

Grand Central Enterprises Bhd Registration No. 198401019138 (131696-V)

Registration No. 198401019138 (131696-V) (Incorporated in Malaysia)

ANNUAL REPORT 2022



HOTEL GRAND CONTINENTAL KUCHING

HOTEL GRAND CONTINENTAL LANGKAWI

HOTEL GRAND CRYSTAL KEDAH

HOTEL GRAND CONTINENTAL

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CORPORATE INFORMATION

Tan Eng Teong

Executive Chairman

Tan Teck Lin

Deputy Executive Chairman cum Managing Director

Tan Eng How

Executive Director

Tan Hwa Imm

Executive Director

Wong Tow Cheong

Independent Non-Executive Director

Lee Wai Kuen

Independent Non-Executive Director

Lim Thian Loong

Independent Non-Executive Director

Tan Hwa Lian

Alternate Director to Tan Eng Teong

BOARD OF DIRECTORS

AUDIT COMMITTEE

Chairman

Wong Tow Cheong

(Independent Non-Executive Director)

Members

Lee Wai Kuen

(Independent Non-Executive Director)

Lim Thian Loong

(Independent Non-Executive Director)

COMPANY SECRETARIES

Tan Kok Aun

(SSM PC NO. 201908003805) (MACS 01564)

Nip Chee Sien

(SSM PC NO. 202008003954) (MAICSA 7066996)

REGISTERED OFFICE

No. 1 & 1A, 2nd Floor (Room 2) Jalan Ipoh Kecil 50350 Kuala Lumpur

Tel: 03-40435750 Fax: 03-40435755

REGISTRAR

Securities Services (Holdings) Sdn.

Level 7, Menara Milenium, Jalan Damanlela

Pusat Bandar Damansara, Damansara Heights 50490 Kuala Lumpur

Tel: 03-20849000

Fax: 03-20949940, 03-20950292

AUDITORS

Grant Thornton Malaysia PLT Level 11, Sheraton Imperial Court Jalan Sultan Ismail 50250 Kuala Lumpur

Tel: 03-26924022 Fax: 03-26925229

SOLICITORS

Chooi & Company + Cheang & Ariff 39 COURT @ Loke Mansion No. 273 A, Jalan Medan Tuanku 50300 Kuala Lumpur

Tel: 03-26910803 Fax: 03-26934475

BANKERS

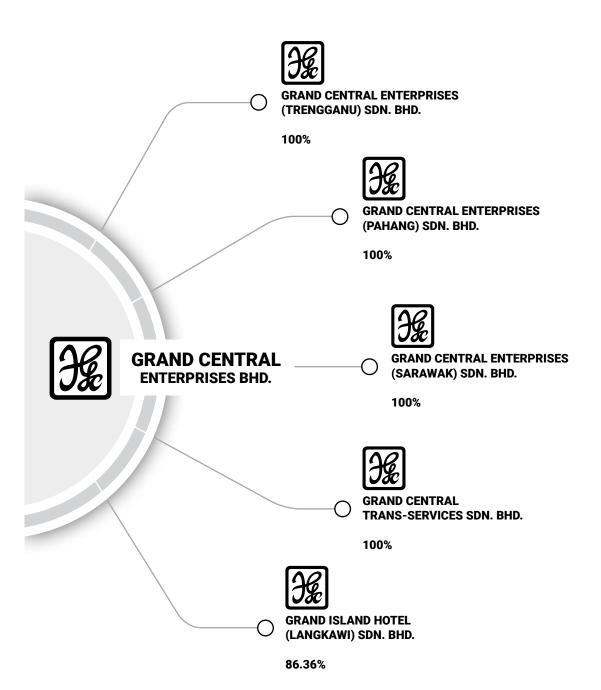
OCBC Bank (Malaysia) Berhad Malayan Banking Berhad United Overseas Bank (Malaysia) Bhd.

Hong Leong Bank Berhad

STOCK EXCHANGE LISTING

The Main Market of Bursa Malaysia Securities Berhad

CORPORATE STRUCTURE



GROUP FINANCIAL HIGHLIGHTS

	2022	2021	2020	2019	2018
RESULTS (RM'000)					
Revenue	22,747	18,008	12,042	23,549	23,175
Loss before taxation	(4,696)	(4,262)	(11,639)	(7,769)	(6,415)
Net loss attributable to equity holders of the Company	(3,356)	(2,344)	(9,573)	(6,700)	(5,380)
FINANCIAL POSITION (RM'000)					
Total assets	213,375	217,276	221,541	235,194	243,035
Total liabilities	13,804	14,270	16,110	20,042	21,130
Share capital	199,397	199,397	199,397	199,397	199,397
Shareholders equity	198,195	201,551	203,894	213,467	220,168
Total borrowings	-	-	14	50	81
SHARE INFORMATION (SEN)					
Basic loss per share	(1.7)	(1.2)	(4.9)	(3.4)	(2.7)
Net assets per share	101	102	103	108	112
Gross dividend per share	-	-	-	-	2*

^{*} single-tier dividend

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in all aspects of the hotel business, service apartments, provision of limousine services and hotel management. The Group currently owns and manages five hotels under the Hotel Grand Continental brand, and manages Hotel Grand Crystal which is owned by an affiliated company, Hotel Grand Central Limited, Singapore which is listed on the Stock Exchange of Singapore.

As at 31 December 2022, operating hotels owned by the Group and hotel under management agreement are as follows:

Name	Group's Equity Interest	Available Rooms
Hotel Grand Continental Kuala Lumpur	100%	309
Hotel Grand Continental Kuala Terengganu	100%	190
Hotel Grand Continental Kuantan	100%	234
Hotel Grand Continental Kuching	100%	180
Hotel Grand Continental Langkawi	86.36%	193
Hotel Grand Crystal Kedah	None	130

FINANCIAL REVIEW

Whilst business improved after local travel restrictions were relaxed and international borders were reopened in April 2022, the city hotels generally still face lower occupancy as compared to hotels and resorts outside the cities.

Further the Group is facing the challenge of retaining and recruiting staff, raising of minimum wage and labour shortage, and higher operating costs as prices of raw materials soar.

During the year, the Group recorded a higher revenue of RM 22.7 million against RM 18.0 million in the preceding year. However, loss before taxation for the year widen to RM 4.7 million compared to RM 4.3 million in the previous year.

Due to the overall weighted average occupancy rate increased by 15% and the weighted average room rate ("ARR") by 11% in 2022 as compared to prior year, the weighted average room yields ("RevPAR") improved by 27%.

For the year ended 31 December 2022, rooms revenues accounted for 62% (2021: 61%) of the total revenues while food and beverage revenues accounted for 32% (2021: 34%).

Limousine services did not have a significant contribution on the Group's consolidated results for the year ended 31 December 2022.

The Group has no immediate plans for material investments or capital assets expenditure.

MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

IMPAIRMENT PROVISION

The Group assesses the carrying value of a group-owned operating hotel when there is any indication that the asset may be impaired. Indicative criteria include continuing adverse changes in the local market condition in which the hotel operates, when the hotel continues to operate at a loss position and its financial performance is worse than expected. Professional valuations will be carried out by independent firms of professional valuers for those properties for which internal assessment results needed independent confirmation.

Raine & Horne and Rahim & Co were engaged to carry out valuations on Hotel Grand Continental Kuching and Hotel Grand Continental Kuantan respectively in 2023. Rahim & Co also performed valuations for Hotel Grand Continental Kuala Lumpur, Hotel Grand Continental Kuala Terengganu and Hotel Grand Continental Langkawi in 2022. No impairment provision was required for both years 2021 and 2022 on all the properties.

CAPITAL RESOURCES AND FUNDING

Funding and Treasury Policy

The Group adopts a prudent funding and treasury policy with regard to its overall business operations. Cash balances are mostly placed on bank's fixed deposits with reputable financial institutions. The Group's banking facilities are all denominated in Malaysian Ringgit, hence there is no currency risks.

Cash Flows

During the year under review, there were net cash flows generated from operating activities of RM 2.5 million as compared to RM 0.9 million in 2021. The improvement of the cash flows position is mainly due to higher revenue.

The decrease in receivables in 2022 was RM 1.1 million as compared to an increase of RM 0.1 million in 2021. The Group has constantly monitored and follow-up on debts collection.

There was net cash used in investing activities of RM 0.6 million as compared to RM 24.8 million in 2021. This was mainly due to a change in fixed deposits maturity period in year 2021.

Capital expenditure for 2022 was RM 1.0 million as compared to prior year of RM 0.7 million.

Borrowings and Gearing

As at 31 December 2022, the Group had cash and bank balances and deposits of RM 50.8 million (2021: RM 48.5 million). The Group has no borrowing.

Pledge of Assets

Included in short-term deposits with licensed banks are deposits of RM 1.2 million (2021: RM 1.2 million) pledged as bank guarantees to Tenaga Nasional Berhad for credit facilities granted to the Group.

Capital Commitments

Details of the capital commitments of the Group are shown in note 25 to the financial statements.

Share Capital

There was no change in the share capital of the Company for the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

DIVIDENDS

No dividend has been paid or declared by the Company for the year under review and prior year.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES

During the year, there were no material acquisitions or disposals of subsidiaries of the Company.

STAFF AND REMUNERATION POLICY

The Group employs approximately 274 full time staff as at 31 December 2022. The Group's management considers the overall level of staffing employed and the remuneration cost incurred in connection with the Group's operations to be compatible with market norm.

Remuneration packages are generally structured by reference to market terms and individual merits. Salaries are normally reviewed on an annual basis on performance appraisals and other relevant factors.

PROSPECTS

Although the hospitality industry is expected to recover gradually to reach pre-pandemic level and the Group is expected to benefit from the recovery economic activities particularly from the government functions and local events, but with the rising in labour costs and prices across the board, new supply of hotel rooms and intense competition from the neighbouring countries, the Group expects 2023 to be very challenging.

DIRECTORS' PROFILE

TAN ENG TEONG

Tan Eng Teong, male, aged 85, Malaysian, was appointed as the Executive Chairman of Grand Central Enterprises Bhd. ("GCE") on 20 November 1991 and is one of its founder members.

Mr Tan has over the years accumulated vast experience in the hotel and travel, property development and investments and manufacturing industry. He is currently the Chairman and Managing Director of Hotel Grand Central Limited, Singapore which is listed on the Stock Exchange of Singapore and sits on the Board of some of the subsidiary companies within the GCE Group as well as the Board of several other private companies in Australia and New Zealand.

He does not hold any other directorships in any public listed company in Malaysia.

Tan Eng Teong is the brother of Tan Teck Lin and Tan Eng How and he is deemed to have an interest in Hotel Grand Central Limited and Tan Chee Hoe & Sons Sdn. Bhd., the major shareholders of GCE, by virtue of his interest in these companies.

TAN TECK LIN

Tan Teck Lin, male, aged 81, Malaysian, was appointed as the Managing Director of GCE on 20 November 1991, subsequently redesignated as Executive Deputy Chairman cum Managing Director on 6 May 2015 and is one of its founder members.

He is also an Executive Director of Hotel Grand Central Limited, Singapore. Apart from managing all the hotels in GCE Group, Mr Tan maintains a very active role in various hotels in Singapore, Australia and New Zealand. He also sits on the Board of several other companies that are involved in the businesses of property development, manufacturing, trading and hospitality industry.

He does not hold any other directorships in any public listed company in Malaysia.

Tan Teck Lin is the brother of Tan Eng Teong and Tan Eng How and he is deemed to have an interest in Hotel Grand Central Limited and Tan Chee Hoe & Sons Sdn. Bhd., the major shareholders of GCE, by virtue of his interest in these companies.

TAN ENG HOW

Tan Eng How, male, aged 68, Malaysian, was appointed as the Executive Director of GCE on 17 January 1986 and is one of its founder members.

He is involved in the day-to-day operations of the chain of hotels in GCE Group. Mr Tan is a member of the Hotel Catering and Institutional Management Association, United Kingdom and obtained a post-graduate diploma in hotel and catering administration from the Council for National Academic Awards, United Kingdom. He is a Director of Hotel Grand Central Limited, Singapore and an Executive Director in some of the subsidiary companies of GCE.

He does not hold any other directorships in any public listed company in Malaysia.

Tan Eng How is the brother of Tan Eng Teong and Tan Teck Lin and he is deemed to have an interest in Hotel Grand Central Limited and Tan Chee Hoe & Sons Sdn. Bhd., the major shareholders of GCE, by virtue of his interest in these companies.

DIRECTORS' PROFILE

(Cont'd)

TAN HWA IMM

Tan Hwa Imm, female, aged 56, Malaysian, was appointed to the Board of GCE as an Executive Director on 31 May 2001. She has been the Group's Financial Controller since 1995.

She worked in a London based international accounting firm for 5 years and later as a Financial Controller of a commercial company. She graduated from the London School of Economics with a Bachelor of Science Degree in Management Sciences (Second Upper Honours) and is also a fellowship member of the Institute of Chartered Accountants in England and Wales.

She does not hold any other directorships in any public listed company in Malaysia.

Tan Hwa Imm is the daughter of Tan Teck Lin, a Director and major shareholder of the Company.

WONG TOW CHEONG

Wong Tow Cheong, male, aged 85, Malaysian, was appointed to the Board of GCE as an Independent Non-Executive Director on 19 May 2006. He is also the Chairman of the Audit Committee and Nominating Committee and a member of Remuneration Committee of GCE.

Mr Wong graduated with Bachelor in Architect from University of Curtin, W.A. in 1961. He is a Registered Architect and has been practicing since 1962. Mr Wong is the founder of Wong T.C. Architects & Associates Sdn. Bhd. Some of the major projects undertaken by the Firm were Wisma UOA in Bangsar, Damansara and Kuala Lumpur, Grand Continental Hotels, Wisma TCT in Kuala Lumpur, factories in Kepong and Shah Alam, and residential houses/apartments in Kuala Lumpur and Selangor.

He does not hold any other directorships in any public listed company in Malaysia.

He does not have any family relationship with any Director and/or major shareholder of the Company.

LEE WAI KUEN

Lee Wai Kuen, male, aged 58, Malaysian, was appointed to the Board of GCE as an Independent Non-Executive Director on 21 May 2008. He is also a member of the Audit Committee, Remuneration Committee and Nominating Committee of GCE.

Mr Lee graduated with the Association of Chartered Certified Accountants (ACCA) in 1993. He became an associate member of ACCA in 1995 and obtained his fellowship in 2000. Currently he is a member of both the Malaysian Institute of Accountants (MIA) and Chartered Tax Institute of Malaysia (CTIM). Mr Lee has over 28 years of experience in the audit profession. He has established his own accountancy firm and has been practicing as a sole practitioner since 1998.

He does not hold any other directorships in any public listed company in Malaysia.

He does not have any family relationship with any Director and/or major shareholder of the Company.

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DIRECTORS' PROFILE

(Cont'd)

LIM THIAN LOONG

Lim Thian Loong, male, aged 59, Malaysian, was appointed to the Board of GCE as an Independent Non-Executive Director on 8 May 2013. He is the Chairman of the Remuneration Committee and is also a member of the Audit Committee and Nominating Committee of GCE.

He is an accountant by profession and graduated with The Chartered Institute of Management Accountants (CIMA) from London. He is a member of the CIMA, Chartered Global Management Accountants (CGMA), Malaysian Institute of Accountants (MIA) and Chartered Tax Institute of Malaysia (CTIM). He has his own firm and has been practicing as a sole practitioner since 2002. He has over 19 years of experience in accounts, audit and tax.

He also sits on the Board of Sanbumi Holdings Berhad and Eduspec Holdings Berhad.

He does not have any family relationship with any Director and/or major shareholder of the Company, other than as an Independent Non-Executive Director of Hotel Grand Central Limited, a major shareholder of the Company.

TAN HWA LIAN

Tan Hwa Lian, female, aged 60, Singaporean, was appointed as alternate director to Executive Chairman of the Company, Tan Eng Teong, on 6 May 2015.

After graduating from the National University of Singapore with a Bachelor in Business Administration (Hons), she joined the banking and finance sector. Working initially in the corporate banking department in a bank in Singapore, she later joined a large financial institution where she was responsible for real estate lending and long term treasury investments. In total, she gathered 15 years of experience before leaving the sector in 2000. She is currently an Executive Director of Hotel Grand Central Limited, Singapore which is listed on the Stock Exchange of Singapore. She held this position from year 2003.

She does not hold any other directorships in any public listed company in Malaysia.

Tan Hwa Lian is the daughter of Tan Eng Teong, a Director and major shareholder of the Company.

SENIOR MANAGEMENT PROFILE

TEOH HOO! NIE

Teoh Hooi Nie, female, aged 51, Malaysian, was appointed as the Group Accountant on 10 May 2016.

She has more than 26 years of experience in the hotel industry. She graduated from Tunku Abdul Rahman College with a Diploma in Management Accounting in Malaysia.

She does not hold any directorships in any public listed company in Malaysia.

She does not have any family relationship with any Director and/or major shareholder of the Company.

TAN POH LIAN

Tan Poh Lian, female, aged 51, Malaysian, was appointed as the Group Operations Manager on 18 February 2019.

She has more than 19 years of experience in the hotel industry. She graduated from the Association of International Accountants.

She does not hold any directorships in any public listed company in Malaysia.

She does not have any family relationship with any Director and/or major shareholder of the Company.

CHRISTOPHER KOH BENG TEE

Christopher Koh Beng Tee, male, aged 60, Malaysian, was appointed as the Group Sales & Marketing Administrator on 15 June 2009.

He has more than 41 years of experience in the hotel industry. He graduated from Stamford College with a Diploma in Business Computing and Advance Diploma in Business Computing from Central Institute of Commerce in Malaysia.

He does not hold any directorships in any public listed company in Malaysia.

He does not have any family relationship with any Director and/or major shareholder of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Grand Central Enterprises Bhd ("GCE") recognizes the importance of practicing good corporate governance and is committed to ensuring the Group practices high standard of corporate governance in line with the Malaysian Code on Corporate Governance 2021 ("the Code") to achieve the Group's governing objective of realizing long-term shareholders' value while taking into account the interest of other stakeholders.

The statement below sets out the commitment of the Board to ethical behaviour and transparency in business strategy, operations and corporate culture in deriving the intended outcomes of the Principles and Practices of the Code, and in applying the principles and practices of the Code to ensure long-term sustainability of the Group.

This statement is to be read together with the Corporate Governance Report 2022 of the Company which is available on the Company's website https://gcebhd.com.my.

BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

In adhering to the Code practices, and in the responsibilities to ensure that companies operate successfully and sustain growth, the Board shows its commitment to leading and controlling the Group's strategic direction, overseeing the business operations, identifying principal risk and ensuring the implementation of appropriate internal controls and mitigation measures. The Board holds meeting quarterly and when necessary for any matters which may arise between the meetings.

The Board in carrying out its stewardship responsibility has delegated certain responsibilities to the Audit Committee, Nominating Committee and Remuneration Committee. All committees have clearly defined terms of reference. The Chairman of the various committees will report to the Board of the outcomes of the committee meetings. The Board will ensures that proper and effective controls are in place to assess and manage the business operation and risk.

The Board has established clear roles and responsibilities in discharging its fiduciary duties and leadership functions as stated in the Board Charter. The Board maintains a formal schedule of matters reserved to it for decision. This schedule of matters includes approval of business strategy and objectives, corporate governance arrangement, financial reporting and audit, major capital expenditure and maintenance, acquisitions and disposal, dividend recommendations and overall system of internal control and risk management.

The Managing Director and Executive Directors are primarily responsible for the day-to-day business operations of the Group and management decisions as well as implementation of the Group's policies, while the Independent Non-Executive Directors provide input to key decisions including formulation of policies and strategies, performance evaluation and risk evaluation of the Group. The Independent Non-Executive Directors are also involved in various board committees and will provide independent assessments and opinions and act objectively and constructively in exercising their duties. The Board, through the Nominating Committee conducts the annual assessment on the effectiveness of the Board, the Board Committees and the Directors of the Company.

Despite the Malaysian Government had uplifted Movement Control Order ("MCO"), inter-state travel restriction and reopening of Malaysia borders from 1 April 2022 onwards, the Board recognises the importance to focus and priorities on giving the needs to the following areas in the year 2022 and follow through during the year 2023.

- i) Human capital development and succession management.
- ii) Sales, marketing and promotion.
- iii) Sustainability and cost saving.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Charter

The Board Charter was adopted in year 2013 and it sets out the Board's strategic intent and outlines the Board's roles and responsibilities. The Board Charter was last updated in 2018 and is available at the Company's website https://gcebhd.com.my.

The Board has established a Whistleblowing Policy with the purpose to ensure the right decisions are made when confronted with situations that test our values, beliefs and judgment. The said policy was also included in the Group's Employee's Handbook.

Board Balance

The Board is well balanced with wide range of business and financial experience. Each year the Board reviews and evaluates the performance of each director and arranges suitable training where appropriate. The profiles of the members of the Board are provided on pages 8 to 10 of this Annual Report.

The Board consists of a Chairman, a Deputy Chairman cum Managing Director, two Executive Directors and three Independent Non-Executive Directors. The Board is mindful that the Chairman holds an executive position and recognized his prominent role and contribution to the Company since the Company was set up. The Board is comfortable that there is no undue risk involved as the Executive Directors will be informed and consulted before the Chairman makes any significant decision and all major matters are referred to the Board for consideration and approval. Furthermore, the role and contributions of Independent Directors also provide an element of objectivity, independent judgement and check and balance on the Board.

With the recent Amendments to the Main Market Listing Requirements in connection with the Director Appointment, Independence and Miscellaneous changes on 19 January 2022, the Board has been seeking for suitable caliber candidates as independent directors of the Company through our associate company who is a member of an institute of directors to comply with requirements to resign or re-designate all long-serving Independent Directors whom had served the Company for more than twelve (12) years effective on or after 1 June 2023 and to make up a majority of independent directors in the Board members as recommended under the Code. Further, ongoing efforts are also taken to maintain an appropriate gender representation on the Board.

Wong Tow Cheong has been the Independent Non-Executive Director of the Company since 19 May 2006. The Nominating Committee and Board of Directors have carried an evaluation and assessment and concluded that Mr Wong stays independent and objective in board deliberations and decision making and is able to act in the best interest of the Company. Mr Wong is not related to any Directors and substantial shareholders of the Company and is not under the influence of the other directors and is self determined.

Lee Wai Kuen was appointed as the Independent Non-Executive Director of the Company since 21 May 2008. The Nominating Committee and Board of Directors have carried an evaluation and assessment and concluded that Mr Lee who is a Chartered Accountant by profession, his independent views, objective assessments and opinions in board deliberations has effectively discharged his duties as independent director. Mr Lee is able to act in the best interests of the Company. Mr Lee is not related to any Directors and substantial shareholders of the Company and is not under the influence of the other directors and is self-determine.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Balance (Cont'd)

The Board met four times during the financial year ended 31 December 2022. The details of attendance of each Director at the Board meetings held during the financial year at the Conference Room of Hotel Grand Continental, 10th Floor, Jalan Belia/Jalan Raja Laut, 50350 Kuala Lumpur are set out as below:

Name of Director	21 February 2022 (1330 hrs)	12 May 2022 (1142 hrs)	9 August 2022 (1215 hrs)	10 November 2022 (1200 hrs)
Tan Eng Teong	√	√	_	√
Tan Teck Lin	√	√	√	√
Tan Eng How	√	√	√	√
Tan Hwa Imm	√	√	√	√
Wong Tow Cheong	√	√	√	√
Lee Wai Kuen	√	√	√	√
Lim Thian Loong	√	√	√	√
Tan Hwa Lian (Alternate Director)	√	√	√	√

Supply of information

To fulfil the responsibilities set out above, the Directors are provided with appropriate reports and information at least seven days in advance of each meeting regarding the business operations and financial affairs of the Group. The notice for each of the meeting is also accompanied by the minutes of preceding board meeting. This also enables any director who is unable to attend a Board meeting to provide comments and discuss issues arising with the Board members. Further, the Directors have access to the advice and services of the Company Secretaries and may seek external independent professional advice when required.

The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in discharge of their functions. The Company Secretaries ensure that all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are recorded and maintained in the statutory register of the Group. The Company Secretaries also keep abreast of the regulatory changes and developments in Corporate Governance and update the Board timeously.

Appointment of Directors

The Nominating Committee is responsible in recommending to the Board on the appointment of any additional Directors deemed necessary with due consideration given to the mix of expertise and experience required for an effective Board. Other factors considered include the Directors' ability to commit sufficient time, their character and level of independence in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, integrity and professionalism. Directors who are appointed by the Board during the financial year are subject to reelection by the shareholders at the Annual General Meeting held following their appointments.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Directors' Training

During the financial year 2022, all the Directors have attended the training courses as follows:

Lim Thian Loong
"ACRA-SGX-SID AUDIT COMMITTEE SEMINAR 2022"
"HASiL - CTIM Tax Forum 2022"
"LED 8 - Remuneration Committee Essentials"

Tan Eng Teong
"Sustainability E-Training for Directors"

Tan Eng How "Sustainability E-Training for Directors"

Tan Hwa Lian "LED - Environmental, Social and Governance Essentials"

Tan Hwa Imm "Biodiversity & Financial Institutions"

Lee Wai Kuen
"ISQM1 Guide And Illustrative Manual (IGIM)"

Tan Teck Lin
"Sustainability E-Training for Directors"

Wong Tow Cheong
"Conversation with Audit Committees – Session 1"

The Directors constantly keep abreast with the current changes in laws and regulations, and business environment through various media channels.

Re-election

Pursuant to the Constitution of the Company, one-third or the number nearest one-third of the Directors for the time being shall retire from office, and each Director shall retire from office once at least in every three (3) years. The Constitution of the Company further provide that any Director appointed by the Board during the year shall hold office only until the next following Annual General Meeting after his appointment. The Directors(s) retired shall be eligible for re-election.

Nominating Committee

The Nominating Committee was established by the Board on 21 February 2005 and the Committee Members are:

Chairman

Wong Tow Cheong (Independent Non-Executive Director)

Members

Lee Wai Kuen (Independent Non-Executive Director)

Lim Thian Loong (Independent Non-Executive Director)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Nominating Committee (Cont'd)

The terms of reference of the Nominating Committee is available at the Company's website https://gcebhd.com.my.

Summary of Activities

During the financial year 2022, the Nominating Committee had performed:

- reviewed and assessed the composition of the Board as a whole and individually on the skills and experiences
 of the Directors including core competencies and effectiveness of the Board;
- b) evaluated and determined training needs of Directors;
- assessed and made recommendation to the Board on re-election of those Directors subject to re-election in accordance to the Company Constitution;
- d) reviewed the term of office and performance of the Audit Committee members;
- e) evaluated the independence of the Independent Non-Executive Directors based on the criteria as prescribed in the Main Market Listing Requirements and the Corporate Governance Guide issued by Bursa Malaysia Securities Berhad;
- f) reviewed and recommended to the Board for re-appointment of Directors who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than twelve years and to seek shareholders' approval on the re-appointment at the forthcoming Annual General Meeting; and
- g) adopted the fit & proper policy

One Nominating Committee Meeting was held on 21 February 2022 and was attended by all members of the Nominating Committee.

Remuneration Committee

The Remuneration Committee was established by the Board on 21 February 2005 and the Committee Members are:

Chairman

Lim Thian Loong (Independent Non-Executive Director)

Members

Lee Wai Kuen (Independent Non-Executive Director)

Wong Tow Cheong (Independent Non-Executive Director)

The terms of reference of the Remuneration Committee is available at the Company's website https://gcebhd.com.my.

The functions of the Committee include recommendation to the Board, the remuneration packages of Managing Director, Executive Directors and senior management of the Company in all its forms, which are in accordance with the skills, experience and expertise they possess, the business performance of the Company and the general economic outlook, and may draw from outside advice if necessary.

The Remuneration Committee meeting was held on 21 February 2022 and attended by all members of the Remuneration Committee, to review the remuneration of the Directors and senior management of the Company to ensure that rewards commensurate with their experience and individual performance.

The Non-Executive Directors are paid an annual fixed fee for serving on the Board, which is determined by the Board of Directors as a whole.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Directors' Remuneration

The fees of all Directors and benefits of Executive Directors, are endorsed by the Board for approval by the shareholders of the Group at the Annual General Meeting.

Disclosures

The aggregate remuneration of Directors of the Group and of the Company for the financial year ended 31 December 2022 are as follows:-

				EPF &	Benefits In	
	Salaries RM	Allowance RM	Fees RM	Socso RM	Kind RM	Total RM
Group						
Executive Directors:						
Tan Eng Teong	120,000	_	32,000	18,883	_	170,883
Tan Teck Lin	204,000	46,760	30,000	28,723	122,575	432,058
Tan Eng How	258,000	12,870	28,000	36,121	34,678	369,669
Tan Hwa Imm	150,000	5,620	20,000	28,201	10,195	214,016
Total	732,000	65,250	110,000	111,928	167,448	1,186,626
Non-Executive Directors:						
Wong Tow Cheong	_	_	15,000	_	_	15,000
Lee Wai Kuen	_	_	15,000	_	_	15,000
Lim Thian Loong	_	_	15,000	_	_	15,000
Total	-	-	45,000	-	-	45,000
Grand Total	732,000	65,250	155,000	111,928	167,448	1,231,626
Company						
Executive Directors:						
Tan Eng Teong	120,000	_	32,000	18,883	_	170,883
Tan Teck Lin	204,000	46,760	30,000	28,723	122,575	432,058
Tan Eng How	204,000	12,870	28,000	28,483	34,678	308,031
Tan Hwa Imm	150,000	5,620	20,000	28,201	10,195	214,016
Total	678,000	65,250	110,000	104,290	167,448	1,124,988
Non-Executive Directors:			-			
Wong Tow Cheong	_	-	15,000	_	_	15,000
Lee Wai Kuen	_	_	15,000	_	-	15,000
Lim Thian Loong	_	_	15,000	_	_	15,000
Total	_	_	45,000		_	45,000
Grand Total	678,000	65,250	155,000	104,290	167,448	1,169,988

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

EFFECTIVE AUDIT AND RISK MANAGEMENT

Risk Management and Internal Control

The Board is committed to maintain a sound system of internal control and effective risk management system and it is the Board's responsibility to review its adequacy and integrity. Risk management is an integral part of the Group's business objectives and activities and is critical for the Group's overall objective to achieve continued profitability and sustained growth.

The Group's systems of internal controls are designed to manage rather than eliminate risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement, loss or fraud. The concept of reasonable assurance recognizes the costing aspect, whereby the cost of control procedures is not to exceed the expected benefits.

The Board recognizes that risks cannot be completely eliminated. As such, the systems, processes and procedures being put in place are aimed at minimizing and managing them. The Group has an ongoing process for identifying, evaluation and managing key risks in the context of its business objectives.

The Statement of Risk Management and Internal Control is set out on pages 23 to 24. It provides an overview of the state of risk management and internal control within the Group.

Audit Committee

The Audit Committee comprises three (3) Non-Executive Directors, all of whom are Independent Directors. No alternate director is appointed as a member of the Audit Committee. The Audit Committee members are qualified individuals having the required level of the expertise and experience to discharge the Audit Committee's functions and duties.

In addition to the duties and responsibilities set out under its term of reference, the Audit Committee acts as a forum for discussion of internal control issues and contributes to the Board's review of the effectiveness of the Group's internal control and risk management systems. The committee also conducts a review of the internal audit functions i.e. its authority, resources and scope of work. It also ensures that no restrictions are placed on the scope of the statutory audits and on the independence of the internal audit functions.

The Group's internal audit function was outsourced to a professional internal audit services company who reports to the Audit Committee.

The minutes of the Audit Committee Meeting are tabled to the Board for noting and for action by the Board where necessary. The activities of the Audit Committee during the year are set out under the Audit Committee Report on pages 21 to 22.

Relationship with External Auditors

The Board ensures that an objective and professional relationship is maintained with the external auditors through the Audit Committee which keeps under review the nature, scope and results of the external audit, its cost effectiveness and the independence and objectivity of the auditors.

The role of the Audit Committee in relation to the external auditors is further described in the Audit Committee Report on pages 21 to 22.

Financial Reporting

In presenting the annual financial statements and quarterly announcement of results to the shareholders, the Directors take responsibility to present a balanced and understandable assessment of the Group's position and prospects. The Audit Committee of the Board assists by scrutinizing the information to be disclosed, to ensure accuracy and adequacy.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Directors' Responsibilities

The Directors are responsible for keeping proper accounting records which disclose, with reasonableness at any time, the financial position of the Group and the Company and enable them to ensure that the accounts are in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, the requirements of the Companies Act, 2016 and the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad. They are responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Responsibility Statement by The Board of Directors

It is the responsibility of the Directors to ensure that the financial reporting of the Group and the Company present a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year and of their results and their cash flows for the year then ended.

The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 31 December 2022 the Group had used the appropriate and relevant accounting policies and applied them consistently and made judgments and estimates that are reasonable and fair.

The financial statements are prepared on a going concern basis and the Directors have ensured that proper accounting records are kept so as to enable the preparation of the financial statements with reasonable accuracy. The Directors have also taken the necessary steps to ensure that the appropriate systems are in place for the assets of the Group to be properly safeguarded for prevention and detection of fraud and other irregularities. The systems, by their nature, can only provide reasonable but not absolute assurance against material misstatement, loss and fraud.

The auditors' responsibilities are stated in their report to the shareholders.

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Dialogue with Shareholders

The Directors encourage and seek to build up a mutual understanding of objectives between the Group and its shareholders. The Board seeks to encourage shareholders to attend the Annual General Meeting. Besides the disclosures and announcements to the Bursa Malaysia Securities Berhad, it uses the Annual General Meeting to communicate with private investors and encourages their participation.

Aside from general meetings, GCE encourages shareholders to provide feedback and raise queries to the Company through the corporate website https://gcebhd.com.my.

Employees Involvement

The Board values two-way communication between senior management and employees at all levels. Regular management visits are made to each hotel and meetings are held whereby consultation takes place with employees on developments within the business.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

OTHER INFORMATION

Conflict of Interest

None of the Directors and senior management have any conflict of interest with the Group.

Material Contracts

There were no material contracts entered into by the Group which involve Directors' and major shareholders' interest either still subsisting at the end of the financial year ended 31 December 2022 or entered into since the end of the previous financial year.

Conviction for Offences

None of the Directors and senior management have been convicted of any offences within the past five years other than traffic offences, if any.

Audit and Non-Audit Fees

Audit and non-audit fees paid or payable to the External Auditors for the financial year ended 31 December 2022 are as follows:

	Group RM	Company RM
Audit fees	175,000	64,000
Non-audit fees*	3,000	3,000

^{*} For reviewing the Statement on Risk Management and Internal Control

The Board is satisfied that the Group has adopted mostly of its obligation under the Code, throughout the financial year ended 2022.

This Statement is made in accordance with a resolution of the Board of Directors dated 17 March 2023.

AUDIT COMMITTEE

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee members are:

Chairman

Wong Tow Cheong (Independent Non-Executive Director)

Members

Lee Wai Kuen (Independent Non-Executive Director)

Lim Thian Loong (Independent Non-Executive Director)

The terms of reference of the Audit Committee are available at the Company's website https://gcebhd.com.my.

Meetings

There were four meetings held during the financial year and the attendance of the present Audit Committee Members are as follows:-

Committee Members	21 February 2022 (1300 hrs)	12 May 2022 (1035 hrs)	9 August 2022 (1030 hrs)	10 November 2022 (1040 hrs)
Wong Tow Cheong	√	√	√	√
Lee Wai Kuen	√	√	√	√
Lim Thian Loong	√	√	√	√

Internal Audit Function

The primary responsibility of the internal audit function is to assist the Board and the Audit Committee in reviewing and assessing whether the internal control systems are effective and providing recommendations to strengthen the internal control systems so as to foster a strong management control environment.

The Internal Auditors have performed their work in accordance with the principles of the internal auditing standards covering the conduct of the audit planning, execution, documentation, communication of findings and consultation with key stakeholders on the audit concerns. The internal audit reviews are carried out based on the Audit Committee's instructions on the selected functions and departments of the selected hotels.

The audit findings noted in these reviews as well as the agreed action plans for improving the systems of internal control in the reviewed areas were presented to the Audit Committee.

On 9th August 2022, the Audit Committee evaluated and outsourced the internal audit functions to a professional internal audit services company ("Internal Auditors") Sterling Business Alignment Consulting Sdn Bhd. The appointed Internal Auditors are free from any relationship or conflict of interest, which could impair their objectivity and independence. Sterling is a corporate member of the Institute of Internal Auditors Malaysia ("IIAM"). The Internal Auditor team applied the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the internal control systems and conducting the internal audit assessment in accordance with the International Professional Practices Framework.

AUDIT COMMITTEE

(Cont'd)

Internal Audit Function (Cont'd)

During the financial year ended 31 December 2022, the Internal Auditors conducted reviews on the Collection and Cash Handling Management and Inventory Management of: Hotel Grand Continental Kuala Terengganu. The report was presented and deliberated by the Audit Committee on 10th November 2022.

The total cost incurred for the Internal Audit function in respect of the financial year amounted to RM14,617.

Summary of Activities

During the financial year 2022, the Audit Committee had:

- (i) considered and recommended the re-appointment of the external auditors, Grant Thornton Malaysia PLT;
- (ii) discussed with the external auditors before the audit commences the nature and scope of the audit;
- (iii) reviewed with the management and the external auditors the quarterly and year-end financial statements before their submission to the Board, focusing particularly on:
 - any changes in or implementation of major accounting policies and practices
 - · significant unusual events
 - · significant adjustments arising from the audit
 - the going concern assumption
 - compliance with accounting standards
 - compliance with stock exchange continuous listing requirements and other legal requirements
- (iv) discussed with the external auditors' concerns and reservations arising from the final audits (in the absence of management);
- reviewed with the external auditors on Statement on Risk Management and Internal Control and recommendation to the Board for inclusion in the annual report;
- (vi) reviewed with external auditors, their evaluation of systems of internal controls and audit reports;
- (vii) reviewed the assistance given by the employees to the external auditors;
- (viii) reviewed with the outsourced Internal Auditors, Sterling Business Alignment Consulting Sdn Bhd, the internal audit finding, and whether the management had taken appropriate action based on the recommendations of the internal auditors:
- (ix) communicated with the Internal Auditors on the scope of works and premises to audit;
- (x) reviewed the related party transactions entered into by the Group and conflict of interest situation that may arise:
- (xi) reviewed, identified, evaluated, managed key financial and non-financial risks;
- (xii) reviewed with the management on debtors aging report and the actions taken; and
- (xiii) reviewed the Group's compliances with the requirements of the Companies Act, 2016, the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, Malaysian Financial Reporting Standards and International Financial Reporting Standards.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Paragraph 15.26(b) of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad requires the Board of Directors of a listed company to include in its annual report a "statement on risk management and internal control of the company as a Group".

RESPONSIBILITY

The Board of Grand Central Enterprises Bhd. is committed to maintain a sound system of internal control and effective risk management within the Group and is responsible for reviewing its adequacy and integrity. Risk management is an integral part of the Group's business objectives and activities and is critical for the Group's overall objective to achieve continued profitability and sustainable growth.

The Group's systems of internal controls are designed to manage rather than eliminate the risk of failure to achieve business objectives. The Board continually reviews the system to ensure that the risk management and internal control system provides a reasonable assurance against material misstatement, loss or fraud.

KEY RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES

The Group has an ongoing process for identifying, evaluating and managing key risks in the context of its business objectives. These processes are embedded within the Group's overall business operations and guided by operational manuals and policies and procedures. This process is regularly reviewed by the Board for effectiveness and adequacy, and is guided by the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers".

The Executive Deputy Chairman cum Managing Director and Executive Director regularly meet with the senior management team which covers all departments. The Board has received assurance from the Executive Deputy Chairman cum Managing Director and the Executive Director that the Group's risk management and internal control system is operating adequately and effectively in all material aspects.

The key risk management and internal control processes that the Board has established in reviewing the adequacy and integrity of the Group's risk management and system of internal control, are as follows:

- The Group has a clearly defined organisational structure together with lines of responsibility and delegation of authority;
- The Group has proper procedures for approval and authority limits for controlling and approving capital expenditure and expenses. There are also clear procedures for obtaining approvals for asset disposals and major business transactions;
- The policies and procedures for the processes of the Group's operation are documented in the Group accounting and control manuals, and are updated from time to time;
- Detailed management accounts are prepared monthly by each operating property based on an annual budget with monthly reports compared against budget plus analysis of significant variances;
- The internal audit function of the Group was outsourced to a professional internal audit services company ("Internal Auditors") to perform regular reviews of the business processes to assess the effectiveness of the internal control system and to highlight significant risks impacting the Group and made recommendations for improvements;
- The Audit Committee of the Board comprises of three Independent Non-Executive Directors and has full
 access to both the internal and external auditors;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

KEY RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES (CONT'D)

The key risk management and internal control processes that the Board has established in reviewing the adequacy and integrity of the Group's risk management and system of internal control, are as follows: (Cont'd)

- The Audit Committee meets regularly during the financial year ended 31 December 2022 and holds discussions with the management on the action taken on internal control issues prepared by the internal auditors. The minutes of the Audit Committee meetings are tabled to the Board on a quarterly basis. Further details of the activities undertaken by the Audit Committee are set out in the Audit Committee report;
- The Group carries insurance cover in respect of insurable business risk, including property risk, to appropriate levels, which are determined upon consultation with insurance brokers;
- There are proper guidelines drawn-up by the Group for hiring and termination of staff, formal training programme for staff, annual performance appraisal and other relevant procedures in place to achieve the objective of ensuring the staff are competent to carry out their responsibilities;
- The Group performs Maintenance Survey on all the properties at least once a year to ensure all hotel premises will function efficiently and effectively;
- The Group has in place a Whistleblowing Policy which provides a channel for employees to report in confidentiality without fear of reprisals, concerns about possible improprieties in financial reporting or other matters; and
- The Group has an Anti-Corruption and Bribery Policy in place to prevent the occurrence of corruption and bribery practice in relation to the business.

CONCLUSIONS

The Board is of the view that the risk management and internal control system in place for the year under review and up to the date of issuance of the financial statements is adequate and effective to safeguard the shareholders' investment, the interests of employees and the Group's assets.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management and Internal Control ("Statement") for inclusion in the Annual Report of the Group for the year ended 31 December 2022, and reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the Annual Report of the Group, in all material aspects, has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers", nor is the statement factually inaccurate.

The review was performed in accordance with Malaysian Approved Standard on Assurance Engagement, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

This statement is made in accordance with a resolution of the Board of Directors dated 17 March 2023.

ABOUT THE REPORT

Since the first sustainability statement was released in 2017, Grand Central Enterprises Bhd. ("GCE") has been publishing the sustainability report for six consecutive years in its annual report.

Reporting Period

This sustainability report covers Grand Central Enterprises Bhd. and its subsidiaries ("the Group") practices and activities on sustainability performance from January 2022 to December 2022.

Reporting Scope and Framework

This report provides information on the Group's operations in Malaysia and it has been prepared using the Sustainability Reporting Guide 3rd Edition and Toolkit Governance 3rd Edition by Bursa Malaysia.

ABOUT GCE ("The Group")

Sustainability

The Group firmly believes that no man is an island. Sustainability does not mean implementing processes today that support our current business practices, but will also provide for the needs of the future generation. Therefore, we strongly advocate the use of natural resources to constitute impactful, sustainable projects that will benefit our community. Furthermore, we are committed to ensuring collaboration with stakeholders in implementing sustainable best business practices and building meaningful social infrastructure in places where we have a presence.

Malaysia's commitment towards sustainability has sparked a movement in business towards greater consideration for environmental, social and governance factors. In 2015, Malaysia became a signatory to the United Nations Sustainable Development Goals (SDG). We are now in Phase 2 of Malaysia's SDG Roadmap (2021 – 2025) and the Group is poised to realise such goals to the fullest extent possible.

Businesses no doubt have a role to play in fulfilling these ambitious aspirations. According to the 12th Malaysia plan, Malaysia has set a target in rebuilding a resilient economy for a prosperous, inclusive and sustainable country by 2025. This is to be achieved in a manner that includes being resilient, low-carbon use and resource-efficient. These can be attained with the help of green growth, which the Group has already begun to do.















SUSTAINABILITY STATEMENT

(Cont'd)

OUR VISION, MISSION AND OBJECTIVES



OBJECTIVE

Ensure that processes are sustainable

Balancing service, quality, responsiveness, comfort while creating awareness
and reducing wastage



OUR APPROACH TO SUSTAINABILITY

We understand that our stakeholders are imperative to the sustainability of the business and thus, it is essential to build and maintain our connections through better communication.

a) Stakeholders Engagement Table

Stakeholder	Areas of Interest/ Objectives	Engagement Channels	Frequency	Our response
Regulators	Ensure compliance with laws and regulations	ConsultationsForums andWebinars	Ongoing	Conformance and compliance with regulatory expectations and requirements

(Cont'd)

OUR APPROACH TO SUSTAINABILITY (CONT'D)

a) Stakeholders Engagement Table (Cont'd)

Stakeholder	Areas of Interest/ Objectives	Engagement Channels	Frequency	Our response
Shareholders	 Business performance and sustainable achievements Good governance and transparency 	 Annual General Meeting Quarterly and Annual Reports Bursa's announcements 	Timely update on corporate website	Up to date business and financial performance
Employees	Fair wages Safe, secure and caring working environment	 Internal communication Performance appraisal Development programs and feedback platforms 	Monthly, Quarterly, Annually review and as required	 Health and safety policies, trainings and development Diversity, Equity and Inclusion
Customers	 Products and Service quality Competitive pricing and Customer experience 	 Marketing and Customer feedback surveys Online platforms Face-to-face interactions 	Ongoing and as required	Quality products through our quality assurance control
Suppliers	 Relationship management Pricing and Business development 	Interviews Meetings and face-to-face engagements	Ongoing and as required	Fair and transparent procurement practices
Local Communities	Support and community initiatives that will benefit the local areas	Corporate Social Responsibility (CSR) activities and sponsorship programs	Ongoing	Creating meaningful impact through CSR programs that benefit the communities and environment

b) Materiality Matrix

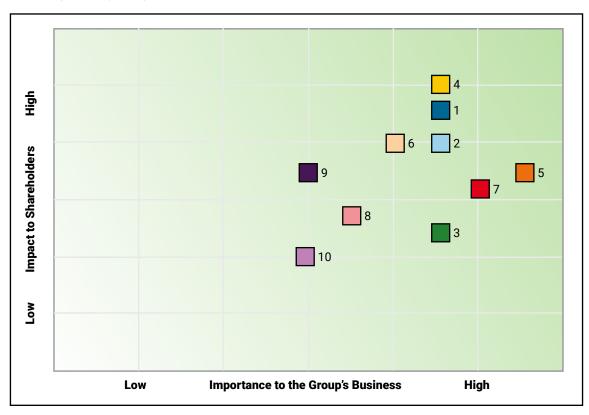
Materiality assessment was conducted in Financial Year (FY) 2022 to identify the matters that had the most significant impact on the business. The process for materiality is as per below:

- Objectives and scope
- Identify material sustainability matters
- Engaging with Stakeholders to develop the materiality matrix
- Review and validate the materiality matrix with the Board of Directors and prioritise material sustainability matters

(Cont'd)

OUR APPROACH TO SUSTAINABILITY (CONT'D)

b) Materiality Matrix (Cont'd)



The graph shows the material sustainability matters in a form of X and Y axis where X marks the importance of these matters to the Group's Business and the Y where it impacts the Stakeholders from low to high.

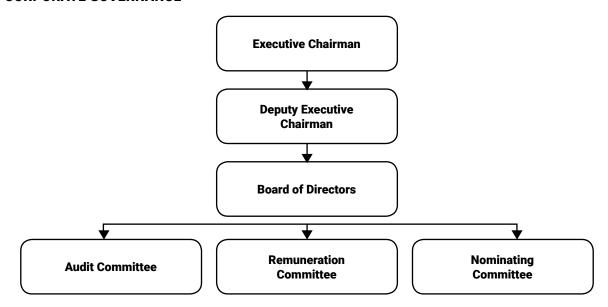
- 1) Business and Economic performance (EB)
- 2) Market Competitions (EB)
- 3) Occupational Health and Safety (HC)
- 4) Regulatory Compliance (G)
- 5) Energy Consumption and Management (EF)
- 6) Customers Satisfaction (EB)
- ■7) Employment and Employee Engagement and Satisfaction (HC)
- ■8) Relationship with Suppliers (EB)
- 9) Anti-Corruption and Bribery (G)
- ■10) Supporting local communities (S0)

Legend

Governance (G)
Economic Benefits (EB)
Environmental Footprint (EF)
Social Outreach (SO)
Human Capital (HC)

(Cont'd)

CORPORATE GOVERNANCE



THE GROUP'S POLICIES AND DATA PROTECTION

The Group is committed to adhering to all legal and regulatory requirements. It ensures that we conduct our business with integrity and transparency whilst promoting sustainable business practices.

Anti-Corruption and Bribery Policy ("ACB")

The Group has established and adopted an ACB Policy as we are committed to conducting our business free from any and all forms of bribery and corruption. The Group has conducted training on ACB to equip employees with the ACB policy.

Year	2022
Number of employees participated in ACB training	4
Total training hours	9
Confirmed incidents of corruption	0

Whistleblowing Policy

It is the Group's policy to provide the whistleblower protection in terms of confidentiality of information and safeguard the whistleblower from any act of interference that may be detrimental to the whistleblower.

The Board has established a Whistleblowing Policy and was included in the Group's Employee's Handbook. The Audit Committee is responsible for overseeing the implementation of the Whistleblowing Policy for the Group.

There was no whistleblowing reported in FY 2022.

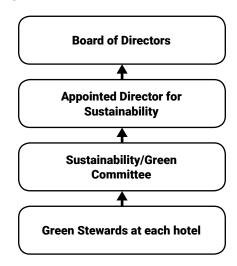
Privacy & Policy/Data Protection

We are committed to protecting the privacy and confidentiality of the data of our customers and employees. In FY 2022, we have recorded zero complaints concerning the breaches of privacy.

SUSTAINABILITY STATEMENT

(Cont'd)

SUSTAINABILITY GOVERNANCE



At the Group, sustainable strategic thought is an integral part of our business as it meets the needs of the present without compromising the ability of future generations to meet their own needs. In turn, it is our desire to fortify the presence of the latter in all initiatives carried out by the Group.

A multi-tier regulating system to address implementation of the Economic, Environmental & Social ("EES") principles, has been implemented comprising, inter alia:

- Appointment of a Board Member with responsibility for the planning and implementation of all sustainability related issues:
- Sustainability committees at management level; and
- Identification of Green Stewards at each hotel with specific and defined responsibilities for identifying and implementing appropriate measures across the hotels.

In line with good governance practices, the above initiatives represent the foundation of the Group's commitment to corporate responsibility and to the principles of environmental footprint reduction, economic and social outreach.

This sustainability strategy is therefore a practical and proactive one, with clearly defined goals and milestones that are reviewed regularly. In doing so, the aim is to establish the Group's position as a responsible hotelier, valued employer, and as a reliable and responsible corporate citizen within our respective communities.

In order to monitor performance detailed, goal-oriented checklists have been established which set out benchmarks against which results are measured. This is in line with the Group's determination to perform and deliver and to make our own contribution, as acknowledged stewards, of the planet's finite resources and along with those that come through our doors.

Based on our stakeholders' feedback and our own priorities, the Sustainability Report for the Group is based on our material EES risks and opportunities.

Our approach is in accordance with Bursa's guidelines and adopted in our practices, focusing on the key EES areas:

- 1. **Economic ("E") Benefit** adhering to industry standards whilst keeping costs at bay
- 2. **Environmental ("E") Footprint** maximizing use of resources and recycling materials wherever possible so that wastage is kept to a bare minimum
- 3. **Social ("S") Outreach** impacting positively on the lives of our communities developing and training staff to higher level of efficiency

(Cont'd)

ECONOMIC ("E") BENEFITS

Selling of used/recycling items income.

Total savings from this is as per the table:

Item	Total (kg)	Savings per kg (RM)	Total Savings (RM)
Used Cooking Oil	1,708	2.94	5,022
Empty Boxes	2,391	0.32	765
Mineral Bottle and Juice Container	1,744	0.38	663

Total savings is RM6,450

In FY 2022, 91% of our food products and 79% of chemical products are sourced locally.

	FY 2022
Percentage of spending on imported products (Food)	9%
Percentage of spending on locally sourced products (Food)	91%
Percentage of spending on imported products (Chemical)	21%
Percentage of spending on locally sourced products (Chemical)	79%

In the past years, we have continuously improved our process flows in reducing the energy consumed using various methods such as turning off electricity when not in used and using energy saving lightings and equipments that increase our energy usage efficiency. This has brought a reduction of total electricity consumption.

This is done with the intention of reducing both our carbon footprint as well as from an economical point of view, to bring about cost savings, which we benefit our customers. We feel that it is our responsibility to bring cost savings to our customers which in turn, will lead to customer satisfaction.

ENVIRONMENTAL ("E") FOOTPRINT

In this report, we have covered the energy, water, waste and emission management in our operations

- 1) Total energy consumption for FY 2022 is 7,297,206kWh and we intend to reduce by using more energy efficient light bulbs.
- 2) Total volume of water used in FY 2022 is 140,643m³. At our hotels, collection of rainwater and reuse for non-potable usage purposes has been implemented to limit the usage of JBA water.
- 3) We have been collecting used cooking oil, empty boxes and mineral water bottles through our recycling and reuse program. A total of 5.842 tonnes of these items were recycled.
- Maintaining one Environmental Responsibility Program among employees on an annual basis.

To this end, the Group is constantly reviewing and enhancing our waste management system to ensure greater durability towards the goal of sustainability. This includes water waste and recycling.

SUSTAINABILITY STATEMENT

(Cont'd)

SOCIAL OUTREACH

Corporate Social Responsibility ("CSR") Programs

At the Group, our CSR initiatives, are based on the following:

- impact of project;
- belief in cornerstone principles of family and community welfare; and
- · lasting legacy of programmes

A committee of our most senior managers has been tasked with overseeing all our CSR initiatives, meeting periodically to monitor each programme and to ensure accountability.

FY 2022 HIGHLIGHTS

Provided support for households across the local area during flood period and executed programs for communities.

Throughout the year, we have carried out community aid programs, assisting households by helping those in need and making a positive impact. We will continue to support these initiatives and many of it have been supported by our people who have volunteered and come together to make a difference to the lives of these communities.

Our contributions:

Distributed food during Ramadhan month and provided support to flood victims.

We all leave footprints wherever we go; it is our mission to have positive reverberations in how and where we do business.

HUMAN CAPITAL

Our people are our prime asset, and we believe in continuous development and training for them. The desire to perform, the passion and motivation needed to take us to where we want to go across the group is key to achieving sustainability. Training to ignite passion and the drive to achieve new performance levels is one of the trainings that the Group has in future planning besides the current training on safety and environmental practices. It also provides a platform for interaction and bonding with other employees so they may understand one another, addressing both weaknesses and strengths of each other and by this, complimenting one another. This will result in reinforced exceptional behavior which has led to higher performances.

Our Health and Safety Policy highlights our internal approach in maintaining a safe and secure environment covering all employees and adopt the best industry standards to prevent any workplace injuries as we strongly believe that our employees' health and safety is crucial to the success of the company.

Our Health and Safety Performance				
Indicator	FY 2021	FY 2022		
Lost-time Injury Frequency	0	0		
Number of work-related injuries	2	2		
Number of fatalities	0	0		
Total number of staff	252	274		

In FY 2022, Training and Development average training hours per employee is 8 hours.

(Cont'd)

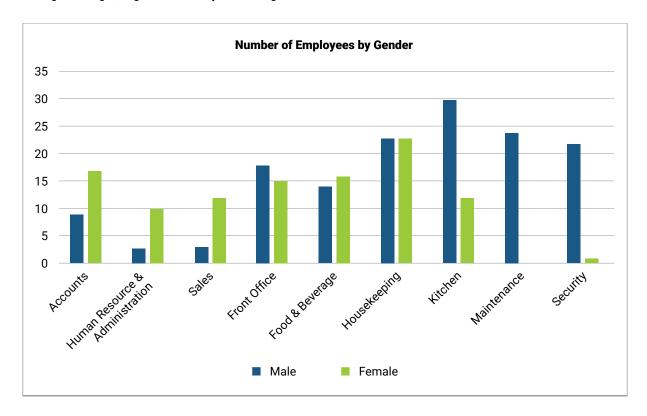
HUMAN CAPITAL (CONT'D)

Our training and development programs are:

- · Safety and Health Committee meeting
- Fire Extinguisher Training
- · Safety Training organized by local authorities
- · Fire safety organization team training
- · Safety and Health induction to new employees
- Professional Guest Room Cleaning Training
- · Food and Beverage Skills Training
- Answering Calls Training
- Grooming Class
- Emergency Response Team (BOMBA) training
- First Aid and CPR Basic Course
- Seminar Undang-Undang Kecil Bangunan Seragam 1984 (Pindaan) 2021 Zon Timur
- Crisis First Responder Training

Diversity, Equity and Inclusion

The Group is committed towards promoting the values of diversity. This is to ensure that our recruitment process is based on merit and fairness. All our employees are treated with equal respect and opportunities irrespective of race, gender, age, religion, nationality, and background.

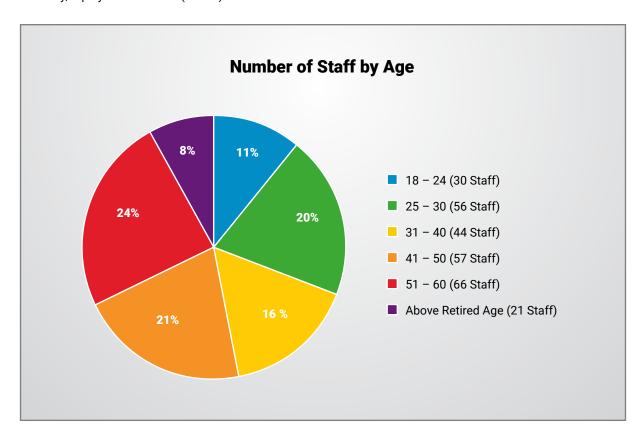


SUSTAINABILITY STATEMENT

(Cont'd)

HUMAN CAPITAL (CONT'D)

Diversity, Equity and Inclusion (Cont'd)



The are several key positions held by female employees:

- Assistant Hotel Manager
- · Head of Front Office
- Head of Kitchen
- Head of Accounts
- Head of Sales
- Head of Housekeeping
- Head of Human Resource

The Group is also a strong advocate for human rights in accordance with Malaysian labour laws and international standards. Thus, we provide induction training on social compliance policy and human rights matters on the date an employee joins the company.

We believe that every employee is to be treated equally with respect and has the same opportunity to excel with a proper working environment.

SUSTAINABILITY STATEMENT

(Cont'd)

HUMAN CAPITAL (CONT'D)

Labour Practices and Standards				
Indicator	FY 2021	FY 2022		
Total hours of training by employee category	8	8		
Percentage of employees that are contractors or temporary staff	0	0		
Total number of employee turnover by employee category (Male)	8%	12%		
Total number of employee turnover by employee category (Female)	6%	8%		
Number of substantiated complaints concerning human rights violations	0	0		

A sense of belonging and an understanding of where we need to be when it comes to our footprint in the community drives us to ensure that we, in management and in operations, will always try to move towards a common goal. Human capital is pertinent, as the legacy of the Group rests on the people who will succeed us in the long term.

CONCLUSION

In the hospitality sector, Malaysia has been fortunate to see a promising recovery from the Covid-19 pandemic after its borders were reopened in April 2022. The tourism industry ranks as the third largest contributor to Malaysia's GDP. Demand-driven growth is expected to continue through 2023.

We are fully cognisant of our roles and responsibilities to our community and the country. As an employer we strive to develop our staff to meet their aspirations and ambitions, as a member of the local community we constantly strive to improve efficiency and reduce waste. As a member of the international community, we ensure that we exceed not only regulatory requirements of Malaysia, but also comply with international standards in the hotel industry.

This in turn leads to satisfactory outcomes for all concerned - enterprise, community, staff and consumers.

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The Company is principally engaged in all aspects of the hotel business and investment holding. The principal activities of the subsidiaries are disclosed in Note 11 to the Financial Statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

RESULTS

	Group RM	Company RM
(Loss)/profit net of taxation	(3,435,912)	1,382,315
Attributable to: Equity holders of the Company Non-controlling interests	(3,355,537) (80,375)	
	(3,435,912)	

There were no material transfers to or from reserves or provisions during the financial year.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors did not recommend the payment of any dividend in respect of the current financial year.

DIRECTORS

The names of the Directors of the Company and its subsidiaries in office since the beginning of the financial year to the date of this report are:

Tan Eng Teong *
Tan Teck Lin *
Tan Eng How *
Tan Hwa Imm *
Wong Tow Cheong
Lee Wai Kuen
Lim Thian Loong
Tan Hwa Lian (alternate Director to Tan Eng Teong) *

* Directors of the Company and its subsidiaries

DIRECTORS' REPORT

(Cont'd)

DIRECTORS (CONT'D)

The name of the Director of the Company's subsidiary in office since the beginning of the financial year to the date of this report (not including those Directors listed above) is:

Lok Eng Kiat

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that financial year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

The Directors' benefits are as follows:

	Group RM	Company RM
Salaries and other emoluments Defined contribution plans Fees Estimated money value of benefits-in-kind	800,798 108,380 155,000 167,448	746,180 101,360 155,000 167,448
Total Directors' remuneration	1,231,626	1,169,988

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The amount of indemnity coverage and insurance premium paid for Directors and officers of the Company during the financial year amounted to RM2,000,000 and RM11,670 respectively.

DIRECTORS' REPORT

(Cont'd)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of Directors in office at the end of the financial year in the shares of the Company during the financial year are as follows:

	←	~		
	As at			As at
	1.1.2022	Bought	Sold	31.12.2022
Direct interests				
Tan Eng Teong	13,000	_	_	13,000
Tan Teck Lin	13,000	_	_	13,000
Tan Eng How	32,000	_	_	32,000
Tan Hwa Imm	80,000	_	_	80,000
Tan Hwa Lian	557,000	_	-	557,000
Indirect interests				
Tan Eng Teong	143,733,061	_	_	143,733,061
Tan Teck Lin	144,241,961	_	_	144,241,961
Tan Eng How	143,157,061	_	_	143,157,061
Tan Hwa Imm	998,900	_	_	998,900
Tan Hwa Lian	13,000	_	_	13,000

By virtue of their interests in the ordinary shares of the Company, Tan Eng Teong, Tan Teck Lin, Tan Eng How, Tan Hwa Imm and Tan Hwa Lian are also deemed interested in the shares of all the Company's subsidiaries to the extent the Company has an interest.

None of the other Directors in office at the end of the financial year had any interests in shares in the Company or its related corporations during the financial year.

ISSUE OF SHARES AND DEBENTURES

There were no shares and debentures issued by the Company during the financial year.

OTHER STATUTORY INFORMATION

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:
 - to ascertain that proper action had been taken in relation to the writing off of bad debts and the making
 of provision for doubtful debts and satisfied themselves that there were no bad debts to be written off
 and adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

DIRECTORS' REPORT

(Cont'd)

OTHER STATUTORY INFORMATION (CONT'D)

- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
 - (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
 - (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

GRAND CENTRAL ENTERPRISES BHD

ANNUAL REPORT 2022

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DIRECTORS' REPORT

(Cont'd)

AUDITORS

The Auditors, Grant Thornton Malaysia PLT have expressed their willingness to continue in office.

The total amount of fees paid to or receivable by the Auditors, Grant Thornton Malaysia PLT, as remuneration for their services as auditors of the Group and of the Company for the financial year ended 31 December 2022 amounted to RM178,000 and RM67,000 respectively.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT as permitted under Section 289 of the Companies Act 2016. No payment has been made to indemnify Grant Thornton Malaysia PLT for the financial year ended 31 December 2022.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 17 March 2023,

Tan Teck Lin Tan Eng How

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Teck Lin and Tan Eng How, being two of the Directors of Grand Central Enterprises Bhd., do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 46 to 87 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of their financial performance and their cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 17 March 2023,

Tan Teck Lin Tan Eng How

STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Tan Hwa Imm, being the Director primarily responsible for the financial management of Grand Central Enterprises Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages 46 to 87 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on **17 March 2023**

Tan Hwa Imm

Before me,

Mardhiyyah Abdul Wahab (W729) Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GRAND CENTRAL ENTERPRISES BHD.(Incorporated in Malaysia) Registration No. 198401019138 (131696-V)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Grand Central Enterprises Bhd., which comprises the statements of financial position as at 31 December 2022 of the Group and of the Company, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 46 to 87.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment of hotel properties

The Group's and the Company's hotel properties amounting to RM152,160,860 and RM74,012,639 respectively are as disclosed in Note 10 to the Financial Statements, which represent approximately 71% of the Group's and 37% of the Company's total assets. The Directors have identified the hotel properties with declining financial performance for the purposes of impairment assessment. The Group and the Company determine the recoverable amounts of its hotel properties based on valuation reports prepared by independent professional valuers.

We identified the valuation of the Group's and of the Company's hotel properties as a key audit matter because of the significance of the hotel properties and the significant judgement and estimates involved in the determination of the recoverable amounts of the hotel properties.

INDEPENDENT AUDITORS' REPORT

(Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key audit matters (cont'd)

Impairment assessment of hotel properties (cont'd)

As part of our audit, we performed the following:

- i. Assessed the competence, capabilities, independence and objectivity of the valuers; and
- ii. Obtained an understanding of the methodology adopted by the valuers in determining the fair values of the hotel properties and assessed whether such methodology is consistent with those used in the industry.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

(Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the
 Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and
 obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not
 detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may
 involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business
 activities within the Group to express an opinion on the financial statements of the Group. We are responsible
 for the direction, supervision and performance of the group audit. We remain solely responsible for our audit
 opinion.

INDEPENDENT AUDITORS' REPORT

(Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' responsibilities for the audit of the financial statements (cont'd)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

GRANT THORNTON MALAYSIA PLT (201906003682 & LLP0022494-LCA) CHARTERED ACCOUNTANTS (AF 0737) KHO KIM ENG (NO: 03137/10/2024 J) CHARTERED ACCOUNTANT

Kuala Lumpur, Malaysia 17 March 2023

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 RM	Group 2021 RM	2022 RM	Company 2021 RM
Revenue	4	22,746,809	18,007,939	4,146,187	1,824,108
Changes in inventories		(83,115)	59,138	(54,353)	57,443
Purchase of inventories		(2,296,914)	(1,829,426)	(409,355)	(186,164)
Finance income		875,189	824,870	875,189	824,870
Other income	_	755,623	1,506,727	6,132,838	2,705,577
Staff costs	5 10	(10,145,268)	(8,801,134)	(4,004,957)	(3,538,647)
Depreciation Reversal of allowance for impairment of trade	10	(6,150,457)	(6,335,353)	(3,119,512)	(3,266,473)
receivable	13	1,327	_	1,327	_
Other expenses		(10,399,106)	(7,694,734)	(3,081,049)	(2,183,326)
Operating (loss)/profit Finance costs	6	(4,695,912) –	(4,261,973) (228)	486,315 -	(3,762,612) –
(Loss)/profit before taxation		(4,695,912)	(4,262,201)	486,315	(3,762,612)
Taxation	8	1,260,000	1,838,388	896,000	1,343,438
(Loss)/profit net of taxation, representing total comprehensive (loss)/					
income for the financial year		(3,435,912)	(2,423,813)	1,382,315	(2,419,174)
Attributable to:					
Equity holders of the					
Company		(3,355,537)	(2,343,651)	1,382,315	(2,419,174)
Non-controlling interests		(80,375)	(80,162)		
		(3,435,912)	(2,423,813)		
Loss per share attributable to equity holders of the Company (sen per share):					
Basic	9	(1.7)	(1.2)		
Diluted	9	*	*		

^{*} There were no potential dilutive equity instruments that would give a diluted effect to the basic loss per share

 $The accompanying \, accounting \, policies \, and \, explanatory \, information \, form \, an \, integral \, part \, of \, the \, financial \, statements.$

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

		Group		Company		
	Note	2022	2021	2022	2021	
Assets		RM	RM	RM	RM	
Non-current assets						
Property, plant and						
equipment	10	159,039,082	164,187,376	77,650,624	80,317,162	
Investment in	44			66 405 450	66 405 450	
subsidiaries	11	_	_	66,485,458	66,485,458	
Total non-current						
assets		159,039,082	164,187,376	144,136,082	146,802,620	
Current assets						
Inventories	12	525,318	608,433	173,257	227,610	
Trade receivables	13	1,089,139	2,025,669	467,428	500,853	
Other receivables	14	1,706,936	1,803,683	10,552,247	8,416,420	
Tax recoverable		194,839	194,839	161,511	161,511	
Cash and cash						
equivalents	15	50,819,382	48,456,345	44,575,205	43,404,559	
Total current assets		54,335,614	53,088,969	55,929,648	52,710,953	
Total assets		213,374,696	217,276,345	200,065,730	199,513,573	
Equity and liabilities						
Equity attributable to equity holders of the Company						
Share capital (Accumulated losses)/	16	199,396,693	199,396,693	199,396,693	199,396,693	
retained earnings		(1,201,456)	2,154,081	(10,131,463)	(11,513,778)	
Shareholders' equity Non-controlling interests		198,195,237 1,375,623	201,550,774 1,455,998	189,265,230 –	187,882,915 –	
Total equity		199,570,860	203,006,772	189,265,230	187,882,915	
Non-current liability Deferred tax liabilities	17	10,164,000	11,424,000	9,878,000	10,774,000	
Total non-current liability		10,164,000	11,424,000	9,878,000	10,774,000	

STATEMENTS OF FINANCIAL POSITION

(Cont'd)

			Group	C	Company
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Current liabilities					
Trade payables	18	1,036,243	710,997	157,222	63,142
Other payables	19	2,603,593	2,134,576	765,278	793,516
Total current liabilities		3,639,836	2,845,573	922,500	856,658
Total liabilities		13,803,836	14,269,573	10,800,500	11,630,658
Total equity and liabilities		213,374,696	217,276,345	200,065,730	199,513,573

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Share capital RM	Distributable (Accumulated losses)/ retained earnings RM	Total RM	Non- controlling interests RM	Total equity RM
Group					
Opening balance at 1 January 2021 Total comprehensive loss for the year	199,396,693 –	4,497,732 (2,343,651)	203,894,425 (2,343,651)	1,536,160 (80,162)	205,430,585 (2,423,813)
Closing balance at 31 December 2021 Total comprehensive loss for the year	199,396,693 –	2,154,081 (3,355,537)	201,550,774 (3,355,537)	1,455,998 (80,375)	203,006,772 (3,435,912)
Closing balance at 31 December 2022	199,396,693	(1,201,456)	198,195,237	1,375,623	199,570,860
Company					
Opening balance at 1 January 2021 Total comprehensive loss for the year	199,396,693 –	(9,094,604) (2,419,174)	190,302,089 (2,419,174)	- -	190,302,089 (2,419,174)
Closing balance at 31 December 2021	199,396,693	(11,513,778)	187,882,915		187,882,915
Total comprehensive income for the year	-	1,382,315	1,382,315	-	1,382,315
Closing balance at 31 December 2022	199,396,693	(10,131,463)	189,265,230	_	189,265,230

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash flows from operating activities				
(Loss)/profit before taxation Adjustments for:	(4,695,912)	(4,262,201)	486,315	(3,762,612)
Depreciation Dividend income	6,150,457 -	6,335,353 -	3,119,512 (4,500,000)	3,266,473 (1,050,000)
Finance income Finance costs	(875,189) –	(824,870) 228	(875,189) –	(824,870) -
(Gain)/loss on disposal of property, plant and equipment	(12,281)	(9,000)	119	_
Inventories written off Property, plant and equipment written off	6,358 3,258	2,423 14,737	_	1,258
Reversal of allowance for impairment of trade	3,230	14,737	_	
receivables	(1,327)		(1,327)	
Operating profit/(loss) before working capital changes Decrease/(increase) in	575,364	1,256,670	(1,770,570)	(2,369,751)
inventories Decrease/(increase) in	76,757	(61,561)	54,353	(58,701)
receivables Increase/(decrease) in	1,072,466	(130,801)	2,436,787	(853,822)
payables	794,263	(179,082)	65,842	(651,867)
Cash generated from/(used in) operations Finance costs paid	2,518,850 -	885,226 (228)	786,412 _	(3,934,141)
Net cash from/(used in) operating activities	2,518,850	884,998	786,412	(3,934,141)

STATEMENTS OF CASH FLOWS

(Cont'd)

		Group		Company		
	2022 RM	2021 RM	2022 RM	2021 RM		
Cash flows from investing activities						
Dividend received from a subsidiary company Finance income received	- 837,327	- 458,844	- 837,327	1,050,000 458,844		
Placement of deposits with licensed banks	(477,401)	(24,569,931)	(477,401)	(24,569,931)		
Purchase of property, plant and equipment Proceeds from disposals of	(1,005,421)	(658,430)	(453,093)	(83,637)		
property, plant and equipment	12,281	9,000	-	52,500		
Net cash used in investing activities	(633,214)	(24,760,517)	(93,167)	(23,092,224)		
Cash flows from financing activity						
Repayments of lease liability, representing net cash used in financing activity	_	(14,446)	_	_		
Net changes in cash				(
and cash equivalents Cash and cash equivalents at beginning of financial	1,885,636	(23,889,965)	693,245	(27,026,365)		
year	22,701,414	46,591,379	17,649,628	44,675,993		
Cash and cash equivalents at end of financial year (Note A)	24,587,050	22,701,414	18,342,873	17,649,628		

STATEMENTS OF CASH FLOWS

(Cont'd)

NOTES TO THE STATEMENTS OF CASH FLOWS

A. CASH AND CASH EQUIVALENTS

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

			Group	C	ompany
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Cash and bank balances Less: Deposits with		50,819,382	48,456,345	44,575,205	43,404,559
licensed banks	15	(26,232,332)	(25,754,931)	(26,232,332)	(25,754,931)
		24,587,050	22,701,414	18,342,873	17,649,628

B. CASH OUTFLOW FOR LEASES AS A LESSEE

	G	Group	Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Included in net cash from/ (used in) operating activities: Payments relating to				
short-term leases	29,800	25,300	29,800	25,300
Finance costs paid in relation to lease liability		228		_
	29,800	25,528	29,800	25,300
Included in net cash used in financing activity:				
Repayment of lease liability	-	14,446	_	-
				1

In prior year, the lease liability borne interest rate of 7.15% per annum.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1. CORPORATE INFORMATION

The Company is a public limited liability company which is incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at No.1 & 1A, 2nd Floor (Room 2), Jalan Ipoh Kecil, 50350 Kuala Lumpur. The principal place of business of the Company is located at 10th Floor, Hotel Grand Continental, Jalan Belia/ Jalan Raja Laut, 50350 Kuala Lumpur.

The Company is principally engaged in all aspects of the hotel business and investment holding. The principal activities of the subsidiaries are disclosed in Note 11 to the Financial Statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 17 March 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared on the historical cost basis except as disclosed in the accounting policies below and are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Group and of the Company.

2.2 Standards issued but not yet effective

The standards that are issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Effective for annual periods beginning on or after 1 January 2023

MFRS 17*# Insurance Contracts and amendment to MFRS 17*# Insurance Contracts
Amendments to MFRS 17*# Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current and Non-Current

Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Standards issued but not yet effective (cont'd)

Effective for annual periods beginning on or after 1 January 2023 (cont'd)

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

Amendments to MFRS 112*# Income taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16*# Leases - Lease Liability in a Sale and Leaseback
Amendments to MFRS 101*# Presentation of Financial Statements - Non-Current Liabilities with
Covenants

Deferred to a date determined by MASB

Amendments to MFRS 10* and MFRS 128*# Consolidated Financial Statements and Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

- * Not applicable to the Company's operation
- # Not applicable to the Group's operations

The Directors expect that the adoption of the applicable standards above will have no material impact on the financial statements in the year of initial application.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee):
- (ii) Exposure or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

(Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Basis of consolidation (cont'd)

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders:
- (ii) Potential voting rights held by the Company, other vote holders or other parties;
- (iii) Rights arising from other contractual arrangements; and
- (iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances and income and expenses resulting from intra-group transactions are eliminated in full.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any differences between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Company loses control of a subsidiary, a gain or loss calculated as the difference between:

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss.

2.4 Subsidiaries

A subsidiary is an entity over which the Company controls and the policy to determine the criteria for control is in accordance with Note 2.3.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.6.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation of other property, plant and equipment is computed on a straight-line basis over the estimated useful lives of the assets at the following annual rates:

Freehold buildings 2% Other assets* 10%-33% Crockeries, kitchenware and linen 33% Motor vehicles 20%

* Other assets comprise equipment, furniture, fixtures, fittings, renovation and computers

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.6 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")). In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

(Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Impairment of non-financial assets (cont'd)

In determining fair value less costs to sell, the market approach in accordance with MFRS 13 Fair Value Measurement is used. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets.

Impairment losses are recognised as expenses in profit or loss immediately.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or a financial liability is initially measured at fair value. In the case of a financial instrument not at fair value through profit or loss, to also include any directly attributable transaction cost incurred at the acquisition or issuance of the financial instrument. A trade receivable that does not contain a significant financing component is initially measured at the transaction price.

Reclassification and subsequent measurement

(i) Financial assets

Financial assets are classified and measured at: amortised cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL"), as appropriate.

The Group and the Company determine the classification of financial assets at initial recognition and are not subsequently reclassified unless the Group and the Company change its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting year following the change of the business model.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Financial instruments (cont'd)

Reclassification and subsequent measurement (cont'd)

(i) Financial assets (cont'd)

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as at fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. Interest income and foreign exchange gains and losses are recognised in profit or loss. All financial assets are subject to impairment review.

At the reporting date, the Group and the Company carry only financial assets measured at amortised cost which include cash and cash equivalents, trade and other receivables excluding prepayments.

(ii) Financial liabilities

Amortised cost

Subsequent to initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

The Group's and the Company's financial liabilities measured at amortised cost include trade and other payables excluding provisions and SST payable.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

(iv) Derecognition of financial instruments

A financial asset is derecognised when the rights to receive cash flows from the asset have expired or the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement without retaining control of the asset or substantially all the risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

(Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Financial instruments (cont'd)

Reclassification and subsequent measurement (cont'd)

(iv) Derecognition of financial instruments (cont'd)

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liabilities extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the profit or loss.

2.8 Impairment of financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost.

Loss allowances for trade receivables are measured at an amount equal to either lifetime expected credit loss or 12-month expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment including forward-looking information, where available.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is past due.

The Group and the Company consider a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group and the Company in full, without recourse by the Group and the Company to actions such as realising security.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and short term demand deposits that are readily convertible to known amount of cash and subject to an insignificant risk of changes in value.

2.10 Inventories

Inventories which comprises food, beverages and consumables, are stated at the lower of cost (determined on a first-in-first-out basis) and net realisable value. The costs comprise costs of purchase. Net realisable value is the estimated selling price in the ordinary course of business less any estimated costs necessary to make the sale.

2.11 Provisions

Provisions are recognised when the Group and the Company have present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.12 Employees benefits

(i) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the year in which the associated services are rendered by the employees. Short-term accumulating compensated absences such as paid annual leave are recognised as liabilities when services are rendered by the employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur. The estimated liability for leave is recognised for services rendered by the employees up to the reporting date.

(ii) Defined contribution plans

The companies in the Group and the Company make contributions to the Employees Provident Fund ("EPF") in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as expenses in the year to which they relate.

(Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, if any. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follow:

- Leasehold land remaining leasehold term of 770 years
- Leasehold buildings 2%

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment test as disclosed in Note 2.6.

On the statements of financial position, right-of-use assets are included in property, plant and equipment.

(b) Short-term leases

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expenses on a straight-line basis over the lease term.

(ii) As lessor

Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statements of comprehensive income due to its operating nature.

2.14 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and exclude amounts collected on behalf of third parties. The Group and the Company recognise revenue when or as it transfers control over a good or service to the customer. An asset is transferred when (or as) the customers obtains control of the asset.

(Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Revenue recognition (cont'd)

An entity transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- (ii) the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
- (iii) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If a performance obligation is not satisfied over time in accordance with the above criteria, an entity satisfies the performance obligation and recognises revenue at a point in time.

(a) Revenue from hotel business

Revenue from hotel business is recognised when service is rendered over time during the period of stay by the hotel guest.

(b) Rental income on hotel premises

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(c) Management fees

Management fees are recognised when services are rendered.

(d) Finance income

Finance income is recognised on a time-proportion basis using the effective interest method.

2.15 Income taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Income taxes (cont'd)

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses, unabsorbed capital allowances and unabsorbed investment tax allowances, to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.16 Share capital and reserves

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

(Accumulated losses)/retained earnings included all current year's loss/profit and prior year's (accumulated losses)/retained earnings.

All transactions with the owners of the Company are recorded separately within equity.

2.17 Sales and Service Tax ("SST")

Revenue is recognised net of SST charged to customers. Expenses and assets are recognised inclusive of SST. The amount payable to taxation authority is included as other payables in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in the future.

3.1 Judgements made in applying accounting policies

There are no critical judgements made by management in the process of applying the Group's and the Company's accounting policies that has significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Impairment assessment of hotel properties

The Directors undertake an impairment assessment annually or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment assessment of hotel properties include the following:

- Significant underperformance relative to historical or projected future operating results;
- · Significant changes in the strategy for the overall business; and
- Significant negative industry or economic trends.

The Group and the Company determine the recoverable amounts of their hotel properties based on higher of fair values less costs of disposal and value in use in accordance with MFRS 136 Impairment of Assets. The Group and the Company engages independent valuers to assess the fair values of hotel properties.

Based on the estimates and judgements applied, the Directors do not foresee that impairment of the property, plant and equipment is necessary at this juncture. The carrying amount of the Group's and of the Company's property, plant and equipment at the reporting date is disclosed in Note 10.

(b) Useful lives of property, plant and equipment

Buildings

Buildings are depreciated on a straight-line basis over their estimated economic useful lives. Management estimates the useful lives of these buildings to be 50 years. The carrying amount of buildings of the Group and of the Company at 31 December 2022 is RM133,139,369 (2021: RM137,314,453) and RM65,512,639 (2021: RM67,638,428) respectively. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. A 5% difference in the expected useful lives of the buildings from management's estimate would result in RM208,754 (2021: RM208,754) and RM106,289 (2021: RM106,289) of variance in the depreciation expenses and carrying amount of the buildings of the Group and of the Company.

(Cont'd)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty (cont'd)

(b) Useful lives of property, plant and equipment (cont'd)

Plant and equipment (other than buildings)

The cost of plant and equipment (other than buildings) is depreciated on a straight-line basis over the assets' estimated economic useful lives. The Directors estimate the useful lives of these plant and equipment to be within 3 to 10 years. These are common life expectancies applied for the plant and equipment. The Directors review the residual values, useful lives and depreciation methods at each reporting date and ensure consistency with previous estimates and patterns of consumption of the economic benefits that are embodied in these assets.

The carrying amount of the Group's and of the Company's plant and equipment at the reporting date is disclosed in Note 10.

(c) Impairment of investment in subsidiaries

The Company recognises impairment losses in respect of its investment in subsidiaries based on the assessment of fair value of its respective assets or the estimation of value in use ("VIU") of the CGUs. Estimating the VIU requires the Company to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the impairment losses recognised are disclosed in Note 11.

(d) Provision for expected credit losses ("ECLs") of trade and other receivables

The Group and the Company use a provision matrix to calculate ECLs for trade and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by customer type and rating, coverage by letter of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's and the Company's historical observed default rates or apply the external credit rating if no historical of default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e. gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the hotel sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The Group's and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(e) Income tax and deferred tax liabilities

Significant judgement is involved in determining the Group's and the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the financial year in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

4. REVENUE

Revenue of the Group and of the Company consists of the following:

		Group	C	ompany
	2022 RM	2021 RM	2022 RM	2021 RM
Revenue from hotel business: - Rental of hotel rooms and	14,020,904	11,065,705	2,283,439	851,549
service apartments - Sales of food and	14,020,904	11,003,703	2,203,439	651,549
beverages	7,257,775	6,036,889	1,301,435	699,430
- Other related income Revenue from other sources:	545,505	287,770	350,161	190,977
- Rental of hotel premises	922,625	617,575	211,152	82,152
	22,746,809	18,007,939	4,146,187	1,824,108
Timing of recognition: - Services rendered and goods transferred at a				
point in time - Services rendered over	7,803,280	6,324,659	1,651,596	890,407
time	14,943,529	11,683,280	2,494,591	933,701
	22,746,809	18,007,939	4,146,187	1,824,108

All of the Group's and Company's revenue were generated from Malaysia.

5. STAFF COSTS

		Group	Co	mpany
	2022	2021	2022	2021
	RM	RM	RM	RM
Salaries and other				
emoluments	7,606,484	6,691,725	2,537,466	2,435,138
EPF	912,578	860,536	289,492	280,852
Social security costs	114,913	101,114	26,020	24,383
Other staff related expenses	1,511,293	1,147,759	1,151,979	798,274
	10,145,268	8,801,134	4,004,957	3,538,647

Included in staff costs of the Group and of the Company is Executive Directors' remuneration as further disclosed in Note 7.

(Cont'd)

6. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging/(crediting):

		Group		Company
	2022 RM	2021 RM	2022 RM	2021 RM
Short-term leases - Hostel rental Wages subsidy	29,800 (414,900)	25,300 (1,176,300)	29,800 (117,000)	25,300 (234,000)

7. DIRECTORS' REMUNERATION

		Group	Co	mpany
	2022 RM	2021 RM	2022 RM	2021 RM
Executive: Salaries and other				
emoluments EPF	800,798 108,380	807,995 108,380	746,180 101,360	753,402 101,360
Total Executive Directors' remuneration included				
in staff costs Executive Directors' fees	909,178 110,000	916,375 110,000	847,540 110,000	854,762 110,000
Total Executive Directors' remuneration (excluding benefits-in-kind)	1,019,178	1,026,375	957,540	964,762
Estimated money value of benefits-in-kind	167,448	104,709	167,448	104,709
Total Executive Directors' remuneration (including				
benefits-in-kind)	1,186,626	1,131,084	1,124,988	1,069,471
Non-executive: Fees, representing total Non-Executive Directors'				
remuneration	45,000	45,000	45,000	45,000
Total Directors' remuneration	1,231,626	1,176,084	1,169,988	1,114,471
				·

(Cont'd)

8. TAXATION

		Group	(Company
	2022 RM	2021 RM	2022 RM	2021 RM
Current income tax: Overprovision in prior years		(438,164)		(387,791)
Deferred tax (Note 17): Relating to origination and reversal of				
temporary differences Under/(over)provision in	(1,272,735)	(1,510,123)	(828,230)	(999,795)
prior years	12,735	109,899	(67,770)	44,148
	(1,260,000)	(1,400,224)	(896,000)	(955,647)
Total	(1,260,000)	(1,838,388)	(896,000)	(1,343,438)

There is no tax expense during the financial year as the Group and the Company had no chargeable income.

Income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 24%) of the estimated assessable profit for the year.

A reconciliation of taxation applicable to (loss)/profit before taxation at the statutory income tax rate to taxation at the effective tax rate of the Group and of the Company is as follows:

		Group	Co	ompany
	2022 RM	2021 RM	2022 RM	2021 RM
(Loss)/profit before taxation	(4,695,912)	(4,262,201)	486,315	(3,762,612)
Taxation at Malaysian statutory tax rate				
of 24% (2021: 24%)	(1,127,018)	(1,022,928)	116,716	(903,027)
Income not subject to		,		,
taxation	-	-	(1,080,000)	(252,000)
Expenses not deductible				
for tax purposes	330,443	353,765	135,054	155,232
Movement of deferred tax	(474.440)	(0.10.010)		
assets not recognised	(476,160)	(840,960)	_	_
Under/(over)provision of	10.705	100 000	(67.770)	44140
deferred tax in prior years Overprovision of income	12,735	109,899	(67,770)	44,148
tax in prior years	_	(438,164)	_	(387,791)
tax in prior years		(430,104)		(307,731)
	(1,260,000)	(1,838,388)	(896,000)	(1,343,438)
				(): !!!!!

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

9. LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing net loss for the financial year attributable to equity holders of the Company over the weighted average number of ordinary shares in issue during the financial year as follows:

		Group
	2022	2021
Loss attributable to equity holders of the Company (RM) Weighted average number of ordinary shares in issue Basic loss per share (sen)	(3,355,537) 197,002,000 (1.7)	(2,343,651) 197,002,000 (1.2)

(b) Diluted

Diluted loss per share is not applicable as the Group does not have any potential dilutive equity instruments that would give a diluted effect to the basis loss per share.

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(Cont'd)

10. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land* RM	Buildings* RM	Leasehold land* RM	Other assets RM	Crockeries, Kitchenware and linen RM	Motor vehicles RM	Total RM
At 31 December 2022							
Cost							
At 1 January 2022 Additions Disposals Written off	14,229,762 - -	207,964,761	4,881,569	55,336,180 838,018 (34,580) (22,994)	7,950,938 79,719 (15,402)	2,031,268 87,684 (7,182)	292,394,478 1,005,421 (57,164) (22,994)
At 31 December 2022	14,229,762	207,964,761	4,881,569	56,116,624	8,015,255	2,111,770	293,319,741
Accumulated depreciation							
At 1 January 2022 Charge for the year Disposals Written off	1 1 1 1	70,650,308 4,175,084 -	83,591 6,249 -	47,634,484 1,858,264 (34,580) (19,736)	7,853,092 75,201 (15,402)	1,985,627 35,659 (7,182)	128,207,102 6,150,457 (57,164) (19,736)
At 31 December 2022	I	74,825,392	89,840	49,438,432	7,912,891	2,014,104	134,280,659
Net carrying amount							
At 31 December 2022	14,229,762	133,139,369	4,791,729	6,678,192	102,364	999'26	159,039,082

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(Cont'd)

Group (Cont'd)	Freehold land* RM	Buildings* RM	Leasehold land* RM	Other assets RM	Crockeries, kitchenware and linen RM	Motor vehicles RM	Total RM
At 31 December 2021							
Cost							
At 1 January 2021 Additions Disposals Written off	14,229,762 - -	207,964,761	4,881,569 - -	54,823,054 581,067 - (67,941)	7,882,815 77,363 - (9,240)	2,122,447 - (91,179)	291,904,408 658,430 (91,179) (77,181)
At 31 December 2021	14,229,762	207,964,761	4,881,569	55,336,180	7,950,938	2,031,268	292,394,478
Accumulated depreciation							
At 1 January 2021 Charge for the year Disposals Written off	1 1 1 1	66,475,224 4,175,084 -	77,342 6,249 -	45,708,916 1,978,772 - (53,204)	7,722,252 140,080 - (9,240)	2,041,638 35,168 (91,179)	122,025,372 6,335,353 (91,179) (62,444)
At 31 December 2021	1	70,650,308	83,591	47,634,484	7,853,092	1,985,627	128,207,102
Net carrying amount							
At 31 December 2021	14,229,762	137,314,453	4,797,978	7,701,696	97,846	45,641	164,187,376

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land* RM	Buildings* RM	Other assets RM	Crockeries, kitchenware and linen RM	Motor vehicles RM	Total RM
Company						
At 31 December 2022						
Cost						
At 1 January 2022 Additions Disposals	8,500,000 - -	105,500,000 - -	22,871,850 410,170 (5,650)	1,565,051 42,923 -	1,163,830 - -	139,600,731 453,093 (5,650)
At 31 December 2022	8,500,000	105,500,000	23,276,370	1,607,974	1,163,830	140,048,174
Accumulated depreciation						
At 1 January 2022 Charge for the year Disposals	- - -	37,861,572 2,125,789 –	18,701,073 977,603 (5,531)	1,557,094 16,120 –	1,163,830 - -	59,283,569 3,119,512 (5,531)
At 31 December 2022	-	39,987,361	19,673,145	1,573,214	1,163,830	62,397,550
Net carrying amount						
At 31 December 2022	8,500,000	65,512,639	3,603,225	34,760	_	77,650,624

(Cont'd)

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land* RM	Buildings* RM	Other assets RM	Crockeries, kitchenware and linen RM	Motor vehicles RM	Total RM
Company (Cont'd)						
At 31 December 2021						
Cost						
At 1 January 2021 Additions Disposals	8,500,000 - -	105,500,000 - -	23,313,213 83,637 (525,000)	1,565,051 - -	1,163,830 - -	140,042,094 83,637 (525,000)
At 31 December 2021	8,500,000	105,500,000	22,871,850	1,565,051	1,163,830	139,600,731
Accumulated depreciation						
At 1 January 2021 Charge for the year Disposals	- - -	35,735,783 2,125,789 –	18,084,527 1,089,046 (472,500)	1,505,456 51,638 –	1,163,830 - -	56,489,596 3,266,473 (472,500)
At 31 December 2021	-	37,861,572	18,701,073	1,557,094	1,163,830	59,283,569
Net carrying amount						
At 31 December 2021	8,500,000	67,638,428	4,170,777	7,957	-	80,317,162

^{*} Freehold land, buildings and leasehold land are collectively known as hotel properties

(Cont'd)

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Information on right-of-use assets are as follows:

	Carrying amounts included in property, plant and equipment RM	Depreciation charged for the financial year RM	Additions RM
Group Right-of-use assets Leasehold land - 31 December 2022 - 31 December 2021	4,791,729 4,797,978	6,249 6,249	
Leasehold buildings - 31 December 2022 - 31 December 2021	23,407,116 24,116,422	709,306 709,306	

The right-of-use assets are included in the same items as where the corresponding underlying assets would be presented if they were owned.

11. INVESTMENT IN SUBSIDIARIES

	Company	
	2022 RM	2021 RM
Unquoted shares, at cost Less: Impairment losses for investment in subsidiaries	67,364,783 (879,325)	67,364,783 (879,325)
	66,485,458	66,485,458
Movement in impairment losses:		
At 1 January/31 December	(879,325)	(879,325)

(Cont'd)

11. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:

Name of company	Equity inte	rest	Principal activities	
	2022 %	2021 %		
Grand Island Hotel (Langkawi) Sdn. Bhd.	86.36	86.36	Hotelier	
Grand Central Enterprises (Pahang) Sdn. Bhd.	100.00	100.00	Hotelier	
Grand Central Enterprises (Trengganu) Sdn. Bhd.	100.00	100.00	Hotelier	
Grand Central Enterprises (Sarawak) Sdn. Bhd.	100.00	100.00	Hotelier	
Grand Central Trans- Services Sdn. Bhd.	100.00	100.00	Provision of limousine services and online reservation services	

Equity interest held by non-controlling interests in a subsidiary is provided below:

		land Hotel i) Sdn.Bhd.
	2022	2021 %
Non-controlling interests	13.64	13.64

The summarised financial information relating to the subsidiary above is provided below. This information is based on amounts before inter-company eliminations.

(i)	Summarised statement of financial position	2022 RM	2021 RM
	Non-current assets Current assets	11,369,845 341,592	11,767,411 433,098
	Total assets	11,711,437	12,200,509
	Non-current liabilities Current liabilities	209,000 1,417,563	363,000 1,163,206
	Total liabilities	1,626,563	1,526,206

(Cont'd)

11. INVESTMENT IN SUBSIDIARIES (CONT'D)

(i)	Summarised statement of financial position (cont'd)	2022 RM	2021 RM
	Equity attributable to owners of the parent Equity attributable to non-controlling interests	8,709,251 1,375,623	9,218,305 1,455,998
	Total equity	10,084,874	10,674,303
(ii)	Summarised statement of comprehensive income		
	Revenue	1,446,769	571,077
	Loss for the year, representing total comprehensive loss	(589,429)	(587,869)
	Loss attributable to owners of the parent Loss attributable to non-controlling interests	(509,054) (80,375)	(507,707) (80,162)
(iii)	Summarised statement of cash flows		
	Cash flows (used in)/from:	(7.076)	110 700
	Operating activities Investing activities	(7,076) (25,130)	119,790 (1,700)
	Net (decrease)/increase in cash and cash equivalents	(32,206)	118,090

12. INVENTORIES

		Group	C	Company
	2022 RM	2021 RM	2022 RM	2021 RM
At cost:				
Food and beverages	148,433	199,774	41,619	40,910
Consumables	376,885	408,659	131,638	186,700
	525,318	608,433	173,257	227,610
Recognised in profit or loss: Cost of inventories recognised	2,380,029	1,770,288	463.708	128.721
Inventories written off	6,358	2,423	-	1,258

(Cont'd)

13. TRADE RECEIVABLES

		Group		ompany
	2022 RM	2021 RM	2022 RM	2021 RM
Third parties Less: Allowance of expected	1,117,170	2,077,823	495,459	553,007
credit losses	(28,031)	(52,154)	(28,031)	(52,154)
Trade receivables, net	1,089,139	2,025,669	467,428	500,853

The Group's and the Company's normal trade credit terms are 30 to 90 (2021: 30 to 90) days. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Other information on financial risks of trade receivables is disclosed in Note 23.

Ageing analysis of trade receivables

The ageing analysis of the Group's and of the Company's trade receivables is as follows:

		Group		Company	
	2022	2021	2022	2021	
	RM	RM	RM	RM	
Neither past due nor					
impaired	476,309	728,686	182,521	30,609	
1 to 30 days past due					
but not impaired	249,139	549,497	28,913	144,881	
31 to 60 days past due					
but not impaired	55,398	306,314	21,417	67,444	
61 to 90 days past due					
but not impaired	32,295	179,822	_	4,745	
More than 90 days past					
due but not impaired	275,998	261,350	234,577	253,174	
Total past due but not					
impaired	612,830	1,296,983	284,907	470,244	
Credit impaired	28,031	52,154	28,031	52,154	
	1,117,170	2,077,823	495,459	553,007	

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

None of the Group's and the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

13. TRADE RECEIVABLES (CONT'D)

Receivables that are past due but not impaired

The Group and the Company have trade receivables amounted to RM612,830 (2021: RM1,296,983) and RM284,907 (2021: RM470,244) respectively that are past due at the reporting date but not impaired. These relate to customers that have a good track record with the Group and the Company. Based on past experience, the Directors of the Group and of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there have not been a significant change in credit quality and the balances are still considered fully recoverable. The receivables that are past due but not impaired are unsecured in nature.

Receivables that are impaired

The Group's and the Company's trade receivables that are impaired at the reporting date and the movements of the allowance accounts used to record the impairment loss are as follows:

	=	Group and Company Individually impaired		
	2022 RM	2021 RM		
At 1 January Recovered during the year Written off	52,154 (1,327) (22,796)	52,154 - -		
At 31 December	28,031	52,154		

Trade receivables that are individually determined to be impaired at the reporting date relate to balances that are in significant financial difficulties and had defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

14. OTHER RECEIVABLES

		Group	Co	ompany
	2022	2021	2022	2021
	RM	RM	RM	RM
Due from affiliated				
companies	183,305	102,486	182,827	101,868
Due from subsidiaries	_	_	9,760,335	7,565,209
Deposits	141,363	147,113	63,131	63,331
Prepayments	460,855	662,669	97,599	356,828
Rental receivable	193,712	293,887	128,388	67,048
Interest receivable	482,460	444,598	482,460	444,598
Sundry receivables	245,241	173,090	7,780	7,971
Lass: Allowance of expected	1,706,936	1,823,843	10,722,520	8,606,853
credit losses		(20,160)	(170,273)	(190,433)
	1,706,936	1,803,683	10,552,247	8,416,420
companies Due from subsidiaries Deposits Prepayments Rental receivable Interest receivable Sundry receivables Less: Allowance of expected	141,363 460,855 193,712 482,460 245,241 1,706,936	147,113 662,669 293,887 444,598 173,090 1,823,843 (20,160)	9,760,335 63,131 97,599 128,388 482,460 7,780 10,722,520 (170,273)	7,565,2 63,3 356,8 67,0 444,5 7,9 8,606,8

(Cont'd)

14. OTHER RECEIVABLES (CONT'D)

Affiliated companies refer to the Company's substantial corporate shareholders and Directors' related companies.

The amounts due from affiliated companies and subsidiaries of the Group and of the Company are non-trade, unsecured, interest-free and receivable on demand. Further details of related party transactions are disclosed in Note 20.

Receivables balances (including amounts due from affiliated companies and subsidiaries) which are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

At the reporting date, the Company's amounts due from subsidiaries amounting to RM170,273 (2021: RM170,273) have been impaired as these relate to unsecured advances to a subsidiary, Grand Central Trans-Services Sdn. Bhd., which has been suffering financial losses in the current and previous financial years.

Other receivables that are impaired

The Group's and the Company's other receivables that are impaired at the reporting date and the movements of the allowance accounts used to record the impairment loss are as follows:

	Indi	roup vidually paired	In	Company dividually mpaired
	2022	2021	2022	2021
	RM	RM	RM	RM
At 1 January	20,160	20,160	190,433	190,433
Written off	(20,160)	–	(20,160)	–
At 31 December	_	20,160	170,273	190,433

15. CASH AND CASH EQUIVALENTS

		Group	C	ompany
	2022 RM	2021 RM	2022 RM	2021 RM
Cash on hand and at banks Deposits with licensed banks	7,541,065 43,278,317	5,991,122 42,465,223	1,296,888 43,278,317	939,336 42,465,223
Cash and bank balances Add: Trade receivables Other receivables, excluding	50,819,382 1,089,139	48,456,345 2,025,669	44,575,205 467,428	43,404,559 500,853
prepayments	1,246,081	1,141,014	10,454,648	8,059,592
Total financial assets at amortised cost	53,154,602	51,623,028	55,497,281	51,965,004

NOTES TO THE FINANCIAL STATEMENTS

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15. CASH AND CASH EQUIVALENTS (CONT'D)

The range of interest rates per annum of deposits and maturities of deposits at the reporting date is as follows:

	2022	2021
Interest rates per annum (%)	1.95 - 2.65	1.80 - 2.00
Maturities (days)	31 - 365	31 - 365

The deposits with licensed banks which have maturity periods of more than 3 months but not more than one year amounted to RM25,047,332 (2021: RM24,569,931). Included in deposits with licensed banks which have maturity periods of less than 3 months are RM1,185,000 (2021: RM1,185,000) pledged as bank guarantee facility granted to the Group and the Company.

16. SHARE CAPITAL

	Group and Company				
	Number o	f ordinary shares		Amount	
	2022	2021	2022	2021	
	Units	Units	RM	RM	
Issued and fully paid with no par value:					
At 1 January/31 December	197,002,000	197,002,000	199,396,693	199,396,693	

The equity holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

17. DEFERRED TAX LIABILITIES

		Group	C	company
	2022 RM	2021 RM	2022 RM	2021 RM
At 1 January Recognised in profit or loss	11,424,000	12,824,224	10,774,000	11,729,647
(Note 8)	(1,260,000)	(1,400,224)	(896,000)	(955,647)
At 31 December	10,164,000	11,424,000	9,878,000	10,774,000

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

		Group	C	Company
	2022	2021	2022	2021
	RM	RM	RM	RM
Deferred tax assets	(10,163,300)	(9,178,700)	(3,931,000)	(3,448,000)
Deferred tax liabilities	20,327,300	20,602,700	13,809,000	14,222,000
	10,164,000	11,424,000	9,878,000	10,774,000

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(Cont'd)

	Hotel p	Hotel properties	Other	Other assets
	Group	oup Company	Group	up Company
	RM	RM RM	RM	M RM
At 1 January 2022	20,226,000	14,103,000	376,700	119,000
Recognised in profit or loss	(272,000)	(329,000)	(3,400)	(84,000)
At 31 December 2022	19,954,000	13,774,000	373,300	35,000
At 1 January 2021	20,481,467	14,430,303	343,407	158,769
Recognised in profit or loss	(255,467)	(327,303)	33,293	(39,769)
At 31 December 2021	20,226,000	14,103,000	376,700	119,000
Deferred tax assets:				

	Unused unabsorbe investment t	Unused tax losses, unabsorbed capital and investment tax allowances	Other deduct	Other deductible temporary differences	Ā	Total
	Group	Company	Group	Company	Group	Company
	RM	RM	RM	RM	RM	RM
	(9,105,000)	(3,436,000)	(73,700)	(12,000)	(9,178,700)	(3,448,000)
	(983,000)	(479,000)	(1,600)	(4,000)	(984,600)	(483,000)
	(10,088,000)	(3,915,000)	(75,300)	(16,000)	(16,000) (10,163,300)	(3,931,000)
!	(7,919,913)	(2,847,145)	(80,737)	(12,280)	(8,000,650)	(2,859,425)
	(1,185,087)	(588,855)	7,037	280	(1,178,050)	(588,575)
1	(9,105,000)	(3,436,000)	(73,700)	(12,000)	(9,178,700)	(3,448,000)

Recognised in profit or loss

At 1 January 2022

At 31 December 2022

Recognised in profit or loss

At 1 January 2021

At 31 December 2021

17. DEFERRED TAX LIABILITIES (CONT'D)

Deferred tax liabilities:

Total Company RM

Group RM

14,222,000 (413,000)

20,602,700 (275,400)

13,809,000

20,327,300

14,589,072 (367,072)

20,824,874 (222,174)

14,222,000

20,602,700

(Cont'd)

17. DEFERRED TAX LIABILITIES (CONT'D)

Deferred tax assets have not been recognised in respect of the following items:

		Group
	2022 RM	2021 RM
Unused tax losses Unabsorbed capital allowances Unabsorbed investment tax allowances Other deductible temporary differences	7,395,000 578,000 13,726,000 48,000	7,776,000 566,000 15,350,000 39,000
	21,747,000	23,731,000

Deferred tax assets have not been recognised in respect of these items as it is not probable that whether sufficient future taxable profits from a business source as defined by Malaysian tax legislature will be available against which the unrecognised temporary differences can be utilised.

The unused tax losses, unabsorbed capital allowances, unabsorbed investment tax allowances and other deductible temporary differences of the Group are available for offsetting against future taxable profits of the Group, subject to no substantial changes in shareholdings of those entities under the Income Tax Act 1967 and relevant provisions of Income Tax Act 1967. Any unused tax losses from Year of Assessment 2018 onwards can be carried forward for a maximum of 10 years. Upon the expiry date, the unused tax losses will be disregarded.

The expiry terms of the unused tax losses are as follow:

	Group
2022	2021
RM	RM
6,528,000	6,973,000
136,000	136,000
587,000	587,000
80,000	80,000
64,000	
7,395,000	7,776,000
	6,528,000 136,000 587,000 80,000 64,000

18. TRADE PAYABLES

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company range from 30 to 90 (2021: 30 to 90) days.

(Cont'd)

19. OTHER PAYABLES

		Group	Co	mpany
	2022	2021	2022	2021
	RM	RM	RM	RM
SST payable	198,939	49,677	44,068	12,115
Sundry payables	899,960	847,665	243,418	341,267
Provisions	264,376	234,232	94,289	78,922
Accruals	1,240,318	1,003,002	383,503	361,212
	2,603,593	2,134,576	765,278	793,516
Add: Trade payables	1,036,243	710,997	157,222	63,142
Less: SST payable	(198,939)	(49,677)	(44,068)	(12,115)
Provisions	(264,376)	(234,232)	(94,289)	(78,922)
Total financial liabilities				
at amortised cost	3,176,521	2,561,664	784,143	765,621
(a) Provisions				
		Short-term		
		accumulating		
		compensated		
		absences	Others	Total
		RM	RM	RM
Group				
At 1 January 2022		123,337	110,895	234,232
Addition		68,828	_	68,828
Utilisation and reversal		(38,684)	_	(38,684)
At 31 December 2022		153,481	110,895	264,376
At 1 January 2021		129,763	306,697	436,460
Addition		38,684	-	38,684
Utilisation and reversal		(45,110)	(195,802)	(240,912)
At 31 December 2021		123,337	110,895	234,232
Company				
At 1 January 2022		51,171	27,751	78,922
Addition		15,367	-	15,367
At 31 December 2022		66,538	27,751	94,289
At 1 January 2021		E1 171	202.257	2F2 429
At 1 January 2021 Utilisation and reversal		51,171 -	202,257 (174,506)	253,428 (174,506)
At 31 December 2021		51,171		78,922
-		·		- , -

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

20. SIGNIFICANT RELATED PARTIES TRANSACTIONS

Transactions with related parties

In addition to the related parties information disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties took place at terms agreed between the parties during the financial year:

		Group		Company
	2022 RM	2021 RM	2022 RM	2021 RM
	KWI	KIVI	KW	13171
Management fees received/ receivable from an				
affiliated company	72,000	72,000	72,000	72,000
Management fees received/ receivable from				
subsidiaries	-	-	1,407,228	1,301,690
Dividend income from a				
subsidiary	_	-	4,500,000	1,050,000
Rental income received/ receivable from an				
affiliated company	49,152	49,152	49,152	49,152
Rental expenses paid/				
payable to a company in				
which certain Directors				
had interests	29,800	25,300	29,800	25,300
Payment on behalf to			010100	000 170
subsidiary companies	_	_	218,100	209,170
Advances to			006.000	1 070 000
subsidiary companies	_	_	806,300	1,079,000
Disposal of plant and				E2 E00
equipment to a subsidiary				52,500

The Directors of the Group and of the Company are of the opinion that the above transactions had been established on negotiated terms and conditions.

Compensation of key management personnel

The remunerations of key management personnel during the financial year are as follows:

		Group		ompany
	2022	2021	2022	2021
	RM	RM	RM	RM
Salaries and other				
emoluments	1,800,427	1,721,423	1,353,001	1,312,554
EPF	183,276	189,398	140,666	140,816
	1,983,703	1,910,821	1,493,667	1,453,370

Included in total compensation of key management personnel of the Group and of the Company are Directors' fees and remuneration (excluding estimated money value of benefits-in-kind and Non-executive Directors' remuneration) as disclosed in Note 7.

(Cont'd)

21. SEGMENT INFORMATION

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

During the financial year, the Group did not have any revenue from any major customer which represents 10% or more of the Group's revenue. In 2021, there were two major customers with revenue of 48% of the Group's revenue which amounted to RM8,653,285.

22. FAIR VALUES OF FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and financial liabilities are reasonable approximation of fair values due to their short-term nature.

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, credit, liquidity and cash flows risks. These resources are managed and allocated centrally to ensure that all business units within the Group maintain the required level of capital and liquidity. The Group operates within clearly defined guidelines that are approved by the Board. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivative financial instruments shall be undertaken.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group and the Company have minimal exposure to interest rate risk as the interest rates of its interest bearing deposits with licensed banks are fixed at the inception of the arrangement.

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates as at reporting date would not affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis which results that the Group's exposure to bad debts is not significant.

Expected credit losses ("ECLs")

The Group and the Company apply a simplified approach in calculating ECLs for their receivables. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have assessed based on their historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amounts of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

At the reporting date, the Group's and the Company's are not exposed to any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristic other than Nil (2021: 65%) and 61% (2021: 66%) of the trade receivables are due from Nil (2021: two) and two (2021: two) customers respectively.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Notes 13 and 14 respectively.

Financial assets that are either past due or impaired

The Group and the Company have collectively assessed the lifetime expected credit losses on trade and other receivables at the reporting date based on the historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. There is no additional provision for impairment necessary at this juncture.

(Cont'd)

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Credit risk (cont'd)

Financial assets that are either past due or impaired (cont'd)

Information regarding trade and other receivables that are either past due or impaired is disclosed in Notes 13 and 14 respectively.

(c) Liquidity and cash flows risks

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

The maturity profile of the Group's financial liabilities at the reporting date based on contractual undiscounted repayment obligations are either on demand or within one year.

24. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains an optimal capital structure in order to support its business and maximise shareholders value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debts.

There were no changes in the Group's approach to capital management during the financial year.

25. CAPITAL COMMITMENTS

Capital commitments as at the reporting date are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Approved and contracted for: Acquisition of property, plant				
and equipment	266,691	142,250	_	15,500

Lee Wai Kuen

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty Eighth ("38th") Annual General Meeting ("AGM") of the Company will be held at the Grand 5, 10th Floor, Hotel Grand Continental, Jalan Belia/Jalan Raja Laut, 50350 Kuala Lumpur on Wednesday, 26 April 2023 at 9.30 a.m. to transact the following businesses:

To receive the Audited Financial Statements for the year ended 31
 December 2022 together with the Reports of Directors' and Auditors'
 thereon.

[Refer to Explanatory Note (i)]

(Resolution 2)

- 2. To re-elect the following directors who retire in accordance with Clause 76 of the Company's Constitution, being eligible, offer themselves for re-election:
 - a) Tan Eng How (Resolution 1)
- 3. To approve the payment of Directors' fees of RM155,000 and other benefits (Resolution 3)
- 4. To consider, and if thought fit, to pass the following resolution: (Resolution 4)

"THAT Messrs Grant Thornton Malaysia PLT, the retiring Auditors, be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next AGM at a fee to be determined by the Directors at a later date."

of up to RM1,100,000 for the period from 27 April 2023 until the next AGM.

Special Business

b)

To consider and, if thought fit, to pass the following resolutions:

5. Ordinary Resolution - Retention of Independent Non-Executive Director [Refer to Explanatory Note (ii)]

"THAT approval be hereby given to Wong Tow Cheong to continue to serve as an Independent Non-Executive Director of the Company until 31 May 2023."

Ordinary Resolution - Retention of Independent Non-Executive Director [Refer to Explanatory Note (ii)]

"THAT approval be hereby given to Lee Wai Kuen to continue to serve as an Independent Non-Executive Director of the Company until 31 May 2023."

7. Ordinary Resolution - Retention of Independent Non-Executive Director [Refer to Explanatory Note (ii)]

"THAT approval be hereby given to Lim Thian Loong to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next AGM."

(Resolution 7)

(Resolution 5)

(Resolution 6)

8. To transact any other business for which due notice shall have been given.

BY ORDER OF THE BOARD

TAN KOK AUN (SSM PC No. 201908003805) (MACS 01564) NIP CHEE SIEN (SSM PC No. 202008003954) (MAICSA 7066996)

Company Secretaries

Kuala Lumpur, 29 March 2023

NOTICE OF ANNUAL GENERAL MEETING

(Cont'd)

Notes:

- 1. A Member holding one thousand (1,000) ordinary shares or less may appoint only one (1) proxy to attend and vote at a general meeting who shall represent all the shares held by such Member. A Member holding more than one thousand (1,000) ordinary shares may appoint up to two (2) proxies to attend and vote at the same meeting. Where a Member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
- 2. Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- 3. A proxy may but need not be a member of the Company.
- 4. The instrument appointing a proxy must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly authorised.
- 5. The instrument appointing a proxy must be deposited at the Company's Registered Office at No. 1 & 1A, 2nd Floor (Room 2), Jalan Ipoh Kecil, 50350 Kuala Lumpur, at least forty-eight (48) hours before the time for holding the meeting or at any adjournment thereof.
- Depositor whose name appears on the Record of Depositors as at 18 April 2023 shall be regarded as member
 of the Company and entitled to attend and vote at the meeting or to appoint proxy(ies) to attend and vote at
 meeting.
- 7. All the resolutions set out in this Notice of 38th AGM shall be put to vote by poll.

EXPLANATORY NOTES

- (i) Agenda on Item 1 is meant for discussion only as the provision of Section 340 (1) (a) of the Companies Act 2016 does not require a formal approval of the shareholders, and hence is not put forward for voting.
- (ii) Retention of Independent Non-Executive Directors

The proposed adoption of Resolution 5, 6 and 7 are to seek shareholders' approval to retain the following director as Independent Non-Executive Director of the Company:

Mr. Wong Tow Cheong has been appointed as the Independent Non-Executive Director of the Company since 19 May 2006. The Nominating Committee and Board of Directors have carried an evaluation and assessment and concluded that Mr. Wong stays independent and objective in board deliberations and decision making and is able to act in the best interests of the Company. Mr. Wong is not related to any Directors and Substantial Shareholders of the Company and is not under influence of other directors and is self determined. Mr. Wong Tow Cheong will be retained as the Independent Non-Executive Director of the Company until 31 May 2023.

Mr. Lee Wai Kuen has been appointed as the Independent Non-Executive Director of the Company since 21 May 2008. The Nominating Committee and Board of Directors have carried an evaluation and assessment and concluded that Mr. Lee is a Chartered Accountant by profession and his independent views, objective assessments and opinions in board deliberations is effectively discharging his duties as independent director. Mr. Lee is able to act in the best interests of the Company. Mr. Lee is not related to any Directors and Substantial Shareholders of the Company and is not under influence of other directors and is self determined. Mr. Lee Wai Kuen will be retained as the Independent Non-Executive Director of the Company until 31 May 2023.

Mr. Lim Thian Loong has been appointed as the Independent Non-Executive Director of the Company since 8 May 2013. The Nominating Committee and Board of Directors have carried an evaluation and assessment and concluded that Mr. Lim stays independent and objective in board deliberations and decision making and is able to act in the best interests of the Company. Mr. Lim is not related to any Directors and Substantial Shareholders of the Company and is not under influence of other directors and is self determined.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Directors who are standing for re-election

The Directors who are standing for re-election pursuant to Clause 76 of the Company's Constitution at the 38th AGM of the Company are as follows:

- a) Tan Eng How
- b) Lee Wai Kuen

2. Profiles of Directors who are standing for re-election

The profiles of Directors standing for re-election are set out on pages 8 and 9 of this Annual Report 2022.

3. Details of Attendance of Directors at Board Meetings

The details of attendance of directors at board meetings are stated on page 14 of this Annual Report 2022.

4. Details of the 38th AGM

Date	Time	Place
26 April 2023	9.30 a.m.	Grand 5, 10th Floor, Hotel Grand Continental, Jalan Belia/Jalan Raja Laut, 50350 Kuala Lumpur.

PROPERTIES OWNED BY THE GROUP

Locations	Description	Tenure	Area	Approximate Age of Building	Book Value
			Square Metres	Years	RM'000
Lot 604, Section 46 Town of Kuala Lumpur Wilayah Persekutuan	Hotel Grand Continental Kuala Lumpur	Freehold	2,248.67	36	74,013
SPK 60, Lot 398 Mukim of Kuah District of Langkawi Kedah	Hotel Grand Continental Langkawi	Freehold	2,558.00	30	10,822
CT 4741, Lot 2 Section 20 Town of Kuantan District of Kuantan Pahang	Hotel Grand Continental Kuantan	Freehold	6,108.93	28	21,055
Lot 322, Section 46 Kuching Town Land District Sarawak	Hotel Grand Continental Kuching	Long Term Leasehold	4,160.00	27	28,199
PT 1645C, Lot 4023 Town and District of Kuala Terengganu Terengganu	Hotel Grand Continental Kuala Terengganu	Freehold	2,768.00	26	18,072

ANALYSIS OF SHAREHOLDINGS AS AT 28 FEBRUARY 2023

DISTRIBUTION OF SHAREHOLDERS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	131	3.13	3,878	0.00
100 - 1,000	1,394	33.25	1,305,037	0.66
1,001 - 10,000	2,220	52.96	8,421,036	4.28
10,001 - 100,000	385	9.18	10,187,688	5.17
100,001 - 9,850,099 (Less than 5% of issued shares)	59	1.41	33,955,300	17.24
9,850,100 and above (5% and above of issued shares)	3	0.07	143,129,061	72.65
Total	4,192	100.00	197,002,000	100.00

THE THIRTY LARGEST SECURITIES ACCOUNT HOLDERS

No.	Name	No. of Shares	%
1.	Tan Chee Hoe & Sons Sdn Bhd	86,035,118	43.67
2.	Hotel Grand Central Limited	46,864,843	23.79
3.	Tan Chee Hoe & Sons Sdn Bhd	10,229,100	5.19
4.	Mersec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Siow Wong Yen @ Siow Kwang Hwa	3,685,000	1.87
5.	Harichandra Holdings Sdn Bhd	3,474,500	1.76
6.	Fortune Full Century Limited	3,150,800	1.60
7.	Chelliah Holdings Sdn Bhd	2,500,000	1.27
8.	Kong Ying Ling	2,200,000	1.12
9.	Ensin Corporation Sdn Bhd	1,812,700	0.92
10.	Malacca Equity Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ho Kok Kiang	1,041,300	0.53
11.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chelliah Holdings Sdn Bhd (SRB/PDN/PMS)	1,000,000	0.51
12.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chin Kiam Hsung	910,400	0.46
13.	Vun Shui Moi @ Vun Siew Moi	872,000	0.44
14.	Cheong Hok An	849,250	0.43
15.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Teo Siew Lai	700,000	0.36
16.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Teo Kwee Hock	559,600	0.28

ANALYSIS OF SHAREHOLDINGS

(Cont'd)

THE THIRTY LARGEST SECURITIES ACCOUNT HOLDERS (CONT'D)

		No. of	0.
No.	Name	Shares	%
17.	Tan Hwa Lian	557,000	0.28
18.	Cheng Hon Sang	544,200	0.28
19.	Chin Kian Fong	517,500	0.26
20.	Lok Eng Kiat	451,300	0.23
21.	Liew Tzen Hsiung	437,500	0.22
22.	Koo Boon Long	406,500	0.21
23.	Cheng Hon Sang	374,300	0.19
24.	Lim Hui Kong	360,000	0.18
25.	Lee Siew Hoon	358,700	0.18
26.	Ng Poh Cheng	336,900	0.17
27.	Hong Thian Hock	331,200	0.17
28.	Tan Teck Lin Holdings Sdn Bhd	311,000	0.16
29.	Weh Dah Sdn Bhd	310,000	0.16
30.	Ooi Li Ying	308,900	0.16
	Total	171,489,611	87.05

LIST OF DIRECTORS' & SUBSTANTIAL HOLDINGS AS AT 28 FEBRUARY 2023

DIRECTORS' HOLDINGS (AS PER REGISTER OF DIRECTORS' HOLDINGS)

		No. of S	Shares	
Directors	Direct	%	Indirect	%
T	10.000	0.01	1.40.700.061 (1)	70.06
Tan Eng Teong	13,000	0.01	143,733,061 ⁽¹⁾	72.96
Tan Teck Lin	13,000	0.01	144,241,961 ⁽²⁾	73.22
Tan Eng How	32,000	0.02	143,157,061 ⁽¹⁾	72.67
Tan Hwa Imm	80,000	0.04	998,900 ⁽³⁾	0.51
Wong Tow Cheong	_	_	_	_
Lee Wai Kuen	_	_	_	_
Lim Thian Loong	_	_	_	_
Tan Hwa Lian (Alternate Director)	557,000	0.28	13,000(6)	0.01

SUBSTANTIAL HOLDINGS (AS PER REGISTER OF SUBSTANTIAL HOLDINGS)

		No. of S	hares	
Substantial Shareholders	Direct	%	Indirect	%
Tan Chee Hoe & Sons Sdn. Bhd.	96,264,218	48.86	46,864,843 ⁽⁴⁾	23.79
Hotel Grand Central Limited	46,864,843	23.79	_	-
Tan Eng Teong Holdings Sdn. Bhd.	_	-	143,129,061 ⁽⁵⁾	72.65
Tan Teck Lin Holdings Sdn. Bhd.	311,000	0.16	143,129,061 ⁽⁵⁾	72.65
Aditan Holdings Sdn. Bhd.	_	-	143,129,061 ⁽⁵⁾	72.65
Bizest Sdn. Bhd.	_	-	143,129,061 ⁽⁵⁾	72.65
Tan Eng Teong	13,000	0.01	143,733,061 ⁽¹⁾	72.96
Tan Teck Lin	13,000	0.01	144,241,961 ⁽²⁾	73.22
Tan Eng How	32,000	0.02	143,157,061 ⁽¹⁾	72.67
Tan Eng Sin	2,000	_	143,187,061 ⁽¹⁾	72.68

- (1) Indirect interest by virtue of his interest in Tan Chee Hoe & Sons Sdn. Bhd., Hotel Grand Central Limited and family members.
- (2) Indirect interest by virtue of his interest in Tan Chee Hoe & Sons Sdn. Bhd., Hotel Grand Central Limited, Tan Teck Lin Holdings Sdn. Bhd. and family members.
- (3) Indirect interest by virtue of her interest in Tan Teck Lin Holdings Sdn. Bhd. and family members.
- (4) Indirect interest by virtue of substantial holding in Hotel Grand Central Limited.
- (5) Indirect interest by virtue of direct/indirect holding in Tan Chee Hoe & Sons Sdn. Bhd. and Hotel Grand Central Limited.
- (6) Indirect interest by virtue of her interest through family member.

FORM OF PROXY

GRAND CENTRAL ENTERPRISES BHD.

Registration No. 198401019138 (131696-V)

(Incorporated in Malaysia)

peing a memb	er of GRAND CENTRAL	. ENTERPRISES BHD., hereby ap	point:		
Proxy 1					
	Block and as per	NRIC/Passport No.	Propo	ortion of Sh	nareholdings
NRIC/Passpo	ort)		No. of	Shares	%
Email		Contact No.			
and/or (delete	as appropriate)				
Proxy 2					
	Block and as per	NRIC/Passport No.	Propo	ortion of Sh	nareholdings
NRIC/Passpo	ort)		No. of	Shares	%
		<u> </u>			
MEETING ("AG	iM") of the Company to	Contact No. s and on my / our behalf at the be held at the Grand 5, 10th Florednesday, 26 April 2023 at 9.30	or, Hotel Grand C	ontinental,	Jalan Belia/Jal
as my / our pr MEETING ("AG Raja Laut, 503	M ^r) of the Company to 50 Kuala Lumpur on We is to vote as indicated	s and on my / our behalf at the be held at the Grand 5, 10th Flo ednesday, 26 April 2023 at 9.30	or, Hotel Grand C	ontinental, adjournmer	Jalan Belia/Jal nt thereof.
as my / our pr MEETING ("AG Raja Laut, 503 My / our proxy	im ^r) of the Company to 50 Kuala Lumpur on We is to vote as indicated Resolutions	s and on my / our behalf at the be held at the Grand 5, 10th Flo ednesday, 26 April 2023 at 9.30 hereunder.	or, Hotel Grand C	ontinental,	Jalan Belia/Jal
as my / our pr MEETING ("AG Raja Laut, 503 My / our proxy Resolution 1	M ^r) of the Company to 50 Kuala Lumpur on We is to vote as indicated Resolutions To re-elect Tan Eng H	s and on my / our behalf at the be held at the Grand 5, 10th Flo ednesday, 26 April 2023 at 9.30 hereunder.	or, Hotel Grand C	ontinental, adjournmer	Jalan Belia/Jal nt thereof.
as my / our pr MEETING ("AG Raja Laut, 503 My / our proxy Resolution 1 Resolution 2	is M ^r) of the Company to 50 Kuala Lumpur on We is to vote as indicated Resolutions To re-elect Tan Eng H To re-elect Lee Wai Ku	s and on my / our behalf at the be held at the Grand 5, 10th Flo ednesday, 26 April 2023 at 9.30 hereunder. ow	or, Hotel Grand C a.m. and at any a	ontinental, adjournmer	Jalan Belia/Jal nt thereof.
as my / our pr MEETING ("AG Raja Laut, 503 My / our proxy Resolution 1	is M") of the Company to 50 Kuala Lumpur on We is to vote as indicated Resolutions To re-elect Tan Eng H To re-elect Lee Wai Ku	s and on my / our behalf at the be held at the Grand 5, 10th Flo ednesday, 26 April 2023 at 9.30 hereunder.	or, Hotel Grand C a.m. and at any a 5,000 and other	ontinental, adjournmer	Jalan Belia/Jal nt thereof.
as my / our pr MEETING ("AG Raja Laut, 503 My / our proxy Resolution 1 Resolution 2	Resolutions To re-elect Tan Eng H To approve the payments of up to RM1 The resultion of the payments of up to RM1 The rest AGM.	s and on my / our behalf at the be held at the Grand 5, 10th Flo ednesday, 26 April 2023 at 9.30 hereunder. ow uen ent of Directors' fees of RM15, 100,000 for the period from 27	or, Hotel Grand C a.m. and at any a 5,000 and other April 2023 until	ontinental, adjournmer	Jalan Belia/Jal nt thereof.
as my / our pr MEETING ("AG Raja Laut, 503 My / our proxy Resolution 1 Resolution 2 Resolution 3	is to vote as indicated Resolutions To re-elect Tan Eng H To approve the paym benefits of up to RM1 the next AGM. To appoint Messrs Gr directors to fix their re-	s and on my / our behalf at the be held at the Grand 5, 10th Flo ednesday, 26 April 2023 at 9.30 hereunder. ow uen ent of Directors' fees of RM15, 100,000 for the period from 27	or, Hotel Grand C a.m. and at any a 5,000 and other April 2023 until to authorise the	ontinental, adjournmer	Jalan Belia/Jal nt thereof.
as my / our pr MEETING ("AG Raja Laut, 503 My / our proxy Resolution 1 Resolution 2 Resolution 3	is to vote as indicated Resolutions To re-elect Tan Eng H To approve the paym benefits of up to RM1 the next AGM. To appoint Messrs Gr directors to fix their retain Independent	s and on my / our behalf at the be held at the Grand 5, 10th Flo ednesday, 26 April 2023 at 9.30 hereunder. ow uen ent of Directors' fees of RM15, 100,000 for the period from 27 ant Thornton Malaysia PLT and emuneration t Non-Executive Director, Wong t Non-Executive Director, Lee Wa	or, Hotel Grand C a.m. and at any a 5,000 and other April 2023 until to authorise the Tow Cheong ai Kuen	ontinental, adjournmer	Jalan Belia/Jal nt thereof.
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- A Member notating one thousand (1,000) ordinary shares or less may appoint only one (1) proxy to attend and vote at a general meeting who shall represent all the shares held by such Member. A Member holding more than one thousand (1,000) ordinary shares may appoint up to two (2) proxies to attend and vote at the same meeting. Where a Member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.

 Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- 2.
- 3. 4.
- A proxy may but need not be a member of the Company.

 The instrument appointing a proxy must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly
- The instrument appointing a proxy must be deposited at the Company's Registered Office at No. 1 & 1A, 2nd Floor (Room 2), Jalan Ipoh Kecil, 50350 Kuala Lumpur, at least forty-eight (48) hours before the time for holding the meeting or at any adjournment thereof. Depositor whose name appears on the Record of Depositors as at 18 April 2023 shall be regarded as member of the Company and entitled to 5.
- 6.
- attend and vote at the meeting or to appoint proxy(ies) to attend and vote at meeting. All the resolutions set out in the Notice of 38th AGM shall be put to vote by poll. 7.



Fold this flap for sealing
Then fold here

AFFIX POSTAGE STAMP

The Company Secretary **GRAND CENTRAL ENTERPRISES BHD.**No. 1 & 1A, 2nd Floor (Room 2)

Jalan Ipoh Kecil

50350 Kuala Lumpur

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AUSTRALIA



MALAYSIA

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