

GRAND CENTRAL ENTERPRISES BHD
Registration No: 198401019138 (131696-V)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

	← INDIVIDUAL PERIOD →			Changes %	← CUMULATIVE PERIOD →			Changes %
	Current Year Quarter 31.12.2022 RM'000	Preceding Year Corresponding Quarter 31.12.2021 RM'000			Current Year To Date 31.12.2022 RM'000	Preceding Year Corresponding Period 31.12.2021 RM'000		
Revenue	5,719	5,628		2	22,747	18,008		26
Operating expenses	(7,544)	(6,410)			(29,075)	(24,602)		
Other operating income	318	436			1,632	2,332		
Finance costs	-	-			-	-		
Loss before taxation	(1,507)	(346)		336	(4,696)	(4,262)		10
Taxation	1,260	1,400			1,260	1,838		
Profit/(loss) net of taxation	(247)	1,054		(123)	(3,436)	(2,424)		42
Other comprehensive profit	-	-			-	-		
Total comprehensive (loss)/profit	(247)	1,054			(3,436)	(2,424)		
Attributable to:								
Equity holders of the Company	(247)	1,033		(124)	(3,356)	(2,344)		43
Non-controlling interests	-	21			(80)	(80)		
	(247)	1,054			(3,436)	(2,424)		
(Loss)/earnings per share (sen)	(0.13)	0.52			(1.70)	(1.19)		

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

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Registration No: 198401019138 (131696-V)
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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	As At End Of Current Quarter 31.12.2022 RM'000	As At End Of Preceding Year End 31.12.2021 RM'000
Assets		
Non-current assets		
Property, plant and equipment	159,039	164,187
Total non-current assets	<u>159,039</u>	<u>164,187</u>
Current assets		
Inventories	525	609
Trade and other receivables	2,992	4,024
Cash and bank balances	50,819	48,456
Total current assets	<u>54,336</u>	<u>53,089</u>
Total assets	<u>213,375</u>	<u>217,276</u>
Equity and liabilities		
Equity attributable to equity holders of the Company		
Share capital	199,397	199,397
(Accumulated losses)/retained earnings	(1,202)	2,154
Shareholders' equity	<u>198,195</u>	<u>201,551</u>
Non-controlling interests	<u>1,376</u>	<u>1,456</u>
Total equity	<u>199,571</u>	<u>203,007</u>
Non-current liabilities		
Deferred tax liabilities	10,164	11,424
Total non-current liabilities	<u>10,164</u>	<u>11,424</u>
Current liabilities		
Trade & other payables	3,640	2,845
Total current liabilities	<u>3,640</u>	<u>2,845</u>
Total liabilities	<u>13,804</u>	<u>14,269</u>
Total equity and liabilities	<u>213,375</u>	<u>217,276</u>
Net assets per share (RM)	1.01	1.02

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

	Share capital RM'000	(Accumulated losses)/ distributable retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
12-month quarter ended <u>31 December 2022</u>					
At 1 January 2022	199,397	2,154	201,551	1,456	203,007
Total comprehensive loss	-	(3,356)	(3,356)	(80)	(3,436)
At 31 December 2022	<u>199,397</u>	<u>(1,202)</u>	<u>198,195</u>	<u>1,376</u>	<u>199,571</u>
12-month quarter ended <u>31 December 2021</u>					
At 1 January 2021	199,397	4,498	203,895	1,536	205,431
Total comprehensive loss	-	(2,344)	(2,344)	(80)	(2,424)
At 31 December 2021	<u>199,397</u>	<u>2,154</u>	<u>201,551</u>	<u>1,456</u>	<u>203,007</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 2021 and the accompanying explanatory notes attached to the interim financial statements.

GRAND CENTRAL ENTERPRISES BHD
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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

	<u>2022</u>	<u>2021</u>
	12 Months	12 Months
	Ended	Ended
	31.12.2022	31.12.2021
	RM'000	RM'000
Cash flows from operating activities		
Loss before taxation	(4,696)	(4,262)
Adjustments for:		
Depreciation	6,150	6,335
Gain on disposal of property, plant and equipment	(12)	(9)
Inventories written off	6	2
Finance income	(875)	(825)
Property, plant and equipment written off	3	15
Reversal of allowance for impairment of trade receivables	(1)	-
Operating profit before working capital changes	<u>575</u>	<u>1,256</u>
Net change in current receivables	1,149	(192)
Net change in current payables	795	(179)
Net cash from operating activities	<u>2,519</u>	<u>885</u>
Cash flows from investing activities		
Finance income received	837	459
Placement of deposits with licensed banks	(477)	(24,570)
Proceeds from disposal of property, plant and equipment	12	9
Purchase of property, plant and equipment	(1,005)	(659)
Net cash used in investing activities	<u>(633)</u>	<u>(24,761)</u>
Cash flows from financing activity		
Repayment of lease liability, representing net cash used in financing activity	<u>-</u>	<u>(14)</u>
Net changes in cash and cash equivalents	1,886	(23,890)
Cash and cash equivalents at beginning of financial year	<u>22,701</u>	<u>46,591</u>
Cash and cash equivalents at end of financial year	<u>24,587</u>	<u>22,701</u>

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022 (CONT'D.)

Cash and cash equivalents included in the statements of cash flows comprise the following:

	As At 31.12.2022 RM'000	As At 31.12.2021 RM'000
Cash and bank balances	50,819	48,456
Less: Deposits with licensed banks	(26,232)	(25,755)
	<u>24,587</u>	<u>22,701</u>
Cash and bank balances		
Cash on hand and at banks	7,541	5,991
Deposits with licensed banks	43,278	42,465
Cash and bank balances	<u>50,819</u>	<u>48,456</u>

The deposits with licensed banks which have maturity periods of more than 3 months but not more than one year amounted to RM25,047,000 (2021: RM24,570,000). Included in deposits with licensed banks are RM1,185,000 (2021: RM1,185,000) pledged as bank guarantee facility 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 2021 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 Standards ("MFRSs") 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 2021. 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 2021.

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 2021 except for the adoption of the new and amended MFRSs and IC Interpretations effective for annual financial periods beginning on or after 1 January 2022. The initial application of these new and amended MFRSs and IC Interpretations 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 2021 was not qualified.

4 SEGMENTAL REPORTING

Business segments

The chief operating decision-maker has been identified as the Board of Directors (the "Board"). The Board reviews the Group's internal reporting in order to assess performance and allocation of resources. The Group is principally engaged in the hotel business conducted in Malaysia.

Due to the interrelated nature of hotel business and similar operational characteristic of managing the same field, the Board believes that it is overseeing a single reportable segment. Hence, the Group does not present its results by industry or products segments.

Geographical segments

The Group's business are operated entirely within Malaysia and as such, no segment information based on geographical location is presented.

Major customers

There are no major customers for the year under review where the revenue is above 10% of the Group's revenue. However in the preceding year, there were two major customers with a combined revenue of 49% of the Group's revenue which amounted to RM8.8 million.

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

There were no dividends paid during the current quarter.

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.

12 CAPITAL COMMITMENTS

Capital expenditures as at the reporting date are as follows:

	As At End Of Current Quarter 31.12.2022 RM'000	As At End Of Preceding Year End 31.12.2021 RM'000
Approved and contracted for: Property, plant and equipment	267	142

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13 CONTINGENT LIABILITIES

The Group does not have any contingent liabilities as at 31 December 2022.

14 SUBSEQUENT EVENTS

There were no material events subsequent to the end of the period under review.

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

15 PERFORMANCE REVIEW

For the financial year ended 31 December 2022, the Group recorded a revenue of RM22.7 million (2021: RM18.0 million) and loss before taxation of RM4.7 million (2021: RM4.3 million).

Despite one of the hotels ceased being a quarantine facility in mid-January 2022, the Group recorded a higher revenue. This is mainly due to overall higher room occupancy and average room rates as compared to the preceding year. However, this was offset by increase in upkeep and maintenance works, higher utility and labour costs which resulted in a higher loss before taxation as compared to the preceding year corresponding period.

In the opinion of the Directors, the results for the financial year 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 31.12.2022 RM'000	Immediate Preceding Quarter 30.09.2022 RM'000	Changes %
Revenue	5,719	6,669	(14)
Loss before interest and taxation	(1,507)	(518)	191
Loss before taxation	(1,507)	(518)	191
Loss after taxation	(247)	(518)	(52)
Loss attributable to the equity holders of the Company	<u>(247)</u>	<u>(496)</u>	<u>(50)</u>

The Group's revenue for this quarter decreased as compared to the immediate preceding quarter. This is due to a 4% decrease of average room occupancy rates.

17 PROSPECTS

Although the return of China tourists will help boost the tourism business, but with the intense competition from neighbouring countries and rise in labour costs and prices across the board, 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 TAXATION

Taxation includes:

	<---- INDIVIDUAL PERIOD ---->		<--- CUMULATIVE PERIOD --->	
	Current Year Quarter 31.12.2022 RM'000	Preceding Year Quarter 31.12.2021 RM'000	Current Year To Date 31.12.2022 RM'000	Preceding Year Corresponding Period 31.12.2021 RM'000
Deferred tax	(1,260)	(1,400)	(1,260)	(1,400)
Overprovision in prior years	-	-	-	(438)
	<u>(1,260)</u>	<u>(1,400)</u>	<u>(1,260)</u>	<u>(1,838)</u>

There is no tax expense for the period under review as the Group is in a tax loss position.

20 CORPORATE PROPOSALS

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

21 BORROWINGS

The Group does not have any borrowings as at 31 December 2022.

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 current quarter.

24 (LOSS)/EARNINGS PER SHARE

(Loss)/earnings per share is calculated by dividing (loss)/profit for the period attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period.

	<--- INDIVIDUAL PERIOD --->		<--- CUMULATIVE PERIOD --->	
	Current Year Quarter 31.12.2022	Preceding Year Quarter 31.12.2021	Current Year To Date 31.12.2022	Preceding Year Corresponding Period 31.12.2021
(Loss)/profit attributable to equity holders of the Company (RM'000)	(247)	1,033	(3,356)	(2,344)
Weighted average number of ordinary shares in issue ('000)	197,002	197,002	197,002	197,002
(Loss)/earnings per share (sen)	<u>(0.13)</u>	<u>0.52</u>	<u>(1.70)</u>	<u>(1.19)</u>

25 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 31.12.2022 RM'000	Preceding Year Quarter 31.12.2021 RM'000	Current Year To Date 31.12.2022 RM'000	Preceding Year Corresponding Period 31.12.2021 RM'000
Interest income	242	205	875	825
Sundry revenue	74	222	744	1,498
Lease liability interests	-	-	-	-
Depreciation	(1,533)	(1,534)	(6,150)	(6,335)
Bad debts written off	-	-	-	-
Allowance for impairment of other receivable	-	-	-	-
Allowance for impairment of trade receivable	-	-	-	-
Reversal of allowance for impairment of trade receivable	-	-	1	-
Inventories written off	-	-	(6)	(2)
Gain on disposal of investments	-	-	-	-
Gain on disposal of property, plant and equipment	2	9	12	9
Loss on disposal of property, plant and equipment	-	-	-	-
Property, plant and equipment written off	(1)	(2)	(3)	(15)
Impairment of assets	-	-	-	-
Foreign exchange gain	-	-	-	-

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 22 February 2023.