

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

Condensed Consolidated Statement Of Financial Position
As at 31 March 2022

	31 March 2022	31 December 2021
	<u>Unaudited</u>	<u>Audited</u>
<u>Assets</u>	RM'000	RM'000
Property, plant & equipment	10,027	10,061
Right-of-use assets	1,421	1,457
Investment properties	590	728
Total non-current assets	12,038	12,246
Inventories	17,132	17,495
Trade & other receivables	80,182	52,637
Contract assets	8,102	9,397
Fixed deposit and cash & bank balances	6,319	12,249
Current tax assets	81	415
Total current assets	111,816	92,193
Total Assets	123,854	104,439
<u>Equity</u>		
Share capital	64,432	64,432
Translation reserve	304	294
Accumulated losses	(11,148)	(13,037)
Total equity attributable to owners of the Company	53,588	51,689
Non-controlling interests	-	-
Total equity	53,588	51,689
<u>Liabilities</u>		
Loans and borrowings	56	82
Employee benefits	1,603	1,619
Deferred tax liabilities	340	340
Total non-current liabilities	1,999	2,041
Loans and borrowings	11,050	11,812
Trade & other payables	57,196	38,856
Current tax liabilities	21	41
Total current liabilities	68,267	50,709
Total liabilities	70,266	52,750
Total Equity and Liabilities	123,854	104,439
Net assets per ordinary share (RM)	0.53	0.51

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31.12.2021 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 Three Months Ended 31 March 2022

	Current quarter		Cumulative quarter	
	Three months ended		Three months ended	
	31 March		31 March	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	47,044	37,560	47,044	37,560
Cost of sales	(41,679)	(35,196)	(41,679)	(35,196)
Gross profit	<u>5,365</u>	<u>2,364</u>	<u>5,365</u>	<u>2,364</u>
Other operating income	29	50	29	50
Selling and distribution expenses	(1,258)	(1,130)	(1,258)	(1,130)
Administrative expenses	(2,062)	(2,245)	(2,062)	(2,245)
Other operating expenses	(66)	18	(66)	18
Profit / (Loss) from operating activities	<u>2,008</u>	<u>(943)</u>	<u>2,008</u>	<u>(943)</u>
Finance costs	(124)	(98)	(124)	(98)
Finance income	5	15	5	15
Net finance costs	<u>(119)</u>	<u>(83)</u>	<u>(119)</u>	<u>(83)</u>
Profit / (Loss) before tax	<u>1,889</u>	<u>(1,026)</u>	<u>1,889</u>	<u>(1,026)</u>
Tax expense	-	-	-	-
Profit / (Loss) for the period	<u>1,889</u>	<u>(1,026)</u>	<u>1,889</u>	<u>(1,026)</u>
Other comprehensive income/(expense) , net of tax				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	10	36	10	36
Other comprehensive income for the period	<u>10</u>	<u>36</u>	<u>10</u>	<u>36</u>
Total comprehensive income/(loss) for the period	<u>1,899</u>	<u>(990)</u>	<u>1,899</u>	<u>(990)</u>
Profit / (Loss) attributable to :				
Owners of the Company	1,889	(1,026)	1,889	(1,026)
Non-controlling interests	-	-	-	-
Profit / (Loss) for the period	<u>1,889</u>	<u>(1,026)</u>	<u>1,889</u>	<u>(1,026)</u>

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Total comprehensive income / (loss) attributable to:				
Owners of the Company	1,899	(990)	1,899	(990)
Non-controlling interests	-	-	-	-
Total comprehensive income / (loss) for the period	<u>1,899</u>	<u>(990)</u>	<u>1,899</u>	<u>(990)</u>
Basic profit / (loss) per ordinary share (sen)	1.85	(1.14)	1.85	(1.14)
Diluted profit / (loss) per ordinary share (sen)	1.85	(1.14)	1.85	(1.14)

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 31.12.2021 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 Three Months Ended 31 March 2022 - Unaudited

	/----- Attributable to owners of the Company -----/				
	/----- Non- distributable -----/		Distributable		
	Share Capital RM'000	Translation Reserve RM'000	Accumulated Losses RM'000	Non-controlling Interest RM'000	Total Equity RM'000
At 1 January 2022	64,432	294	(13,037)	-	51,689
Foreign currency translation differences for foreign operations	-	10	-	-	10
Total other comprehensive income for the period	-	10	-	-	10
Profit for the period	-	-	1,889	-	1,889
Total comprehensive income for the period	-	10	1,889	-	1,899
At 31 March 2022	64,432	304	(11,148)	-	53,588

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

Condensed Consolidated Statement Of Changes In Equity
For The Three Months Ended 31 March 2021 - Unaudited

	/----- Attributable to owners of the Company -----/				
	/----- Non- distributable -----/		Distributable		
	Share Capital RM'000	Translation Reserve RM'000	Accumulated Losses RM'000	Non-controlling Interest RM'000	Total Equity RM'000
At 1 January 2021	51,407	248	(6,748)	1,926	46,833
Foreign currency translation differences for foreign operations	-	36	-	-	36
Total other comprehensive income for the period	-	36	-	-	36
Loss for the period	-	-	(1,026)	-	(1,026)
Total comprehensive income for the period	-	36	(1,026)	-	(990)
<i>Contributions by and distributions to owners of the Company</i>					
- Changes in ownership interest in a subsidiary	-	-	(2,516)	(1,926)	(4,442)
Total transactions with owners of the Company	-	-	(2,516)	(1,926)	(4,442)
At 31 March 2021	51,407	284	(10,290)	-	41,401

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 31.12.2021 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 Three Months Ended 31 March 2022

	Three months ended	
	31 March	
	<u>2022</u>	<u>2021</u>
	<u>Unaudited</u>	<u>Unaudited</u>
	RM'000	RM'000
Cash flows from operating activities		
Profit/(Loss) before tax from - continuing operations	1,889	(1,026)
Adjustment for :-		
Amortisation of prepaid lease payments	-	12
Depreciation of property, plant and equipment	196	726
Depreciation of investment properties	4	7
Depreciation of right-of-use assets	35	-
Finance cost	124	98
Finance income	(5)	(15)
Loss on disposal of property, plant and equipment	10	1
Provision for retirement benefits	33	37
Operating profit / (loss) before changes in working capital	<u>2,286</u>	<u>(160)</u>
Change in inventories	366	715
Change in trade and other receivables	(29,387)	1,080
Change in trade and other payables	23,823	753
Change in contract assets	(1,970)	-
Cash (used in) / generated from operations	<u>(4,882)</u>	<u>2,388</u>
Income tax paid	(63)	(283)
Retirement benefit paid	(49)	-
Net cash (used in) / generated from operating activities	<u>(4,994)</u>	<u>2,105</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(81)	(80)
Interest received	5	15
Investment in subsidiary company	-	(4,442)
Proceeds from disposal of property, plant and equipment	44	-
Net cash used in investing activities	<u>(32)</u>	<u>(4,507)</u>
Cash flows from financing activities		
Interest paid	(124)	(98)
Drawdown/(Repayment) of hire purchase	(25)	(23)
Drawdown/(Repayment) of bank borrowings	(762)	3,154
Net cash (used in) / generated from financing activities	<u>(911)</u>	<u>3,033</u>
Net (decrease) / increase in cash & cash equivalents	(5,937)	631
Effects of exchange rate changes on cash and cash equivalents	6	13
Cash and cash equivalents at 1 January	12,250	12,997
Cash and cash equivalents at 31 March	<u>6,319</u>	<u>13,641</u>

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

Cash and cash equivalents

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

	Three months ended	
	<u>2022</u>	<u>2021</u>
	RM'000	RM'000
Fixed deposits placed with a licensed bank	1,928	1,440
Cash and bank balances	4,391	12,201
	<u>6,319</u>	<u>13,641</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 31.12.2021 and the accompanying explanatory notes attached to the interim financial statements.

Notes to the condensed consolidated interim financial statements for the three months ended 31 March 2022

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 2021. 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 2021.

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 2021.

The Group and of the Company have adopted the following amendments/improvements to MFRSs for the current financial year:

Amendments/Improvements to MFRSs

MFRS 4	Insurance Contracts
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 139	Financial Instruments: Recognition and Measurement

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group’s and the Company’s existing accounting policies.

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

2. Significant Accounting Policies (Continued)

New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective

(a) The Group and the Company have not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective:

<u>New MFRS</u>		Effective for financial periods beginning on or after
MFRS 17	Insurance Contracts	1 January 2023
 <u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022 [^] / 1 January 2023 [#]
MFRS 3	Business Combinations	1 January 2022/ 1 January 2023 [#]
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 [#]
MFRS 7	Financial Instruments: Disclosures	1 January 2023 [#]
MFRS 9	Financial Instruments	1 January 2022 [^] / 1 January 2023 [#]
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023 [#]
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023 [#]
MFRS 107	Statements of Cash Flows	1 January 2023 [#]
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023 [#]
MFRS 119	Employee Benefits	1 January 2023 [#]
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 [#]
MFRS 132	Financial Instruments: Presentation	1 January 2023 [#]
MFRS 136	Impairment of Assets	1 January 2023 [#]
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023 [#]
MFRS 138	Intangible Assets	1 January 2023 [#]
MFRS 140	Investment Property	1 January 2023 [#]
MFRS 141	Agriculture	1 January 2022 [^]

[^] The Annual Improvements to MFRS Standards 2018-2020

[#] Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

2. Significant Accounting Policies (Continued)

New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Continued)

- (b) The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group and the Company are summarised below.

Annual Improvements to MFRS Standards 2018–2020

Annual Improvements to MFRS Standards 2018–2020 covers amendments to:

- MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards – simplifies the application of MFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.
- MFRS 9 Financial Instruments – clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.
- Illustrative Examples accompanying MFRS 16 Leases – deletes from Illustrative Example 13 the reimbursement relating to leasehold improvements in order to remove any potential confusion regarding the treatment of lease incentives.
- MFRS 141 Agriculture – removes a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in MFRS 141 with those in other MFRS Standards.

Amendments to MFRS 3 Business Combinations

The amendments update MFRS 3 by replacing a reference to an old version of the Conceptual Framework for Financial Reporting with a reference to the latest version which was issued by Malaysian Accounting Standards Board in April 2018.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements. To support this amendments, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

2. Significant Accounting Policies (Continued)

New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Continued)

- (b) The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group and the Company are summarised below. (Continued)

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments revise the definition of accounting estimates to clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because the changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.

3. Auditors' Report

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

4. Changes in the Composition of the Group

The Group has incorporated new subsidiary, Central Global Energy Sdn. Bhd. on 1 March 2022 and sub-subsidiary, Central Global Development Sdn. Bhd. on 17 March 2022 with paid up capital RM 100 each.

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 issuance, cancellation, repurchase, 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.

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

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

12.1 On 5 April 2021, the Company announced a proposal to undertake a private placement of up to 18,000,000 ordinary shares in the Company, representing not more than 20% of its total number of issued shares (excluding treasury shares, if any), of which 11.864 million ordinary shares have been subscribed and issued.

On 24 December 2021, the Company has announced that it has decided not to place out the remaining 6.136 million shares and as such, the Private Placement is deemed completed.

The total proceeds raised from this corporate exercise and the status of the utilization of the proceeds arising from private placement as at the date of reporting is set out below: -

Description	Proceeds raised	Actual utilisation	Balance unutilised
	(RM'000)	(RM'000)	(RM'000)
Capital expenditure for purchase and installation of a new masking tape coater production line	3,000	868	2,132
Funding for the Group's existing construction project	7,417	7,417	-
Working capital	2,228	2,228	-
Expenses relating to the Private Placement	380	378	2
Total	13,025	10,891	2,134

12.2 On 26 January 2022, the wholly-owned subsidiary, CIC Construction Sdn. Bhd. has entered into a conditional share sale and purchase agreement to acquire 70% equity interest in RYRT International Sdn. Bhd. for a purchase consideration of RM30,100,000 to be satisfied wholly by the issuance of 28,942,308 new ordinary shares in the Company at an issue price of RM1.04 per consideration share. The conditional share sale and purchase agreement has become unconditional on 14 April 2022. The acquisition is deemed completed following the listing of 14,471,154 consideration shares on the Main Market of Bursa Securities on 20 April 2022.

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

12. Corporate Proposals (Continued)

12.3 On 8 April 2022, the Company announced the following multiple proposals:-

- (i) proposed free warrants issue up to 65,403,155 free warrants on the basis of 1 warrant for every 2 existing ordinary shares in CGB;
- (ii) proposed private placement of up to 39,241,800 new CGB shares, representing not more than 30% of the enlarged total issued share capital of CGB.

12.4 On 6 May 2022, the listing application in relation to the proposals mentioned in 12.3 above has been submitted to Bursa Securities.

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 segments consist of construction and construction related activities, and the manufacturing and sale of self-adhesive tapes, labels stocks and trading of other self-adhesive label stocks and tapes.

The Group's financial results by business segments for the current quarter ended 31 March 2022 are summarised as follows:-

	Current quarter		Cumulative quarter	
	Three months ended		Three months ended	
	2022	31 March 2021	2022	31 March 2021
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue - Unaudited</u>				
- Manufacturing	15,986	17,362	15,986	17,362
- Construction	31,058	20,198	31,058	20,198
- Trading	-	-	-	-
- Other	-	-	-	-
Total Segment Revenue	47,044	37,560	47,044	37,560

	Current quarter		Cumulative quarter	
	Three months ended		Three months ended	
	2022	31 March 2021	2022	31 March 2021
	RM'000	RM'000	RM'000	RM'000
<u>Segment Results</u>				
- Manufacturing	544	510	544	510
- Construction	1,983	(938)	1,983	(938)
- Trading	-	(251)	-	(251)
- Other	(638)	(347)	(638)	(347)
Profit / (Loss) Before Tax	1,889	(1,026)	1,889	(1,026)

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

17. Contingent Liabilities or Contingent Assets

The contingent liabilities of the Group are RM36.46 million. RM24.86 million 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 31 March 2022 RM'000	Quarter ended 31 March 2021 RM'000
<i>Amount approved but not contracted for:</i>		
Property, plant & equipment	7,919	45

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 RM47.04 million and Profit Before Tax (PBT) of RM1.89 million in the quarter under review as compared to revenue of RM37.56 million and Loss Before Tax (LBT) of RM1.03 million recorded in the corresponding quarter last year.

Revenue from the Construction segment increased to RM31.06 million for the quarter under review as compared to the corresponding quarter last year of RM20.20 million. The increase in revenue was mainly attributable to the newly secured project, RYRT Lahad Datu Phase 1 Water Supply System and the accelerated work progress on the Montage project. Consequently, the Construction segment recorded a Profit Before Tax (PBT) of RM1.98 million for the current quarter as compared to a Loss Before Tax (LBT) RM0.94 million in the corresponding quarter last year.

Revenue from the Manufacturing segment decreased to RM15.99 million for the quarter as compared to RM17.36 million in the corresponding period last year. The lower revenue recorded during the quarter was mainly due to a reduction in export sales as a result of logistic constraints. The Manufacturing segment recorded a PBT of RM0.53 million for the quarter under review as compared to RM0.51 million recorded in the corresponding quarter last year mainly due to higher gross profit margin contributed by export sales.

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 31 March 2022 RM'000	Quarter ended 31 Dec 2021 RM'000	Variance RM'000	%
Revenue	47,044	40,112	6,932	17.3%
Profit before tax	1,889	192	1,697	883.9%

21. Material Changes in results with immediate preceding quarter (Continued)

The Group's revenue increased by 17.3% from RM40.11 million for the immediate preceding quarter to RM47.04 million for the current quarter under review. The higher revenue recorded during the quarter was mainly due to the increase in revenue from the Construction segment from RM23.22 million in the preceding quarter to RM31.06 million in the current quarter, contributed by the newly secured project i.e Lahad Datu Phase 1 Water Supply System as well as the accelerated work progress on the Montage project.

The Group recorded Profit Before Tax (PBT) of RM1.89 million in the current quarter compared to RM0.19 million in the preceding quarter.

22. Commentary on Prospects

Manufacturing

The momentum of domestic sales is expected to be sustainable into the coming quarter. However, the profit margin is uncertain due to the fluctuation of raw material costs. In conjunction with the commissioning of the new rented warehouse and infrastructure, the Group may consider expanding the range of trading products in order to generate more revenue. Notwithstanding, the general line of products shall comprise hardware or masking-tape related items.

Export sales for the coming quarter is expected to be similar to the current quarter as the factory capacity remains the same. However, the Group is conscious that the present hike in raw material prices may have an adverse impact on the profit margin of export sales .

The manufacturing operations team anticipates to receive the additional mixers in May 2022 whereby the volume of output is expected to increase by 20% from current level. The Group shall continue to optimize its current production capabilities while driving the efficiency of the manufacturing activities by minimizing wastage and other associated costs in order to maintain its competitiveness. The Group believes that consistency in product quality is a key factor in generating sustainable and recurring orders from customers.

With the above initiatives and the expected improvement in economic activities from the re-opening of markets, we are optimistic on the outlook for the coming quarter. We shall remain vigilant and identify any avenues to increase our revenues, while continuing to focus on cashflow management with more emphasis on the collection of trade receivables and the lowering of operating costs.

Construction

We anticipate the construction segment in the coming quarter to remain challenging. We have re-organized our resources internally to enhance the efficiency and productivity of the team and optimize our cash flow position.

Proventus Bina S/B (PBSB) will focus to complete the on-going projects on hands, namely the Montage project and Lahad Datu Fasa 1 Menaiktaraf Sistem Bekalan Air project and the finalizing accounts and billings for the completed Beacon Executive Suite and Eco Horizon projects.

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

PBSB will also start to execute the newly secured contracts for (a) Quinton 378 units of condominium in Penang with a contract value of RM52.6 million, (b) building service work for 80 units of Sri Bayu apartment in Penang with a contract value of RM3.1 million and (c) building service work for 282 units of Montage condominium in Penang with a contract value of RM29.3 million starting from Q2 2022 onwards.

Central Global Construction S/B (CGC), a wholly owned subsidiary of CGB had accepted the subcontract works on 7th April 2022 for the supply of labour, materials, machinery, tools and equipment for a project involving the construction of quarters for students and staff for Institut Latihan Perindustrian (“ILP”) in Labuan, Sabah for a contract sum of RM26.0 million and is expecting to commence the subcontracting works in Q2 2022 onwards.

23. Profit For The Period

Profit for the period is arrived at after charging:

	Current quarter		Cumulative quarter	
	Three months ended		Three months ended	
	31 March		31 March	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration	37	37	37	37
Depreciation				
- Property, plant and equipment	196	703	196	703
- Investment properties	4	7	4	7
- Right-of-use assets	35	34	35	34
Finance costs	124	98	124	98
Net foreign exchange loss/(Gain)	20	4	20	4
Inventories written off	-	(91)	-	(91)
Loss/(Gain) on disposal of plant and equipment	10	1	10	1
Provision for retirement benefits	33	37	33	37
Rental expense:				
- Land and building	63	74	63	74
- Equipment	22	19	22	19
And after crediting:-				
Bad debts recovered	3	7	3	7
Finance income	5	15	5	15
Rental income from investment properties	75	29	75	29

24. Tax Expense

	Current quarter		Cumulative quarter	
	Three months ended		Three months ended	
	31 March		31 March	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Tax expense	-	-	-	-

25. Dividend Proposed

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

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

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		Three months ended	
	31 March		31 March	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Basic				
Profit / (Loss) attributable to the owners of the company	1,889	(1,026)	1,889	(1,026)
Weighted average number of ordinary shares in issue ('000)	101,864	90,000	101,864	90,000
Basic earnings / (loss) per ordinary share (sen)	1.85	(1.14)	1.85	(1.14)
Diluted				
Diluted earnings / (loss) per ordinary share (sen)	1.85	(1.14)	1.85	(1.14)

27. Authorization for Issue

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