

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

**Unaudited condensed consolidated  
interim financial statements  
for the quarter and period-to-date ended  
30 September 2022**

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

**Condensed Consolidated Statement Of Financial Position**  
**As at 30 September 2022**

	<b>30 September 2022 <u>Unaudited</u> RM'000</b>	<b>31 December 2021 <u>Audited</u> RM'000</b>
<b><u>Assets</u></b>		
Property, plant & equipment	10,198	10,061
Right-of-use assets	2,725	1,457
Investment properties	581	728
<b>Total non-current assets</b>	<b>13,504</b>	<b>12,246</b>
Inventories	21,526	17,495
Trade & other receivables	120,447	52,637
Contract assets	16,767	9,397
Cash and cash equivalents	4,979	12,249
Current tax assets	181	415
<b>Total current assets</b>	<b>163,900</b>	<b>92,193</b>
<b>Total Assets</b>	<b>177,404</b>	<b>104,439</b>
<b><u>Equity</u></b>		
Share capital	87,252	64,432
Translation reserve	364	294
Accumulated losses	(6,770)	(13,037)
<b>Total equity attributable to owners of the Company</b>	<b>80,846</b>	<b>51,689</b>
Non-controlling interests	13,834	-
<b>Total equity</b>	<b>94,680</b>	<b>51,689</b>
<b><u>Liabilities</u></b>		
Loans and borrowings	790	82
Employee benefits	1,580	1,619
Deferred tax liabilities	340	340
<b>Total non-current liabilities</b>	<b>2,710</b>	<b>2,041</b>
Loans and borrowings	10,846	11,812
Trade & other payables	55,608	38,856
Deferred consideration	6,264	-
Current tax liabilities	7,296	41
<b>Total current liabilities</b>	<b>80,014</b>	<b>50,709</b>
<b>Total liabilities</b>	<b>82,724</b>	<b>52,750</b>
<b>Total Equity and Liabilities</b>	<b>177,404</b>	<b>104,439</b>
<b>Net assets per ordinary share (RM)</b>	<b>0.64</b>	<b>0.51</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 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

**CENTRAL GLOBAL BERHAD**  
**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 2022**

	Current quarter Three months ended 30 September		Cumulative quarter Nine months ended 30 September	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>Unaudited</u> RM'000	<u>Unaudited</u> RM'000	<u>Unaudited</u> RM'000	<u>Unaudited</u> RM'000
Revenue	59,456	11,236	145,955	66,939
Cost of sales	(48,354)	(10,566)	(119,724)	(60,948)
<b>Gross profit</b>	<u>11,102</u>	<u>670</u>	<u>26,231</u>	<u>5,991</u>
Other operating income	105	50	276	688
Selling and distribution expenses	(1,166)	(785)	(3,574)	(2,937)
Administrative expenses	(3,734)	(2,266)	(8,756)	(7,453)
<b>Profit/ (Loss) from operating activities</b>	<u>6,307</u>	<u>(2,331)</u>	<u>14,177</u>	<u>(3,711)</u>
Finance costs	(112)	(44)	(333)	(206)
<b>Profit/ (Loss) before tax</b>	<u>6,195</u>	<u>(2,375)</u>	<u>13,844</u>	<u>(3,917)</u>
Tax expense	(1,675)	(8)	(3,039)	(8)
<b>Profit/ (Loss) for the period</b>	<u>4,520</u>	<u>(2,383)</u>	<u>10,805</u>	<u>(3,925)</u>
<b>Other comprehensive income, net of tax</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Foreign currency translation differences for foreign operations	36	(5)	70	33
<b>Other comprehensive income / (loss) for the period</b>	<u>36</u>	<u>(5)</u>	<u>70</u>	<u>33</u>
<b>Total comprehensive income/(loss) for the period</b>	<u>4,556</u>	<u>(2,388)</u>	<u>10,875</u>	<u>(3,892)</u>
<b>Profit/ (Loss) attributable to :</b>				
Owners of the Company	3,023	(2,383)	6,267	(3,925)
Non-controlling interests	1,497	-	4,538	-
<b>Profit/ (Loss) for the period</b>	<u>4,520</u>	<u>(2,383)</u>	<u>10,805</u>	<u>(3,925)</u>

**CENTRAL GLOBAL BERHAD**  
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**Condensed Consolidated Statement Of Profit Or Loss And Other Comprehensive Income**  
**For Nine Months Ended 30 September 2022 (Continued)**

	Current quarter		Cumulative quarter	
	Three months ended		Nine months ended	
	30 September		30 September	
	<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
<b>Total comprehensive income / (loss) attributable to :</b>				
Owners of the Company	3,059	(2,388)	6,337	(3,892)
Non-controlling interests	1,497	-	4,538	-
<b>Total comprehensive income / (loss) for the period</b>	<u>4,556</u>	<u>(2,388)</u>	<u>10,875</u>	<u>(3,892)</u>
<b>Basic profit / (loss) per ordinary share (sen)</b>	2.41	(2.62)	5.50	(4.34)
<b>Diluted profit / (loss) per ordinary share (sen)</b>	2.28	(2.62)	5.18	(4.34)

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 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

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

**Condensed Consolidated Statement Of Changes In Equity**  
**For The Nine Months Ended 30 September 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
<b>At 1 January 2022</b>	64,432	294	(13,037)	-	51,689
Foreign currency translation differences for foreign operations	-	70	-	-	70
Profit for the period	-	-	6,267	4,538	10,805
<b>Total comprehensive income for the period</b>	-	70	6,267	4,538	10,875
<i>Transaction with owners</i>					
- Issuance of Ordinary Shares pursuant to the exercise of warrants	1,420	-	-	-	1,420
- Acquisition of a subsidiary	21,400	-	-	9,296	30,696
<b>Total transactions with owners of the Company</b>	22,820	-	-	9,296	32,116
<b>At 30 September 2022</b>	<b>87,252</b>	<b>364</b>	<b>(6,770)</b>	<b>13,834</b>	<b>94,680</b>

**CENTRAL GLOBAL BERHAD**  
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**Condensed Consolidated Statement Of Changes In Equity**  
**For The Nine Months Ended 30 September 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
<b>At 1 January 2021</b>	51,407	248	(6,748)	1,926	46,833
Foreign currency translation differences for foreign operations	-	33	-	-	33
Loss for the period	-	-	(3,925)	-	(3,925)
<b>Total comprehensive loss for the period</b>	-	33	(3,925)	-	(3,892)
<i>Transaction with owners</i>					
- Issuance of Ordinary Shares	4,936	-	-	-	4,936
- Disposal of a subsidiary	-	10	-	-	10
- Changes in ownership interest in a subsidiary	-	-	(2,516)	(1,926)	(4,442)
<b>Total transactions with owners of the Company</b>	4,936	10	(2,516)	(1,926)	504
<b>At 30 September 2021</b>	<b>56,343</b>	<b>291</b>	<b>(13,189)</b>	<b>-</b>	<b>43,445</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 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

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

**Condensed Consolidated Statement Of Cash Flows**  
**For The Nine Months Ended 30 September 2022**

	Nine months ended 30 September	
	<u>2022</u> <u>Unaudited</u> RM'000	<u>2021</u> <u>Unaudited</u> RM'000
<b>Cash flows from operating activities</b>		
Profit/(Loss) before tax from	13,844	(3,917)
Adjustment for :-		
Depreciation of property, plant and equipment	670	1,391
Depreciation of investment properties	13	16
Depreciation of right-of-use assets	152	58
Finance cost	333	206
Finance income	(5)	(24)
Loss on disposal of property, plant and equipment	10	319
Provision for retirement benefits	101	111
Impairment loss on inventories	933	-
Gain on disposal of a subsidiary	-	(485)
<b>Operating profit / (loss) before changes in working capital</b>	<u>16,051</u>	<u>(2,325)</u>
Change in inventories	(4,964)	(5,827)
Change in trade and other receivables	(16,942)	5,709
Change in trade and other payables	(1,017)	(9,298)
Change in contract assets	(1,397)	6,287
<b>Cash used in operations</b>	<u>(8,269)</u>	<u>(5,454)</u>
Income tax paid	(270)	(434)
Retirement benefit paid	(140)	(8)
<b>Net cash used in operating activities</b>	<u>(8,679)</u>	<u>(5,896)</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(511)	(1,593)
Purchase of right-of-use assets	(594)	-
Interest received	5	24
Increase in investment in a subsidiary	-	(4,442)
Net cash disposed on the sale of a subsidiary	-	(334)
Proceeds from issuance of share capital	1,420	4,937
Net cash gained on acquisition of a subsidiary	2,163	-
Proceeds from disposal of property, plant and equipment	44	719
<b>Net cash generated from / (used in) investing activities</b>	<u>2,527</u>	<u>(689)</u>
<b>Cash flows from financing activities</b>		
Interest paid	(333)	(206)
Net drawdown/(repayment) of hire purchase loans	451	(71)
Net drawdown of bank borrowings	2,620	2,042
<b>Net cash generated from financing activities</b>	<u>2,738</u>	<u>1,765</u>
Net decrease in cash & cash equivalents	(3,414)	(4,820)
Effects of exchange rate changes on cash and cash equivalents	70	9
Cash and cash equivalents at 1 January	8,323	12,997
<b>Cash and cash equivalents at 30 September</b>	<u>4,979</u>	<u>8,186</u>

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**Condensed Consolidated Statement Of Cash Flows**  
**For The Nine Months Ended 30 September 2022 (Continued)**

**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>2022</u></b>	<b><u>2021</u></b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed deposits placed with a licensed bank	1,600	295
Cash and bank balances	4,979	7,891
	<u>6,579</u>	<u>8,186</u>
Less: Fixed deposit pledged to bank as security	<u>(1,600)</u>	<u>-</u>
	<u>4,979</u>	<u>8,186</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 December 2021 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 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 financial 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 financial year ended 31 December 2021, except for the adoption of the following amendments to MFRSs during the financial period:

Amendment to MFRS 16, Leases – Covid-19-Related Rent Concessions beyond 30 June 2021  
Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards  
(Annual Improvements to MFRS Standards 2018–2020)  
Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework  
Amendments to MFRS 9, Financial Instruments  
(Annual Improvements to MFRS Standards 2018–2020)  
Amendment to MFRS 16, Leases – Covid-19-Related Rent Concessions beyond 30 June 2021  
Amendments to Illustrative Examples accompanying MFRS 16, Leases  
(Annual Improvements to MFRS Standards 2018–2020)  
Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use  
Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets  
– Onerous Contracts – Cost of Fulfilling a Contract  
Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018–2020)

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.

**2. Significant Accounting Policies (Continued)**

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

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:

**Effective for financial periods beginning on or after 1 January 2023**

MFRS 17 Insurance Contracts (“MFRS 17”) and Amendments to MFRS 17  
Amendments to MFRS 101 Presentation of Financial Statements – Classification of Liabilities as  
Current or Non-current and disclosure of Accounting Policies  
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors  
– Definition of Accounting Estimates  
Amendments to MFRS 112 Income Taxes – Deferred Tax related to Assets and Liabilities arising  
from a Single Transaction

**Effective date of these Amendments to Standards has been deferred, and yet to be announced**

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 above pronouncements are either not relevant or do not have any material impact on the Group’s financial statements.

**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**

There were no changes in the composition of the Group for the current quarter and period to-date ended 30 September 2022 under review, except as disclosed in Note 12.

**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 and period to-date ended 30 September 2022 under review, except as disclosed in Note 12.

**7. Profit Forecast or Profit Guarantee**

The Group did not issue any profit forecast or profit guarantee during the current quarter and period to-date ended 30 September 2022 under review.

**8. Unquoted Investments and Properties**

There were no purchases or sales of unquoted investments and properties in the current quarter and period to-date ended 30 September 2022 under review.

**9. Quoted Securities**

There were no purchases or sales of quoted securities during the current quarter and period to-date ended 30 September 2022 under review.

**10. Changes in Estimates**

There were no changes in estimates that have a material effect during the current quarter and period to-date ended 30 September 2022.

**11. Exceptional or unusual items**

There were no exceptional or unusual items for the Group in the current quarter and period to-date ended 30 September 2022 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
<b>Total</b>	<b>13,025</b>	<b>10,891</b>	<b>2,134</b>

**12. Corporate Proposals (Continued)**

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 which is to be satisfied wholly by issuance of 28,942,308 new ordinary shares in the Company at an issue price of RM1.04 per 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. On 24 June 2022, the Company has issued 8,448,380 consideration shares being part of the balance consideration share for the acquisition.

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

- (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; and
- (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

(collectively as “Multiple Proposals”).

On 6 May 2022, the listing application in relation to the Multiple Proposals has been submitted to Bursa Securities.

On 29 July 2022, the Company has announced that the proposed free warrants issued has been completed with 62,391, 724 warrants on the Main Market of Bursa Securities.

Subsequent to the warrants issuance on 29 July 2022, the following warrants conversion to new CGB shares were made during the period at a conversion price of RM0.80 per share:

Date	No. Warrants Conversion
29 August 2022	366,000
22 September 2022	120,000
29 September 2022	1,289,000
5 October 2022	275,000
7 October 2022	1,019,904
13 October 2022	492,500
18 October 2022	161,000
20 October 2022	756,000
27 October 2022	305,000
1 November 2022	225,000
3 November 2022	500,000
8 November 2022	2,500,000
9 November 2022	1,095,000
15 November 2022	685,000
<b>Total</b>	<b>9,789,404</b>

On 7 November 2022, Hong Leong Investment Bank on behalf of the Company submitted to Bursa Securities an application for extension of time of 6 months to complete the implementation of the Private Placement.

On 23 November 2022, Bursa Securities granted the Company an extension of time until 31 May 2023 to complete the implementation of the Private Placement.

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**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 and period to-date ended 30 September 2022 under review.

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

There were no valuations of property, plant and equipment during the current quarter and period to-date ended 30 September 2022 under review.

**15. Dividends Paid**

There was no dividends paid during the quarter and period to-date ended 30 September 2022 under review.

**16. Segmental Reporting**

The Group's primary business segments is principally engaged in construction and manufacturing of self-adhesive tapes and labels stocks.

Segmental reporting for the Group by business unit for the current quarter and period to-date ended 30 September 2022 are stated as follows:-

	<b>Current quarter</b>		<b>Cumulative quarter</b>	
	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<u>Segment Revenue</u> - Unaudited	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
- Manufacturing	14,611	9,774	45,798	43,239
- Construction	44,845	1,462	100,157	23,700
<b>Total Segment Revenue</b>	<b>59,456</b>	<b>11,236</b>	<b>145,955</b>	<b>66,939</b>

	<b>Current quarter</b>		<b>Cumulative quarter</b>	
	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<u>Segment Results</u>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
- Manufacturing	307	(324)	648	642
- Construction	6,442	(1,430)	15,323	(2,785)
- Trading	-	-	-	(251)
- Other	(554)	(621)	(2,127)	(1,523)
<b>Profit / (Loss) Before Tax</b>	<b>6,195</b>	<b>(2,375)</b>	<b>13,844</b>	<b>(3,917)</b>

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**17. Contingent Liabilities or Contingent Assets**

As at 30 September 2022, the Company provides corporate guarantees up to a total amount of RM25,250,000 to licensed banks for banking facilities granted to certain subsidiaries. Consequently, the Company is contingently liable for the amount of banking facilities utilised by these subsidiaries is RM10,401,390.

As at 30 September 2022, the Company also provides corporate guarantees up to a total amount of RM11,212,161 to third parties for supply of goods and services for certain subsidiaries. Consequently, the Company is contingently liable for the amount owing by these subsidiaries to the third parties is RM531,516.

There were no material contingent assets as at the date of this report.

**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 30 September 2022 RM'000	Quarter ended 30 September 2021 RM'000
Amount approved and contracted for:		
Property, plant & equipment	3,327	-
Amount approved but not contracted for:		
Property, plant & equipment	-	11,231
	3,327	11,231

**19. Group's borrowings and debt securities**

The Group's borrowings as at 30 September 2022 are as follows:

	Payable within 12 months RM'000	Payable after 12 months RM'000	Total Outstanding RM'000
<b><u>Secured borrowings</u></b>			
- Banker acceptance	10,401	-	10,401
- Finance lease liabilities	445	790	1,235
Total	10,846	790	11,636

The secured bank borrowings are secured by way of:

- (a) corporate guarantee by the Company;
- (b) pledged of fixed deposits with a licensed bank;
- (c) facilities agreement as principal instrument;
- (d) deed of assignment of contract proceed;
- (e) machineries; and
- (f) motor vehicles.

**20. 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, saved as disclosed in Note 12.

**21. Related Party Transactions**

The related party transactions of the Group have been entered into in the normal course of business. Listed below are the transactions with related parties of the Group during the current period and corresponding period:

	<b>Quarter ended 30 September 2022 RM'000</b>	<b>Quarter ended 30 September 2021 RM'000</b>
Engagement of services in which director has an interest		
Legal fees	1	-
Rental expense	39	-
	39	-

**22. Review of Performance**

**22.1 Current quarter against corresponding quarter**

The Group recorded revenue of RM59.46 million and Profit Before Tax of RM6.20 million in the quarter under review as compared to revenue of RM11.24 million and Loss Before Tax of RM2.38 million recorded in the corresponding quarter.

Revenue from the Manufacturing segment increased to RM14.61 million for the quarter under review as compared to RM9.77 million in the corresponding quarter. Lower revenue recorded in the previous corresponding quarter was mainly due to the imposition of Enhanced Movement Control Order ("EMCO") in Bakar Arang Industrial Estate which resulted in the suspension of the Group's manufacturing operations in the month of July 2021. The manufacturing operations of the Group had since recovered to normal.

Accordingly, the Manufacturing segment recorded a Profit Before Tax of RM0.31 million for the quarter under review as compared to Loss Before Tax of RM0.32 million recorded in the previous corresponding quarter, notwithstanding a provision of impairment loss on inventories amounted to RM0.93 million recognised during the current quarter.

Revenue from the Construction segment increased to RM44.85 million for the quarter under review as compared to the corresponding quarter of RM1.46 million. The increase in revenue was mainly attributable from the works progress of a secured project, Lahad Datu Phase 1 Water Supply System Project and the accelerated work progress on Montage Project.

Consequently, the Construction segment recorded Profit Before Tax of RM6.44 million for the current quarter as compared to Loss Before Tax RM1.43 million in the corresponding quarter.

**22.2 Current period against corresponding period**

The Group recorded revenue of RM145.96 million and Profit Before Tax of RM13.84 million in the current period under review as compared to revenue of RM66.94 million and Loss Before Tax of RM3.92 million recorded in the corresponding period.

**22. Review of Performance (Continued)**

**22.2 Current period against corresponding period (Continued)**

Revenue from the Manufacturing segment increased to RM45.80 million for the current period under review as compared to RM43.24 million in the corresponding period. Lower revenue recorded in the previous corresponding period was mainly due to the imposition of EMCO in Bakar Arang Industrial Estate which resulted in the suspension of the Group's manufacturing operations in the month of July 2021, despite the Group recorded a higher export sales.

The Manufacturing segment recorded a Profit Before Tax of RM0.65 million for the current period under review as compared to Profit Before Tax RM0.64 million recorded in the corresponding period. The increased in Profit Before Tax in the current period was in line with the higher revenue. Nevertheless, the increased in Profit Before Tax in the current period was significantly offset against the provision of impairment loss on inventories of RM0.93 million made during the period.

Revenue from the Construction segment increased to RM100.16 million for the current period under review as compared to the corresponding period of RM23.70 million. The increased in revenue was mainly attributable from the newly secured project via the Group's newly acquired 70%-owned subsidiary, RYRT International Sdn. Bhd., Lahad Datu Phase 1 Water Supply System Project and the accelerated work progress on Montage and Beacon projects.

Consequently, the Construction segment recorded Profit Before Tax of RM15.32 million for the current period as compared to Loss Before Tax RM2.79 million in the corresponding period.

**23. Variation of results against the 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 30 September 2022 RM'000	Quarter ended 30 June 2022 RM'000	Variance RM'000	%
Revenue	59,456	39,455	20,001	51
Profit before tax	6,195	5,760	435	8

The Group's revenue increased by 51% from RM39.46 million in the immediate preceding quarter to RM59.46 million in the current quarter under review. The increased in revenue during the current quarter was mainly due to the acceleration of works progress on the existing on-going construction projects, particularly on the Lahad Datu Phase 1 Water Supply System Project and Montage Project.

Consequently, the Group recorded an increased in the Profit Before Tax of RM0.44 million from RM5.76 million recorded in the preceding quarter to RM6.20 million in the current quarter, despite a provision made on impairment loss on inventories of RM0.93 million and higher administrative expenses incurred during the current quarter.



**24. Commentary on Prospects**

**Manufacturing**

The Manufacturing segment will have to continue to strive through few challenges in the coming periods. The ever-intense competition for the export market and the rise of the costs of raw materials, coupled with the strengthening of the United States Dollar (“USD”) against Ringgit Malaysia (“RM”), have undoubtedly eroded the profit margin.

Nevertheless, despite these challenges on the manufacturing business segment, the Group is remained resilient and steadfast in meeting these challenges. The management is anticipating higher export sales in the coming periods with the weaker RM against USD which boosts our price competitiveness with our competitors in other countries in the export market.

Plant efficiency in terms of costing and quality will be the Group’s focus as a means to maintain and improve the competitiveness. With the new masking tape coater production line expected to be ready by end of year 2022, there will be a significant costs efficiency with the greater volume of productions and lower wastage.

**Construction**

The Group’s acquisition of a 70% owned subsidiary, RYRT International Sdn. Bhd. was completed on 20 April 2022 and have since allows the Group to successfully ventured into the infrastructure construction business.

The Group 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 finalising of the final accounts for the completed Beacon Executive Suite and Eco Horizon Projects.

The Group 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, (c) building service work for 282 units of Montage condominium in Penang with a contract value of RM29.3 million, (d) supply of labour, materials, machinery, tools and equipment for a project involving the construction of quarters for students and staff for Institute Latihan Perindustrian (“ILP”) in Labuan, Sabah with contract value of RM26.0 million in the coming period and (e) Road for Semawang to Tanjung Kuala Gum-Gum Project of RM183.3 million.

**25. Profit / (Loss) For The Period**

Profit / (Loss) for the period is arrived at after charging/(crediting):

	<b>Current quarter</b>		<b>Cumulative quarter</b>	
	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>
	<b>September</b>	<b>September</b>	<b>September</b>	<b>September</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>
Auditors’ remuneration	56	37	145	111
Depreciation of:				
- property, plant and equipment	277	242	670	1,391
- investment properties	4	4	13	16
- right-of-use assets	43	12	152	58

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**25. Profit / (Loss) For The Period (Continued)**

Profit / (Loss) for the period is arrived at after charging/ (crediting) (Continued):

	Current quarter		Cumulative quarter	
	Three months ended		Nine months ended	
	30	30	30	30
	September	September	September	September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Finance costs	112	44	333	206
Net foreign exchange loss	-	4	-	15
Impairment loss on inventories	933	-	933	-
Loss on disposal of plant and equipment	-	-	10	319
Provision for retirement benefits	34	37	101	111
Expenses relating to:				
- short term leases	152	76	346	222
- low value assets	50	23	119	56
And after crediting:-				
Bad debts recovered	-	18	8	46
Finance income	2	1	5	24
Rental income from investment properties	4	19	95	72
Net foreign exchange gain	25	-	69	-
Reversal of inventories written off	74	-	74	71
Gain on disposal of plant and equipment	-	1	-	-
Gain on disposal of subsidiary	-	-	-	485

**26. Tax Expense**

	Current quarter		Cumulative quarter	
	Three months ended		Nine months ended	
	30	30	30	30
	September	September	September	September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Tax expense	1,675	8	3,039	8

The Group's effective tax rate for the quarter under review is at 27%, which is higher than the statutory income tax rate. The comparatively higher effective tax rate is mainly due to the higher non-deductible expenses recognised during the quarter ended 30 September 2022.

**27. Dividends Proposed**

The Board of Directors did not recommend any dividends in the current quarter and period to-date ended 30 September 2022 under review.

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**28. 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.

	<b>Current quarter</b>		<b>Cumulative quarter</b>	
	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Basic</b>				
Profit / (Loss) attributable to the owners of the company	3,023	(2,383)	6,267	(3,925)
Weighted average number of ordinary shares in issue ('000)	125,288	91,109	113,897	90,473
Basic earnings / (loss) per ordinary share (sen)	2.41	(2.62)	5.50	(4.34)
<b>Diluted</b>				
Profit / (Loss) attributable to the owners of the company	3,023	(2,383)	6,267	(3,925)
Weighted average number of ordinary shares in issue ('000)	125,288	91,109	113,897	90,473
Effect of warrants on issue ('000)	7,184	-	7,184	-
Weighted average number of ordinary shares diluted in issue ('000)	132,472	91,109	121,081	90,473
Diluted earnings / (loss) per ordinary share (sen)	2.28	(2.62)	5.18	(4.34)

**29. Authorisation for Issue**

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