

Quarterly rpt on consolidated results for the financial period ended 30 Jun 2016

GRAND CENTRAL ENTERPRISES BHD

Financial Year End	31 Dec 2016
Quarter	2 Qtr
Quarterly report for the financial period ended	30 Jun 2016
The figures	have not been audited

Attachments

 [2nd_quarter_2016_BURSA_unaudited_results.pdf](#)
108.7 kB

Default Currency	Other Currency
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Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION 30 Jun 2016

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30 Jun 2016	30 Jun 2015	30 Jun 2016	30 Jun 2015
		\$\$'000	\$\$'000	\$\$'000	\$\$'000
1	Revenue	6,510	7,823	11,715	14,439
2	Profit/(loss) before tax	-1,271	-234	-3,055	-800
3	Profit/(loss) for the period	-1,252	-449	-3,063	-1,234
4	Profit/(loss) attributable to ordinary equity holders of the parent	-1,230	-465	-3,042	-1,286
5	Basic earnings/(loss) per share (Subunit)	-0.62	-0.24	-1.54	-0.65
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 share attributable to ordinary equity holders of the parent (\$\$)	1.2300		1.2600	

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	09 Aug 2016
Category	Financial Results
Reference Number	FRA-09082016-00004

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2016

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 30.06.2016 RM'000	Preceding Year Corresponding Quarter 30.06.2015 RM'000	Current Year To Date 30.06.2016 RM'000	Preceding Year Corresponding Period 30.06.2015 RM'000
Revenue	6,510	7,823	11,715	14,439
Operating expenses	(8,564)	(8,707)	(16,341)	(16,712)
Other operating income	784	651	1,573	1,474
Finance cost	(1)	(1)	(2)	(1)
Loss before taxation	(1,271)	(234)	(3,055)	(800)
Taxation	19	(215)	(8)	(434)
Loss net of tax	(1,252)	(449)	(3,063)	(1,234)
Other comprehensive profit	-	-	-	-
Total comprehensive loss	(1,252)	(449)	(3,063)	(1,234)
Loss attributable to:				
Owners of the parent	(1,230)	(465)	(3,042)	(1,286)
Non-controlling interests	(22)	16	(21)	52
Loss for the period	(1,252)	(449)	(3,063)	(1,234)
Loss per share (sen)	(0.62)	(0.24)	(1.54)	(0.65)

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 2016

	As At End Of Current Quarter 30.06.2016 RM'000	As At End Of Preceding Year End 31.12.2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	191,700	193,482
Deferred tax assets	2,899	2,899
	<u>194,599</u>	<u>196,381</u>
Current assets		
Inventories	622	466
Trade and other receivables	5,115	3,765
Cash and bank balances	65,680	72,860
	<u>71,417</u>	<u>77,091</u>
TOTAL ASSETS	<u>266,016</u>	<u>273,472</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	197,002	197,002
Reserves	44,510	51,492
	<u>241,512</u>	<u>248,494</u>
Non-controlling interests	1,807	1,828
Total equity	<u>243,319</u>	<u>250,322</u>
Non-current liability		
Long term borrowings	71	-
Deferred taxation	17,857	17,857
	<u>17,928</u>	<u>17,857</u>
Current liabilities		
Borrowings	16	-
Trade & other payables	4,733	5,204
Current tax payable	20	89
	<u>4,769</u>	<u>5,293</u>
Total liabilities	<u>22,697</u>	<u>23,150</u>
TOTAL EQUITY AND LIABILITIES	<u>266,016</u>	<u>273,472</u>
Net assets per share (RM)	1.23	1.26

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 2016

	← 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			
6-month quarter ended 30 June 2016						
At 1 January 2016	197,002	2,395	49,097	1,828	250,322	
Loss for the period	-	-	(3,042)	(21)	(3,063)	
Dividends	-	-	(3,940)	-	(3,940)	
At 30 June 2016	197,002	2,395	42,115	1,807	243,319	
6-month quarter ended 30 June 2015						
At 1 January 2015	197,002	2,395	55,011	1,960	256,368	
(Loss)/profit for the period	-	-	(1,286)	52	(1,234)	
Dividends	-	-	(3,940)	-	(3,940)	
At 30 June 2015	197,002	2,395	49,785	2,012	251,194	

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 2016

	<u>2016</u> 6 Months Ended 30.06.2016 RM'000	<u>2015</u> 6 Months Ended 30.06.2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(3,055)	(800)
Adjustments:-		
Depreciation	3,187	3,070
Gain on disposal of property, plant and equipment	(11)	(1)
Inventories written off	2	1
Interest expenses	2	1
Interest income	(1,291)	(1,263)
Property, plant and equipment written off	-	1
Operating (loss)/profit before changes in working capital	(1,166)	1,009
Net change in current receivables	(454)	(2,227)
Net change in current payables	(471)	(30)
Cash used in operating activities	(2,091)	(1,248)
Interest paid	(2)	(1)
Net taxes paid	(312)	(360)
Net cash used in operating activities	(2,405)	(1,609)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	472	1,223
Withdrawal of fixed deposits	3,055	1,582
Proceeds from disposal of property, plant and equipment	11	1
Purchase of property, plant and equipment	(1,305)	(2,350)
Net cash used in investing activities	2,233	456
CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid to equity shareholders of the Company	(3,940)	(3,940)
Repayment of lease payables	(13)	(44)
Net cash used in financing activity	(3,953)	(3,984)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,125)	(5,137)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	9,063	11,368
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	4,938	6,231

GRAND CENTRAL ENTERPRISES BHD (131696-V)
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SECOND QUARTER ENDED 30 JUNE 2016 (CONT'D.)

	As at 30.06.2016 RM'000	As at 30.06.2015 RM'000
CASH AND BANK BALANCES		
Cash on hand and at bank	3,861	3,712
Deposits with licensed banks	61,819	66,389
Total cash and bank balances	<u>65,680</u>	<u>70,101</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	65,680	70,101
Less: Short-term deposits with licensed banks	<u>(60,742)</u>	<u>(63,870)</u>
	<u>4,938</u>	<u>6,231</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 (2015: RM1,185,000) pledged as bank guarantees for credit facilities granted to the Group.

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

GRAND CENTRAL ENTERPRISES BHD (131696-V)
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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 2015. 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 2015.

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 2015 except for the adoption of the new and amended MFRSs for annual financial periods beginning on or after 1 January 2016. The initial application of these new and amended MFRSs 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 2015 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 30.06.2016 RM'000	Preceding Year Corresponding Period 30.06.2015 RM'000
Revenue from external customers	11,715	14,439
Reportable segment (loss)/profit	(1,441)	796
Reportable segment assets	262,754	272,004
Reportable segment liabilities	4,733	5,117
<hr/>		
Reportable segment (loss)/profit is reconciled as follows:		
Total (loss)/profit for reportable segment	(1,441)	796
Interest income	1,291	1,263
Other income	282	211
Depreciation	(3,187)	(3,070)
Loss before taxation	(3,055)	(800)
	<hr/>	<hr/>

GRAND CENTRAL ENTERPRISES BHD (131696-V)
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4 SEGMENTAL REPORTING (Cont'd.)

	Current Year To Date 30.06.2016 RM'000	Preceding Year Corresponding Period 30.06.2015 RM'000
Reportable segment assets is reconciled as follows:		
Total assets for reportable segment	262,754	272,004
Tax recoverable	363	104
Deferred tax assets	2,899	3,090
Total assets	<u>266,016</u>	<u>275,198</u>
Reportable segment liabilities is reconciled as follows:		
Total liabilities for reportable segment	4,733	5,117
Income tax payable	20	353
Deferred tax liabilities	17,857	18,527
Borrowings	87	7
Total liabilities	<u>22,697</u>	<u>24,004</u>

The Group has no concentration of revenue generated from a single external customer during the year.

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

	2016 RM'000	2015 RM'000
Ordinary		
Final paid		
2015 - 2% single tier	3,940	-
2014 - 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)
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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 companies which have commenced member's voluntary winding up on 4 December 2015:

- Grand Central (K.L.) Sdn. Bhd.
- Grand Central Enterprises (Malacca) Sdn. Bhd.
- Grand Central Enterprises (Perak) Sdn. Bhd.
- 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 30.06.2016 RM'000	As At End Of Preceding Year End 31.12.2015 RM'000
Approved but not contracted for: Property, plant and equipment	335	500

13 CONTINGENT LIABILITIES

The Group does not have any contingent liabilities as at 30 June 2016.

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.

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**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF
 BURSA MALAYSIA SECURITIES BERHAD**

15 PERFORMANCE REVIEW

During the period ended 30 June 2016, the Group recorded a revenue of RM11.72 million (2015: RM14.44 million) and loss before taxation of RM3.06 million (2015: RM0.80 million). The decrease in revenue was mainly due to overall lower average room and 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 increased in loss before taxation as compared to the preceding year corresponding period was mainly due to lower revenue being achieved for the current period.

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.

19 INCOME TAX EXPENSE

Taxation includes:

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 30.06.2016 RM'000	Preceding Year Quarter 30.06.2015 RM'000	Current Year To Date 30.06.2016 RM'000	Preceding Year Corresponding Period 30.06.2015 RM'000
Current period's provision	(19)	207	8	426
Deferred taxation	-	8	-	8
	<u>(19)</u>	<u>215</u>	<u>8</u>	<u>434</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.

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20 CORPORATE PROPOSALS

There were no corporate proposals announced during the financial period to date.

21 BORROWINGS

	As At End Of Current Quarter 30.06.2016 RM'000	As At End Of Preceding Year End 31.12.2015 RM'000
Short Term Borrowings		
Hire purchase creditors	16	-
Long Term Borrowings		
Hire purchase creditors	71	-
	<u>87</u>	<u>-</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 2016 (30 June 2015: Nil).

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 30.06.2016	Preceding Year Quarter 30.06.2015	Current Year To Date 30.06.2016	Preceding Year Corresponding Period 30.06.2015
Loss attributable to ordinary equity holders of the Company (RM'000)	(1,230)	(465)	(3,042)	(1,286)
Number of ordinary shares in issue ('000)	<u>197,002</u>	<u>197,002</u>	<u>197,002</u>	<u>197,002</u>
Loss per share (sen)	<u>(0.62)</u>	<u>(0.24)</u>	<u>(1.54)</u>	<u>(0.65)</u>

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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 30.06.2016 RM'000	Preceding Year Quarter 30.06.2015 RM'000	Current Year To Date 30.06.2016 RM'000	Preceding Year Corresponding Period 30.06.2015 RM'000
Interest income	634	649	1,291	1,263
Sundry revenue	112	1	235	210
Interest expense	(1)	(1)	(2)	(1)
Depreciation	(1,624)	(1,545)	(3,187)	(3,070)
Reversal of impairment loss on receivables	-	-	-	-
Bad debts written off	-	-	-	-
Inventories written off	(2)	(1)	(2)	(1)
Gain on disposal of investments	-	-	-	-
Gain on disposal of property, plant and equipment	2	1	11	1
Loss on disposal of property, plant and equipment	-	-	-	-
Property, plant and equipment written off	-	-	-	(1)
Impairment of assets	-	-	-	-
Foreign exchange gain	-	-	-	-

26 REALISED AND UNREALISED PROFITS DISCLOSURE

	As At End Of Current Quarter 30.06.2016 RM'000	As At End Of Preceding Year End 31.12.2015 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	53,983	59,832
- Unrealised	(12,018)	(12,018)
	41,965	47,814
Add: Consolidated adjustments	150	1,283
Retained profits as per financial statements	42,115	49,097

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 9 August 2016.