

Quarterly rpt on consolidated results for the financial period ended 30 Jun 2017

GRAND CENTRAL ENTERPRISES BHD

Financial Year End	31 Dec 2017
Quarter	2 Qtr
Quarterly report for the financial period ended	30 Jun 2017
The figures	have not been audited

Attachments

 [2nd quarter 2017 BURSA unaudited results.pdf](#)
77.9 kB

Default Currency	Other Currency
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Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 30 Jun 2017

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30 Jun 2017	30 Jun 2016	30 Jun 2017	30 Jun 2016
		\$\$'000	\$\$'000	\$\$'000	\$\$'000
1	Revenue	6,302	6,510	11,702	11,715
2	Profit/(loss) before tax	-1,543	-1,271	-3,594	-3,055
3	Profit/(loss) for the period	-1,547	-1,252	-3,645	-3,063
4	Profit/(loss) attributable to ordinary equity holders of the parent	-1,517	-1,230	-3,630	-3,042
5	Basic earnings/(loss) per share (Subunit)	-0.77	-0.62	-1.84	-1.54
6	Proposed/Declared dividend per share (Subunit)	0.02	0.00	0.02	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 (\$\$)		1.1700		1.2100

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 2017
Category	Financial Results
Reference Number	FRA-09082017-00004

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2017

	← INDIVIDUAL PERIOD →		Changes %	← CUMULATIVE PERIOD →		Changes %
	Current Year Quarter 30.06.2017 RM'000	Preceding Year Corresponding Quarter 30.06.2016 RM'000		Current Year To Date 30.06.2017 RM'000	Preceding Year Corresponding Period 30.06.2016 RM'000	
Revenue	6,302	6,510	(3.2)	11,702	11,715	(0.1)
Operating expenses	(8,531)	(8,564)		(16,663)	(16,341)	
Other operating income	687	784		1,369	1,573	
Finance cost	<u>(1)</u>	<u>(1)</u>		<u>(2)</u>	<u>(2)</u>	
Loss before taxation	(1,543)	(1,271)	21.4	(3,594)	(3,055)	17.6
Taxation	<u>(4)</u>	<u>19</u>		<u>(51)</u>	<u>(8)</u>	
Loss net of tax	(1,547)	(1,252)	23.6	(3,645)	(3,063)	19.0
Other comprehensive profit	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>	
Total comprehensive loss	<u>(1,547)</u>	<u>(1,252)</u>		<u>(3,645)</u>	<u>(3,063)</u>	
Loss attributable to:						
Owners of the parent	(1,517)	(1,230)	23.3	(3,630)	(3,042)	19.3
Non-controlling interests	<u>(30)</u>	<u>(22)</u>		<u>(15)</u>	<u>(21)</u>	
Loss for the period	<u>(1,547)</u>	<u>(1,252)</u>		<u>(3,645)</u>	<u>(3,063)</u>	
Loss per share (sen)	(0.77)	(0.62)		(1.84)	(1.54)	

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	As At End Of Current Quarter 30.06.2017 RM'000	As At End Of Preceding Year End 31.12.2016 RM'000
ASSETS		
Non-current asset		
Property, plant and equipment	188,946	189,908
Current assets		
Inventories	402	369
Trade and other receivables	2,999	4,561
Cash and bank balances	61,961	68,545
	<u>65,362</u>	<u>73,475</u>
TOTAL ASSETS	<u>254,308</u>	<u>263,383</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	197,002	197,002
Reserves	34,179	41,749
	<u>231,181</u>	<u>238,751</u>
Non-controlling interests	1,858	1,873
Total equity	<u>233,039</u>	<u>240,624</u>
Non-current liabilities		
Long term borrowings	38	38
Deferred taxation	17,158	17,158
	<u>17,196</u>	<u>17,196</u>
Current liabilities		
Borrowings	17	33
Trade & other payables	3,935	5,397
Current tax payable	121	133
	<u>4,073</u>	<u>5,563</u>
Total liabilities	<u>21,269</u>	<u>22,759</u>
TOTAL EQUITY AND LIABILITIES	<u>254,308</u>	<u>263,383</u>
Net assets per share (RM)	1.17	1.21

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

GRAND CENTRAL ENTERPRISES BHD (131696-V)
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2017

	← Attributable to Owners of the Parent →			Non-controlling	Total
	Share Capital	Non-Distributable Share Premium Reserve	Distributable Retained Profits	Interests	Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
6-month quarter ended 30 June 2017					
At 1 January 2017	197,002	2,395	39,354	1,873	240,624
Loss for the period	-	-	(3,630)	(15)	(3,645)
Dividends	-	-	(3,940)	-	(3,940)
At 30 June 2017	197,002	2,395	31,784	1,858	233,039
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

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

GRAND CENTRAL ENTERPRISES BHD (131696-V)
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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2017

	<u>2017</u> 6 Months Ended 30.06.2017 RM'000	<u>2016</u> 6 Months Ended 30.06.2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(3,594)	(3,055)
Adjustments for:-		
Depreciation	3,280	3,187
Gain on disposal of property, plant and equipment	(1)	(11)
Inventories written down	-	2
Interest expense	2	2
Interest income	(1,186)	(1,291)
Property, plant and equipment written off	1	-
Operating loss before working capital changes	(1,498)	(1,166)
Net change in current receivables	953	(454)
Net change in current payables	(1,462)	(471)
Cash used in operating activities	(2,007)	(2,091)
Interest paid	(2)	(2)
Net taxes paid	(128)	(312)
Net cash used in operating activities	(2,137)	(2,405)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,826	472
Withdrawal of fixed deposits	4,549	3,055
Proceeds from disposal of property, plant and equipment	1	11
Purchase of property, plant and equipment	(2,318)	(1,305)
Net cash used in investing activities	4,058	2,233
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to equity shareholders of the Company	(3,940)	(3,940)
Repayment of hire purchase payable	(16)	(13)
Net cash used in financing activities	(3,956)	(3,953)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,035)	(4,125)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	8,304	9,063
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	6,269	4,938

GRAND CENTRAL ENTERPRISES BHD (131696-V)
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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2017 (CONT'D.)

	As at 30.06.2017 RM'000	As at 30.06.2016 RM'000
CASH AND BANK BALANCES		
Cash on hand and at banks	3,417	3,861
Deposits with licensed banks	58,544	61,819
Cash and bank balances	<u>61,961</u>	<u>65,680</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	61,961	65,680
Less: Short-term deposits with licensed banks	<u>(55,692)</u>	<u>(60,742)</u>
Total cash and cash equivalents	<u>6,269</u>	<u>4,938</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 (2016: 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 2016 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 2016. 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 2016.

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 2016 except for the adoption of the new and amended MFRSs for annual financial periods beginning on or after 1 January 2017. 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 2016 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 30.06.2017 RM'000	Preceding Year Corresponding Period 30.06.2016 RM'000
Revenue from external customers	11,702	11,715
Reportable segment loss	(1,683)	(1,441)
Reportable segment assets	254,104	262,754
Reportable segment liabilities	3,935	4,733
Reportable segment loss is reconciled as follows:		
Total loss for reportable segment	(1,683)	(1,441)
Interest income	1,186	1,291
Other income	183	282
Depreciation	(3,280)	(3,187)
Loss before taxation	(3,594)	(3,055)

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4 SEGMENTAL REPORTING (Cont'd.)

	Current Year To Date 30.06.2017 RM'000	Preceding Year Corresponding Period 30.06.2016 RM'000
Reportable segment assets is reconciled as follows:		
Total assets for reportable segment	254,104	262,754
Tax recoverable	204	363
Deferred tax assets	-	2,899
Total assets	<u>254,308</u>	<u>266,016</u>
Reportable segment liabilities is reconciled as follows:		
Total liabilities for reportable segment	3,935	4,733
Income tax payable	121	20
Deferred tax liabilities	17,158	17,857
Borrowings	55	87
Total liabilities	<u>21,269</u>	<u>22,697</u>

The Group has no concentration of revenue generated from a single external customer during the financial period under review.

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

	2017 RM'000	2016 RM'000
Ordinary		
Interim paid		
2017 - 2% single tier	3,940	-
Final paid		
2015 - 2% single tier	-	3,940
	<u>-</u>	<u>3,940</u>

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9 CARRYING AMOUNT OF REVALUED ASSETS

There was no valuation of property, plant and equipment for the period under review.

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 30.06.2017 RM'000	As At End Of Preceding Year End 31.12.2016 RM'000
Approved but not contracted for: Property, plant and equipment	-	187

13 CONTINGENT LIABILITIES

The Group does not have any contingent liabilities as at 30 June 2017.

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

For the period ended 30 June 2017, the Group recorded a revenue of RM11.70 million (2016: RM11.72 million) and loss before taxation of RM3.59 million (2016: RM3.06 million).

The Group's increased in loss before taxation as compared to the preceding year corresponding period was mainly due to higher operating expenses, lower interest income and sundry revenue for the current period as compared to the preceding year corresponding period.

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 LOSS BEFORE TAXATION AS COMPARED WITH IMMEDIATE
PRECEDING QUARTER**

	Current Quarter 30.06.2017 RM'000	Immediate Preceding Quarter 31.03.2017 RM'000	Changes %
Revenue	6,302	5,400	16.7
Loss before interest and tax	(1,542)	(2,050)	(24.8)
Loss before tax	(1,543)	(2,051)	(24.8)
Loss after tax	(1,547)	(2,098)	(26.3)
Loss attributable to the ordinary equity holders of the parent	(1,517)	(2,113)	(28.2)

The Group's performance for this quarter improved as compared to the immediate preceding quarter. This is mainly due to a 4% increase of overall average room occupancy rates despite a 14% drop in overall average room rates.

17 PROSPECTS

Barring any unforeseen circumstances, the Directors anticipate the performance of the Group for the next quarter to be consistent with this quarter.

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 30.06.2017 RM'000	Preceding Year Quarter 30.06.2016 RM'000	Current Year To Date 30.06.2017 RM'000	Preceding Year Corresponding Period 30.06.2016 RM'000
Current period's provision	4	(19)	51	8

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.

20 CORPORATE PROPOSALS

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

21 BORROWINGS

	As At End Of Current Quarter 30.06.2017 RM'000	As At End Of Preceding Year End 31.12.2016 RM'000
Short Term Borrowings		
Hire purchase creditors	17	33
Long Term Borrowings		
Hire purchase creditors	38	38
	55	71

The hire purchase payable bears interest rate at 5.31% (2016: 5.31%) 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.

23 DIVIDEND

An interim single tier dividend of 2% (i.e. 2 sen per share) was declared on 3 April 2017 and the amount RM3,940,040 was paid on 25 May 2017.

No interim ordinary dividend has been declared for the preceding financial period ended 30 June 2016.

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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 30.06.2017	Preceding Year Quarter 30.06.2016	Current Year To Date 30.06.2017	Preceding Year Corresponding Period 30.06.2016
Loss attributable to ordinary equity holders of the Company (RM'000)	(1,517)	(1,230)	(3,630)	(3,042)
Number of ordinary shares in issue ('000)	197,002	197,002	197,002	197,002
Loss per share (sen)	(0.77)	(0.62)	(1.84)	(1.54)

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 30.06.2017 RM'000	Preceding Year Quarter 30.06.2016 RM'000	Current Year To Date 30.06.2017 RM'000	Preceding Year Corresponding Period 30.06.2016 RM'000
Interest income	592	634	1,186	1,291
Sundry revenue	60	112	146	235
Interest expense	(1)	(1)	(2)	(2)
Depreciation	(1,672)	(1,624)	(3,280)	(3,187)
Reversal of impairment loss on receivables	-	-	-	-
Bad debts written off	-	-	-	-
Inventories written down	-	(2)	-	(2)
Gain on disposal of investments	-	-	-	-
Gain on disposal of property, plant and equipment	-	2	1	11
Loss on disposal of property, plant and equipment	-	-	-	-
Property, plant and equipment written off	-	-	(1)	-
Impairment of assets	-	-	-	-
Foreign exchange gain	-	-	1	-

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26 REALISED AND UNREALISED PROFITS DISCLOSURE

	As At End Of Current Quarter 30.06.2017 RM'000	As At End Of Preceding Year End 30.06.2016 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	45,644	53,983
- Unrealised	(14,259)	(12,018)
	<hr/> 31,385	<hr/> 41,965
Add: Consolidated adjustments	399	150
Retained profits as per financial statements	<hr/> 31,784	<hr/> 42,115

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 2017.