

**Contents**

<b>A.</b>	Condensed Interim Consolidated Income Statement	2
<b>B.</b>	Condensed Interim Consolidated Statement of Comprehensive Income	3
<b>C.</b>	Condensed Interim Statements of Financial Position	4
<b>D.</b>	Condensed Interim Statements of Changes in Equity	5
<b>E.</b>	Condensed Interim Consolidated Statement of Cash Flow	7
<b>F.</b>	Notes to the Condensed Interim Consolidated Financial Statements	8
<b>G.</b>	Other Information Required by the Listing Rule Appendix 7.2	13

**A. Condensed Interim Consolidated Income Statement**

	<b>Note</b>	<b>Half Year Ended 30 June</b>		<b>Change</b>
		<b>2023</b>	<b>2022</b>	
		<b>\$'000</b>	<b>\$'000</b>	
<b>Revenue</b>				
Hotel operations	4	67,015	56,032	20%
Rental income from investment properties	4	5,872	6,993	-16%
<b>Total revenue</b>		<b>72,887</b>	<b>63,025</b>	16%
Other income		812	697	16%
<b>Total revenue and other income</b>		<b>73,699</b>	<b>63,722</b>	16%
<b>Costs and expenses</b>				
Staff costs		(23,112)	(19,911)	16%
Depreciation and amortisation		(10,276)	(10,614)	-3%
Hotel operating expenses		(27,382)	(23,448)	17%
<b>Total costs and expenses</b>		<b>(60,770)</b>	<b>(53,973)</b>	13%
<b>Profit from operating activities</b>	6.1	<b>12,929</b>	<b>9,749</b>	33%
Finance costs		(2)	(176)	-99%
Interest income from fixed deposits		4,299	549	683%
Foreign exchange loss		(1,605)	(2,407)	-33%
Share of results of associates		(228)	(188)	21%
<b>Profit before tax</b>	6.1	<b>15,393</b>	<b>7,527</b>	105%
Income tax expense		(4,950)	(2,120)	133%
<b>Profit net of tax attributable to owners of the Company</b>		<b>10,443</b>	<b>5,407</b>	93%

**B. Condensed Interim Consolidated Statement of Comprehensive Income**

**Profit net of tax**

**Other comprehensive income:**

**Items that will not be reclassified to profit or loss**

Net gain on fair value changes of equity investments  
at fair value through other comprehensive income

**Items that may be reclassified subsequently  
to profit or loss**

Foreign currency translation

**Other comprehensive income, net of tax**

**Total comprehensive income**

**Total comprehensive income attributable to:**  
Owners of the Company

Earnings per ordinary share of the Group  
based on net profit attributable to owners of the Company:  
(a) based on the weighted average number of shares  
(b) on a fully diluted basis

Note

Half Year Ended 30 June		Change
2023	2022	
\$'000	\$'000	
10,443	5,407	93%
166	77	116%
166	77	116%
(14,339)	(25,859)	-45%
(14,173)	(25,782)	-45%
<b>(3,730)</b>	<b>(20,375)</b>	-82%
(3,730)	(20,375)	-82%
<b>(3,730)</b>	<b>(20,375)</b>	-82%

15

1.41 cents 0.73 cents

15

1.41 cents 0.73 cents

C. **Condensed Interim Statements of Financial Position**

	Note	Group		Company	
		30-Jun-23 S\$'000	31-Dec-22 S\$'000	30-Jun-23 S\$'000	31-Dec-22 S\$'000
<b>Non-current assets</b>					
Property, plant and equipment	11	1,067,381	1,060,655	258,694	259,611
Investment properties	12	153,386	157,310	-	-
Land use rights		-	-	-	-
Investments in subsidiaries		-	-	356,366	356,366
Investments in associates		4,445	5,451	7,888	7,888
Investment securities		20,902	20,657	20,902	20,657
Goodwill		617	626	-	-
		<u>1,246,731</u>	<u>1,244,699</u>	<u>643,850</u>	<u>644,522</u>
<b>Current assets</b>					
Inventories		811	889	11	12
Trade and other receivables		5,319	6,104	993	1,349
Prepaid operating expenses		1,241	1,984	159	155
Fixed deposits		254,021	261,882	92,948	93,576
Cash and bank balances		38,837	35,642	5,307	6,008
		<u>300,229</u>	<u>306,501</u>	<u>99,418</u>	<u>101,100</u>
<b>Current liabilities</b>					
Trade and other payables		17,783	16,461	4,633	5,134
Accrued operating expenses		2,220	2,920	595	1,100
Deferred income		537	517	-	-
Income tax payable		3,259	5,053	942	775
Lease liabilities		73	66	18	18
Loans and borrowings	13	38,395	21,670	-	-
		<u>62,267</u>	<u>46,687</u>	<u>6,188</u>	<u>7,027</u>
<b>Net current assets</b>		<b>237,962</b>	<b>259,814</b>	<b>93,230</b>	<b>94,073</b>
<b>Non-current liabilities</b>					
Lease liabilities		9,009	9,286	4	14
Deferred tax liabilities		144,194	145,218	11,293	11,051
<b>Net assets</b>		<b>1,331,490</b>	<b>1,350,009</b>	<b>725,783</b>	<b>727,530</b>
<b>Equity attributable to owners of the parent</b>					
Issued capital	14	515,009	515,009	515,009	515,009
Fair value adjustment reserve		4,859	4,693	4,859	4,693
Asset revaluation reserve		700,590	700,590	199,751	199,751
Foreign currency translation reserve		(176,895)	(162,556)	-	-
Other reserve		1,432	1,432	-	-
Retained earnings		286,495	290,841	6,164	8,077
<b>Total equity</b>		<b>1,331,490</b>	<b>1,350,009</b>	<b>725,783</b>	<b>727,530</b>

**D. Condensed Interim Statements of Changes in Equity**

**Group**

	Share Capital \$'000	Fair Value Adjustment Reserve \$'000	Asset Revaluation Reserve \$'000	Foreign Currency Translation Reserve \$'000	Other Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
<b>Opening balance at 1 Jan 2023</b>	515,009	4,693	700,590	(162,556)	1,432	290,841	1,350,009
Profit net of tax	-	-	-	-	-	10,443	10,443
<b><u>Other comprehensive income for the period:</u></b>							
Net gain on fair value changes of equity investments at fair value through other comprehensive income	-	166	-	-	-	-	166
Foreign currency translation	-	-	-	(14,339)	-	-	(14,339)
Total comprehensive income for the period	-	166	-	(14,339)	-	10,443	(3,730)
<b><u>Distributions to owners:</u></b>							
Cash Dividend	-	-	-	-	-	(14,789)	(14,789)
Total distributions to owners:	-	-	-	-	-	(14,789)	(14,789)
<b>Closing balance at 30 June 2023</b>	<b>515,009</b>	<b>4,859</b>	<b>700,590</b>	<b>(176,895)</b>	<b>1,432</b>	<b>286,495</b>	<b>1,331,490</b>
<b>Opening balance at 1 Jan 2022</b>	515,009	3,348	616,418	(113,039)	1,432	297,614	1,320,782
Profit net of tax	-	-	-	-	-	5,407	5,407
<b><u>Other comprehensive income for the period:</u></b>							
Net gain on fair value changes of equity instruments at fair value through other comprehensive income	-	77	-	-	-	-	77
Foreign currency translation	-	-	-	(25,859)	-	-	(25,859)
Total comprehensive income for the period	-	77	-	(25,859)	-	5,407	(20,375)
<b><u>Distributions to owners:</u></b>							
Cash dividends	-	-	-	-	-	(7,394)	(7,394)
Total distributions to owners:	-	-	-	-	-	(7,394)	(7,394)
<b>Closing balance at 30 June 2022</b>	<b>515,009</b>	<b>3,425</b>	<b>616,418</b>	<b>(138,898)</b>	<b>1,432</b>	<b>295,627</b>	<b>1,293,013</b>

Company	Share Capital \$'000	Fair Value Adjustment Reserve \$'000	Asset Revaluation Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
<b>Opening balance at 1 Jan 2023</b>	515,009	4,693	199,751	8,077	727,530
Profit net of tax	-	-	-	12,876	12,876
<b><u>Other comprehensive income for the period:</u></b>					
Net gain on fair value changes of equity instruments at fair value through other comprehensive income	-	166	-	-	166
Total comprehensive income for the period	-	166	-	12,876	13,042
<b><u>Distributions to owners:</u></b>					
Cash dividends	-	-	-	(14,789)	(14,789)
Total distributions to owners:	-	-	-	(14,789)	(14,789)
<b>Closing balance at 30 June 2023</b>	<b>515,009</b>	<b>4,859</b>	<b>199,751</b>	<b>6,164</b>	<b>725,783</b>
<b>Opening balance at 1 Jan 2022</b>	515,009	3,348	181,863	15,166	715,386
Loss net of tax	-	-	-	(822)	(822)
<b><u>Other comprehensive income for the period:</u></b>					
Net loss on fair value changes of equity instruments at fair value through other comprehensive income	-	77	-	-	77
Total comprehensive income for the period	-	77	-	(822)	(745)
<b><u>Distributions to owners:</u></b>					
Cash dividends	-	-	-	(7,394)	(7,394)
Total distributions to owners:	-	-	-	(7,394)	(7,394)
<b>Closing balance at 30 June 2022</b>	<b>515,009</b>	<b>3,425</b>	<b>181,863</b>	<b>6,950</b>	<b>707,247</b>

**E. Condensed Interim Consolidated Statement of Cash Flow**

	<b>Half Year Ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities</b>		
Profit before tax	15,393	7,527
<b>Adjustments for :-</b>		
Depreciation and amortisation	10,276	10,614
Dividend income from investment securities	(693)	(468)
Finance costs	2	176
Interest income from fixed deposits	(4,299)	(549)
Foreign exchange loss	1,605	2,407
Share of results of associates	228	188
<b>Operating cash flows before changes in working capital</b>	<b>22,512</b>	<b>19,895</b>
Decrease/(Increase) in inventories	66	(5)
Decrease in trade and other receivables	704	2,106
Decrease/(increase) in prepaid operating expenses	706	(1,599)
Increase in trade and other payables	933	2,739
<b>Cash flows from operations</b>	<b>24,921</b>	<b>23,136</b>
Interest received	4,299	549
Finance costs	-	(176)
Tax paid	(6,460)	(1,907)
<b>Net cash flows generated from operating activities</b>	<b>22,760</b>	<b>21,602</b>
<b>Investing activities</b>		
Dividend income from investment securities	693	468
Proceeds from disposal of property, plant and equipment	-	77,334
Proceeds from disposal of investment securities	-	519
Purchase of property, plant and equipment	(25,360)	(13,780)
Additions to investment properties	(538)	(333)
Purchase of investment securities	(79)	(167)
<b>Net cash flows (used in)/generated from investing activities</b>	<b>(25,284)</b>	<b>64,041</b>
<b>Financing activities</b>		
Cash dividends paid on ordinary shares	(14,789)	-
Proceeds from loans and borrowings	17,340	10,820
Repayments of loans and borrowings	-	(11,253)
Repayment of lease liabilities	(31)	(46)
Placement of restricted cash - fixed deposits pledged for bank loan	-	(52,369)
<b>Net cash flows generated from/(used in) financing activities</b>	<b>2,520</b>	<b>(52,848)</b>
(Decrease)/increase in cash and cash equivalents	(4)	32,795
Effect of exchange rate changes on cash and cash equivalents	(3,201)	(5,839)
Cash and cash equivalents at 1 January	246,050	230,874
<b>Cash and cash equivalents at 30 June</b>	<b>242,845</b>	<b>257,830</b>
<b>Cash and cash equivalents at end of period comprise:</b>		
Fixed deposits	254,021	269,809
Cash and bank balances	38,837	40,390
Cash and cash equivalents per statement of financial position	292,858	310,199
Less: Fixed deposits pledged	(50,013)	(52,369)
<b>Cash and cash equivalents at end of the period</b>	<b>242,845</b>	<b>257,830</b>

## F. Notes to the Condensed Interim Consolidated Financial Statements

### 1. Corporate Information

Hotel Grand Central Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange. The registered office and principal business of the Company is located at 22 Cavenagh Road, Singapore 229617. These consolidated financial statements as at and for the financial year ended 30 June 2023 comprise the Company and its subsidiaries (collectively, the "Group") and the Group's interests in associates.

The principal activities of the Company are those of investment holding and hotel operations. The principal activities of the Group are:

- hotel operations
- commercial property investment
- provision of management, marketing and support services
- investment holding

### 2. Basis of preparation

The condensed financial statements for the period ended 30 June 2023 have been prepared in accordance with SFRS (I) 1-34 *Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed consolidated financial statements are presented in Singapore dollar which is the Company's functional currency. All values are rounded to the nearest thousand ("S\$000"), except when otherwise indicated.

#### 2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting year. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

The Group and the Company have adopted the following amendments to SFRS(I), that is effective for the financial periods beginning on 1 January 2023:

<i>Description</i>	<i>Effective for annual periods periods beginning on or after</i>
Amendments to SFRS(I) 1 - 1: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to SFRS(I) 1 - 8: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 1 -12/SFRS (I) 1: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to SFRS(I) 17: <i>Insurance Contracts</i>	1 January 2023

The adoption of the amendments to SFRS(I) did not have any material financial impact on the financial statements of the Group and the Company for the financial period ended 30 June 2023.

#### 2.2 Use of judgements and estimates

In preparing the condensed consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the financial statements are included in the following notes:

- Note 11 - Property, plant and equipment
- Note 12 - Investment properties

### 3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.



#### 4. Segmental and revenue information

For management purposes, the Group is organised into business units based on their geographical locations, and has five reportable operating segments as follows:

- Singapore
- Malaysia
- Australia
- New Zealand
- China

##### 4.1 Reportable segments

	Singapore S\$'000	Malaysia S\$'000	Australia S\$'000	New Zealand S\$'000	China S\$'000	Elimination S\$'000	Group S\$'000
<b>1 January to 30 June 2023</b>							
<b>Revenue</b>	15,333	125	41,693	15,329	407	-	<u>72,887</u>
<b>Segment results</b>	4,273	(154)	5,710	3,386	(288)	-	12,927
Interest income from fixed deposits	2,029	208	1,935	124	3	-	4,299
Share of results of associates	-	(228)	-	-	-	-	(228)
Income tax expense	-	-	-	-	-	-	(4,950)
Unallocated foreign exchange loss	-	-	-	-	-	-	<u>(1,605)</u>
Profit for the period attributable to owners of the Company	-	-	-	-	-	-	<u>10,443</u>
<b>Segment assets</b>	656,034	5,245	267,929	315,234	12,464	(7,249)	1,249,657
Investment in associates	-	4,445	-	-	-	-	4,445
Cash and fixed deposits	124,147	15,296	136,394	14,684	2,337	-	<u>292,858</u>
Total assets	-	-	-	-	-	-	<u>1,546,960</u>
<b>Segment liabilities</b>	(7,719)	(117)	(11,150)	(16,511)	(1,073)	6,948	(29,622)
Loans and borrowings	-	-	-	(38,395)	-	-	(38,395)
Unallocated liabilities	-	-	-	-	-	-	<u>(147,453)</u>
Total liabilities	-	-	-	-	-	-	<u>(215,470)</u>
Capital expenditure	(83)	-	(5,671)	(19,604)	(2)	-	(25,360)
Depreciation and amortisation	(5,271)	(56)	(3,233)	(1,307)	(409)	-	<u>(10,276)</u>
<b>1 January to 30 June 2022</b>							
<b>Revenue</b>	11,974	99	38,967	11,551	434	-	<u>63,025</u>
<b>Segment results</b>	2,570	(167)	6,053	1,613	(320)	-	9,749
Finance costs	-	-	-	(176)	-	-	(176)
Interest income from fixed deposits	306	161	60	18	4	-	549
Share of results of associates	-	(188)	-	-	-	-	(188)
Income tax expense	-	-	-	-	-	-	(2,120)
Unallocated foreign exchange loss	-	-	-	-	-	-	<u>(2,407)</u>
Profit for the period attributable to owners of the Company	-	-	-	-	-	-	<u>5,407</u>
<b>Segment assets</b>	607,100	5,718	249,163	289,617	14,584	(7,080)	1,159,102
Investment in associates	-	6,228	-	-	-	-	6,228
Cash and fixed deposits	127,690	16,654	151,272	12,236	2,347	-	<u>310,199</u>
Total assets	-	-	-	-	-	-	<u>1,475,529</u>
<b>Segment liabilities</b>	(14,261)	(160)	(11,259)	(9,261)	(1,286)	6,779	(29,448)
Loans and borrowings	-	-	-	(13,417)	-	-	(13,417)
Unallocated liabilities	-	-	-	-	-	-	<u>(139,651)</u>
Total liabilities	-	-	-	-	-	-	<u>(182,516)</u>
Capital expenditure	79	-	3,842	9,843	16	-	13,780
Depreciation and amortisation	(5,264)	(70)	(3,423)	(1,417)	(440)	-	<u>(10,614)</u>

#### 4.2 Disaggregation of revenue

	Group	
	Half Year Ended 30 June	
	2023	2022
	\$'000	\$'000
Revenue from contracts with customers:		
- Hotel operations	67,015	56,032
Rental income from investment properties	5,872	6,993
	<u>72,887</u>	<u>63,025</u>

*Disaggregation of revenue from contracts with customers*

	Group	
	Half Year Ended 30 June	
	2023	2022
	\$'000	\$'000
<b>Primary geographical markets</b>		
Singapore	15,333	11,974
Malaysia	125	99
Australia	41,693	38,967
New Zealand	15,329	11,551
China	407	434
	<u>72,887</u>	<u>63,025</u>
<b>Major product or service line</b>		
Room revenue	49,878	42,286
Food and beverage income	13,754	10,183
Others	9,255	10,556
	<u>72,887</u>	<u>63,025</u>
<b>Timing of transfer of goods or services</b>		
Over time	59,133	52,842
At a point in time	13,754	10,183
	<u>72,887</u>	<u>63,025</u>

#### 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2023 and 31 December 2022.

	Group		Company	
	30 June 2023	31 Dec 2022	30 June 2023	31 Dec 2022
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets carried at amortised cost</b>				
Trade and other receivables	5,319	6,104	993	1,349
Cash and fixed deposits	<u>292,858</u>	<u>297,524</u>	<u>98,255</u>	<u>99,584</u>
	298,177	303,628	99,248	100,933
<b>Financial assets carried at fair value through other comprehensive income</b>				
Investment securities	<u>20,902</u>	<u>20,657</u>	<u>20,902</u>	<u>20,657</u>
	20,902	20,657	20,902	20,657
<b>Financial liabilities carried at amortised cost</b>				
Trade and other payables	17,783	16,461	4,633	5,134
Accrued operating expenses	2,220	2,920	595	1,100
Lease liabilities	9,082	9,352	22	32
Loans and borrowings	<u>38,395</u>	<u>21,670</u>	<u>-</u>	<u>-</u>
	67,480	50,403	5,250	6,266

#### 6. Profit before taxation

##### 6.1 Significant items

	Group	
	Half Year Ended 30 June	
	2023	2022
	\$'000	\$'000
<b>Income</b>		
Dividend income	693	468
Interest income	4,299	549
<b>Expenses</b>		
Interest on bank loans and lease liabilities	2	176
Depreciation and amortisation	10,276	10,614
Foreign exchange loss	1,605	2,407

## 6.2 Related party transactions

There are no material related party transactions.

## 7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated income statement are:

	Group	
	Half Year Ended 30 June 2023	2022
	\$'000	\$'000
Current income tax expense	4,700	2,128
Deferred income tax expense relating to originating and reversal of temporary differences	250	(8)
	<u>4,950</u>	<u>2,120</u>

## 8. Dividends

Ordinary dividend provided for:  
Final exempt (one-tier) dividend for 2022 - Ordinary: 2.0 cents (2021: 1.0 cents) per share

	Group	
	Half Year ended 30 June 2023	2022
	\$'000	\$'000
	14,789	7,394

## 9. Net Asset value

Net asset value per ordinary share based on issued shares at the end of the period (Note 14)

	Group		Company	
	30 June 2023	31 Dec 2022	30 June 2023	31 Dec 2022
	\$'000	\$'000	\$'000	\$'000
	<u>1.80</u>	<u>1.83</u>	<u>0.98</u>	<u>0.98</u>

## 10. Financial assets at fair value through other comprehensive income

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (**Level 1**)
- Inputs other than quoted prices included within Level 1 which are observable for the asset and or liability, either directly (i.e as prices) or indirectly (i.e derived from prices) (**Level 2**)
- Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (**Level 3**) (i.e derived from prices) (**Level 3**)

The following table presented the assets measured at fair value:

Group and Company	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>30 June 2023</b>				
<b>Financial assets</b>				
Investment securities	<u>20,902</u>	-	-	<u>20,902</u>
<b>31 December 2022</b>				
<b>Financial assets</b>				
Investment securities	<u>20,657</u>	-	-	<u>20,657</u>

Fair value measurement disclosure of other assets that are recognised or measured at fair value, can be found in Notes 11 and 12.

## 11. Property, plant and equipment

During the period ended 30 June 2023, the Group acquired assets amounting to \$25,360,000 (30 June 2022: \$13,780,000).

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment other than freehold land, leasehold land and hotel buildings and improvements are measured at cost less accumulated depreciation and any accumulated impairment losses. Freehold land, leasehold land, and hotel buildings and improvements are measured at fair value less accumulated depreciation on leasehold land and hotel buildings and improvements and impairment losses recognised after the date of the revaluation. Valuations are performed at least once every three years to ensure that the carrying amount does not differ materially from the fair value of the freehold land, leasehold land and hotel buildings and improvements at the end of the reporting period. In FY 2022, the Group engaged external professional valuers to update the fair value of the hotel assets.

At the end of every-year, the directors reviews the carrying values of the hotel assets carried at fair value and perform an internal valuation, where no independent valuer is involved. In assessing whether the fair values remained appropriate, management considered whether any movement in market data such as discount rate, capitalisation rates, changes in underlying cash flows or comparable sales would result in a material impact to the fair values of the hotel assets since the end of the previous financial year. The Group will engage external independent qualified valuer whenever carrying amounts of the hotel assets are likely to differ materially from the fair values recognised at the end of the previous financial year. The fair values determined based on the year-end valuations performed remained appropriate as at 30 June 2023 and as such no fair value movements have been recognised for the period ended 30 June 2023.

## 12. Investment properties

Investment properties comprise commercial properties that are leased to third parties on operating leases.

	Group	
	2023 \$'000	2022 \$'000
At 1 Jan	157,310	156,356
Additions	538	6,170
Lease incentives	-	(81)
Net loss from fair value adjustments recognised in profit or loss	-	(10,330)
Exchange differences	(4,462)	(12,141)
Completed investment properties	153,386	139,974
Reclassification from property held for sale	-	17,336
At 30 June	153,386	157,310

Investment properties are stated at fair value which has been determined based on valuation performed at the end of each financial year. The valuations were performed by accredited independent valuers with recognised and relevant professional qualification and with recent experience in the location and category of properties being valued. The valuations are determined based on the capitalisation method and discounted cashflow method.

Details of the valuation techniques and inputs used are disclosed in Note 28(c) of the Group's annual financial statements for the financial year ended 31 December 2022.

At the end of each reporting period, the directors will assess whether fair values of the Group's properties remain appropriate by holding discussions with property managers and corroborating through independent research and market data. In assessing whether the fair values remained appropriate, the directors considered whether any movement in market data such as discount rate, capitalization rates, changes in underlying cash flows or comparable sales would result in a material impact to the fair values of the properties since the end of the previous financial year. The Group will engage external independent qualified valuer whenever carrying amounts of the properties are likely to differ materially from the fair values recognised at the end of the previous financial year. The fair values determined based on the year-end valuations performed remained appropriate as at 30 June 2023 and as such no fair value movements have been recognised for the period ended 30 June 2023.

## 13. Loans and borrowings

	Group	
	30 June 2023 \$'000	31 Dec 2022 \$'000
<b>Amount repayable within one year or on demand</b>		
Secured	38,395	21,670

The bank borrowings of the Group are secured over certain fixed deposits of the Group.

## 14. Share capital

	Group and Company			
	30 June 2023		31 Dec 2022	
	No. of shares 000	\$'000	No. of shares 000	\$'000
<b>Issued and fully paid ordinary shares</b>				
At beginning and end of the financial year	739,426	515,009	739,426	515,009

The Company did not hold any treasury shares as at 30 June 2023 (2022: Nil).

## 15. Earnings per share

	Group	
	Half Year ended 30 June 2023	2022
Earnings per ordinary share of the Group based on net profit attributable to owners of the Company:		
(a) based on the weighted average number of shares	1.41 cents	0.73 cents
(b) on a fully diluted basis	1.41 cents	0.73 cents

## 16. Subsequent events

There are no subsequent events which have led to adjustments to this set of condensed consolidated financial statements.

**G. Other Information Required by the Listing Rule Appendix 7.2**

**17. Review**

The condensed consolidated statement of financial position of Hotel Grand Central Limited and its subsidiaries as at 30 June 2023 and the related condensed consolidated income statement and condensed comprehensive income statement and condensed statement of changes in equity and condensed consolidated statement of cashflows for the half year ended 30 June 2023 and certain explanatory notes have not been audited or reviewed.

**18. Review of performance of the Group**

**a) Condensed consolidated income statement**

**i. Group Revenue Commentary**

The Group recorded an increase in turnover due to improvement in the hotels' revenue.

The Group's hotel revenue increased in Singapore, Australia, New Zealand and Malaysia. This was due to an improvement in the hotels' room occupancies and room rates. China recorded lower sales as travelling was still affected due to sluggish economic conditions.

Group revenue during 2023 was also affected by lower average exchange rates of the Australia and New Zealand Dollar against the Singapore Dollar.

**ii. Group Profit Commentary**

**General**

The increase in the Group Revenue resulted in the increase in the operating profit compared to last year. The increase in the profit after tax during the year was due to the following factors:

- a) Despite increased staff and operating costs due to inflation, the hotels recorded higher operating profit
- b) Lower foreign exchange loss of \$1.6 million compared to a loss of \$2.4 million in 2022
- c) Higher interest income from fixed deposits during the period due to higher interest rates

**iii. Finance costs**

Finance costs reduced due to a full repayment in an outstanding loan amount during 2022.

**iv. Interest income from fixed deposits**

Interest income from fixed deposits increased due to an increase in the fixed deposit interest rate.

**v. Foreign exchange loss**

The foreign exchange loss arose due to weakening of the Australia and New Zealand Dollars against the Singapore Dollars.

**b) Condensed consolidated statement of comprehensive income**

**vi. Fair value changes of equity investments at fair value**

The fair value gain of equity investments was mainly due to higher share prices of investment securities held by the company.

**vii. Foreign exchange translation**

The foreign currency translation loss in 2023 was mainly due to the effects of depreciation of the Australian dollar and New Zealand dollar against the Singapore dollar on the Australia and New Zealand subsidiaries' net assets respectively.

**c) Condensed statement of financial position**

**viii. Investment securities**

Investment securities increased mainly due to an increase in share prices of the investment securities.

**ix. Fixed deposits**

Fixed deposits decreased due to the payment of the Company's 2022 dividend offset by accrued interest income during the period.

**x. Loans and borrowings**

Loans and borrowings increased due to additional loan drawdowns of a loan facility in New Zealand for the construction of the Auckland hotel.

**xi. Foreign currency translation reserve**

The foreign currency translation reserve deficit increased as at 30 June 2023 mainly due to the effects of depreciation of the Australian dollar and New Zealand dollar against the Singapore dollar on the Australia and New Zealand subsidiaries' net assets respectively.

**19. Where a forecast or a prospect statement has been previously disclosed to shareholders, any variance between it and the actual results**

Nil

**20. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months**

The hotel industry is cautiously optimistic of a recovery in 2023. The strength of its recovery is largely dependent upon the sustained recovery of the global economies, continued growth of global businesses and pent up travelling demands. However, the hotel industry faces new operational challenges such as inflationary cost pressures, labour shortages, climate change and an increasing interest rates environment.

With signs of a recovery in travelling in 2023, the outlook for the hotel industry is positive. However, challenges remain such as inflation and ongoing geopolitical conflicts. The relative strength of the Singapore Dollar vis a vis the Australia and New Zealand Dollar in 2023 will continue to impact the Group's performance subjecting it to translation loss as a result of foreign exchange differences.

**21. Dividend information**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? None

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? None

**(c) Date payable**

N.A.

**(d) Book closure date**

N.A.

**22. Interested person transaction**

The Company does not have a shareholders' mandate for interested person transactions.

**23. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out Appendix 7.7) under Rule 720 (1)**

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720 (1) of the Listing Manual of the SGX-ST.

**24. Confirmation By Directors**

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results for the half year ended 30 June 2023 to be false or misleading in any material aspects.

**BY ORDER OF THE BOARD**

Yoo Loo Ping  
Secretary  
14 August 2023