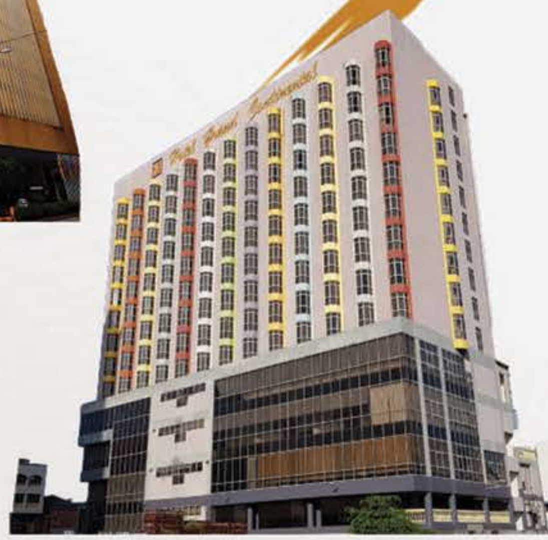
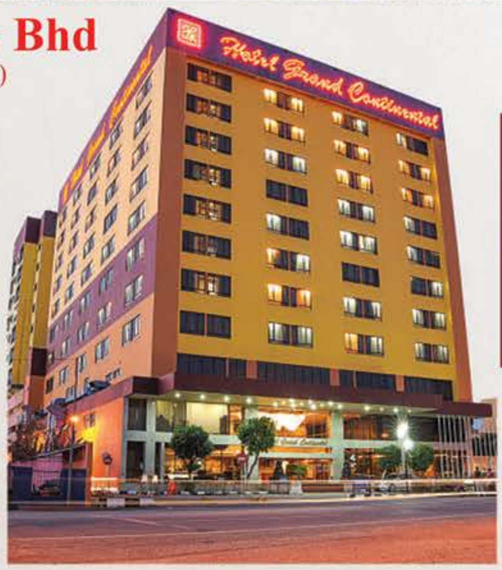


Grand Central Enterprises Bhd

Registration No.198401019138 (131696-V)

(Incorporated in Malaysia)



ANNUAL REPORT 2020

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Eng Teong
(Executive Chairman)

Tan Teck Lin
(Deputy Executive Chairman cum Managing Director)

Tan Eng How
(Executive Director)

Tan Hwa Imm
(Executive Director)

Wong Tow Cheong
(Independent Non-Executive Director)

Lee Wai Kuen
(Independent Non-Executive Director)

Lim Thian Loong
(Independent Non-Executive Director)

Tan Hwa Lian
(Alternate Director to Tan Eng Teong)

AUDIT COMMITTEE

Chairman
Wong Tow Cheong
(Independent Non-Executive Director)

Members
Lee Wai Kuen
(Independent Non-Executive Director)

Lim Thian Loong
(Independent Non-Executive Director)

COMPANY SECRETARIES

Tan Kok Aun (SSM PC NO. 201908003805) (MACS 01564)
Nip Chee Sien (SSM PC NO. 202008003954) (MAICSA 7066996)

REGISTERED OFFICE

No. 1 & 1A, 2nd Floor (Room 2)
Jalan Ipoh Kecil
50350 Kuala Lumpur
Tel : 03-40435750 Fax : 03-40435755

REGISTRAR

Securities Services (Holdings) Sdn. 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

Chooi & Company + Cheang & Ariff
39 COURT @ Loke Mansion
No. 273 A, Jalan Medan Tuanku
50300 Kuala Lumpur
Tel : 03-26910803 Fax : 03-26934475

BANKERS

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

STOCK EXCHANGE LISTING

The Main Market of Bursa Malaysia Securities Berhad

CORPORATE STRUCTURE

GRAND CENTRAL ENTERPRISES BHD.

- 100%
  GRAND CENTRAL ENTERPRISES (TRENGGANU) SDN. BHD.
- 100%
  GRAND CENTRAL ENTERPRISES (PAHANG) SDN. BHD.
- 100%
  GRAND CENTRAL ENTERPRISES (SARAWAK) SDN. BHD.
- 100%
  GRAND CENTRAL TRANS-SERVICES SDN. BHD.
- 86.36%
  GRAND ISLAND HOTEL (LANGKAWI) SDN. BHD.

GROUP FINANCIAL HIGHLIGHTS

	2020	2019	2018	2017	2016
RESULTS (RM'000)					
Revenue	**12,042**	23,549	23,175	25,894	27,589
Loss before taxation	**(11,639)**	(7,796)	(6,415)	(4,958)	(3,208)
Net loss attributable to equity holders of the Company	**(9,573)**	(6,700)	(5,380)	(4,354)	(5,802)
FINANCIAL POSITION (RM'000)					
Total assets	**221,541**	235,194	243,035	253,551	263,383
Total liabilities	**16,110**	20,042	21,130	21,240	22,759
Share capital	**199,397**	199,397	199,397	199,397	197,002
Shareholders equity	**203,894**	213,467	220,168	230,457	238,751
Total borrowings	**14**	50	81	41	71
SHARE INFORMATION (SEN)					
Basic loss per share	**(4.9)**	(3.4)	(2.7)	(2.2)	(2.9)
Net assets per share	**103**	108	112	117	121
Gross dividend per share	**-**	-	2*	2*	-

* single-tier dividend

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	34	78,264
SPK 60, Lot 398 Mukim of Kuah District of Langkawi Kedah	Hotel Grand Continental Langkawi	Freehold	2,558.00	28	11,339
CT 4741, Lot 2 Section 20 Town of Kuantan District of Kuantan Pahang	Hotel Grand Continental Kuantan	Freehold	6,108.93	26	22,227
Lot 322, Section 46 Kuching Town Land District Sarawak	Hotel Grand Continental Kuching	Long Term Leasehold	4,160.00	25	29,630
PT 1645C, Lot 4023 Town and District of Kuala Terengganu Terengganu	Hotel Grand Continental Kuala Terengganu	Freehold	2,768.00	24	19,063

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in all aspects of the hotel business, provision of limousine services and hotel management services. The Group currently owns and manages five hotels under the Hotel Grand Continental brand. The Group manages Hotel Grand Crystal, Kedah 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 2020, operating hotels owned by the Group and hotel under management agreement are as follows:

Name	Group's Equity Interest	Available Rooms
Hotel Grand Continental Kuala Lumpur	100%	309
Hotel Grand Continental Kuala Terengganu	100%	190
Hotel Grand Continental Kuantan	100%	234
Hotel Grand Continental Kuching	100%	180
Hotel Grand Continental Langkawi	86.36%	195
Hotel Grand Crystal Kedah	None	130

FINANCIAL REVIEW

On 11 March 2020, the World Health Organisation declared the Coronavirus ("COVID-19") outbreak as pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the COVID-19 outbreak in the country. The COVID-19 outbreak also resulted in travel restrictions, lockdown and other precautionary measures imposed in other countries. The emergence of the COVID-19 outbreak since early 2020 had brought significant economic uncertainties in Malaysia and the market in which the Group operates. Further measures on control of non-essential services, reduced operating hours and workforce also affected domestic tourism as business activities were restricted and non-essential services were only allowed to work from home.

During the year, the Group recorded a lower revenue of RM 12.0 million against RM 23.5 million in the preceding year and loss before taxation for the year was RM 11.6 million against RM 7.8 million in the previous year.

Whilst the overall weighted average occupancy rate dropped by 50% and the weighted average room rate ("ARR") increased by 7% in 2020 as compared to prior year, the weighted average room yields ("RevPAR") decreased by 46%.

For the year ended 31 December 2020, rooms revenues accounted for 63% (2019: 60%) of the total revenues while food and beverage revenues accounted for 28% (2019: 34%).

Limousine services did not have a significant contribution on the Group's consolidated results for the year ended 31 December 2020.

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

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.

Rahim & Co was engaged to carry out valuation on Hotel Grand Continental Kuala Lumpur and Hotel Grand Continental Kuantan in 2021 and Hotel Grand Continental Kuala Lumpur in 2020 whereas Raine & Horne performed a valuation on Hotel Grand Continental Kuching in both 2021 and 2020. No impairment provision was required for both years 2020 and 2019 on all the properties.

CAPITAL RESOURCES AND FUNDING

Funding and Treasury Policy

The Group adopts a prudent funding and treasury policy with regard to its overall business operations. Cash balances are mostly placed on bank deposits with reputable financial institutions. The Group's banking facilities are all denominated in Ringgit, hence minimising currency risks.

Cash Flows

During the year under review, there were net cash flows used in operating activities of RM 8.8 million as compared to RM 3.0 million in 2019. This is mainly due to lower revenue as the COVID-19 pandemic has adversely affected the Group's performance.

The increase in receivables in 2020 was RM 0.7 million as compared to RM 0.3 million in 2019. The Group is constantly monitoring and following up on debtor collection.

There was net cash generated from investing activities of RM 48.9 million as compared to RM 0.6 million in 2019. This was mainly due to a change in fixed deposits to maturity period shorter than three months in year 2020.

Capital expenditure for 2020 was RM 0.4 million as compared to prior year of RM 2.5 million. All non-essential capital expenditure has been deferred to a later date to mitigate the downturn of the industry due to both the MCO and the COVID-19 pandemic.

Borrowings and Gearing

As at 31 December 2020, the Group had cash and bank balances and deposit of RM 47.8 million (2019: RM 54.9 million). The Group has no borrowing other than a motor vehicle which was purchased in 2018 under leasing.

Pledge of Assets

Included in short-term deposits with licensed banks are deposits of RM1.2 million (2019: RM1.2 million) pledged as bank guarantees to Tenaga Nasional Berhad for credit facilities to the Group.

Capital Commitments

Details of the capital commitments of the Group are shown in note 27 to the financial statements.

Share Capital

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

DIVIDENDS

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

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES

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

STAFF AND REMUNERATION POLICY

The Group employs approximately 264 full time staff as at 31 December 2020. 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.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS

The Malaysian Government had again imposed the MCO and Conditional Movement Control Order ("CMCO") for selected states which are severely affected by the COVID-19 on 11 January 2021. Further, the Malaysian King declared a state of emergency for the country until 1 August 2021 to curb the spread of COVID-19 on 12 January 2021.

The tourism industry has been badly hit by the COVID-19 pandemic with the uncertainties involving closure of international borders and restrictions on inter-state travel and may evolve in response to the COVID-19 evolution. The Group expects 2021 to be soft and challenging and will work energetically to improve operational efficiency and cost containment measures while maintaining its commitment to high standards of delivery service and aim to strengthen its social media marketing strategy to optimize revenue opportunites.

SUSTAINABILITY STATEMENT

Introduction to Sustainability at GCE

The COVID-19 pandemic has had a significant impact on cash flow and inevitably affected the availability of funds to make capital intensive investments. This includes those measures which would benefit sustainability goals. In this respect the road for businesses to achieve optimised sustainability was made markedly more challenging throughout 2020. Nevertheless, we remain committed to incremental improvements that benefit sustainability in the coming years. In doing so we aim to refine our longstanding investments in social responsibility within the context of continuing productivity.

Despite very difficult business conditions, we had in 2020 continued and further developed sustainability projects and initiatives that had been started in previous years. As always, our objectives remain lower consumption of resources, more waste saving measures, recycling wherever possible, greater education and awareness amongst management and staff, and getting closer to our community both near and far.

The Group takes a holistic approach in the implementation of its sustainability initiatives, in the sense that the hotels, our staff, and our guests all have a part to play. We have been educating our staff in all locations to promote their awareness and attention to sustainability issues. Concomitantly we recognise that we need the cooperation of guests in all our hotels, and the need to increase their awareness of the contribution they can make to our efforts.

The Group conducts itself as a responsible business in all areas. While profitability is crucial to the existence and continuation of any business, it cannot be achieved at the expense of people or the environment in which it exists, and only by paying attention to the entire spectrum of sustainability can any business survive in the long term. The Group has been, and intends to continue, making a positive impact.

Based on the Group's stakeholders' feedback and its own priorities, the Group Sustainability Statement is: "Minimising the use of natural resources through efficient management", which is encapsulated in our sustainability principles:

1. Environmental ("E") Footprint
   - maximising use of natural resources and minimising waste

2. Economic ("E") Benefit
   - sharing best practices and efficient and prompt service with suppliers and other stakeholders

3. Social ("S") Outreach
   - impacting positively on the lives of our communities
   - training and elevating our staff to higher levels of pro-activeness and responsiveness

in 2019, a member of the Board of Directors of the Group was designated to oversee the planning and implementation of sustainability related issues. We also introduced a Green Steward at each hotel charged with specific and defined responsibilities and implementing appropriate measures and appointed various committees at hotel management level to carry out relevant projects (green committee). This defined structure importantly promotes much more direct accountability for the initiatives undertaken. It is a practical and proactive method of allowing clearly defined goals and milestones to be reviewed regularly. This is coupled with the establishment of detailed goal-oriented checklists which set out benchmarks against which results can be measured.

Our aim is to establish the Group's position as a responsible hotelier, valued employer, and a reliable responsible corporate citizen within our respective communities. Further details of the measures taken are outlined in the sections below.

Environmental (E) Footprint

The Group is committed to effective use of energy and natural resources and we are, across all premises, progressively implementing specific measures to minimize negative impacts on the environment.

A starting point is the recognition that in hotels much of the consumption of electricity, water and natural resources is guest driven. As such we are actively seeking to engage with guests to reduce their consumption by placing "Reduce, Reuse and Recycle" materials in rooms and reminding them of these objectives upon check-in.

To extend their input we also encourage guests, staff, suppliers and the community to suggest further ways in which we can, together, reduce our consumption of energy, water and natural resources.

Environmental (E) Footprint (cont'd)

Electricity Consumption

In order to minimise wasted electrical usage when guest rooms are not in use, all guest rooms are installed with keycard master switches which control power supply to the room.

In Malaysia's tropical climate air conditioning systems account for a significant proportion of electrical consumption and any savings in this area are highly beneficial. As well as minimizing wastage by the key card system the majority of the air conditioning systems in our hotels are 5-star EER rated (Electrical Efficiency Rating); all others are being upgraded as the opportunity presents itself.

Commencing 2018, lighting elements have been progressively replaced by energy saving LED lights throughout our hotels. Across the Group the implementation of the former measure has reached up to 100% in our Kuching and Langkawi hotels and averaging 90% across all properties.

YEAR	KUCHING	KUALA LUMPUR	KUALA TERENGGANU	KUANTAN	LANGKAWI
2020	100%	90%	90%	80%	100%
2019	70%	70%	65%	65%	65%

(Percent of installation of energy saving LED lights in the respective locations)

In 2020 we have also;

- commenced the use of motion sensors to reduce power usage in car parking areas and common passageways and corridors;
- reduced air conditioning operational hours in public and back of house areas;
- introduced the use of compact portable air conditioning units in guest areas where patronage is low;
- introduced the use of portable fans in back offices when conditions permit; and
- begun replacing inefficient old chillers with new lower power consumption chillers.

Water

Understanding the crucial importance of clean water resource and the high wastage that has occurred in the past, we are continuously looking to reduce water consumption. Steps taken to date include the following:

- notices placed in guest rooms encouraging the re-use of linen and towels during their stay;
- to report leakages and at the same time to provide water saving tips;
- regular maintenance checks carried out to ensure no leaking toilets or ill-fitting flappers on the premises; and
- sensor operated taps are being progressively introduced with potential for significant water consumption savings.

Produce

Our hotels have created vegetable gardens which provide a number of benefits:

- supply our own restaurants with fresh organically grown produce;
- provide staff with fresh produce for their own consumption;
- organic compositing from used coffee, tea-bags, fruit peel, fruit waste, egg-shell etc

This has proved a popular initiative with staff who enjoy tending the produce gardens and we are seeking to extend this activity as far as practicable within the limits of the sites available.

Environmental (E) Footprint (cont'd)

Produce (cont'd)

The Group is also implementing sound purchasing policies which minimise wastage in food and materials by:

- avoiding over provision of food and beverages;
- proper monitoring of food and beverage use; and
- signages informing charges will be imposed on food wastage.

Re-cycling

The Group is actively addressing recycling on a number of fronts including:

- for printed material recycled paper is used in the hotels and then further recycled;
- coffee grounds are used directly for fertilizing;
- other fruit and vegetable scraps are composted and thereafter used as fertilizer for the hotel's produce gardens;
- rice water is used for irrigating produce gardens;
- empty rice bags used as garbage containers;
- damaged table-cloths are refashioned into iron board covers; and
- recycling bins for plastic, metal and paper products are provided on each floor in both public and back of house areas.

Economic (E) Benefit

As the initiatives that we have identified in relation to Environmental (E) Footprint are implemented the Group is increasingly seeing economic benefits in relation to:

- reduced power charges;
- reduced water costs;
- reduced cost of food products; and
- internally reused paper and plastic.

This realization helps to encourage our staff to actively participate in this process which can likely create a snowball effect that will take the Group's sustainability initiatives forward even more effectively.

Social (S) Outreach

People are at the centre of everything we do. The Group is committed to safeguarding the wellbeing of our guests, staff and the community around us. We are committed to operating in an economically, socially and environmentally responsible manner whilst balancing the interest of our stakeholders. We seek to enrich and educate staff, suppliers and guest where possible to be good stewards of society and the environment.

Due to the MCO in all parts of the country for much of the year, we were not able to carry out our usual festive activities such as in 2019, when – bubur lumbuk was distributed to old folks home and orphanages during Ramadan and were also invited to 'iftar' at the respective hotels, donation campaign drives for various organisations were held at Christmas and Ramadan.

We did however do our best to distribute food to needy frontlines in the battle against COVID-19.

In Kuching we were appointed a quarantine hotel to provide convalescence services assisting the nations fight against COVID-19. Over the Group we couldn't be prouder of our teams who have been working tirelessly and selflessly throughout this crisis to maintain safety whilst continuing to operate.

Human Capital

Satisfied and motivated staff help deliver satisfied guests which in turn helps lead to repeat visitation. In this respect we are seeing that the initiatives that are being undertaken to address EER are also producing positive benefits in terms of staff motivation as they see their efforts translate into positive gains for the business and the environment.

Social (S) Outreach (cont'd)

Human Capital (cont'd)

Effective and continuous training of our staff is also of utmost importance and Green Training and Awareness Programmes to reduce carbon footprints and wastage are key aspects of our training programme. We continue to train Heads of departments to be 'green-mentors' and delegate them the duty to be trainers for their respective staff.

The Group's active training programme for staff seeks to develop various skill sets to equip staff to provide ongoing positive impact across the business and in local communities. To facilitate this a dedicated team is tasked with coordinating and implementing appropriate sustainability training initiatives.

In line with the Ministry of Human Resources Development Fund recommendations, we understand that the creation of WOW experiences for guests is significant in them returning. Our training therefore includes WOW" customer relationship excellency training for staff nationwide. Workshop modules equip participants with highly effective interactive customer customer service skills for face to face encounters and telephone and social media communications.

Our human capital is an important organic resource which we are also fostering by initiatives that include:

- staff recognition programmes for employees who go above and beyond the call of duty;
- team building exercises;
- flexible working hours; and
- assistance in cash and kind for legitimate family crises.

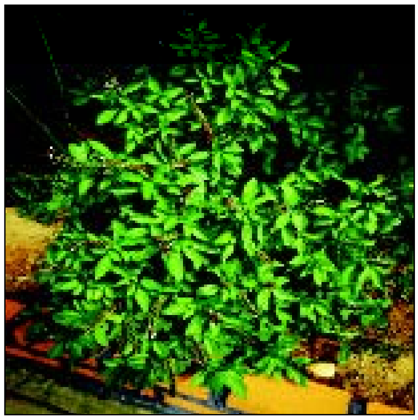
The training and awareness progammes serve to advance the Group's brand so that the staff understand that they are walking brand ambassadors.

Conclusion

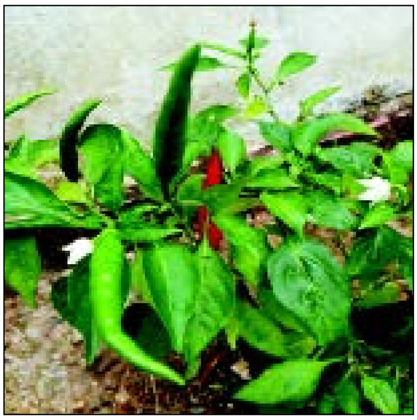
2020 has been a very tough year for many people and almost all businesses. The hotel industry has been particularly badly affected, as travel limitations internationally and domestically reduced hotel occupancy for long periods during the year. The very survival of hotels could not be taken for granted, and it took much sacrifice from all quarters for us to continue as an ongoing business. A silver lining perhaps has been the opportunity for reflection and a further strengthened realization that Sustainability must be a core consideration in going forward for the Group and indeed everybody in the global community.

Despite the difficult conditions, the Group continued to pursue our sustainability goals and objectives as set out above. We managed to make progress in important areas, particularly in reducing electricity consumption through newer and better technology, and very importantly, the progress we have made has been achieved whilst maintaining our entire staff strength. As such the Group looks forward to continuing this process into the foreseeable future.





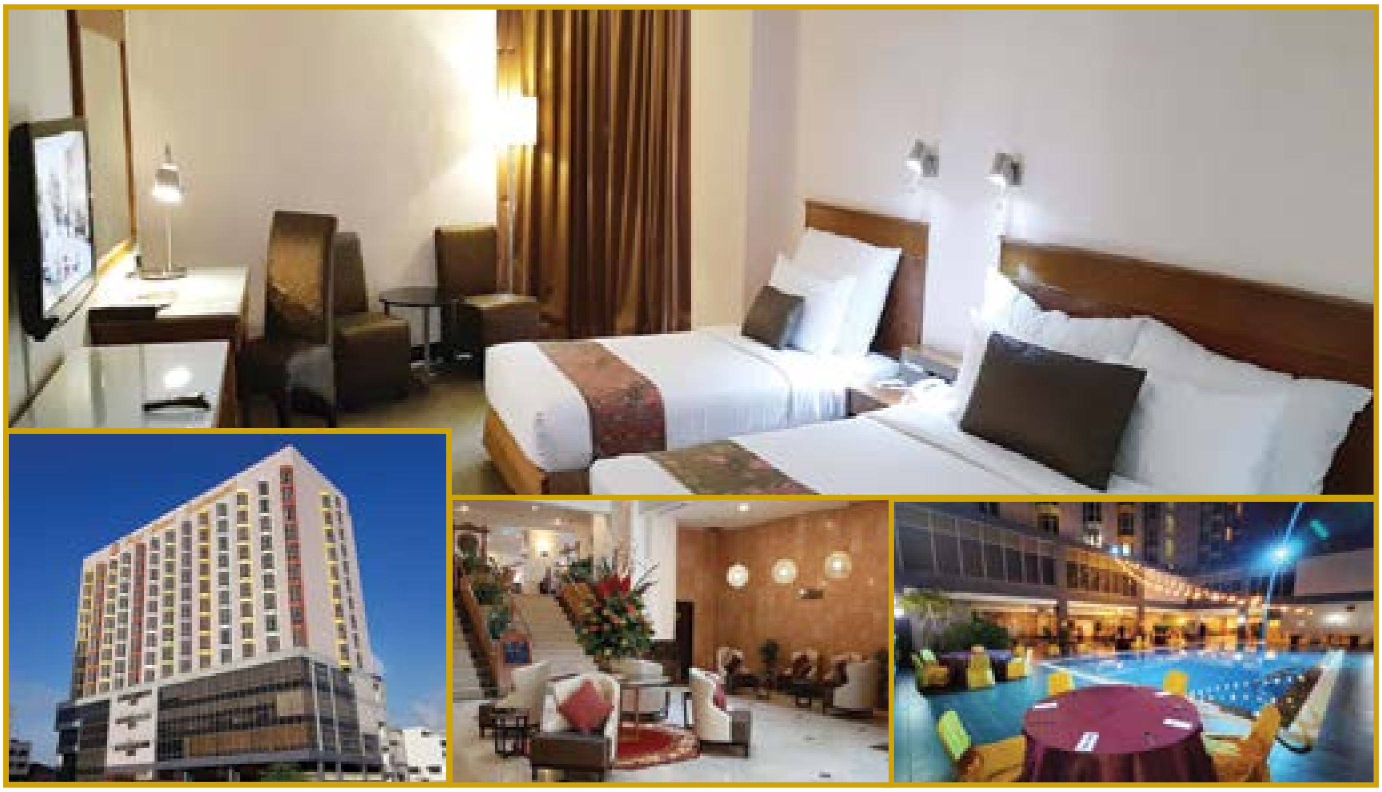







NETWORK OF HOTELS

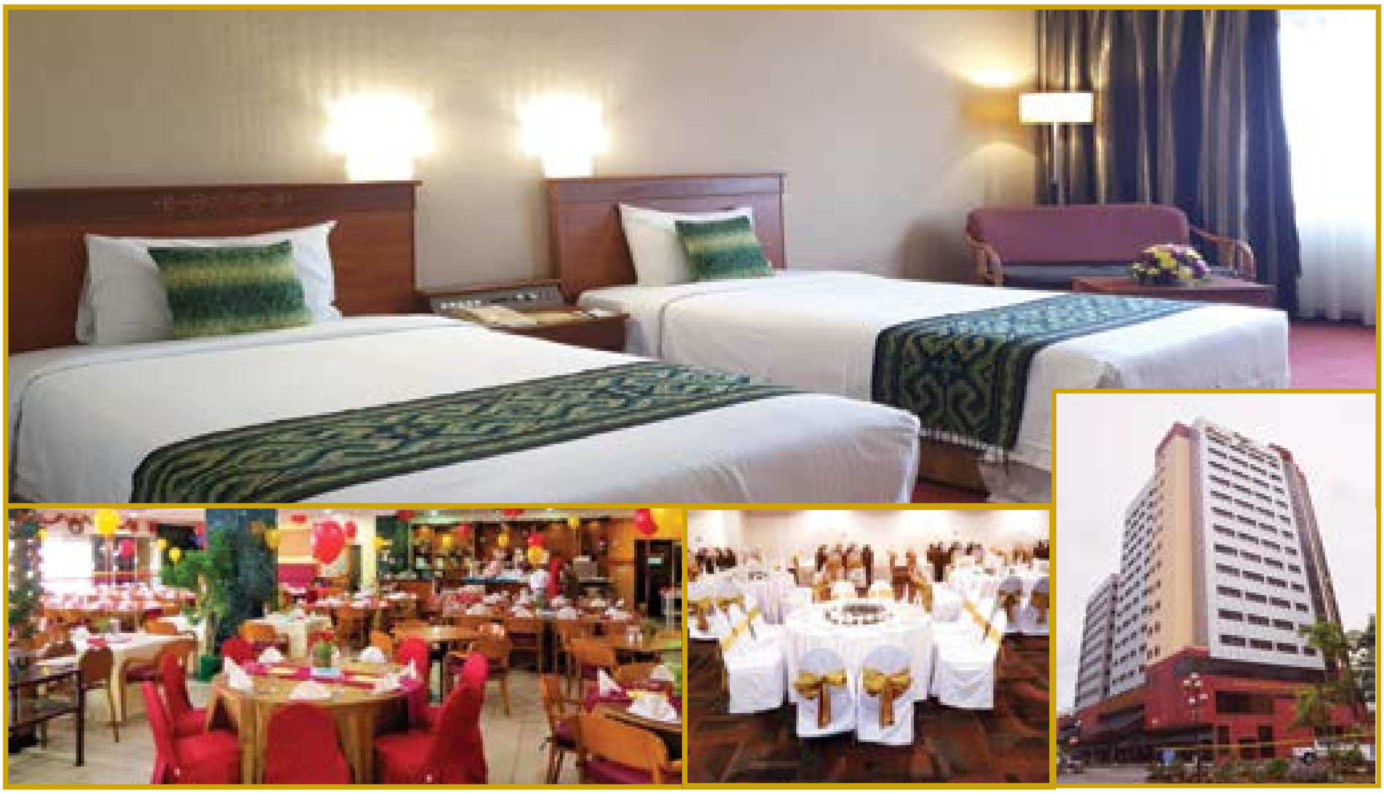
Hotel Grand Continental • Kuala Lumpur



Hotel Grand Continental • Kuala Terengganu

NETWORK OF HOTELS

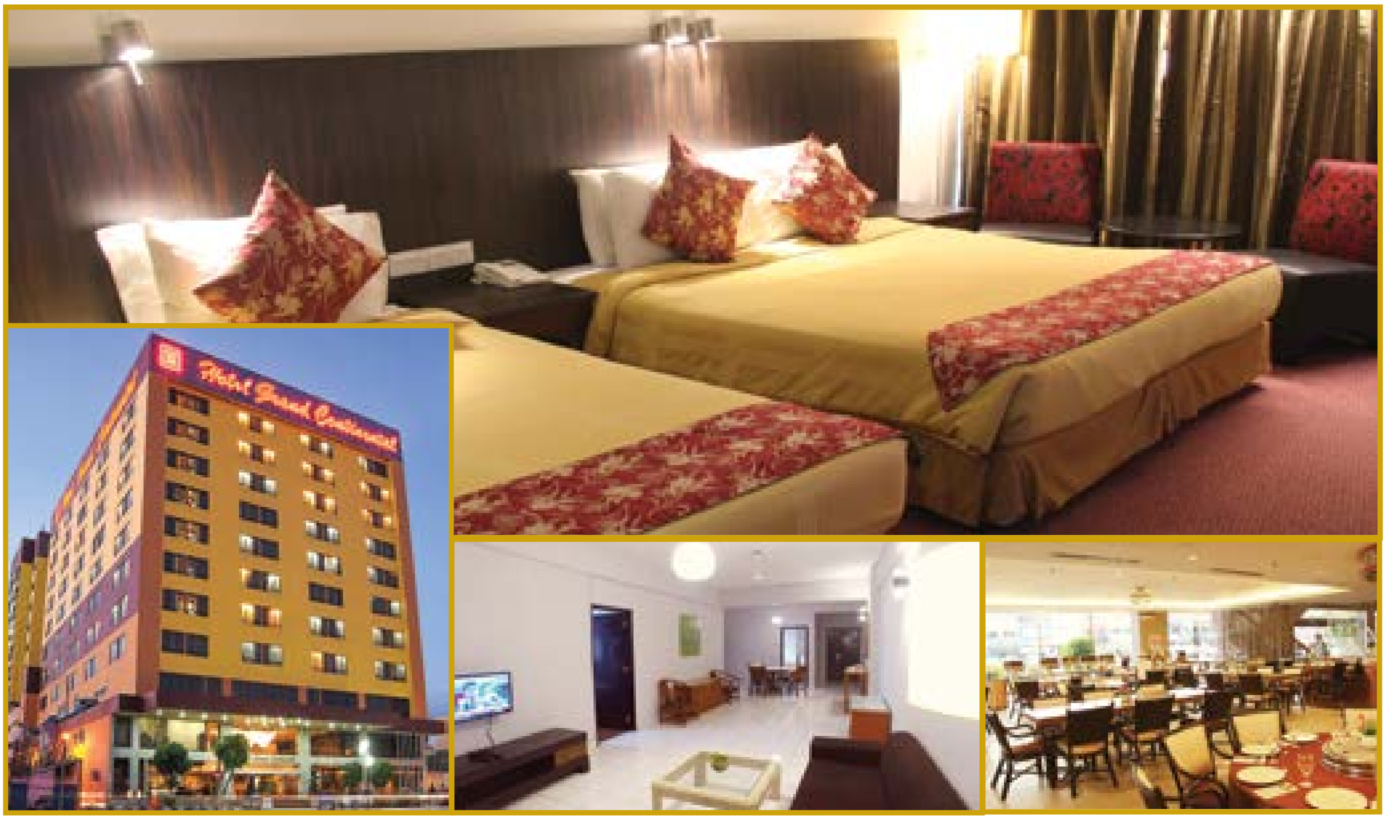
Hotel Grand Continental • Langkawi

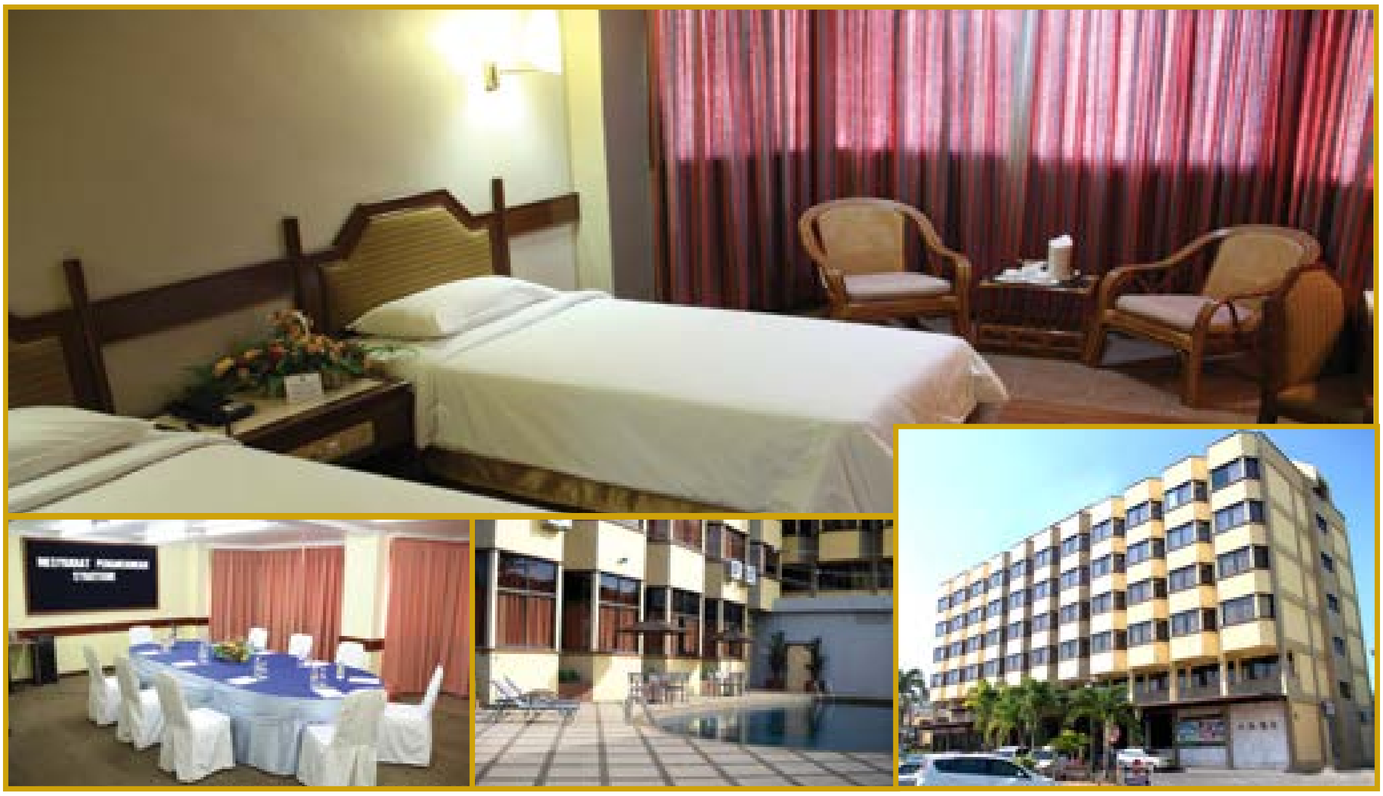


Hotel Grand Continental • Kuching

NETWORK OF HOTELS

HOTEL GRAND CONTINENTAL • KUANTAN





*** HOTEL GRAND CRYSTAL • KEDAH**

** Hotel owned by others.*

DIRECTORS' PROFILE

TAN ENG TEONG

Tan Eng Teong, male, aged 83, Malaysian, was appointed as the Executive Chairman of Grand Central Enterprises Bhd. ("GCE") on 20 November 1991 and is one of its founder members.

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

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

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

TAN TECK LIN

Tan Teck Lin, male, aged 79, Malaysian, was appointed as the Managing Director of GCE on 20 November 1991, subsequently redesignated as Executive Deputy Chairman cum Managing Director on 6 May 2015 and is one of its founder members.

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

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

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

TAN ENG HOW

Tan Eng How, male, aged 66, Malaysian, was appointed as the Executive Director of GCE on 17 January 1986 and is one of its founder members.

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

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

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

DIRECTORS' PROFILE

TAN HWA IMM

Tan Hwa Imm, female, aged 54, Malaysian, was appointed to the Board of GCE as an Executive Director on 31 May 2001. She has been the Group's Financial Controller since 1995.

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

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

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

WONG TOW CHEONG

Wong Tow Cheong, male, aged 83, Malaysian, was appointed to the Board of GCE as an Independent Non-Executive Director on 19 May 2006. He is also the Chairman of the Audit Committee and Nominating Committee and a member of Remuneration Committee of GCE.

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

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

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

LEE WAI KUEN

Lee Wai Kuen, male, aged 56, Malaysian, was appointed to the Board of GCE as an Independent Non-Executive Director on 21 May 2008. He is also a member of the Audit Committee, Remuneration Committee and Nominating Committee of GCE.

Mr Lee graduated with the Association of Chartered Certified Accountants (ACCA) in 1993. He became an associate member of ACCA in 1995 and obtained his fellowship in 2000. Currently he is a member of both the Malaysian Institute of Accountants (MIA) and Chartered Tax Institute of Malaysia (CTIM). Mr Lee has over 26 years of experience in the audit profession. He has established his own accountancy firm and has been practicing as a sole practitioner since 1998.

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

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

DIRECTORS' PROFILE

LIM THIAN LOONG

Lim Thian Loong, male, aged 57, Malaysian, was appointed to the Board of GCE as an Independent Non-Executive Director on 8 May 2013. He is the Chairman of the Remuneration Committee and is also a member of the Audit Committee and Nominating Committee of GCE.

He is an accountant by profession and graduated with The Chartered Institute of Management Accountants (CIMA) from London. He is a member of the CIMA, Chartered Global Management Accountants (CGMA), Malaysian Institute of Accountants (MIA) and Chartered Tax Institute of Malaysia (CTIM). He has his own firm and has been practicing as a sole practitioner since 2002. He has over 17 years of experience in accounts, audit and tax.

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

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

TAN HWA LIAN

Tan Hwa Lian, female, aged 58, Singaporean, was appointed as alternate director to Executive Chairman of the Company, Tan Eng Teong, on 6 May 2015.

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

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

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

SENIOR MANAGEMENT PROFILE

TEOH HOOI NIE

Teoh Hooi Nie, female, aged 49, Malaysian, was appointed as the Group Accountant on 10 May 2016.

She has more than 24 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 49, Malaysian, was appointed as the Group Operations Manager on 18 February 2019.

She has more than 17 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 58, Malaysian, was appointed as the Group Sales & Marketing Administrator on 15 June 2009.

He has more than 39 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 2017 ("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 2020 of the Company which is available on the Company's website http://www.gcebhd.com.my.

BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

In adhering to the Code practices, and in the responsibilities to ensure that companies operate successfully and sustain growth, the Board shows its commitment to leading and controlling the Group's strategic direction, overseeing the business operations, identifying principal risks 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 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 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 arrangements, financial reporting and audit, major capital expenditure and maintenance, acquisitions and disposals, dividend recommendations and overall system of internal control and risk management.

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

Due to the Coronavirus Disease 2019 ("COVID-19") pandemic and the Movement Control Order ("MCO") imposed by the Malaysian Government, the Board recognises the importance to continue focus and priorities needs to be given to the following areas during the year 2021:

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

Board Charter

The Board Charter was adopted in year 2013 and it sets out the Board's strategic intent and outlines the Board's roles and responsibilities. The Board Charter was last updated in 2018 and is available at the Company's website http://www.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 LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Balance

The Board is well balanced with wide range of business and financial experience. Each year the Board reviews and evaluates the performance of each director and arranges suitable training where appropriate. The profiles of the members of the Board are provided on pages 17 to 19 of this Annual Report.

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

The Board has been seeking for suitable caliber candidates as independent directors of the Company through our associate company who is a member of an institute of directors to make up a majority of independent directors in the Board members as recommended under the Code. Further, ongoing efforts are also taken to maintain an appropriate gender representation on the Board.

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

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

The Board met four times during the financial year ended 31 December 2020. The details of attendance of each Director at the Board meetings held during the financial year at the Conference Room of Hotel Grand Continental, 10th Floor, Jalan Belia/Jalan Raja Laut, 50350 Kuala Lumpur are set out as below:

Name of Director	**25 February 2020 (1500 hrs)**	**2 June 2020 (1320 hrs)**	**6 August 2020 (1330 hrs)**	**9 November 2020 (1230 hrs)**
Tan Eng Teong	-	X	X	X
Tan Teck Lin	X	X	X	X
Tan Eng How	X	X	X	X
Tan Hwa Imm	X	X	X	X
Wong Tow Cheong	X	X	X	X
Lee Wai Kuen	X	X	X	X
Lim Thian Loong	-	X	X	X
Tan Hwa Lian (Alternate Director)	X	X	X	X

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Supply Of Information

To fulfill the responsibilities set out above, the Directors are provided with appropriate reports and information at least five 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 other 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.

Directors' Training

During the financial year 2020, all the Directors have attended the training course on "Corporate Liability: Section 17A of the MACC Act 2009 (Amendment 2018)" held on 8 September 2020. In addition thereto, the Directors have also attended other training courses as follows:

Tan Hwa Lian
"Living in a Covid-19 World: A Singapore Perspective" held on 25 and 26 August 2020.

Lee Wai Kuen
"National Tax Conference" held on 25 and 26 August 2020.

Lim Thian Loong
"Related/Recurrent Related Party Transactions and General Understanding of Section 17A, Malaysian Anti-Corruption Commission Act, 2009" held on 7 January 2020.

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 Director(s) retired shall be eligible for re-election.

Nominating Committee

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

Chairman

Wong Tow Cheong
(Independent Non-Executive Director)

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Nominating Committee (cont'd)

Members

Lee Wai Kuen
(Independent Non-Executive Director)

Lim Thian Loong
(Independent Non-Executive Director)

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

Summary of Activities

During the financial year 2020, 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 Company Constitution;
(d) reviewed the term of office and performance of the Audit Committee members;
(e) evaluated the independence of the Independent Non-Executive Directors based on the criteria as prescribed in the Main Market Listing Requirements and the Corporate Governance Guide issued by Bursa Malaysia Securities Berhad; and
(f) reviewed and recommended to the Board for re-appointment of Directors who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than twelve years and to seek shareholders' approval on the re-appointment at the forthcoming Annual General Meeting.

One Nominating Committee Meeting was held on 25 February 2020 and was attended by Wong Tow Cheong and Lee Wai Kuen.

Remuneration Committee

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

Chairman

Lim Thian Loong
(Independent Non-Executive Director)

Members

Lee Wai Kuen
(Independent Non-Executive Director)

Wong Tow Cheong
(Independent Non-Executive Director)

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

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

The Remuneration Committee meeting was held on 25 February 2020, and attended by Wong Tow Cheong and Lee Wai Kuen, to review the remuneration of the Directors and senior management of the Company to ensure that rewards commensurate with their experience and individual performance.

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Remuneration Committee (cont'd)

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.

Disclosure

The aggregate remuneration of Directors of the Group and of the Company for the financial year ended 31 December 2020 are as follows:

Group

	Salaries	Allowance	Fees	EPF & Socso	Benefits In Kind	Total
	RM	RM	RM	RM	RM	RM
Executive Directors:						
Tan Eng Teong	120,000	-	32,000	18,833	-	170,833
Tan Teck Lin	204,000	29,100	30,000	28,673	48,837	340,610
Tan Eng How	255,750	22,000	28,000	35,733	30,627	372,110
Tan Hwa Imm	150,000	13,600	20,000	28,123	8,741	220,464
Total	729,750	64,700	110,000	111,362	88,205	1,104,017
Non-Executive Directors:						
Wong Tow Cheong	-	-	15,000	-	-	15,000
Lee Wai Kuen	-	-	15,000	-	-	15,000
Lim Thian Loong	-	-	15,000	-	-	15,000
Total	-	-	45,000	-	-	45,000
Grand Total	**729,750**	**64,700**	**155,000**	**111,362**	**88,205**	**1,149,017**

Company

	Salaries	Allowance	Fees	EPF & Socso	Benefits In Kind	Total
	RM	RM	RM	RM	RM	RM
Executive Directors:						
Tan Eng Teong	120,000	-	32,000	18,833	-	170,833
Tan Teck Lin	204,000	29,100	30,000	28,673	48,837	340,610
Tan Eng How	204,000	22,000	28,000	28,433	30,627	313,060
Tan Hwa Imm	150,000	13,600	20,000	28,123	8,741	220,464
Total	678,000	64,700	110,000	104,062	88,205	1,044,967
Non-Executive Directors:						
Wong Tow Cheong	-	-	15,000	-	-	15,000
Lee Wai Kuen	-	-	15,000	-	-	15,000
Lim Thian Loong	-	-	15,000	-	-	15,000
Total	-	-	45,000	-	-	45,000
Grand Total	**678,000**	**64,700**	**155,000**	**104,062**	**88,205**	**1,089,967**

EFFECTIVE AUDIT AND RISK MANAGEMENT

Risk Management and Internal Control

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

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

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

The Statement of Risk Management and Internal Control is set out on pages 31 to 32. 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 29 to 30.

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 29 to 30.

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, International Financial Reporting Standards, the requirements of the Companies Act, 2016 and the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad. They are responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

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 2020, 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 http://www.gcebhd.com.my.

Employees Involvement

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

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 2020 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.

OTHER INFORMATION (CONT'D)

Audit and Non-Audit Fees

Audit and non-audit fees paid or payable to the External Auditors for the financial year ended 31 December 2020 are as follows:

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

* For reviewing the Statement of 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 2020.

This Statement is made in accordance with a resolution of the Board of Directors dated 12 March 2021.

AUDIT COMMITTEE

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee members are:

Chairman

Wong Tow Cheong
(Independent Non-Executive Director)

Members

Lee Wai Kuen
(Independent Non-Executive Director)

Lim Thian Loong
(Independent Non-Executive Director)

The terms of reference of the Audit Committee is available at the Company's website http://www.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	25 February 2020 (1030 hrs)	2 June 2020 (1030 hrs)	6 August 2020 (1030 hrs)	9 November 2020 (1030 hrs)
Wong Tow Cheong	x	x	x	x
Lee Wai Kuen	x	x	x	x
Lim Thian Loong	-	x	x	x

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 management systems of internal control procedures are effective and provide recommendations to strengthen these internal control procedures so as to foster a strong management control environment.

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

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

The internal audit function is outsourced to a professional internal audit services company ("Internal Auditors") BPS Advisor Sdn. Bhd. who reports to the Audit Committee. The Audit team is headed by a manager who is assisted by an audit executive. Both the manager and the executive are accounting graduates from local universities.

During the financial year ended 31 December 2020, there was no internal audit report submitted to the Audit Committee due to the imposition of Movement Control Order in the country and temporary shut down of certain hotels caused by the COVID-19 pandemic. However, the internal audit work had recommenced in October 2020.

The total cost incurred for the Internal Audit function in respect of the financial year amounted to RM7,076.

Summary of Activities

During the financial year 2020, the Audit Committee had:

(i) considered and recommended the appointment of the new external auditors, Grant Thornton Malaysia PLT;
(ii) discussed with the external auditors before the audit commences the nature and scope of the audit;
(iii) reviewed with the management and the external auditors the quarterly and year-end financial statements before their submission to the Board, focusing particularly on:
- any changes in or implementation of major accounting policies and practices
- significant unusual events
- significant adjustments arising from the audit
- the going concern assumption
- compliance with accounting standards
- compliance with stock exchange and other legal requirements

(iv) discussed with the external auditors problems and reservations arising from the final audits (in the absence of management);
(v) reviewed with the external auditors on Statement of 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, BPS Advisor Sdn. Bhd., the internal audit finding, and whether the management had taken appropriate action based on the recommendations of the Internal Auditors;
(ix) communicated with the Internal Auditors on the scope of works and premises to audit;
(x) reviewed the related party transactions entered into by the Group and conflict of interest situation that may arise;
(xi) reviewed, identified, evaluated, managed key financial and non-financial risks;
(xii) reviewed with the management on debtors aging report and the actions taken; and
(xiii) reviewed the Group's compliances with the requirements of the Companies Act, 2016, the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, Malaysian Financial Reporting Standards and International Financial Reporting Standards.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

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

RESPONSIBILITY

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

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

KEY RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES

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

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

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

- The Group has a clearly defined organisational structure together with lines of responsibility and delegation of authority;

- The Group has proper procedures for approval and authority limit for controlling and approving capital expenditure and expenses. There are also clear procedures for obtaining approvals for asset disposals and major business transactions;

- The policies and procedures for the processes of the Group's operation are documented in the Group accounting and control manuals, and are updated from time to time;

- Detailed management accounts are prepared monthly by each operating property based on an annual budget with monthly reports compared against budget plus analysis of significant variances;

- The internal audit function of the Group was outsourced to a professional internal audit services company ("Internal Auditors"), which includes performing regular reviews of the business processes to assess effectiveness of the internal control system and to highlight significant risks impacting the Group with recommendation for improvements;

- The Audit Committee of the Board comprises of three Independent Non-Executive Directors and has full access to both the internal and external auditors;

- The Audit Committee meets regularly during the financial year ended 31 December 2020 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;

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

- The Group carries insurance cover in respect of insurable business risk, including property risk, to appropriate levels, which are determined upon consultation with insurance brokers;

- There are proper guidelines drawn-up by the Group for hiring and termination of staff, formal training programme for staff, annual performance appraisal and other relevant procedures in place to achieve the objective of ensuring the staff are competent to carry out their responsibilities;

- The Group performs Maintenance Survey on all the properties at least once a year to ensure all hotel premises will function efficiently and effectively; and

- The Group has in place a Whistleblowing Policy which provides a channel to 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.

CONCLUSIONS

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

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement of Risk Management and Internal Control ("statement") for inclusion in the Annual Report of the Group for the year ended 31 December 2020, and reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the Annual Report of the Group, in all material aspects, has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers", nor is the statement factually inaccurate.

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

This statement is made in accordance with a resolution of the Board of Directors dated 12 March 2021.

DIRECTORS' REPORT

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020.

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 12 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 net of taxation	**(9,721,619)**	**(5,147,930)**
Attributable to:		
Equity holders of the Company	**(9,572,967)**	
Non-controlling interests	**(148,652)**	
	(9,721,619)	

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 other than those disclosed in the Notes to the Financial Statements.

Dividend

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

Directors

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

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

* Directors of the 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' REPORT

Directors' benefits

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

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

The Directors' benefits are as follows:

	Group RM	Company RM
Salaries and other emoluments	797,724	745,402
Defined contribution plan	108,088	101,360
Fees	155,000	155,000
Estimated money value of benefits-in-kind	88,205	88,205
Total Directors' remuneration	1,149,017	1,089,967

Indemnity and insurance for Directors and officers

No indemnities have been given or liability insurance effected, during or since the end of the financial year, for any person who is or has been the Director or officer of the Company and its subsidiaries.

Directors' interests

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

	Number of ordinary shares			
	As at 1.1.2020	Bought	Sold	As at 31.12.2020
Direct interests				
Tan Eng Teong	13,000	-	-	13,000
Tan Teck Lin	13,000	-	-	13,000
Tan Eng How	32,000	-	-	32,000
Tan Hwa Imm	80,000	-	-	80,000
Tan Hwa Lian	557,000	-	-	557,000
Indirect interests				
Tan Eng Teong	143,733,061	-	-	143,733,061
Tan Teck Lin	144,241,961	-	-	144,241,961
Tan Eng How	143,157,061	-	-	143,157,061
Tan Hwa Imm	998,900	-	-	998,900
Tan Hwa Lian	13,000	-	-	13,000

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

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

Issue of shares and debentures

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

Other statutory information

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

  (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 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 and 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 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.

Subsequent events during the financial year and after the reporting date

The subsequent events during the financial year and after the reporting date are as disclosed in Note 28 to the Financial Statements.

Auditors

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

Details of Auditors' remuneration of the Group and of the Company were RM178,000 and RM67,000 respectively shown in Note 6 to the Financial Statements.

The Group and the Company has 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 2020.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 12 March 2021.

Tan Teck Lin

Tan Eng How

STATEMENT BY DIRECTORS
Pursuant to Section 251(2) of the Companies Act 2016

We, **Tan Teck Lin** and **Tan Eng How**, being two of the Directors of **Grand Central Enterprises Bhd.**, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 43 to 83 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 12 March 2021.

Tan Teck Lin | **Tan Eng How**

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Tan Hwa Imm**, being the Director primarily responsible for the financial management of **Grand Central Enterprises Bhd.**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 43 to 83 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 12 March 2021

Tan Hwa Imm

Before me,

YM Tengku Fariddudin Bin Tengku Sulaiman (W533)
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 2020 of the Group and of the Company, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 43 to 83.

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 2020, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

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

Independence and other ethical responsibilities

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

Key audit matters

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

Impairment assessment of Hotel Properties

The Group's and the Company's hotel properties amounting to RM160,523,526 and RM78,264,217 respectively are as disclosed in Note 11 to the Financial Statements, which represent approximately 72% of the Group's and 38% 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 determined the recoverable amounts of its hotel properties based on valuation reports prepared by independent professional valuers.

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

As part of our audit, we performed the following:

i. Assessed the competence, capabilities, independence and objectivity of the valuers;

ii. Obtained an understanding of the methodology adopted by the valuers in determining the fair values of the hotel properties and assessed whether such methodology is consistent with those used in the industry;

iii. Discussed the basis and assumptions used in the valuations with the valuers to obtain an understanding of the hotel properties data used as input to the comparison method of valuation; and

Report on the audit of the financial statements (cont'd)

Impairment Assessment of Hotel Properties (cont'd)

As part of our audit, we performed the following: (cont'd)

iv. Evaluated the reasonableness of the hotel properties data used by benchmarking against available market information and comparable transactions registered with local authorities.

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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.

Report on the audit of the financial statements (cont'd)

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

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 (cont'd):

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 matters

1. 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.

2. The financial statements of the Group and of the Company as at 31 December 2019, were audited by another firm of Chartered Accountants whose report dated 13 March 2020, expressed an unmodified opinion on those financial statements.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494 - LCA)
CHARTERED ACCOUNTANTS (AF 0737)

KHO KIM ENG
(No: 03137/10/2022 J)
CHARTERED ACCOUNTANT

Kuala Lumpur
12 March 2021

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2020

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Revenue	4	**12,042,076**	23,548,920	**1,804,367**	6,155,184
Changes in inventories		**48,150**	137,433	**32,940**	63,304
Purchase of inventories		**(975,146)**	(2,444,184)	**(138,307)**	(638,361)
Finance income		**1,232,478**	2,047,374	**1,232,478**	2,047,374
Other income		**1,733,842**	224,243	**1,196,028**	1,420,038
Staff costs	5	**(10,389,350)**	(11,558,055)	**(3,930,562)**	(4,560,777)
Depreciation		**(6,777,396)**	(7,216,790)	**(3,529,847)**	(3,676,052)
Reversal of allowance for impairment of trade receivables	14	**2,118**	8,788	**-**	-
Allowance for impairment of trade receivables	14	**-**	(55,732)	**-**	(53,614)
Allowance for impairment of other receivables	15	**-**	(20,160)	**-**	(20,160)
Allowance for impairment of amount due from a subsidiary	15	**-**	-	**(108,777)**	(15,720)
Other expenses		**(8,553,414)**	(12,463,438)	**(2,955,479)**	(4,397,715)
Operating loss	6	**(11,636,642)**	(7,791,601)	**(6,397,159)**	(3,676,499)
Finance costs	8	**(2,537)**	(4,306)	**-**	-
Loss before taxation		**(11,639,179)**	(7,795,907)	**(6,397,159)**	(3,676,499)
Taxation	9	**1,917,560**	1,043,098	**1,249,229**	661,628
Loss net of taxation, representing total comprehensive loss for the financial year		**(9,721,619)**	(6,752,809)	**(5,147,930)**	(3,014,871)
Attributable to:					
Equity holders of the Company		**(9,572,967)**	(6,700,396)	**(5,147,930)**	(3,014,871)
Non-controlling interests		**(148,652)**	(52,413)	**-**	-
		(9,721,619)	(6,752,809)	**(5,147,930)**	(3,014,871)
Loss per share attributable to equity holders of the Company (sen per share):					
Basic	10	**(4.9)**	(3.4)		
Diluted	10	*****	*		

** 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 2020

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Assets					
Non-current assets					
Property, plant and equipment	11	**169,879,036**	176,239,355	**83,552,498**	86,919,623
Investment in subsidiaries	12	**-**	-	**66,485,458**	66,485,458
Total non-currect assets		**169,879,036**	176,239,355	**150,037,956**	153,405,081
Current assets					
Inventories	13	**549,295**	501,145	**170,167**	137,227
Trade receivables	14	**1,750,778**	1,424,574	**256,829**	692,267
Other receivables	15	**1,581,747**	2,168,816	**7,440,596**	5,921,310
Tax recoverable		**3,328**	3,328	**-**	-
Cash and bank balances	16	**47,776,379**	54,856,610	**45,860,993**	50,534,107
Total current assets		**51,661,527**	58,954,473	**53,728,585**	57,284,911
Total assets		**221,540,563**	235,193,828	**203,766,541**	210,689,992
Equity and liabilities					
Equity attributable to equity holders of the Company					
Share capital	17	**199,396,693**	199,396,693	**199,396,693**	199,396,693
Retained earnings/(accumulated losses)		**4,497,732**	14,070,699	**(9,094,604)**	(3,946,674)
Shareholders' equity		**203,894,425**	213,467,392	**190,302,089**	195,450,019
Non-controlling interests		**1,536,160**	1,684,812	**-**	-
Total equity		**205,430,585**	215,152,204	**190,302,089**	195,450,019
Non-current liabilities					
Lease liability	18	**-**	17,288	**-**	-
Deferred tax liabilities	19	**12,824,224**	14,663,466	**11,729,647**	12,897,008
Total non-current liabilities		**12,824,224**	14,680,754	**11,729,647**	12,897,008
Current liabilities					
Lease liability	18	**14,446**	32,841	**-**	-
Trade payables	20	**824,280**	1,211,085	**151,870**	166,393
Other payables	21	**2,200,375**	3,754,589	**1,356,655**	1,834,590
Tax payable		**246,653**	362,355	**226,280**	341,982
Total current liabilities		**3,285,754**	5,360,870	**1,734,805**	2,342,965
Total liabilities		**16,109,978**	20,041,624	**13,464,452**	15,239,973
Total equity and liabilities		**221,540,563**	235,193,828	**203,766,541**	210,689,992

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 2020

Group

	Share capital RM (Note 17)	Distributable retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Opening balance at 1 January 2020	**199,396,693**	**14,070,699**	**213,467,392**	**1,684,812**	**215,152,204**
Total comprehensive loss for the year	**-**	**(9,572,967)**	**(9,572,967)**	**(148,652)**	**(9,721,619)**
Closing balance at 31 December 2020	**199,396,693**	**4,497,732**	**203,894,425**	**1,536,160**	**205,430,585**
Opening balance at 1 January 2019	199,396,693	20,771,095	220,167,788	1,737,225	221,905,013
Total comprehensive loss for the year	-	(6,700,396)	(6,700,396)	(52,413)	(6,752,809)
Closing balance at 31 December 2019	199,396,693	14,070,699	213,467,392	1,684,812	215,152,204

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2020

Company

	Share capital RM (Note 17)	Accumulated losses RM	Total RM
Opening balance at 1 January 2020	**199,396,693**	**(3,946,674)**	**195,450,019**
Total comprehensive loss for the year	**-**	**(5,147,930)**	**(5,147,930)**
Closing balance at 31 December 2020	**199,396,693**	**(9,094,604)**	**190,302,089**
Opening balance at 1 January 2019	199,396,693	(931,803)	198,464,890
Total comprehensive loss for the year	-	(3,014,871)	(3,014,871)
Closing balance at 31 December 2019	199,396,693	(3,946,674)	195,450,019

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 2020

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Cash flows from operating activities				
Loss before taxation	**(11,639,179)**	(7,795,907)	**(6,397,159)**	(3,676,499)
Adjustments for:				
Depreciation	**6,777,396**	7,216,790	**3,529,847**	3,676,052
Inventories written off	**2,790**	2,113	**2,466**	1,760
Reversal of allowance for impairment of trade receivables	**(2,118)**	(8,788)	**-**	-
Allowance for impairment of trade receivables	**-**	55,732	**-**	53,614
Allowance for impairment of other receivables	**-**	20,160	**-**	20,160
Allowance for impairment of amount due from a subsidiary	**-**	-	**108,777**	15,720
Property, plant and equipment written off	**2,269**	6,422	**-**	-
(Reversal of)/provision for short-term accumulating compensated absences	**(138,922)**	(8,242)	**(35,910)**	13,318
Gain on disposal of property, plant and equipment	**(520)**	-	**-**	-
Finance income	**(1,232,478)**	(2,047,374)	**(1,232,478)**	(2,047,374)
Finance costs	**2,537**	4,306	**-**	-
Operating loss before working capital changes	**(6,228,225)**	(2,554,788)	**(4,024,457)**	(1,943,249)
Increase in receivables	**(710,519)**	(316,445)	**(2,166,127)**	(2,460,599)
Increase in inventories	**(50,940)**	(139,546)	**(35,406)**	(65,064)
(Decrease)/increase in payables	**(1,802,097)**	179,615	**(456,548)**	(70,582)
Cash used in operations	**(8,791,781)**	(2,831,164)	**(6,682,538)**	(4,539,494)
Finance costs paid	**(2,537)**	(4,306)	**-**	-
Tax refunded	**-**	123,524	**-**	-
Tax paid	**(37,384)**	(246,003)	**(33,834)**	(211,666)
Net cash used in operating activities	**(8,831,702)**	(2,957,949)	**(6,716,372)**	(4,751,160)
Cash flows from investing activities				
Finance income received	**2,205,980**	1,781,238	**2,205,980**	1,781,238
Withdrawal of deposits with licensed banks	**47,142,885**	1,334,889	**47,142,885**	1,334,889
Purchase of property, plant and equipment	**(419,346)**	(2,524,068)	**(162,722)**	(1,654,063)
Proceeds from disposal of property, plant and equipment	**520**	-	**-**	-
Net cash from investing activities	**48,930,039**	592,059	**49,186,143**	1,462,064

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Cash flows from financing activity					
Repayments of lease liability, representing net cash used in financing activity		**(35,683)**	(31,054)	**-**	-
Net changes in cash and cash equivalents		**40,062,654**	(2,396,944)	**42,469,771**	(3,289,096)
Cash and cash equivalents and beginning of financial year		**6,528,725**	8,925,669	**2,206,222**	5,495,318
Cash and cash equivalents at end of financial year	**A**	**46,591,379**	6,528,725	**44,675,993**	2,206,222

NOTE 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 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Cash and bank balances		**47,776,379**	54,856,610	**45,860,993**	50,534,107
Less: Short-term deposits with licensed banks	**16**	**(1,185,000)**	(48,327,885)	**(1,185,000)**	(48,327,885)
		46,591,379	6,528,725	**44,675,993**	2,206,222

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

1. Corporate information

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

The Company is principally engaged in all aspects of the hotel business and investment holding. The principal activities of the subsidiaries are disclosed in Note 12 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 12 March 2021.

2. Summary of significant accounting policies

2.1 Basis of preparation

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

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

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2020, the Group and the Company adopted the following new and amended MFRSs which are mandatory for the current financial year.

Effective for annual periods beginning on or after 1 January 2020
Amendments to MFRS 3 Definition of Business
Amendments to MFRS 7*#, 9*# and 139*# Interest Rate Benchmark Reform
Amendments to MFRS 101 and 108 Definition of Material
Amendments to References to Conceptual Framework in MFRS Standards

The adoption of the new and amended standards did not have material impact on the financial performance or position of the Group and of the Company.

2.3 Standards issued but not yet effective

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

Effective for annual periods beginning on or after 1 June 2020
Amendments to MFRS 16 Covid-19 - Related Rent Concessions

Effective for annual periods beginning on or after 1 January 2021
Amendments to MFRS 9*#, 139*#, 7*#, 4*# and 16*# Interest Rate Benchmark Reform - Phase 2

2. Summary of significant accounting policies (cont'd)

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

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

Effective for annual periods beginning on or after 1 January 2022
Amendments to MFRS 3 Business Combinations - Reference to the Conceptual Framework
Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137 Onerous Contract - Cost of Fulfilling a Contract
Annual Improvement to MFRS Standards 2018-2020 Cycle (MFRS 1, 9, 16 and 141*#)

Effective for annual periods beginning on or after 1 January 2023
MFRS 17*# Insurance Contracts
Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current and Non-current

Deferred to a date determined by MASB
Amendments to MFRS 10* and MFRS 128*# Consolidated Financial Statements and Investments in Associates and Joint Ventures: Sale or Contribution of assets between an Investor and its Associate or Joint Venture

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

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

2.4 Basis of consolidation

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

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

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

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

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

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation (cont'd)

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

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

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

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

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and

(ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss.

The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

2.5 Subsidiaries

A subsidiary is an entity over which the Company controls and the policy to determine the criteria for control is in accordance with Note 2.4.

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

2.6 Transactions with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the statements of financial position, separately from parent shareholders' equity. Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

2.7 Property, plant and equipment and depreciation

All 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 cost of the item can be measured reliably.

2. Summary of significant accounting policies (cont'd)

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

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.8.

Freehold land has an unlimited useful life and therefore is not depreciated. Leasehold land is amortised over its remaining lease term. 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:

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

* Other assets comprise equipment, furniture, fixtures, fitting, renovation and computers.

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

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

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

2.8 Impairment of non-financial assets

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

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

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

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

2. Summary of significant accounting policies (cont'd)

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

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

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

2.9 Financial instruments

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

Initial recognition and measurement

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

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

Reclassification and subsequent measurement

(i) Financial assets

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

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

Amortised cost

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

The Group's and the Company's financial assets at amortised cost include cash and cash equivalents, trade and other receivables excluding prepayments.

2. Summary of significant accounting policies (cont'd)

2.9 Financial instruments (cont'd)

Reclassification and subsequent measurement (cont'd)

(ii) Financial liabilities

Amortised cost

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

The Group's and the Company's financial liabilities include lease liability, trade and other payables excluding provisions and SST payable.

(iii) Offsetting of financial instruments

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

(iv) Amortised cost of financial instruments

Amortised cost is computed using the effective interest rate method. This method uses effective interest rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to the net carrying amount of the financial instrument. Amortised cost takes into account any transaction costs and any discount or premium on settlement.

(v) Derecognition of financial instruments

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

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liabilities extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the profit or loss. In the case of waiver of debt from owners, the gain is recognised in equity as capital reserve.

2.10 Impairment of financial assets

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

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

2. Summary of significant accounting policies (cont'd)

2.10 Impairment of financial assets (cont'd)

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

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

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

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

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

2.11 Cash and cash equivalents

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

2.12 Inventories

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

2.13 Provisions

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

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

2. Summary of significant accounting policies (cont'd)

2.14 Employee benefits

(i) Short-term benefits

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

(ii) Defined contribution plans

The companies in the Group make contributions to the Employee Provident Fund ("EPF") in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as expenses in the period in which the related service is performed.

2.15 Leases

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

(i) As lessee

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

(a) Right-of-use assets

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

- Leasehold land - remaining leasehold term of 770 years
- Buildings - 2%
- Motor vehicles - 20%

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

The right-of-use assets are also subject to impairment test as disclosed in Note 2.8.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment.

2. Summary of significant accounting policies (cont'd)

2.15 Leases (cont'd)

(i) As lessee (cont'd)

(b) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

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

(ii) As lessor

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

2.16 Revenue recognition

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

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

(i) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;

2. Summary of significant accounting policies (cont'd)

2.16 Revenue recognition (cont'd)

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

(ii) the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or

(iii) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

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

(a) Revenue from hotel business

Revenue from hotel business is recognised at the point in time at which the customer obtains control of the promised goods or services.

(b) Rental income on hotel premises

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

(c) Management fees

Management fees are recognised when services are rendered.

(d) Finance income

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

2.17 Income taxes

(i) Current tax

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

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

(ii) Deferred tax

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

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

2. Summary of significant accounting policies (cont'd)

2.17 Income taxes (cont'd)

(ii) Deferred tax (cont'd)

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

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

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

2.18 Affiliated companies

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

2.19 Share capital and reserves

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

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

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

2.20 Sales and Service Tax ("SST")

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

2.21 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group and the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2. Summary of significant accounting policies (cont'd)

2.21 Fair value measurement (cont'd)

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

3. Significant accounting judgement 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.

3. Significant accounting judgement and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(a) Impairment assessment of hotel properties (cont'd)

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

Based on the estimates and judgements applied, the Directors do not foresee that impairment of the property, plant and equipment is necessary at this juncture. The carrying amount of the Group's and of the Company's property, plant and equipment at the reporting date is disclosed in Note 11.

(b) Useful lives of property, plant and equipment

Buildings

Buildings are depreciated on a straight-line basis over their estimated economic useful lives. Management estimates the useful lives of these buildings to be 50 years. The carrying amount of buildings of the Group and of the Company at 31 December 2020 was RM141,489,537 (2019: RM145,664,623) and RM69,764,217 (2019: RM71,890,006) respectively. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. A 5% difference in the expected useful lives of the buildings from management's estimate would result in RM208,754 (2019: RM208,754) and RM106,289 (2019: RM106,289) variance in the Group's and the Company's loss for the year.

Plant and equipment (other than buildings)

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

The carrying amount of the Group's and of the Company's plant and equipment at the reporting date is disclosed in Note 11. A 5% difference in the expected useful lives of these assets from Directors' estimates would result in RM129,803 (2019: RM151,772) and RM70,203 (2019: RM77,513) variance in the Group's and the Company's loss for the year.

(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 12.

(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).

3. Significant accounting judgement and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

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

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

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

(e) Income tax and deferred tax liabilities

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

4. Revenue

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

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM	**RM**	**RM**	**RM**
Revenue from hotel business:				
- Rental of hotel rooms and service apartments	**7,579,818**	14,042,685	**949,317**	3,711,037
- Sales of food and beverages	**3,347,857**	7,930,493	**518,103**	1,911,799
- Other related income	**213,025**	309,076	**121,818**	58,157
Revenue from other sources:				
- Rental of hotel premises	**901,376**	1,266,666	**215,129**	474,191
	12,042,076	23,548,920	**1,804,367**	6,155,184
Timing of recognition:				
- Services rendered and goods transferred at a point in time	**11,140,700**	22,282,254	**1,589,238**	5,680,993
- Services rendered over time	**901,376**	1,266,666	**215,129**	474,191
	12,042,076	23,548,920	**1,804,367**	6,155,184

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

5. Staff costs

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Salaries and other emoluments	**8,142,200**	8,487,550	**2,660,468**	2,694,969
EPF	**997,644**	1,015,818	**314,137**	306,926
Social security costs	**122,127**	129,942	**28,307**	28,235
(Reversal of)/provision for short-term accumulating compensated absences	**(138,922)**	(8,242)	**(35,910)**	13,318
Other staff related expenses	**1,266,301**	1,932,987	**963,560**	1,517,329
	10,389,350	11,558,055	**3,930,562**	4,560,777

Included in staff costs of the Group and of the Company are Executive Directors' remuneration amounting to RM905,812 (2019: RM879,310) and RM846,762 (2019: RM818,102) respectively as further disclosed in Note 7.

6. Operating loss

Operating loss is stated after charging:

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Auditors' remuneration				
Statutory audit	**175,000**	232,000	**64,000**	74,000
Other services	**3,000**	5,000	**3,000**	5,000
Short-term leases				
- Hostel rental	**27,600**	27,600	**27,600**	27,600

7. Directors' remuneration

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Executive:				
Salaries and other emoluments	**797,724**	777,095	**745,402**	722,502
EPF	**108,088**	102,215	**101,360**	95,600
Total Executive Directors' remuneration included in staff costs	**905,812**	879,310	**846,762**	818,102
Executive Directors' fees	**110,000**	110,000	**110,000**	110,000
Total Executive Directors' remuneration (excluding benefits-in-kind)	**1,015,812**	989,310	**956,762**	928,102
Estimated money value of benefits-in-kind	**88,205**	91,468	**88,205**	91,468
Total Executive Directors' remuneration (including benefits-in-kind)	**1,104,017**	1,080,778	**1,044,967**	1,019,570

7. Directors' remuneration (cont'd)

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Non-executive:				
Fees, representing total Non-Executive Directors' remuneration	**45,000**	45,000	**45,000**	45,000
Total Directors' remuneration	**1,149,017**	1,125,778	**1,089,967**	1,064,570

8. Finance costs

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Lease liability interests	**2,537**	4,306	**-**	-

9. Taxation

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Current income tax:				
Malaysian income tax	**-**	104,477	**-**	104,477
Overprovision of prior years	**(78,318)**	(56,719)	**(81,868)**	(51,119)
	(78,318)	47,758	**(81,868)**	53,358
Deferred tax (Note 19):				
Relating to origination and reversal of temporary differences	**(2,044,445)**	(1,160,557)	**(1,318,191)**	(714,986)
Underprovision of prior years	**205,203**	69,701	**150,830**	-
	(1,839,242)	(1,090,856)	**(1,167,361)**	(714,986)
Taxation	**(1,917,560)**	(1,043,098)	**(1,249,229)**	(661,628)

Income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 24%) of the estimated assessable profit for the year.

9. Taxation (cont'd)

A reconciliation of taxation applicable to loss 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	
	2020	2019	2020	2019
	RM	RM	RM	RM
Loss before taxation	**(11,639,179)**	(7,795,907)	**(6,397,159)**	(3,676,499)
Taxation at Malaysian statutory tax rate of 24% (2019: 24%)	**(2,793,403)**	(1,871,018)	**(1,535,318)**	(882,360)
Income not subject to taxation	**508**	2,109	**-**	-
Effect of expenses not deductible for tax purposes	**399,488**	534,783	**217,127**	271,851
Deferred tax assets not recognised during the year	**348,962**	278,046	**-**	-
Underprovision of deferred tax in prior years	**205,203**	69,701	**150,830**	-
Overprovision of income tax in prior years	**(78,318)**	(56,719)	**(81,868)**	(51,119)
	(1,917,560)	(1,043,098)	**(1,249,229)**	(661,628)

10. 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	
	2020	2019
Loss attributable to equity holders of the Company (RM)	**(9,572,967)**	(6,700,396)
Weighted average number of ordinary shares in issue	**197,002,000**	197,002,000
Basic loss per share (sen)	**(4.9)**	(3.4)

(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.

11. Property, plant and equipment

Group	Freehold land* RM	Buildings* RM	Leasehold land* RM	Other assets RM	Crockeries, kitchenware and linen RM	Motor vehicles RM	Total RM
At 31 December 2020							
Cost							
At 1 January 2020	14,229,762	207,964,761	4,881,569	54,462,350	7,849,346	2,122,447	291,510,235
Additions	-	-	-	385,877	33,469	-	419,346
Disposals	-	-	-	(11,815)	-	-	(11,815)
Written off	-	-	-	(13,358)	-	-	(13,358)
At 31 December 2020	14,229,762	207,964,761	4,881,569	54,823,054	7,882,815	2,122,447	291,904,408
Accumulated depreciation							
At 1 January 2020	-	62,300,138	71,093	43,527,018	7,400,956	1,971,675	115,270,880
Charge for the year	-	4,175,086	6,249	2,204,802	321,296	69,963	6,777,396
Disposals	-	-	-	(11,815)	-	-	(11,815)
Written off	-	-	-	(11,089)	-	-	(11,089)
At 31 December 2020	-	66,475,224	77,342	45,708,916	7,722,252	2,041,638	122,025,372
Net carrying amount							
At 31 December 2020	14,229,762	141,489,537	4,804,227	9,114,138	160,563	80,809	169,879,036

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

11. Property, plant and equipment (cont'd)

Group (cont'd)	Freehold land* RM	Buildings* RM	Leasehold land* RM	Other assets RM	Crockeries, kitchenware and linen RM	Motor vehicles RM	Total RM
At 31 December 2019							
Cost							
At 1 January 2019	14,229,762	207,964,761	4,881,569	52,139,118	7,731,786	2,122,447	289,069,443
Additions	-	-	-	2,406,448	117,620	-	2,524,068
Written off	-	-	-	(83,216)	(60)	-	(83,276)
At 31 December 2019	14,229,762	207,964,761	4,881,569	54,462,350	7,849,346	2,122,447	291,510,235
Accumulated depreciation							
At 1 January 2019	-	58,125,046	64,844	41,341,031	6,698,426	1,901,597	108,130,944
Charge for the year	-	4,175,092	6,249	2,262,781	702,590	70,078	7,216,790
Written off	-	-	-	(76,794)	(60)	-	(76,854)
At 31 December 2019	-	62,300,138	71,093	43,527,018	7,400,956	1,971,675	115,270,880
Net carrying amount							
At 31 December 2019	14,229,762	145,664,623	4,810,476	10,935,332	448,390	150,772	176,239,355

11. Property, plant and equipment (cont'd)

	Freehold land* RM	Building* RM	Other assets RM	Crockeries, kitchenware and linen RM	Motor vehicles RM	Total RM
Company						
At 31 December 2020						
Cost						
At 1 January 2020	8,500,000	105,500,000	23,178,302	1,537,815	1,163,830	139,879,947
Additions	-	-	135,486	27,236	-	162,722
Written off	-	-	(575)	-	-	(575)
At 31 December 2020	8,500,000	105,500,000	23,313,213	1,565,051	1,163,830	140,042,094
Accumulated depreciation						
At 1 January 2020	-	33,609,994	16,816,850	1,369,650	1,163,830	52,960,324
Charge for the year	-	2,125,789	1,268,252	135,806	-	3,529,847
Written off	-	-	(575)	-	-	(575)
At 31 December 2020	-	35,735,783	18,084,527	1,505,456	1,163,830	56,489,596
Net carrying amount						
At 31 December 2020	8,500,000	69,764,217	5,228,686	59,595	-	83,552,498

11. Property, plant and equipment (cont'd)

	Freehold land* RM	Building* RM	Other assets RM	Crockeries, kitchenware and linen RM	Motor vehicles RM	Total RM
Company (cont'd)						
At 31 December 2019						
Cost						
At 1 January 2019	8,500,000	105,500,000	21,544,817	1,517,237	1,163,830	138,225,884
Additions	-	-	1,633,485	20,578	-	1,654,063
At 31 December 2019	8,500,000	105,500,000	23,178,302	1,537,815	1,163,830	139,879,947
Accumulated depreciation						
At 1 January 2019	-	31,484,205	15,498,011	1,138,226	1,163,830	49,284,272
Charge for the year	-	2,125,789	1,318,839	231,424	-	3,676,052
At 31 December 2019	-	33,609,994	16,816,850	1,369,650	1,163,830	52,960,324
Net carrying amount						
At 31 December 2019	8,500,000	71,890,006	6,361,452	168,165	-	86,919,623

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

	Carrying amounts included in property, plant and equipment RM	Depreciation charged for the financial year RM	Additions RM
Group			
Right-of-use assets			
Leasehold land			
- 31 December 2020	**4,804,227**	**6,249**	**-**
- 31 December 2019	4,810,476	6,249	-
Buildings			
- 31 December 2020	**24,825,728**	**709,306**	**-**
- 31 December 2019	25,535,034	709,306	-
Motor vehicles			
- 31 December 2020	**68,646**	**28,405**	**-**
- 31 December 2019	97,051	28,405	-

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

12. Investment in subsidiaries

	Company 2020 RM	2019 RM
Unquoted shares, at cost	**67,364,783**	67,364,783
Less: Impairment loss for investment in subsidiaries	**(879,325)**	(879,325)
	66,485,458	66,485,458
Movement in impairment losses:		
At 1 January/31 December	**(879,325)**	(879,325)

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

Name of Company	Equity interest 2020 %	2019 %	Principal activities
Grand Island Hotel (Langkawi) Sdn. Bhd.	**86.36**	86.36	Hotelier
Grand Central Enterprises (Pahang) Sdn. Bhd.	**100.00**	100.00	Hotelier
Grand Central Enterprises (Trengganu) Sdn. Bhd.	**100.00**	100.00	Hotelier
Grand Central Enterprises (Sarawak) Sdn. Bhd.	**100.00**	100.00	Hotelier
Grand Central Trans-Services Sdn. Bhd.	**100.00**	100.00	Provision of limousine services and online reservation services

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

	Grand Island Hotel (Langkawi) Sdn. Bhd. 2020 %	2019 %
Non-controlling interests	**13.64**	13.64

12. Investment in subsidiaries (cont'd)

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

	2020 RM	2019 RM
(i) Summarised statement of financial position		
Non-current assets	**12,238,492**	12,674,523
Current assets	**214,172**	1,164,292
Total assets	**12,452,664**	13,838,815
Non-current liabilities	**563,561**	883,005
Current liabilities	**626,931**	597,359
Total liabilities	**1,190,492**	1,480,364
Equity attributable to owners of the parent	**9,726,012**	10,673,639
Equity attributable to non-controlling interests	**1,536,160**	1,684,812
Total equity	**11,262,172**	12,358,451
(ii) Summarised statement of comprehensive income		
Revenue	**525,632**	2,652,005
Loss for the year, representing total comprehensive loss	**(1,096,279)**	(384,375)
Loss attributable to owners of the parent	**(947,627)**	(331,962)
Loss attributable to non-controlling interests	**(148,652)**	(52,413)
(iii) Summarised cash flows information		
Cash flows (used in)/generated from:		
Operating activities	**(830,969)**	203,858
Investing activities	**(107,120)**	(162,467)
Net (decrease)/increase in cash and cash equivalents	**(938,089)**	41,391

13. Inventories

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
At cost:				
Food and beverages	**109,448**	139,055	**26,309**	45,247
Consumables	**439,847**	362,090	**143,858**	91,980
	549,295	501,145	**170,167**	137,227
Recognised in profit or loss:				
Inventories recognised in profit or loss	**926,996**	2,306,751	**105,367**	575,057
Inventories written off	**2,790**	2,113	**2,466**	1,760

14. Trade receivables

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Third parties	**1,802,932**	1,480,306	**308,983**	745,881
Less: Allowance of expected credit lossses	**(52,154)**	(55,732)	**(52,154)**	(53,614)
Trade receivables, net	**1,750,778**	1,424,574	**256,829**	692,267

The Group's and the Company's normal trade credit terms are 30 to 90 (2019: 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 25.

Ageing analysis of trade receivables

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

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Neither past due nor impaired	**906,197**	521,465	**1,980**	346,846
1 to 30 days past due not impaired	**563,061**	551,937	**663**	140,649
31 to 60 days past due not impaired	**1,125**	134,187	**175**	103,002
61 to 90 days past due not impaired	**8,476**	6,777	**690**	4,180
More than 90 days past due not impaired	**271,919**	210,208	**253,321**	97,590
	844,581	903,109	**254,849**	345,421
Credit impaired	**52,154**	55,732	**52,154**	53,614
	1,802,932	1,480,306	**308,983**	745,881

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.

Receivables that are past due but not impaired

The Group and the Company have trade receivables amounted to RM844,581 (2019: RM903,109) and RM254,849 (2019: RM345,421) respectively, that are past due at the reporting date but not impaired. These relate to customers that have a good track record with the Group and the Company. Based on past experience, the Directors of the Group and of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there have not been a significant change in credit quality and the balances are still considered fully recoverable. The receivables that are past due but not impaired are unsecured in nature.

14. Trade receivables (cont'd)

Trade receivables that are impaired

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

	Group Individually impaired		Company Individually impaired	
	2020 RM	2019 RM	2020 RM	2019 RM
At 1 January	**55,732**	8,788	**53,614**	-
Recovered during the year	**(2,118)**	(8,788)	**-**	-
Charge for the year	**-**	55,732	**-**	53,614
Written off	**(1,460)**	-	**(1,460)**	-
At 31 December	**52,154**	55,732	**52,154**	53,614

Trade receivables that are individually determined to be impaired at the reporting date relate to balances that are in dispute. These receivables are not secured by any collateral or credit enhancements.

15. Other receivables

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Due from affiliated companies	**265,976**	299,708	**262,276**	290,712
Due from subsidiaries	**-**	-	**6,799,702**	4,331,861
Deposits	**149,568**	164,041	**60,331**	70,075
Prepayments	**490,741**	282,057	**208,627**	137,908
Rental receivable	**307,715**	248,929	**75,048**	78,990
Interest receivable	**78,572**	1,052,074	**78,572**	1,052,074
Sundry receivables	**309,335**	142,167	**146,473**	41,346
	1,601,907	2,188,976	**7,631,029**	6,002,966
Less: Allowance of expected credit losses	**(20,160)**	(20,160)	**(190,433)**	(81,656)
	1,581,747	2,168,816	**7,440,596**	5,921,310

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 22.

Receivable 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 (2019: RM61,496) has been impaired as these relate to unsecured advances to a subsidiary, Grand Central Trans-Services Sdn. Bhd., which has been suffering financial losses for the current and previous financial years.

15. Other receivables (cont'd)

Other receivables that are impaired

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

	Group Individually impaired		Company Individually impaired	
	2020	**2019**	**2020**	**2019**
	RM	**RM**	**RM**	**RM**
At 1 January	**20,160**	-	**81,656**	45,776
Charge for the year	**-**	20,160	**108,777**	35,880
At 31 December	**20,160**	20,160	**190,433**	81,656

16. Cash and bank balances

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM	**RM**	**RM**	**RM**
Cash on hand and at banks	**2,609,165**	5,756,084	**693,779**	1,433,581
Deposits with licensed banks	**45,167,214**	49,100,526	**45,167,214**	49,100,526
Cash and bank balances	**47,776,379**	54,856,610	**45,860,993**	50,534,107
Add: Trade receivables	**1,750,778**	1,424,574	**256,829**	692,267
Other receivables, excluding prepayments	**1,091,006**	1,886,759	**7,231,969**	5,783,402
Total financial assets at amortised cost	**50,618,163**	58,167,943	**53,349,791**	57,009,776

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

	2020	**2019**
Interest rates per annum (%)	**1.85**	3.23 - 4.25
Maturities (days)	**31 - 62**	31 - 365

These short-term deposits have maturity periods of more than 3 months but not more than one year amounted to Nil (2019: RM48,327,885). Included in deposits with licensed banks are deposits of RM1,185,000 (2019: RM1,185,000) pledged as bank guarantees for credit facilities granted to the Group and the Company.

17. Share capital

	Number of ordinary shares		Amount	
	2020	**2019**	**2020**	**2019**
	Units	**Units**	**RM**	**RM**
Issued and fully paid with no par value:				
At 1 January/31 December	**197,002,000**	197,002,000	**199,396,693**	199,396,693

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

18. Lease liability

	Group	
	2020	**2019**
	RM	**RM**
Minimum lease payments:		
Not later than 1 year	**14,690**	35,280
Later than 1 year and not later than 2 years	**-**	17,630
	14,690	52,910
Less: Future finance charges	**(244)**	(2,781)
Present value of lease liability	**14,446**	50,129
Present value of lease liability:		
Not later than 1 year	**14,446**	32,841
Later than 1 year and not later than 2 years	**-**	17,288
	14,446	50,129
Analysed as:		
Due within 12 months	**14,446**	32,841
Due after 12 months	**-**	17,288
	14,446	50,129

The lease liability bears interest rates of 7.15% (2019: 7.15%) per annum.

Included in net cash used in operating activities of the Group and of the Company amounted to RM27,600 (2019:RM27,600) and RM27,600 (2019: RM27,600) respectively were payments in relation to short-term leases.

19. Deferred tax liabilities

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM	**RM**	**RM**	**RM**
At 1 January	**14,663,466**	15,754,322	**12,897,008**	13,611,994
Recognised in profit or loss (Note 9)	**(1,839,242)**	(1,090,856)	**(1,167,361)**	(714,986)
At 31 December	**12,824,224**	14,663,466	**11,729,647**	12,897,008

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

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM	**RM**	**RM**	**RM**
Deferred tax assets	**(8,000,650)**	(6,607,786)	**(2,859,425)**	(2,108,760)
Deferred tax liabilities	**20,824,874**	21,271,252	**14,589,072**	15,005,768
	12,824,224	14,663,466	**11,729,647**	12,897,008

19. Deferred tax liabilities (cont'd)

Deferred tax liabilities of the Group:

	Hotel properties RM	Other assets RM	Total RM
At 1 January 2020	**20,708,619**	**562,633**	**21,271,252**
Recognised in profit or loss	**(227,152)**	**(219,226)**	**(446,378)**
At 31 December 2020	**20,481,467**	**343,407**	**20,824,874**
At 1 January 2019	21,058,693	422,601	21,481,294
Recognised in profit or loss	(350,074)	140,032	(210,042)
At 31 December 2019	20,708,619	562,633	21,271,252

Deferred tax assets of the Group:

	Unused tax losses, unabsorbed capital and investment tax allowances RM	Other deductible temporary differences RM	Total RM
At 1 January 2020	**(6,513,349)**	**(94,437)**	**(6,607,786)**
Recognised in profit or loss	**(1,406,564)**	**13,700**	**(1,392,864)**
At 31 December 2020	**(7,919,913)**	**(80,737)**	**(8,000,650)**
At 1 January 2019	(5,599,837)	(127,135)	(5,726,972)
Recognised in profit or loss	(913,512)	32,698	(880,814)
At 31 December 2019	(6,513,349)	(94,437)	(6,607,786)

Deferred tax liabilities of the Company:

	Hotel properties RM	Other assets RM	Total RM
At 1 January 2020	**14,743,801**	**261,967**	**15,005,768**
Recognised in profit or loss	**(313,498)**	**(103,198)**	**(416,696)**
At 31 December 2020	**14,430,303**	**158,769**	**14,589,072**
At 1 January 2019	15,072,326	235,422	15,307,748
Recognised in profit or loss	(328,525)	26,545	(301,980)
At 31 December 2019	14,743,801	261,967	15,005,768

19. Deferred tax liabilities (cont'd)

Deferred tax assets of the Company:

	Unused tax losses and unabsorbed capital allowances RM	Other deductible temporary differences RM	Total RM
At 1 January 2020	**(2,087,975)**	**(20,785)**	**(2,108,760)**
Recognised in profit or loss	**(759,170)**	**8,505**	**(750,665)**
At 31 December 2020	**(2,847,145)**	**(12,280)**	**(2,859,425)**
At 1 January 2019	(1,673,077)	(22,677)	(1,695,754)
Recognised in profit or loss	(414,898)	1,892	(413,006)
At 31 December 2019	(2,087,975)	(20,785)	(2,108,760)

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

	Group 2020 RM	2019 RM
Unused tax losses	**7,819,755**	7,188,976
Unabsorbed capital allowances	**4,189,588**	3,603,524
Unabsorbed investment tax allowances	**15,368,673**	15,110,977
Other deductible temporary differences	**45,235**	65,765
	27,423,251	25,969,242

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 subject to the relevant provision of Income Tax Act 1967. Effective Year of Assessment 2019 as announced in the Annual Budget 2019, the unused tax losses of the Company as of 31 December 2018 for the year of assessment 2018 and thereafter will only be available to be carried forward for a period of seven (7) consecutive years. Upon expiry of the 7 years, the unused tax losses will be disregarded.

The expiry of the unused tax losses is as follow:

	Group 2020 RM	2019 RM
Year of assessment 2025	**7,053,283**	7,053,283
Year of assessment 2026	**135,693**	135,693
Year of assessment 2027	**630,779**	-
	7,819,755	7,188,976

20. 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 (2019: 30 to 90) days.

21. Other payables

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Due to an affiliated company	**-**	5,618	**-**	-
Due to a subsidiary	**-**	-	**523,302**	-
SST payable	**184**	241,061	**-**	75,063
Sundry payables	**725,669**	1,713,895	**141,701**	1,062,820
Provisions	**436,460**	588,153	**253,428**	289,338
Accruals	**1,038,062**	1,205,862	**438,224**	407,369
	2,200,375	3,754,589	**1,356,655**	1,834,590
Add: Trade payables	**824,280**	1,211,085	**151,870**	166,393
Lease liability	**14,446**	50,129	**-**	-
Less: SST payable	**(184)**	(241,061)	**-**	(75,063)
Provisions	**(436,460)**	(588,153)	**(253,428)**	(289,338)
Total financial liabilities at amortised cost	**2,602,457**	4,186,589	**1,255,097**	1,636,582

The amounts due to an affiliated company and a subsidiary are non-interest bearing, non trade, unsecured and repayable on demand. Further details of related party transactions are disclosed in Note 22.

(a) Provisions

Group	Short-term accumulating compensated absences RM	Others RM	Total RM
At 1 January 2020	**268,685**	**319,468**	**588,153**
Addition	**129,763**	**-**	**129,763**
Utilisation and reversal	**(268,685)**	**(12,771)**	**(281,456)**
At 31 December 2020	**129,763**	**306,697**	**436,460**
At 1 January 2019	276,927	197,369	474,296
Addition	268,685	173,874	442,559
Utilisation and reversal	(276,927)	(51,775)	(328,702)
At 31 December 2019	268,685	319,468	588,153

21. Other payables (cont'd)

(a) Provisions (cont'd)

	Short-term accumulating compensated absences RM	Others RM	Total RM
Company			
At 1 January 2020	**87,081**	**202,257**	**289,338**
Addition	**51,171**	**-**	**51,171**
Utilisation and reversal	**(87,081)**	**-**	**(87,081)**
At 31 December 2020	**51,171**	**202,257**	**253,428**
At 1 January 2019	73,763	50,058	123,821
Addition	87,081	157,311	244,392
Utilisation and reversal	(73,763)	(5,112)	(78,875)
At 31 December 2019	87,081	202,257	289,338

22. Significant related party transactions

Transactions with related parties

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

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Management fees received/ receivable from an affiliated company	**72,000**	72,000	**72,000**	72,000
Management fees received/ receivable from subsidiaries	**-**	-	**778,062**	1,310,548
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	**27,600**	27,600	**27,600**	27,600

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

22. Significant related party transactions (cont'd)

Compensation of key management personnel

The remuneration of key management personnel during the financial year were as follows:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM	**RM**	**RM**	**RM**
Salaries and other emoluments	**1,892,041**	1,730,225	**1,274,900**	1,253,513
EPF	**204,142**	186,767	**140,816**	134,883
	2,096,183	1,916,992	**1,415,716**	1,388,396

Included in total compensation of key management personnel of the Group and of the Company are Directors' fees and remuneration (excluding Non-executive Directors) of RM1,104,017 (2019: RM1,080,778) and RM1,044,967 (2019: RM1,019,570) respectively.

23. 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

There is one (2019: Nil) major customer with revenue of 10% (2019: Nil) of the Group's revenue which amounted to RM1,198,530 (2019: Nil).

24. Fair value of financial instruments

The carrying amounts of the financial assets and financial liabilities are reasonable approximation of fair values due to their short-term nature of these financial instruments or insignificant impact of discounting.

25. Financial risk management objectives and policies

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

25. Financial risk management objectives and policies (cont'd)

(a) Interest rate risk

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

The Group and the Company have minimal exposure to interest rate risk as its interest bearing financial asset on deposits with licensed banks and borrowing relates to lease liability arrangement of which the interest rate is fixed at the inception of the arrangement.

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

(b) Credit risk

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

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 concentration of credit risk relates to debts due from government agencies which comprise 70% (2019: 48%) and 1% (2019: 21%) respectively of the total trade receivables.

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 14 and 15 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 allowance for impairment necessary at this juncture.

25. Financial risk management objectives and policies (cont'd)

(b) Credit risk (cont'd)

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

Information regarding trade and other receivables that are either past due or impaired is disclosed in Notes 14 and 15 respectively.

(c) Liquidity and cash flow risks

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

The maturity profile of the Group's financial liabilities based on contractual undiscounted repayment obligations is less than one year on 31 December 2020.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date based on contractual undiscounted repayment obligation.

	On demand or within one year RM	One to five years RM	Total RM
At 31 December 2019			
Financial liabilities:			
Trade payables	1,211,085	-	1,211,085
Other payables (excluding SST payable and provisions)	2,925,375	-	2,925,375
Lease liability	35,280	17,630	52,910
	4,171,740	17,630	4,189,370

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

26. 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 shareholder 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 adjust the dividends payment to shareholders, 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.

27. Capital commitments

Capital expenditures as at the reporting date are as follows:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM	**RM**	**RM**	**RM**
Approved and contracted for:				
Property, plant and equipment	**466,250**	77,905	**201,500**	-

28. Significant events during the financial year and after the reporting date

On 11 March 2020, the World Health Organisation declared the Coronavirus ("COVID-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government had imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the COVID-19 outbreak in Malaysia. The COVID-19 outbreak also resulted in travel restrictions, lockdown and other precautionary measures imposed in various countries. The emergence of the COVID-19 outbreak since early 2020 had brought significant economic uncertainties in Malaysia and the markets in which the Group operates.

The Malaysian Government had again imposed the Movement Control Order ("MCO") and Conditional Movement Control ("CMCO") for selected states which are severely affected by the COVID-19 on 11 January 2021. Besides, the Malaysian King declared a state of emergency for the country until 1 August 2021 to curb the spread of Covid-19 on 12 January 2021.

As a result of the COVID-19 pandemic outbreak, the Group's businesses, result of the operation, financial position and cash flows were affected during the financial year with continuing impact in the subsequent periods. Travel restrictions, both international as well as domestic, imposed in Malaysia disrupted revenue lines during the financial year and after the reporting date. Such restrictions have continued throughout the year with only some domestic travel and the Government did not approve international travel operations commencing March 2020. This has resulted in a significant decline in revenue in the current financial year and after the reporting date.

Beginning in April 2020, the Group had implemented various cost saving measures including a reduction in various general and administrative costs in response to current market conditions. Further, the management believes that the Group has sufficient cash to meet anticipated cash needs including cash needs for working capital for foreseeable future. Due to significant uncertainties surrounding the COVID-19 pandemic, travel restrictions remain unpredictable as to their timing and may evolve in response to the Covid-19 evolution in Malaysia. The Directors shall continuously assess the impact of COVID-19 on its operations as well as the financial position for the financial year ending 31 December 2021.

29. Comparative information

The comparative figures were audited by another firm of Chartered Accountants other than Grant Thornton Malaysia PLT. Certain comparative figures were reclassified to conform with current year's presentation.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty Sixth Annual General Meeting of the Company will be held at the Grand 5, 10th Floor, Hotel Grand Continental, Jalan Belia/Jalan Raja Laut, 50350 Kuala Lumpur on Monday, 26 April 2021 at 9.30 a.m. to transact the following businesses:

1.	To receive the Audited Financial Statements for the year ended 31 December 2020 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 Teck Lin	**(Resolution 1)**
	(b) Lim Thian Loong	**(Resolution 2)**
3.	To approve the payment of Directors' fees of RM155,000 and other benefits of up to RM950,000 for the period from 27 April 2021 until the next Annual General Meeting.	**(Resolution 3)**
4.	To consider, and if thought fit, to pass the following resolution:	
	"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 Annual General Meeting at a fee to be determined by the Directors at a later date."	**(Resolution 4)**
	Special Business To consider and, if thought fit, to pass the following resolutions:	
5.	**Ordinary Resolution - Retention of Independent Non-Executive Director**	**(Refer to Explanatory Note ii)**
	"THAT approval be hereby given to Wong Tow Cheong to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting."	**(Resolution 5)**
6.	**Ordinary Resolution - Retention of Independent Non-Executive Director**	**(Refer to Explanatory Note ii)**
	"THAT approval be hereby given to Lee Wai Kuen to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting."	**(Resolution 6)**
7.	To transact any other business for which due notice shall have been given.	

BY ORDER OF THE BOARD

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

Kuala Lumpur,
2 April 2021

Notes:

1. *A Member holding one thousand (1,000) ordinary shares or less may appoint only one (1) proxy to attend and vote at a general meeting who shall represent all the shares held by such Member. A Member holding more than one thousand (1,000) ordinary shares may appoint up to two (2) proxies to attend and vote at the same meeting. Where a Member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.*

2. *Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*

3. *A proxy may but need not be a member of the Company.*

4. *The instrument appointing a proxy must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly authorised.*

5. *The instrument appointing a proxy must be deposited at the Company's Registered Office at No. 1 & 1A, 2nd Floor (Room 2), Jalan Ipoh Kecil, 50350 Kuala Lumpur, at least forty-eight (48) hours before the time for holding the meeting or at any adjournment thereof.*

6. *Depositor whose name appears on the Record of Depositors as at 16 April 2021 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 Thirty Sixth Annual General Meeting shall be put to vote by poll.*

IMPORTANT NOTICE

The Company will monitor the Covid-19 situation and may adopt further procedures and measures on the Thirty Sixth Annual General Meeting day to ensure the applicable directives, safety and precautionary requirements as prescribed by the Government, the Ministry of Health, the Malaysian National Security Council, and other relevant authorities to curb the spread of Covid-19 are abided by.

The Company reserves the right to take further measures or short-notice arrangements as and when appropriate in order to minimize any risk to the Thirty Sixth Annual General Meeting. Any update on the Thirty Sixth Annual General Meeting will be announced on the Bursa Malaysia Securities Berhad ("Bursa") and the shareholders are advised to check the Company's announcement(s) made via Bursa regularly.

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.

EXPLANATORY NOTES (CONT'D)

(ii) **Retention of Independent Non-Executive Director**

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

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

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

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. **Directors who are standing for re-election**

   The Directors who are standing for re-election pursuant to Clause 76 of the Company's Constitution at the Thirty Sixth Annual General Meeting of the Company are as follows:

   (a) TanTeck Lin
   (b) Lim Thian Loong

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

   The profiles of Directors standing for re-election are set out on pages 17 and 19 of this Annual Report 2020.

3. **Details of Attendance of Directors at Board Meetings**

   The details of attendance of directors at board meetings are stated on page 22 of this Annual Report 2020.

4. **Details of the Thirty Sixth Annual General Meeting**

Date	Time	Place
26 April 2021	9.30 a.m.	Grand 5, 10th Floor, Hotel Grand Continental, Jalan Belia/Jalan Raja Laut, 50350 Kuala Lumpur.

ANALYSIS OF SHAREHOLDINGS

As at 26 February 2021

DISTRIBUTION OF SHAREHOLDERS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	129	2.92	3,917	0.00
100 - 1,000	1,469	33.22	1,384,680	0.70
1,001 - 10,000	2,357	53.30	8,951,736	4.55
10,001 - 100,000	405	9.16	10,880,256	5.52
100,001 - 9,850,099 (Less than 5% of issued shares)	59	1.33	32,652,350	16.58
9,850,100 and above (5% and above of issued shares)	3	0.07	143,129,061	72.65
Total	**4,422**	**100.00**	**197,002,000**	**100.00**

THE THIRTY LARGEST SECURITIES ACCOUNT HOLDERS

No.	Name	No. of Shares	%
1.	Tan Chee Hoe & Sons Sdn Bhd	86,035,118	43.67
2.	Hotel Grand Central Limited	46,864,843	23.79
3.	Tan Chee Hoe & Sons Sdn Bhd	10,229,100	5.19
4.	Harichandra Holdings Sdn Bhd	3,474,500	1.76
5.	Mersec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Siow Wong Yen @ Siow Kwang Hwa	3,170,000	1.61
6.	Fortune Full Century Limited	3,057,900	1.55
7.	Chelliah Holidays Sdn Bhd	2,500,000	1.27
8.	Kong Ying Ling	2,200,000	1.12
9.	Ensin Corporation Sdn Bhd	1,812,700	0.92
10.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chelliah Holdings Sdn Bhd (SRB/PDN/PMS)	1,000,000	0.51
11.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chin Kiam Hsung	910,400	0.46
12.	Vun Shui Moi @ Vun Siew Moi	872,000	0.44
13.	Cheong Hok An	849,250	0.43
14.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Teo Siew Lai	700,000	0.36
15.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Teo Kwee Hock	609,700	0.31
16.	Tan Hwa Lian	557,000	0.28
17.	Cheng Hon Sang	544,200	0.28
18.	Chin Kian Fong	517,500	0.27
19.	Lok Eng Kiat	451,300	0.23
20.	Kheng Thin Choo	437,500	0.22
21.	Koo Boon Long	434,000	0.22
22.	Cheng Hon Sang	374,300	0.19
23.	Lim Hui Kong	360,000	0.18
24.	Lee Siew Hoon	358,700	0.18
25.	Hong Thian Hock	331,200	0.17
26.	Ng Poh Cheng	321,800	0.16
27.	Tan Teck Lin Holdings Sdn Bhd	311,000	0.16
28.	Weh Dah Sdn Bhd	310,000	0.16
29.	Ooi Li Ying	308,900	0.16
30.	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB for Genting Perwira Sdn Bhd (PB)	300,000	0.15
	Total	**170,202,911**	**86.40**

LIST OF DIRECTORS' & SUBSTANTIAL HOLDINGS As at 26 February 2021

Directors' Holdings (as per Register of Directors' Holdings)

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

Substantial Holdings (as per Register of Substantial Holdings)

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

(1) Indirect interest by virtue of his interest in Tan Chee Hoe & Sons Sdn. Bhd., Hotel Grand Central Limited and family members.

(2) Indirect interest by virtue of his interest in Tan Chee Hoe & Sons Sdn. Bhd., Hotel Grand Central Limited, Tan Teck Lin Holdings Sdn. Bhd. and family members.

(3) Indirect interest by virtue of her interest in Tan Teck Lin Holdings Sdn. Bhd. and family members.

(4) Indirect interest by virtue of substantial holding in Hotel Grand Central Limited.

(5) Indirect interest by virtue of direct/indirect holding in Tan Chee Hoe & Sons Sdn. Bhd. and Hotel Grand Central Limited.

(6) Indirect interest by virtue of her interest through family member.

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FORM OF PROXY
GRAND CENTRAL ENTERPRISES BHD

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

I/We ____

of ____

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

of ____

or failing him ____

of ____

as my / our proxy to vote for me / us and on my / our behalf at the THIRTY SIXTH ANNUAL GENERAL MEETING of the Company to be held at the Grand 5, 10th Floor, Hotel Grand Continental, Jalan Belia/Jalan Raja Laut, 50350 Kuala Lumpur on Monday, 26 April 2021 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 Teck Lin		
Resolution 2	To re-elect Lim Thian Loong		
Resolution 4	To approve the payment of Directors' fees and other benefits for the period from 27 April 2021 until the next Annual General Meeting		
Resolution 5	To re-appoint Messrs Grant Thornton Malaysia PLT and to authorise the directors to fix their remuneration		
Resolution 6	To retain Independent Non-Executive Director, Wong Tow Cheong		
Resolution 7	To retain Independent Non-Executive Director, Lee Wai Kuen		

First Proxy	%
Second Proxy	%
Total :	100%

No. of Share Held :	
CDS A/C No.	

Dated this ________ day of _________________, 2021.

____
Signature

Notes:

1. *A Member holding one thousand (1,000) ordinary shares or less may appoint only one (1) proxy to attend and vote at a general meeting who shall represent all the shares held by such Member. A Member holding more than one thousand (1,000) ordinary shares may appoint up to two (2) proxies to attend and vote at the same meeting. Where a Member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.*

2. *Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*

3. *A proxy may but need not be a member of the Company.*

4. *The instrument appointing a proxy must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly authorised.*

5. *The instrument appointing a proxy must be deposited at the Company's Registered Office at No. 1 & 1A, 2nd Floor (Room 2), Jalan Ipoh Kecil, 50350 Kuala Lumpur, at least forty-eight (48) hours before the time for holding the meeting or at any adjournment thereof.*

6. *Depositor whose name appears on the Record of Depositors as at 16 April 2021 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 Thirty Sixth Annual General Meeting shall be put to vote by poll.*

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STAMP

The Company Secretary
Grand Central Enterprises Bhd.
No. 1 & 1A, 2nd Floor (Room 2)
Jalan Ipoh Kecil
50350 Kuala Lumpur

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AUSTRALIA

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