

Contents

A.	Condensed Interim Consolidated Income Statement	2
B.	Condensed Interim Consolidated Statement of Comprehensive Income	3
C.	Condensed Interim Statements of Financial Position	4
D.	Condensed Interim Statements of Changes in Equity	5
E.	Condensed Interim Consolidated Statement of Cash Flow	7
F.	Notes to the Condensed Interim Consolidated Financial Statements	8
G.	Other Information Required by the Listing Rule Appendix 7.2	14

A. Condensed Interim Consolidated Income Statement

		Group			
	Note	6 months ended 31 December 2022 \$'000	6 months ended 31 December 2021 \$'000	12 months ended 31 December 2022 \$'000	12 months ended 31 December 2021 \$'000
Revenue					
Hotel operations	4	74,346	50,186	130,378	105,629
Rental income from investment properties	4	6,193	8,337	13,186	17,434
Total revenue		80,539	58,523	143,564	123,063
Other income		347	2,664	1,044	3,116
Total revenue and other income		80,886	61,187	144,608	126,179
Costs and expenses					
Staff costs		(24,110)	(17,483)	(44,021)	(35,495)
Depreciation and amortisation		(9,869)	(10,065)	(20,483)	(21,103)
Hotel operating expenses		(28,211)	(21,602)	(51,659)	(44,491)
Reversal of/ (Impairment) loss on investment in associated company	4.1	499	(516)	499	(516)
Total costs and expenses		(61,691)	(49,666)	(115,664)	(101,605)
Profit from operating activities before fair value adjustment and exceptional items		19,195	11,521	28,944	24,574
Revaluation deficit on property, plant and equipment		(1,633)	-	(1,633)	-
Fair value loss of investment properties		(10,330)	(1,535)	(10,330)	(1,535)
Profit from operating activities	6.1	7,232	9,986	16,981	23,039
Finance costs		(226)	(357)	(402)	(579)
Interest income from fixed deposits		3,206	421	3,755	837
Foreign exchange loss		(4,703)	(2,707)	(7,110)	(3,341)
Share of results of associates		(38)	71	(226)	(153)
Profit before tax	6.1	5,471	7,414	12,998	19,803
Income tax expense		(10,174)	(1,311)	(12,294)	(5,851)
Profit net of tax attributable to owners of the Company		(4,703)	6,103	704	13,952

B. Condensed Interim Consolidated Statement of Comprehensive Income

	Group			
	6 months ended 31 December 2022	6 months ended 31 December 2021	12 months ended 31 December 2022	12 months ended 31 December 2021
<u>Note</u>	\$'000	\$'000	\$'000	\$'000
Loss/profit net of tax	(4,703)	6,103	704	13,952
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Net gain/(deficit) on revaluation of hotel assets, net of tax	88,300	-5,904	88,300	(5,904)
Net gain/(loss) on fair value changes of equity investments at fair value through other comprehensive income	1,044	(727)	1,121	2,305
	89,344	(6,631)	89,421	(3,599)
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation	(23,669)	(14,686)	(49,528)	(22,038)
Other comprehensive income, net of tax	65,675	(21,317)	39,893	(25,637)
Total comprehensive income	60,972	(15,214)	40,597	(11,685)
Total comprehensive income attributable to:				
Owners of the Company	60,972	(15,214)	40,597	(11,685)
	60,972	(15,214)	40,597	(11,685)
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	15	(0.64 cents)	0.83 cents	0.10 cents
(b) on a fully diluted basis	15	(0.64 cents)	0.83 cents	0.10 cents
			1.91 cents	1.91 cents

C. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		31-Dec-22 S\$'000	31-Dec-21 S\$'000	31-Dec-22 S\$'000	31-Dec-21 S\$'000
Non-current assets					
Property, plant and equipment	11	1,060,655	971,923	259,611	242,874
Investment properties	12	157,310	156,356	-	-
Investments in subsidiaries		-	-	356,366	344,736
Investments in associates		5,436	6,159	7,888	7,888
Investment securities		20,657	19,889	20,657	19,889
Goodwill		626	674	-	-
		1,246,968	1,155,001	644,522	615,387
Current assets					
Inventories		889	803	12	15
Trade and other receivables		5,983	10,997	1,219	848
Prepaid operating expenses		1,996	1,856	155	146
Property held for sale		-	98,056	-	-
Fixed deposits		261,882	179,215	93,576	108,996
Cash and bank balances		35,683	51,659	6,008	3,944
		306,433	342,586	100,970	113,949
Current liabilities					
Trade and other payables		16,372	12,203	5,004	4,271
Accrued operating expenses		2,941	2,336	1,100	972
Deferred income		517	931	-	-
Income tax payable		5,053	4,684	775	37
Lease liabilities		66	118	18	39
Loans and borrowings	13	21,670	14,770	-	-
		46,619	35,042	6,897	5,319
Net current assets		259,814	307,544	94,073	108,630
Non-current liabilities					
Lease liabilities		9,286	4,565	14	12
Deferred tax liabilities		143,511	137,198	11,051	8,619
Net assets		1,353,985	1,320,782	727,530	715,386
Equity attributable to owners of the parent					
Issued capital	14	515,009	515,009	515,009	515,009
Fair value adjustment reserve		4,693	3,348	4,693	3,348
Asset revaluation reserve		704,718	616,418	199,751	181,863
Foreign currency translation reserve		(162,567)	(113,039)	-	-
Other reserve		1,432	1,432	-	-
Retained earnings		290,700	297,614	8,077	15,166
Total equity		1,353,985	1,320,782	727,530	715,386

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
Opening balance at 1 Jan 2022	515,009	3,348	616,418	(113,039)	1,432	297,614	1,320,782
Profit net of tax	-	-	-	-	-	704	704

**Other comprehensive
income for the period:**

Net gain on fair value changes of equity investments at fair value through other comprehensive income	-	1,121	-	-	-	-	1,121
Net surplus on revaluation of hotels assets, net of tax			88,300				88,300
Foreign currency translation	-	-	-	(49,528)	-	-	(49,528)
Total comprehensive income for the period	-	1,121	88,300	(49,528)	-	704	40,597

Distributions to owners:

Cash Dividend	-	-	-	-	-	(7,394)	(7,394)
Total distributions to owners:	-	-	-	-	-	(7,394)	(7,394)

Others:

Transfer from fair value reserve to retained earnings	-	224	-	-	-	(224)	-
Total others	-	224	-	-	-	(224)	-

Closing balance at 31 Dec 2022	515,009	4,693	704,718	(162,567)	1,432	290,700	1,353,985
---	----------------	--------------	----------------	------------------	--------------	----------------	------------------

Opening balance at 1 Jan 2021	502,537	1,043	622,777	(91,001)	1,432	297,739	1,334,527
Profit net of tax	-	-	-	-	-	13,952	13,952

**Other comprehensive
income for the period:**

Net loss on fair value changes of equity instruments at fair value through other comprehensive income	-	2,305	-	-	-	-	2,305
Net deficit on revaluation of hotels assets, net of tax	-	-	(5,904)	-	-	-	(5,904)
Foreign currency translation	-	-	-	(22,038)	-	-	(22,038)
Total comprehensive income for the period	-	2,305	(5,904)	(22,038)	-	13,952	(11,685)

Distributions to owners:

Scrip dividends	12,472	-	-	-	-	(12,472)	-
Cash dividends	-	-	-	-	-	(2,060)	(2,060)
Total distributions to owners:	12,472	-	-	-	-	(14,532)	(2,060)

Others:

Transfer from asset revaluation reserve to retained earnings	-	-	(455)	-	-	455	-
Total others	-	-	(455)	-	-	455	-

Closing balance at 31 Dec 2021	515,009	3,348	616,418	(113,039)	1,432	297,614	1,320,782
---	----------------	--------------	----------------	------------------	--------------	----------------	------------------

Company

	Share Capital \$'000	Fair Value Adjustment Reserve \$'000	Asset Revaluation Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Opening balance at 1 Jan 2022	515,009	3,348	181,863	15,166	715,386
Profit net of tax	-	-	-	529	529
<u>Other comprehensive income for the period:</u>					
Net gain on fair value changes of equity instruments at fair value through other comprehensive income	-	1,121	-	-	1,121
Revaluation surplus of hotel building - net	-	-	17,888	-	17,888
Total comprehensive income for the period	-	1,121	17,888	529	19,538
<u>Distributions to owners:</u>					
Cash dividends	-	-	-	(7,394)	(7,394)
Total distributions to owners:	-	-	-	(7,394)	(7,394)
<u>Others:</u>					
Transfer from fair value reserve to retained earnings	-	224	-	(224)	-
Total others	-	224	-	(224)	-
Closing balance at 31 Dec 2022	515,009	4,693	199,751	8,077	727,530
Opening balance at 1 Jan 2021	502,537	1,043	186,442	31,302	721,324
Loss net of tax	-	-	-	(1,604)	(1,604)
<u>Other comprehensive income for the period:</u>					
Net loss on fair value changes of equity instruments at fair value through other comprehensive income	-	2,305	-	-	2,305
Net deficit on revaluation of hotel assets net of tax	-	-	(4,579)	-	(4,579)
Total comprehensive income for the period	-	2,305	(4,579)	(1,604)	(3,878)
<u>Distributions to owners:</u>					
Scrip dividends	12,472	-	-	(12,472)	-
Cash dividends	-	-	-	(2,060)	(2,060)
Total distributions to owners:	12,472	-	-	(14,532)	(2,060)
<u>Others:</u>					
Transfer from fair value reserve to retained earnings	-	-	-	-	-
Total others	-	-	-	-	-
Closing balance at 31 Dec 2021	515,009	3,348	181,863	15,166	715,386

E. Condensed Interim Consolidated Statement of Cash Flow

	Year Ended 31 Dec	
	2022	2021
	S\$'000	S\$'000
Operating activities		
Profit before tax	12,998	19,803
Adjustments for :-		
Depreciation and amortisation	20,483	21,103
Fair value loss on investment properties	10,330	1,535
Dividend income from investment securities	(951)	(700)
Net gain on disposal of property, plant and equipment	-	(1,763)
(Writeback)/Impairment loss on investment in an associated company	(499)	516
Impairment of goodwill	-	82
Finance costs	402	579
Interest income from fixed deposits	(3,755)	(837)
Foreign exchange loss	7,110	3,341
Share of results of associates	226	153
Operating cash flows before changes in working capital	46,344	43,812
Increase in inventories	(132)	(169)
Decrease/(increase) in trade and other receivables	4,562	(2,054)
(increase)/Decrease in prepaid operating expenses	(264)	747
Increase in trade and other payables	5,327	652
Cash flows from operations	55,837	42,988
Interest received	3,755	837
Finance costs	(131)	(400)
Tax paid	(18,372)	(6,001)
Net cash flows generated from operating activities	41,089	37,424
Investing activities		
Dividend income from investment securities	951	700
Proceeds from disposal of property, plant and equipment	-	10,709
Proceeds from disposal of investment property	79,225	-
Proceeds from disposal of investment securities	520	-
Purchase of property, plant and equipment	(33,713)	(23,366)
Additions to investment properties	(871)	(1,690)
Purchase of investment securities	(167)	(244)
Net cash flows generated from/(used in) investing activities	45,945	(13,891)
Financing activities		
Cash dividends paid on ordinary shares	(7,394)	(2,060)
Proceeds from loans and borrowings	19,121	2,769
Repayments of loans and borrowings	(11,047)	(14,769)
Repayment of lease liabilities	(444)	(302)
Placement of restricted cash - fixed deposits pledged for bank loan	-	(55,848)
Net cash flows generated from/(used in) financing activities	236	(70,210)
Increase/(decrease) in cash and cash equivalents	87,270	(46,677)
Effect of exchange rate changes on cash and cash equivalents	(16,144)	(7,257)
Cash and cash equivalents at 1 January	175,026	228,960
Cash and cash equivalents at 31 December	246,152	175,026
Cash and cash equivalents at end of year comprise:		
Fixed deposits	261,882	179,215
Cash and bank balances	35,683	51,659
Cash and cash equivalents per statement of financial position	297,565	230,874
Less: Fixed deposits pledged	(51,413)	(55,848)
Cash and cash equivalents at end of the year	246,152	175,026

The Group has fixed deposits of \$51,413k (2021: \$55,848k) pledged over a bank loan.

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 31 Dec 2022 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 year ended 31 Dec 2022 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 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 2021.

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 2022:

<i>Description</i>	<i>Effective for annual periods periods beginning on or after</i>
Amendments to SFRS(I) 16: COVID -19 related to rent concessions beyond 30 June 2021	1 April 2021
Amendments to SFRS(I) 3: Reference to the Conceptual Framework	1 January 2022
Amendments to SFRS(I) 1 -16: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1 -37: Onerous Contracts - Cost of Fulfilling a Contract before Intended Use	1 January 2022
Annual Improvements to SFRS(I)s 2018 - 2020	1 January 2022

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 year ended 31 December 2022.

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 2021.

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
1 July to 31 Dec 2022							
Revenue	18,385	118	45,684	15,974	378	-	<u>80,539</u>
Segment results	6,420	(152)	5,947	(5,150)	(332)	-	6,733
Finance costs	-	-	-	(226)	-	-	(226)
Interest income from fixed deposits	1,268	160	1,685	89	4	-	3,206
Gain on disposal of investment property	-	-	-	-	-	-	-
Share of results of associates	-	(38)	-	-	-	-	(38)
associated company	-	-	-	-	-	-	-
Reversal on investment in							
in an associated company	499	-	-	-	-	-	499
Income tax expense							(10,174)
Unallocated foreign exchange loss							(4,703)
Profit for the year attributable to owners of the Company							<u>(4,703)</u>
1 July to 31 Dec 2021							
Revenue	12,747	35	34,422	10,756	563	-	<u>58,523</u>
Segment results	3,720	(139)	1,424	5,320	177	-	10,502
Finance costs	-	-	(2)	(355)	-	-	(357)
Interest income from fixed deposits	188	166	19	44	4	-	421
Share of results of associates	-	71	-	-	-	-	71
Impairment loss on investment in							
in an associated company	(516)	-	-	-	-	-	(516)
Income tax expense							(1,311)
Unallocated foreign exchange loss							(2,707)
Profit for the year attributable to owners of the Company							<u>6,103</u>

1 January to 31 Dec 2022	Singapore S\$'000	Malaysia S\$'000	Australia S\$'000	New Zealand S\$'000	China S\$'000	Elimination S\$'000	Group S\$'000
Revenue	30,359	217	84,651	27,525	812	-	143,564
Segment results	8,990	(319)	12,000	(3,537)	(652)	-	16,482
Finance costs	-	-	-	(402)	-	-	(402)
Interest income from fixed deposits	1,574	321	1,745	107	8	-	3,755
Share of results of associates	-	(226)	-	-	-	-	(226)
Reversal on investment in in an associated company	499	-	-	-	-	-	499
Income tax expense	-	-	-	-	-	-	(12,294)
Unallocated foreign exchange loss	-	-	-	-	-	-	(7,110)
Profit for the year attributable to owners of the Company	-	-	-	-	-	-	704
Segment assets	661,090	5,643	270,327	305,378	13,181	(7,503)	1,248,116
Investment in associates	-	5,436	-	-	-	-	5,436
Cash and fixed deposits	131,396	15,933	135,412	12,578	2,246	-	297,565
Unallocated assets	-	-	-	-	-	-	2,284
Total assets	-	-	-	-	-	-	1,553,401
Segment liabilities	(8,512)	(137)	(11,104)	(15,560)	(1,071)	7,202	(29,182)
Loans and borrowings	-	-	-	(21,670)	-	-	(21,670)
Unallocated liabilities	-	-	-	-	-	-	(148,564)
Total liabilities	-	-	-	-	-	-	(199,416)
Capital expenditure	(130)	(84)	(8,209)	(31,443)	(18)	-	(39,884)
Depreciation and amortisation	(10,097)	(140)	(6,437)	(2,951)	(858)	-	(20,483)
1 January to 31 Dec 2021	Singapore S\$'000	Malaysia S\$'000	Australia S\$'000	New Zealand S\$'000	China S\$'000	Elimination S\$'000	Group S\$'000
Revenue	22,543	56	74,594	24,819	1,051	-	123,063
Segment results	5,399	(299)	9,980	8,691	(216)	-	23,555
Finance costs	(3)	-	(3)	(573)	-	-	(579)
Interest income from fixed deposits	379	325	29	97	7	-	837
Share of results of associates	-	(153)	-	-	-	-	(153)
Impairment loss on investment in in an associated company	499	-	-	-	-	-	(516)
Income tax expense	-	-	-	-	-	-	(5,851)
Unallocated foreign exchange loss	-	-	-	-	-	-	(3,341)
Profit for the year attributable to owners of the Company	-	-	-	-	-	-	13,952
Segment assets	612,812	6,044	337,174	296,631	15,047	(7,154)	1,260,554
Investment in associates	-	6,159	-	-	-	-	6,159
Cash and fixed deposits	134,553	16,897	66,318	10,894	2,212	-	230,874
Unallocated assets	-	-	-	-	-	-	-
Total assets	-	-	-	-	-	-	1,497,587
Segment liabilities	(7,013)	(110)	(10,440)	(8,333)	(1,110)	6,853	(20,153)
Loans and borrowings	-	-	-	(14,770)	-	-	(14,770)
Unallocated liabilities	-	-	-	-	-	-	(141,882)
Total liabilities	-	-	-	-	-	-	(176,805)
Capital expenditure	(92)	-	(5,384)	(19,571)	(9)	-	(25,056)
Depreciation and amortisation	(10,134)	(143)	(6,863)	(3,086)	(877)	-	(21,103)

4.2 Disaggregation of revenue

	Group			
	6 months ended 31 December 2022	6 months ended 31 December 2021	12 months ended 31 December 2022	12 months ended 31 December 2021
	\$'000	\$'000	\$'000	\$'000
Revenue from contracts with customers:				
- Hotel operations	74,346	50,186	130,378	105,629
Rental income from investment properties	6,193	8,337	13,186	17,434
	80,539	58,523	143,564	123,063

Disaggregation of revenue from contracts with customers

	Group			
	6 months ended 31 December 2022	6 months ended 31 December 2021	12 months ended 31 December 2022	12 months ended 31 December 2021
	\$'000	\$'000	\$'000	\$'000
Primary geographical markets				
Singapore	18,385	12,747	30,359	22,543
Malaysia	118	35	217	56
Australia	45,684	34,422	84,651	74,594
New Zealand	15,974	10,756	27,525	24,819
China	378	563	812	1,051
	80,539	58,523	143,564	123,063
Major product or service line				
Room revenue	56,299	33,679	98,585	70,023
Food and beverage income	15,413	12,491	25,596	27,008
Others	8,827	12,353	19,383	26,032
	80,539	58,523	143,564	123,063

Timing of transfer of goods or services

Over time	65,126	46,032	117,968	96,055
At a point in time	15,413	12,491	25,596	27,008
	80,539	58,523	143,564	123,063

A breakdown of sales

	Group		
	31 December 2022	31 December 2021	Increase/ (decrease)
	\$'000	\$'000	%
Sales reported for the first half year	63,025	6,010	949%
Operating profit after tax before deducting non-controlling interests reported for first half year	5,407	7,849	-31%
Sales reported for the second half year	80,529	64,540	25%
Operating (loss)/profit after tax before deducting non-controlling interests reported for second half year	(4,703)	3,331	-241%

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 Dec 2022 and 31 December 2021.

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	\$'000	\$'000	\$'000	\$'000
Financial assets carried at amortised cost				
Trade and other receivables	5,983	10,997	1,219	848
Cash and fixed deposits	297,565	230,874	99,584	112,940
	303,548	241,871	100,803	113,788
Financial assets carried at fair value through other comprehensive income				
Investment securities	20,657	19,889	20,657	19,889
	20,657	19,889	20,657	19,889
Financial liabilities carried at amortised cost				
Trade and other payables	16,372	11,841	5,004	4,132
Accrued operating expenses	2,941	2,336	1,100	972
Lease liabilities	9,352	4,683	32	51
Loans and borrowings	21,670	14,770	-	-
	50,335	33,630	6,136	5,155

6. Profit before taxation

6.1 Significant items

	Group			
	6 months ended 31 December 2022	6 months ended 31 December 2021	12 months ended 31 December 2022	12 months ended 31 December 2021
	\$'000	\$'000	\$'000	\$'000
Income				
Dividend income	483	417	951	700
Interest income	3,206	421	3,755	837
Expenses				
Interest on bank loans and lease liabilities	226	357	402	579
Depreciation and amortisation	9,869	10,065	20,483	21,103
Foreign exchange loss/(gain)	4,703	(3,975)	7,110	(3,341)

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			
	6 months ended 31 December 2022 \$'000	6 months ended 31 December 2021 \$'000	12 months ended 31 December 2022 \$'000	12 months ended 31 December 2021 \$'000
Current income tax expense	16,762	3,152	18,890	7,721
Deferred income tax expense relating to originating and reversal of temporary differences	(6,589)	(1,573)	(6,596)	(1,602)
	10,173	1,579	12,294	6,119

8. Dividends

	Group Year ended 31 Dec	
	2022 \$'000	2021 \$'000
Ordinary dividend provided for:		
Final exempt (one-tier) dividend for 2022 - Ordinary: 2.0 cents (2021: 1.0 cents) per share	14,531	7,394

9. Net Asset value

	Group		Company	
	31 Dec 2022 \$'000	31 Dec 2021 \$'000	31 Dec 2022 \$'000	31 Dec 2021 \$'000
Net asset value per ordinary share based on issued shares at the end of the period (Note 14)	1.83	1.79	0.98	0.97

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
31 December 2022				
Financial assets				
Investment securities	20,657	-	-	20,657
31 December 2021				
Financial assets				
Investment securities	19,889	-	-	19,889

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 year ended 31 Dec 2022, the Group acquired assets amounting to \$33,713,000 (31 Dec 2021: \$23,316,000).

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. Due to the on-going COVID-19 pandemic in FY 2021, the Group engaged external professional valuers to update the fair value of some selected hotel assets which were more severely affected by the business disruption.

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 31 Dec 2022 and as such fair value movements have been recognised for the year ended 31 Dec 2022.

12. Investment properties

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

	Group	
	2022 \$'000	2021 \$'000
At 1 Jan	156,356	263,549
Additions	6,171	1,690
Lease incentives	(82)	(121)
Net loss from fair value adjustments recognised in profit or loss	(10,330)	(1,535)
Exchange differences	(13,636)	(9,171)
Completed investment properties	138,479	254,412
Reclassification from/(to) property held for sale	18,831	(98,056)
At 31 Dec	157,310	156,356

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 2021.

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 31 December 2022 and as such fair value movements have been recognised for the year ended 31 December 2022.

13. Loans and borrowings

	Group	
	31 Dec 2022 \$'000	31 Dec 2021 \$'000
Amount repayable within one year or on demand		
Secured	21,670	14,770

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

14. Share capital

	Group and Company			
	31 Dec 2022		31 Dec 2021	
	No. of shares 000	\$'000	No. of shares 000	\$'000
Issued and fully paid ordinary shares				
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 31 Dec 2022 (2021: Nil).

15. Earnings per share

	Group	
	Year ended 31 Dec 2022	2021
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	0.10 cents	1.91 cents
(b) on a fully diluted basis	0.10 cents	1.91 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 31 Dec 2022 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 year ended 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

All hotels that were participating as government contracted facilities for COVID-19 related guests ceased during the year. These hotels were Adelaide Hindley Street and Brisbane and Singapore's Hotel Chancellor @ Orchard. Notwithstanding this, due to improvement in the hotels' room occupancies and room rates, the Group recorded an increase in turnover. The Group's rental income from investment properties was offset by the loss of turnover from the Flinders Street Building which was sold in the 1st quarter of 2022.

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 by Covid 19 travelling restrictions. Despite the higher hotel revenue in Australia, the Australia revenue was offset by lower rental income from investment property after the sale of the Flinders Street investment property during the year.

Group revenue during 2022 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. Notwithstanding the increase, the profit after tax during the year was negatively affected by the following factors:

- a) Foreign exchange loss of \$7.1 million compared to a loss of \$3.3 million in 2021
- b) Revaluation deficit of \$1.6 million relating to the Townsville hotel
- c) Fair value loss of investment properties of \$10.3 million mainly due to an increase in capitalisation rates used in the valuation computations
- d) Increased staff and operating costs due to inflation
- e) Increase in taxation during the year

iii. Finance costs

Finance costs reduced due to a full repayment in an outstanding loan amount during 2021.

iv. Interest income from fixed deposits

Interest income from fixed deposits increased due to an increase in the fixed deposits placed and higher interest rates.

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 2022 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 increased due to the placement of the sale proceeds of the Flinders Street building to fixed deposits.

x. Loans and borrowings

Loans and borrowings increased due to additional loan drawdowns of a loan facility in New Zealand.

xi. Foreign currency translation reserve

The foreign currency translation reserve deficit increased as at 31 Dec 2022 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

Many countries have relaxed border closures and travel restrictions in 2022. China followed and opened up in the 1st quarter of 2023. The hotel industry is cautiously optimistic of a recovery in 2023. The strength of its recovery is largely dependent upon the post pandemic recovery of the global economies, sustained resumption of global businesses and pent up travelling demands. In addition, the hotel industry faces new operational challenges such as inflationary cost pressures, labour shortages and increasing interest rates environment.

Whilst there are signs of a recovery in travelling in 2023, the outlook remains uncertain. The growth is threatened by 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 undermine the Group's performance subjecting it to translation loss as a result of foreign exchange differences. The valuation of the Group's portfolio of hotel assets and investment properties is not only determined by capitalisation rates which are influenced by interest rates levels in 2023 but also foreign exchange exposure.

21. Dividend information**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

Name of Dividend
Dividend Type
Dividend Amount per Share
(in cents)

Final - Ordinary
Cash
2.0 cents per ordinary
share, one - tier

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of Dividend
Dividend Type
Dividend Amount per Share
(in cents)

Final - Ordinary
Cash
1.0 cent per ordinary
share, one - tier

(c) Date payable

To be advised

(d) Book closure date

To be advised

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 the 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. Disclosure of persons occupying managerial positions who are related to a director or chief executive officer or substantial shareholder

Name	Age	Family relationship with any director and /or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held if any, during the year
Tan Hwa Lian	60	Daughter of Tan Eng Teong, niece of Tan Teck Lin and Tan Eng How	Executive Director - Overseeing the day to day operations of the Group hotels - 26/8/2003	No change
Hellen Tan Hwa Lam	59	Daughter of Tan Eng Teong, sister of Tan Hwa Lian, niece of Tan Teck Lin and Tan Eng How	Financial Controller - Overseeing and administering the entire accounting and finance functions of the Company - 1982	No change
Michelle Tan Hwa Imm	56	Daughter of Tan Teck Lin, cousin of Tan Hwa Lian, niece of Tan Eng Teong and Tan Eng How	Executive Director of the associated company, Grand Central Enterprises Bhd - 31/05/2001	No change

BY ORDER OF THE BOARD

Yoo Loo Ping
Secretary
1 March 2023