



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

ANNUAL REPORT 2025



TABLE OF CONTENTS

CORPORATE		FINANCIAL STATEMENTS	
Corporate Information	02	Directors' Report	52
Corporate Structure	03	Statement by Directors	57
Group Financial Highlights	04	Statutory Declaration	57
Management Discussion and Analysis	05	Independent Auditors' Report	58
Directors' Profile	08	Statements of Comprehensive Income	62
Senior Management Profile	11	Statements of Financial Position	63
Corporate Governance Overview Statement	12	Statements of Changes in Equity	64
Audit Committee Report	22	Statements of Cash Flows	65
Statement on Risk Management and Internal Control	24	Notes to The Financial Statements	67
Sustainability Statement	27	Notice of Annual General Meeting	94
		Statement Accompanying Notice of Annual General Meeting	96
		Properties Owned by The Group	97
		Analysis of Shareholdings	98
		Form of Proxy	

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Teck Lin

Executive Chairman

Tan Eng How

Executive Deputy Chairman

Tan Hwa Imm

Executive Director

Tan Hwa Lian

Executive Director

Ling Chee Min

Independent Non-Executive Director

Lim Beng Weh

Independent Non-Executive Director

Lim Kuan

Independent Non-Executive Director

AUDIT COMMITTEE

Chairman

Ling Chee Min

Independent
Non-Executive Director

Members

Lim Beng Weh

Independent
Non-Executive Director

Lim Kuan

Independent
Non-Executive Director

COMPANY SECRETARIES

Tan Kok Aun

(MACS 01564)
(SSM PC NO. 201908003805)

Nip Chee Sien

(MAICSA 7066996)
(SSM PC NO. 202008003954)

REGISTERED OFFICE

No. 3A, Mezzanine Floor
Jalan Ipoh Kecil
50350 Kuala Lumpur
Tel : 03-40435750
Fax : 03-40435755

REGISTRAR

Securities Services (Holdings)
Sdn. Bhd.
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

Cheang & Ariff
Loke Mansion
273A, 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

	2025	2024	2023	2022	2021
RESULTS (RM'000)					
Revenue	27,865	26,805	24,274	22,747	18,008
Loss before taxation	(3,926)	(28,910)	(7,935)	(4,696)	(4,262)
Net loss attributable to equity holders of the Company	(3,650)	(23,118)	(6,477)	(3,356)	(2,344)
FINANCIAL POSITION (RM'000)					
Total assets	173,576	177,045	205,818	213,375	217,276
Total liabilities	7,604	7,334	12,822	13,804	14,270
Share capital	199,397	199,397	199,397	199,397	199,397
Shareholders equity	164,950	168,600	191,718	198,195	201,551
SHARE INFORMATION (SEN)					
Basic loss per share	(1.9)	(11.7)	(3.3)	(1.7)	(1.2)
Net assets per share	84	86	97	101	102

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 2025, 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%	178
Hotel Grand Continental Langkawi	86.36%	194
Hotel Grand Crystal Kedah	None	130

FINANCIAL REVIEW

During the year, the Group recorded a higher revenue of RM27.9 million against RM26.8 million in the preceding year. Loss before taxation for the year decreased to RM3.9 million compared to RM28.9 million in the previous year.

The overall weighted average occupancy rate decreased by 1% and the weighted average room rate ("ARR") increased by 8% in 2025 as compared to prior year. The weighted average room yields ("RevPAR") improved by 6%.

The sales of food and beverages improved by 2% in 2025 as compared to 2024.

The decrease in losses for 2025 as compared to prior year was mainly due to an impairment loss on a hotel building of RM20.3 million being provided in the prior year and a reversal of impairment loss on the same hotel building of RM2.0 million in the current year.

For the year ended 31 December 2025, rooms revenues accounted for 58% (2024: 57%) of the total revenues while food and beverage revenues accounted for 37% (2024: 38%).

Limousine services did not have a significant contribution on the Group's consolidated results for the year ended 31 December 2025.

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.

In 2025, Laurelcap Sdn. Bhd. was engaged to carry out the valuations for Hotel Grand Continental Kuala Lumpur, Hotel Grand Continental Langkawi, Hotel Grand Continental Kuantan and Hotel Grand Continental Kuching. As at 31 December 2025, there was a reversal of impairment loss of RM2.0 million on the hotel building of Hotel Grand Continental Kuala Lumpur.

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 used in operating activities of RM0.7 million as compared to RM4.1 million in 2024. The decrease in net cash used was mainly due to lower operating expenses.

The decrease in receivables in 2025 was RM1.2 million as compared to an increase of RM0.7 million in 2024. The Group has constantly monitored and follow-up on debts collection.

There was net cash used in investing activities of RM3.3 million as compared to RM1.0 million in 2024. This was mainly due to an increase in purchase of property, plant and equipment as capital expenditure for 2025 was RM3.5 million as compared to prior year of RM1.4 million.

Borrowings and Gearing

As at 31 December 2025, the Group had cash and bank balances and deposits of RM38.4 million (2024: RM41.5 million). The Group has no borrowing.

Pledge of Assets

Included in short-term deposits with licensed banks are deposits of RM1.2 million (2024: RM1.2 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 21 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.

CORPORATE PROPOSALS

There were no corporate proposals announced during the financial year.

STAFF AND REMUNERATION POLICY

The Group employs approximately 306 full time staff as at 31 December 2025. 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

Malaysia aims to attract more visitors under Visit Malaysia Year 2026. However, current global uncertainty, shortage of skilled labour, intense competition from neighbouring countries, and alternative accommodation and lodgings remain as key challenges to the Group.

DIRECTORS' PROFILE

Tan Teck Lin

Tan Teck Lin, male, aged 84, Malaysian, is one of its founder members. He was appointed as the Managing Director of Grand Central Enterprises Bhd. ("GCE") on 20 November 1991. He was subsequently redesignated as Executive Deputy Chairman on 6 May 2015, and later as Executive Chairman on 8 May 2025.

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 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 71, Malaysian, was appointed as the Executive Director of GCE on 17 January 1986, subsequently redesignated as Executive Deputy Chairman on 8 May 2025 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 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 59, 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.

Tan Hwa Lian

Tan Hwa Lian, female, aged 63, Singaporean, was appointed as alternate director to the late Executive Chairman of the Company, Tan Eng Teong, on 6 May 2015. She was subsequently appointed as Executive Director on 8 May 2025.

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 niece of Tan Teck Lin and Tan Eng How, Directors and major shareholders of the Company.

Ling Chee Min

Ling Chee Min, male, aged 68, Malaysian, was appointed to the Board of GCE as an Independent Non-Executive Director on 1 June 2023. He serves as the Chairman of the Audit Committee, and is also a member of the Nominating Committee and Remuneration Committee of GCE.

Mr Ling is an accountant by profession and is a fellow of the Association of Chartered Certified Accountants (ACCA) United Kingdom. He is also a member of the Malaysian Institute of Accountants (MIA) and a member of the Chartered Tax Institute of Malaysia (CTIM).

Mr Ling started his career in 1978 as Audit Semi-Senior with a firm of Chartered Accountants in London. In 1983, he joined an audit firm in Kuala Lumpur as Audit Senior and moved on to Aetna Universal Insurance Berhad as Accounts Supervisor in 1985. Thereafter, he joined Fraser & Neave (M) Sdn Bhd as Internal Auditor for 2 years. He was with TA Enterprise Berhad as Financial Controller from 1991 to 1996. He then joined 2 stockbroking companies in Malaysia as Remisier for 4 years. He is currently in public practice as an audit partner in TC & Associates PLT, Chartered Accountants and also in his own audit firm, CM Ling & Co which was set up in 2000.

He also sits on the Board of Talam Transform Berhad and Artroniq Berhad.

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

Directors' Profile

(cont'd)

Lim Beng Weh

Lim Beng Weh, male, aged 66, Malaysian, was appointed to the Board of GCE as an Independent Non-Executive Director on 1 June 2023. He is the Chairman of the Nominating Committee and Remuneration Committee and is also a member of the Audit Committee of GCE. Mr Lim graduated from Tunku Abdul Rahman College with a Diploma in Financial Accounting in 1985. He completed his examination of Chartered Institute of Management Accountants ("CIMA") and became a member of CIMA in 1989. He is also a member of the Malaysian Institute of Accountants ("MIA") since 1989. He obtained his Master in Business Administration from the collaborative programme with the University of Bath, United Kingdom and Malaysia Institute of Management in 1995.

He began his career in 1985 as an Audit Assistant with a public accounting firm where he was responsible for field audit, vouching and draft audit report. Then he was subsequently promoted to Senior Audit Assistant in 1987 where he was responsible for taking charge of statutory audit and assurance assignments for companies. Between 1987 to 2004, he was appointed as Head of Finance, Financial Controller and Chief Financial Officer for various insurance companies. In 2004, he helped set up an insurance agency company and was appointed as its first director. In 2010, he joined the hospitality industry when he was the Director of Finance, responsible for the management of hotel operations, marketing, and planning. Subsequently, he became the hotel's Acting General Manager in 2015. In 2017, Mr Lim left the hospitality industry and joined a public listed company in education, Eduspec Holdings Berhad as the Head of Corporate Planning and Strategic, in charge of the business and corporate development and strategy of the company. He was previously the Independent Non- Executive Director of Eduspec Holdings Berhad from 2008 to 2017 before assuming the executive role in the company. In July 2021, he was appointed as Chief Financial Officer of another public listed company in advertising, Asia Media Group Berhad and left in August 2023.

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.

Lim Kuan

Lim Kuan, male, aged 33, Malaysian, was appointed to the Board of GCE as an Independent Non-Executive Director on 10 July 2025. He is also a member of the Audit Committee, Remuneration Committee and Nominating Committee of GCE.

Mr Lim is a practising lawyer and a member of the Malaysian Bar. He graduated with a Bachelor of Laws degree (Honours) from Multimedia University in 2015 and was called to the bar in 2016. He commenced his legal practice at Cheang & Ariff (a Tier 1 Legal 500 law firm in Malaysia) since 2015. He subsequently joined Ming & Partners in May 2021 as a Partner. In May 2025, Mr Lim and Hao Han co-founded Han Kuan & Co. with the vision to empower their clients with strategic, practical and forward-thinking legal services and solutions. His practice areas are mainly focused on Dispute Resolution involving corporate & commercial disputes and IP infringement matters. He also regularly handles IP registrations for trademarks and copyright. Mr Lim has appeared at all tiers of Malaysian courts, including the High Court, Court of Appeal and Federal Court.

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.

SENIOR MANAGEMENT PROFILE

Teoh Hooi Nie

Teoh Hooi Nie, female, aged 54, Malaysian, was appointed as the Group Accountant on 10 May 2016.

She has more than 29 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 54, Malaysian, was appointed as the Group Operations Manager on 18 February 2019.

She has more than 22 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 63, Malaysian, was appointed as the Group Sales & Marketing Administrator on 15 June 2009.

He has more than 44 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 2025 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 lead and control 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 ensure that proper and effective controls are in place to assess and manage the business operation and risk.

The Board has established clear roles and review 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, sustainability review, financial reporting and audit, major capital expenditure and maintenance, acquisitions and disposal, dividend recommendations and overall system of internal control and risk management.

The Executive Chairman 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.

The Board recognises the importance to continue focus and priorities need to be on given to the following areas during the year 2026:

- 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 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

In line with the mandatory twelve (12) years tenure limit for Independent Director under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the succession planning of GCE, there have been some changes to the Board composition as follows:

- The late Executive Chairman, Mr Tan Eng Teong retired on 8 May 2025;
- Mr Tan Teck Lin has been re-designated from Deputy Executive Chairman to Executive Chairman on 8 May 2025;
- Mr Tan Eng How has been re-designated from Executive Director to Executive Deputy Chairman on 8 May 2025;
- Independent Non-Executive Director, Mr Lim Thian Loong retired on 8 May 2025;
- Madam Tan Hwa Lian has been appointed as an Executive Director on 8 May 2025; and
- Mr Lim Kuan has been appointed as an Independent Non-Executive Director on 10 July 2025.

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 an Executive Chairman, an Executive Deputy Chairman, two Executive Directors and three Independent Non-Executive Directors. The Board is mindful that the Executive 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 Executive 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.

The Board has been seeking for suitable candidates as independent directors of the Company through our associate company who is a member of an institute of directors 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.

The Board met five times during the financial year ended 31 December 2025. 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:

Corporate Governance Overview Statement

(cont'd)

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Balance (cont'd)

Name of Director	21 February 2025 (1330 hrs)	7 May 2025 (1200 hrs)	9 July 2025 (1430 hrs)	8 August 2025 (1100 hrs)	19 November 2025 (1100 hrs)
Tan Eng Teong (retired on 8 May 2025)	√	–	N/A	N/A	N/A
Tan Teck Lin	√	√	√	√	√
Tan Eng How	√	√	√	√	√
Tan Hwa Imm	√	√	√	√	√
Tan Hwa Lian (appointed on 8 May 2025)	N/A	N/A	√	√	√
Lim Thian Loong (retired on 8 May 2025)	√	√	N/A	N/A	N/A
Ling Chee Min	√	√	√	√	√
Lim Beng Weh	√	√	√	√	√
Lim Kuan (appointed on 10 July 2025)	N/A	N/A	N/A	√	√
Tan Hwa Lian (ceased to be an Alternate Director on 8 May 2025)	√	√	N/A	N/A	N/A

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 re-election 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 2025, all the Directors have attended the training courses as follows:

Tan Teck Lin

“Mandatory Accreditation Programme Part II: Leading for Impact (LIP)”

Tan Eng How

“Mandatory Accreditation Programme Part II: Leading for Impact (LIP)”

Tan Hwa Imm

“ICAEW Webinar: Outlook in the travel, tourism, and hospitality industry in 2025”

“ICAEW Webinar: How technology and generative AI is being applied in the hospitality sector”

“Mandatory Accreditation Programme Part II: Leading for Impact (LIP)”

Tan Hwa Lian

“CTP8 – Transatlantic Divide on ESG: Approaches and Implications”

Ling Chee Min

“Mandatory Accreditation Programme Part II: Leading for Impact (LIP)”

“MIA Webinar Series: An Overview of the Malaysian Private Entities Reporting Standard (MPERS) – Practical Approach to Recognition and Measurement Principles Including Updates”

“2026 Budget Seminar”

Lim Beng Weh

“MIA: Implementation of e-invoicing in Malaysia”

“MIA: MBRS 2.0 for preparers: Financial Statements”

“Mandatory Accreditation Programme Part II: Leading for Impact (LIP)”

“AICPA & CIMA: New Malaysian Private Entities Reporting Standard (MPERS)”

Lim Kuan

“Mandatory Accreditation Programme (MAP)”

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.

Corporate Governance Overview Statement

(cont'd)

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Nominating Committee

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

Chairman

Lim Beng Weh
Independent Non-Executive Director

Members

Ling Chee Min
Independent Non-Executive Director

Lim Kuan
Independent Non-Executive Director

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 2025, the Nominating Committee had performed:

- a) 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;
- c) assessed and made recommendation to the Board on re-election of those Directors subject to re-election in accordance to the Company's 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; and
- f) the Committee received nominations from shareholders for the Independent Non-Executive Director position. The curriculum vitae (CVs) and supporting documents of the proposed candidates were reviewed to ensure compliance with the established eligibility, qualification, experience, and independence requirements. All nominations were assessed objectively to determine their suitability for Board's consideration.

The Nominating Committee met three times during the financial year ended 31 December 2025. The details of attendance of each member at the Nominating Committee 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 Member	21 February 2025 (1030 hrs)	7 May 2025 (1030 hrs)	9 July 2025 (1400 hrs)
Lim Beng Weh	√	√	√
Lim Thian Loong (retired on 8 May 2025)	√	√	N/A
Ling Chee Min	√	√	√
Lim Kuan (appointed on 10 July 2025)	N/A	N/A	N/A

Corporate Governance Overview Statement

(cont'd)

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Remuneration Committee

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

Chairman

Lim Beng Weh
Independent Non-Executive Director

Members

Ling Chee Min
Independent Non-Executive Director

Lim Kuan
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 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 met two times during the financial year ended 31 December 2025. The details of attendance of each member at the Remuneration Committee 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 Member	21 February 2025 (1045 hrs)	7 May 2025 (1300 hrs)
Lim Beng Weh	√	√
Ling Chee Min	√	√
Lim Thian Loong (retired on 8 May 2025)	√	√
Lim Kuan (appointed on 10 July 2025)	N/A	N/A

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.

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.

Corporate Governance Overview Statement

(cont'd)

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Disclosures

The aggregate remuneration of Directors of the Group and of the Company for the financial year ended 31 December 2025 are as follows:-

	Salaries RM	Allowance RM	Fees RM	EPF & Socso RM	Benefits in kind RM	Total RM
Group						
Executive Directors:						
Tan Eng Teong	40,000	–	10,667	297	–	50,964
Tan Teck Lin	204,000	89,500	32,000	893	100,223	426,616
Tan Eng How	258,000	39,500	30,000	36,660	39,368	403,528
Tan Hwa Imm	204,000	29,500	28,000	38,513	16,366	316,379
Tan Hwa Lian	80,000	–	18,666	1,345	–	100,011
Total	786,000	158,500	119,333	77,708	155,957	1,297,498
Non-Executive Directors:						
Lim Thian Loong	–	–	7,500	–	–	7,500
Ling Chee Min	–	–	18,000	–	–	18,000
Lim Beng Weh	–	–	18,000	–	–	18,000
Lim Kuan	–	–	9,000	–	–	9,000
Total	–	–	52,500	–	–	52,500
Grand Total	786,000	158,500	171,833	77,708	155,957	1,349,998
Company						
Executive Directors:						
Tan Eng Teong	40,000	–	10,667	297	–	50,964
Tan Teck Lin	204,000	89,500	32,000	893	100,223	426,616
Tan Eng How	204,000	39,500	30,000	28,973	39,368	341,841
Tan Hwa Imm	204,000	29,500	28,000	38,513	16,366	316,379
Tan Hwa Lian	80,000	–	18,666	1,345	–	100,011
Total	732,000	158,500	119,333	70,021	155,957	1,235,811
Non-Executive Directors:						
Lim Thian Loong	–	–	7,500	–	–	7,500
Ling Chee Min	–	–	18,000	–	–	18,000
Lim Beng Weh	–	–	18,000	–	–	18,000
Lim Kuan	–	–	9,000	–	–	9,000
Total	–	–	52,500	–	–	52,500
Grand Total	732,000	158,500	171,833	70,021	155,957	1,288,311

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 on Risk Management and Internal Control is set out on pages 24 to 26. 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 22 to 23.

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 22 to 23.

Corporate Governance Overview Statement

(cont'd)

EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

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.

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, IFRS Accounting 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 2025 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>.

Corporate Governance Overview Statement

(cont'd)

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

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.

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 2025 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 2025 are as follows:

	Group RM	Company RM
Audit fees	193,500	71,000
Non-audit fees*	4,000	4,000

* 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 2025.

This Statement is made in accordance with a resolution of the Board of Directors dated 13 March 2026.

AUDIT COMMITTEE REPORT

COMPOSITION OF THE AUDIT COMMITTEE

Chairman

Ling Chee Min
Independent Non-Executive Director

Members

Lim Beng Weh
Independent Non-Executive Director

Lim Kuan
Independent Non-Executive Director

The terms of reference of the Audit Committee is 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	Attendance of meetings
Ling Chee Min	4/4
Lim Beng Weh	4/4
Lim Kuan (appointed on 10 July 2025)	2/2
Lim Thian Loong (retired on 8 May 2025)	2/2

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 and the agreed action plans for improving the internal control systems 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 Report

(cont'd)

Internal Audit Function (cont'd)

For the financial year ended 31 December 2025, the Internal Auditors conducted reviews on the Housekeeping and Maintenance of Hotel Grand Continental Kuala Lumpur and follow-up status review. The reports were presented and deliberated by the Audit Committee on 8 August 2025 and 19 November 2025 respectively.

The total cost incurred for the Internal Audit function in respect of the financial year amounted to RM15,500.

Summary of Activities

During the financial year 2025, 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 every quarter and the external auditors year-end financial statements respectively 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);
- (v) 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, resources and capacity, 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 IFRS Accounting 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”. This Statement is prepared with reference to the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies (“SORMIC Guidelines”) and covers the financial year ended 31 December 2025 and up to the date of approval of this Statement for inclusion in the Annual Report.

RESPONSIBILITY

The Board of Grand Central Enterprises Bhd. is committed to establishing and maintaining 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 Board also approves the Group’s risk appetite and tolerance levels and ensures that risk management responsibilities are clearly defined and embedded across all levels of management in line with SORMIC Guidelines requirements.

The Group’s systems of internal controls are designed to manage rather than eliminate the risk of failure to achieve business objectives. These systems cover financial, operational, regulatory compliance and risk management processes across the Group. The Board affirms that risk management and internal control processes have been in place throughout the financial year under review and up to the date of approval of this Statement. 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. This includes clear risk identification, risk assessment, risk response and risk monitoring activities, supported by key risk indicators where appropriate. Significant risks are reported to the Board, and mitigating actions are tracked for implementation and effectiveness.

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 Companies”.

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

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:

- The Group has a clearly defined organisational structure together with lines of responsibility and delegation of authority and defined roles for risk management governance including Board oversight;
- 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 and defined roles for risk management governance including Board oversight;
- 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, and the internal audit plan is approved by the Audit Committee;
- The Audit Committee of the Board comprises of three Independent Non-Executive Directors and has full access to both the internal and external auditors and it assists the Board in overseeing the risk management processes and internal control system;
- The Audit Committee meets regularly during the financial year ended 31 December 2025 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 including oversight of risk management reporting and status of high-impact risk mitigation;
- 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 considering risk exposure and impact;
- 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;
- 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 and compliance with the policy is monitored through internal controls and periodic review; and
- The Group has not identified any new key risks that emerged during the financial year ended 31 December 2025 and risk exposure levels remained stable as compared to the prior year.

Statement on Risk Management and Internal Control

(cont'd)

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 in managing material risks that may adversely impact the achievement of the Group's business objectives, and in safeguarding shareholders' investment, the interests of employees and the Group's assets, having regard to the risk-related disclosures required under SORMIC Guidelines.

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 2025, 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 paragraph 7 of the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies", 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.

The Board confirms that the external auditors' review covered whether the disclosures in this Statement are consistent with the information and explanations provided to them and whether anything has come to their attention that caused them to believe that the disclosures were not prepared, in all material respects, in accordance with the requirements of the SORMIC Guidelines.

This statement is made in accordance with a resolution of the Board of Directors dated 13 March 2026.

SUSTAINABILITY STATEMENT

OVERVIEW

Grand Central Enterprises Bhd (“GCE” or “the Company”) and its subsidiaries (“the Group” or “GCE Group”) believe that sustainable business operations are vital in meeting the present needs of the Group while not compromising the ability of our future generations in meeting their future needs. It is our desire to fortify the presence of the latter in all initiatives carried out by GCE Group. GCE aspires to be a leading hotel of sustainable solutions supported by our sustainability pillars of Environment, Social and Governance.

REPORTING SCOPE AND PERIOD

The Board of Directors (“the Board”) is pleased to present the Sustainability Statement (“Statement”) for the financial year ended 31 December 2025 (“FY2025”) to illustrate our strategic approaches in addressing sustainability challenges and opportunities. This Statement covers the period from 1 January 2025 to 31 December 2025.

FRAMEWORK AND GUIDELINES

This Statement is prepared in accordance to Bursa Malaysia Securities Berhad’s (“Bursa Securities”) Main Market Listing Requirements relating to sustainability statement, its Sustainability Reporting Guide (3rd Edition) and Toolkit Governance 3rd Edition by Bursa Malaysia. Reference was made to the United Nations Sustainable Development Goals (“UNSDG”) in mapping our material sustainability matters and developing the Group’s sustainability strategies. The Company is taking steps to align its practices and disclosures in line with the National Sustainability Reporting Framework (“NSRF”) in preparation for the mandatory sustainability reporting requirements effective from 2026.



STAKEHOLDERS INPUT

As we progress in our sustainability journey, we value feedback in order for us to adopt continuous enhancement in our sustainability measures and reporting standards. All feedback, comments and enquiries are welcome to be directed to corporate.relations@ghihotels.com.my.

INDEPENDENT ASSURANCE

This Statement has not been subjected to any specific review by our internal auditors or external assurance by independent parties, however we are preparing for future Statements to be reviewed.

Sustainability Statement

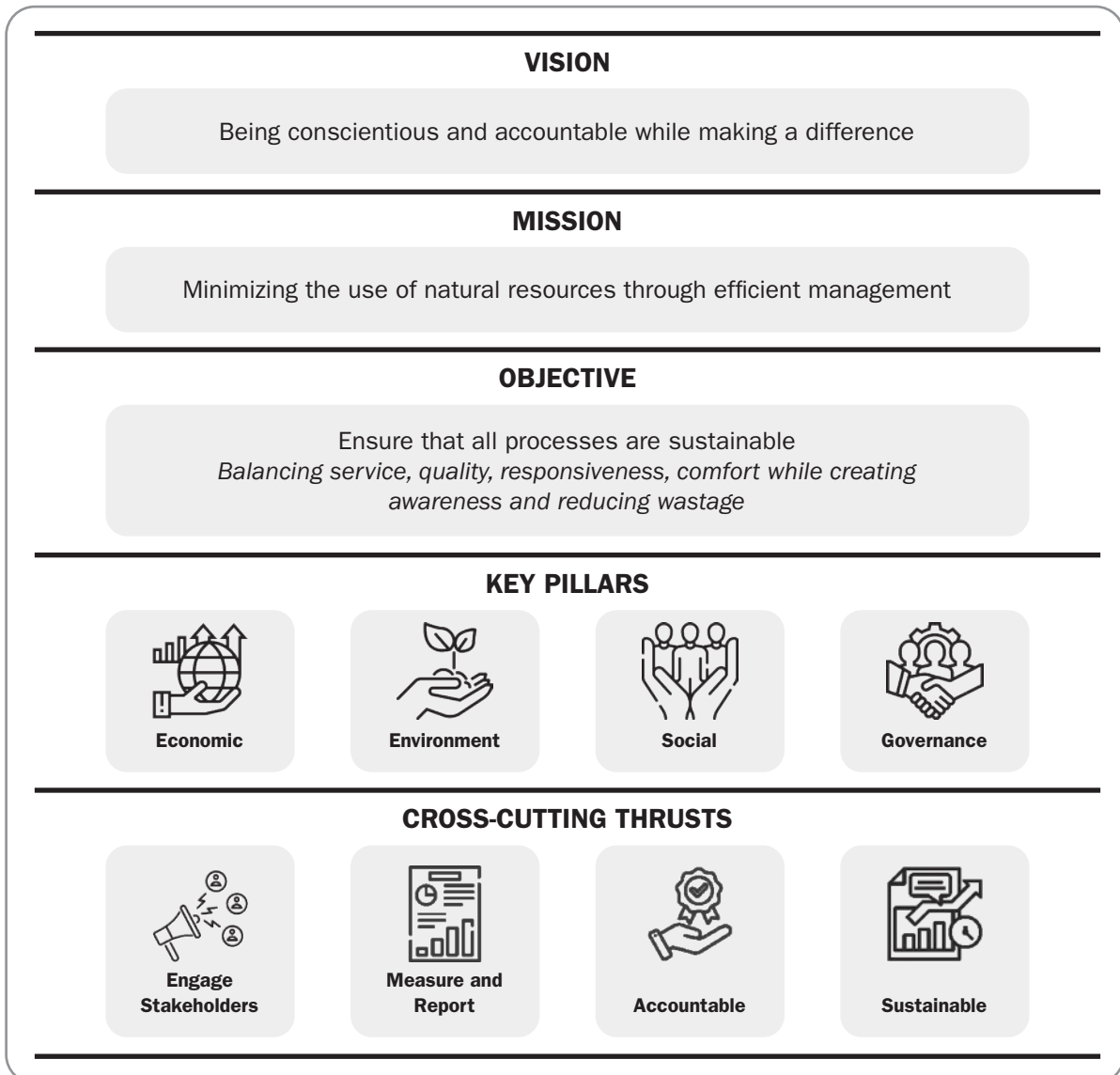
(cont'd)

SUSTAINABILITY COMMITMENT

We at GCE 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.

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 GCE has already begun to do.

Our commitments in delivering sustainable values to various stakeholders are embodied in the Group's vision and mission as follows:



Sustainability Statement

(cont'd)

SUSTAINABILITY GOVERNANCE

The Board holds ultimate responsibility for the Group's sustainability initiatives and strategies. In order to ensure effective implementation across the Environment, Social, and Governance (ESG) pillars, a multi-tiered governance system has been established, comprising:

- A designated Director of Sustainability responsible for planning and implementing all sustainability-related initiatives.
- A management-level Sustainability/Green Committee.
- Green Stewards designated at each hotel, responsible for identifying and implementing appropriate sustainability measures.



GCE's Sustainability Organization Chart

STAKEHOLDERS ENGAGEMENT

Recognizing the crucial role of our stakeholders in the sustainability of our business, we prioritize building and maintaining strong relationships through effective communication. Our key stakeholder engagement approaches for FY2025 are outlined below.

Stakeholder	Areas of Interest	Engagement Channels	Frequency	Our response
Regulators	<ul style="list-style-type: none"> • Ensure compliance with laws and regulations 	<ul style="list-style-type: none"> • Consultations • Participation in meetings • Forums and Webinars 	Ongoing	<ul style="list-style-type: none"> • Conformance and compliance with regulatory expectations and requirements

Sustainability Statement

(cont'd)

STAKEHOLDERS ENGAGEMENT (CONT'D)

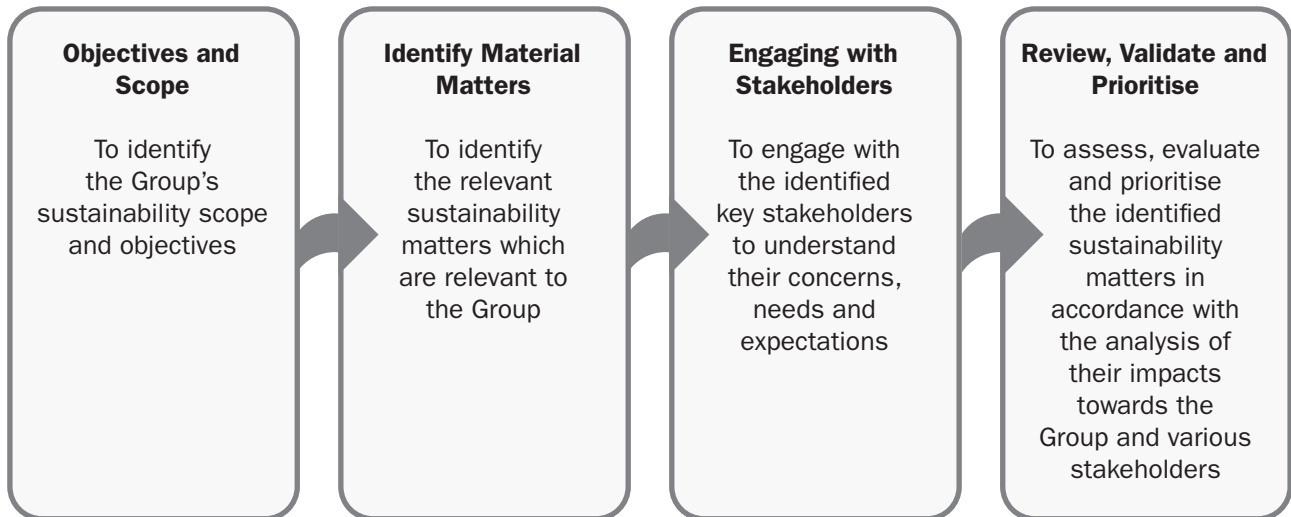
Stakeholder	Areas of Interest	Engagement Channels	Frequency	Our response
Shareholders/ Investors	<ul style="list-style-type: none"> Business performance and sustainable achievements Good governance and transparency 	<ul style="list-style-type: none"> Annual General Meeting Quarterly and Annual Reports Bursa's announcements 	Timely update on corporate website	<ul style="list-style-type: none"> Up to date business and financial performance
Employees	<ul style="list-style-type: none"> Fair wages Safe, secure and caring working environment 	<ul style="list-style-type: none"> Internal communication Performance appraisal Development programs and feedback platforms 	Monthly, Quarterly, Annually review and as required	<ul style="list-style-type: none"> Health and safety policies, training and development Diversity, Equity and Inclusion
Customers	<ul style="list-style-type: none"> Products and Service quality Competitive pricing and Customer experience 	<ul style="list-style-type: none"> Marketing and Customer feedback surveys Online platforms Face-to-face interactions 	Ongoing and as required	<ul style="list-style-type: none"> Quality products through our quality assurance control
Suppliers	<ul style="list-style-type: none"> Relationship management Pricing and business development 	<ul style="list-style-type: none"> Interviews Meetings and face-to-face engagements 	Ongoing and as required	<ul style="list-style-type: none"> Fair and transparent procurement practices
Media	<ul style="list-style-type: none"> Effective communication 	<ul style="list-style-type: none"> Media communications 	As required	<ul style="list-style-type: none"> Ensure timely responses to media enquiries
Local Communities	<ul style="list-style-type: none"> Support and community initiatives that will benefit the local areas 	<ul style="list-style-type: none"> Corporate Social Responsibility (CSR) activities and sponsorship programs 	Ongoing	<ul style="list-style-type: none"> Creating meaningful impact through CSR programs that benefit the communities and environment

Sustainability Statement

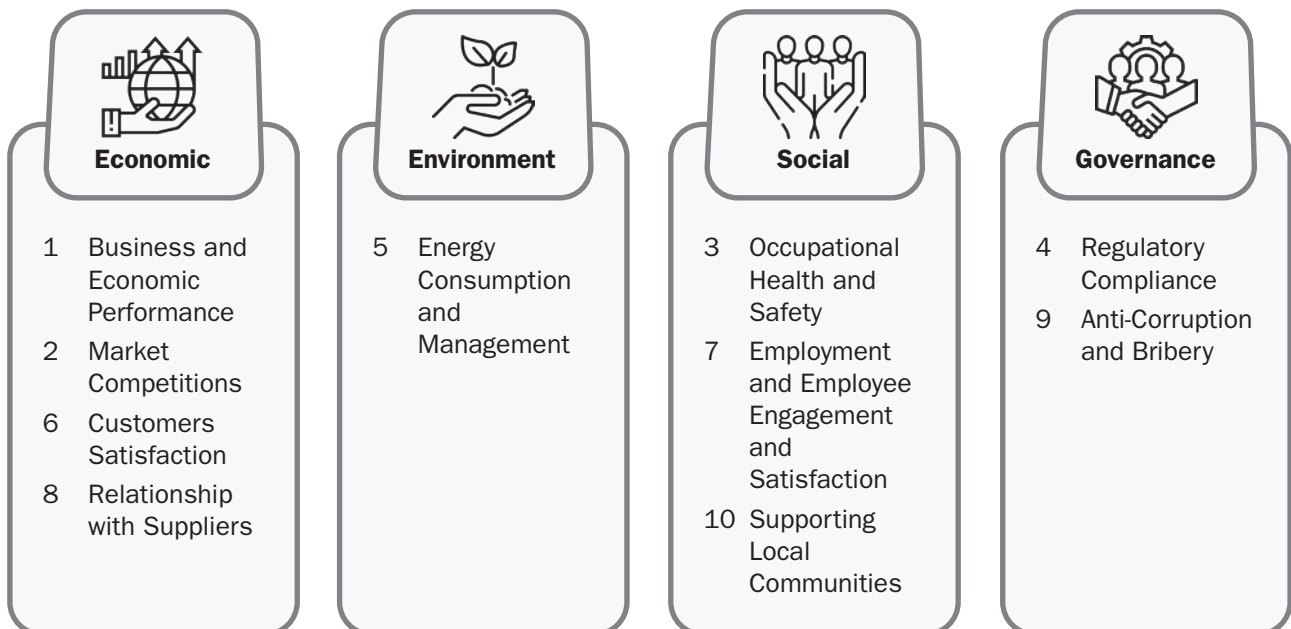
(cont'd)

MATERIALITY ASSESSMENT PROCESS

A materiality assessment is crucial for identifying, analyzing, and prioritizing the sustainability matters most relevant to the Group and its stakeholders. Our FY2025 materiality assessment followed a four-step process:



Sustainability Framework



Sustainability Statement

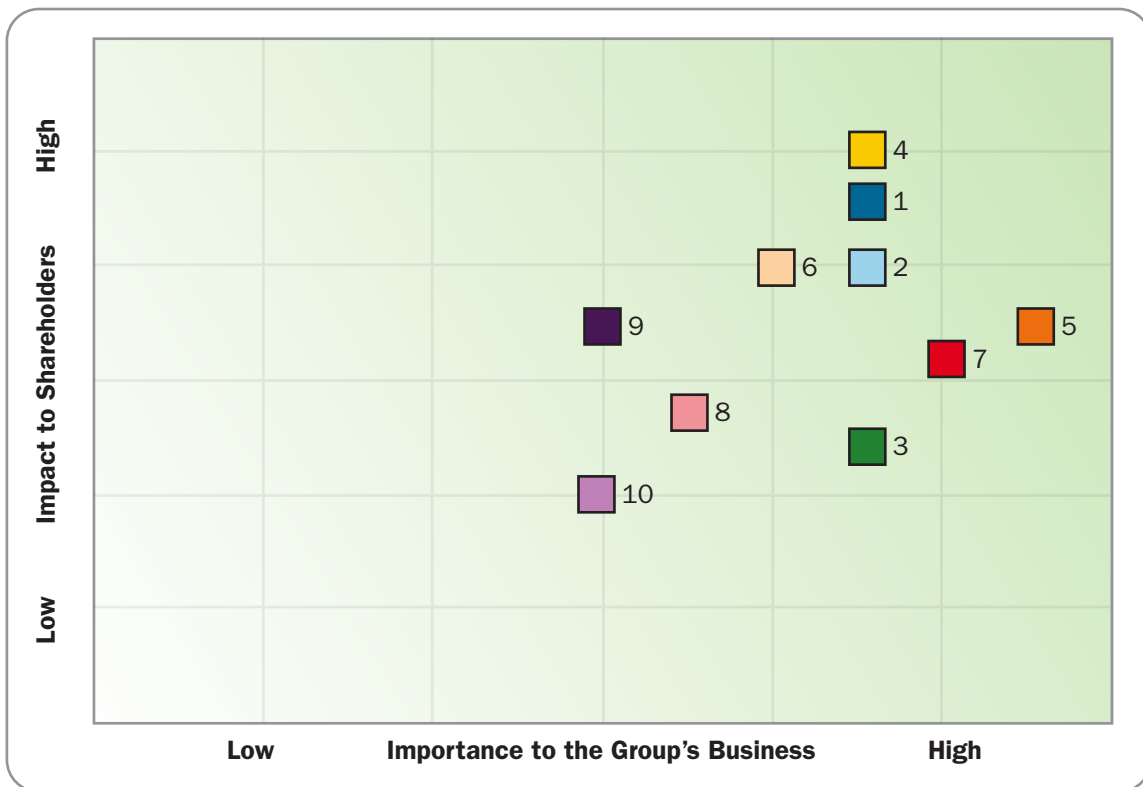
(cont'd)

MATERIALITY ASSESSMENT PROCESS (CONT'D)

Materiality Matrix

Based on our assessment, a total of ten (10) key areas were identified considering the impacts towards the Group and stakeholders, scaling from “Important” to “Most Important”, as depicted in the following Materiality Matrix: -

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



Sustainability Statement

(cont'd)

MATERIALITY ASSESSMENT PROCESS (CONT'D)






Sustainability Charter

The Group recognizes that sustainable business practices are essential, allowing us to meet our current needs without compromising the ability of future generations to meet theirs. This principle is central to all GCE Group initiatives.

To this end, we have strategically aligned with ten relevant UNSDG and developed corresponding sustainability initiatives, as detailed in the table below. These practical and proactive initiatives have clearly defined goals and regularly reviewed milestones. Through these efforts, the Group strives to be a responsible hotelier, a valued employer, and a socially responsible corporate citizen.

To track our sustainability performance, we have established detailed, goal-oriented checklists with benchmarks for measuring our progress. This reflects the Group's commitment to responsible stewardship of the planet's finite resources, for the benefit of both our stakeholders and the wider community.

This Sustainability Charter provides guidance to the Board of Directors, the Sustainability Department, and management for implementing the Group's sustainability strategies within the ESG framework.

Material Sustainability Matters and UNSDGs	Sustainability Initiatives
ECONOMIC	
<ul style="list-style-type: none"> Financial Performance 	<ul style="list-style-type: none"> To sustain business via customer relationship management, improve operation efficiency, enhance market presence and increase asset base. Financial performance is also linked to climate-related risks as per IFRS S2.
ENVIRONMENT	
<ul style="list-style-type: none"> Waste Management & Recycling Energy Management Water Management Emission Management Managing Environmental Impact and Compliance    	<ul style="list-style-type: none"> To adopt proper waste management and recycling practices. Using energy efficient lightings Collection of rain water for cleaning purposes Target to reduce emissions based on the Scope 1, 2 & 3 of GHG emissions To utilize natural resources diligently and efficiently. To strictly comply with environmental regulations and maintain one Environmental Responsibility Program among employees on an annual basis.

Sustainability Statement

(cont'd)

MATERIALITY ASSESSMENT PROCESS (CONT'D)

Sustainability Charter (cont'd)

Material Sustainability Matters and UNSDGs	Sustainability Initiatives
SOCIAL	
<ul style="list-style-type: none"> Employee Health & Safety Employee Working Conditions & Labour Practices Empowering Local Communities Supporting Human Rights Diversity, Equity & Inclusion 	<ul style="list-style-type: none"> To create a safe, healthy, diverse, and inclusive workplace. To provide on-going training programs and employment-related assistance for employees. To connect with and contribute to the community. The Company is a strong advocate for human rights in accordance with Malaysian labour laws and international standards. The Company is committed towards promoting the values of diversity to ensure that the 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.
GOVERNANCE	
<ul style="list-style-type: none"> Compliance with Regulations & Standards Anti-Bribery and Corruption (ABAC) 	<ul style="list-style-type: none"> To strictly adhere to all applicable laws and regulations. To continuously promote ethical business practices and maintain high standards of corporate governance. All suppliers are required to comply with the Company's policies as well as the Code of Conduct and Business Ethics. Committed to conducting our business free from any and all forms of corruption.

CORPORATE GOVERNANCE, COMPLIANCE AND INTEGRITY HIGHLIGHTS

The Group is committed to conducting our business responsibly, which requires thorough internal control and adhering to all legal and regulatory requirements. It ensures that we conduct our business with integrity and transparency whilst promoting sustainable business practices.

Our Anti-Bribery and Corruption (“ABAC”) reinforces the Group's zero-tolerance stance against corruption and aligns with the Malaysian Anti-Corruption Commission (“MACC”) Act 2009.

Sustainability Statement

(cont'd)

CORPORATE GOVERNANCE, COMPLIANCE AND INTEGRITY HIGHLIGHTS (CONT'D)

Anti-Bribery and Corruption (“ABAC”)

The Group has conducted our training courses on ABAC in accordance with Section 17A of the MACC Act 2009 to equip our employees with the ABAC policy. These trainings establish the guiding principles for all employees to manage bribery and corruption risks.

Employee Training in ABAC	Year		
	2023	2024	2025
Number of employees participated in ABAC Training	35	34	36
Total training hours	35	47	36
% of operations assessed for corruption-related risks	100%	100%	100%

Up to the year FY2025, there are no incidents of corruption.

Data Privacy and Protection

The Group is committed to protecting the privacy and confidentiality of the data of our customers and employees to ensure we manage data in accordance with high standards of data privacy. In the year 2025, we recorded zero complaints concerning breaches of privacy.

Year	2023	2024	2025
Number of substantiated complaints concerning breaches of customer and employee privacy of data loss	0	0	0

Whistleblowing Policy

The Group has a Whistleblowing policy which sets out the reporting channels and procedures that allow confidential avenue for anyone to raise concerns on suspected unethical and improper behavior.

Upon receipt of the whistleblowing report, an investigation will be initiated, and appropriate actions will then be taken accordingly. Whistleblowers who report with good faith will be protected with confidentiality. We are pleased to highlight that we have not received any whistleblowing report during the financial year and no employees were disciplined or dismissed, nor any public cases been brought against GCE Group and its employees due to non-compliance to the laws and regulations. Hence, no relevant fines, penalties or settlements imposed or made during the FY2025.

Supply Chain Management

As we recognize the importance of sustainability of our operations, we continuously choose suppliers who share our commitment to ethical practices, environmental responsibility, and community well-being.

By prioritizing local sourcing, we minimize our environmental footprint and maximize the positive impact of our business. This approach not only ensures the quality and sustainability of our products and services, but also creates jobs and economic opportunities in the communities we serve.

Sustainability Statement

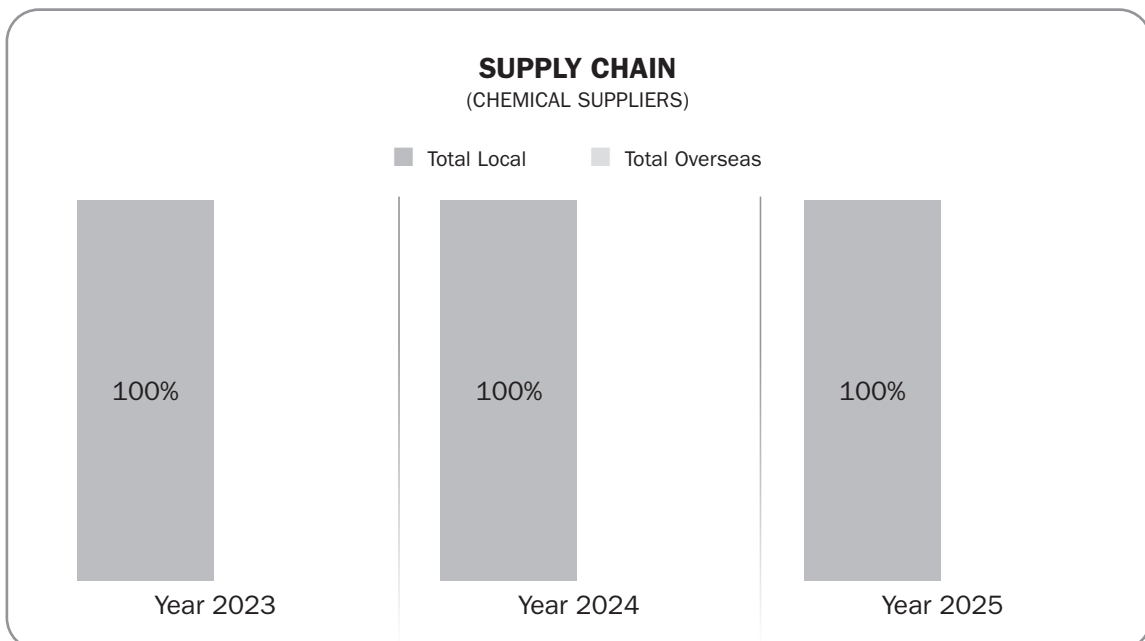
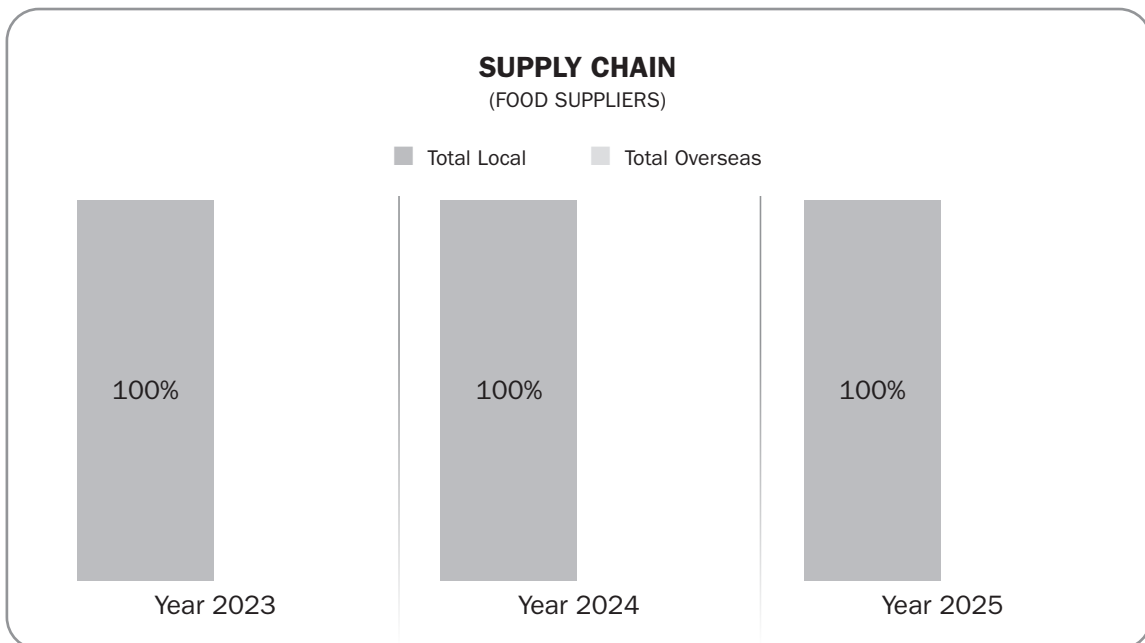
(cont'd)

CORPORATE GOVERNANCE, COMPLIANCE AND INTEGRITY HIGHLIGHTS (CONT'D)

Supply Chain Management (cont'd)

In addition, all suppliers are required to comply with the Group's policies as well as the Code of Conduct and Business Ethics ("the Code"). This shall uphold the business integrity across the Group in business dealings at all times, in particular, the prevention of any potential bribery and/or corruption.

On top of that, the Group sources all the ingredients from JAKIM-certified suppliers, guaranteeing the Halal integrity of the food that we serve.



Sustainability Statement

(cont'd)

CORPORATE GOVERNANCE, COMPLIANCE AND INTEGRITY HIGHLIGHTS (CONT'D)

Logistics and Transportation

We are committed to minimizing the environmental impact of our supply chain by continually optimizing our logistics and transportation management. Recognizing that food and chemical product transportation can generate significant emissions, we've made substantial progress in streamlining our distribution network. Our ongoing initiatives to enhance efficiency and reduce our carbon footprint include:

- Streamlined Operations: Optimizing inventory tracking, order fulfillment, and packing processes for improved accuracy and reduced waste.
- Enhanced Transportation & Logistics: Selecting appropriate transportation modes based on cost, speed, and product requirements. Considering factors like distance, perishability, and volume. Optimize transportation routes and establish clear delivery schedules to minimize mileage, fuel consumption, and delivery time.
- Optimized Order Fulfillment: Implementing robust inventory control measures to maintain optimal stock levels, minimizing stockouts and reducing carrying costs.

BUSINESS SUSTAINABILITY

GCE Group principally owns and operates hotels and properties in Malaysia. The Group's strategy is based on profitable and sustainable growth, which is important to our long-term success as a listed company. Our culture and legacy drives us to fulfil our commitments to all stakeholders, from employees and communities to governments and shareholders.

Financial Performance

In FY2025, the Group's total revenue stood at RM27.9 million, representing a 4% increase as compared to the revenue of RM26.8 million reported in the financial year ended 31 December 2024 ("FY2024"). The increase in revenue was mainly due to increase in average room rates and improve sales of food and beverages during FY2025. Please refer to the Annual Report for further details on the Group's financial performance in FY2025.

Creating and enhancing the value of our shareholders has always been one of our top priorities. The Group is actively seeking for opportunities to improve its earnings and strengthen its asset base.

Whilst strengthening our asset base, the Group will continue to embark on other strategic efforts such as expanding customer base, offering dynamic pricing during peak periods and optimization of staff to enhance our overall profit margin. We strongly believe that these initiatives shall contribute to the Group's business sustainability in the long run.

Customers Relationship Management

The Group continuously provides the best service to its customers, and it is crucial as it boosts revenue and enables us to stay connected with guests even after their stay. Sending special offers and personalized thank-you notes builds guest loyalty. In essence, this relationship approach is key to unlocking sustainable growth and success in the competitive hotel industry. By investing in a customer relationship management strategy, we can create a loyal guest base and solidify our position in the market.

Sustainability Statement

(cont'd)

BUSINESS SUSTAINABILITY (CONT'D)

Customers Relationship Management (cont'd)

We extract and analyze weekly customer feedback from online sources like TripAdvisor and Google, to continually improving products and services. This analysis, aimed at achieving higher satisfaction rating, provides valuable insights into customer needs and expectations, enabling us to enhance the overall customer experience.

ENVIRONMENTAL FOOTPRINT

Waste Management and Recycling

The Group is committed to proactive waste management and responsible disposal practices. Through our dedicated recycling and reuse program, we collect materials such as used cooking oil, empty boxes, plastics such as oil containers and mineral water bottles, and paper. To date, we have successfully diverted all 7.442 tonnes of waste from landfills, ensuring these resources are recycled or repurposed.

Item	Total	Total Savings (RM)
Used Cooking Oil (kg)	3,589	11,363
Empty Boxes (kg)	1,726	637
Oil Container (kg)	434	145
Recycled Steel (kg)	1,106	885
Paper (kg)	587	102
Mineral Bottle and Juice Container (unit)	1,259	683
GRAND TOTAL SAVINGS (RM)		13,815

We are pleased to report that we have successfully achieved our target of increasing domestic waste recycling volume and improving conversion costs by 114% within FY2025. FY2024 savings were RM6,448. This accomplishment demonstrates our commitment to efficient and sustainable waste management.



Sustainability Statement

(cont'd)

ENVIRONMENTAL FOOTPRINT (CONT'D)

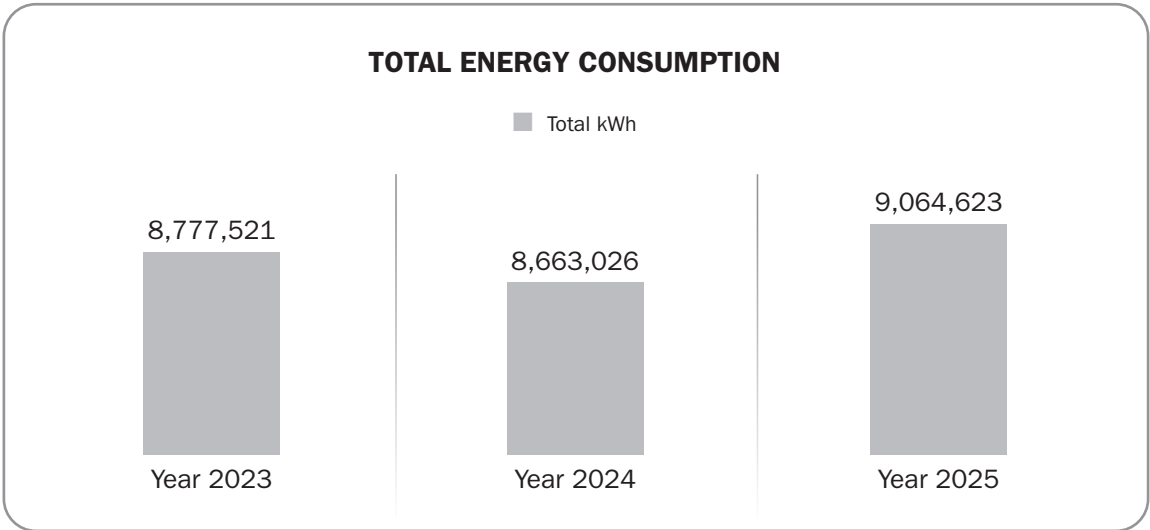
Energy Management

The Group is committed to the efficient use of resources and energy to minimize our environmental footprint and promote long-term sustainability. While we have implemented ongoing initiatives to reduce electricity consumption including the adoption of energy-efficient lighting and high-performance equipment. The Group recorded a 4.6% increment in our total electricity consumption for FY2025 reaching 9,064,623kWh (FY2024: 8,663,026kWh).

This increase was primarily driven by the following non-recurring operational factors and facility enhancements:

- Hotel Grand Continental (“HGC”) Kuala Lumpur: A technical malfunction in a chiller panel led to significant operational inefficiencies, requiring the unit to run at high revolutions to maintain necessary cooling levels. This increased power demand persisted until comprehensive repairs were finalized in early 2026.
- HGC Kuching: Electricity demand rose due to essential infrastructure upgrades and the restoration of services, including the installation of 10 new air-conditioning units across offices and function rooms, the resumption of dual-cooling tower and chiller operations, and increased safety lighting in the basement carpark and street areas.

The Group views the rectification of the KL chiller issue as a key step in our climate-related risk management, ensuring that such inefficiencies are identified and addressed to align with our future emission reduction targets.



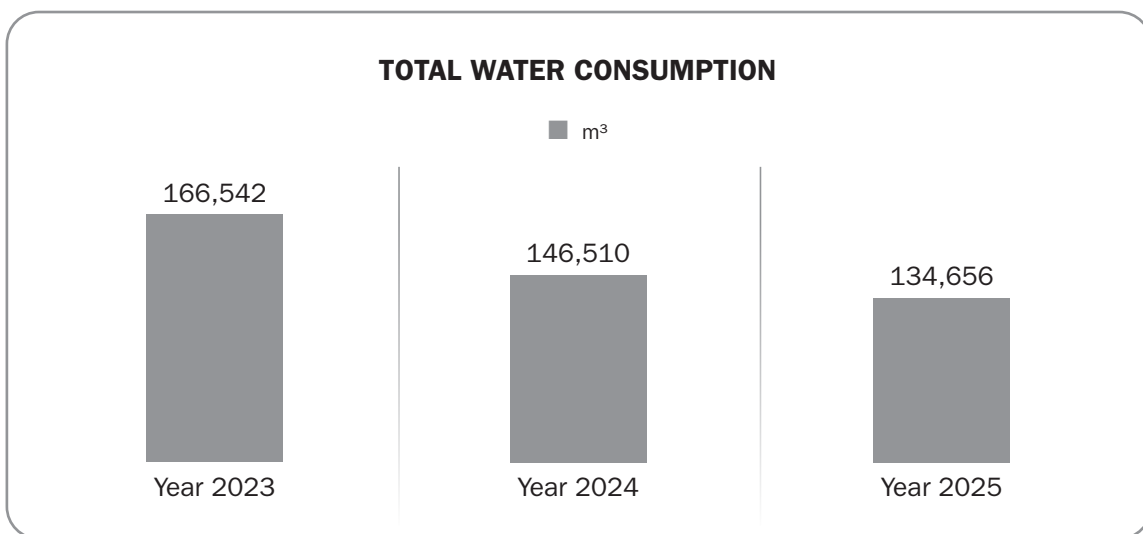
Sustainability Statement

(cont'd)

ENVIRONMENTAL FOOTPRINT (CONT'D)

Water Management

Water is a key natural resource for our hotel operations. In FY2025, we have recorded a total volume of 134,656m³ (FY2024: 146,510m³) water consumption in our operation, 8.1% decrease as compared to prior year. We plan to increase the collection of rainwater and reuse for non-potable usage purposes to limit the usage of JBA water next year.



Emission Management

The Group recognizes the contribution of greenhouse gas (GHG) emissions to climate change. Since 2023, we have monitored our Scope 1 and Scope 2 emissions, which include direct emissions from our controlled operations and indirect emissions from purchased electricity, respectively. For FY2025, the Group commenced structured monitoring of Scope 3 emissions relating to employee travel, in line with the GHG Protocol Corporate Value Chain (Scope 3) Standard and Bursa Malaysia's reporting expectations.

Emissions are measured in tonnes of carbon dioxide equivalent (tCO₂e).

For FY2025, total is 237 tCO₂e/FTE. The Group's immediate target is to establish FY2025 as a verified baseline year and to implement reduction initiatives including travel management controls, promotion of virtual meetings, and awareness programmes encouraging lower-carbon commuting options.

Sustainability Statement

(cont'd)

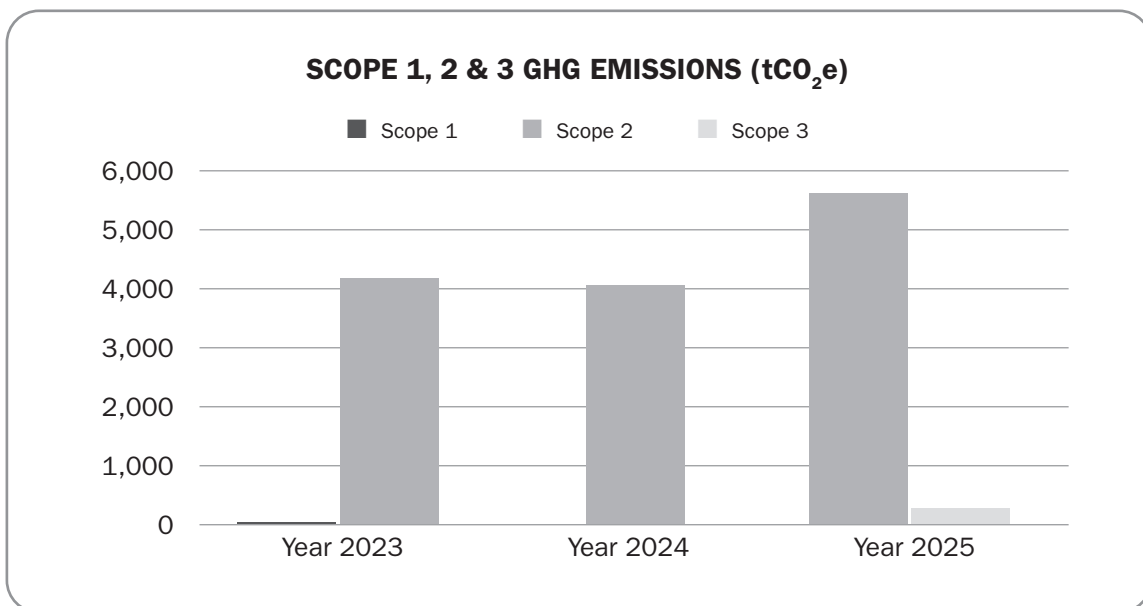
ENVIRONMENTAL FOOTPRINT (CONT'D)

Emission Management (cont'd)

GHG Emissions	Emission (%) Year 2023	Year 2023	Emission (%) Year 2024	Year 2024	Emission (%) Year 2025	Year 2025
Scope 1 emissions (tCO ₂ e)	0.9	37	0.3	12	0.3	19
Scope 2 emissions (tCO ₂ e/m ²)	99.1	4,129	99.7	4,075	95.7	5,625
Scope 3 emissions (tCO ₂ e/FTE)	–	–	–	–	4.0	237
TOTAL GHG Emissions (tCO ₂ e)	100%	4,166	100%	4,087	100%	5,881

- Scope 1 emissions: Direct – Company fleet, Diesel, Refrigerants, Generators, equipment owned in which fuel is combusted (tCO₂e).
- Scope 2 emissions: Indirect – Purchase Electricity/Electricity consumption (Indirect emissions from purchase electricity consumption). Site and facilities owned at which energy in the form of electricity is consumed (tCO₂e/m²). To use self-occupied area as the measurement of floor space for Scope 2.
- Scope 3 emissions: Indirect – Employee Commute (tCO₂e/FTE). FTE refers to Full Time Employees

For FY 2025, we have monitored and recorded Scope 1, 2 and 3 emission data as per the chart below:



Sustainability Statement

(cont'd)

HUMAN CAPITAL

Employee Health & Safety

Our employees are our most valuable asset, and their continuous development is essential to our success, particularly in achieving our sustainability goals. We are committed to fostering a motivated and engaged workforce and are expanding our existing safety and environmental training programs with new initiatives designed to inspire and empower our team. These programs will focus on building collaboration and mutual understanding, enabling employees to leverage their strengths and support each other for enhanced performance.

Our Health and Safety Policy underscores this commitment, prioritizing a safe and secure work environment that adheres to the highest industry standards and prevents workplace injuries.

Year	2023	2024	2025
Lost-time Injury Frequency	0	0	0
Number of work-related injuries	0	0	1
Number of employees trained on health and safety standards	52	48	105
Number of fatalities	0	0	0
Total number of staff	307	303	306

Employee Trainings, Working Conditions and Labour Practices

Employees' learning and development is essential and critical to the Group's business growth and success. Therefore, the Group encourages and at the same time provides continuous training and development opportunities to the employees in order to enhance their knowledge and capabilities.

During FY2025, we have conducted several training programs, such as:

- Public Safety and Aquatic Rescue
- Touchless Hotel Management System (IFCA)
- Occupational First Aid and CPR with AED
- HIRARC and SOP
- Managing Ergonomics at Workplace
- Communication Skills
- Towards a Sustainable Future Workforce Upskilling, Well-Being and Safety
- Seminar Badan Peneraju Industri (Industry Lead Body – ILB Bidang Kebom-baan)

Sustainability Statement

(cont'd)

HUMAN CAPITAL (CONT'D)

Employee Trainings, Working Conditions and Labour Practices (cont'd)

Training and Development Highlights in FY2025			
Total Expenditure		RM181,014	
Employees Participated		197	
Total Training Hours		2,425	
Average Training Hours Per Employee		12.3	

Year	2023	2024	2025
Total number of employees trained on health and safety standards	52	48	105
Percentage of employees that are contractors or temporary staff	5.5%	5.6%	5.2%
Total number of employee turnover by employee category	90	104	98

We are committed to investing in our employees' growth and development. Looking ahead, we will expand our training offerings to further inspire our team and drive performance excellence. These programs will not only enhance skills but also serve as valuable opportunities for interaction and team building, fostering a more engaged and motivated work environment.

Supporting Human Rights

GCE Group is a strong advocate for human rights. To protect our employees' human rights, we abide strictly to the Malaysian labour laws and international standards. In this respect, we provide induction training on social compliance policy and human rights matters to the employee upon his/her joining with the Group. For FY2025, we are glad to inform that we have not received any substantiated complaints concerning human rights violations.

Diversity, Equity and Inclusion

The Group strives to develop a dynamic and inclusive workforce with the right mix of talents from various cultural backgrounds, skills, experiences, gender, age group as well as religions. We strongly believe that such diversity inspires greater creativity and productivity which could serve as a push for our business growth and sustainability.

All our employees are treated with equal respect and opportunities irrespective of race, gender, age, religion, nationality and background.

The Group recognizes the vital role of employee retention in its long-term sustainability. Our employee turnover rate decreased by 2.3%, from 34.3% in FY2024 to 32.0% in FY2025, we are committed to strengthening our recruitment and retention strategies to build a stable and sustainable workforce.

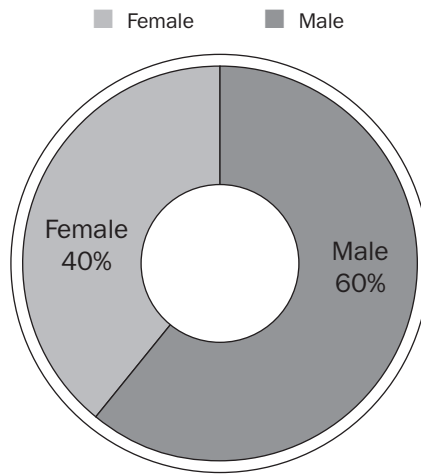
Sustainability Statement

(cont'd)

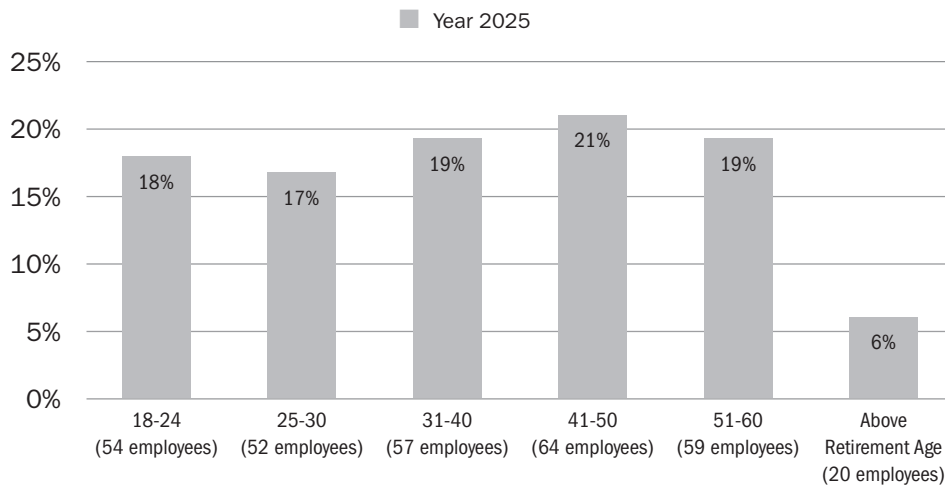
HUMAN CAPITAL (CONT'D)

Diversity, Equity and Inclusion (cont'd)

EMPLOYEE BREAKDOWN BY GENDER FY 2025 (%)



EMPLOYEE BY AGE GROUP (%)

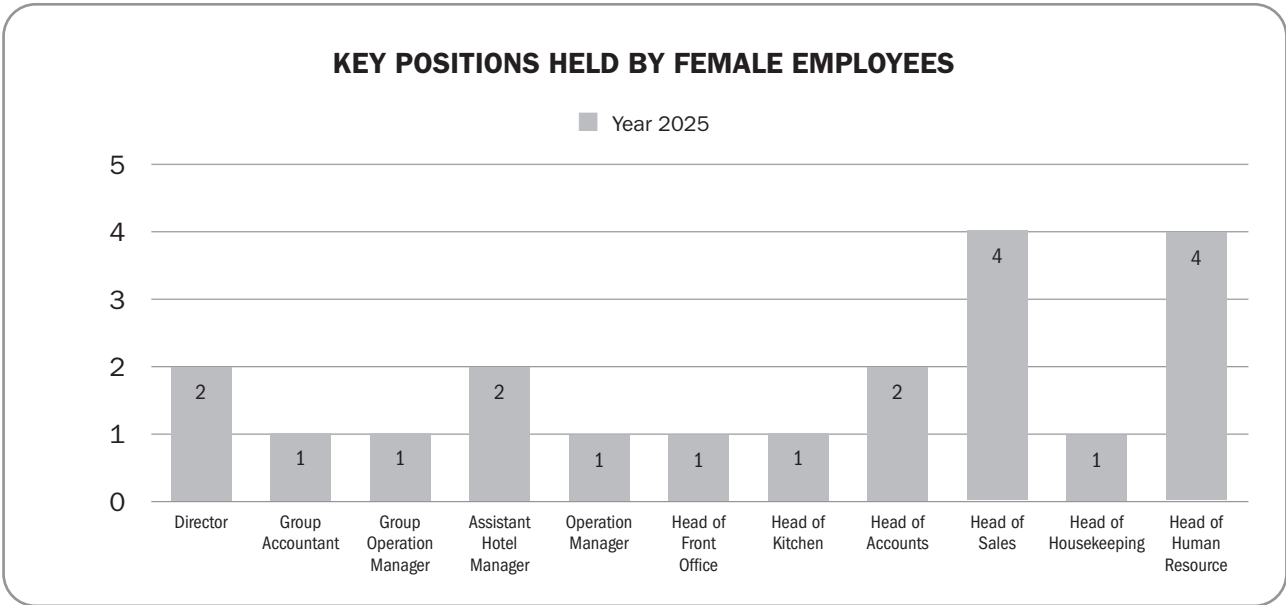


Sustainability Statement

(cont'd)

HUMAN CAPITAL (CONT'D)

Diversity, Equity and Inclusion (cont'd)



SOCIAL OUTREACH

Contributing to Community Development

Whilst gaining public support for our business, the Group also wishes to connect with the local community and give back to society. Throughout the years, GCE Group has been organizing donation drives, sponsoring green tech events and awareness programs such as road safety and road accident prevention.

At GCE, we undertake our corporate social responsibility (“CSR”) initiatives based on the following considerations:

- Impact of project towards the local community;
- Belief in cornerstone principles of family and community welfare; and
- Lasting legacy of the CSR programs.

A committee consisting of senior managers has been tasked with the responsibility to oversee all our CSR initiatives and to conduct meetings periodically to monitor each CSR program as well as to promote accountability towards CSR initiatives.

We are delighted to share that we have carried out fifteen (15) community aid programs and assisted over 1,274 people in need during FY2025. We have invested a total of RM17,864 in these community programs. These CSR initiatives, include but not limited to:

- Charity Collection and Majlis Berbuka Puasa Bersama Pusat Jagaan Kasih Murni;
- Charity Collection and visit to Rumah Kasih Charity Home, Setapak;
- Food Distribution at Seberang Takir Mosque after Friday Prayers;
- Distribution of Bubur Lambuk in conjunction with Ramadhan 2025.

Sustainability Statement

(cont'd)

SOCIAL OUTREACH (CONT'D)

Contributing to Community Development (cont'd)



Sustainability Statement

(cont'd)

MOVING FORWARD

ESG is never static. Change is simply inevitable. Advances in technology, resource management and human resource policies mean that ESG processes and standards will likewise evolve so that quantifiable requirements are set to enable sound management. Truly successful ESG strategies depend on a clear culture and purpose, and a team of people who are committed to meet the goals set for them.

To this end, we strive to meet benchmarks set by Bursa Malaysia but are also committed to doing better. We constantly monitor developments internationally and determine how these can be integrated into our management practices. They ensure that standards of hospitality, comfort and sound environmental practices keep improving.

The core strategic goals in keeping us moving forward are:

- Reducing environmental impact: This could involve goals like lowering carbon emissions, minimizing waste generation, and increasing resource efficiency.
- Promoting social responsibility: This could encompass goals like fostering diversity and inclusion in the workplace, ensuring ethical labor practices, and supporting local communities.
- Enhancing corporate governance: This might involve goals like strengthening transparency and accountability, implementing robust risk management practices, and maintaining ethical business conduct.

Sustainability Statement

(cont'd)

BURSA MALAYSIA SUSTAINABILITY REPORTING CONTENT INDEX

Bursa's Common Sustainability Matters	Bursa's Common Sustainability Indicators	Page
Anti-Corruption	Number of employees who have received training on anti-corruption by employee category	35
	Percentage of operations assessed for corruption-related risks	35
	Confirmed incidents of corruption and action taken	35
Community/Society	Total amount invested in the community where the target beneficiaries are external to the listed Issuer	45
	Total number of beneficiaries of the investment in communities	45
Diversity	Percentage of employees by gender and age group, for each employee category	44
	Number of directors by gender	45
Energy Management	Total Energy Consumption	39
Health and Safety	Number of work-related fatalities	42
	Lost-Time Injury Frequency (LTIF)	42
	Number of employees trained on health and safety standards	42
Labour practices and standards	Total hours of training by employee category	43
	Percentage of employees that are contractors or temporary staff	43
	Total no. of employee turnover by employee category	43
	Number of substantiated complaints concerning human rights violations	43
Supply chain management	Percentage of spending on local suppliers	36
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	35
Water	Total volume of water used	40
Waste management	Total waste generated, and a breakdown of the following: (i) total waste diverted from disposal (tonnes) (ii) total waste directed to disposal (tonnes)	38
Emissions management	Scope 1 emissions in tonnes (tCo ₂ e)	41
	Scope 2 emissions in tonnes (tCo ₂ e)	41
	Scope 3 emissions in tonnes (tCo ₂ e) (at least for the categories of employee commuting)	41

Sustainability Statement

(cont'd)

This CSI Prescribed Table is generated online from Centralised Sustainability Intelligence(CSI) Solution, and is included in this Sustainability Statement as mandated by Bursa Malaysia.

Grand Central Enterprises Bhd
BMLR Transition Period

Date & Time: 2026-03-19_11:13:36
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti-Corruption	Employees who have received training on anti-corruption by employee category	Number	36	-	No assurance
Anti-Corruption	Percentage of operations assessed for corruption-related risks	Percentage	100	-	No assurance
Anti-Corruption	Confirmed incidents of corruption and action taken	Number	0	-	No assurance
Community/Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	17,864	-	No assurance
Community/Society	Total number of beneficiaries of the investment in communities	Number	1,274	-	No assurance
Diversity	Percentage of employees by age group for each employee category (18-24 years old)	Percentage	18	-	No assurance
Diversity	Percentage of employees by age group for each employee category (25-30 years old)	Percentage	17	-	No assurance
Diversity	Percentage of employees by age group for each employee category (31-40 years old)	Percentage	19	-	No assurance
Diversity	Percentage of employees by age group for each employee category (41-50 years old)	Percentage	21	-	No assurance
Diversity	Percentage of employees by age group for each employee category (51-60 years old)	Percentage	19	-	No assurance
Diversity	Percentage of employees by age group for each employee category (Above retirement age)	Percentage	6	-	No assurance

Sustainability Statement

(cont'd)

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Percentage of employees by gender group for each employee category (Male)	Percentage	60	-	No assurance
Diversity	Percentage of employees by gender group for each employee category (Female)	Percentage	40	-	No assurance
Energy Management	Total energy consumption	kWh	9,064,623	-	No assurance
Health and Safety	Number of work-related fatalities	Number	0	-	No assurance
Health and Safety	Lost-Time Injury Rate (LTIR)	Rate	0	-	No assurance
Health and Safety	Number of employees trained on health and safety standards	Number	105	-	No assurance
Labour Practices and Standards	Total hours of training by employee category	Hours	2,425	-	No assurance
Labour Practices and Standards	Total number of employee that are contractors or temporary staff	Percentage	5.2	-	No assurance
Labour Practices and Standards	Total number of employee turnover by employee category	Number	98	-	No assurance
Labour Practices and Standards	Number of substantiated complaints concerning human rights violations	Number	0	-	No assurance
Supply Chain	Percentage of spending on local suppliers	Percentage	100	-	No assurance
Data Privacy and Security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	-	No assurance
Water	Total volume of water used	Cubic meter	134,656	-	No assurance
Waste Management	Total waste generated	Metric tonnes	7,442	-	No assurance
Waste Management	Total waste diverted from disposal	Metric tonnes	7,442	-	No assurance

Sustainability Statement

(cont'd)

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Waste Management	Total waste diverted to disposal	Metric tonnes	0	-	No assurance
Emissions Management	Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	19	-	No assurance
Emissions Management	Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	5,625	-	No assurance
Emissions Management	Scope 3 emissions in tonnes of CO ₂ e (for the categories of business travel and employee commute)	Metric tonnes	237	-	No assurance

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 2025.

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	(3,739,328)	1,583,189
Attributable to:		
Equity holders of the Company	(3,650,013)	
Non-controlling interests	(89,315)	
	<u>(3,739,328)</u>	

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' Report

(cont'd)

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 Teck Lin *
 Tan Eng How *
 Tan Hwa Imm *
 Ling Chee Min
 Lim Beng Weh
 Tan Hwa Lian * (appointed on 8 May 2025)
 Lim Kuan (appointed on 10 July 2025)
 Tan Eng Teong * (retired on 8 May 2025)
 Lim Thian Loong (retired on 8 May 2025)

* Directors of the Company and its subsidiaries

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 Directors or with a firm of which he/she is a member or with a company in which he/she has a substantial financial interest.

The Directors' benefits are as follows:

	Group RM	Company RM
Salaries and other emoluments	949,015	894,348
Defined contribution plans	73,193	66,173
Fees	171,833	171,833
Estimated money value of benefits-in-kind	155,957	155,957
Total Directors' remuneration	1,349,998	1,288,311

Directors' Report

(cont'd)

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

No indemnities have been given or insurance premiums paid during or since the end of the financial year, for any person who is or has been the Director or officer of the Company.

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:

	← Number of ordinary shares →			
	As at 1.1.2025	Bought	Sold	As at 31.12.2025
Direct interests				
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 Teck Lin	147,278,461	–	(113,000)	147,165,461
Tan Eng How	146,193,561	–	(113,000)	146,080,561
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 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 that the Company has an interest.

None of the other Directors in office at the end of the financial year had any interests in the shares of 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.

Directors' Report

(cont'd)

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:
- (i) 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 known bad debts to be written off and that 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.
- (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.

Directors' Report

(cont'd)

AUDITORS

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

The total amount of fees payable to the Auditors of the Group and of the Company for the financial year ended 31 December 2025 amounted to RM197,500 and RM75,000 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 2025.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 13 March 2026.

Tan Hwa Imm

Tan Eng How

STATEMENT BY DIRECTORS

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

We, Tan Hwa Imm 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 62 to 93 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 2025 and of their financial performance and 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 13 March 2026.

Tan Hwa Imm

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 62 to 93 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 **13 March 2026**

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 2025 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 material accounting policies, as set out on pages 62 to 93.

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 2025 and their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 RM122,481,588 and RM50,500,000 respectively are as disclosed in Note 10 to the Financial Statements, which represent approximately 71% of the Group's and 29% 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 the 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 valuer; and
- ii. Obtained an understanding of the methodology adopted by the valuer 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, IFRS Accounting 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group's financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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: 03137/10/2026 J)
CHARTERED ACCOUNTANT

Kuala Lumpur, Malaysia
13 March 2026

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	4	27,865,256	26,804,999	7,590,305	8,261,791
Changes in inventories		36,706	54,743	(36,399)	44,328
Purchase of inventories		(3,551,919)	(3,269,214)	(1,283,590)	(1,236,626)
Finance income		1,134,915	1,230,751	1,134,915	1,230,751
Other income		422,022	379,912	4,214,459	1,517,989
Staff costs	5,6	(13,896,458)	(13,584,482)	(6,074,900)	(5,921,661)
Depreciation	10	(4,733,181)	(6,336,152)	(1,595,797)	(3,181,204)
Other expenses		(13,231,544)	(13,867,046)	(4,580,679)	(5,214,045)
(Reversal)/impairment loss on property, plant and equipment		2,000,000	(20,323,953)	2,000,000	(20,323,953)
Reversal of allowance for impairment of trade receivables		28,031	–	28,031	–
(Loss)/profit before taxation	7	(3,926,172)	(28,910,442)	1,396,345	(24,822,630)
Taxation	8	186,844	5,625,600	186,844	5,622,000
(Loss)/profit net of taxation, representing total comprehensive (loss)/ income for the financial year		(3,739,328)	(23,284,842)	1,583,189	(19,200,630)
Attributable to:					
Equity holders of the Company		(3,650,013)	(23,117,995)		
Non-controlling interests		(89,315)	(166,847)		
		(3,739,328)	(23,284,842)		
Loss per share attributable to equity holders of the Company (sen per share):					
Basic	9	(1.9)	(11.7)		
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 2025

	Note	2025 RM	Group 2024 RM	Company 2025 RM	2024 RM
Assets					
Non-current assets					
Property, plant and equipment	10	131,742,094	130,966,307	53,452,169	51,870,595
Investment in subsidiaries	11	–	–	66,485,458	66,485,458
Total non-current assets		131,742,094	130,966,307	119,937,627	118,356,053
Current assets					
Inventories	12	584,007	547,301	161,854	198,253
Trade receivables	13	593,955	874,259	170,806	254,381
Other receivables	14	2,205,654	3,151,996	17,980,008	15,533,935
Tax recoverable		3,218	3,328	–	–
Deposit with licensed banks	15	33,657,825	34,838,888	33,657,825	34,838,888
Cash and bank balances		4,789,407	6,663,019	1,071,211	2,067,285
Total current assets		41,834,066	46,078,791	53,041,704	52,892,742
Total assets		173,576,160	177,045,098	172,979,331	171,248,795
Equity and liabilities					
Equity attributable to equity holders of the Company					
Share capital	16	199,396,693	199,396,693	199,396,693	199,396,693
Accumulated losses		(34,446,563)	(30,796,550)	(31,217,065)	(32,800,254)
Shareholders' equity		164,950,130	168,600,143	168,179,628	166,596,439
Non-controlling interests		1,022,044	1,111,359	–	–
Total equity		165,972,174	169,711,502	168,179,628	166,596,439
Non-current liability					
Deferred tax liabilities	17	3,250,000	3,406,000	3,250,000	3,406,000
Total non-current liability		3,250,000	3,406,000	3,250,000	3,406,000
Current liabilities					
Trade payables	18	1,103,924	959,891	102,154	83,233
Other payables	19	3,250,062	2,967,705	1,447,549	1,163,123
Total current liabilities		4,353,986	3,927,596	1,549,703	1,246,356
Total liabilities		7,603,986	7,333,596	4,799,703	4,652,356
Total equity and liabilities		173,576,160	177,045,098	172,979,331	171,248,795

The accompanying accounting policies and explanatory information form an integral part of the financial statements

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Group	Share capital RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total equity RM
Opening balance at 1 January 2024	199,396,693	(7,678,555)	191,718,138	1,278,206	192,996,344
Total comprehensive loss for the year	–	(23,117,995)	(23,117,995)	(166,847)	(23,284,842)
Closing balance at 31 December 2024	199,396,693	(30,796,550)	168,600,143	1,111,359	169,711,502
Total comprehensive loss for the year	–	(3,650,013)	(3,650,013)	(89,315)	(3,739,328)
Closing balance at 31 December 2025	199,396,693	(34,446,563)	164,950,130	1,022,044	165,972,174
Company					
Opening balance at 1 January 2024	199,396,693	(13,599,624)	185,797,069	–	185,797,069
Total comprehensive loss for the year	–	(19,200,630)	(19,200,630)	–	(19,200,630)
Closing balance at 31 December 2024	199,396,693	(32,800,254)	166,596,439	–	166,596,439
Total comprehensive income for the year	–	1,583,189	1,583,189	–	1,583,189
Closing balance at 31 December 2025	199,396,693	(31,217,065)	168,179,628	–	168,179,628

The accompanying accounting policies and explanatory information form an integral part of the financial statements

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from operating activities				
(Loss)/profit before taxation	(3,926,172)	(28,910,442)	1,396,345	(24,822,630)
Adjustments for:				
Depreciation	4,733,181	6,336,152	1,595,797	3,181,204
(Reversal)/impairment loss on property, plant and equipment	(2,000,000)	20,323,953	(2,000,000)	20,323,953
Dividend income	–	–	(2,550,000)	–
Finance income	(1,134,915)	(1,230,751)	(1,134,915)	(1,230,751)
Gain on disposal of property, plant and equipment	(659)	–	–	–
Inventories written off	163	6,301	–	–
Property, plant and equipment written off	927	6,284	–	–
Reversal of allowance for impairment of trade receivables	(28,031)	–	(28,031)	–
Operating loss before working capital changes	(2,355,506)	(3,468,503)	(2,720,804)	(2,548,224)
(Increase)/decrease in inventories	(36,869)	(61,044)	36,399	(44,328)
Decrease/(increase) in receivables	1,249,365	(736,319)	(2,339,779)	(3,237,628)
Increase in payables	426,390	137,217	303,347	28,536
Cash used in operations	(716,620)	(4,128,649)	(4,720,837)	(5,801,644)
Tax refunded	30,954	–	30,844	–
Net cash used in operating activities	(685,666)	(4,128,649)	(4,689,993)	(5,801,644)
Cash flows from investing activities				
Finance income received	1,140,227	1,203,581	1,140,227	1,203,581
Placement of deposits with licensed banks	(885,348)	(827,962)	(885,348)	(827,962)
Purchase of property, plant and equipment	(3,510,866)	(1,421,452)	(1,177,371)	(627,186)
Proceeds from disposals of property, plant and equipment	1,630	–	–	–
Net dividend received from a subsidiary	–	–	2,550,000	–
Net cash (used in)/from investing activities	(3,254,357)	(1,045,833)	1,627,508	(251,567)

Statements of Cash Flows

(cont'd)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Net changes in cash and cash equivalents	(3,940,023)	(5,174,482)	(3,062,485)	(6,053,211)
Cash and cash equivalents at beginning of financial year	13,917,811	19,092,293	9,322,077	15,375,288
Cash and cash equivalents at end of financial year (Note A)	9,977,788	13,917,811	6,259,592	9,322,077

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:

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances		4,789,407	6,663,019	1,071,211	2,067,285
Deposits with licensed banks	15	33,657,825	34,838,888	33,657,825	34,838,888
		38,447,232	41,501,907	34,729,036	36,906,173
Less: Deposits with licensed banks for more than 3 months	15	(27,284,444)	(26,399,096)	(27,284,444)	(26,399,096)
Less: Deposits pledged for facility	15	(1,185,000)	(1,185,000)	(1,185,000)	(1,185,000)
Cash and cash equivalents		9,977,788	13,917,811	6,259,592	9,322,077

B. CASH OUTFLOW FOR LEASES AS A LESSEE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<i>Included in net cash used in operating activities:</i>				
Payments relating to short-term leases	42,200	59,400	42,200	59,400

The accompanying accounting policies and explanatory information form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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. 3A, Mezzanine Floor, 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 13 March 2026.

2. SUMMARY OF MATERIAL 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"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared on the historical cost basis and are presented in Ringgit Malaysia ("RM") which is also the functional currency 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 and of the Company's financial statements are disclosed below. The Group and Company intend to adopt these standards if applicable, when they become effective:

Effective for annual periods beginning on or after 1 January 2026:

Amendments to MFRS 9 and MFRS 7 Amendments to the Classification and Measurement of Financial Instruments

Amendments to MFRS 9 and MFRS 7 Amendments to the Financial Instruments and Financial Instruments: Disclosures on Contracts Referencing Nature-dependent Electricity

Amendments that are part of Annual Improvement - Volume 11: Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107 First time Adoption of Malaysian Financial Reporting Standards, Financial Instruments: Disclosures, Financial Instruments, Consolidated Financial Statements and Statement of Cash Flows

Notes to the Financial Statements

(cont'd)

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

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

Effective for annual periods beginning on or after 1 January 2027:

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 19 Subsidiaries without Public Accountability: Disclosures

Amendments to MFRS 19 Subsidiaries without Public Accountability: Disclosures

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency

Deferred to a date to be 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

The initial application of the accounting standards and amendments are not expected to have any material financial impacts in the year of initial application, except for:

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 Presentation and Disclosure in Financial Statements introduces three sets of new requirements to improve Group and Company's reporting of financial performance:

- Improved comparability in the statement of profit or loss (income statement)
- Enhanced transparency of management-defined performance measures
- More useful grouping of information in the financial statements

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. It carries forward many requirements from MFRS 101 unchanged. MFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, but Group and Company can apply it earlier.

The Group and the Company are currently working to identify all impacts the amendments will have on the financial statements and notes to the financial statements.

2.3 Property, plant and equipment and depreciation

(i) Recognition and measurement

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 and 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, if any.

(ii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each component of an item of property, plant and equipment from the date that it is available for use.

Notes to the Financial Statements

(cont'd)

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

2.3 Property, plant and equipment and depreciation (cont'd)

(ii) Depreciation (cont'd)

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

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

2.4 Financial instruments

(i) Financial assets

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

(ii) Financial liabilities

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

2.5 Inventories

Inventories which comprises food, beverages and consumables are stated at the lower of costs (determined on a first-in-first-out basis) and net realisable value.

2.6 Right-of-use assets

(i) Depreciation

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated lives of the assets as follow:-

- Leasehold land - leasehold term of 781 years
- Leasehold buildings - 2%

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

(ii) Short-term leases

The Group and Company apply the short-term leases recognition for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option.

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 the 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 engage independent valuer 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 other than disclosed in the financial statements. The carrying amounts of the Group and of the Company's property, plant and equipment at the reporting date are 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 amounts of buildings of the Group and of the Company at 31 December 2025 are RM103,478,844 (2024: RM104,247,966) and RM42,000,000 (2024: RM40,719,827) 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 RM138,456 (2024: RM219,618) and RM35,991 (2024: RM117,154) of variance in the depreciation expenses and carrying amounts of the buildings of the Group and of the Company.

Notes to the Financial Statements

(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

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 amounts of the Group's and of the Company's plant and equipment at the reporting date are 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.

Notes to the Financial Statements

(cont'd)

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

3.2 Key sources of estimation uncertainty (cont'd)

(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.

4. REVENUE

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from hotel business:				
- Rental of hotel rooms and service apartments	16,101,388	15,297,627	4,020,330	4,515,086
- Sales of food and beverages	10,304,766	10,073,716	3,063,003	3,211,911
- Other related income	682,767	639,643	322,153	329,076
Revenue from other sources:				
- Rental of hotel premises	776,335	794,013	184,819	205,718
	<u>27,865,256</u>	<u>26,804,999</u>	<u>7,590,305</u>	<u>8,261,791</u>
Timing of recognition:				
- Services rendered and goods transferred at a point in time	10,987,533	10,713,359	3,385,156	3,540,987
- Services rendered over time	16,877,723	16,091,640	4,205,149	4,720,804
	<u>27,865,256</u>	<u>26,804,999</u>	<u>7,590,305</u>	<u>8,261,791</u>

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

Notes to the Financial Statements

(cont'd)

5. STAFF COSTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Salaries and other emoluments	9,972,867	9,675,387	3,425,543	3,293,502
EPF	1,112,864	1,097,965	316,692	324,015
Social security costs	158,438	150,892	41,481	39,056
Other staff related expenses	2,652,289	2,660,238	2,291,184	2,265,088
	<u>13,896,458</u>	<u>13,584,482</u>	<u>6,074,900</u>	<u>5,921,661</u>

Included in staff costs of the Group and of the Company is Executive Directors' remuneration as disclosed further in Note 6.

6. DIRECTORS' REMUNERATION

Included in staff costs of the Group and of the Company amounted to RM1,194,041 (2024:RM1,178,425) and RM1,132,354 (2024:RM1,116,738).

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Executive:				
Salaries and other emoluments	949,015	952,725	894,348	898,058
EPF	73,193	70,700	66,173	63,680
Total Executive Directors' remuneration included in staff costs	<u>1,022,208</u>	<u>1,023,425</u>	<u>960,521</u>	<u>961,738</u>
Executive Directors' fees	119,333	110,000	119,333	110,000
Total Executive Directors' remuneration (excluding benefits-in-kind)	<u>1,141,541</u>	<u>1,133,425</u>	<u>1,079,854</u>	<u>1,071,738</u>
Non-executive:				
Fees, representing total Non-executive Directors' remuneration	52,500	45,000	52,500	45,000
Total Directors' remuneration (excluding benefits-in-kind)	<u>1,194,041</u>	<u>1,178,425</u>	<u>1,132,354</u>	<u>1,116,738</u>
Estimated money value of benefits-in-kind	155,957	141,550	155,957	141,550
Total Directors' remuneration (including benefits-in-kind)	<u>1,349,998</u>	<u>1,319,975</u>	<u>1,288,311</u>	<u>1,258,288</u>

Notes to the Financial Statements

(cont'd)

7. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is stated after charging:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Short-term leases - Hostel rental	42,200	59,400	42,200	59,400

8. TAXATION

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current income tax:				
Overprovision in prior year	(30,844)	–	(30,844)	–
Deferred tax (Note 17):				
Relating to origination and reversal of temporary differences	(183,000)	(5,696,000)	(183,000)	(5,696,000)
Underprovision in prior years	27,000	70,400	27,000	74,000
	(156,000)	(5,625,600)	(156,000)	(5,622,000)
Total	(186,844)	(5,625,600)	(186,844)	(5,622,000)

There was 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% (2024: 24%) of the estimated assessable profit for the year.

Notes to the Financial Statements

(cont'd)

8. TAXATION (CONT'D)

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		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
(Loss)/profit before taxation	(3,926,172)	(28,910,442)	1,396,345	(24,822,630)
Taxation at Malaysian statutory tax rate of 24% (2024: 24%)	(942,281)	(6,938,506)	335,123	(5,957,431)
Income not subject to tax	–	–	(612,000)	–
Expenses not deductible for tax purposes	302,281	493,306	93,877	261,431
Movement of deferred tax assets not recognised	457,000	749,200	–	–
Underprovision of deferred tax in prior years	27,000	70,400	27,000	74,000
Over provision of income tax in prior year	(30,844)	–	(30,844)	–
	(186,844)	(5,625,600)	(186,844)	(5,622,000)

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	
	2025	2024
Net loss attributable to equity holders of the Company (RM)	(3,650,013)	(23,117,995)
Weighted average number of ordinary shares in issue	197,002,000	197,002,000
Basic loss per share (sen)	(1.9)	(11.7)

(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.

Notes to the Financial Statements

(cont'd)

10. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land* RM	Freehold and leasehold buildings* RM	Leasehold land* RM	Other assets RM	Crockeries, kitchenware and linen RM	Motor vehicles RM	Total RM
At 31 December 2025							
Cost							
At 1 January 2025	14,229,762	207,964,761	4,881,569	60,333,983	8,214,362	2,067,298	297,691,735
Additions	-	-	-	3,161,695	116,129	233,042	3,510,866
Disposals	-	-	-	(24,716)	-	-	(24,716)
Written off	-	-	-	(51,158)	-	-	(51,158)
At 31 December 2025	14,229,762	207,964,761	4,881,569	63,419,804	8,330,491	2,300,340	301,126,727
Accumulated depreciation							
At 1 January 2025	-	83,392,842	102,338	52,836,726	8,070,947	1,998,622	146,401,475
Charge for the year	-	2,769,122	6,249	1,840,822	104,066	12,922	4,733,181
Disposals	-	-	-	(23,745)	-	-	(23,745)
Written off	-	-	-	(50,231)	-	-	(50,231)
At 31 December 2025	-	86,161,964	108,587	54,603,572	8,175,013	2,011,544	151,060,680
Accumulated impairment loss							
At 1 January 2025	-	20,323,953	-	-	-	-	20,323,953
Reversal for the year	-	(2,000,000)	-	-	-	-	(2,000,000)
At 31 December 2025	-	18,323,953	-	-	-	-	18,323,953
Net carrying amount							
At 31 December 2025	14,229,762	103,478,844	4,772,982	8,816,232	155,478	288,796	131,742,094

Notes to the Financial Statements

(cont'd)

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

Group (cont'd)	Freehold land* RM	Freehold and leasehold buildings* RM	Leasehold land* RM	Other assets RM	Crockeries, kitchenware and linen RM	Motor vehicles RM	Total RM
At 31 December 2024							
Cost							
At 1 January 2024	14,229,762	207,964,761	4,881,569	59,226,683	8,082,399	2,067,298	296,452,472
Additions	-	-	-	1,286,587	134,865	-	1,421,452
Written off	-	-	-	(179,287)	(2,902)	-	(182,189)
At 31 December 2024	14,229,762	207,964,761	4,881,569	60,333,983	8,214,362	2,067,298	297,691,735
Accumulated depreciation							
At 1 January 2024	-	79,000,477	96,089	51,170,336	7,984,742	1,989,584	140,241,228
Charge for the year	-	4,392,365	6,249	1,839,504	88,996	9,038	6,336,152
Written off	-	-	-	(173,114)	(2,791)	-	(175,905)
At 31 December 2024	-	83,392,842	102,338	52,836,726	8,070,947	1,998,622	146,401,475
Accumulated impairment loss							
At 1 January 2024	-	-	-	-	-	-	-
Impairment loss for the financial year	-	20,323,953	-	-	-	-	20,323,953
At 31 December 2024	-	20,323,953	-	-	-	-	20,323,953
Net carrying amount							
At 31 December 2024	14,229,762	104,247,966	4,779,231	7,497,257	143,415	68,676	130,966,307

Notes to the Financial Statements

(cont'd)

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

	Freehold land* RM	Freehold building* RM	Other assets RM	Crockeries, kitchenware and linen RM	Motor vehicles RM	Total RM
Company						
At 31 December 2025						
Cost						
At 1 January 2025	8,500,000	105,500,000	23,878,755	1,629,314	1,163,830	140,671,899
Additions	-	-	944,329	-	233,042	1,177,371
At 31 December 2025	8,500,000	105,500,000	24,823,084	1,629,314	1,396,872	141,849,270
Accumulated depreciation						
At 1 January 2025	-	44,456,220	21,239,062	1,618,239	1,163,830	68,477,351
Charge for the year	-	719,827	862,334	9,752	3,884	1,595,797
At 31 December 2025	-	45,176,047	22,101,396	1,627,991	1,167,714	70,073,148
Accumulated impairment loss						
At 1 January 2025	-	20,323,953	-	-	-	20,323,953
Reversal for the year	-	(2,000,000)	-	-	-	(2,000,000)
At 31 December 2025	-	18,323,953	-	-	-	18,323,953
Net carrying amount						
At 31 December 2025	8,500,000	42,000,000	2,721,688	1,323	229,158	53,452,169

Notes to the Financial Statements

(cont'd)

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

	Freehold land* RM	Freehold building* RM	Other assets RM	Crockeries, kitchenware and linen RM	Motor vehicles RM	Total RM
Company (cont'd)						
At 31 December 2024						
Cost						
At 1 January 2024	8,500,000	105,500,000	23,377,879	1,629,314	1,163,830	140,171,023
Additions	-	-	627,186	-	-	627,186
Written off	-	-	(126,310)	-	-	(126,310)
At 31 December 2024	8,500,000	105,500,000	23,878,755	1,629,314	1,163,830	140,671,899
Accumulated depreciation						
At 1 January 2024	-	42,113,150	20,546,302	1,599,175	1,163,830	65,422,457
Charge for the year	-	2,343,070	819,070	19,064	-	3,181,204
Written off	-	-	(126,310)	-	-	(126,310)
At 31 December 2024	-	44,456,220	21,239,062	1,618,239	1,163,830	68,477,351
Accumulated impairment loss						
At 1 January 2024	-	-	-	-	-	-
Impairment loss for the financial year	-	20,323,953	-	-	-	20,323,953
At 31 December 2024	-	20,323,953	-	-	-	20,323,953
Net carrying amount						
At 31 December 2024	8,500,000	40,719,827	2,639,693	11,075	-	51,870,595

* Freehold land, freehold and leasehold buildings and leasehold land are collectively known as hotel properties

Notes to the Financial Statements

(cont'd)

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

An impairment loss had been recognised in the preceding financial year as a result of the market value of the freehold building was lower than its net carrying amount. At the reporting date, the market value of the freehold building was higher than the Company's net carrying amount which resulted in a reversal of impairment loss recognised in prior year.

Fair value of the freehold building is estimated using observable inputs from similar assets or market data that can be directly/indirectly observed and categorised under Level 2 of the fair value hierarchy.

The fair value of the freehold building is determined by an external independent property valuer, having appropriate recognised professional qualifications and experience in the location and category of property being valued. The market value was determined using Comparison method.

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

Group	Carrying amounts included in property, plant and equipment RM	Depreciation charged for the financial year RM	Additions RM
Right-of-use assets			
Leasehold land			
- 31 December 2025	4,772,982	6,249	-
- 31 December 2024	4,779,231	6,249	-
Leasehold buildings			
- 31 December 2025	21,279,198	709,306	-
- 31 December 2024	21,988,504	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	
	2025 RM	2024 RM
Unquoted shares, at cost	67,364,783	67,364,783
Less: impairment loss for investment in subsidiaries	(879,325)	(879,325)
	<u>66,485,458</u>	<u>66,485,458</u>

Notes to the Financial Statements

(cont'd)

11. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Name of company	Equity interest		Principal activities
	2025 %	2024 %	
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, Grand Island Hotel (Langkawi) Sdn. Bhd. is 13.64% (2024: 13.64%).

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

	2025 RM	2024 RM
(i) Summarised statement of financial position		
Non-current assets	10,319,628	10,641,297
Current assets	599,308	919,427
Total assets	<u>10,918,936</u>	<u>11,560,724</u>
Current/total liabilities	<u>3,427,042</u>	<u>3,413,839</u>
Equity attributable to owners of the Company	6,469,850	7,035,526
Equity attributable to non-controlling interests	1,022,044	1,111,359
Total equity	<u>7,491,894</u>	<u>8,146,885</u>

Notes to the Financial Statements

(cont'd)

11. INVESTMENT IN SUBSIDIARIES (CONT'D)

	2025 RM	2024 RM
(ii) Summarised statement of comprehensive income		
Revenue	2,093,382	1,353,005
Net loss for the year, representing total comprehensive loss	(654,991)	(1,223,576)
Net loss attributable to owners of the Company	(565,676)	(1,056,729)
Net loss attributable to non-controlling interests	(89,315)	(166,847)
	2025 RM	2024 RM
(iii) Summarised statement of cash flows		
Cash flows from/(used in):		
Operating activities	57,965	237,055
Investing activities	(59,860)	(45,621)
	2025 RM	2024 RM
Net (decrease)/increase in cash and cash equivalents	(1,895)	191,434

12. INVENTORIES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
At cost:				
Food and beverages	138,296	105,790	29,579	16,080
Consumables	445,711	441,511	132,275	182,173
	584,007	547,301	161,854	198,253
Recognised in profit or loss:				
Cost of inventories recognised	3,515,213	3,214,471	1,319,989	1,192,298
Inventories written off	163	6,301	-	-

Notes to the Financial Statements

(cont'd)

13. TRADE RECEIVABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Third parties	593,955	902,290	170,806	282,412
Less: Allowance of expected credit losses				
Balance b/f	(28,031)	(28,031)	(28,031)	(28,031)
Reversal during the year	28,031	–	28,031	–
Balance c/f	–	(28,031)	–	(28,031)
Trade receivables, net	593,955	874,259	170,806	254,381

The Group's and the Company's normal trade credit terms are 30 to 90 (2024: 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	
	2025 RM	2024 RM	2025 RM	2024 RM
Neither past due nor impaired	241,054	145,309	18,192	2,651
1 to 30 days past due but not impaired	67,011	220,536	26,820	71,026
31 to 60 days past due but not impaired	51,773	250,116	11,702	19,997
61 to 90 days past due but not impaired	68,566	15,157	29,166	10,560
More than 90 days past due but not impaired	165,551	243,141	84,926	150,147
Total past due but not impaired	352,901	728,950	152,614	251,730
Credit impaired	–	28,031	–	28,031
	593,955	902,290	170,806	282,412

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 RM352,901 (2024: RM728,950) and RM152,614 (2024: RM251,730) 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 recoverable. The receivables that are past due but not impaired are unsecured in nature.

14. OTHER RECEIVABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Due from affiliated companies	231,192	275,076	228,348	272,978
Due from subsidiaries	–	–	16,737,977	14,169,643
Deposits	170,950	583,663	77,556	87,132
Prepayments	529,563	772,180	123,055	142,797
Rental receivable	352,171	387,892	211,888	247,288
Interest receivable	759,272	764,584	759,272	764,584
Sundry receivables	162,506	368,601	12,185	19,786
	<u>2,205,654</u>	<u>3,151,996</u>	<u>18,150,281</u>	<u>15,704,208</u>
Less: Allowance of expected credit losses	–	–	(170,273)	(170,273)
	<u>2,205,654</u>	<u>3,151,996</u>	<u>17,980,008</u>	<u>15,533,935</u>

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

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 (2024: RM170,273) have been impaired as these relate to unsecured advances to a subsidiary, Grand Central Trans-Services Sdn. Bhd. which had negative net tangible assets in the current and previous financial years.

Other receivables that are impaired

There is no movement of the allowance account used to record the credit losses during the financial year.

Notes to the Financial Statements

(cont'd)

15. DEPOSITS WITH LICENSED BANKS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Deposits with licensed banks	33,657,825	34,838,888	33,657,825	34,838,888
Add: Cash and bank balances	4,789,407	6,663,019	1,071,211	2,067,285
Trade receivables	593,955	874,259	170,806	254,381
Other receivables, excluding prepayments	1,676,091	2,379,816	17,856,953	15,391,138
Total financial assets at amortised cost	<u>40,717,278</u>	<u>44,755,982</u>	<u>52,756,795</u>	<u>52,551,692</u>

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

	2025	2024
Interest rates per annum (%)	2.75 - 3.35	2.90 - 3.35
Maturities (days)	<u>31 - 365</u>	<u>31 - 365</u>

The deposits with licensed banks which have maturity periods of more than 3 months but not more than one year amounted to RM27,284,444 (2024: RM26,399,096). Included in deposits with licensed banks which have maturity periods of less than 3 months are RM1,185,000 (2024: RM1,185,000) that are pledged to secure bank guarantee facility granted to the Group and the Company.

16. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2025 Units	2024 Units	2025 RM	2024 RM
Issued and fully paid with no par value:				
At 1 January/31 December	<u>197,002,000</u>	<u>197,002,000</u>	<u>199,396,693</u>	<u>199,396,693</u>

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.

Notes to the Financial Statements

(cont'd)

17. DEFERRED TAX LIABILITIES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
At 1 January	3,406,000	9,031,600	3,406,000	9,028,000
Recognised in profit or loss (Note 8)	(156,000)	(5,625,600)	(156,000)	(5,622,000)
At 31 December	<u>3,250,000</u>	<u>3,406,000</u>	<u>3,250,000</u>	<u>3,406,000</u>

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Deferred tax assets	(12,128,000)	(11,283,000)	(5,408,000)	(4,786,000)
Deferred tax liabilities	15,378,000	14,689,000	8,658,000	8,192,000
	<u>3,250,000</u>	<u>3,406,000</u>	<u>3,250,000</u>	<u>3,406,000</u>

Notes to the Financial Statements

(cont'd)

17. DEFERRED TAX LIABILITIES (CONT'D)

Deferred tax assets:

	Unused tax losses, unabsorbed capital and investment tax allowances		Other deductible temporary differences		Total	
	Group RM	Company RM	Group RM	Company RM	Group RM	Company RM
At 1 January 2025	(11,182,000)	(4,766,000)	(101,000)	(20,000)	(11,283,000)	(4,786,000)
Recognised in profit or loss	(822,000)	(581,000)	(23,000)	(41,000)	(845,000)	(622,000)
At 31 December 2025	(12,004,000)	(5,347,000)	(124,000)	(61,000)	(12,128,000)	(5,408,000)
At 1 January 2024	(11,053,400)	(4,468,000)	(102,000)	(23,000)	(11,155,400)	(4,491,000)
Recognised in profit or loss	(128,600)	(298,000)	1,000	3,000	(127,600)	(295,000)
At 31 December 2024	(11,182,000)	(4,766,000)	(101,000)	(20,000)	(11,283,000)	(4,786,000)

Deferred tax liabilities:

	Hotel properties		Other assets		Total	
	Group RM	Company RM	Group RM	Company RM	Group RM	Company RM
At 1 January 2025	14,312,000	8,190,000	377,000	2,000	14,689,000	8,192,000
Recognised in profit or loss	635,000	468,000	54,000	(2,000)	689,000	466,000
At 31 December 2025	14,947,000	8,658,000	431,000	-	15,378,000	8,658,000
At 1 January 2024	19,782,000	13,519,000	405,000	-	20,187,000	13,519,000
Recognised in profit or loss	(5,470,000)	(5,329,000)	(28,000)	2,000	(5,498,000)	(5,327,000)
At 31 December 2024	14,312,000	8,190,000	377,000	2,000	14,689,000	8,192,000

Notes to the Financial Statements

(cont'd)

17. DEFERRED TAX LIABILITIES (CONT'D)

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

	Group	
	2025 RM	2024 RM
Unused tax losses	14,423,000	12,015,000
Unabsorbed capital allowances	593,000	593,000
Unabsorbed investment tax allowances	13,758,000	14,266,000
Other deductible temporary differences	62,000	57,000
	28,836,000	26,931,000

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 the 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	
	2025 RM	2024 RM
Year of assessment 2028	6,254,000	6,459,000
Year of assessment 2029	136,000	136,000
Year of assessment 2030	587,000	587,000
Year of assessment 2031	80,000	80,000
Year of assessment 2032	593,000	67,000
Year of assessment 2033	2,475,000	2,228,000
Year of assessment 2034	2,449,000	2,458,000
Year of assessment 2035	1,849,000	-
	14,423,000	12,015,000

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 (2024: 30 to 90) days.

Notes to the Financial Statements

(cont'd)

19. OTHER PAYABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Due to an affiliated company	47,315	21,309	–	–
SST payable	261,082	294,129	93,850	79,505
Sundry payables	1,274,774	1,126,555	753,317	559,856
Provisions	353,129	346,099	141,403	86,864
Accruals	1,313,762	1,179,613	458,979	436,898
	<u>3,250,062</u>	<u>2,967,705</u>	<u>1,447,549</u>	<u>1,163,123</u>
Add: Trade payables	1,103,924	959,891	102,154	83,233
Less: SST payable	(261,082)	(294,129)	(93,850)	(79,505)
Provisions	(353,129)	(346,099)	(141,403)	(86,864)
	<u>3,739,775</u>	<u>3,287,368</u>	<u>1,314,450</u>	<u>1,079,987</u>

The amount due to an affiliated company of the Group is non-trade, unsecured, interest-free and repayable on demand. Further details of related party transactions are disclosed in Note 20.

20. SIGNIFICANT RELATED PARTIES TRANSACTIONS

Significant 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	
	2025 RM	2024 RM	2025 RM	2024 RM
Management fees received/ receivable from an affiliated company	72,000	72,000	72,000	72,000
Management fees received/ receivable from subsidiaries	–	–	1,541,398	1,414,987
Dividend received from a subsidiary	–	–	2,550,000	–
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	42,200	59,400	42,200	59,400

Notes to the Financial Statements

(cont'd)

20. SIGNIFICANT RELATED PARTIES TRANSACTIONS (CONT'D)

Significant transactions with related parties (cont'd)

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 (cont'd) :

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Payment on behalf for subsidiary companies	–	–	328,291	305,058
Advances to subsidiary companies	–	–	2,095,000	2,397,000

The Directors of the Group and of the Company are of the opinion that the above transactions were 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		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Salaries and other emoluments	1,899,187	1,928,617	1,383,553	1,371,650
EPF	147,382	151,755	103,185	99,920
	<u>2,046,569</u>	<u>2,080,372</u>	<u>1,486,738</u>	<u>1,471,570</u>

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 6.

21. CAPITAL COMMITMENTS

Capital commitments as at the reporting date are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Approved and contracted for: Acquisition of property, plant and equipment	262,201	785,570	–	–

Notes to the Financial Statements

(cont'd)

22. 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.

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 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 years, the Group's policy that no trading in derivative financial instruments shall be undertaken.

(a) 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 result 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.

Notes to the Financial Statements

(cont'd)

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

(a) Credit risk (cont'd)

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 (2024: 11%) and 45% (2024: 44%) of the trade receivables are due from nil (2024: one) and three (2024: three) 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.

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

(b) Liquidity and cash flows risks

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all repayments and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash equivalents 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.

Notes to the Financial Statements

(cont'd)

24. 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.

25. 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.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-First (“41st”) Annual General Meeting (“AGM”) of the Company will be held at the Grand Hall, 10th Floor, Hotel Grand Continental, Jalan Belia/Jalan Raja Laut, 50350 Kuala Lumpur on Tuesday, 28 April 2026 at 9.30 a.m. to transact the following businesses:

1. To receive the Audited Financial Statements for the year ended 31 December 2025 together with the Reports of Directors’ and Auditors’ thereon. **[Refer to Explanatory Note (i)]**
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)**
 - b) Ling Chee Min **(Resolution 2)**
3. To re-elect the following directors who retire in accordance with Clause 82 of the Company’s Constitution, being eligible, offer themselves for re-election:
 - a) Tan Hwa Lian **(Resolution 3)**
 - b) Lim Kuan **(Resolution 4)**
4. To approve the payment of Directors’ fees of RM172,000 and other benefits of up to RM400,000 for the period from 29 April 2026 until the next AGM. **(Resolution 5)**
5. To consider, and if thought fit, to pass the following resolution: **(Resolution 6)**

“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.”
6. To transact any other business for which due notice shall have been given.

BY ORDER OF THE BOARD

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

Company Secretaries

Kuala Lumpur,
30 March 2026

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. 3A, Mezzanine Floor, Jalan Ipoh Kecil, 50350 Kuala Lumpur, at least forty-eight (48) hours before the time for holding the meeting or at any adjournment thereof.*
6. *Depositor whose name appears on the Record of Depositors as at 21 April 2026 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 41st 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.

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 the Company's Constitution at the 41st Annual General Meeting of the Company are as follows:

- a) Tan Eng How (Clause 76)
- b) Ling Chee Min (Clause 76)
- c) Tan Hwa Lian (Clause 82)
- d) Lim Kuan (Clause 82)

2. The profiles of Directors standing for re-election are set out on pages 8 to 10 of this Annual Report 2025.

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 2025.

4. Details of the Forty-First Annual General Meeting

Date	Time	Place
28 April 2026	9.30 a.m.	Grand Hall, 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	39	50,500
Lot 3818 Bandar Kuah District of Langkawi Kedah	Hotel Grand Continental Langkawi	Freehold	2,558.00	33	10,047
Lot 2, Section 20 Town of Kuantan District of Kuantan Pahang	Hotel Grand Continental Kuantan	Freehold	6,108.00	31	19,298
Lot 322, Section 46 Kuching Town Land District Sarawak	Hotel Grand Continental Kuching	Long Term Leasehold	4,160.00	30	26,052
Lot 4731 Town and District of Kuala Terengganu Terengganu	Hotel Grand Continental Kuala Terengganu	Freehold	2,768.00	29	16,585

ANALYSIS OF SHAREHOLDINGS

AS AT 27 FEBRUARY 2026

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders		No. of Shares	
		%		%
1 - 99	139	4.21	3,894	0.00
100 - 1,000	1,182	35.85	1,084,508	0.55
1,001 - 10,000	1,658	50.29	6,044,965	3.07
10,001 - 100,000	267	8.10	7,075,272	3.59
100,001 - 9,850,099 (Less than 5% of issued shares)	49	1.49	36,740,800	18.65
9,850,100 and above (5% and above of issued shares)	2	0.06	146,052,561	74.14
Total	3,297	100.00	197,002,000	100.00

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

Directors	No. of Shares			
	Direct	%	Indirect	%
Tan Teck Lin	13,000	0.01	147,165,461 ⁽²⁾	74.70
Tan Eng How	32,000	0.02	146,080,561 ⁽¹⁾	74.15
Tan Hwa Imm	80,000	0.04	998,900 ⁽³⁾	0.51
Tan Hwa Lian	557,000	0.28	13,000 ⁽⁶⁾	0.01
Ling Chee Min	-	-	-	-
Lim Beng Weh	-	-	-	-
Lim Kuan	-	-	-	-

SUBSTANTIAL HOLDINGS (AS PER REGISTER OF SUBSTANTIAL HOLDINGS)

Substantial Shareholders	No. of Shares			
	Direct	%	Indirect	%
Tan Chee Hoe & Sons Sdn. Bhd.	99,187,718	50.35	46,864,843 ⁽⁴⁾	23.79
Hotel Grand Central Limited	46,864,843	23.79	-	-
Tan Eng Teong Holdings Sdn. Bhd.	-	-	146,052,561 ⁽⁵⁾	74.14
Tan Teck Lin Holdings Sdn. Bhd.	311,000	0.16	146,052,561 ⁽⁵⁾	74.14
Aditan Holdings Sdn. Bhd.	-	-	146,052,561 ⁽⁵⁾	74.14
Bizest Sdn. Bhd.	-	-	146,052,561 ⁽⁵⁾	74.14
Tan Eng Teong	13,000	0.01	146,656,561 ⁽¹⁾	74.44
Tan Teck Lin	13,000	0.01	147,165,461 ⁽²⁾	74.70
Tan Eng How	32,000	0.02	146,080,561 ⁽¹⁾	74.15
Tan Eng Sin	2,000	-	146,110,561 ⁽¹⁾	74.17

- (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.

Analysis of Shareholdings

AS AT 27 FEBRUARY 2026

(cont'd)

LIST OF THIRTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1.	Tan Chee Hoe & Sons Sdn. Bhd.	99,187,718	50.35
2.	Hotel Grand Central Limited	46,864,843	23.79
3.	Mercsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Siow Wong Yen @ Siow Kwang Hwa	6,014,000	3.05
4.	Mercsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Siow Wong Yen @ Siow Kwang Hwa	3,736,000	1.90
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	1,923,800	0.98
10.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chelliah Holdings Sdn Bhd (SRB/PDN/NPS)	1,000,000	0.51
11.	Vun Shui Moi @ Vun Siew Moi	982,900	0.50
12.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chin Kiam Hsung	910,400	0.46
13.	Maybank Securities Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Ching Ching	907,500	0.46
14.	Kenanga Nominees (Tempatan) Sdn Bhd - Chin Kiam Hsung	567,500	0.29
15.	Tan Hwa Lian	557,000	0.28
16.	Ng Poh Cheng	547,900	0.28
17.	Cheng Hon Sang	544,200	0.28
18.	Lok Eng Kiat	451,300	0.23
19.	Liew Tzen Hsiung	437,500	0.22
20.	Lim Kian Huat	420,500	0.21
21.	Cheng Hon Sang	374,300	0.19
22.	Tan Teck Lin Holdings Sdn Bhd	311,000	0.16
23.	Weh Dah Sdn Bhd	310,000	0.16
24.	Ooi Li Ying	308,900	0.15
25.	Ng Poh Cheng	296,400	0.15
26.	Siow Wei Sheng	287,300	0.14
27.	Chwa Eng Wan	279,000	0.14
28.	Siow Yuen Seng	278,000	0.14
29.	Chin Sin Lin	274,800	0.14
30.	Tan Hwa Kheong	268,000	0.14
	Total	179,366,061	91.05

This page has been intentionally left blank



FORM OF PROXY

GRAND CENTRAL ENTERPRISES BHD.

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

I/We _____ NRIC/Passport/Company No. _____

CDS Account No. _____ No. of Shares held _____

being a member of **GRAND CENTRAL ENTERPRISES BHD.**, hereby appoint:

Proxy 1			
Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email	Contact No.		

and/or (delete as appropriate)

Proxy 2			
Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email	Contact No.		

as my/our proxy to vote for me/us and on my/our behalf at the FORTY-FIRST (“41st”) ANNUAL GENERAL MEETING (“AGM”) of the Company to be held at the Grand Hall, 10th Floor, Hotel Grand Continental, Jalan Belia/Jalan Raja Laut, 50350 Kuala Lumpur on Tuesday, 28 April 2026 at 9.30 a.m. and at any adjournment thereof.

My / our proxy is to vote as indicated hereunder.

	Resolutions	For	Against
Resolution 1	To re-elect Tan Eng How		
Resolution 2	To re-elect Ling Chee Min		
Resolution 3	To re-elect Tan Hwa Lian		
Resolution 4	To re-elect Lim Kuan		
Resolution 5	To approve the payment of Directors’ fees of RM172,000 and other benefits of up to RM400,000 for the period from 29 April 2026 until the next AGM.		
Resolution 6	To appoint Messrs Grant Thornton Malaysia PLT and to authorise the directors to fix their remuneration.		

Dated this _____ day of _____, 2026.

Signature/Common Seal of Shareholder



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. 3A, Mezzanine Floor, Jalan Ipoh Kecil, 50350 Kuala Lumpur, at least forty-eight (48) hours before the time for holding the meeting or at any adjournment thereof.
6. Depositor whose name appears on the Record of Depositors as at 21 April 2026 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 the Notice of 41st AGM shall be put to vote by poll.

1st Fold Here

AFFIX
STAMP

The Company Secretary
GRAND CENTRAL ENTERPRISES BHD.
No. 3A, Mezzanine Floor,
Jalan Ipoh Kecil,
50350 Kuala Lumpur

2nd Fold Here

Fold This Flap For Sealing



**GRAND HOTELS
INTERNATIONAL**
A S I A • P A C I F I C



**HOTEL GRAND
CONTINENTAL**

MALAYSIA



HOTEL GRAND CENTRAL

SINGAPORE , CHINA



**HOTEL GRAND
CHANCELLOR**

AUSTRALIA , NEW ZEALAND



**HOTEL GRAND
CRYSTAL**

MALAYSIA



**HOTEL
CHANCELLOR**

@Orchard
SINGAPORE

**T H E
CHANCELLOR**

AUSTRALIA



MALAYSIA

Grand Central Enterprises Bhd
10th Floor, Hotel Grand Continental, Jalan Belia/Jalan Raja Laut,
50350 Kuala Lumpur, Malaysia

Tel : +603 2698 8999

Fax : +603 2692 0914

Email : admgr@ghihotels.com.my

KUALA LUMPUR KUALA TERENGGANU KUCHING KUANTAN LANGKAWI ALOR SETAR



SINGAPORE

Grand Central Management (S) Pte Ltd
c/o Hotel Grand Central
No. 22 Cavenagh Road, Singapore 229617

Tel : +65 6737 9944

Fax : +65 6733 3175

Email : hqadmin@ghihotels.com.sg



AUSTRALIA

Grand Central Management (Australia) Pty Ltd
c/o Grand Central Management (NZ) Limited
Level 2, James Cook Mini Tower, 294-296 Lambton Quay
Wellington 6011, New Zealand

Tel : +64 (04) 473 8607

Email : grpgm@ghi-hotels.com



NEW ZEALAND

Grand Central Management (NZ) Limited
Level 2, James Cook Mini Tower, 294-296 Lambton Quay
Wellington 6011, New Zealand

Tel : +64 (04) 473 8607

Email : grpgm@ghi-hotels.com