

**CENTRAL GLOBAL BERHAD and its subsidiaries**  
**Registration No. 201801036114 (1298143-T) (Incorporated in Malaysia)**

**Condensed Consolidated Statement Of Financial Position**  
**As at 30 September 2020**

|                                                           | <b>30 September<br/>2020<br/><u>Unaudited</u><br/>RM'000</b> | <b>31 December<br/>2019<br/><u>Audited</u><br/>RM'000</b> |
|-----------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------|
| <b><u>Assets</u></b>                                      |                                                              |                                                           |
| Property, plant & equipment                               | 12,280                                                       | 14,094                                                    |
| Prepaid lease payments                                    | 1,348                                                        | 1,484                                                     |
| Investment properties                                     | 964                                                          | 990                                                       |
| Deferred Tax Assets                                       | 45                                                           | 45                                                        |
| Goodwill                                                  | 22                                                           | 22                                                        |
| <b>Total non-current assets</b>                           | <b>14,659</b>                                                | <b>16,635</b>                                             |
| Inventories                                               | 14,851                                                       | 14,550                                                    |
| Trade & other receivables                                 | 49,781                                                       | 44,551                                                    |
| Deposit, cash & bank balances                             | 11,633                                                       | 15,588                                                    |
| <b>Total current assets</b>                               | <b>76,265</b>                                                | <b>74,689</b>                                             |
| <b>Total Assets</b>                                       | <b>90,924</b>                                                | <b>91,324</b>                                             |
| <b><u>Equity</u></b>                                      |                                                              |                                                           |
| Share capital                                             | 51,407                                                       | 51,407                                                    |
| Reserves                                                  | 276                                                          | 277                                                       |
| Retained earnings                                         | (3,702)                                                      | (3,716)                                                   |
| <b>Total equity attributable to owners of the Company</b> | <b>47,981</b>                                                | <b>47,968</b>                                             |
| <b>Non-controlling interests</b>                          | <b>4,800</b>                                                 | <b>4,577</b>                                              |
| <b>Total equity</b>                                       | <b>52,781</b>                                                | <b>52,545</b>                                             |
| <b><u>Liabilities</u></b>                                 |                                                              |                                                           |
| Employee benefits                                         | 1,766                                                        | 1,656                                                     |
| Hire Purchase Payables                                    | 211                                                          | 282                                                       |
| Deferred tax Liabilities                                  | 641                                                          | 641                                                       |
| <b>Total non-current liabilities</b>                      | <b>2,618</b>                                                 | <b>2,579</b>                                              |
| Trade & other payables                                    | 33,209                                                       | 33,487                                                    |
| Lease Liability                                           | .                                                            | 101                                                       |
| Short term borrowings                                     | 2,316                                                        | 2,612                                                     |
| <b>Total current liabilities</b>                          | <b>35,525</b>                                                | <b>36,200</b>                                             |
| <b>Total liabilities</b>                                  | <b>38,143</b>                                                | <b>38,779</b>                                             |
| <b>Total Equity and Liabilities</b>                       | <b>90,924</b>                                                | <b>91,324</b>                                             |
| <b>Net assets per ordinary share (RM)</b>                 | <b>0.53</b>                                                  | <b>0.53</b>                                               |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31.12.2019 and the accompanying explanatory notes attached to the interim financial statements.

**CENTRAL GLOBAL BERHAD and its subsidiaries**  
**Registration No. 201801036114 (1298143-T) (Incorporated in Malaysia)**

**Condensed Consolidated Statement Of Profit Or Loss And Other Comprehensive Income**  
**For Nine Months Ended 30 September 2020**

|                                                                      | Current quarter    |                  | Cumulative quarter |                  |
|----------------------------------------------------------------------|--------------------|------------------|--------------------|------------------|
|                                                                      | Three months ended |                  | Nine months ended  |                  |
|                                                                      | 30 September       |                  | 30 September       |                  |
|                                                                      | <u>2020</u>        | <u>2019</u>      | <u>2020</u>        | <u>2019</u>      |
|                                                                      | <u>Unaudited</u>   | <u>Unaudited</u> | <u>Unaudited</u>   | <u>Unaudited</u> |
|                                                                      | RM'000             | RM'000           | RM'000             | RM'000           |
| <b>Continuing operations</b>                                         |                    |                  |                    |                  |
| Revenue                                                              | 35,059             | 28,417           | 85,040             | 76,451           |
| Cost of sales                                                        | (31,991)           | (25,128)         | (77,916)           | (67,921)         |
| <b>Gross profit</b>                                                  | <u>3,068</u>       | <u>3,289</u>     | <u>7,124</u>       | <u>8,530</u>     |
| Other operating income                                               | 96                 | 167              | 2,000              | 344              |
| Selling and distribution expenses                                    | (933)              | (933)            | (2,682)            | (2,857)          |
| Administrative expenses                                              | (1,973)            | (1,900)          | (5,797)            | (6,112)          |
| Other operating expenses                                             | (164)              | (54)             | (167)              | (190)            |
| <b>Profit / (Loss) from operating activities</b>                     | <u>94</u>          | <u>569</u>       | <u>478</u>         | <u>(285)</u>     |
| Finance costs                                                        | (68)               | (46)             | (214)              | (147)            |
| Finance income                                                       | 23                 | 70               | 161                | 166              |
| Share of net profit of associated company                            | -                  | -                | -                  | -                |
| Loss on previously held interest in associated company               | -                  | -                | -                  | -                |
| <b>Net finance costs</b>                                             | <u>(45)</u>        | <u>24</u>        | <u>(53)</u>        | <u>19</u>        |
| <b>Profit / (Loss) before tax</b>                                    | <u>49</u>          | <u>593</u>       | <u>425</u>         | <u>(266)</u>     |
| Tax expense                                                          | (13)               | (35)             | (189)              | (100)            |
| <b>Profit / (Loss) for the period</b>                                | <u>36</u>          | <u>558</u>       | <u>236</u>         | <u>(366)</u>     |
| <b>Other comprehensive income/(expense) , net of tax</b>             |                    |                  |                    |                  |
| <b>Items that may be reclassified subsequently to profit or loss</b> |                    |                  |                    |                  |
| Foreign currency translation differences for foreign operations      | (13)               | (11)             | (1)                | (1)              |
| Remeasurement of defined benefit liability                           | -                  | -                | -                  | -                |
| <b>Other comprehensive income/(expense) for the period</b>           | <u>(13)</u>        | <u>(11)</u>      | <u>(1)</u>         | <u>(1)</u>       |
| <b>Total comprehensive income/(loss) for the period</b>              | <u>23</u>          | <u>547</u>       | <u>235</u>         | <u>(367)</u>     |
| <b>Profit / (Loss) attributable to :</b>                             |                    |                  |                    |                  |
| Owners of the Company                                                | 87                 | 499              | 13                 | (526)            |
| Non-controlling interests                                            | (51)               | 59               | 223                | 160              |
| <b>Profit / (Loss) for the period</b>                                | <u>36</u>          | <u>558</u>       | <u>236</u>         | <u>(366)</u>     |

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|                                                              |           |            |            |              |
|--------------------------------------------------------------|-----------|------------|------------|--------------|
| <b>Total comprehensive income / (loss) attributable to :</b> |           |            |            |              |
| Owners of the Company                                        | 74        | 488        | 12         | (527)        |
| Non-controlling interests                                    | (51)      | 59         | 223        | 160          |
| <b>Total comprehensive income / (loss) for the period</b>    | <u>23</u> | <u>547</u> | <u>235</u> | <u>(367)</u> |

|                                                         |      |      |      |        |
|---------------------------------------------------------|------|------|------|--------|
| <b>Basic profit / (loss) per ordinary share (sen)</b>   | 0.10 | 0.55 | 0.01 | (0.58) |
| <b>Diluted profit / (loss) per ordinary share (sen)</b> | 0.10 | 0.55 | 0.01 | (0.58) |

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31.12.2019 and the accompanying explanatory notes attached to the interim financial statements.

**CENTRAL GLOBAL BERHAD and its subsidiaries**  
**Registration No. 201801036114 (1298143-T) (Incorporated in Malaysia)**

**Condensed Consolidated Statement Of Changes In Equity**  
**For The Nine Months Ended 30 September 2020 - Unaudited**

|                                                                    | /----- Attributable to owners of the Company -----/ |               |                     |                        | Retained Earnings | Non-controlling Interest | Total Equity  |
|--------------------------------------------------------------------|-----------------------------------------------------|---------------|---------------------|------------------------|-------------------|--------------------------|---------------|
|                                                                    | Share Capital                                       | Share Premium | Translation Reserve | Reorganisation Reserve |                   |                          |               |
|                                                                    | RM'000                                              | RM'000        | RM'000              | RM'000                 | RM'000            | RM'000                   | RM'000        |
| <b>At 1 January 2020</b>                                           | 51,407                                              | -             | 277                 | -                      | (3,715)           | 4,577                    | 52,546        |
| Foreign currency translation differences for foreign operations    | -                                                   | -             | (1)                 | -                      | -                 | -                        | (1)           |
| Total other comprehensive income for the period                    | -                                                   | -             | (1)                 | -                      | -                 | -                        | (1)           |
| Profit for the period                                              | -                                                   | -             | -                   | -                      | 13                | 223                      | 236           |
| <b>Total comprehensive income for the period</b>                   | -                                                   | -             | (1)                 | -                      | 13                | 223                      | 235           |
| <i>Contributions by and distributions to owners of the Company</i> |                                                     |               |                     |                        |                   |                          |               |
| - Shares exchange with CICB                                        | -                                                   | -             | -                   | -                      | -                 | -                        | -             |
| - Acquisition of new subsidiary                                    | -                                                   | -             | -                   | -                      | -                 | -                        | -             |
| <b>Total transactions with owners of the Company</b>               | -                                                   | -             | -                   | -                      | -                 | -                        | -             |
| <b>At 30 September 2020</b>                                        | <b>51,407</b>                                       | <b>-</b>      | <b>276</b>          | <b>-</b>               | <b>(3,702)</b>    | <b>4,800</b>             | <b>52,781</b> |

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**Condensed Consolidated Statement Of Changes In Equity**  
**For The Nine Months Ended 30 September 2019 - Unaudited**

|                                                                    | /----- Attributable to owners of the Company -----/ |                            |                                  |                                     |                                |                                       |                           |
|--------------------------------------------------------------------|-----------------------------------------------------|----------------------------|----------------------------------|-------------------------------------|--------------------------------|---------------------------------------|---------------------------|
|                                                                    | /----- Non- distributable -----/                    |                            | / Distributable                  |                                     |                                |                                       |                           |
|                                                                    | Share<br>Capital<br>RM'000                          | Share<br>Premium<br>RM'000 | Translation<br>Reserve<br>RM'000 | Reorganisation<br>Reserve<br>RM'000 | Retained<br>Earnings<br>RM'000 | Non-controlling<br>Interest<br>RM'000 | Total<br>Equity<br>RM'000 |
| <b>At 1 January 2019</b>                                           | -                                                   | -                          | 275                              | 51,407                              | (3,106)                        | 3,545                                 | 52,121                    |
| Foreign currency translation differences for foreign operations    | -                                                   | -                          | (1)                              |                                     | -                              | -                                     | (1)                       |
| Total other comprehensive income for the period                    | -                                                   | -                          | (1)                              |                                     | -                              | -                                     | (1)                       |
| Profit for the period                                              | -                                                   | -                          | -                                |                                     | (526)                          | 160                                   | (366)                     |
| <b>Total comprehensive income for the period</b>                   | -                                                   | -                          | (1)                              | -                                   | (526)                          | 160                                   | (367)                     |
| <i>Contributions by and distributions to owners of the Company</i> |                                                     |                            |                                  |                                     |                                |                                       |                           |
| - Shares exchange with CICB                                        | 51,407                                              |                            |                                  | (51,407)                            |                                |                                       | -                         |
| <b>Total transactions with owners of the Company</b>               | 51,407                                              | -                          | -                                | (51,407)                            | -                              | -                                     | -                         |
| <b>At 30 September 2019</b>                                        | <b>51,407</b>                                       | <b>-</b>                   | <b>274</b>                       | <b>-</b>                            | <b>(3,632)</b>                 | <b>3,705</b>                          | <b>51,754</b>             |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31.12.2019 and the accompanying explanatory notes attached to the interim financial statements.

**CENTRAL GLOBAL BERHAD and its subsidiaries**  
**Registration No. 201801036114 (1298143-T) (Incorporated in Malaysia)**

**Condensed Consolidated Statement Of Cash Flows**  
**For The Nine Months Ended 30 September 2020**

|                                                                   | Nine months ended<br>30 September |                            |
|-------------------------------------------------------------------|-----------------------------------|----------------------------|
|                                                                   | <u>2020</u>                       | <u>2019</u>                |
|                                                                   | <u>Unaudited</u><br>RM'000        | <u>Unaudited</u><br>RM'000 |
| <b>Cash flows from operating activities</b>                       |                                   |                            |
| Profit before tax from - continuing operations                    | 425                               | (266)                      |
| Adjustment for :-                                                 |                                   |                            |
| Amortisation of prepaid lease payments                            | 36                                | 36                         |
| Depreciation of property, plant and equipment                     | 2,151                             | 2,424                      |
| Depreciation of investment properties                             | 21                                | 21                         |
| Finance Cost                                                      | 214                               | 147                        |
| Finance income                                                    | (161)                             | (200)                      |
| Property, plant & equipment written off                           | -                                 | 1                          |
| Loss/(Gain) on disposal of property, plant and equipment          | 2                                 | (20)                       |
| Provision for retirement benefits                                 | 111                               | 114                        |
| <b>Operating profit/ (loss) before changes in working capital</b> | <u>2,799</u>                      | <u>2,257</u>               |
| Change in inventories                                             | (301)                             | 2,303                      |
| Change in trade and other receivables                             | (5,230)                           | 3,293                      |
| Change in trade and other payables                                | (163)                             | (5,400)                    |
| <b>Cash (used in) / generated from operations</b>                 | <u>(2,895)</u>                    | <u>2,453</u>               |
| Income tax (paid) / refund                                        | (408)                             | (309)                      |
| Retirement benefit paid                                           | -                                 | (133)                      |
| <b>Net cash flow (used in) / from operating activities</b>        | <u>(3,303)</u>                    | <u>2,011</u>               |
| <b>Cash flows from investing activities</b>                       |                                   |                            |
| Acquisition of property, plant and equipment                      | (233)                             | (310)                      |
| Interest received                                                 | 161                               | 200                        |
| Proceeds from disposal of property, plant and equipment           | 1                                 | 29                         |
| <b>Net cash flow from/ (used in) investing activities</b>         | <u>(71)</u>                       | <u>(81)</u>                |
| <b>Cash flows from financing activities</b>                       |                                   |                            |
| Dividend paid to the owners of the Company                        | -                                 | -                          |
| Interest paid                                                     | (214)                             | (147)                      |
| Drawdown of hire purchase                                         | (67)                              | -                          |
| Drawdown of bank borrowings                                       | (296)                             | 2,503                      |
| <b>Net cash flow from/ (used in) financing activities</b>         | <u>(577)</u>                      | <u>2,356</u>               |
| Net increase / (decrease) in cash & cash equivalents              | (3,951)                           | 4,286                      |
| Effect of exchange rate fluctuations on cash held                 | (4)                               | 1                          |
| Cash and cash equivalents at 1 January                            | <u>15,588</u>                     | <u>8,199</u>               |
| <b>Cash and cash equivalents at 30 September</b>                  | <u>11,633</u>                     | <u>12,486</u>              |

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**Cash and cash equivalents**

Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise:

|                                            | <b>Nine months ended</b> |                    |
|--------------------------------------------|--------------------------|--------------------|
|                                            | <b>30 September</b>      |                    |
|                                            | <b><u>2020</u></b>       | <b><u>2019</u></b> |
|                                            | <b>RM'000</b>            | <b>RM'000</b>      |
| Fixed deposits placed with a licensed bank | 3,249                    | 4,192              |
| Short term deposit                         | -                        | -                  |
| Cash and bank balances                     | 8,384                    | 8,294              |
|                                            | <u>11,633</u>            | <u>12,486</u>      |

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31.12.2019 and the accompanying explanatory notes attached to the interim financial statements.

**Notes to the condensed consolidated interim financial statements for the nine months ended 30 September 2020**

**1. Basis of Preparation**

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and Malaysia Financial Reporting Standards (MFRS) 134, *Interim Financial Reporting* in Malaysia and also comply with IAS 34, *Interim Financial Reporting* issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements of the Company and its subsidiaries (“Group”) for the year ended 31 December 2019. The explanatory notes attached to these interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2019.

**2. Significant Accounting Policies**

The accounting principles and policies adopted in preparing these interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2019.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group.

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 3, Business Combinations - Definition of a Business
- Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material
- Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures –Interest Rate Benchmark Reform

**MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 June 2020**

- Amendment to MFRS 16, Leases – Covid-19-Related Rent Concessions

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, Insurance Contracts

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 101, Presentation of Financial Statements - Classification of Liabilities as Current or Non-current

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

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



The Group and the Company plan to apply the abovementioned accounting standard, interpretation and amendments in the respective financial years when the abovementioned accounting standard, interpretation and amendments become effective.

The Group and the Company do not plan to apply MFRS 17, Insurance Contracts that is effective for annual periods beginning on or after 1 January 2021 as it is not applicable to the Group and the Company.

The initial application of the abovementioned accounting standard, interpretation and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company.

**3. Auditors' Report**

The auditor's report of the preceding annual financial statements is not subject to any qualification.

**4. Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current quarter under review.

**5. Seasonal or Cyclical Factors**

The Group's performance is not materially affected by any seasonal or cyclical factors.

**6. Debts and Equity Securities**

There were no issuances, cancellation, repurchases, resale or repayments of debt or equity securities for the current quarter under review.

**7. Profit Forecast or Profit Guarantee**

The Group did not issue any profit forecast or profit guarantee during the current quarter under review.

**8. Unquoted Investments and Properties**

There were no purchases or sales of unquoted investments and properties in the current quarter under review.

**9. Quoted Securities**

There were no purchases or sales of quoted securities during the current quarter under review.

**10. Changes in Estimates**

There were no changes in estimates that have a material effect in the current interim results.

**11. Exceptional or unusual items**

There were no exceptional or unusual items for the Group in the current quarter under review.

**12. Corporate Proposals**

There were no new corporate proposal/exercise for the Group in the quarter under review.

**13. Material Litigation**

The Group has not engaged in any litigation which has a material effect on the financial position of the Group for the quarter under review.

**14. Valuations of Property, Plant & Equipment**

There were no valuations of property, plant and equipment during the current quarter under review.

**15. Dividends Paid**

There was no dividend paid during the quarter under review.

**16. Segmental Reporting**

The Group's primary business segment is principally engaged in construction and construction related activities as well as manufacturing and sale of self-adhesive tapes, labels stocks and trading of other self-adhesive label stocks and tapes.

Segmental reporting for the Group by business unit for the current quarter ended 31 December 2019 are stated as follows:-

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|                                    | Current quarter    |               | Cumulative quarter |               |
|------------------------------------|--------------------|---------------|--------------------|---------------|
|                                    | Three months ended |               | Nine months ended  |               |
|                                    | 30 September       |               | 30 September       |               |
|                                    | 2020               | 2019          | 2020               | 2019          |
| <u>Segment Revenue - Unaudited</u> | RM'000             | RM'000        | RM'000             | RM'000        |
| - Manufacturing                    | 14,966             | 14,069        | 36,195             | 41,957        |
| - Construction                     | 20,093             | 14,348        | 48,845             | 34,494        |
| - Other                            | -                  | -             | -                  | -             |
| <b>Total Segment Revenue</b>       | <b>35,059</b>      | <b>28,417</b> | <b>85,040</b>      | <b>76,451</b> |

|                                   | Current quarter    |            | Cumulative quarter |              |
|-----------------------------------|--------------------|------------|--------------------|--------------|
|                                   | Three months ended |            | Nine months ended  |              |
|                                   | 30 September       |            | 30 September       |              |
|                                   | 2020               | 2019       | 2020               | 2019         |
| <u>Segment Results</u>            | RM'000             | RM'000     | RM'000             | RM'000       |
| - Manufacturing                   | 381                | 467        | 373                | (648)        |
| - Construction                    | (127)              | 152        | 602                | 419          |
| - Other                           | (205)              | (26)       | (550)              | (37)         |
| <b>Profit / (Loss) Before Tax</b> | <b>49</b>          | <b>593</b> | <b>425</b>         | <b>(266)</b> |

**17. Contingent Liabilities or Contingent Assets**

The contingent liabilities of the Group are RM30.35 Million. RM23.75m is in relation to Corporate Guarantees issued to Proventus Bina S/B's developers, suppliers and banks for operational requirements.

**18. Capital Commitments**

The amount of capital commitments for the purchase of properties, plant & equipment not provided for in the interim financial statements are as follow:

|                                                                       | Quarter ended<br>30 September 2020<br>RM'000 | Quarter ended<br>30 September 2019<br>RM'000 |
|-----------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| Amount approved but not contracted for<br>Property, plant & equipment | 665                                          | Nil                                          |

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**19. Subsequent Events**

There were no subsequent events up to the date of this interim report that have not been reflected in these interim financial statements.

**20. Review of Performance**

The Group recorded revenue of RM35.06 Million and Profit Before Tax (PBT) of RM0.05 Million in the quarter under review as compared to revenue of RM28.42 Million and PBT of RM0.59 Million recorded in the corresponding quarter last year.

Revenue for Construction's operations has increased to RM20.09 Million during the quarter under review as compared to the corresponding quarter last year of RM14.35 Million. The increase of revenue was due to the ongoing projects, Beacon and Eco Horizon having reached the peak of their construction life cycle. In addition, the construction work of the new Montage project which commenced in July 2020 has also contributed to the revenue. However, the Construction operations recorded Loss Before Tax (LBT) of RM0.13 Million during the current quarter as compared to PBT of RM0.15 Million in the corresponding quarter last year. This was mainly due to the revision done in second quarter of the expected gross profit % for Beacon and Eco Horizon projects after taking into consideration the impact of additional costs for the mobilization after the MCO and the prolonging of the construction period.

Manufacturing operations recorded PBT of RM0.38 Million in the quarter under review compared to RM0.47 Million recorded in the corresponding quarter last year.

**21. Material Changes in results with immediate preceding quarter**

The comparison of the Group's revenue and Profit Before Tax for the current quarter and preceding quarter are summarized as follows:-

|                   | Quarter ended<br>30 September 2020<br>RM'000 | Quarter ended<br>30 June 2020<br>RM'000 | Variance<br>RM'000 | %      |
|-------------------|----------------------------------------------|-----------------------------------------|--------------------|--------|
| Revenue           | 35,059                                       | 20,035                                  | 15,024             | 75.0%  |
| Profit before tax | 49                                           | (380)                                   | 429                | 112.9% |

The Group's revenue increased by 75.0% from RM20.04 Million in the immediate preceding quarter to RM35.06 Million in the current quarter under review. The increase in revenue was attributed to higher revenue of both construction and manufacturing operations. Construction has recorded revenue of RM20.09 Million as compared to preceding quarter's revenue of RM10.51 Million. As for Manufacturing, current quarter revenue was RM14.97 Million, up RM5.45 Million against preceding quarter's revenue of RM9.52 Million. Lower revenue recorded during the previous quarter was mainly due to Movement Control Order (MCO).

The Group recorded Profit Before Tax (PBT) of RM0.05 Million in the current quarter compared to Loss Before Tax of RM0.38 Million in the preceding quarter mainly due to higher revenue recorded during the quarter.

**22. Commentary of Prospects**

**Construction**

Bank Negara Malaysia has revised 2020 GDP forecast to between -3.5% to -5.5% from between -2% to 0.5% previously due to the challenging economic outlook arising from Covid-19 pandemic, weakened oil prices and general uncertainty from the global market. Notwithstanding that the Government has rolled out a numbers of stimulus packages to stimulate the public and private consumption, the implementation of Conditional Movement Control Order (“CMCO”) in October on certain States and Districts to contain the spread of Covid-19 has dampened the consumer sentiment.

Proventus Bina Sdn Bhd (PBSB) has re-organized resources internally to enhance the efficiency and productivity of the team and to optimize our cash flow position. For the next quarter, PBSB will focus on delivering the on-going projects with balance order book at RM75 million, and work closely with its strong network of developers on the potential development projects that are slated for construction in 1H 2021.

PBSB currently is active with three construction projects, (a) Beacon project with a contract value of RM71.55 million at current completion stage of 63% and slated for completion in January 2021; (b) Eco Horizon project with a contract value of RM52.77 million at 92% completion stage currently, the project is slated for completion by December 2020; (c) Montage project with a contract value of RM42.24 million and its construction work commenced on 1 July 2020. For the next quarter, these projects will continue to contribute positively to PBSB revenues and profits.

The revival of certain mega projects such as the East Coast Rail Link (ECRL) and Bandar Malaysia will continuously support the construction sector and benefiting the local construction player. PBSB is looking forward to actively participate in some of the open tenders stemming from these public projects. Its marketing efforts will be focused mainly on working closely with established construction players to jointly look at some of these public infrastructure projects.

**Manufacturing**

The outlook for our manufacturing operations for the 4<sup>th</sup> quarter of 2020 remains cautious even as revenue continue to recover through the 3<sup>rd</sup> quarter. However, the manufacturing operations forecast that the recovery in revenue will continue into the 4th quarter as domestic market continue to recover albeit the CMCO imposed from mid October. Our market share gained post Covid will enable domestic sales momentum to continue with customers adjusting to post pandemic activities.

Export revenue are forecast to continue to benefit from on-going supply chain disruptions for masking tapes, evident from the increasing new customer orders. However export pricing for masking tapes continue to be suppressed due to overall excess production capacities (China, Indonesia & India manufacturers) in Asia. It is envisage that export prices will improve in the medium term.

In light of the recent spike in Covid cases locally, the manufacturing operations will continue to prioritize the health of its workforce, enforced proper sanitization of its work place and strict social distancing amongst its staff to ensure its operations continue seamlessly to meet orders from existing and new customers.

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Overall, the outlook for the 4<sup>th</sup> quarter and beyond is still uncertain and dependent on continued economic recovery. While credit risks are well managed during this period as reflected in the receivables collection in the current quarter under review, the operations remain vigilant and alert on receivables. Cash management via prudent costs monitoring including reducing and removing unnecessary expenses will also continue to be key focus area for manufacturing operations.

**23. Profit For The Period**

Profit for the period is arrived at after charging:

|                                          | Current quarter    |        | Cumulative quarter |        |
|------------------------------------------|--------------------|--------|--------------------|--------|
|                                          | Three months ended |        | Nine months ended  |        |
|                                          | 30 September       |        | 30 September       |        |
|                                          | 2020               | 2019   | 2020               | 2019   |
|                                          | RM'000             | RM'000 | RM'000             | RM'000 |
| Amortization of prepaid lease payments   | -                  | 12     | -                  | 35     |
| Auditors' remuneration                   | 35                 | 33     | 110                | 88     |
| Bad debts written off                    | -                  | -      | -                  | -      |
| Depreciation                             |                    |        |                    |        |
| - Property, plant and equipment          | 680                | 784    | 2,049              | 2,424  |
| - Investment properties                  | 7                  | 7      | 21                 | 20     |
| - Right-of-use assets                    | 12                 | -      | 135                | -      |
| Finance costs                            | 68                 | 46     | 213                | 146    |
| Net foreign exchange loss/(Gain)         | 32                 | 4      | (44)               | 17     |
| Inventories written off                  | 53                 | -      | 60                 | 51     |
| Loss on disposal of plant and equipment  | 1                  | -      | 2                  | 1      |
| Provision for retirement benefits        | 37                 | 38     | 110                | 113    |
| Rental expense:                          |                    |        |                    |        |
| - Land and building                      | 63                 | 77     | 111                | 233    |
| - Equipment                              | 6                  | 6      | 17                 | 17     |
| And after crediting:-                    |                    |        |                    |        |
| Bad debts recovered                      | 10                 | 1      | 14                 | 8      |
| Finance income                           | 23                 | 70     | 161                | 165    |
| Gain on disposal of plant and equipment  | -                  | -      | -                  | 21     |
| Rental income from investment properties | 28                 | 28     | 83                 | 79     |

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**24. Tax Expense**

|                                      | Current quarter    |        | Cumulative quarter |        |
|--------------------------------------|--------------------|--------|--------------------|--------|
|                                      | Three months ended |        | Nine months ended  |        |
|                                      | 30 September       |        | 30 September       |        |
|                                      | 2020               | 2019   | 2020               | 2019   |
|                                      | RM'000             | RM'000 | RM'000             | RM'000 |
| Current tax expense                  | (30)               | 37     | 146                | 102    |
| Deferred Tax adjustment              | -                  | -      | -                  | -      |
| (Over)/Under provision in prior year | 43                 | (2)    | 43                 | (2)    |
| Tax expense                          | (13)               | 35     | 189                | 100    |

**25. Dividend Proposed**

The Board of Directors did not recommend any dividend in the current quarter under review

**26. Earnings Per Share**

Basic earnings per ordinary share are calculated based on the Group's net profit attributable to equity holders of the Company and the weighted average number of ordinary shares in issue during the current quarter and the financial year to date.

Diluted earnings per ordinary share is the same as the basic earnings per ordinary share as the effect of anti-dilutive potential ordinary shares are ignored in calculating diluted earnings per ordinary share in accordance with MFRS 133 on Earnings per Share.

|                                                            | Current quarter    |        | Cumulative quarter |        |
|------------------------------------------------------------|--------------------|--------|--------------------|--------|
|                                                            | Three months ended |        | Nine months ended  |        |
|                                                            | 30 September       |        | 30 September       |        |
|                                                            | 2020               | 2019   | 2020               | 2019   |
|                                                            | RM'000             | RM'000 | RM'000             | RM'000 |
| <b>Basic</b>                                               |                    |        |                    |        |
| Profit / (Loss) attributable to the owners of the company  | 87                 | 499    | 13                 | (526)  |
| Weighted average number of ordinary shares in issue ('000) | 90,000             | 90,000 | 90,000             | 90,000 |
| Basic earnings / (loss) per ordinary share (sen)           | 0.10               | 0.55   | 0.01               | (0.58) |
| <b>Diluted</b>                                             |                    |        |                    |        |
| Diluted earnings / (loss) per ordinary share (sen)         | 0.10               | 0.55   | 0.01               | (0.58) |

**27. Authorization for Issue**

The interim financial statements and the accompanying notes were authorized for issue by the Board of Directors.