

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2024

	INDIVIDUAL PERIOD		Changes %	CUMULATIVE PERIOD		Changes %
	Current Year Quarter 30.06.2024 RM'000	Preceding Year Corresponding Quarter 30.06.2023 RM'000		Current Year To Date 30.06.2024 RM'000	Preceding Year Corresponding Period 30.06.2023 RM'000	
Revenue	6,570	5,906	11	11,341	11,506	(1)
Operating expenses	(29,611)	(7,924)		(38,142)	(15,881)	
Other operating income	351	385		788	807	
Finance costs	-	-		-	-	
Loss before taxation	(22,690)	(1,633)	1,289	(26,013)	(3,568)	629
Taxation	4,878	-		4,878	-	
Loss net of taxation	(17,812)	(1,633)	991	(21,135)	(3,568)	492
Other comprehensive loss	-	-		-	-	
Total comprehensive loss	(17,812)	(1,633)		(21,135)	(3,568)	
Attributable to:						
Equity holders of the Company	(17,767)	(1,633)	988	(21,039)	(3,527)	497
Non-controlling interests	(45)	-		(96)	(41)	
	(17,812)	(1,633)		(21,135)	(3,568)	
Loss per share (sen)	(9.02)	(0.83)		(10.68)	(1.79)	

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	As At End Of Current Quarter 30.06.2024 RM'000	As At End Of Preceding Year End 31.12.2023 RM'000
Assets		
Non-current assets		
Property, plant and equipment	133,231	156,211
Total non-current assets	<u>133,231</u>	<u>156,211</u>
Current assets		
Inventories	512	493
Trade and other receivables	4,267	3,266
Cash and cash equivalents	42,504	45,848
Total current assets	<u>47,283</u>	<u>49,607</u>
Total assets	<u>180,514</u>	<u>205,818</u>
Equity and liabilities		
Equity attributable to equity holders of the Company		
Share capital	199,397	199,397
Accumulated losses	(28,718)	(7,679)
Shareholders' equity	<u>170,679</u>	<u>191,718</u>
Non-controlling interests	1,182	1,278
Total equity	<u>171,861</u>	<u>192,996</u>
Non-current liability		
Deferred tax liabilities	4,154	9,032
Total non-current liability	<u>4,154</u>	<u>9,032</u>
Current liabilities		
Trade and other payables	4,499	3,790
Total current liabilities	<u>4,499</u>	<u>3,790</u>
Total liabilities	<u>8,653</u>	<u>12,822</u>
Total equity and liabilities	<u>180,514</u>	<u>205,818</u>
Net assets per share (RM)	0.87	0.97

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

GRAND CENTRAL ENTERPRISES BHD
Registration No: 198401019138 (131696-V)
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2024

	Share capital RM'000	Accumulated losses RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
6-month quarter ended <u>30 June 2024</u>					
At 1 January 2024	199,397	(7,679)	191,718	1,278	192,996
Total comprehensive loss	-	(21,039)	(21,039)	(96)	(21,135)
At 30 June 2024	<u>199,397</u>	<u>(28,718)</u>	<u>170,679</u>	<u>1,182</u>	<u>171,861</u>
6-month quarter ended <u>30 June 2023</u>					
At 1 January 2023	199,397	(1,202)	198,195	1,376	199,571
Total comprehensive loss	-	(3,527)	(3,527)	(41)	(3,568)
At 30 June 2023	<u>199,397</u>	<u>(4,729)</u>	<u>194,668</u>	<u>1,335</u>	<u>196,003</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 2023 and the accompanying explanatory notes attached to the interim financial statements.

GRAND CENTRAL ENTERPRISES BHD
Registration No: 198401019138 (131696-V)
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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2024

	2024	2023
	6 Months	6 Months
	Ended	Ended
	30.06.2024	30.06.2023
	RM'000	RM'000
Cash flows from operating activities		
Loss before taxation	(26,013)	(3,568)
Adjustments for:		
Depreciation	3,037	3,081
Gain on disposal of property, plant and equipment	-	(2)
Inventories written off	2	3
Finance income	(641)	(622)
Property, plant and equipment written off	2	-
Impairment loss on property, plant and equipment	20,324	-
Operating loss before working capital changes	(3,289)	(1,108)
Net change in current receivables	(1,347)	(970)
Net change in current payables	709	(380)
Net cash used in operating activities	(3,927)	(2,458)
Cash flows from investing activities		
Finance income received	966	699
Placement of deposits with licensed banks	(755)	(458)
Proceeds from disposal of property, plant and equipment	-	2
Purchase of property, plant and equipment	(383)	(1,734)
Net cash used in investing activities	(172)	(1,491)
Net changes in cash and cash equivalents	(4,099)	(3,949)
Cash and cash equivalents at beginning of financial year	19,092	24,587
Cash and cash equivalents at end of financial period	14,993	20,638

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

	As At	As At
	30.06.2024	30.06.2023
	RM'000	RM'000
Cash and bank balances	42,504	47,328
Less: Deposits with licensed banks	(27,511)	(26,690)
	14,993	20,638
Cash and cash equivalents		
Cash on hand and at banks	4,627	4,626
Deposits with licensed banks	37,877	42,702
	42,504	47,328

The deposits with licensed banks which have maturity periods of more than 3 months but not more than one year amounted to RM26,326,000 (2023: RM25,505,000). Included in deposits with licensed banks which have maturity periods of less than 3 months are RM1,185,000 (2023: 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 2023 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 2023. 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 2023.

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 2023 except for the adoption of the new and amended MFRSs and IC Interpretations effective for annual financial periods beginning on or after 1 January 2024. 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 2023 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 30.06.2024 RM'000	As At End Of Preceding Year End 31.12.2023 RM'000
Approved and contracted for:		
Property, plant and equipment	48	49

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13 CONTINGENT LIABILITIES

The Group does not have any contingent liabilities as at 30 June 2024.

14 SUBSEQUENT EVENTS

On 22 July 2024, the Company received a conditional voluntary take-over offer from Tan Chee Hoe & Sons Sdn. Bhd. and Hotel Grand Central Limited. Further details of the offer is available on both Bursa Malaysia Securities Berhad and the Company's websites.

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 June 2024, the Group recorded a revenue of RM11.3 million (2023: RM11.5 million) and loss before taxation of RM26.0 million (2023: RM3.6 million).

In June 2024, Laurelcap Sdn. Bhd. was engaged to carry out the valuations for all five properties in the Group. This resulted in an impairment loss for a hotel building of RM20.3 million for the financial period ended 30 June 2024. Further, the increase in upkeep and maintenance works, higher utility and staff costs also contributed to a higher loss before taxation as compared to the preceding year corresponding period.

Save as disclosed above, 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 30.06.2024 RM'000	Immediate Preceding Quarter 31.03.2024 RM'000	Changes %
Revenue	6,570	4,771	38
Loss before interest and taxation	(22,690)	(3,323)	583
Loss before taxation	(22,690)	(3,323)	583
Loss after taxation	(17,812)	(3,323)	436
Loss attributable to the equity holders of the Company	<u>(17,767)</u>	<u>(3,272)</u>	443

The Group's revenue for this quarter increased as compared to the immediate preceding quarter. This is due to a 9% increase in room occupancy rates and a 1% increase in average room rates.

The Group increased in loss before taxation for this quarter as compared to the immediate preceding quarter is mainly due to a RM20.3 million impairment loss for a hotel building.

17 PROSPECTS

Tourism Malaysia announced Visit Malaysia 2026 strategic roadmap, which aims to attract more travellers from around the world over the coming years. However, higher staff costs, difficulty in retention and recruitment, rising operating costs and intense competition from local hotels and other 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 30.06.2024 RM'000	Preceding Year Quarter 30.06.2023 RM'000	Current Year To Date 30.06.2024 RM'000	Preceding Year Corresponding Period 30.06.2023 RM'000
Deferred tax	4,878	-	4,878	-

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 June 2024.

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 net loss for the financial period attributable to equity holders of the Company over the weighted average number of ordinary shares in issue during the financial period.

	<---- INDIVIDUAL PERIOD ---->		<--- CUMULATIVE PERIOD --->	
	Current Year Quarter 30.06.2024	Preceding Year Quarter 30.06.2023	Current Year To Date 30.06.2024	Preceding Year Corresponding Period 30.06.2023
Loss attributable to equity holders of the Company (RM'000)	(17,767)	(1,633)	(21,039)	(3,527)
Weighted average number of ordinary shares in issue ('000)	197,002	197,002	197,002	197,002
Loss per share (sen)	(9.02)	(0.83)	(10.68)	(1.79)

25 NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

	<--- INDIVIDUAL PERIOD --->		<--- CUMULATIVE PERIOD --->	
	Current Year Quarter 30.06.2024 RM'000	Preceding Year Quarter 30.06.2023 RM'000	Current Year To Date 30.06.2024 RM'000	Preceding Year Corresponding Period 30.06.2023 RM'000
Interest income	318	327	641	622
Sundry revenue	33	58	147	183
Lease liability interests	-	-	-	-
Depreciation	(1,513)	(1,540)	(3,037)	(3,081)
Bad debts written off	-	-	-	-
Allowance for impairment of other receivable	-	-	-	-
Allowance for impairment of trade receivable	-	-	-	-
Reversal of allowance for impairment of trade receivable	-	-	-	-
Inventories written off	(2)	-	(2)	(1)
Gain on disposal of investments	-	-	-	-
Gain on disposal of property, plant and equipment	-	-	-	2
Loss on disposal of property, plant and equipment	-	-	-	-
Property, plant and equipment written off	-	-	(2)	-
Impairment loss on property, plant and equipment	(20,324)	-	(20,324)	-
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 28 August 2024.