

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2012

| | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|---------------------------------|---|--|--|---|
| | Current Year Quarter 31.03.2012 RM'000 | Preceding Year Corresponding Quarter 31.03.2011 RM'000 | Current Year To Date 31.03.2012 RM'000 | Preceding Year Corresponding Period 31.03.2011 RM'000 |
| Revenue | 7,121 | 8,315 | 7,121 | 8,315 |
| Operating expenses | (7,896) | (8,390) | (7,896) | (8,390) |
| Other operating income | 598 | 535 | 598 | 535 |
| Finance cost | (1) | (132) | (1) | (132) |
| (Loss)/profit before taxation | (178) | 328 | (178) | 328 |
| Taxation | (270) | (283) | (270) | (283) |
| (Loss)/profit for the period | (448) | 45 | (448) | 45 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income | (448) | 45 | (448) | 45 |
| (Loss)/profit attributable to: | | | | |
| Owners of the parent | (491) | 14 | (491) | 14 |
| Non-controlling interest | 43 | 31 | 43 | 31 |
| (Loss)/profit for the period | (448) | 45 | (448) | 45 |
| (Loss)/earnings per share (sen) | (0.25) | 0.01 | (0.25) | 0.01 |

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 MARCH 2012

| | As At End Of Current Quarter 31.03.2012 RM'000 | As At End Of Preceding Year End 31.12.2011 RM'000 |
|--|---|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 220,571 | 221,899 |
| Deferred tax assets | 8,862 | 8,862 |
| | <u>229,433</u> | <u>230,761</u> |
| Current assets | | |
| Inventories | 444 | 484 |
| Trade and other receivables | 3,732 | 4,917 |
| Cash and cash equivalents | 59,744 | 58,753 |
| | <u>63,920</u> | <u>64,154</u> |
| TOTAL ASSETS | <u>293,353</u> | <u>294,915</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to Owners of the Parent | | |
| Share capital | 197,002 | 197,002 |
| Reserves | 63,225 | 63,716 |
| | <u>260,227</u> | <u>260,718</u> |
| Non-controlling interests | 2,114 | 2,071 |
| Total equity | <u>262,341</u> | <u>262,789</u> |
| Non-current liabilities | | |
| Long term borrowings | 39 | 39 |
| Deferred taxation | 25,291 | 25,291 |
| | <u>25,330</u> | <u>25,330</u> |
| Current liabilities | | |
| Borrowings | 15 | 20 |
| Trade & other payables | 5,436 | 6,442 |
| Current tax payable | 231 | 334 |
| | <u>5,682</u> | <u>6,796</u> |
| Total liabilities | <u>31,012</u> | <u>32,126</u> |
| TOTAL EQUITY AND LIABILITIES | <u>293,353</u> | <u>294,915</u> |
| Net assets per share (RM) | 1.32 | 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 FIRST QUARTER ENDED 31 MARCH 2012

| | Attributable to Owners of the Parent | | | | Total RM'000 | Non-controlling Interest RM'000 | Total Equity RM'000 |
|---|--------------------------------------|---|------------------------------|--|-----------------|---------------------------------------|---------------------------|
| | Share Capital RM'000 | Non-Distributable Share Premium RM'000 | Capital Reserve RM'000 | Distributable Retained Profits RM'000 | | | |
| 3-month quarter ended <u>31 March 2012</u> | | | | | | | |
| At 1 January 2012 | 197,002 | 2,395 | 5,458 | 55,863 | 260,718 | 2,071 | 262,789 |
| (Loss)/profit for the period | - | - | - | (491) | (491) | 43 | (448) |
| At 31 March 2012 | <u>197,002</u> | <u>2,395</u> | <u>5,458</u> | <u>55,372</u> | <u>260,227</u> | <u>2,114</u> | <u>262,341</u> |
| 3-month quarter ended <u>31 March 2011</u> | | | | | | | |
| At 1 January 2011 | 197,002 | 2,395 | 5,458 | 51,423 | 256,278 | 2,085 | 258,363 |
| Profit for the period | - | - | - | 14 | 14 | 31 | 45 |
| At 31 March 2011 | <u>197,002</u> | <u>2,395</u> | <u>5,458</u> | <u>51,437</u> | <u>256,292</u> | <u>2,116</u> | <u>258,408</u> |

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 FIRST QUARTER ENDED 31 MARCH 2012

| | 2012 | 2011 |
|---|-------------------|-------------------|
| | 3 Months | 3 Months |
| | Ended | Ended |
| | 31.03.2012 | 31.03.2011 |
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| (Loss)/profit before taxation | (178) | 328 |
| Adjustments:- | | |
| Depreciation | 1,445 | 1,508 |
| Interest expenses | 1 | 132 |
| Interest income | (458) | (279) |
| Operating profit before changes in working capital | 810 | 1,689 |
| Net change in current receivables | 806 | (320) |
| Net change in current payables | (1,006) | (1,330) |
| Cash generated from operating activities | 610 | 39 |
| Interest paid | (1) | (133) |
| Tax paid, net | (381) | (267) |
| Net cash generated from/(used in) operating activities | 228 | (361) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 885 | 277 |
| Proceeds from disposal of property, plant and equipment | - | 7 |
| Purchase of property, plant and equipment | (117) | (286) |
| Net cash generated from/(used in) investing activities | 768 | (2) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of hire purchase and lease payables | (5) | (9) |
| Repayment of revolving credit | - | (100) |
| Net cash used in financing activities | (5) | (109) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 991 | (472) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 58,753 | 37,195 |
| CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD | 59,744 | 36,723 |

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

| | As At | As At |
|------------------------|-------------------|-------------------|
| | 31.03.2012 | 31.03.2011 |
| | RM'000 | RM'000 |
| Cash and bank balances | 59,744 | 42,705 |
| Bank overdrafts | - | (5,982) |
| | 59,744 | 36,723 |

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 31 March 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 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.

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9 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.

10 CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current financial period to date.

11 CAPITAL COMMITMENTS

There are no authorised capital expenditure that has been provided for in the financial statements.

12 CONTINGENT LIABILITIES

The Group does not have any contingent liabilities as at 31 March 2012.

13 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.

14 PERFORMANCE REVIEW

During the period ended 31 March 2012, the Group achieved a revenue of RM7.1 million (2011: RM8.3 million) and loss before taxation of RM0.2 million (2011: profit before taxation of RM0.3 million). The lower revenue as compared to preceding year corresponding period is mainly due to the cessation of Grand Central (K.L.) Sdn. Bhd.'s operations effective 31 July 2011.

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.

15 COMMENTS ON MATERIAL CHANGES IN PROFIT BEFORE TAXATION

The Group's decrease performance was mainly due to overall lower occupancy rates and higher utilities charges. Despite the above, Hotel Grand Continental, Langkawi and Hotel Grand Continental, Kuala Terengganu recorded improve results as compared to preceding year corresponding period.

16 PROSPECTS

Barring any unforeseen circumstances, the Directors anticipate the performance of the Group to remain difficult with intense competition from new entrants and existing hotels across the nation.

17 PROFIT FORECAST

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

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18 INCOME TAX EXPENSE

Taxation includes:

| | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|----------------------------|---|---|---|---|
| | Current Year Quarter 31.03.2012 RM'000 | Preceding Year Quarter 31.03.2011 RM'000 | Current Year To Date 31.03.2012 RM'000 | Preceding Year Corresponding Period 31.03.2011 RM'000 |
| Current period's provision | 270 | 258 | 270 | 258 |
| Deferred taxation | - | 25 | - | 25 |
| | <u>270</u> | <u>283</u> | <u>270</u> | <u>283</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 tax charged on profits from certain companies in the Group and non-deductible expenses for tax purposes.

19 CORPORATE PROPOSALS

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

20 BORROWINGS

| | As At End Of Current Quarter 31.03.2012 RM'000 | As At End Of Preceding Year End 31.12.2011 RM'000 |
|-----------------------------------|---|--|
| Short Term Borrowings | | |
| Lease and hire purchase creditors | 15 | 20 |
| Long Term Borrowings | | |
| Lease and hire purchase creditors | <u>39</u> | <u>39</u> |
| | <u>54</u> | <u>59</u> |

21 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.

22 DIVIDEND

No interim ordinary dividend has been declared for the financial period ended 31 March 2012 (31 March 2011: Nil).

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23 (LOSS)/EARNINGS PER SHARE

(Loss)/earnings per share is calculated by dividing (loss)/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 31.03.2012 | Preceding Year Quarter 31.03.2011 | Current Year To Date 31.03.2012 | Preceding Year Corresponding Period 31.03.2011 |
| (Loss)/profit attributable to ordinary equity holders of the Company (RM'000) | (491) | 14 | (491) | 14 |
| Number of ordinary shares in issue ('000) | 197,002 | 197,002 | 197,002 | 197,002 |
| (Loss)/earnings per share (sen) | (0.25) | 0.01 | (0.25) | 0.01 |

24 NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

| | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|--|--|--|--|---|
| | Current Year Quarter 31.03.2012 RM'000 | Preceding Year Quarter 31.03.2011 RM'000 | Current Year To Date 31.03.2012 RM'000 | Preceding Year Corresponding Period 31.03.2011 RM'000 |
| Interest income | 458 | 279 | 458 | 279 |
| Sundry revenue | 140 | 191 | 140 | 191 |
| Interest expense | (1) | (132) | (1) | (132) |
| Depreciation | (1,445) | (1,508) | (1,445) | (1,508) |
| Reversal of impairment loss on receivables | - | 64 | - | 64 |
| Bad debts written off | - | - | - | - |
| Inventories written off | - | - | - | - |
| Gain on disposal of investments | - | - | - | - |
| Gain on disposal of properties | - | - | - | - |
| Impairment of assets | - | - | - | - |
| Foreign exchange gain | 1 | 3 | 1 | 3 |

25 REALISED AND UNREALISED PROFITS DISCLOSURE

| | As At End Of Current Quarter 31.03.2012 RM'000 | As At End Of Preceding Year End 31.12.2011 RM'000 |
|---|--|---|
| Total retained profits of the Company and its subsidiaries: | | |
| - Realised | 66,976 | 67,482 |
| - Unrealised | (13,488) | (13,488) |
| | 53,488 | 53,994 |
| Add: Consolidated adjustments | 1,884 | 1,869 |
| Retained profits as per financial statements | 55,372 | 55,863 |

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26 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 May 2012.