(100)
Dividends paid to equity shareholders of the Company	(5,910)	(4,433)
Dividends paid to non-controlling interests	<u>(180)</u>	<u>(180)</u>
Net cash used in financing activities	<u>(6,142)</u>	<u>(4,748)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	9,488	21,558
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>58,753</u>	<u>37,195</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u>68,241</u>	<u>58,753</u>

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

	As At 31.12.2012 RM'000	As At 31.12.2011 RM'000
Cash and bank balances	<u>68,241</u>	<u>58,753</u>

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

2.1 First-time adoption of MFRS

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 except as described in Note 2.2 below. Accordingly, the financial statements have been properly drawn up in accordance with MFRSs for the quarter ended 31 December 2012.

2.2 Application of MFRS 1

(a) Property, plant and equipment

The Group had previously adopted the transitional provisions available on the first application of the MASB Approved Accounting Standard IAS 16 (Revised) Property, Plant and Equipment which was effective for periods ending on or after 1 September 1998. By virtue of this transitional provision, the Group had recorded certain land and buildings at revalued amounts but had not adopted a policy of revaluation and continued to carry those buildings on the basis of their previous revaluations subject to continuity in its depreciation policy and requirement to write down the assets to their recoverable amounts for impairment adjustments.

Upon transition to MFRS, the Group had elected to measure all its property, plant and equipment using the cost model under MFRS 116 Property, Plant and Equipment. At the date of transition to MFRS, the Group elected to regard the revalued amounts of land and buildings as at 1992 as deemed cost at the date of the revaluation as these amounts were broadly comparable to fair value at that date. The revaluation surplus in the Group amounted to RM5,458,147 (2011: RM5,458,147) was transferred to retained earnings on the date of transition to MFRS.

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

2 CHANGES IN ACCOUNTING POLICIES (CONT'D.)

2.2 Application of MFRS 1 (cont'd.)

(a) Property, plant and equipment (cont'd.)

The reconciliations of equity for comparative periods as at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:

Reconciliation of equity as at 1 January 2011

	FRS as at 01.01.2011 RM'000	Note 2.2 (a) Property, plant and equipment RM'000	MFRS as at 01.01.2011 RM'000
Equity attributable to equity holders of the Company			
Share capital	197,002		197,002
Non-distributable reserves	7,853	(5,458)	2,395
Retained earnings	51,423	5,458	56,881
Shareholders' equity	<u>256,278</u>		<u>256,278</u>
Non-controlling interests	2,086		2,086
Total equity	<u>258,364</u>		<u>258,364</u>

Reconciliation of equity as at 31 December 2011

	FRS as at 31.12.2011 RM'000	Note 2.2 (a) Property, plant and equipment RM'000	MFRS as at 31.12.2011 RM'000
Equity attributable to equity holders of the Company			
Share capital	197,002		197,002
Non-distributable reserves	7,853	(5,458)	2,395
Retained earnings	55,863	5,458	61,321
Shareholders' equity	<u>260,718</u>		<u>260,718</u>
Non-controlling interests	2,071		2,071
Total equity	<u>262,789</u>		<u>262,789</u>

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

2 CHANGES IN ACCOUNTING POLICIES (CONT'D.)

2.3 Standards and interpretations issued but not yet effective

At the date of authorisation of these interim financial statements, the following MFRSs and Amendments to MFRSs were issued but not yet effective and have not been applied by the Group:

MFRSs and Amendments to MFRSs		Effective for annual periods beginning on or after
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits (revised)	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
Amendments to MFRS 1	First-time Adoption of Malaysia Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 101	Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 116	Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 132	Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance	1 January 2013
MFRS 9	Financial Instruments (2009)	1 January 2015
MFRS 9	Financial Instruments (2010)	1 January 2015
Amendments to MFRS 7	Financial Instruments: Disclosures - Mandatory Date of MFRS 9 and Transition Disclosures	1 January 2015

The adoption of the above MFRSs and Amendments to MFRSs are not expected to have material impact on the financial statements of the Group in the period of initial application.

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 except as disclosed in Note 20.

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

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

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 31 December 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.

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 year ended 31 December 2012, the Group achieved a revenue of RM36.1 million (2011: RM39.0 million) and profit before taxation of RM14.9 million (2011: RM9.5 million). The lower revenue as compared to preceding year is due to 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 other than as disclosed in Note 20.

16 COMMENTS ON MATERIAL CHANGES IN PROFIT BEFORE TAXATION

The Group's higher profit before taxation for the current quarter under review is mainly due to gain on disposal of property, plant and equipment amounting to RM8.5 million as disclosed in Note 20 (B).

17 PROSPECTS

Barring any unforeseen circumstances, the Directors anticipate the performance of the Group for the next quarter to remain competitive.

18 PROFIT FORECAST

The Group has not provided any profit forecast in a public document.

19 INCOME TAX EXPENSE

Taxation includes:

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 31.12.2012 RM'000	Preceding Year Quarter 31.12.2011 RM'000	Current Year To Date 31.12.2012 RM'000	Preceding Year Corresponding Period 31.12.2011 RM'000
Current period's provision	1,901	708	2,820	1,676
Overprovision in respect of previous year	3	10	(103)	(235)
Deferred taxation	(1,172)	(122)	(973)	(932)
	<u>732</u>	<u>596</u>	<u>1,744</u>	<u>509</u>

The effective tax rate of the Group for the current quarter is lower than the statutory tax rate of 25%. This is mainly due to certain income which are not subject to tax.

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

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

20 CORPORATE PROPOSALS

(A) Grand Central Enterprises (Perak) Sdn. Bhd.

On 11 May 2012, a wholly owned subsidiary of the Company, Grand Central Enterprises (Perak) Sdn. Bhd. entered into a Sale and Purchase Agreement to dispose a piece of vacant land held under Geran 55104 Lot No. 2636S in Ipoh (S), Daerah Kinta, Negeri Perak Darul Ridzuan to an unrelated party, Ilham Embun Sdn. Bhd. for a total cash consideration of RM6,562,836.

This disposal was completed on 4 September 2012, which resulted in a gain of RM2,284,393.

(B) Grand Central Enterprises (Malacca) Sdn. Bhd.

On 24 September 2012, a wholly owned subsidiary of the Company, Grand Central Enterprises (Malacca) Sdn. Bhd. 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 together with a multi-storeyed hotel building known as "Hotel Grand Continental" situated at No. 20 Jalan Tun Sri Lanang, 75100 Melaka to an unrelated party, Cangkat Mulia Sdn. Bhd. for a total cash consideration of RM21,500,000.

This disposal was completed on 24 December 2012, which resulted in a gain of RM8,538,663.

21 BORROWINGS

	As At End Of Current Quarter 31.12.2012 RM'000	As At End Of Preceding Year End 31.12.2011 RM'000
Short Term Borrowings		
Lease and hire purchase creditors	95	20
Long Term Borrowings		
Lease and hire purchase creditors	161	39
	<u>256</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

A first and final single tier dividend of 4% (i.e. 4 sen per share) has been recommended for year ended 31 December 2012. The first and final dividend is subject to shareholder's approval at the forthcoming Annual General Meeting.

The first and final dividend of 4% (i.e. 4 sen per share) less 25% taxation totalling RM5,910,060 was paid in year 2012 for the year ended 31 December 2011.

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

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 31.12.2012	Preceding Year Quarter 31.12.2011	Current Year To Date 31.12.2012	Preceding Year Corresponding Period 31.12.2011
Profit attributable to ordinary equity holders of the Company (RM'000)	10,193	1,820	13,031	8,873
Number of ordinary shares in issue ('000)	197,002	197,002	197,002	197,002
Earnings per share (sen)	5.17	0.92	6.61	4.50

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 31.12.2012 RM'000	Preceding Year Quarter 31.12.2011 RM'000	Current Year To Date 31.12.2012 RM'000	Preceding Year Corresponding Period 31.12.2011 RM'000
Interest income	521	440	1,903	1,208
Sundry revenue	805	435	1,549	1,156
Interest expense	(3)	(1)	(7)	(219)
Depreciation	(1,520)	(1,628)	(5,929)	(6,136)
Reversal of impairment loss on receivables	-	-	-	64
Bad debts written off	-	4	-	4
Inventories written off	-	(1)	(1)	(1)
Gain on disposal of investments	-	-	-	-
Gain on disposal of properties	8,554	-	10,836	4,852
Impairment of assets	-	-	-	-
Foreign exchange gain	-	-	10	1

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

26 REALISED AND UNREALISED PROFITS DISCLOSURE

	As At End Of Current Quarter 31.12.2012 RM'000	As At End Of Preceding Year End 31.12.2011 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	80,814	75,182
- Unrealised	(12,516)	(13,489)
	<hr/> 68,298	<hr/> 61,693
Add: Consolidated adjustments	144	(372)
Retained profits as per financial statements	<hr/> 68,442	<hr/> 61,321

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 25 February 2013.