



CENTRAL GLOBAL BERHAD

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Company No. 201801036114 (1298143-T)
(Incorporated in Malaysia)

Quarterly Report 30 September 2023

CENTRAL GLOBAL BERHAD

[Company No: 201801036114 (1298143-T)]
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT

QUARTERLY REPORT ON THE RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT PERIOD QUARTER 30.09.2023 RM'000	PRECEDING PERIOD CORRESPONDING QUARTER 30.09.2022 RM'000	CURRENT PERIOD TO DATE 30.09.2023 RM'000	PRECEDING PERIOD CORRESPONDING PERIOD 30.09.2022 RM'000
Revenue	62,242	59,456	173,177	145,955
Cost of Sales	(54,651)	(48,354)	(148,277)	(119,724)
Gross Profit	<u>7,591</u>	<u>11,102</u>	<u>24,900</u>	<u>26,231</u>
Other Income	222	105	603	276
Selling and Distribution Expenses	(1,141)	(1,166)	(3,214)	(3,574)
Administrative Expenses	(2,928)	(3,734)	(10,655)	(8,756)
Profit from operations	<u>3,744</u>	<u>6,307</u>	<u>11,634</u>	<u>14,177</u>
Finance Costs	<u>(558)</u>	<u>(112)</u>	<u>(797)</u>	<u>(333)</u>
Profit before tax	3,186	6,195	10,837	13,844
Income tax expense	<u>(1,360)</u>	<u>(1,675)</u>	<u>(3,972)</u>	<u>(3,039)</u>
Profit for the period	<u><u>1,825</u></u>	<u><u>4,520</u></u>	<u><u>6,865</u></u>	<u><u>10,805</u></u>
Attributable to :				
Equity holders of the Company	246	3,023	2,686	6,267
Non-controlling interests	<u>1,579</u>	<u>1,497</u>	<u>4,179</u>	<u>4,538</u>
	<u><u>1,825</u></u>	<u><u>4,520</u></u>	<u><u>6,865</u></u>	<u><u>10,805</u></u>
Basic earnings per share (sen):	<u>0.16</u>	<u>2.41</u>	<u>1.79</u>	<u>5.50</u>
Diluted	<u>0.14</u>	<u>2.28</u>	<u>1.62</u>	<u>5.18</u>

The accompanying notes form an integral part of, and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2022.

CENTRAL GLOBAL BERHAD

[Company No: 201801036114 (1298143-T)]

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME QUARTERLY REPORT ON THE RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT PERIOD QUARTER 30.09.2023 RM'000	PRECEDING PERIOD CORRESPONDING QUARTER 30.09.2022 RM'000	CURRENT PERIOD TO DATE 30.09.2023 RM'000	PRECEDING PERIOD CORRESPONDING PERIOD 30.09.2022 RM'000
Profit for the period	<u>1,825</u>	<u>4,520</u>	<u>6,865</u>	<u>10,805</u>
Other comprehensive income:				
Foreign currency translation differences for a foreign subsidiary	(1)	36	77	70
Total comprehensive income for the period, net of tax	<u>1,824</u>	<u>4,556</u>	<u>6,942</u>	<u>10,875</u>
Total comprehensive income for the period attributable to:				
Equity holders of the Company	245	3,059	2,763	6,337
Non-controlling interests	<u>1,579</u>	<u>1,497</u>	<u>4,179</u>	<u>4,538</u>
	<u>1,824</u>	<u>4,556</u>	<u>6,942</u>	<u>10,875</u>

The accompanying notes form an integral part of, and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2022.

CENTRAL GLOBAL BERHAD

[Company No: 201801036114 (1298143-T)]

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

(The figures have not been audited)

	UNAUDITED 30.09.2023 RM'000	AUDITED RESTATE 31.12.2022 RM'000
Non Current Assets		
Property, plant and equipment	36,842	12,045
Land held for property development	678	-
Right-of-use assets	1,551	1,743
Investment properties	564	577
Goodwill on consolidation	21,145	21,145
	60,780	35,510
Current Assets		
Inventories	16,523	22,791
Trade receivables	110,369	84,597
Other receivables	18,640	19,851
Other current assets	50,162	1,934
Tax recoverable	815	714
Marketable securities	36	27
Cash and cash equivalents	9,955	7,879
	206,500	137,793
Current Liabilities		
Trade payables	66,394	35,687
Other payables	32,606	14,541
Tax payables	11,369	9,504
Lease liabilities	306	322
Loans and borrowings	9,247	9,669
	119,922	69,723
Net Current Assets	86,578	68,070
	147,358	103,580
Financed by:		
Share capital	117,820	100,112
Foreign currency translation reserve	466	389
Accumulated losses	(5,810)	(8,496)
	112,476	92,005
Non-controlling interests	12,134	7,955
	124,610	99,960
Non Current Liabilities		
Employee benefits	26	1,322
Deferred tax liabilities	532	1,038
Lease liabilities	-	190
Loans and borrowings	22,190	1,070
	22,748	3,620
	147,358	103,580
Net assets per share (RM)	0.77	0.65

These condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and accompanying explanatory notes attached to these interim financial statements.

CENTRAL GLOBAL BERHAD

[Company No: 201801036114 (1298143-T)]
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

QUARTERLY REPORT ON THE RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

(The figures have not been audited)

	<-----Attributable to Equity Holders of the Company----->					
	<----- Non-Distributable ----->			Distributable		
	Share capital	Foreign Currency Translation Reserve	Accumulated losses	Total	Non- controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2023	100,112	389	(8,496)	92,005	7,955	99,960
Foreign currency translation differences for a foreign subsidiary	-	77	-	77	-	77
Remeasurement of defined benefit liability	-	-	34	34	-	34
Total other comprehensive income	-	77	34	111	-	111
Profit for the period	-	-	2,652	2,652	4,179	6,831
Transactions with owners:						
Issuance of shares pursuant to exercise of warrants	14,172	-	-	14,172	-	14,172
Issuance of shares pursuant to shares grant scheme	3,536	-	-	3,536	-	3,536
Balance as at 30 September 2023	<u>117,820</u>	<u>466</u>	<u>(5,810)</u>	<u>112,476</u>	<u>12,134</u>	<u>124,610</u>

CENTRAL GLOBAL BERHAD

[Company No: 201801036114 (1298143-T)]

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D) QUARTERLY REPORT ON THE RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

(The figures have not been audited)

	<-----Attributable to Equity Holders of the Company----->					
	<----- Non-Distributable ----->			Distributable		
	Share capital	Foreign Currency Transalation Reserve	Accumulated losses	Total	Non- controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2022	64,432	294	(13,037)	51,689	-	51,689
(As per annoucent in Q1 and Q2 FYE 2023)						
Prior year adjustment	-	-	(2,994)	(2,994)	-	(2,994)
Balance as at 1 January 2022 (Restated)	<u>64,432</u>	<u>294</u>	<u>(16,031)</u>	<u>48,695</u>	<u>-</u>	<u>48,695</u>
Foreign currency translation differences for a foreign subsidiary	-	70	-	70	-	70
Profit for the period	-	-	6,267	6,267	4,538	10,805
Transactions with owners:						
Issuances of Ordinary Shares pursuant to the exercise of warrants	1,420	-	-	1,420	-	1,420
Acquisition of a subsidiary	21,400	-	-	21,400	9,296	30,696
Balance as at 30 September 2022	<u><u>87,252</u></u>	<u><u>364</u></u>	<u><u>(9,764)</u></u>	<u><u>77,852</u></u>	<u><u>13,834</u></u>	<u><u>91,686</u></u>

The accompanying notes form an integral part of, and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2022.

CENTRAL GLOBAL BERHAD

[Company No: 201801036114 (1298143-T)]

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT QUARTERLY REPORT ON THE RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

(The figures have not been audited)

	UNAUDITED CURRENT PERIOD TO DATE 30.09.2023 RM'000	UNAUDITED FOR THE PERIOD ENDED 30.09.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	10,837	13,844
Adjustments for:		
Depreciation on property, plant and equipment	1,208	670
Depreciation on investment properties	13	13
Depreciation of right-of-use assets	165	152
(Gain)/Loss on disposal of property, plant & equipment	(348)	10
Provision for retirement benefits	-	101
Gain on appreciation of market value of marketable securities	(9)	-
Finance costs	797	333
Interest income	(42)	(5)
Reversal of impairment on investment in a subsidiary		
Unrealised foreign exchange gain	(34)	933
Shares grant scheme expense	3,536	-
Reversal of allowance for impairment loss on inventories	57	-
Operating profit before working capital changes	16,177	16,051
Changes in working capital:		
Inventories	6,211	(4,964)
Trade and other receivables	(24,527)	(16,942)
Other current assets	(48,228)	(1,397)
Trade and other payables	48,772	(1,017)
Cash used in operations	(1,595)	(8,269)
Interest income received	42	5
Retirement benefit paid	(1,296)	(140)
Income tax paid	(2,714)	(270)
Net Cash Used In Operating Activities	(5,563)	(8,674)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(26,300)	(511)
Purchase of investment property/ land for development	(678)	-
Purchase of right-of-use assets	27	(594)
Proceeds from disposal of property, plant and equipment	643	44
Acquisition of a subsidiary	-	2,163
Increase in pledged deposits placed with licensed banks	(137)	-
Net Cash (Used In)/Generated From Investing Activities	(26,445)	1,102

CENTRAL GLOBAL BERHAD

[Company No: 201801036114 (1298143-T)]

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT QUARTERLY REPORT ON THE RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

(The figures have not been audited)

	UNAUDITED CURRENT PERIOD TO DATE 30.09.2023 RM'000	UNAUDITED FOR THE PERIOD ENDED 30.09.2022 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loans and borrowings	(1,904)	-
Proceeds from loans and borrowings	22,469	3,071
Proceeds from issuance of shares	14,172	1,420
Finance cost paid	(797)	(333)
Payments of lease liabilities	(206)	-
Net Cash Generated From Financing Activities	33,734	4,158
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,726	(3,414)
Effect of exchange rate fluctuations on cash held	77	70
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	6,114	8,323
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	7,917	4,979
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Cash and bank balances	8,087	4,979
Fixed deposits with licenced banks	1,868	1,600
Bank overdraft	(170)	-
	9,785	6,579
Less: Deposits pledged	(1,868)	(1,600)
	7,917	4,979

Note

- (i) The Group, via its subsidiary, CIC Construction Sdn. Bhd. had on 26 January 2022 entered into a Sales and Purchase Agreement and Profit Guarantee Agreement with RYRT Holdings Sdn. Bhd., Mr. Soo Yu Chai and Mr. Lee Chee Vui for the proposed acquisition of 70% of the issued and paid up share capital of RYRT International Sdn. Bhd. ("RYRT") for a purchase consideration of RM30,100,000 to be satisfied wholly by issuance of up to 28,942,308 new ordinary shares in the Company. The acquisition was completed on 20 April 2022. RYRT is principally engaged in the construction of building and other engineering projects.

The acquisitions had the following effect on the Group's assets and liabilities on acquisition date:

RYRT International Sdn. Bhd.

	Recognised values on acquisition RM'000
2022	
Property, plant and equipment	217
Right-of-use asset	826
Trade and other receivables	50,476
Cash and cash equivalents	2,554
Tax payables	(4,720)
Loans and borrowings	(598)
Payables and accruals	(17,769)
Net identifiable assets and liabilities	30,986
Non-controlling interests	(9,296)
Contract assets recognised	5,973
Purchase consideration	27,663
Non-cash consideration	(27,663)
Cash acquired	(2,554)
Net cash inflow	(2,554)

These condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and accompanying explanatory notes attached to these interim financial statements.

A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING

A1 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 2022. 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 2022.

A2 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 2022, except for the adoption of the following MFRS and amendments to MFRSs during the financial period:

MFRS 17, Insurance Contracts

Amendments to MFRS 17 Insurance Contracts, Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 112 Income Taxes, Deferred Tax Related to Assets and Liabilities arising from a Single Transaction

The adoption of the above new/amendments 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.

At the date of authorisation of these interim financial statements, the following Amendments to MFRSs were issued but not yet effective and have not been applied by the Group:

Effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 16 Leases – Lease Liability in a Sale and Leaseback

Amendments to MFRS 101 Presentation of Financial Statements – Non-current Liabilities with Covenants

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

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

A3 Seasonal or cyclical factors

The Group's interim operations were not subject to any seasonal or cyclical factors.

A4 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence in the quarter under review.

A5 Changes in estimates, significant accounting estimates and judgements

There were no changes in the nature and estimates of amounts reported which have a material effect on the results in the quarter under review.

A6 Debt and equity securities

There were no significant issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review except as disclosed in Notes B7 and B9.

A7 Dividends paid

There was no dividends paid during the quarter ended 30 September 2023 under review.

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A8 Segment information

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

Segment Reporting of the Group's result for the financial period-to-date is as follows:						
Business Segment	Manufacturing & Trading		Construction		Total	
	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
Revenue	<u>38,033</u>	<u>45,798</u>	<u>135,144</u>	<u>100,157</u>	<u>173,177</u>	<u>145,955</u>
Segment Results	(5,189)	648	21,022	15,656	15,833	16,304
Unallocated Results					(4,199)	(2,127)
Profit from Operations					<u>11,634</u>	<u>14,177</u>
Finance Costs					(797)	(333)
Profit Before Tax					<u>10,837</u>	<u>13,844</u>
Income Tax Expense					(3,972)	(3,039)
Profit After Tax					<u>6,865</u>	<u>10,805</u>
Geographical Segment	Revenue					
	30.09.2023 RM'000	30.09.2022 RM'000				
Malaysia	155,944	133,556				
Foreign Countries	<u>17,233</u>	<u>12,399</u>				
Consolidated	<u>173,177</u>	<u>145,955</u>				

A9 Valuation of property, plant and equipment and investment properties

There were no valuations of property, plant and equipment and investment properties during the quarter ended 30 September 2023

A10 Goodwill on consolidation

	RM'000
Cost	
As at 1 January 2021	22
Acquisition of a subsidiary	<u>21,572</u>
As at 31 December 2022/1 Jan 2023/30 September 2023	<u>21,594</u>
Accumulated impairment loss	
As at 1 January 2021	22
Impairment loss	<u>427</u>
As at 31 December 2022/1 Jan 2023/30 September 2023	<u>449</u>
Carrying amount	
As at 31 December 2022/30 September 2023	<u>21,145</u>

A11 Other Current Assets

	Note	AS AT 30.09.2023 RM'000	AS AT 31.12.2022 RM'000
Amount due from customers on contracts	(i)	45,440	1,745
Prepayments		<u>4,722</u>	<u>189</u>
		<u>50,162</u>	<u>1,934</u>

(i) The amount due from customers on contracts is further illustrated as follow:-

	AS AT 30.09.2023 RM'000	AS AT 31.12.2022 RM'000
Aggregate costs incurred to date	401,755	269,814
Add: Attributable profits	<u>46,324</u>	<u>40,584</u>
	448,079	310,398
Less: Progress billings	<u>(402,639)</u>	<u>(308,653)</u>
	<u>45,440</u>	<u>1,745</u>

A12 Subsequent Events

Save for Section B7, there were no material events subsequent to the current financial quarter ended 30 September 2023 up to the date of this report which is likely to substantially affect the results of the operations of the Group.

A13 Changes in the composition of the Group

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

A14 Contingent Assets and Contingent Liabilities

As at 30 September 2023, the Company provides corporate guarantees up to a total amount of RM72.35 million 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 totalling RM31.51 million as at 30 September 2023.

As at 30 September 2023, the Company also provides corporate guarantees up to a total amount of RM17.46 million 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 totalling RM3.54 million as at 30 September 2023.

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

A15 Capital Commitments

	AS AT 30.09.2023 RM'000	AS AT 31.12.2022 RM'000
Contracted and not provided for:		
Property, plant and equipment	-	3,762
Right-of-use assets	1,841	-
	1,841	3,762

A16 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 financial period and corresponding period.

	INDIVIDUAL QUARTER CURRENT PERIOD QUARTER 30.09.2023 RM'000	PRECEDING PERIOD CORRESPON- DING QUARTER 31.12.2022 RM'000
Engagement of services in which a director has an interest		
Legal fees	16	1
Rental expense	39	39
	39	39

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") FOR THE MAIN MARKET

B1 Review of performance

Current Period Quarter versus Preceding Period Corresponding Quarter

Overall, the Group achieved revenue of RM62.24 million for the quarter ended 30 September 2023 ("Q3 2023"), an increase of 4.68% from RM59.46 million recorded in the quarter ended 30 September 2022 ("Q3 2022"). However, the Group recorded a lower before tax of RM3.19 million in Q3 2023, representing a decrease of 48.55% compared to RM6.20 million profit before tax recorded in Q3 2022, mainly due to the downward profit margin revision on certain current on-going projects and finance cost incurred in connection with the construction and extension of warehouse with new production machineries in Q3 2023.

(i) Manufacturing & Trading segment

The revenue of RM14.35 million in Manufacturing & Trading segment in Q3 2023 was slightly lower than the revenue of RM14.61 million recorded in Q3 2022 as the competition in the market is getting more intense, especially in the distribution of label and general trading item resulting in margin compression. Consequently, the Manufacturing & Trading segment recorded a loss of RM1.38 million in Q3 2023.

(ii) Construction segment

The revenue in Construction segment for Q3 2023 recorded an increase, from RM44.85 million in Q3 2022 to RM47.89 million in Q3 2023, following the higher work progress in the current on-going projects especially on the Gum Gum project. Despite the increase in revenue in Q3 2023, the Construction segment had recorded a lower increase in the profit before tax of RM4.59 million in Q3 2023 from RM6.46 million recorded in Q3 2022 mainly due to the downward profit margin revision on the certain current on-going projects.

B1 Review of performance (cont'd)

Current Period-to-Date versus Preceding Period-to-Date

The Group achieved revenue of RM173.18 million for the period ended 30 September 2023, an increase of 18.65% from RM145.96 million recorded in the previous financial period ended 30 September 2022. The increase was due to the higher revenue contribution from Construction segment. Despite the increase in the revenue, the Group recorded a decrease in the profit before tax of RM10.84 million in current financial period ended 30 September 2023 as compared to RM13.84 million recorded in the previous financial period ended 30 September 2022 due to the downward profit margin revision on the current on-going projects and expenses recognised in connection with the issuance of shares grant scheme amounted to RM3.54 million.

(i) Manufacturing & Trading segment

The Group achieved revenue of RM38.03 million on the Manufacturing & Trading segment for the financial period ended 30 September 2023, a decrease of 16.95% from RM45.80 million recorded in the previous financial period. Lower revenue achieved in the Manufacturing and Trading segment is mainly due to the continued weakness in demand and intense market competition. Consequently, the Manufacturing & Trading segment recorded a segment loss of RM5.19 million for the financial period ended 30 September 2023.

(ii) Construction segment

The Group achieved revenue of RM135.14 million in the Construction segment for the financial period ended 30 September 2023, an increase of 34.92% as compared to RM100.16 million recorded in the previous financial period. The increase in the revenue in the Construction segment was mainly due to the acceleration of work progress on existing on-going projects, especially on the Gum Gum project.

Accordingly, the Construction segment recorded an increase in profit of 34.27% or RM5.37 million from RM15.32 million in financial period ended 30 September 2022 to RM21.02 million in financial period ended 30 September 2023.

B2 Variation of results against preceding quarter

	Quarter ended 30.09.2023 RM'000	Quarter ended 30.06.2023 RM'000
Revenue	62,242	47,435
Profit before tax	3,186	3,240

For the quarter ended 30 September 2023, the Group has recorded revenue of RM62.24 million, a increase of 31.22% as compared to RM47.44 million recorded in preceding quarter ended 30 June 2023. Higher revenue in the current quarter is mainly attributable to the higher sales in the Manufacturing & Trading segment for its tape and general trading items and more works progress recognised in the Construction segment for the current quarter ended 30 September 2023. However, a slightly lower profit before tax of RM3.19 million was recorded in the current quarter ended 30 September 2023 as compared to RM3.24 million recorded in the preceding quarter ended 30 June 2023 due the downward profit margin revision on the current on-going projects.

B3 Prospects

The prospects for each of the operating segment is illustrated as below:

(i) Manufacturing & Trading segment

The ever-intense competition in the tape and adhesive products have continued to adversely affect the Group's Manufacturing & Trading segment resulting in decreased sales and eroded profit margins.

There has been a better progress in the export market segment whereby sales in the current quarter ended 30 September 2023 have recorded a meaningful improvements with continued efforts to further improve the business of this segment.

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 commence production by early year 2025, there will be an expected costs efficiency with the greater volume of productions and lower wastages.

(ii) Construction segment

The Group made a significant move into the infrastructure construction sector in the year 2022 by acquiring a 70% stake in RYRT International Sdn. Bhd. Subsequently, on 5 October 2023, the Group completed the acquisition of the remaining 30% equity interest, resulting in RYRT International being a wholly-owned subsidiary of the Company.

This strategic acquisition aligns with the Group's broader initiative to enhance its presence, capabilities, and market share within the infrastructure construction sector.

The Group will continue to accelerate the work progress on its ongoing projects, namely the Montage Project, Lahad Datu Fasa 1 Menaiktaraf Sistem Bekalan Air Project, and Gum Gum Project. In addition, the Group was awarded a new project "Project Bekalan Air Luar Bandar (BALB) Sistem Retikulasi Tahun 2018/2019 Negeri Sabah Bahagian Lahad Datu" amounting to RM15.24 million on 17 October 2023 which is expected to contribute positively to earnings of the Group.

As at 30 September 2023, the current secured unbilled order book of the Group's Construction segment is approximately RM267.18 million.

Barring any unforeseen circumstances, the Board is of the view that the Group's results for the financial period ending 31 December 2023 will be satisfactory.

CENTRAL GLOBAL BERHAD
[Company No: 201801036114 (1298143-T)]
(Incorporated in Malaysia)

B4 Profit forecast

Not applicable.

B5 Income tax expenses

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT PERIOD QUARTER 30.09.2023 RM'000	PRECEDING PERIOD CORRESPONDING QUARTER 30.09.2022 RM'000	CURRENT PERIOD TO DATE 30.09.2023 RM'000	PRECEDING PERIOD CORRESPONDING PERIOD 30.09.2022 RM'000
Malaysian income tax	1,751	1,675	3,965	3,039
Deferred tax (income)/expense	(391)	-	7	-
	<u>1,360</u>	<u>1,675</u>	<u>3,972</u>	<u>3,039</u>

The Group's effective tax rate for the quarter under review is at 42.69% which was higher than the statutory income tax rate. The higher effective tax rate was mainly due to the non-deductible expenses for tax purposes of the Company, and other semi-active and dormant subsidiary companies.

B6 Sale of unquoted investments and properties

There were no major disposals of unquoted investments and properties during the quarter under review.

B7 Status of corporate proposals

The status of a corporate proposal announced by the Company but not completed as at 29 November 2023, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report are summarised below:

(i) Long Term Incentive Scheme ("LTIS")

On 21 March 2022, the Company announced that the effective date for the implementation of LTIS is 21 March 2022, being the date on which CGB is in full compliance with relevant requirements of the Listing Requirements.

On 29 December 2022, the Company announced that 7,487,264 ordinary Shares of the Company are to be awarded under the Company's share grant scheme ("SGS").

Subsequently, the following SGS have been granted and issued:

Effective Grant Date	No. of Ordinary Shares Granted	Listing Date	No. of Shares Issued	Issue Price (RM)	Awardee
18-Jan-23	697,859	27-Jan-23	412,706	0.9635	Employees
		18-Apr-23	76,427		
		22-Jun-23	142,787		
11-Apr-23	945,340	18-Apr-23	945,340	1.1085	Director
15-Jun-23	333,170	22-Jun-23	333,170	1.4434	Director
30-Jun-23	1,000,000	27-Jul-23	917,300	1.5240	Employees
Total	2,976,369		2,827,730		

The Board shall proceed to make subsequent announcement(s) in respect of the effective grant date of the remaining SGS of the Company's ordinary shares where applicable.

(ii) Free Warrants and Private Placement

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

- Free warrants issue up to 65,403,155 free warrants on the basis of 1 warrant for every 2 existing ordinary Shares in the Company; and
- Private placement of up to 39,241,800 new Shares of the Company, representing not more than 30% of the enlarged total issued share capital of the Company.

(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 issue of free warrants has been completed with 62,391,724 warrants issued and listed on the Main Market of Bursa Securities.

On 23 November 2022, the Company has sought approval from Bursa Securities for the extension of time until 31 May 2023 to complete the private placement. On 8 May 2023, the Company has decided not to proceed with the private placement and hence, the private placement is deemed completed on the same day.

CENTRAL GLOBAL BERHAD
[Company No: 201801036114 (1298143-T)]
(Incorporated in Malaysia)

B7 Status of corporate proposals (cond't)

Subsequent to the warrants issued on 29 July 2022, the following warrants were exercised during the relevant periods at a conversion price of RM0.80 per share:

Period	No. of Warrants	RM'000
Financial year ended 31 December 2022	10,954	8,763
Financial quarter ended 31 March 2023	3,012	2,410
Financial quarter ended 30 June 2023	3,375	2,700
Financial quarter ended 30 September 2023	11,329	9,063
1 October 2023 to 24 November 2023	4,489	3,592
Total	33,159	26,528

(iii) Acquisition of the remaining 30% equity interest in RYRT International Sdn Bhd ("RYRT International")

On 31 May 2023, the Company announced that CIC Construction Sdn Bhd ("CICC" or "Purchaser"), a wholly-owned subsidiary of CGB, had entered into a conditional share sale and purchase agreement ("SPA") with RYRT Holdings Sdn Bhd ("RYRT Holdings" or "Vendor") for the acquisition of 600,030 ordinary shares in RYRT International ("Sale Share(s)"), representing the remaining 30% equity interest in RYRT International, for a purchase consideration of RM13.26 million ("Purchase Consideration") to be wholly satisfied via issuance of 10,200,000 new ordinary shares in CGB ("Consideration Share(s)") at an issue price of RM1.30 per Consideration Share, subject to the terms and conditions contained in the SPA ("Acquisition").

CICC, RYRT Holdings, Mr Lee Chee Vui and Mr Soo Yu Chai had on 10 July 2023, entered into a supplemental share sale and purchase agreement ("Supplemental SPA") to supplement the terms of the sale and purchase agreement dated 26 January 2022, the profit guarantee agreement ("PGA") dated 26 January 2022 and SPA in respect of the Acquisition will subject to the approval from the shareholders of CGB at an Extraordinary General Meeting (EGM).

The additional listing application in respect of the listing of and quotation for 10,200,000 Consideration Shares to be issued pursuant to the Acquisition has been submitted to Bursa Securities on 25 July 2023 and approved on 16 August 2023.

The Acquisition was approved by the shareholders of CGB at the EGM held on 19 September 2023.

On 5 October 2023, the Acquisition was completed. As such, RYRT International is presently a wholly-owned subsidiary of CICC.

B8 Group's borrowings and debt securities

The Group's borrowings are as follows:

	Payable within 12 months RM'000	Payable after 12 months RM'000	Total Outstanding RM'000
<u>Secured borrowings</u>			
Trade facilities	7,620	-	7,620
Hire purchases	1,051	4,189	5,240
Overdraft	170	-	170
Term loan	406	18,002	18,408
	<u>9,247</u>	<u>22,190</u>	<u>31,437</u>

The secured bank borrowings and other facilities are secured by way of :-

- (a) corporate guarantee by the Company;
- (b) a debenture over all assets of a subsidiary;
- (d) a pledge on the Company and subsidiaries' fixed deposits;
- (e) facilities agreement as principal instrument;
- (f) deed of assignment of contract proceeds;
- (g) machineries; and
- (h) motor vehicles.

B9 Material litigation

Save for the following, there were no material litigation involving the Group since the last financial period ended 31 December 2022 and up to 29 November 2023, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report.

(i) Mahkamah Tinggi Pulau Pinang Writ No.: WA-22NCC-15-03/2023 Trade Empire Sdn. Bhd. ("Plaintiff") vs Proventus Bina Sdn. Bhd. & Kong Teck Fong ("Defendants")

Proventus Bina Sdn. Bhd. ("PBSB"), a wholly-owned sub-subsidiary of the Company had on 5 April 2023 been served a Writ of Summon and Statement of Claim dated 29 March 2023 by Trade Empire Sdn. Bhd. ("Plaintiff"). The Plaintiff is claiming for the principal sum of RM1.18 million, late payment interests of RM1.16 million and subsequent late payment interest until full and final settlement. The Plaintiff's claim was in relation to the materials and leasing services allegedly provided to PBSB.

PBSB had on 15 May 2023 filed a defense and a counterclaim against the Plaintiff to which the Penang High Court had directed the Plaintiff to enter their reply and defence by 6 June 2023.

PBSB had on 23 May 2023 filed an application to rope in Aspen Vision Builders Sdn Bhd ("Aspen") as a third party to the said proceedings to which the Penang High Court granted via its direction dated 23 June 2023. PBSB had also on 23 May 2023 filed an application to transfer the said proceedings from the Penang High Court to the Kuala Lumpur High Court.

Amidst the case management held on 26 May 2023, the Penang High Court fixed the hearing date for the said matter on 1 August 2023.

On 1 August 2023, amidst the hearing and at the request of Aspen ("third party"), the Honourable High Court Judge decided to defer his decision to another date, as he was of the view that the third party should be served with the cause papers for the application for transfer, since they have been brought in by PBSB and fixed the matter for e-review on 7 August 2023, thereby allowing the third party's legal representative(s) to seek instructions from their client on whether to contest or not to contest the matter to transfer.

The Court has ordered for this suit to be transferred from Penang High Court to the Kuala Lumpur High Court. The legal suit number has since been altered from PA-22NCC-15-03/2023 to WA-22NCC-684-09/2023. The next case management via E-Review is fixed on 18 March 2024.

(ii) Mahkamah Tinggi Kuala Lumpur Saman Pemula No.: WA-24NCC-378-07/2023 Aspen Vision Builders Sdn. Bhd. ("Plaintiff") vs Proventus Bina Sdn. Bhd. ("Defendant")

Aspen Vision Builders Sdn. Bhd. ("Aspen") has filed in an originating summon and notice of application on 12 July 2023 for an Injunction to restrain PBSB from filing and presenting the winding-up petition pursuant to Section 466 Notice dated 16 June 2023 for an amount of RM1.69 million.

The hearing for Aspen's application for an injunction is fixed on 8 February 2024.

(iii) Mahkamah Tinggi Malaya Di Georgetown Dalam Negeri Pulau Pinang, Malaysia Guaman Sivil No.: PA-22C-7-09/2023 Proventus Bina Sdn. Bhd. ("Plaintiff") vs Tang Kae Shih ("Defendant")

Proventus Bina Sdn. Bhd. ("PBSB") ("Plaintiff"), a wholly-owned subsidiary of CIC Construction Sdn. Bhd. which in turn is a wholly-owned subsidiary of the Company had served a Writ of Summon and Statement of Claim dated 20 September 2023 to Tang Kae Shih ("Defendant"). The Plaintiff is claiming for the principal sum of RM7.23 million and subsequent late payment interest of 10% until the date of full and final settlement.

The Plaintiff's claim was in relation to the following project ("Gerbang Bukit Kecil Project"):

(a) Pursuant to a "Letter of Award" (Ref. No.: SESB/Montage/LA/013) dated 13 January 2020 ("LOA"), Simbol Era Sdn Bhd ("Main Contractor") has appointed the Plaintiff to perform the work envisaged under and/or arising from the LOA ("Works") in relation to the : -

"Cadangan Untuk Mendirikan 1 Blok Pangsapuri 34 Tingkat Yang Mengandungi:

- (i) 24 Tingkat Pangsapuri - 282 Unit (Tingkat 10 - 33)
- (ii) 1 Tingkat Kemudahan Masyarakat - Podium (Tingkat 9)
- (iii) 1 Tingkat Lif Lobi (Tingkat G)
- (iv) 8 Tingkat Tempat Letak Kenderaan (Tingkat 1 - Tingkat 8)

Di atas Lot 542, 543 dan 544, Gerbang Bukit Kecil 2, Mukim 12, Daerah Barat Daya, Pulau Pinang Untuk Tetuan Prisma Bumiraya Sdn Bhd."

(b) Pursuant to a Personal Guarantee dated 28 April 2021 which has been executed by the Defendant, the Defendant has among others, irrevocably and unconditionally undertaken to pay the Plaintiff (as principal debtor and not merely as surety) for any debt due and payable by the Main Contractor to the Plaintiff for the Works performed by the Plaintiff in relation to the Project.

The next case management via E-Review is fixed on 7 December 2023.

B9 Material litigation (cond't)

(iv) Commencement of Adjudication Proceeding pursuant to the Construction Industry Payment and Adjudication Act 2012 ("CIPAA 2012") by Proventus Bina Sdn. Bhd. ("Claimant") against Simbol Era Sdn. Bhd. ("Respondent")

Proventus Bina Sdn. Bhd. ("PBSB") a wholly-owned subsidiary of CIC Construction Sdn. Bhd. which in turn is a wholly-owned subsidiary of the Company had commenced an adjudication proceeding pursuant to CIPAA 2012 against Simbol Era Sdn. Bhd. ("The Respondent") on 25 September 2023. The Claimant is claiming for the principal sum of RM7.41 million and RM0.91 million, being the total interest as at 28 August 2023; including interest, at the rate of 5% per annum calculated on the sum of RM7.41 million (being the Outstanding Certified But Unpaid Sums), from 29 August 2023 until full and final payment.

PBSB claims against the Respondent in respect of a payment dispute arisen between PBSB and the Respondent in relation to the main building works carried out by PBSB for the Respondent concerning the Gerbang Bukit Kecil Project as disclosed in the material litigation in B9(iii) above.

Claimant had on 7 September 2023 served a payment claim amounting to RM7.41 million (plus interest and costs) ("Payment Claim") to the Respondent. However, there was no reply to the Payment Claim received by the PBSB from the Respondent. Pursuant to Section 6 of the CIPAA 2012, the Respondent is deemed to have disputed the entire Payment Claim.

In this respect, the Claimant had referred the aforesaid payment dispute arising from the Payment Claim to adjudication pursuant to Sections 7 of the CIPAA 2012.

(v) Commencement of Adjudication Proceeding pursuant to the Construction Industry Payment and Adjudication Act 2012 ("CIPAA 2012") by Proventus Bina Sdn. Bhd. ("Claimant") against Prisma Bumiraya Sdn. Bhd. ("Respondent")

Proventus Bina Sdn. Bhd. ("PBSB") ("Claimant"), a wholly-owned subsidiary of CIC Construction Sdn. Bhd. which in turn is a wholly-owned subsidiary of the Company had commenced an adjudication proceeding pursuant to CIPAA 2012 against Prisma Bumiraya Sdn. Bhd. ("Respondent"). The Claimant is claiming for the principal sum of RM7.16 million and RM0.47, being the total interest as at 13 October 2023; including interest, at the rate of 5% per annum calculated on the sum of RM7.16 million (being the Outstanding Certified But Unpaid Sums), from 14 October 2023 until full and final payment.

The Claimant's claims against the Respondent in respect of a payment dispute arisen between Claimant and Respondent in relation to the main building works carried out by the Claimant for the Respondent concerning the Gerbang Bukit Kecil Project as disclosed in the material litigation in B9(iii) above.

Claimant had on 13 October 2023 served a payment claim amounting to RM7.16 million ("Payment Claim") to the Respondent.

The Respondent had on 26 October 2023 submitted a payment response pursuant to Section 6 of the CIPAA 2012 to the Claimant amongst others disputing the amount claimed in the Payment Claim.

In this respect, the Claimant had referred the aforesaid payment dispute arising from the Payment Claim to adjudication pursuant to Sections 7 and 8 of the CIPAA 2012.

(vi) Commencement of Adjudication Proceeding pursuant to the Construction Industry Payment and Adjudication Act 2012 ("CIPAA 2012") by Proventus Bina Sdn. Bhd. ("Claimant") against Jonah Bina Sdn. Bhd. ("Respondent").

Proventus Bina Sdn. Bhd. ("PBSB"), a wholly-owned subsidiary of CIC Construction Sdn. Bhd. which in turn is a wholly-owned subsidiary of the Company had commenced an adjudication proceeding pursuant to CIPAA 2012 against Jonah Bina Sdn. Bhd. ("Respondent") on 20 November 2023. The Claimant is claiming for the principal sum of RM3.02 million and RM0.06 million, being the total interest as at 13 October 2023; including interest, at the rate of 5% per annum calculated on the sum of RM3.02 million (being the Outstanding Certified But Unpaid Sums), from 14 October 2023 until full and final payment.

PBSB's claims against the Respondent in respect of a payment dispute arisen between Claimant and Respondent in relation to the main building and services works carried out by the Claimant for the Respondent concerning the following project ("Sungai Pinang Project"):-

"Cadangan Mendirikan 1 Blok Rumah Pangsa Mampu Milik 16-Tingkat (378 Unit) Termasuk Tempat Letak Kenderaan, Kemudahan Masyarakat Dan 1 Tingkat Separa Bawah Tanah Di Atas Lot-Lot 94,95 & Petak A (Sebahagian Lot 378 & 380), Jalan Sungai Pinang, Mukim E, Daerah Barat Daya, Pulau Pinang Untuk Tetuan Prisma Bumiraya Sdn. Bhd."

PBSB had on 18 October 2023 served a payment claim amounting to RM3.02 million ("Payment Claim") to the Respondent, but the Claimant did not receive any reply from the Respondent. Pursuant to Section 6 of the CIPAA 2012, the Respondent is deemed to have disputed the entire Payment Claim.

In this respect, the PBSB had initiated the aforesaid payment dispute arising from the Payment Claim to adjudication pursuant to Section 8 of the CIPAA 2012.

B10 Proposed Dividends

No interim dividends has been declared for the current quarter under review.

The Board of Directors does not recommend the payment of any dividends for the financial period ended 30 September 2023.

CENTRAL GLOBAL BERHAD
[Company No: 201801036114 (1298143-T)]
(Incorporated in Malaysia)

B11 Earnings per share

a) Basic earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT PERIOD QUARTER 30.09.2023	PRECEDING PERIOD CORRESPONDING QUARTER 30.09.2022	CURRENT PERIOD TO DATE 30.09.2023	PRECEDING PERIOD CORRESPONDING PERIOD 30.09.2022
Net profit for the period attributable to ordinary equity holders of the company (RM'000)	246	3,023	2,686	6,267
Basic				
Weighted average number of shares in issue ('000)	157,435	125,288	149,964	113,897
Basic earnings per share (sen)	<u>0.16</u>	<u>2.41</u>	<u>1.79</u>	<u>5.50</u>
Diluted				
Weighted average number of shares in issue ('000)	157,435	125,288	149,964	113,897
Effect of dilution ('000)	21,714	7,184	16,254	7,184
Adjusted weighted average number of shares in issue ('000)	179,149	132,472	166,218	121,081
Diluted earnings per share (sen)	<u>0.14</u>	<u>2.28</u>	<u>1.62</u>	<u>5.18</u>

B12 Additional disclosure as per Appendix 9B , Part A, Note 16 of Bursa Listing Requirement of Bursa Malaysia Securities Berhad

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT PERIOD QUARTER 30.09.2023 RM'000	PRECEDING PERIOD CORRESPONDING QUARTER 30.09.2022 RM'000	CURRENT PERIOD TO DATE 30.09.2023 RM'000	PRECEDING PERIOD CORRESPONDING PERIOD 30.09.2022 RM'000
The following amounts have been included in arriving at profit before tax:				
Auditors' remuneration	85	56	196	145
Depreciation on property, plant and equipment	423	277	1,208	670
Depreciation on investment property	5	4	13	13
Depreciation on right-of-use assets	44	43	165	152
Finance costs	558	112	797	333
Provision for retirement benefits	-	34	-	101
Share grant scheme expenses	1,398	-	3,536	-
Unrealised foreign exchange losses	-	933	-	933
Reversal of Impairment loss on inventories	57	-	57	-
Rental expense:				
- Land and building	117	152	278	346
- Equipment	67	50	180	119
and after crediting:				
Interest income	13	2	42	5
Rental income	158	4	233	95
Bad debts recovered	-	-	-	8
Unrealised foreign exchange gains	34	-	34	-
Realised foreign exchange gains	-	25	-	69
Reversal of impairment loss on inventories	-	74	-	74
Gain on appreciation of market value of marketable securities	-	-	9	-
Gain on disposal of property, plant & equipment	348	-	348	-

B13 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial period ended 31 December 2022 was unqualified.

B14 Authorisation for Issue

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