

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

	INDIVIDUAL PERIOD			Changes	CUMULATIVE PERIOD			Changes
	Current Year Quarter 30.09.2023 RM'000	Preceding Year Corresponding Quarter 30.09.2022 RM'000			Current Year To Date 30.09.2023 RM'000	Preceding Year Corresponding Period 30.09.2022 RM'000		
Revenue	6,655	6,669	-		18,161	17,028	7	
Operating expenses	(8,796)	(7,491)			(24,677)	(21,531)		
Other operating income	418	304			1,225	1,314		
Finance costs	-	-			-	-		
Loss before taxation	(1,723)	(518)	233		(5,291)	(3,189)	66	
Taxation	228	-			228	-		
Loss net of taxation	(1,495)	(518)	189		(5,063)	(3,189)	59	
Other comprehensive loss	-	-			-	-		
Total comprehensive loss	(1,495)	(518)			(5,063)	(3,189)		
Attributable to:								
Equity holders of the Company	(1,453)	(496)	193		(4,980)	(3,109)	60	
Non-controlling interests	(42)	(22)			(83)	(80)		
	(1,495)	(518)			(5,063)	(3,189)		
Loss per share (sen)	(0.74)	(0.25)			(2.53)	(1.58)		

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 30 SEPTEMBER 2023

	As At End Of Current Quarter 30.09.2023 RM'000	As At End Of Preceding Year End 31.12.2022 RM'000
Assets		
Non-current assets		
Property, plant and equipment	157,455	159,039
Total non-current assets	<u>157,455</u>	<u>159,039</u>
Current assets		
Inventories	490	525
Trade and other receivables	4,238	2,992
Cash and cash equivalents	47,077	50,819
Total current assets	<u>51,805</u>	<u>54,336</u>
Total assets	<u>209,260</u>	<u>213,375</u>
Equity and liabilities		
Equity attributable to equity holders of the Company		
Share capital	199,397	199,397
Accumulated losses	(6,182)	(1,202)
Shareholders' equity	193,215	198,195
Non-controlling interests	1,293	1,376
Total equity	<u>194,508</u>	<u>199,571</u>
Non-current liability		
Deferred tax liabilities	10,164	10,164
Total non-current liability	<u>10,164</u>	<u>10,164</u>
Current liabilities		
Trade & other payables	4,588	3,640
Total current liabilities	<u>4,588</u>	<u>3,640</u>
Total liabilities	<u>14,752</u>	<u>13,804</u>
Total equity and liabilities	<u>209,260</u>	<u>213,375</u>
Net assets per share (RM)	0.98	1.01

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

	Share capital RM'000	Distributable (Accumulated losses)/ retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
9-month quarter ended <u>30 September 2023</u>					
At 1 January 2023	199,397	(1,202)	198,195	1,376	199,571
Total comprehensive loss	-	(4,980)	(4,980)	(83)	(5,063)
At 30 September 2023	<u>199,397</u>	<u>(6,182)</u>	<u>193,215</u>	<u>1,293</u>	<u>194,508</u>
9-month quarter ended <u>30 September 2022</u>					
At 1 January 2022	199,397	2,154	201,551	1,456	203,007
Total comprehensive loss	-	(3,109)	(3,109)	(80)	(3,189)
At 30 September 2022	<u>199,397</u>	<u>(955)</u>	<u>198,442</u>	<u>1,376</u>	<u>199,818</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 2022 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

	<u>2023</u> 9 Months Ended 30.09.2023 RM'000	<u>2022</u> 9 Months Ended 30.09.2022 RM'000
Cash flows from operating activities		
Loss before taxation	(5,291)	(3,189)
Adjustments for:		
Depreciation	4,627	4,617
Gain on disposal of property, plant and equipment	(2)	(10)
Inventories written off	3	6
Finance income	(950)	(633)
Property, plant and equipment written off	1	2
Reversal of allowance for impairment of trade receivables	-	(1)
Operating (loss)/profit before working capital changes	<u>(1,612)</u>	<u>792</u>
Net change in current receivables	(1,373)	(1,095)
Net change in current payables	948	507
Cash (used in)/generated from operations	<u>(2,037)</u>	<u>204</u>
Tax refunded	420	-
Net cash (used in)/from operating activities	<u>(1,617)</u>	<u>204</u>
Cash flows from investing activities		
Finance income received	917	756
Placement of deposits with licensed banks	(524)	(477)
Proceeds from disposal of property, plant and equipment	2	10
Purchase of property, plant and equipment	<u>(3,044)</u>	<u>(611)</u>
Net cash used in investing activities	<u>(2,649)</u>	<u>(322)</u>
Net changes in cash and cash equivalents	(4,266)	(118)
Cash and cash equivalents at beginning of financial year	<u>24,587</u>	<u>22,701</u>
Cash and cash equivalents at end of financial period	<u>20,321</u>	<u>22,583</u>

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023 (CONT'D.)

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

	As At 30.09.2023 RM'000	As At 30.09.2022 RM'000
Cash and bank balances	47,077	48,815
Less: Deposits with licensed banks	<u>(26,756)</u>	<u>(26,232)</u>
	<u>20,321</u>	<u>22,583</u>
Cash and cash equivalents		
Cash on hand and at banks	6,068	5,613
Deposits with licensed banks	<u>41,009</u>	<u>43,202</u>
	<u>47,077</u>	<u>48,815</u>

The deposits with licensed banks which have maturity periods of more than 3 months but not more than one year amounted to RM25,571,000 (2022: RM25,047,000). Included in deposits with licensed banks are RM1,185,000 (2022: 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 2022 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 2022. 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 2022.

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 2022 except for the adoption of the new and amended MFRSs and IC Interpretations effective for annual financial periods beginning on or after 1 January 2023. 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 2022 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 period under review which represents 10% or more of the Group's revenue.

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 30.09.2023 RM'000	As At End Of Preceding Year End 31.12.2022 RM'000
Approved and contracted for: Property, plant and equipment	126	267

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13 CONTINGENT LIABILITIES

The Group does not have any contingent liabilities as at 30 September 2023.

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 period ended 30 September 2023, the Group recorded a revenue of RM18.2 million (2022: RM17.0 million) and loss before taxation of RM5.3 million (2022: RM3.2 million).

The Group recorded a higher revenue as compared to the preceding year corresponding period due to overall higher room occupancy and average room rates. 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 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 30.09.2023 RM'000	Immediate Preceding Quarter 30.06.2023 RM'000	Changes %
Revenue	6,655	5,906	13
Loss before interest and taxation	(1,723)	(1,633)	6
Loss before taxation	(1,723)	(1,633)	6
Loss after taxation	(1,495)	(1,633)	(8)
Loss attributable to the equity holders of the Company	<u>(1,453)</u>	<u>(1,633)</u>	<u>(11)</u>

The Group's revenue for this quarter increased as compared to the immediate preceding quarter. This is due to a 6% increase of room occupancy rates despite a 11% decrease of average room rates.

17 PROSPECTS

Malaysia is expected to further bolster visitors number by increase in airline frequency, expansion of chartered operating flight, and the allure of year-end holiday. However, employee attrition, difficulty in recruitment, rising operating costs (particularly the electricity tariff hike) and intense competition from neighbouring countries remain as key challenges to the Group. 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 30.09.2023 RM'000	Preceding Year Quarter 30.09.2022 RM'000	Current Year To Date 30.09.2023 RM'000	Preceding Year Corresponding Period 30.09.2022 RM'000
Overprovision in respect of previous years	(228)	-	(228)	-

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 period to date.

21 BORROWINGS

The Group does not have any borrowings as at 30 September 2023.

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 PER SHARE

Loss per share is calculated by dividing loss 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 30.09.2023	Preceding Year Quarter 30.09.2022	Current Year To Date 30.09.2023	Preceding Year Corresponding Period 30.09.2022
Loss attributable to equity holders of the Company (RM'000)	(1,453)	(496)	(4,980)	(3,109)
Weighted average number of ordinary shares in issue ('000)	197,002	197,002	197,002	197,002
Loss per share (sen)	(0.74)	(0.25)	(2.53)	(1.58)

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 30.09.2023 RM'000	Preceding Year Quarter 30.09.2022 RM'000	Current Year To Date 30.09.2023 RM'000	Preceding Year Corresponding Period 30.09.2022 RM'000
Interest income	328	225	950	633
Sundry revenue	90	73	273	670
Lease liability interests	-	-	-	-
Depreciation	(1,546)	(1,538)	(4,627)	(4,617)
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	-	1
Inventories written off	(2)	(2)	(3)	(6)
Gain on disposal of investments	-	-	-	-
Gain on disposal of property, plant and equipment	-	5	2	10
Loss on disposal of property, plant and equipment	-	-	-	-
Property, plant and equipment written off	(1)	-	(1)	(2)
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 20 November 2023.