



CENTRAL GLOBAL BERHAD

CENTRAL GLOBAL BERHAD

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

**Unaudited condensed consolidated
interim financial statements for the
quarter and year ended**

31 March 2024

CENTRAL GLOBAL BERHAD

[Company No: 20181036114 (1298143-T)]
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT

QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT PERIOD QUARTER 31.03.2024 RM'000	PRECEDING PERIOD CORRESPONDING QUARTER 31.03.2023 RM'000	CURRENT PERIOD TO DATE 31.03.2024 RM'000	PRECEDING PERIOD CORRESPONDING PERIOD 31.03.2023 RM'000
Revenue	28,516	63,500	28,516	63,500
Cost of Sales	(25,353)	(55,210)	(25,353)	(55,210)
Gross Profit	3,163	8,290	3,163	8,290
Other Income	96	280	96	280
Selling and Distribution Expenses	(971)	(1,040)	(971)	(1,040)
Administrative Expenses	(1,575)	(3,004)	(1,575)	(3,004)
Profit from operations	713	4,526	713	4,526
Finance Costs	(185)	(114)	(185)	(114)
Profit before tax	528	4,412	528	4,412
Income tax expense	(470)	(1,552)	(470)	(1,552)
Profit for the period	58	2,860	58	2,860
Attributable to :				
Equity holders of the Company	58	2,044	58	2,044
Non-controlling interests	-	816	-	816
Profit for the period	58	2,860	58	2,860
Basic earnings per share (sen):	0.02	1.43	0.02	1.43
Diluted	0.01	1.32	0.01	1.32

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 2023.

CENTRAL GLOBAL BERHAD

[Company No: 20181036114 (1298143-T)]

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT PERIOD QUARTER 31.03.2024 RM'000	PRECEDING PERIOD CORRESPONDING QUARTER 31.03.2023 RM'000	CURRENT PERIOD TO DATE 31.03.2024 RM'000	PRECEDING PERIOD CORRESPONDING PERIOD 31.03.2023 RM'000
Profit for the period	<u>58</u>	<u>2,860</u>	<u>58</u>	<u>2,860</u>
Other comprehensive income:				
Foreign currency translation differences for foreign subsidiary	87	4	87	4
Remeasurement of defined benefit liability	-	34	-	34
Total comprehensive income for the period, net of tax	<u>145</u>	<u>2,898</u>	<u>145</u>	<u>2,898</u>
Total comprehensive income for the period attributable to:				
Equity holders of the Company	145	2,082	145	2,082
Non-controlling interests	-	816	-	816
	<u>145</u>	<u>2,898</u>	<u>145</u>	<u>2,898</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 2023.

CENTRAL GLOBAL BERHAD

[Company No: 20181036114 (1298143-T)]
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

(The figures have not been audited)

	UNAUDITED	AUDITED
	31.03.2024	31.12.2023
	RM'000	RM'000
Non Current Assets		
Property, plant and equipment	29,252	26,843
Right-of-use assets	1,460	1,489
Investment properties	548	560
Goodwill on consolidation	21,145	21,145
	<u>52,405</u>	<u>50,037</u>
Current Assets		
Inventories	8,836	12,804
Contract assets	1,746	475
Trade receivables	133,258	150,762
Other receivables	10,670	13,335
Current tax assets	1,101	1,046
Short-term investment	36	36
Fixed deposits with licensed banks	3,786	3,776
Cash and bank balances	4,000	4,856
	<u>163,433</u>	<u>187,090</u>
Current Liabilities		
Trade payables	56,457	79,734
Other payables	5,257	4,834
Current tax liabilities	12,275	11,086
Contract liabilities	6,788	18,126
Lease liabilities	234	245
Loans and borrowings	9,126	9,198
	<u>90,137</u>	<u>123,223</u>
Net Current Assets	73,296	63,867
	<u>125,701</u>	<u>113,904</u>
Financed by:		
Share capital	156,983	149,498
Translation reserves	559	472
Share grant reserve	189	189
Accumulated losses	(64,170)	(64,228)
	<u>93,561</u>	<u>85,931</u>
Non Current Liabilities		
Deferred tax liabilities	1,296	1,309
Lease liabilities	-	58
Loans and borrowings	30,844	26,606
	<u>32,140</u>	<u>27,973</u>
	<u>125,701</u>	<u>113,904</u>
Net assets per share (sen)	<u>0.13</u>	<u>0.48</u>

These condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 interim financial statements.

CENTRAL GLOBAL BERHAD

[Company No: 20181036114 (1298143-T)]

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

(The figures have not been audited)

<-----Attributable to Equity Holders of the Company----->

	Non-Distributable		Distributable		Total Equity RM'000
	Share capital RM'000	Foreign Currency Translation Reserve RM'000	Share Grant Reserve RM'000	Accumulated Losses RM'000	
Balance as at 1 January 2024	149,498	472	189	(64,228)	85,931
Total comprehensive income for the period	-	87	-	58	145
Transactions with owners:					
Issuance of ordinary shares	7,485	-	-	-	7,485
Balance as at 31 March 2024	<u>156,983</u>	<u>559</u>	<u>189</u>	<u>(64,170)</u>	<u>93,561</u>

CENTRAL GLOBAL BERHAD

[Company No: 20181036114 (1298143-T)]

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D) QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

(The figures have not been audited)

	<-----Attributable to Equity Holders of the Company----->					
	Non-Distributable			Distributable		
	Share capital RM'000	Foreign Currency Translation Reserve RM'000	Accumulated losses RM'000	Total RM'000	Non- controlling interests RM'000	Total Equity RM'000
Balance as at 1 January 2023	100,112	389	(8,496)	92,005	7,955	99,960
Total comprehensive income for the period	-	4	2,044	2,048	816	2,864
Transactions with owners:						
Issuance of ordinary shares	2,636	-	-	2,636	-	2,636
Issuance of shares pursuant to shares grant scheme	398	-	-	398	-	398
Balance as at 31 March 2023	<u>103,146</u>	<u>393</u>	<u>(6,452)</u>	<u>97,087</u>	<u>8,771</u>	<u>105,858</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 2023.

CENTRAL GLOBAL BERHAD

[Company No: 20181036114 (1298143-T)]

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

(The figures have not been audited)

	UNAUDITED CURRENT PERIOD TO DATE 31.03.2024 RM'000	UNAUDITED FOR THE PERIOD ENDED 31.03.2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	528	4,412
Adjustments for:		
Depreciation on property, plant and equipment	629	322
Depreciation on investment property	33	4
Depreciation on right-of-use assets	13	60
Loss/(Gain) on disposal of property, plant & equipment	165	(158)
Fair value gain on marketable securities	-	(9)
Finance costs	185	114
Interest income	(11)	(16)
Shares grant scheme expense	-	398
Operating profit before working capital changes	1,542	5,127
Changes in working capital:		
Inventories	3,968	2,830
Trade and other receivables	9,249	16,069
Other current assets	7,853	(42,804)
Trade and other payables	(22,834)	18,806
Cash (Used In) / Generated From Operations	(222)	28
Retirement benefit paid	-	(34)
Interest received	11	16
Income tax paid	(470)	(2,065)
Net Cash Used In Operating Activities	(681)	(2,055)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(7,937)	(757)
Purchase of investment property	-	(8)
Purchase of right-of-use assets	-	(123)
Proceeds from disposal of property, plant and equipment	38	357
Increase in pledged deposits placed with licensed banks	(248)	(16)
Net Cash Used In Investing Activities	(8,147)	(547)

CENTRAL GLOBAL BERHAD

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONT'D) QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024 (The figures have not been audited)

	UNAUDITED CURRENT PERIOD TO DATE 31.03.2024 RM'000	UNAUDITED FOR THE PERIOD ENDED 31.03.2023 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loans and borrowings	(4,706)	(8,842)
Proceeds from loans and borrowings	5,596	7,167
Proceeds from issuance of shares	7,485	2,637
Interest paid	(185)	(114)
Payment of lease liabilities	(123)	(132)
Net Cash Generated From Financing Activities	8,067	716
NET DECREASE IN CASH AND CASH EQUIVALENTS	(761)	(1,886)
Effect of exchange rate fluctuations on cash held	87	4
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	4,674	6,114
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	4,000	4,232
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Cash and bank balances	4,059	4,708
Fixed deposits with licenced banks	3,786	1,745
Bank overdraft	(59)	(476)
	7,786	5,977
Less: Deposits pledged	(3,786)	(1,745)
	4,000	4,232

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 2023.

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

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 (“Bursa Securities”) 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 financial year ended 31 December 2023. 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 2023.

A2 Material Accounting Policy Information

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 2023, except for the adoption of the following amendments or improvements to MFRSs that are mandatory for the current financial year.

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
Amendments to MFRS 101 Presentation of Financial Statements – Classification of Liabilities as Current or Non – Current

Amendments to MFRS 107 & MFRS 7 – Statement of Cash Flows – Supplier Finance Agreement

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 2025

Amendments to MFRS 121 - The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

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.

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 B8.

A7 Dividends Paid

There was no dividend paid during the quarter ended 31 March 2024.

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	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	<u>10,368</u>	<u>11,886</u>	<u>18,148</u>	<u>51,614</u>	<u>28,516</u>	<u>63,500</u>
Segment Results	(525)	(1,223)	2,285	6,741	1,760	5,518
Unallocated Results					<u>(1,047)</u>	<u>(992)</u>
Profit from Operations					713	4,526
Finance Costs					<u>(185)</u>	<u>(114)</u>
Profit Before Tax					528	4,412
Income Tax Expense					<u>(470)</u>	<u>(1,552)</u>
Profit AfterTax					<u>58</u>	<u>2,860</u>
Geographical Segment	Revenue					
	31.03.2024	31.03.2023				
	RM'000	RM'000				
Malaysia	23,900	59,192				
Foreign Countries	<u>4,616</u>	<u>4,308</u>				
Consolidated	<u>28,516</u>	<u>63,500</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 under review ended 31 March 2024.

A10 Goodwill on Consolidation

	As At 31.03.2024 RM'000	As At 31.12.2023 RM'000
Cost		
As at 1 January	21,594	21,594
Acquisition of a subsidiary	-	-
As at 31 March 2024/ 31 December 2023	<u>21,594</u>	<u>21,594</u>
Accumulated impairment loss		
As at 1 January	449	449
Impairment loss	-	-
As at 31 March 2024/ 31 December 2023	<u>449</u>	<u>449</u>
Carrying amount		
As at 31 March 2024/ 31 December 2023	<u>21,145</u>	<u>21,145</u>

A11 Contract Assets/ (Liabilities)

	As At 31.03.2024 RM'000	As At 31.12.2023 RM'000
Contract assets relating to construction contracts	1,746	19,121
Less : Impairment loss	-	(18,646)
	<u>1,746</u>	<u>475</u>
Contract liabilities relating to construction contracts	(6,788)	(18,126)
Total contract liabilities	<u>(6,788)</u>	<u>(18,126)</u>
Net amount	<u>(5,042)</u>	<u>(17,651)</u>

A12 Subsequent Events

Save for Note B7, there were no material events subsequent to the current financial quarter ended 31 March 2024 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 31 March 2024, the Company provides corporate guarantees up to a total amount of RM71.45 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 RM44.79 million as at 31 March 2024.

As at 31 March 2024, the Company also provides corporate guarantees up to a total amount of RM12.31 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 RM2.22 million as at 31 March 2024.

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

A15 Capital Commitments

	As At 31.03.2024 RM'000	As At 31.12.2023 RM'000
Contracted and not provided for:		
- Property, plant and equipment	1,323	3,163
- Right-of-use assets	1,262	1,489
	<u>2,585</u>	<u>4,652</u>

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 preceding corresponding period.

	Individual Quarter	
	Current Period Quarter 31.03.2024 RM'000	Preceding Period Corresponding Quarter 31.12.2023 RM'000
Engagement of services in which a director has an interest		
- Legal fees	1	30
- Rental expense	39	39

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE MAIN MARKET

B1 Review of Performance

Current Period Quarter versus Preceding Period Corresponding Quarter and Current Period-to-Date versus Preceding Period-to-Date

Overall, the Group achieved revenue of RM28.52 million for the quarter ended 31 March 2024 ("Q1 2024"), a decrease of 55.09% from RM63.50 million recorded in the quarter ended 31 March 2023 ("Q1 2023"). Therefore, the Group recorded a lower profit before tax of RM0.53 million in Q1 2024, compared to RM4.41 million profit before tax recorded in Q1 2023, mainly due to the lower work progress in the current ongoing projects especially on the Gum Gum project ("Gum Gum") and the Lahad Datu Fasa 1 Menaik Taraf Sistem Bekalan Air Project ("Lahad Datu Fasa 1"). In addition, the non-recognition of the revenue for the Gerbang Bukit Kecil Project and Sungai Pinang Project since Q4 2023 also contributed to the drop. However, the decrease was softened by the progress on Project Bekalan Air Luar Bandar (BALB) Sistem Retikulasi Tahun 2018/ 2019 Negeri Sabah Bahagian Lahad Datu ("BALB").

In Q1 2024, the Group has continued to see improvement in their cost rationalisation and cost containment measures, amongst others, re-alignment and re-organisation of the Group's structure including streamlining of the operational workflow and processes to achieve better operational efficiency, as well as re-visiting the pricing structure and re-negotiating with key suppliers on key cost supplies.

(i) Manufacturing & Trading Segment

The revenue of RM10.37 million in the Manufacturing & Trading segment in Q1 2024 was lower than the revenue of RM11.89 million recorded in Q1 2023. The decrease is mainly attributable to the lower local sales, particularly on tapes and general trading items and the discontinuation of certain manufacturing and trading products which are unprofitable. Hence, the Group recorded a lower loss before tax of RM0.52 million in Q1 2024 compared to a loss before tax of RM 1.22 million in Q1 2023.

(ii) Construction Segment

The revenue in the Construction segment for Q1 2024 recorded a decrease from RM51.61 million in Q1 2023 to RM18.15 million in Q1 2024, mainly due to the lower work progress in the current ongoing projects especially on the Gum Gum Project and the Lahad Datu Fasa 1 Project. In addition, the non-recognition of the revenue for the Gerbang Bukit Kecil Project and Sungai Pinang Project since Q4 2023 also contributed to the decrease. However, the decrease was softened by the progress on the BALB Project. Therefore, the construction segment recorded a profit before tax of RM2.29 million in Q1 2024 from a profit before tax RM6.74 million recorded in Q1 2023.

B2 Variation of Results Against Preceding Quarter

	Current Period Quarter 31.03.2024 RM'000	Preceding Period Corresponding Quarter 31.12.2023 RM'000
Revenue	28,516	45,387

Overall, the Group recorded revenue of RM28.52 million for the quarter ended 31 March 2024, a decrease of 37.17% as compared to RM45.39 million recorded in the preceding quarter ended 31 December 2023. The Group recorded a profit before tax of RM0.53 million for the quarter ended 31 March 2024, from a loss before tax of RM44.74 million recorded in the preceding quarter ended 31 December 2023 mainly due to the one-off impairment of the trade, other receivables and contract assets amounting to approximately RM41.91 million recognised in the preceding quarter ended 31 December 2023.

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.

Plant efficiency in terms of cost and quality will be the Group's focus as a means to maintain and improve competitiveness. With the new masking tape coater production line expected to commence production by end of the year 2024, there will be an expected cost efficiency with greater volume of production and lower wastages.

(ii) Construction Segment

The Group made a significant move into the infrastructure construction sector in the financial year 2022 by acquiring a 70% stake in RYRT International Sdn. Bhd. ("RYRT"). Subsequently, in the financial year 2023, the Group acquired the remaining 30% equity interest in RYRT, resulting in RYRT 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 Lahad Datu Fasa 1 Project, Gum Gum Project and BALB Project. In addition, the Group expects to be awarded several new projects in the financial year ending 31 December 2024 which are expected to contribute positively to the earnings of the Group.

In addition, the Group has continued to rigorously pursue the outstanding debts concerning the Gerbang Bukit Kecil Project and Sungai Pinang Project, and will continue to maintain its prudent management strategies and manage cost efficiencies while consolidating its market position and reinforcing its competitive edge to seize any opportunities that will arise.

