



CENTRAL GLOBAL BERHAD
201801036114 (1298143-T)

**Future
Forward**



2023

ANNUAL REPORT



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TEAMWORK

In order to follow the path that leads to greater expansion, Central Global Berhad established its presence in the manufacturing and construction industries with its comprehensive solution and capability. The Group strives to deliver the best, aims to grow bigger and greater than ever, setting a new vision to move forward.





NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifth Annual General Meeting of Central Global Berhad ("CGB" or "the Company") will be conducted on a virtual basis at the Broadcast Venue at A5-06 Block A, Plaza Dwi Tasik, Jalan 5/106, Bandar Sri Permaisuri, 56000 Kuala Lumpur on Tuesday, 25 June 2024 at 10.00 a.m. for the purpose of considering the following business:-

AGENDA AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. **(Please refer to Note 1 of the Explanatory Notes)**
2. To approve the payment of Directors' fees and benefits payable up to RM350,000 for the period from this Annual General Meeting until the next Annual General Meeting of the Company. **Ordinary Resolution 1**
3. To re-elect the following Directors retiring in accordance with the Company's Constitution:-
 - (i) Mr. Chew Hian Tat (Clause 78) **Ordinary Resolution 2**
 - (ii) Mr. Lee Swee Meng (Clause 78) **Ordinary Resolution 3**
4. To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company and authorize the Directors to fix their remuneration. **Ordinary Resolution 4**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolution:-

5. **AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS**

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the approval from other relevant governmental/regulatory authorities, the Directors be and are hereby empowered to allot shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company at the time of submission to the authority and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company AND THAT the Directors be and are hereby also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation of the additional shares so allotted.

AND THAT pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 8 of the Company's Constitution, approval be and is hereby to waive the statutory pre-emptive rights of the shareholders of the Company to be offered with new Company shares ranking equally to the existing issued Company shares arising from any issuance of the new Company shares pursuant to Sections 75 and 76 of the Companies Act 2016."

Ordinary Resolution 5

6. To transact any other business which may properly be transacted at an Annual General Meeting for which due notice shall have been given.



NOTICE OF ANNUAL GENERAL MEETING

(cont'd)

By order of the Board

LIM SECK WAH (SSM PRACTICING CERTIFICATE NO. 202008000054) (MAICSA 0799845)
KONG MEI KEE (SSM PRACTICING CERTIFICATE NO. 202008002882) (MAICSA 7039391)
Company Secretaries

Kuala Lumpur
Dated this 30th day of April 2024

Notes:-

- (i) The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue. **No shareholders/proxies** from the public will be physically present at the meeting venue. Shareholders who wish to participate the Fifth Annual General Meeting will therefore have to register via the link <https://vps.megacorp.com.my/C1k3db>. Kindly refer to the annexure of the Administrative Notes for further information.
- (ii) Only depositors whose names appear in the Record of Depositors as at 18 June 2024 shall be entitled to attend the Fifth Annual General Meeting or appoint a proxy to attend, speak and vote on his behalf. All voting will be conducted by way of poll.
- (iii) A member of the Company entitled to attend, speak and vote at this meeting is entitled to appoint a proxy to attend, speak and vote in his stead. A member may appoint up to two (2) proxies to attend at the same meeting. Where a member appoints two proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
- (iv)
 - (a) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
 - (b) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (v) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation under its Common Seal or the hand of its attorney.
- (vi) Except for body corporate, you have the option to register directly at <https://vps.megacorp.com.my/C1k3db> to submit the proxy appointment electronically not later than 23 June 2024 at 10.00 a.m. Kindly refer to the annexure of the Administrative Notes for further information.
- (vii) All Proxy Form must be deposited at the Company’s Registered Office at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia or email to AGM-support.CGB@megacorp.com.my not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
- (viii) **PERSONAL DATA NOTICE**

By submitting the duly executed Proxy Form, a member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein accordance with the Personal Data Protection Act 2010 for the purpose of this meeting and at any adjournment thereof.



NOTICE OF ANNUAL GENERAL MEETING

(cont'd)

Explanatory Notes to Ordinary Business and Special Business:-

1. The Audited Financial Statements is meant for discussion only as the provision in the Company's Constitution does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

2. **Directors who are standing for re-election**

The profiles of Directors seeking for re-election are set out in the Board of Directors' Profiles section of the Company's Annual Report 2023.

The Board, on the recommendation of the Nomination Committee, supported the re-election of the retiring Directors. The Board and the Nomination Committee had reviewed the assessment results of the board evaluation exercise conducted for the financial year ended 31 December 2023 with reference to the Directors' Fit and Proper Policy and are satisfied with the performance and contributions of the retiring Directors that they had effectively discharged their duties and responsibilities well.

3. **Authority to allot shares pursuant to Sections 75 and 76 of the Companies Act 2016**

The proposed Ordinary Resolution 5 is primarily to give flexibility to the Board of Directors to allot shares not more than 10% of the total number of issued shares at any time in their absolute discretion and for such purposes as they consider would be in the interest of the Company without convening a general meeting. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The Company continues to consider opportunities to broaden its earnings potential. If any of the expansion/diversification proposals involves the allotment of new shares, the Directors, under certain circumstances when the opportunity arises, would have to convene a general meeting to approve the allotment of new shares even though the number involved may be less than 10% of the total number of issued shares of the Company.

In order to avoid any delay and costs involved in convening a general meeting to approve such allotment of shares, it is thus considered appropriate that the Directors be empowered to allot shares in the Company, up to any amount not exceeding in total 10% of the total number of issued shares of the Company at the time of submission to the authority, for such purposes. The renewed authority for allotment of shares will provide flexibility to the Company for the allotment of shares for the purpose of funding future investment, working capital and/or acquisitions.

As at the date of this Notice, no new shares in the Company were issued pursuant to this authority granted to the Directors at the Fourth Annual General Meeting held on 21 June 2023.



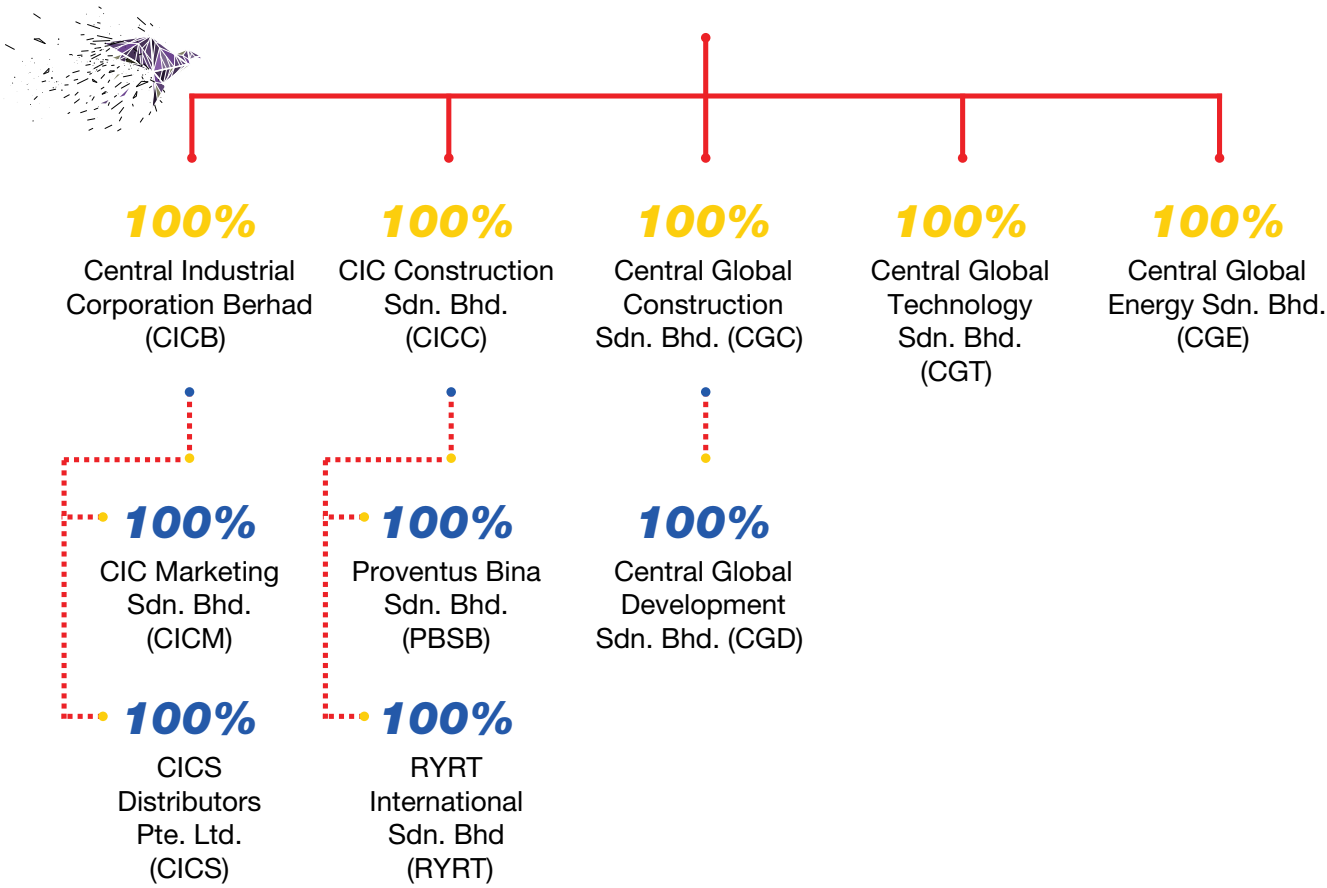
GROUP STRUCTURE

As at 31 March 2024



Central Global Berhad

201801036114 (1298143-T)





GROUP STRUCTURE

As at 31 March 2024

(cont'd)

Central Global Berhad ("CGB") was incorporated in Malaysia under the Companies Act 2016 on 5 October 2018 as a public limited company. The principal activity of CGB is that of investment holding. The particulars of the subsidiaries are as follows:-

No.	Subsidiary Companies	Date and Place of Incorporation	Issued and Paid-up Share Capital	Effective Equity Interest	Principal Activities
1	Central Industrial Corporation Berhad 197201000543 (12186-K) ("CICB")	20 May 1972 / Malaysia	RM51,406,679.00	100.00%	Manufacturing and sales of self-adhesive label stocks and tapes of its own brand and trading of other self-adhesive label stocks and tapes.
2	CIC Construction Sdn. Bhd. 201701012369 (1226534-M) ("CICC")	12 April 2017 / Malaysia	RM100.00	100.00%	Investment holding, contractor of building and infrastructure and trading of building materials.
3	Central Global Construction Sdn. Bhd. 202101016146 (1416446-M) ("CGC")	30 April 2021 / Malaysia	RM750,000.00	100.00%	Construction of buildings.
4	Central Global Technology Sdn. Bhd. 202101024897 (1425197-X) ("CGT")	23 July 2021 / Malaysia	RM750,000.00	100.00%	Provision of information technology and related services.
5	CIC Marketing Sdn. Bhd. 199801015627 (471756-A) ("CICM")	10 November 1998 / Malaysia	RM1,000,000.00	100.00%	Marketing of self-adhesive label stocks and tapes.
6	CICS Distributors Pte. Ltd. ("CICS")	15 April 2002 / Singapore	SGD 100,000.00	100.00%	Trading of adhesive tapes.
7	Proventus Bina Sdn. Bhd. 201601036843 (1207784-D) ("PBSB")	3 November 2016 / Malaysia	RM10,800,000.00	100.00%	Contractor of building and general contract works and trading of building materials.
8	RYRT International Sdn. Bhd. 201901021133 (1330462-X) ("RYRT")	18 June 2019 / Malaysia	RM10,000,000.00	100.00%	Construction of buildings and other engineering projects.
9	Central Global Development Sdn. Bhd. 202201009848 (1455545-K) ("CGD")	17 March 2022 / Malaysia	RM1,000,000	100.00%	Investment holding and buying, selling, renting and operating of self owned or leased real estate of residential buildings and land.
10	Central Global Energy Sdn. Bhd. 202201007419 (1453116-K) ("CGE")	1 March 2022 / Malaysia	RM1,000,000	100.00%	Operation of general facilities that produce electric energy and construction of power plants.



CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' FAISAL ZELMAN BIN DATUK ABDUL MALIK

Non-Independent Non-Executive Chairman

MR. CHEW HIAN TAT

Group Managing Director

MR. LEE CHEE VUI

Executive Director

MR. LEE SWEE MENG

Independent Non-Executive Director

ENCIK SAHARI BIN AHMAD

Independent Non-Executive Director

MADAM TAN SUAT HOON

Independent Non-Executive Director

YM TENGKU DATO' INDERA ABU BAKAR AHMAD BIN TENGKU ABDULLAH

*Independent Non-Executive Director
(Resigned on 8 August 2023)*

AUDIT AND RISK MANAGEMENT COMMITTEE

Madam Tan Suat Hoon (Chairperson)
Mr. Lee Swee Meng
Encik Sahari Bin Ahmad

REMUNERATION COMMITTEE

Mr. Lee Swee Meng (Chairman)
Encik Sahari bin Ahmad
Madam Tan Suat Hoon

NOMINATION COMMITTEE

Encik Sahari bin Ahmad (Chairman)
Mr. Lee Swee Meng
Madam Tan Suat Hoon

SECRETARIES

Ms. Lim Seck Wah (MAICSA 0799845)
[SSM Practicing Certificate No. 202008000054]
Ms. Kong Mei Kee (MAICSA 7039391)
[SSM Practicing Certificate No. 202008002882]

REGISTERED OFFICE

Level 15-2,
Bangunan Faber Imperial Court,
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 03-26924271
Fax : 03-27325388
Email: mega-info@megacorp.com.my



HEAD OFFICE

A5-06 Block A Plaza Dwi Tasik
Jalan 5/106
Bandar Sri Permaisuri
56000 Kuala Lumpur
Tel : 03-91718966
Fax : 03-91718922
Email : info@cgbgroup.com.my
Website : www.cgbgroup.com.my

PRINCIPAL BANKERS

Malayan Banking Berhad
United Overseas Bank (Malaysia) Berhad
RHB Bank Berhad
Hong Leong Bank Berhad

SHARE REGISTRAR

Mega Corporate Services Sdn. Bhd.
Registration No. 198901010682 (187984 H)
Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 03-26924271
Fax : 03-27325388
Email: mega-shareereg@megacorp.com.my

EXTERNAL AUDITORS

Baker Tilly Monteiro Heng PLT
(LLP0019411-LCA & AF 0117)
Baker Tilly Tower, Lever 10
Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
Tel : 603-2297 1000
Fax : 603-2282 9980

STOCK EXCHANGE LISTING

Main Market of the
Bursa Malaysia Securities Berhad
Stock Code : 8052
Stock Name : CGB



PROFILE OF DIRECTORS



DATO' FAISAL ZELMAN BIN DATUK ABDUL MALIK

Non-Independent

Non-Executive Chairman

Malaysian, 51 years old, Male

Dato' Faisal Zelman bin Datuk Abdul Malik was appointed to the Board of Central Global Berhad ("CGB") on 26 February 2021 as Executive Chairman. On 2 December 2021, Dato' was re-designated as Non-Independent Non-Executive Chairman.

Dato' Faisal Zelman started his career as Floor Trader Assistant of Future Trading Sdn. Bhd. in Malaysian commodities market in 1992. Later he joined RMT Metals Sdn. Bhd., a company that is listed in Metal Traders of the World, as Marketing Executive in 1993 to 2010.

Dato' Faisal Zelman holds a Diploma in Automotive Engineering from Bristol University, United Kingdom in 1997 and HND in Automotive Engineering from University of Loughborough, United Kingdom in 1998. He also holds a Degree in Business Administration from Western Michigan University in 1996 and a Master of Business Administration from Twintech International University College of Technology in 2019.

Dato' Faisal Zelman became the Managing Director for Ciscorp Sdn. Bhd. (formerly known as Semerak Services Sdn. Bhd.) from 2018 to 2021. He was also appointed as Director of Corporate Affairs for Fomema Sdn. Bhd. between 2019 to 2021. Dato' Faisal Zelman sat on the board of directors as Independent Non-Executive Director for various public listed companies, including Vizione Holdings Berhad (2020 to 2021), Avillion Berhad (2016 to 2019), Ire-TEX Berhad (2018 to 2019) and Scomi Group Berhad (2020). Currently Dato' Faisal Zelman also sits on board as an Independent Non-Executive Director of Pertama Digital Berhad.

Dato' Faisal Zelman has no family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no conviction for offences within the past five (5) years other than traffic offences (if any).



CHEW HIAN TAT

Group Managing Director

Malaysian, 50 years old, Male

Mr. Chew Hian Tat was appointed as Managing Director on 1 November 2021 and subsequently on 26 November 2021, he was re-designated as Group Managing Director.

Mr. Chew holds a Bachelor's degree in Business Administration from Open University of Malaysia and completed his Master in Business Administration from Twintech International University College of Technology in 2021.

He started his career in 1996 with Shanghai Chanda Steel Sales Co. in Shanghai, China where he mainly dealt in international trade and construction. In 2001, Mr. Chew embarked on his journey into entrepreneurship. Jointly with other partners, he established multiple companies, namely Bakat Bidara (M) Sdn. Bhd., Suria Pagi (M) Sdn. Bhd., Rimbu Selera (M) Sdn. Bhd., and Isoho Holding Sdn. Bhd. where the principal business is in various international trading.

Mr. Chew is an entrepreneur who believes in achieving excellence through determination and courage. Over the years, he has successfully diversified his business investment into various industries. At present, he is a director of the following companies:

1. HJT International (M) Sdn. Bhd.; a licensed multi-level direct selling company;
2. HJT Foods Technology (M) Sdn. Bhd.; a health and supplement product distributor;
3. IPS Mechanical Parking System (M) Sdn. Bhd.; a parking system IT company.

Mr. Chew has no family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no conviction for offences within the past five (5) years other than traffic offences (if any).



PROFILE OF DIRECTORS

(cont'd)



LEE CHEE VUI

*Executive Director
Malaysian, 59 years old, Male*

Mr. Lee Chee Vui was appointed as Executive Director on 1 April 2022. Mr. Lee has brought with him over 30 years of extensive experience in the construction industry. Over the years, he has been actively involved in different segments of the construction industry; in particular the infrastructure, building and real estate development. He obtained his Diploma in Electronic at Sandakan Vocational College Sabah and had served in various construction companies before embarking his career changing role as an entrepreneur in the construction industry.

Some of his more notable construction ventures which were completed and delivered under his leadership during his attachment to PowerDrive Fastening Systems Sdn. Bhd. (a sub-contractor under Malaysia-China Hydro joint-venture company) include:

- Bakun Hydroelectric Project (2006-2013)
- Bulatan Megawati Seksyen 20 Shah Alam (2003-2005)
- Wangsa Maju LRT station at Setiawangsa construction of Bridge, Tunnel, Retaining wall and roadworks (2014-2018)

Mr. Lee is presently the Managing Director of RYRT International Sdn. Bhd. He is responsible for developing the business and marketing strategies to spearhead the overall business direction of the company. As a veteran in the construction industry, he is hands-on in leading big projects and has demonstrated the strong capabilities to manage all aspects of project implementations and executions. Mr Lee is also a director in Powerdrive Fastening Systems Sdn. Bhd.

Mr. Lee has no family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no conviction for offences within the past five (5) years other than traffic offences (if any).



LEE SWEE MENG

*Independent Non-Executive Director
Malaysian, 67 years old, Male*

Mr. Lee Swee Meng was appointed as Independent Non-Executive Director on 19 November 2021. Concurrently, he is also appointed as the Chairman of the Remuneration Committee and as members of the Audit and Risk Management Committee and Nomination Committee of CGB.

Mr. Lee holds a Master Degree in Business Administration from Phoenix International University, New Zealand in 2005, Sijil Amalan Guaman (Certificate in Legal Practice) from Lembaga Kelayakan Profesion Undang-Undang, Malaysia (Legal Profession Qualification Board) in 2003, Bachelor of Laws from University Malaya in 2002, and Sijil Guru (Teaching Certificate) from Maktab Perguruan (Teacher's College) in 1981.

He started off his career as a trained government school teacher for nine years (from 1975 to 1984). In November 1984, he joined the Royal Malaysia Police Force and in total he spent 33 years of service as a police officer. His last posting was as the Superintendent of Police as Deputy Officer-In-Charged of Police District, Subang Jaya prior to his retirement in 2017. In 2008, Mr. Lee was admitted to the Bar Council and upon retirement from the police force, he is currently the partner of Messrs SM Lee & Co (Advocates & Solicitors).

Mr. Lee has no family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no conviction for offences within the past five (5) years other than traffic offences (if any).



PROFILE OF DIRECTORS

(cont'd)



SAHARI BIN AHMAD

*Independent Non-Executive Director
Malaysian, 68 years old, Male*

En. Sahari Bin Ahmad was appointed as Independent Non-Executive Director on 29 December 2021. Concurrently, he is also appointed as the Chairman of the Nomination Committee and as members of the Audit and Risk Management Committee and Remuneration Committee of CGB.

En. Sahari holds a Diploma in Business Studies from University Teknologi Mara, Sabah.

He started his career with Malayan Banking Berhad. He took up the role as a Sales Executive in Perkasa Trading Sdn. Bhd. from 1981-1991. From 1992-2002 he was appointed the Branch Manager in Sebor Sabah Marketing and Services Sdn. Bhd. In 2003 he joined DKSH Holdings (Malaysia) Berhad as a Sales Manager. 2007- 2015 he took up the position of Project Coordinator in Ladang Sri Delima Sdn. Bhd. Later, in 2016 he became the Project Consultant for Mega Hijau Makmur Sdn. Bhd. and Mega Green Energy Sdn. Bhd.

En. Sahari has no family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no conviction for offences within the past five (5) years other than traffic offences (if any).



TAN SUAT HOON

*Independent Non-Executive Director
Malaysian, 55 years old, Female*

Madam Tan Suat Hoon was appointed as Independent Non-Executive Director on 3 January 2023. At the same time, she was also appointed as the Chairperson of the Audit and Risk Management Committee of CGB. On 29 May 2023, Madam Tan was appointed as a member of the Nomination Committee and Remuneration Committee of CGB.

Madam Tan is a qualified accountant and obtained her professional qualification from the Chartered Institute of Management Accountants, United Kingdom (CIMA) and the Association of Chartered Certified Accountants, United Kingdom (ACCA). She is presently a member of CIMA and Malaysian Institute of Accountants (Chartered Accountant). She has more than 20 years of experience in the corporate finance and advisory, debt capital market, accounting and finance, and financial consultancy and services. She was actively involved in initial public offerings, capital and fund-raising exercises, corporate restructuring, mergers and acquisitions, privatisation and take-overs.

She began her career as an Audit Assistant with KPMG Peat Marwick (now known as Messrs KPMG) in 1992 and resigned in 1996 as Audit Senior. She joined Malaysian International Merchant Bankers Berhad (which was taken over by Eon Bank Berhad and subsequently by Hong Leong Bank Berhad) in 1996 as an Executive, Corporate Advisory and left in 2002 as a Manager, Corporate Advisory and Consultancy Services.

Madam Tan joined AmlInvestment Bank Berhad as a Manager, Corporate Finance in 2002 and left in 2017 as Senior Vice President, Corporate Finance to join a private company as Group Senior Finance Manager. In 2018, she joined Kenanga Investment Bank Berhad as Senior Vice President, Corporate Finance and left in 2021 to join Texchem Resources Berhad group of companies until 2022.

Currently, she is the Chief Financial Officer of a private company, which she joined since 2022. Madam Tan is also an Independent Non-Executive Director of Smart Asia Chemical Berhad, PGF Capital Berhad and Elridge Energy Holdings Berhad.

Madam Tan has no family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company. She has no conviction for offences within the past five (5) years other than traffic offences (if any).



PROFILE OF KEY SENIOR MANAGEMENT



MR. NG JIA WEI

*Group Financial Controller
Central Global Berhad
Malaysian, 45 years old, Male*

Mr. Ng Jia Wei is an experienced Financial Controller with a diverse background in financial audit, finance, management accounting, treasury, corporate finance, corporate governance, regulatory compliance, and merger & acquisition. His career spans 23 years in both domestic and international roles, during which he has demonstrated a strong ability to address complex financial issues and find practical solutions for financial, operating, and reporting processes. He has also been instrumental in building teams, enhancing capabilities, and implementing systems to align with business objectives while ensuring corporate compliance and governance, and managing financial risks.

Prior to taking on the role of Group Financial Controller at CGB, Mr. Ng worked for one of the Big Four accounting firms and held management positions at various companies listed on the Singapore Exchange (SGX) as well as private companies. His experience extends across various industries, including construction, property development, manufacturing, tourism, banking, logistics, and oil and gas services.

Mr. Ng's educational background includes a Bachelor of Business degree with a major in accounting from Charles Sturt University, which he earned in the year 2001. Additionally, he is a member of both CPA Australia and the Malaysian Institute of Accountants (MIA).

Mr. Ng has no family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no conviction for offences within the past five (5) years other than traffic offences (if any).



IR. BEH KIM BOON

*Chief Operating Officer (West Malaysia)
(Construction & Development Division)
Malaysian, 53 years old, Male*

Ir. Beh Kim Boon joined CIC Construction Sdn. Bhd. ("CICC") as Chief Executive Officer in 2021. He graduated with a Bachelor of Engineering (Hons) from University of Malaya in 1996 and obtained his Master of Business Administration in 2012. He became a Member of The Institution of Engineers Malaysia (MIEM) in 2004 and registered as Professional Engineer in 2005.

Ir. Beh has over 25 years of working experience mainly in infrastructure construction industry. In the early years of his engineering career, he worked as a Design Engineer in structural division of APG Structural Systems Sdn. Bhd. He was involved in the project management and construction of the Kuala Lumpur Monorail and Putrajaya Monorail projects under Genesis Structural Systems Sdn. Bhd.

Prior to joining CGB, Ir. Beh was the General Manager in Vizione Holdings Berhad; a position he held since 2014 as top level of management. He build his credentials through a partnership construction company specialising in infrastructure and building construction works. Throughout his career, he gained experiences in major infrastructure projects including suspension bridge, elevated highway structure, segmental bridge, precast concrete segment & guideway beam, prestressing and also launching work.

Ir. Beh has no family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no conviction for offences within the past five (5) years other than traffic offences (if any).



PROFILE OF KEY SENIOR MANAGEMENT

(cont'd)



LAU CHEE WAI

*Chief Operating Officer (East Malaysia)
(Construction & Development Division)
Malaysian, 44 years old, Male*

Mr. Lau Chee Wai joined RYRT International Sdn Bhd (“RYRT”) as a Contract Manager in December 2020. He was re-designated to Chief Operating Officer of East Malaysia for the Construction and Development Division effective 1 April 2022.

Mr. Lau holds a Diploma in Quantity Surveying from Tunku Abdul Rahman College. He carries with him 20 years of experience in the construction industry. He began his career with Powerdrive C&P Sdn. Bhd. in 2001 as a Quantity Surveyor, a position he held for five years. In 2006, he took up the position of Contract Executive with Sunrise Berhad for a brief period before moving to Petra Boiler Sdn. Bhd. as a Contract Manager in 2008. From 2010 to 2020, Mr. Lau joined Mahiribu Sdn. Bhd. (“Mahiribu”) as a Contract Manager.

During the 20 years of his career, Mr. Lau was involved with a few large-scale construction projects such as: -

- Cadangan Membina Dan Menyiapkan 8 no 25ton Bi-Drum Boiler Di Daerah Pahang-Felda 8 with Contract Value of RM64.850 million (completed in October 2010)
- Cadangan Membina Jalan Sambungan Dari Jalan 1/27A Ke Setiawangsa with Contract Value of RM41.787 million (completed in September 2019)
- Project Jalan Ke Mesej Mangalias, Tenom, Sabah with Contract Value of RM26.635 million (completed in May 2021)

Mr. Lau is currently in charge of Projek Menaiktaraf Sistem Bekalan Air Di Lahad Datu Fasa 1 which carries a contract value of RM265 million. This project is anticipated to be completed by March 2025.

Mr. Lau has no family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no conviction for offences within the past five (5) years other than traffic offences (if any).



SOO YEW SIN

*Assistant General Manager
(Manufacturing Division-
Production Plant)
Malaysian, 64 years old, Male*

Mr. Soo Yew Sin was appointed as Assistant General Manager of Central Industrial Corporation Berhad (“CICB”) on 1 December 2021. He holds a Master in Business Administration from Twintech International University College of Technology.

Mr. Soo has 40 plus years of experience in Automotives sector. Prior joining CICB, he is attached with a Multinational Company “EXEDY Group” as General Manager whom is a manufacturer and brand owner of EXEDY Powertrain products for Automotive sectors. Mr. Soo involved and taking charge of Sales & Marketing (Domestic & International) (OE & OES), Purchasing (Domestic & International), Manufacturing, Admin & HR.

Mr. Soo has no family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no conviction for offences within the past five (5) years other than traffic offences (if any).



PROFILE OF KEY SENIOR MANAGEMENT

(cont'd)



YAO KEE KONG

*General Manager
(Manufacturing Division- Marketing)
Malaysian, 43 years old, Male*

Mr. Yao Kee Kong was promoted to General Manager since 1 July 2021. He joined CIC Marketing Sdn. Bhd. ("CICM") on 3 January 2013 as Sales Manager and promoted to Assistant General Manager on 1 September 2019. He holds a Diploma in Science of which he attained in the year 2002 from Tunku Abdul Rahman College (TARC). He obtained his Professional Certificate in Professional Marketing (Level 4) from The Chartered Institute of Marketing (UK) in 2015. He is also a Director of CICM.

Prior to joining CICM, Mr. Yao was the Assistant Sales Manager (Tapes) for Swiss based multinational, DKSH Holdings Berhad ("DKSH"). Before DKSH, he was the Sales and Marketing Manager for Superb Shield Sdn. Bhd., whose principal activities are in the trading of industrial products such as Protection Film, PSA Tapes and Resins Pellet. He was responsible for South East Asia region.

Mr. Yao has no family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no conviction for offences within the past five (5) years other than traffic offences (if any).



TERENCE YEE WAI LEONG

*Regional Manager
(Manufacturing Division-
Singapore Sales)
Singaporean, 45 years old, Male*

Mr. Terence Yee joined CICS Distributors Pte. Ltd. ("CICS") on 1 July 2012 as Assistant Sales Manager. He holds a Diploma in International Business which he attained in 2001 from Southern Cross University, Australia. He obtained his Professional Certificate in Electroplating in 2004 from Singapore Surface Finishing Society and a Certificate in Finance for Non-Finance Managers in 2018 from Temasek Polytechnic.

Prior to joining CICS, Mr. Yee was the Assistant Manager of Business Development for UK based Diesel Marine International whose principle activities are in the reconditioning of key engine component. He also held the portfolio of trading industrial products such as Loctite adhesive and sealants, responsible for South East Asia.

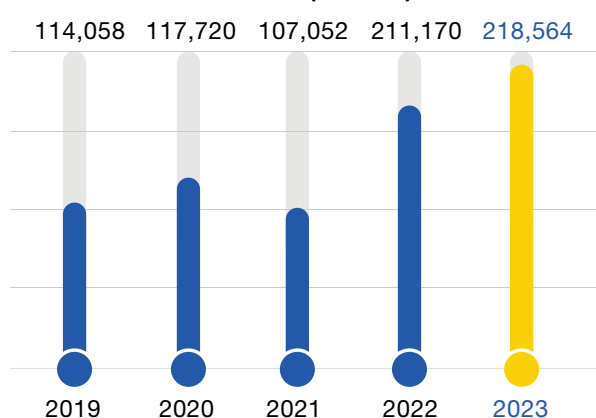
Mr. Yee has no family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no conviction for offences within the past five (5) years other than traffic offences (if any).



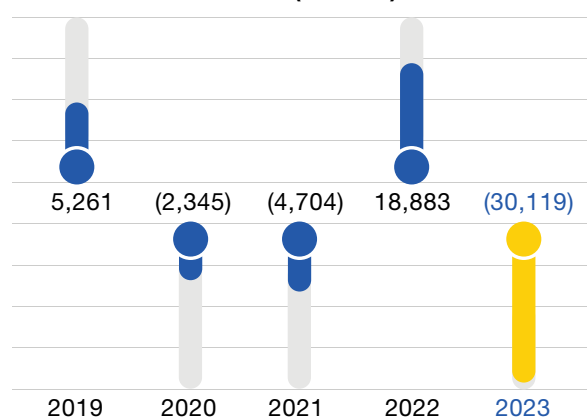
KEY FINANCIAL HIGHLIGHTS

Description	2023 RM'000	2022 RM'000	Restated 2021 RM'000	2020 RM'000	2019 RM'000
Revenue	218,564	211,170	107,052	117,720	114,058
Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA")	(30,119)	18,883	(4,704)	(2,345)	5,261
(Loss) / Profit Before Tax	(32,576)	17,011	(6,719)	(5,755)	1,269
(Loss) / Profit After Tax	(37,881)	13,131	(7,093)	(5,516)	422
TOTAL EQUITY	85,931	99,959	48,695	46,833	52,545
TOTAL ASSETS	237,127	189,510	104,439	85,691	85,318

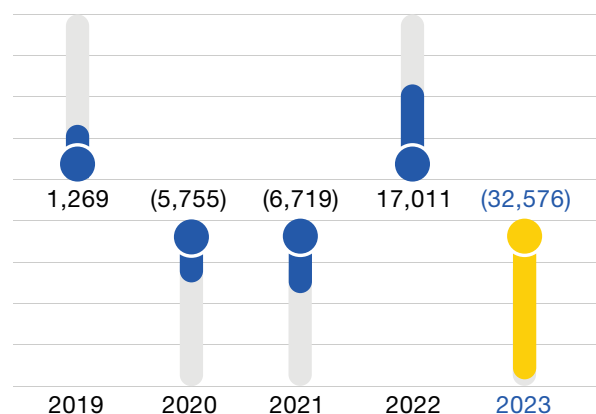
Revenue (RM'000)



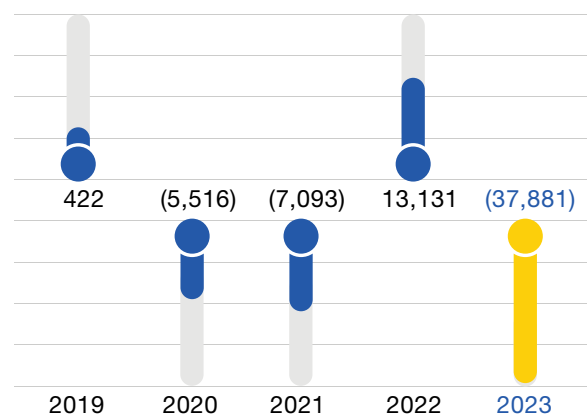
EBITDA (RM'000)



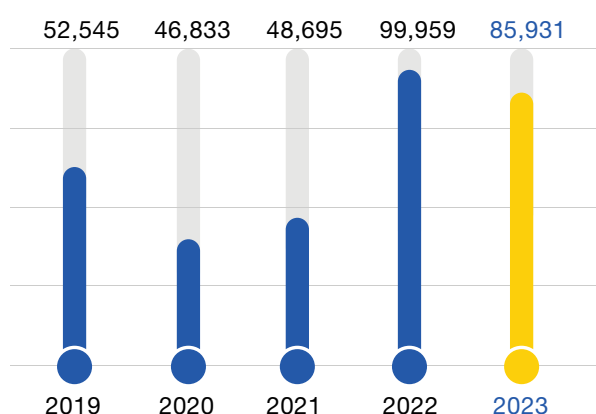
Profit / (Loss) Before Tax (RM'000)



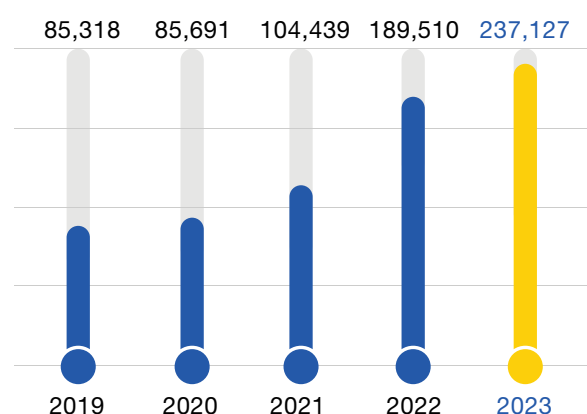
Profit / (Loss) After Tax (RM'000)



Total Equity (RM'000)



Total Assets (RM'000)





CHAIRMAN'S STATEMENT



2023 AT A GLANCE

The year 2021 brought some hope for recovery. However, the situation took a turn for the worse in 2022, and it continued to deteriorate in 2023. The prolonged Russian-Ukraine conflict and the aftermath of the pandemic, continued to hurt the global economy. Inflationary pressures and tighter monetary policies added to the problem. The ripple effects of all these events are still being felt in the global supply chain resulting in higher material and labour costs.

Overcoming a challenging scenario, we successfully achieved several important milestones that were crucial to our growth as a company. In 2022, our Group started a process of restructuring and realigning our business strategies to focus on the construction sector. As part of this effort, we have our wholly-owned sub-subsidiary, Proventus Bina Sdn. Bhd., which operates in the residential sub-sector, with a particular focus on the northern region of Peninsular Malaysia.

Dear Valued Shareholders,

On behalf of the Board of Directors of Central Global Berhad (“CGB” or “the Group”), I am pleased to present the Annual Report and Consolidated Financial Statements for the Financial Year Ended 31 December 2023 (“FYE 2023”).

In 2022, we purchased a 70% stake in RYRT International Sdn. Bhd. (“RYRT International”) with the aim of expanding our presence in the public infrastructure and utilities sub-sector. Later in October 2023, we acquired the remaining 30% equity of RYRT International which made it a wholly-owned sub-subsidiary of our Group.

Given our existing exposure in the northern region, we are thrilled to have the opportunity to collaborate with Permodalan Kedah Berhad, a fully-owned subsidiary of Menteri Besar Kedah Incorporated, to develop a mixed-use property in Pendang, Kedah. This project is a significant step for us, as it builds on our existing exposure in the construction sector in the northern region. The development, spanning 11.7 acres of land and valued at RM42.3 million, will meet the increasing demand for residential properties in Kedah.

We were also awarded the construction contract for the Projek Bekalan Air Luar Bandar Sistem Retikulasi Tahun 2018/2019 Negeri Sabah by the Ministry of Rural and Regional Development. The project which is valued at RM15.2 million is yet another nod to our capabilities in the public infrastructure and utilities sub-sector. At the time of writing, our order book stands at RM233.56 million.

2024 OUTLOOK

Following a lull in FY2023, the construction industry is expected to experience a surge in public infrastructure projects in FY2024 driven by the debottlenecking of public projects such as the MRT3 or MRT Circle Line, as well as the Bayan Lepas LRT. Additionally, there will be a roll-out of six flood mitigation projects, the Sungai Klang-Sungai Rasau dual-function reservoir, and the Sungai Golok Integrated River Basin Development Phase 3. These projects are part of Malaysia's 2024 budgeted development expenditure of RM90 billion.



CHAIRMAN'S STATEMENT

(cont'd)

With this positive development, the construction sector is forecasted to grow at a quicker pace of 6.8% as compared to an estimated growth rate of 6.3% in 2023 supported by a higher allocation of development expenditure.

We are positive about the future of our construction business segment and expect to benefit from the roll-out of various big-ticket public infrastructure and utilities projects. We are committed to sourcing and ensuring a sustainable pipeline of projects. Currently, our tender book stands at around RM4.4 billion, and we are hopeful of translating this into successful projects.

We are excited about the opportunities in our manufacturing of industrial tapes sector, as the global industrial tapes market is expected to reach USD111.3 billion by 2032, with a compound annual growth rate of 6.1% from USD55.9 billion in 2022. However, we continue to be cautious of the intense competition from international markets that has affected our segment's profit margin. To overcome this challenge, we entered the general-purpose masking tapes and oriented polypropylene tapes markets in early 2023, leveraging our strong client base in domestic, regional, and international markets.

As part of our expansion plan, we have decided to build a second manufacturing plant adjacent to our flagship plant in Sungai Petani, Kedah to cater to the increasing production demands. Construction of the new plant began in the second quarter of 2023 and is expected to be completed by mid-2024. Upon completion, both manufacturing plants are expected to produce a combined output of 70 million square metres annually, which is an increase of 2.5 times from the current output of 20 million square metres.

In line with the projected growth of these industries we operate in, we remain assured that this combined with our governance, strategy, and policies will guide the Group to achieve positive results. Our risk management policies and procedures will assist us in identifying, monitoring, and responding to key risks, allowing us to capture opportunities when they arise. In the face of adversities, we trust our strategies will navigate the way forward as our prospects remain positive.

APPRECIATION

I would like to record my utmost gratitude to, first and foremost, our shareholders for their continued trust and support, as well as to our business partners, and associates for their unwavering support and confidence in the Group throughout the years. And equally, thank you to my fellow Board members for their valuable guidance and contributions to the Group.

My sincere thanks to the senior management and staff for their strong commitment, hard work, and dedication to sustain our business operations and agenda. In the face of challenging business circumstances, your resilience and determination have exemplified the entrepreneurial spirit of our Group.

Together, we will continue to seize opportunities, overcome challenges, and shape a prosperous future for our Group.

Dato' Faisal Zelman Bin Datuk Abdul Malik
Non-Independent Non-Executive Chairman



MANAGEMENT DISCUSSION AND ANALYSIS

Dear Stakeholders,

The financial performance of Central Global Berhad and its subsidiaries (“CGB Group” or “the Group”) for the financial year ended 31 December (“FY”) 2023 have echoed that of its preceding year. Our consolidated revenue in FY2023 has marked a slight improvement compared to the previous FY2022. It is pertinent to note that the Group faced a year filled with challenges, both in the Construction and Manufacturing & Trading segments. The Group have been exposed to a greater degree of risks for FY2023 and thus the Management and its Board of Directors have undertaken conservative approaches in certain areas of its Construction Segment.

FINANCIAL AND OPERATIONAL REVIEW

Segmental Contribution

	Revenue		EBITDA		PBT		PAT	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
2023 Manufacturing & Trading	50,151	23%	(3,584)	11%	(5,040)	15%	(5,913)	16%
Construction	168,413	77%	(21,489)	72%	(22,483)	69%	(26,915)	71%
Others	-	0%	(5,046)	17%	(5,053)	16%	(5,053)	13%
	218,564	100%	(30,119)	100%	(32,576)	100%	(37,881)	100%

	Revenue		EBITDA Restated		PBT Restated		PAT Restated	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
2022 Manufacturing & Trading	57,610	27%	(277)	-1%	(1,249)	-7%	(1,109)	-8%
Construction	153,560	73%	21,509	116%	20,909	123%	16,889	129%
Others	-	0%	(2,641)	-14%	(2,649)	-16%	(2,649)	-20%
	211,170	100%	18,591	100%	17,011	100%	13,131	100%

For the financial year under review, the Group registered a consolidated revenue of RM218.56 million, an increase of RM7.39 million or 3.50% compared to RM211.17 million recorded in the preceding financial year. However, the Group recorded a loss before tax (“LBT”) of RM32.58 million in the current FY2023 as compared to a profit before tax (“PBT”) RM17.01 million recorded in the previous FY2022 mainly due to the one-off impairment of trade, other receivables and contract assets amounting to approximately RM42.17 million in the Construction Segment of the Group relating to the Gerbang Bukit Kecil Project and Sungai Pinang Project (“One-off Impairment”). In the absence of the said One-off Impairment undertaken during the FY2023, the Group would have recorded adjusted PBT of RM9.60 million.

The Group recorded consolidated loss after tax (“LAT”) was RM37.88 million for FY2023 as compared to the profit after tax (“PAT”) of RM13.13 million for FY2022, registering a decrease of approximately RM51.01 million, largely attributable to the One-off Impairment. The Group has undertaken a rather conservative stance in respect of the One-off Impairment and is cautiously optimistic in recovering from the said One-off Impairment with several action plans that have been put in place. In the absence of the One-off Impairment, the Group would have recorded adjusted PAT of RM4.30 million for FY2023.



MANAGEMENT DISCUSSION AND ANALYSIS

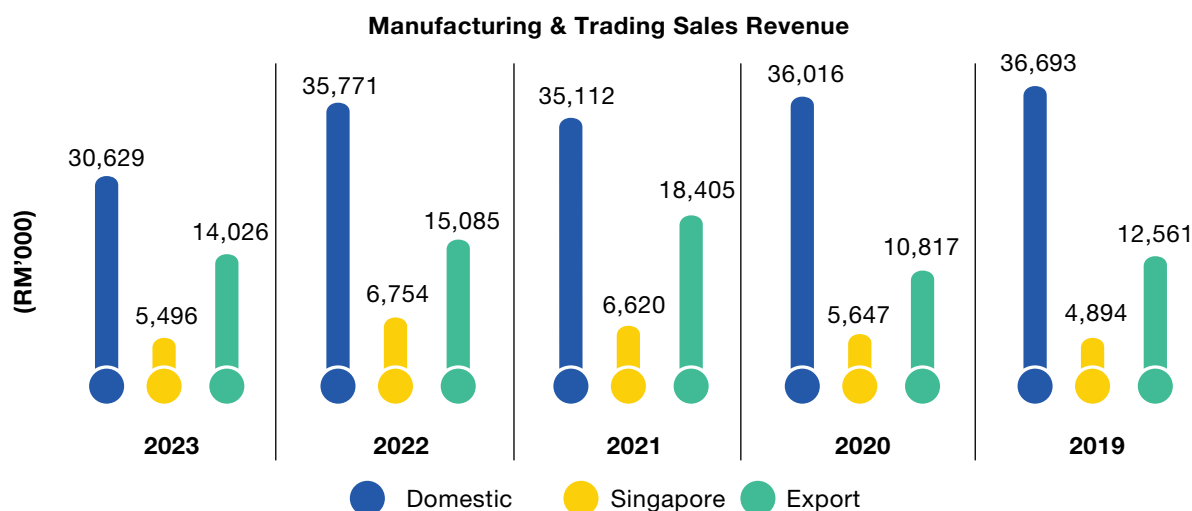
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Manufacturing & Trading Segment

For the year under review, the performance of our Manufacturing & Trading Segment have not recovered from the impact of the Covid-19 pandemic. The additional challenges and uncertainties faced in the overall global economy recovery coupled with the significant increase in logistics and raw material costs, and the emergence of new players in the industry have caused fierce market competitions, have impacted our profit margin for the FY2023.

To mitigate the increase in material costs and to provide the Group with a competitive edge in the market, we constantly review our plant efficiency in terms of cost and quality. It will be the Group's focus to maintain and improve its competitiveness. With the new masking tape coater production line expected to commence production by early 2025, there will be an expected cost efficiency with higher production volume and lower wastages.

In addition, the market is being closely scrutinized regularly by our commercial team to capitalize on any opportunity for upward price adjustments. The export market for the financial year under review has witnessed stiffer competition amongst the regular players in the industry.



Manufacturing & Trading Sales Revenue

	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000	2019 RM'000
Domestic	30,629	35,771	35,112	36,016	36,693
Singapore	5,496	6,754	6,620	5,647	4,894
Export	14,026	15,085	18,405	10,817	12,561
	50,151	57,610	60,137	52,480	54,148

For the financial year under review, the Manufacturing & Trading Segment had endured multiple challenges, leading to a decrease in sales for both the local and export markets with RM30.63 million and RM19.52 million sales recorded in the FY2023 respectively as opposed to RM35.77 million and RM21.84 million recorded in the preceding FY2022 respectively.

The intense competition in the export market, especially from China, has continued to put pressure on our sales and margin.

Consequently, our Manufacturing & Trading Segment recorded a LBT and LAT of RM5.04 million and RM5.91 million respectively for the financial year under review.



MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

Construction Segment

During FY2023, the Group further invested in our Construction Segment with the additional acquisition of 30% equity interest in RYRT International Sdn. Bhd. ("RYRT") resulting in RYRT being a wholly-owned subsidiary of the Group. The acquisition was through our wholly-owned subsidiary, CIC Construction Sdn Bhd and was completed on 5 October 2023 with a purchase consideration of RM25.81 million by way of issuance of 10.20 million shares of Central Global Berhad.

RYRT became the largest contributor to the Construction Segment of the Group, contributing revenue of RM139.36 million, PBT of RM20.24 million and PAT of RM15.10 million for FY2023.

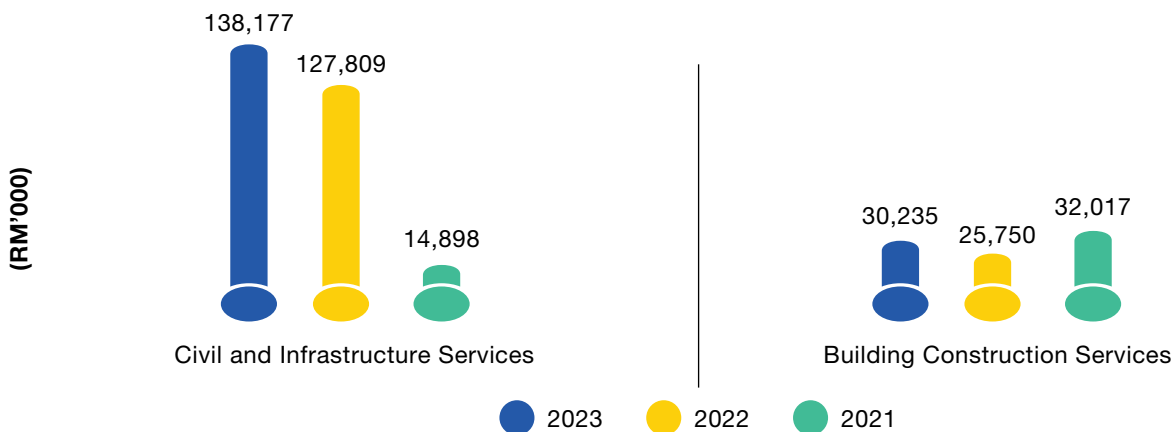
Proventus Bina Sdn. Bhd. ("PBSB"), which is the second contributor in the Construction Segment of the Group recorded a revenue of RM48.16 million for the FY2023. However, PBSB recorded LBT RM39.30 million and LAT of RM39.29 million respectively. This was due to the One-off Impairment of RM41.92 million as mentioned above.

As of 29 April 2024, PBSB has won all four of its litigations under Construction Industry Payment and Adjudication Act 2012 ("CIPAA2012") and the High Court of Malaya (Penang) relating to the One-off Impairment. In light of the above, the Group is cautiously optimistic that it will be able to reverse the One-off Impairment in the future financial years.

Central Global Construction Sdn Bhd, being a newcomer to the Construction Segment, registered total revenue of RM5.70 million, PBT of RM0.38 million and PAT of RM0.20 million for the FY2023.

Based on the above, the Construction Segment of the Group recorded total revenue of RM168.41 million for the FY2023 as compared to RM153.56 million recorded in the preceding FY2022. The Construction Segment recorded LBT of RM22.48 million for FY2023 as compared to PBT of RM20.91 million for FY2022 due to the One-off Impairment of RM42.18. In the absence of the One-off Impairment, the Construction Segment of the Group would have recorded an adjusted PBT of RM19.70 million for FY2023.

Construction Sales Revenue by Projects



	2023 RM'000	2022 RM'000	2021 RM'000
Civil and Infrastructure Services	138,178	127,810	14,898
Building Construction Services	30,235	25,750	32,017
	168,413	153,560	46,915



MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

FUTURE PROSPECT

Manufacturing & Trading Segment

The mounting challenges faced by the Manufacturing & Trading Segment due to market uncertainties and escalating costs are expected to remain in the coming financial year.

The Group has embarked on an expansion plan by investing in new machines to improve the production efficiency and expansion of the production line. This is to increase the volume of tape production whilst at the same time, to reduce the cost of production. Also, the expansion plan with the construction of a new factory is expected to be fully operational by last quarter of FY2024.

Besides improving the plant efficiency in terms of cost and quality, the Group will also focus on our strategic partnerships in marketing our products to maintain and improve our competitiveness.

Construction Segment

The Group is cautiously optimistic that the Construction Segment will perform better for the forthcoming financial year. Discussions with relevant parties have been encouraging coupled with the Group's current unbilled order book of about RM233.56 million as at 31 December 2023 which would enable the Group to further solidify itself in the construction industry.

The objective of the Group's Construction Segment is to further enhance its efforts in completing all its ongoing projects as scheduled without compromising on the quality. In addition, the Group is also working hard to replenish and build up its Construction Segment order book.

Barring any unforeseen circumstances, the Management and the Board of Directors are of the view that the Construction Segment will perform well for the FY2024. The Group is constantly sourcing for growth opportunities in other related industries and/or markets, potentially via joint venture arrangement and merger and acquisition as a means to increase our shareholders' value.

SUSTAINABILITY STATEMENT





SUSTAINABILITY STATEMENT

(cont'd)

About This Report

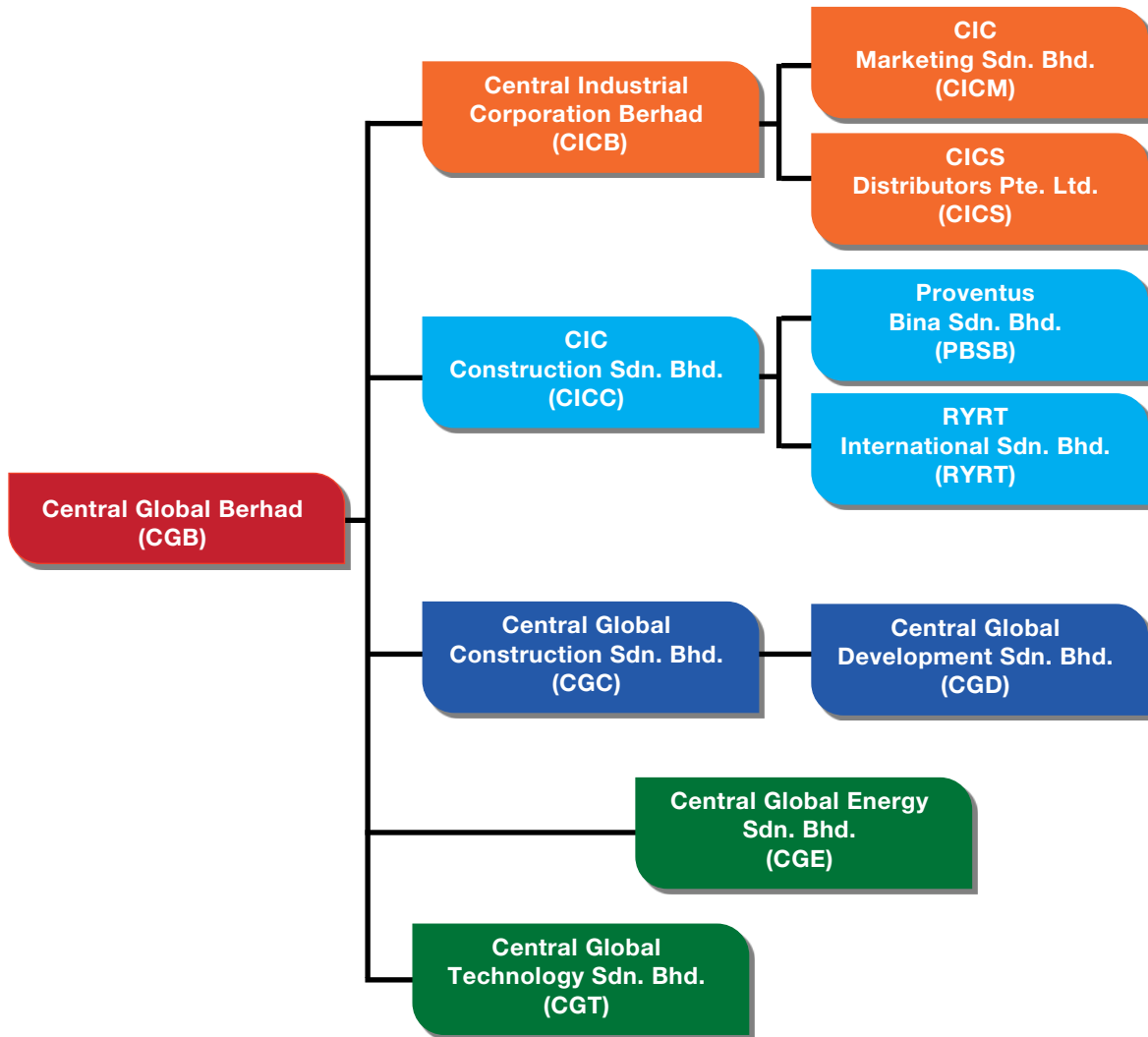
(GRI 2-3)

Central Global Berhad (“CGB”, or “the Group”) is honoured to present our Annual Sustainability Statement (“SS2023” or “the Statement”) for FY2023. This Statement provides an overview of the Group’s sustainability performance during the period of 1 January 2023 to 31 December 2023, unless stated otherwise. It also demonstrates historical statistical data for certain disclosures to indicate relevant trends for readers to better understand CGB’s comparative performance.

Scope and Basis of Scope

(GRI 2-2)

This Statement namely covers the Group and its active subsidiaries’ sustainability performance and the progress of our business operations in Malaysia. Unless otherwise mentioned, SS2023 excludes all outsourced activities and operations. The scope of this report encompasses all active subsidiaries which make more than 5% contribution to the Group’s revenue. The Group structure is as follows





SUSTAINABILITY STATEMENT

(cont'd)

Reporting Frameworks and Standards

This Statement has been developed according to Bursa Malaysia's Listing Requirements, with reference to Bursa Malaysia's Sustainability Reporting Guide (3rd Edition).

Feedback

(GRI 2-3)

Our SS2023 can be viewed and downloaded from our official website at <http://www.cgbgroup.com.my/>.

We value engagement with our valued stakeholders and are always open to any feedback, inquiries, and concerns to ensure we consistently improve at the Group. Our contact details are as below:

Mr Ng Jia Wei (Group Financial Controller)
Tel: +603-9171 8966
E-mail: ngjw@cgbgroup.com.my

Sustainability Governance

(GRI 2-14)

Central Global Berhad is committed to integrating sustainability into its core business practices. Our governance framework encompasses robust systems and controls designed to uphold the highest standards of integrity, respect, transparency, and responsibility, which meet the expectations of all stakeholders.

Aligned with our Sustainability Policy, the Board provides strategic oversight of our sustainability initiatives, ensuring alignment with our corporate values and long-term objectives. At the forefront of our sustainability governance is the Board Sustainability Committee (BSC), entrusted with overseeing our sustainability strategy, targets, and performance. Meeting at least twice a year, the BSC evaluates progress, identifies emerging issues, and sets ESG targets to drive continuous improvement.

At the Management level, the Group Management Sustainability Committee (GMSC) team plays a pivotal role in overseeing the implementation of sustainability measures across the organization, establishing clear reporting structures to monitor progress effectively. The Departmental Sustainability Reporting (DSR) team supports the implementation of the reporting measures and sustainability strategy.

We actively communicate our sustainability strategies, priorities, and performance to both internal and external stakeholders. This includes disseminating information through our Annual Report and Sustainability Statement, conducting employee engagement sessions, and training programs, and engaging with analysts, investors, and the media to share updates on our sustainability journey.

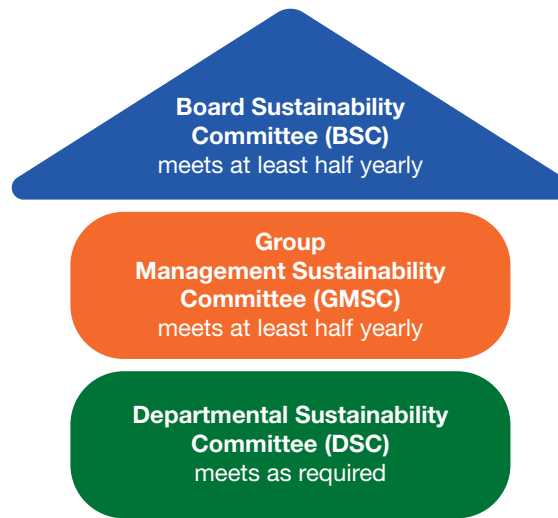
Looking ahead, we are dedicated to enhancing ESG awareness across the organization by implementing training programs for all staff. Additionally, we remain vigilant in monitoring sustainability issues relevant to our business, including climate-related risks and opportunities, and continuously engage with regulators, authorities, and industry stakeholders to stay informed and proactive in our approach.

While senior executives' remuneration is not currently linked to ESG performance or climate change goals, CGB aims to establish ESG performance targets for key senior executives by the end of the FY2025, further reinforcing our commitment to sustainable business practices and value creation for all stakeholders.



SUSTAINABILITY STATEMENT

(cont'd)



Stakeholder Engagement

(GRI 2-29)

Active engagement with our diverse stakeholders is a crucial element in sustaining efficient operations at CGB. Stakeholders, as per CGB's definition, encompass individuals, entities, or groups whose business model and strategies may be influenced by CGB, and conversely, may impact CGB's business operations.

CGB consistently engages and communicates with stakeholders to understand their requirements and expectations, consider their concerns, especially in relation to the Group's capacity for financial and non-financial value creation.

Stakeholder engagement takes place through various communication channels, including web-based media platforms, meetings, seminars, and face-to-face interactions. CGB's official website serves as an accessible platform for stakeholders and other users to access the latest corporate announcements, financial results, etc. The stakeholder engagement table highlighting the key stakeholders is presented below:

Key Stakeholders	Engagement Channel	Frequency of meeting	Key Areas of Interest/Concern
Customers (Existing and potential)	Awareness program	Ongoing	<ul style="list-style-type: none"> Quality of product Late delivery Product defects Re-engage with customers and avoid the repetition of mistakes Product prices and values
	One-to-one engagement	Ongoing	
	Marketing material	Ongoing	
Employees	Knowledge sharing sessions	Ongoing	<ul style="list-style-type: none"> Staff well-being of the Group and job security Staff welfare and benefits Safety environment at work Work competency
	Internal customer engagement programme	Ongoing	
	Internal customer satisfaction survey	As needed	
	Innovation Accelerator Programme	Ongoing	
Suppliers	Performance review Meetings	As needed	<ul style="list-style-type: none"> Compliance issues Tender Prices and payments Cost efficiency and introduction of products Workers quarters
	workshops and coaching for compliance	As needed	



SUSTAINABILITY STATEMENT

(cont'd)

Stakeholder Engagement (Cont'd)

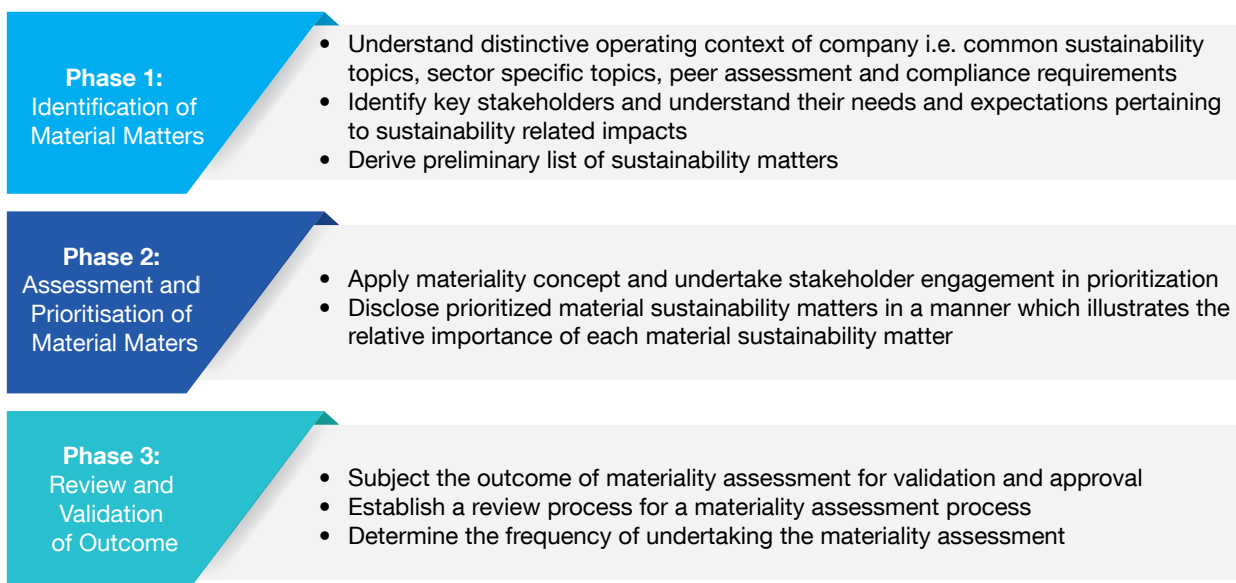
(GRI 2-29)

Key Stakeholders	Engagement Channel	Frequency of meeting	Key Areas of Interest/Concern
Investors and financiers	Annual General Meeting	Annual	<ul style="list-style-type: none"> Legal compliance Financial performance at the expense of environmental/social well-being Business risks Soft market conditions Negative public perception
	Quarterly results Announcement	Quarterly	
	Targeted briefing and meetings	As needed	
	Press release	As needed	
Business Partners	Meetings	Ad hoc	<ul style="list-style-type: none"> Payment Terms of reference (“TOR”) Appraisal Human rights
	Discussions	Ad hoc	
	Functions and product launches	Ad hoc	
General public	Dialogues	Ad hoc	<ul style="list-style-type: none"> Environmental impact to communities
	Meetings	Ad hoc	
	Public engagement	Ad hoc	
Government and regulators	Meetings	Ad hoc	<ul style="list-style-type: none"> Customer rights Compliance
	Pre-consult submission	Ad hoc	
	Periodical monitoring reporting	Ad hoc	

Materiality Assessment

(GRI 3-1)

We acknowledge that our material matters can have direct or indirect impacts on our capacity to generate lasting value for our stakeholders. We reconduct the assessment annually to respond to their needs. This year, a comprehensive materiality assessment was undertaken, involving our primary internal and external stakeholders, to guarantee that their interests and concerns were considered and addressed. The step-by-step methodology of our Materiality Assessment is illustrated below:



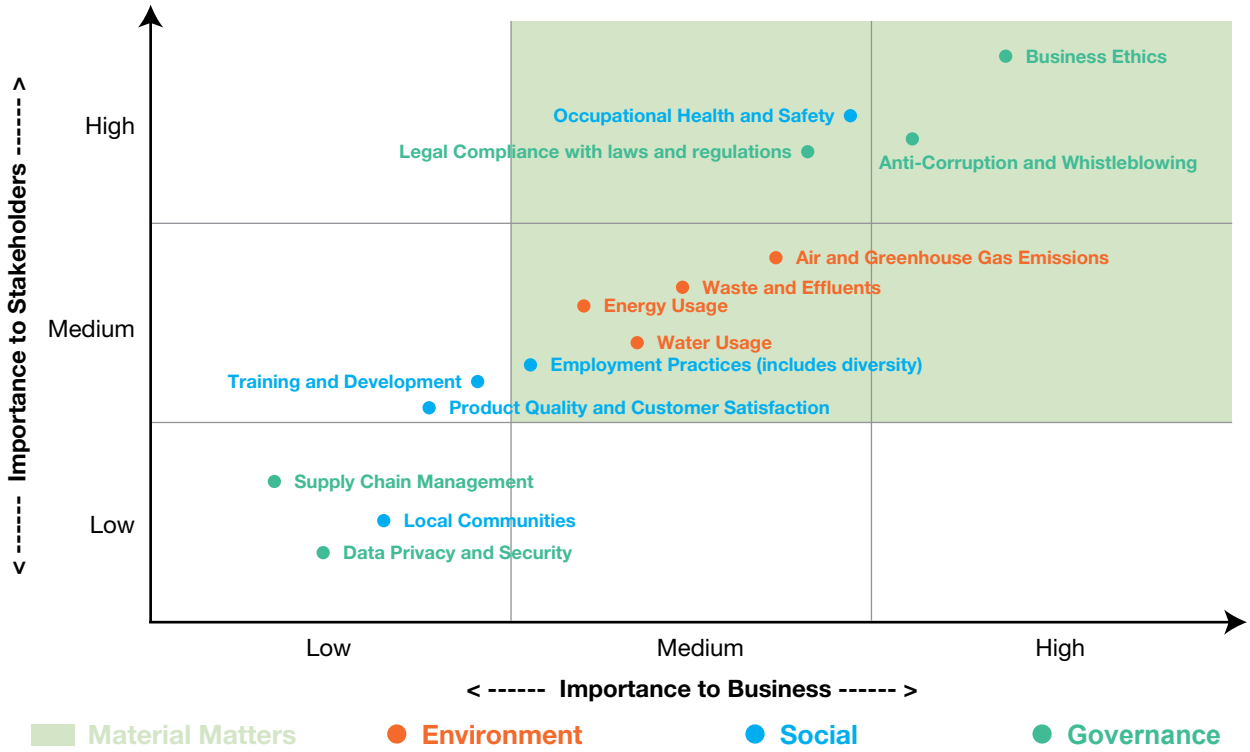


SUSTAINABILITY STATEMENT

(cont'd)

Materiality Matrix

(GRI 3-2)



Material Topics	
1	Business Ethics
2	Anti-Corruption and Whistleblowing Procedures
3	Occupational Health and Safety
4	Legal Compliance with laws and regulations
5	Air and Greenhouse Gas Emissions
6	Waste and Effluents
7	Energy Usage
8	Water Usage
9	Employment Practices



SUSTAINABILITY STATEMENT

(cont'd)

Sustainability Framework

(GRI 2-22, 2-23)

Our sustainable framework consists of three major focus areas: economic, environmental, and social. These are integrated into our business strategy to meet the needs of stakeholders. The objectives in these three focus areas are to provide excellent services, minimize environmental impact, and actively contribute to local communities. We commit to addressing issues related to each material topic to realize our sustainable business strategy and continually monitor our sustainable development performance.

Our Focus Areas		
Governance	Environmental	Social
Providing excellent services and creating value for stakeholders while upholding transparency and accountability	Reducing carbon emission and minimising environmental impacts of our operations	Cultivating a diverse culture, promoting employee wellness, and supporting the local community
Transparency & Disclosure	Managing Energy & Emissions	Health and Safety
Anti-bribery and anti-corruption	Waste Management	Diversity and equal opportunity
	Water Usage	Employment Practices

Material Topics

Environmental

Energy Usage

(GRI 302-1)

We place significant emphasis on transparently reporting our energy consumption as a vital aspect of our sustainability commitment. Our operations rely heavily on energy for various processes, necessitating a thorough understanding and management of our energy usage to drive efficiency improvements and uphold environmental responsibility.

We meticulously track energy consumption across our facilities, encompassing activities such as machinery operation, heating, and lighting.

Energy Consumption	FY2023
Electricity (KWh)	2,593,302
Diesel (Litre)	26,850
Petrol (Litre)	13,780
Total Energy Consumption (GJ) ¹	10,826

We are committed to deploying energy-saving strategies and exploring innovative solutions to further reduce our energy consumption and promote sustainability across our operations.

Air and Greenhouse Gas Emissions

(GRI 305-1, 305-2)

Central Global Berhad (CGB) is committed to transparently reporting our greenhouse gas (GHG) emissions, encompassing both Scope 1 and Scope 2 emissions resulting from our operations.

Scope 1 emissions originate from resources directly controlled by CGB, primarily fuel consumption. Our company's vehicles and forklifts primarily rely on diesel as the fuel source. Annual petrol and diesel consumption figures, along with corresponding GHG emissions, are provided to reflect our impact. In FY2023, emissions from fuel consumption (Scope 1) were recorded at approximately 104 tonnes CO₂e.

¹ The conversion factors for 2023 are based on the methodology provided by US Energy Information Administration, eia.gov.



SUSTAINABILITY STATEMENT

(cont'd)

Material Topics (Cont'd)

Environmental (Cont'd)

Air and Greenhouse Gas Emissions (Cont'd)

(GRI 305-1, 305-2)

Scope 2 emissions arise from purchased or acquired electricity. We recognize the significance of managing energy usage to minimize our carbon footprint. As part of our sustainability efforts, we aim to optimize energy consumption and explore renewable energy options to mitigate environmental impact. In FY2023, emissions from electricity usage (Scope 2) were recorded at approximately 1,966 tonnes CO₂e.

GHG Emissions	FY2023
Scope 1 emissions (tCO ₂ e) ²	104
Scope 2 emissions (tCO ₂ e) ³	1,966
Total emissions (Scope 1 + Scope 2)	2,069

By diligently monitoring and addressing our GHG emissions, CGB strives to uphold environmental stewardship while advancing sustainable practices within our operations.

Water Usage

(GRI 303-1, 303-5)

We recognize the importance of responsible water management in fostering sustainability within our operations. While both our manufacturing as well as construction divisions do not require significant water usage, understanding our water consumption enables us to implement strategies for continuous reduction and environmental sustainability.

By monitoring and analysing our water consumption data, CGB aims to identify opportunities for further efficiency improvements and sustainable practices. Through responsible water management, we strive to minimize our environmental impact and contribute to the preservation of water resources for future generations. Our water supply primarily originates from local municipal sources. As such, our reported water usage is equivalent to our water consumption.

GHG Emissions	FY2023
Total Water Consumption (m ³)	51,968

Waste and Effluents

(GRI 306-1, 306-2, 306-3, 306-4, 306-5)

The production process of the manufacturing sector generates wastewater and effluents, which are primarily discharged from the CGB's operations. In line with our commitment to environmental stewardship, CGB prioritizes responsible wastewater management practices.

The Group ensures that industrial wastewater undergoes thorough processing through our industrial effluent treatment plant before final discharge. This treatment process is designed to mitigate potential environmental impacts by removing pollutants and contaminants, ensuring that discharged water meets regulatory standards and poses minimal risk to surrounding ecosystems.

By implementing stringent wastewater management protocols, CGB aims to minimize the environmental footprint of our operations and uphold our commitment to sustainable practices. We continuously monitor and optimize our wastewater treatment processes to enhance efficiency and effectiveness, contributing to the preservation of water quality and ecosystem health. Sustainable waste management ensures that the Group is taking proactive measures to reduce the amount of waste produced through production and manufacturing. It is also essential to ensure that the amount of solid waste disposed of through landfill or incinerations is minimised.

² Emission factors are sourced from World Resource Institute (2015). GHG Protocol tool for stationary combustion. Version 4.1

³ Malaysia grid emission factor sourced from 2021 Peninsular Grid Emission Factor by Energy Commission.



SUSTAINABILITY STATEMENT

(cont'd)

Material Topics (Cont'd)

Environmental (Cont'd)

Waste and Effluents (Cont'd)

(GRI 306-1, 306-2, 306-3, 306-4, 306-5)

Waste and Effluents	FY2023
Total Waste Generated (Metric Tonnes)	419.26
- General Waste (Metric Tonnes)	394.35
- Scheduled Waste (Metric Tonnes)	24.91
Waste directed to disposal (Metric Tonnes)	419.26
Waste diverted from disposal (Metric Tonnes)	0

Social

Employment Practices

(GRI 401-1, 405-1)

Our commitment to excellence extends to our employment practices, guided by our steadfast adherence to the principles outlined in our "Human Resource Policy". We prioritize the recruitment and retention of highly skilled and competent individuals equipped with the requisite knowledge and experience to fulfil their roles effectively and efficiently.

We place a strong emphasis on talent development and continuous improvement. Performance evaluations are conducted across all levels of staff to identify areas for improvement and facilitate targeted training interventions. Through these evaluations, we aim to nurture talent and provide opportunities for professional growth within the organization.

During the reporting period, CGB recorded an average turnover rate of 20%. We recognize the importance of maintaining a stable and motivated workforce and are committed to implementing measures to address turnover challenges while ensuring a conducive work environment that fosters employee engagement and satisfaction.

Total number of employee turnover by employee category	FY2023
Senior Management	1
Management	3
Executive	6
Non-Executive	24
Overall turnover	34

We firmly believe in upholding principles of equality and non-discrimination in all aspects of our operations, including recruitment, remuneration, and career advancement opportunities. CGB does not tolerate discrimination against suppliers, employees, or any other relevant stakeholders based on factors such as race, age, gender, sexual orientation, religion, disability, or nationality.

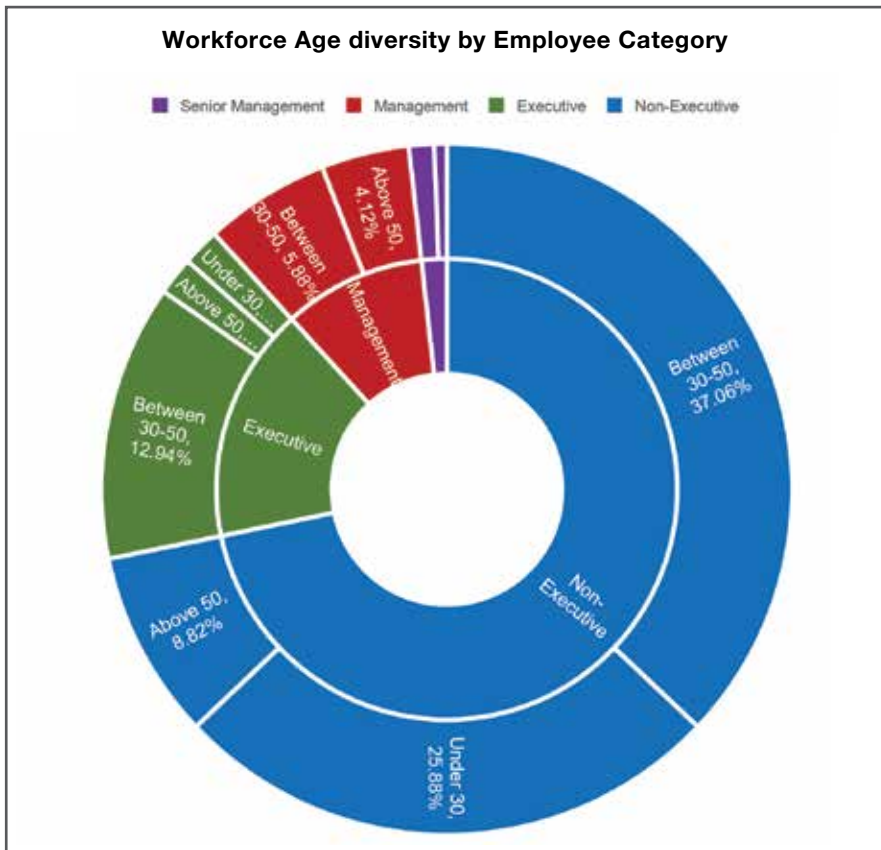
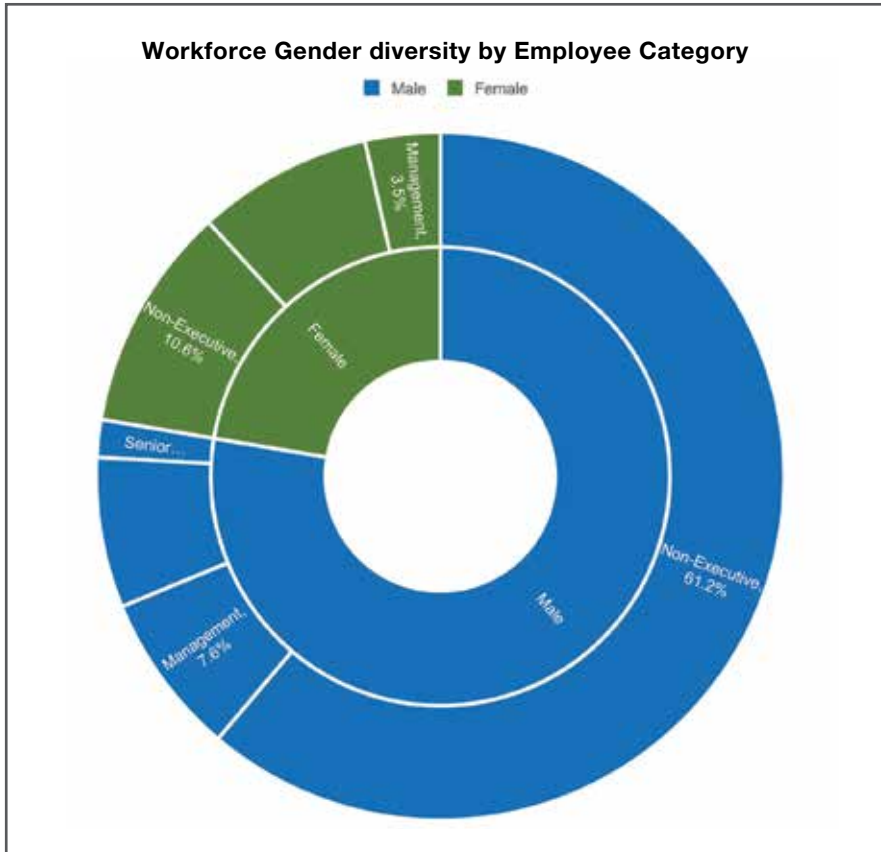
We uphold the principle of equal pay for equal work, ensuring that all employees receive fair and equitable compensation for their contributions, irrespective of demographic factors. Our commitment to diversity and inclusion extends beyond basic wages to encompass all forms of compensation, including bonuses, overtime pay, travel allowances, insurance, and other benefits.

To further promote gender equality, we have implemented a Sexual Harassment Policy and Grievance Procedure, ensuring a safe and respectful workplace environment for all employees. We actively encourage female employees to pursue leadership positions and provide support and opportunities for their professional growth and development.



SUSTAINABILITY STATEMENT

(cont'd)





SUSTAINABILITY STATEMENT

(cont'd)

Material Topics (Cont'd)

Social (Cont'd)

Occupational Health and Safety

(GRI 403-1, 403-5, 403-9)

We are committed to fostering a culture of safety that prevents accidents and promotes the overall well-being of our workforce. Guided by our Sustainability Policy, CGB adheres to stringent health and safety principles that delineate the responsibilities of the organization, top management, Safety Committees, Safety Officers, and employees in maintaining workplace safety. These principles are designed to provide and uphold a safe and healthy work environment for both contractors and employees across all operational jurisdictions.

Each location is overseen by a dedicated Health and Safety Committee comprising representatives from various departments. These committees play a crucial role in ensuring that health and safety standards are consistently met and upheld throughout our operations.

We take a proactive approach to emergency preparedness, ensuring readiness for various scenarios such as fires, hazardous leaks, or work accidents. Standard procedures are in place to guide responses to threatening situations, and our Health and Safety Committee members are trained to effectively manage emergencies. Additionally, we prioritize the maintenance and upkeep of safety equipment, including regular inspections and servicing of emergency lights, fire extinguishers, and other essential safety devices. This ensures their functionality and readiness for use in case of emergencies.

More than 53% of our employees attended safety and health training on various safety and health topics during the reporting period.

	FY2023
Number of employees trained on health and safety	91

We will continue to invest in training, resources, and infrastructure to create a workplace where every employee can perform their duties safely and confidently.

In year 2023, the Group recorded zero fatalities, and we hope to continue this trend.

Occupational Health and Safety Performance	FY2023
Number of fatalities	0
Number of Lost time incidents	6
Lost time incident rate ⁴	1.01

Safety and health governance is a fundamental aspect of our risk management strategy. Our Safety and Health Committee provides regular updates to the Managing Director and Executive Director ("EXCO") on safety and health metrics and initiatives. These updates are subsequently reported to the Board to ensure alignment with our business objectives.

Our safety and health officers play a crucial role in overseeing on-site activities to ensure compliance with safety protocols. Collaboration with relevant departments is essential to providing a safe working environment for all employees and contractors.

In the event of an incident, immediate notification is provided to a designated Safety and Health Representative within 24 hours. An in-depth investigation follows, examining various aspects such as the nature and cause of the injury, contributing factors, and existing safety procedures. Investigations are conducted promptly, typically within five (5) working days, and involve evidence collection, witness interviews, and collaboration with relevant departments. Preventive and corrective actions stemming from incident investigations are swiftly implemented to eliminate root causes and prevent future occurrences.

⁴ Lost time incident rate = (No. of lost time incidents / Total number of hours worked) * 200,000



SUSTAINABILITY STATEMENT

(cont'd)

Material Topics (Cont'd)

Social (Cont'd)

Training and Development

(GRI 404-1, 404-2)

CGB is committed to nurturing talent and fostering continuous growth and development among our workforce. We recognize that investing in training and development programs is essential for maintaining a competitive edge and driving organizational success.

We ensure that all employees have access to comprehensive development programs tailored to enhance their skills and knowledge across various operational areas. These programs cover crucial aspects such as regulatory compliance, health and safety protocols, technical proficiency, leadership skills, and product development.

Total Hours of training by employee category (hours)	FY2023
Senior Management	173
Management	149
Executive	62
Non-Executive	417
Overall hours	801

We understand that continued education is integral to cultivating a skilled, motivated, and productive workforce. Employee career development and performance management are merit-based, aligning with our organizational objectives and goals. We regularly review and refine career pathways through agile performance reviews to adapt to evolving business dynamics.

As part of our organizational transformation efforts, we prioritize addressing competency gaps, particularly in critical or high-risk roles. Our strategies include collaborating with external partners to design tailored technical programs, facilitating professional certification programs, organizing on-the-job attachments, and engaging specialists to facilitate knowledge transfer. We also emphasize the importance of retraining existing employees to ensure relevance and agility in skillsets.

We are committed to expanding the scope and duration of training programs offered to employees. Our goal is to continually enhance our training and development initiatives to bridge competency gaps effectively and equip our workforce with the necessary skills to thrive in a dynamic business environment.

Governance

Ethics and Anti-Corruption

(GRI 205-1, 205-2, 205-3)

CGB remains steadfast in its commitment to upholding the highest standards of ethics and integrity across all facets of its operations. We recognize the inherent risks associated with corruption and are dedicated to fostering a culture of transparency, accountability, and compliance with anti-corruption laws and regulations.

At the close of each reporting period, Anti-Bribery and Corruption (ABC) of each business unit conducts a comprehensive analysis of corruption-related risks, focusing on areas susceptible to fraud and corruption. We meticulously evaluate existing controls and procedures, particularly in procurement, payment, sales, charity, sponsorship, business gifts, hospitality, and interactions with government authorities. Our Anti-Bribery and Corruption Policy serves as a cornerstone in our efforts to combat bribery and corruption. The policy, available on our corporate website, applies to all employees, subsidiaries, and associated business partners, contractors, and consultants acting on behalf of the Group. We define bribery to encompass various forms of gratification and prohibit any acts that could compromise ethical standards or the integrity of our business practices.



SUSTAINABILITY STATEMENT

(cont'd)

Material Topics (Cont'd)

Governance (Cont'd)

Ethics and Anti-Corruption (Cont'd)

(GRI 205-1, 205-2, 205-3)

To oversee compliance and mitigate bribery and corruption risks, our Anti-Bribery and Corruption Compliance Unit (ABCCU), led by the Corruption Risk Officer, assumes responsibility for designing and implementing our anti-bribery management system. The ABCCU provides guidance to personnel, ensures adherence to policy requirements, and reports on the system's performance to top management and other compliance functions regularly.

Occupational Health and Safety Performance	FY2023
Percentage of operations assessed for corruption-related risks	100%
Confirmed incidents of corruption and action taken	0

CGB remains committed to staying abreast of developments in anti-corruption legislation and best practices to enhance our anti-bribery and corruption framework continually. We prioritize awareness and education by providing training sessions for top management and employees, focusing on pertinent legal amendments and topics such as gifts, hospitality, and communication with suppliers. Furthermore, we engage with business partners to communicate our ethical standards and incorporate ABC policies into contract negotiations. In the fiscal year ending 2023, Central Global Berhad recorded no incidents of bribery or corruption. This achievement underscores our unwavering commitment to ethical conduct and regulatory compliance, reflecting the effectiveness of our anti-corruption measures and the diligence of our workforce.

Percentage of employees who have received training on anti-corruption by employee category	FY2023
Overall	100%
Senior Management	100%
Management	100%
Executive	100%
Non-executive	100%

Our Whistleblowing Policy serves as a crucial mechanism for employees and members of the public to report any instances of improper conduct, misconduct, or criminal offenses through internal channels. We recognize the importance of providing a safe and confidential platform for individuals to raise concerns without fear of retaliation.

Examples of misconduct or criminal offenses that may be reported under our Whistleblowing Policy include fraud, bribery, misuse of company funds or assets, abuse of power, conflicts of interest, questionable accounting practices, and acts endangering the health and safety of employees or the public. This list is non-exhaustive, and we encourage individuals to report any behaviour that may contravene our ethical standards or violate laws and regulations.

We are committed to fully safeguarding the confidentiality and anonymity of whistleblowers possible. While we respect the privacy of individuals who come forward to report misconduct, we may require whistleblowers to disclose their identities to facilitate investigations and provide necessary protection. CGB prohibits retaliation against individuals who report improper conduct in good faith. We assure whistleblowers that their identities will be protected, and any attempts to victimize or retaliate against them will be met with disciplinary action.



SUSTAINABILITY STATEMENT

(cont'd)

Material Topics (Cont'd)

Governance (Cont'd)

Ethics and Anti-Corruption (Cont'd)

(GRI 205-1, 205-2, 205-3)

All disclosures can be submitted via the whistleblowing channels as follows: -

- i. **Mdm. Tan Suat Hoon** (Independent Non-Executive Director)
Mobile: +6012-300 9182
E-mail: tansuathoon@gmail.com
- ii. **Mr. Ng Jia Wei** (Group Financial Controller)
Tel: +603-9171 8966
E-mail: ngjw@cgbgroup.com.my

Compliance

(GRI 2-27)

Our adherence to laws and regulations governing environmental, social, and other pertinent matters is paramount to our business philosophy and operational framework. In our pursuit of legal compliance, we meticulously monitor and assess the regulatory landscape in each jurisdiction where we operate. We recognize the significance of complying with employment acts, environmental regulations, and other relevant laws to ensure responsible business practices and mitigate operational risks.



Internally, our compliance efforts are spearheaded by dedicated compliance and audit committees, which operate under the oversight of our management team and board of directors. These committees play a pivotal role in overseeing compliance activities, conducting internal audits, and ensuring adherence to legal requirements.

Human Rights and the Community

In alignment with the United Nations Guiding Principles on Business and Human Rights, our Group is steadfast in its commitment to consistently uphold human rights, conduct thorough human rights due diligence, and establish mechanisms for addressing human rights grievances. Additionally, we are dedicated to upholding children's rights through our business practices.

We recognize that the scope of human rights encompasses more than just labor practices; it extends to our interactions within the communities where we operate. To fulfill this commitment, we have undertaken comprehensive measures to assess the potential impact of our operations on human and children's rights across the organization.

Prevention of Child Labour

We have taken active precautions to monitor and prevent child labour within our organisation. We observe Children and Young Persons (Employment) (Amendment) Act 2010. Within the Group, we verify the age of applicants for employment by requiring the presentation of valid identification issued by an official authority before engagement. Other legal proof of age, such as a diploma, birth certificate or official documents from the place of residence, may be accepted. We also ensure that applicants have already completed their compulsory schooling.

This policy applies to all our business partners, and we demand that they uphold rigorous due diligence to prevent child labour within their organisation.



SUSTAINABILITY STATEMENT

(cont'd)

Material Topics (Cont'd)

Governance (Cont'd)

Health and Safety Compliance

As Malaysian law requires, we abide by the Occupational Safety and Health Act ("OSHA") 1994, which provides us with the legislative framework for the safety, health and welfare of all our sites with the principal aim of preventing and protecting workers against hazards and their risks in connection with their activities at work. We are subjected to inspections by the relevant authorities as required.

Environmental Regulations

Adhering to local environmental regulations is part and parcel of our practices to minimise environmental impact. Below are local regulations that shape our environmental practices, which we consider as minimum requirements to conduct our business: -

Government Regulations	Related environmental impact
Environmental Quality Act 1974	Prevention, abatement, control of pollution and enhancement of the Environment.
Environmental Quality Clean Air Regulation 2014	For the provision and proper operation of discharge related to pollutants into the open air.
Environmental Quality Sewage Regulations 2009	For the provision and proper operation of sewage operation and discharge.
Industrial Effluent Regulations 2009	For the provision and proper operation of the discharge or release of industrial effluents
Solid Waste and Public Cleansing Act 2007	Segregation of waste to ensure all disposed of materials are dealt with safely by licensed contractors

The Group is pleased to report that there were no issues of non-compliance with laws and regulations on matters of the Environment in FYE2023

	FY2023
Significant instances of non-compliance with laws and regulations	0

Community Engagement and Investment

(GRI 201-1)

CGB actively advocates impactful Corporate Social Responsibility (CSR) programs that contribute to the welfare of our communities and support citizens in need, aligning with our commitment to responsible corporate citizenship. These CSR initiatives not only provide assistance to those in our communities but also have a positive influence on our employees, who are encouraged to engage in volunteer activities. Encouraging volunteerism among our staff fosters positive values of kindness and generosity within the organization. Employee volunteers receive recognition through suitable incentives approved by the Group.



SUSTAINABILITY STATEMENT

(cont'd)

Community Engagement and Investment (Cont'd)

(GRI 201-1)

Volunteers from CGB visited an old age home in our community. During the visit, our volunteers spent valuable time with the residents, engaging in conversations, sharing stories, and offering companionship. We also organized various activities and entertainment to bring joy and laughter to their day. This initiative reflects our dedication to making a positive impact beyond our business operations, fostering connections, and supporting the well-being of vulnerable members of society.



	FY2023
Total amount invested where the target beneficiaries are external (MYR)	2,683
Total number of beneficiaries of the investment in communities	35

Move Forward

We acknowledge the challenges of global warming and diverse environmental concerns, along with the international commitment to address climate change by striving to restrict the rise in the global average temperature to under 2 degrees Celsius from pre-industrial levels. Recognizing our company's substantial responsibility, our Board of Directors pledges to integrate climate change strategies into our overall business plans when suitable. We will set specific objectives to diminish our carbon footprint, align our value creation with a low-carbon economy, and adhere to national environmental policy guidelines.

Assurance Statement

Para 6.2(e) of Practice Note 9 provides that a listed issuer must disclose whether it has subjected its Sustainability Statement to (i) internal review by its internal auditor or (ii) independent assurance performed in accordance with recognised assurance standards.

Pursuant to this provision, IA Essential Sdn Bhd, the appointed Internal Auditor of the Company for the financial year 2024, has verified this Sustainability Statement against the prescribed disclosure contents of the sustainability statement under the Practice Note thereof.

In addition, the non-financial data presented in the Statement has undergone validation by the management teams to ensure their accuracy and reliability.



SUSTAINABILITY STATEMENT

(cont'd)

SUSTAINABILITY PERFORMANCE DATA TABLE

The Sustainability Performance Data Table was generated from the Bursa ESG Reporting Platform, and is included in this report as mandated by Bursa Malaysia's enhanced sustainability reporting requirements within the Main Market Listing Requirements.

Indicator	Measurement Unit	2023
Anti-Corruption and Whistleblowing Procedures		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	100.00
Management	Percentage	100.00
Executive	Percentage	100.00
Non-Executive	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Local Communities		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	2,683.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	35
Employment Practices (includes diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	66.67
Senior Management Above 50	Percentage	33.33
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	58.82
Management Above 50	Percentage	41.18
Executive Under 30	Percentage	10.71
Executive Between 30-50	Percentage	78.57
Executive Above 50	Percentage	10.71
Non-Executive Under 30	Percentage	36.07
Non-Executive Between 30-50	Percentage	51.64
Non-Executive Above 50	Percentage	12.30
Gender Group by Employee Category		
Senior Management Male	Percentage	100.00
Senior Management Female	Percentage	0.00
Management Male	Percentage	68.42
Management Female	Percentage	31.58
Executive Male	Percentage	46.15
Executive Female	Percentage	53.85
Non-Executive Male	Percentage	85.25
Non-Executive Female	Percentage	14.75
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	83.33
Female	Percentage	16.67
Under 30	Percentage	0.00
Between 30-50	Percentage	16.67
Above 50	Percentage	83.33
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	173
Management	Hours	149
Executive	Hours	62
Non-Executive	Hours	417



SUSTAINABILITY STATEMENT

(cont'd)

SUSTAINABILITY PERFORMANCE DATA TABLE (CONT'D)

Indicator	Measurement Unit	2023
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	4.12
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	1
Management	Number	3
Executive	Number	6
Non-Executive	Number	24
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Energy Usage		
Bursa C4(a) Total energy consumption	Megawatt	3,007.13
Occupational Health and Safety		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.01
Bursa C5(c) Number of employees trained on health and safety standards	Number	91
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	89.88
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Water Usage		
Bursa C9(a) Total volume of water used	Megalitres	51.968000
Waste and Effluents		
Bursa C10(a) Total waste generated	Metric tonnes	419.26
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	0.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	419.26
Air and Greenhouse Gas Emissions		
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	103.59
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	1,965.72

Internal assurance External assurance No assurance

(*) Restated



AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors is pleased to present the report on the Audit and Risk Management Committee (“ARMC”) Report for the financial year ended 31 December 2023.

The primary objective of the ARMC is to assist the Board of Directors (“Board”) in discharging its statutory duties and responsibilities relating to the corporate accounting and practices for the Company and all its subsidiaries (“Group”) and to ensure the adequacy and effectiveness of the Group’s internal control measures.

MEMBERS

Chairperson	:	Madam Tan Suat Hoon Independent Non-Executive Director
Members	:	Mr. Lee Swee Meng Independent Non-Executive Director
	:	Encik Sahari bin Ahmad Independent Non-Executive Director

No former audit partner of the Company’s external auditors shall be appointed to the Committee unless he or she has observed a cooling-off period of at least three (3) years before being appointed as member of the Committee.

TERMS OF REFERENCE

Membership

The ARMC shall be appointed by the Board from amongst their members and shall be composed of not fewer than three (3) members. All the members of the Committee must be Non-Executive Directors, with a majority of them being Independent Directors. Alternate Directors must not be appointed as members of the Committee. All members of the Committee shall be financially literate and at least one of the members of the Committee:

- i) must be a member of the Malaysian Institute of Accountants (“MIA”); or
- ii) if he or she is not a member of MIA
 - a. he or she must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967 and have at least three (3) years working experience; or
 - b. he or she must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of Accountants Act 1967 and have at least three (3) years of working experience; or
- iii) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

The members of the ARMC shall elect a Chairman from amongst their members who shall be an Independent Director. The Chairman elected shall be subject to endorsement by the Board. If a member of the Committee resigns, dies or for any reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

Notice of Meeting and Attendance

The agenda for ARMC meetings shall be circulated before each meeting to members of the Committee. The quorum for meetings of the Committee shall be two (2) members provided both of whom present are independent directors.

The Committee may require the external and/or internal auditors and any official of the Company to attend any of its meetings as it determines. The external auditors shall have the right to appear and be heard at any meeting of the ARMC and shall appear before the Committee when required to do so by the Committee.



AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(cont'd)

TERMS OF REFERENCE (CONT'D)

Notice of Meeting and Attendance (Cont'd)

The head of finance, the head of internal audit and a representative of the internal or external auditors shall normally attend meetings. Other Board members may attend meetings upon the invitation of the Committee. The Committee shall meet with the external auditors without executive board members present at least once a year.

The Company Secretary of the Company shall be the Secretary of the Committee.

Frequency of Meetings

Meetings of the ARMC shall be held not less than four (4) times a year. Upon request of any of its members, the internal or external auditors, the Chairman of the ARMC shall convene a meeting of the Committee.

Authority

In carrying out their duties and responsibilities, the ARMC shall:

- a) investigate any matters within its terms of reference;
- b) have full and unrestricted access to any information pertaining to the Group;
- c) have direct communication channels with the External and Internal Auditors, as well as employees of the Group;
- d) be able to obtain independent professional or other advice if it deems necessary; and
- e) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

Duties

The duties of the ARMC shall be:

- 1) To review with the external auditors:
 - the audit plan;
 - the evaluation of the system of internal accounting controls;
 - problems and reservation arising from their audits; and
 - the audit report on the financial statements.
- 2) To review the assistance and corporation given by the employees of the Company to the external and internal auditors;
- 3) To review the external auditors' management letter and management response;
- 4) To review the quarterly results and annual financial statements, prior to the approval by the Board of Directors, focusing particularly on:
 - a) changes in or implementation of major accounting policy changes;
 - b) significant and unusual events;
 - c) significant adjustments arising from audit;
 - d) the going concern assumption; and
 - e) compliance with accounting standards and other legal requirements.
- 5) To review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;



AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(cont'd)

TERMS OF REFERENCE (CONT'D)

Duties (Cont'd)

The duties of the ARMC shall be (Cont'd):

- 6) To review the internal audit programme, processes, results of the internal audit programme, processes or investigations undertaken and whether or not appropriate action is taken regarding the recommendations of the internal audit function;
- 7) To review any related party transactions and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- 8) To consider the nomination/appointment, remuneration and resignation or dismissal of the auditors;
- 9) To review the risk profile of the Company and establish risk management processes that should be adopted and develop appropriate strategy, guidelines and policies for implementation;
- 10) To promptly report to Bursa Malaysia Securities Berhad if it is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in breach of the Listing Requirements;
- 11) To review such other functions as may be agreed to by the Committee and the Board from time to time.
- 12) To verify the allocation of options pursuant to a share scheme for employees at the end of each financial year pursuant to Chapter 8, Paragraph 8.17 of Bursa's Listing Requirements.

The Terms of Reference of the Committee is published on the Company's website at www.cgbgroup.com.my in line with Paragraph 15.11 of Main Market Listing Requirements.

Reporting Procedures

The Secretary shall circulate the minutes of the meetings of the Committee to all members of the Board.

Details of attendance at ARMC Meetings

There were seven (7) ARMC meetings held during the financial year ended 31 December 2023. Details of the attendance of ARMC members at the meetings are as follows:

Name of Directors	Attendance
Madam Tan Suat Hoon	7/7
Mr. Lee Swee Meng	7/7
Encik Sahari bin Ahmad	7/7
YM Tengku Dato' Indera Abu Bakar Ahmad bin Tengku Abdullah (Resigned on 3 April 2023)	1/1



AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(cont'd)

SUMMARY OF ACTIVITIES OF THE COMMITTEE DURING THE YEAR

The activities carried out by the ARMC during the financial year under review were as follows:

- a) Reviewed with the External Auditors on the audit plan and the audit report on the financial statements;
- b) Reviewed the quarterly financial results for each quarter of the Company and the Group prior to the Board of Directors' approval and announcement to Bursa Malaysia Securities Berhad, focusing particularly on:
 - the overall performance of the Group;
 - the prospects for the Group;
 - compliance with accounting standards and other legal requirements;
 - changes in or implementation of major accounting policy changes;
 - significant and unusual events; and
 - significant adjustments arising from audit.
- c) Reviewed the year-end financial statements prior to submission to the Board for consideration and approval;
- d) Reviewed the proposed audit plan to be undertaken by the Internal Auditors;
- e) Reviewed the internal audit reports, audit recommendations and Management's responses to these recommendations as well as the timely actions taken to improve the system of internal controls and procedures, and completion of the internal audit plan;
- f) Evaluated the performance of the External and Internal auditors and made recommendations in relation to their reappointment and audit fees to the Board for consideration;
- g) Reviewed related party transactions and/or recurrent related party transactions entered into by the Group (if any) to ensure they are not detrimental to the minority.
- h) Reviewed conflict of interest situations (if any) that arose, persist or may arise within the Group which including any transaction, procedure or course of conduct that raises questions on management integrity; and
- i) Reviewed the ARMC Report and the Statement of Risk Management and Internal Control prior to the submission of the same to the Board for consideration and inclusion in the Annual Report.

INTERNAL AUDIT FUNCTION

The ARMC shall oversee all internal audit functions and is authorised to commission investigations to be conducted by the Internal Auditors, as it deems fit. The responsibilities of the internal audit function, which report directly to the Committee, include the provision of reasonable assurance to all levels of Management concerning the overall control over assets and the effectiveness of the system of the internal control in achieving the Company's overall objectives.

The Company has outsourced the Internal Audit functions to Messrs RSM Corporate Consulting Sdn. Bhd. ("RSM"), an independent professional firm as the Internal Auditors for the financial year ended 31 December 2023.

During the financial year, RSM carried out a total of four (4) audits and three (3) follow-up reviews on the Company's subsidiaries in accordance with the audit plan. The Internal Auditors had updated the principal risks faced, or potentially exposed by the Company and its subsidiaries in their internal audit reports.

For the financial year 2023, the total cost incurred for the internal audit function was RM56,125.



STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors (“the Board”) of CGB and its subsidiaries (the “Group”) recognises the importance of good corporate governance and continues to be committed to a good corporate governance practice throughout the Group and its subsidiaries to enhance shareholders’ value and the financial performance of the Group.

The Board believes that good governance will help to realise long-term shareholders’ value, whilst taking into account the interest of other stakeholders. The Board evaluates and continues to enhance the existing corporate governance practices in order to remain relevant with developments in market practice and regulations.

The following statement reports on how the Group has applied the principles and recommendations of good corporate governance during the financial year under review as set out in the Malaysian Code on Corporate Governance (“MCCG”) issued by the Securities Commission and the Main Market Listing Requirements (“MMLR”).

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

It is the overall governance responsibilities of the Board to lead and control the Group. Amongst others, these responsibilities include charting the strategic direction of the Group and supervising its affairs to ensure its success; implementation of suitable and effective internal controls and risk management; and ensuring compliance with the relevant laws, regulations, guidelines and directives.

Clear Functions Reserved for the Board and Those Delegated to Management

The Board acknowledges its role in the stewardship of the Group’s direction and operations, and ultimately the enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall corporate governance of the Group, which involves reviewing and adopting a strategic plan for the Group, overseeing the conduct of the Group’s businesses and to evaluate whether the businesses are properly managed, identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures, succession planning, overseeing the development and implementation of a shareholder communication policy, reviewing the adequacy and the integrity of the management information and internal control system of the Group. Key matters, such as approval for interim and final results, major capital expenditure, formalising the budgetary process are reserved for the Board.

Clear Roles and Responsibilities

The Board assumes, amongst others, the following duties and responsibilities:

- i) Responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for the Management monitoring the achievement of these goals, overseeing the ethical conduct of business and preventing bribery in the Group’s business;
- ii) Decides on the overall Group strategy and direction, acquisition and divestment policy, approval of capital expenditure, consideration of significant financial matters and the review of financial and operating performance of the Group;
- iii) Monitor and evaluate the performance of the Management to ensure that the performance criteria remains dynamic;
- iv) Ensure the Group maintains an effective system of internal controls and is able to identify and manage principal risks resulting in efficiency in operations and a stable financial environment;
- v) Monitor the compliance with all relevant statutory and legal obligations;
- vi) Regularly considers succession planning and balance composition of the Board;



STATEMENT OF CORPORATE GOVERNANCE

(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

Clear Roles and Responsibilities (Cont'd)

The Board assumes, amongst others, the following duties and responsibilities (Cont'd):

- vii) Clarify the roles and responsibilities of members of the Board and the Management to facilitate Board's and Management's accountability to the Company and its shareholders;
- viii) Establish such committees, policies and procedures to effectively discharge the Board's roles and responsibilities;
- ix) Together with Management, to take responsibility for the governance of sustainability in the Group, including setting the Group's sustainability strategies, priorities and targets;
- x) To ensure that the Group's sustainability strategies, priorities and targets as well as performance against such targets are communicated to the Company's shareholders and other stakeholders;
- xi) To take appropriate action to ensure Board members stay abreast with, and understand, sustainability issues relevant to the Group and its business, including climate-related risks and opportunities;
- xii) To monitor Management's performance and business results; and
- xiii) To ensure that Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board members and Senior Management.

The Board has established three (3) Board Committees which operate within its own specific terms of reference. The Board Committees undertake in-depth deliberation of the issues at hand before tabling its recommendations thereon to the Board.

The three (3) Board Committees are as follows:

- a) Audit and Risk Management Committee ("ARMC");
- b) Nomination Committee ("NC"); and
- c) Remuneration Committee ("RC").

The Chairman of the respective Committees reports to the Board on the outcome of the Committee meetings.

Code of Conduct and Compliance

The Group has formalised a set of ethical standards through the Code of Business Conduct ("the Code") to ensure Directors and employees practise ethical, business like and lawful conduct, including proper use of authority and provide mechanisms to report unethical conduct and help foster a culture of honesty and accountability. The Code was last reviewed by the Board on 29 April 2024 and is published on the Company's website at www.cgbgroup.com.my.

The Group has also established the Whistleblower Policy ("the Policy") so that any employee of the Group can seek guidance and report suspected and/or known misconduct, wrongdoings, corruption and other malpractices involving the resources of the Group and in the matters of financial reporting and compliance. Reports can be made anonymously and arrangements are in place for the independent investigations and appropriate follow-up action. The Policy was last reviewed by the Board on 29 April 2024 and is published on the Group's website at www.cgbgroup.com.my.



STATEMENT OF CORPORATE GOVERNANCE

(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

Anti-Bribery and Corruption Policy

The Company does not endorse to bribery, be it giving or accepting the ill-gotten monies.

The Company has established the Anti-Bribery and Corruption Policy pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009. The Company has engaged consultants in the 2nd quarter of 2020 to build the framework and our staff is aware of the Section 17A of the Corporate Liability. They are aware that the Company has the Anti-Bribery and Corruption Policy that the Group does not cordon to gift giving/receiving. The Company has adopted this policy in year 2021 and published on the Group's website at www.cbggroup.com.my.

Business Sustainability and Environmental, Social and Governance

The Group is committed to operate its business in accordance with environmental, social and economic responsibilities in compliance with all relevant laws in order to meet the requirements and aspirations of various stakeholders. The Group strives to achieve a long term sustainable balance between meeting its business goals and preserving the environment as it recognises that the sustainability of ecosystems is an integral part of sustaining its long term business plans. A Sustainability Statement is set out on pages 21 to 38 of this Annual Report.

Access to Information and Advice

Prior to meetings of the Board and Board Committees, appropriate documents, which include the agenda, Board Papers and reports relevant to the issues to be deliberated at the meetings covering the areas of financial, operational and regulatory compliance matters, are circulated to all Directors, to enable them to review and disseminate the reports, obtain further explanation, if necessary and enable focused and constructive deliberation at meetings. All proceedings of Board meetings are minuted and signed by the Chairman of the meeting in accordance with the provisions of the Companies Act 2016.

Presentations and briefings by the Management and relevant external consultants, where applicable, are also held at Board meetings to advise the Board and furnish relevant information and clarification for the Board to arrive at a considered decision.

All Directors have direct access to the Senior Management and have unrestricted access to all information relating to the Group to enable them to discharge their duties. In the furtherance of its duties, the Board may when necessary, obtain independent professional advice on specific matters, at the Group's expense.

All Directors have direct access to the services of the Company Secretary. The Board is regularly updated and advised by the Company Secretary.

Qualified and Competent Company Secretary

The Board is supported by experienced and competent Company Secretaries in discharging its duties and responsibilities. The Company Secretaries are qualified Chartered Secretaries, members of the Malaysian Institute of Chartered Secretaries and Administrators. The Board receives regular advice, updates and notices from the Company Secretaries to ensure compliance with applicable laws, regulations and corporate governance matters. The Company Secretaries attend and ensure that all Board and Board Committees meetings are properly convened and all deliberations and decisions are properly minuted and kept. They are also responsible in ensuring that Board's policies and procedures are followed, and the applicable statutory and regulatory requirements are observed.

The appointment and termination of Company Secretary are under the purview of the Board of Directors.



STATEMENT OF CORPORATE GOVERNANCE

(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

Board Charter

The Board delegates the day-to-day operations of the Group to the Group Managing Director, Executive Director and managers of its subsidiaries who have vast experience in the respective business of the Group. The Board has established clear functions reserved for the Board and those delegated to the Management in the Board Charter ("the Charter"). The Charter provides guidance for the Directors and the Management on the responsibilities of the Board, its Committees and requirements of Directors which are subject to periodical review to ensure consistency with the Board's strategic intent as well as relevant standards of corporate governance. The Charter was last reviewed by the Board on 29 April 2024 and is published on the Company's website at www.cbggroup.com.my.

REINFORCE INDEPENDENCE

Assessment of Independence

The Board undertakes an annual assessment of Independent Directors and is satisfied that they continue to bring independent and objective judgement to board deliberations. A self-assessment is also carried out by the Independent Directors once every year.

Tenure of Independent Director

One of the recommendations of MCCG states that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. However, the Board has not adopted a nine-year policy for Independent Directors. The Board also noted on the MMLR on the twelve (12) years tenure limit for Independent Directors.

Chairman, Group Managing Director and Executive Director

The roles of the Chairman, the Group Managing Director and Executive Director are separated to ensure there is a balance of power and authority. The Chairman of the Board is not a member of the ARMC, NC and RC and does not involve in all these three (3) Board Committees. The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board, while the Group Managing Director and Executive Director have overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions.

The Board is led by Dato' Faisal Zelman bin Datuk Abdul Malik, a Non-Independent Non-Executive Chairman while the executive management of the group of companies is headed by the Group Managing Director, Mr. Chew Hian Tat and the Executive Director, Mr. Lee Chee Vui. The Group Managing Director and the Executive Director are supported by the senior management personnel of the respective subsidiaries, responsible for implementing the policies and decisions of the Board, overseeing the operations as well as co-ordinating the development and implementation of business and corporate strategies of the Group.

The Executive and Non-Executive Directors, with their different backgrounds and specialisations, collectively bring to them a wide range of experience and expertise in areas such as finance, legal, corporate affairs, marketing and operations.

Composition of the Board

At the date of this statement, the Board consists of six (6) members comprising one (1) Non-Independent Non-Executive Chairman, one (1) Group Managing Director, one (1) Executive Director and three (3) Independent Non-Executive Directors. All the Independent Non-Executive Directors fulfil the criteria of independence as defined in the MMLR of Bursa Securities. The proportion of more than one-third of the Independent Non-Executive Directors provides effective check and balance in the functioning of the Board. In the event of any vacancy in the Board resulting in non-compliance with Paragraph 15.02 (1) of the MMLR, the Company must fill the vacancy within three (3) months.



STATEMENT OF CORPORATE GOVERNANCE

(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

REINFORCE INDEPENDENCE (CONT'D)

Composition of the Board (Cont'd)

The presence of Independent Non-Executive Directors in the Board is essential as they provide an unbiased and independent view, advice and judgement to the decision-making of the Board and provide an appropriate check and balance for the Group Managing Director, Executive Director and managers of its subsidiaries, thereby ensuring that no one individual or group dominates the Board's decision-making process. They also ensure strategies proposed by the Management are fully deliberated on and take into account the interests of minority shareholders, employees, customers and the communities in which the Group conducts its business. Together with the Group Managing Director, Executive Director and managers who have intimate knowledge of the businesses, the Board is constituted of individuals who have a proper understanding of and competence to deal with, current and emerging business issues.

FOSTER COMMITMENT

Time Commitment and Expectations

During the financial year ended 31 December 2023, the Board met on eight (8) occasions, where it deliberated upon and considered a variety of matters including the Group's financial results, strategic decisions and the direction of the Group.

Name of Directors	Attendance
Dato' Faisal Zelman bin Datuk Abdul Malik	8/8
Mr. Chew Hian Tat	8/8
Mr. Lee Chee Vui	7/7
Mr. Lee Swee Meng	8/8
Encik Sahari bin Ahmad	8/8
Madam Tan Suat Hoon	8/8
YM Tengku Dato' Indera Abu Bakar Ahmad bin Tengku Abdullah (resigned on 8 August 2023)	5/6

All the Directors have complied with the minimum 50% attendance requirement as stipulated in the MMLR.

All Directors are furnished with the notice of meeting, the agenda and supporting documents on matters requiring their consideration in advance of each Board meeting. The Chairman, with the assistance of the Company Secretary, undertakes the primary responsibility for organising information necessary for the Board to deal with the agenda and for providing this information to the Directors on a timely basis. During the meetings, the Board is briefed on matters dealt with in the agenda and, where appropriate, additional information is made available to Directors. All proceedings of Board meetings are duly recorded and the minutes thereof signed by the Chairman of the Board.

Training

The Board, through the NC, ensures that it recruits to the Board only high calibre individuals with relevant industrial, knowledge and experience to fulfil the duties of a Director appropriately. As at the date of this Statement, all Directors have attended and successfully completed the Mandatory Accreditation Programme as required by Bursa Securities.



STATEMENT OF CORPORATE GOVERNANCE

(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

FOSTER COMMITMENT (CONT'D)

Training (Cont'd)

The Board is cognizant of the need to ensure that its members undergo continuous trainings to enhance their knowledge, expertise, skills and professionalism in discharging their duties. As the Board members have attended a diverse range of training programmes during the year to enhance their knowledge and skills in specific areas, the NC is of the opinion that the Directors have assessed and addressed their own training needs.

Details of trainings attended by the Directors during the financial year ended 31 December 2023 are as detailed below:-

Director Name	Date	Training Program
Tan Suat Hoon	15- 17 February 2023	Mandatory Accreditation Programme
Chew Hian Tat	6 April 2023	Federal Budget 2024
Tan Suat Hoon	12 July 2023	Robotic Automation Process in Management Accounting
Chew Hian Tat	17 August 2023	Advocacy Sessions for Directors and CEOs of Main Market listed Issuers
Tan Suat Hoon	25 August 2023	Transformative Skills Pack- Sustainable Mindset (ESG)
Tan Suat Hoon	3 October 2023	Management of Cyber Risk Programme
Chew Hian Tan	3 October 2023	Management of Cyber Risk Programme
Dato' Faisal Zelman bin Datuk Abdul Malek	3 October 2023	Management of Cyber Risk Programme
Lee Chee Vui	2 November 2023	A Delicate Balance- Board & Management Relationship

Lee Swee Meng and Sahari bin Ahmad did not attend any trainings for financial year ended 31 December 2023 due to busy work schedule. Both Directors are committed to attend a minimum of one training for the forthcoming financial year.

UPHOLD INTEGRITY IN FINANCIAL REPORTING

Compliance with Applicable Financial Reporting Standards

In presenting the annual financial statements and announcements of quarterly financial results to shareholders, the Board takes responsibility in conveying a balanced and understandable assessment of the Group's position and prospects.

Financial reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, announcements of quarterly financial results to Bursa Securities as well as the Chairman's statement and review of financial and operations in the Annual Report. The Board is assisted by the ARMC to oversee the Group's financial reporting processes and the quality of its financial reports.

Directors' responsibility statement in respect of the preparation of the audited financial statements

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Company and its subsidiaries ("the Group") as at the end of the financial year and the results of their operations and cash flows for the year then ended. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act 2016 have been applied.



STATEMENT OF CORPORATE GOVERNANCE

(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

UPHOLD INTEGRITY IN FINANCIAL REPORTING (CONT'D)

Directors' responsibility statement in respect of the preparation of the audited financial statements (Cont'd)

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgements and estimates.

The Directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

State of internal controls

The Statement on Risk Management and Internal Control furnished on pages 55 to 57 of this Annual Report, provides an overview on the state of internal controls within the Group.

Relationship with the Auditors

Key features underlying the relationship of the ARMC with the internal and external auditors are included in the ARMC's terms of reference as detailed on pages 39 to 42 of this Annual Report.

A summary of the work of the ARMC during the financial year are set out in the ARMC Report on page 32 of this Annual Report.

Assessment of External Auditors

The ARMC has the overall assessment to evaluate the performance, competency and independence of the external auditors.

Going forward, the ARMC will establish a policy governing the circumstance under which contracts for provision of non-audit services could be entered into by the external auditors.

II. BOARD COMPOSITION

Nomination Committee

The NC comprises the following members:

Chairman	:	Encik Sahari bin Ahmad Independent Non-Executive Director
Members	:	Mr. Lee Swee Meng Independent Non-Executive Director
	:	Madam Tan Suat Hoon Independent Non-Executive Director (appointed on 29 May 2023)
	:	Tengku Dato' Indera Abu Bakar Ahmad Bin Tengku Abdullah (resigned on 29 May 2023) Independent Non-Executive Director

The NC consists entirely of Independent Non-Executive Directors. In observance with MCCG, the NC is chaired by an Independent Non-Executive Director.



STATEMENT OF CORPORATE GOVERNANCE

(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

Nomination Committee (Cont'd)

Develop, Maintain and Review the Criteria for Recruitment and Annual Assessment of Directors

The NC is responsible for identifying, evaluating and nominating suitable candidates to be filled to the Board and Board Committees. In assessing and evaluating the suitability of candidates for recommendation to the Board for appointment as well as Directors who are seeking for re-election, the NC will consider the criteria set out in the Directors' Fit and Proper Policy including skills, knowledge, experience, expertise, professionalism, integrity, capabilities, competencies, time commitment and in case of candidates for the position of Independent Non-Executive Directors, the candidates' ability to discharge such responsibilities and its creditability are also taken into consideration.

The Management sourced the candidate through the referral from the business contact. The NC interviewed the proposed candidate, assessed her based on Directors' Fit and Proper Policy. The proposed candidate was shortlisted and recommended to the Board. The final decision on the appointment of a candidate recommended by the NC rests with the Board. The Board is entitled to the services of the Company Secretary who ensure that all appointments are properly made upon obtaining all necessary information from the Directors.

The Board, assisted by the NC, assesses the effectiveness of the Board, the Board Committees and the contribution of each individual Director, including Independent Directors, on an annual basis. Questionnaires are sent to Directors to obtain their feedback, views and suggestions to improve the performance of the Board and its Board Committees. The assessment results were summarised for analysis by the Company Secretary. The recommendations of the Committee will be presented to the Board for consideration.

The NC met one (1) time during the financial year and all Committee members attended the meeting. During the year, the NC conducted assessment on the effectiveness of the Board, its Committees and the contribution of each Director. Various factors were considered including its composition and size, mix of skills and experience, conduct of meetings, roles and responsibilities, contribution and performance, communications and supply of timely information. All assessments and evaluations carried out by the NC are documented. The NC has also identified programmes, with the assistance of the Company Secretary, for the continuous training of the Board members to ensure that they are conversant with industry trends and developments. The Board has taken steps to ensure that its members continuously have access to appropriate continuing education programmes.

The Board has not established gender policy on setting targets for women candidates. Nonetheless, the Board support the gender diversity policy and has one (1) female Independent Non-Executive Director in the Board (i.e. 17% woman director). The Board does not have a formal gender diversity policy as the Company is committed to provide fair and equal opportunities and nurturing diversity within the Group based on merit, experience and knowledge. The same goes to the senior management.

In the absence of formal procedure, a Director accepting new directorship will notify the Board ahead of his or her new appointment and pledged his or her time commitment for accepting new directorships with other listed entities. Going forward, the Board would obtain from its Directors their full commitment to devote sufficient time to carry out their responsibilities effectively and efficiently and where appropriate, the ability of the candidates to act as Independent Non-Executive Directors to exercise independent judgement and opinion.

The Terms of Reference of the Committee is published on the Company's website at www.cbggroup.com.my in line with Paragraph 15.08A(2) of MMLR.



STATEMENT OF CORPORATE GOVERNANCE

(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

Re-election

In accordance with the provisions of the Company's Constitution, one-third of the Directors for the time being or, if their number is not a multiple of three (3), then the number nearest to one-third shall retire from office at the Annual General Meeting ("AGM"). All the Directors shall retire from office at the first annual general meeting and once at least in each three years and shall be eligible for re-election.

At the forthcoming AGM, Mr. Chew Hian Tat and Mr. Lee Swee Meng will retire by rotation pursuant to Clause 78 of the Company's Constitution. All retiring directors being eligible, offer themselves for re-election.

The evaluation process was carried out through a set of questionnaires which was duly completed by each NC Members, in respect to each of the Directors seeking for re-election with reference to Directors' Fit and Proper Policy. The NC assessed and is satisfied and made recommendations to the Board for re-election of all the retiring Directors.

III. DIRECTORS' REMUNERATION

Remuneration Committee

The Board has established a RC consisting of the following Independent Non-Executive Directors:-

Chairman	:	Mr. Lee Swee Meng Independent Non-Executive Director
Members	:	Encik Sahari bin Ahmad Independent Non-Executive Director
	:	Madam Tan Suat Hoon (appointed on 29 May 2023) Independent Non-Executive Director
	:	Tengku Dato' Indera Abu Bakar Ahmad Bin Tengku Abdullah (resigned on 29 May 2023) Independent Non-Executive Director

The Group's policy on the Directors' remuneration is to attract, retain and motivate Directors to effectively oversee the business of the Group. The RC is responsible for recommending and putting in place a structured remuneration framework for Executive Director.

The RC takes into account corporate financial performance as well as performance on a range of non-financial factors including accomplishment of strategic goals. The RC recommends to the Board the remuneration package of the Executive Directors and the Managing Director of the subsidiaries it is the responsibility of the Board to approve the remuneration package of an Executive Director, with the Executive Director concerned abstaining from deliberation and voting on the same.

For Non-Executive Directors, the level of remuneration shall reflect the experience and level of responsibilities undertaken by the Non-Executive Directors concerned and is determined by the Board as a whole, with the Directors concerned abstaining from deliberations or voting on decision in respect of their individual remuneration.

All Directors are paid with Directors' fees and meeting allowance. Additional fees will be given for undertaking responsibilities as Chairman of the Board. The aggregate amount of Directors' fees to be paid to the Directors is subject to the approval of the shareholders at AGM.

In addition to the above, the Directors are covered by the Directors and Officers ("D&O") Liability insurance in respect of any liabilities arising from acts committed in their capacity as D&O of the Company.



STATEMENT OF CORPORATE GOVERNANCE

(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. DIRECTORS' REMUNERATION (CONT'D)

Remuneration Committee (Cont'd)

Details of the nature and amount of each major element of the remuneration of Directors of the Company during the financial year ended 31 December 2023, are as follows:-

Director	In RM'000		Group					Total (RM)
	Fees (RM)	Allowance (RM)	Salary (RM)	Bonus (RM)	Benefits-in-kind (RM)	Other Emoluments (RM)		
Non-Independent Non-Executive Chairman								
Dato' Faisal Zelman bin Datuk Abdul Malik	50,000	15,000	-	-	-	-	-	65,000
Independent Non-Executive Director								
YM Tengku Dato' Indera Abu Bakar Ahmad bin Tengku Abdullah (Resigned on 8 August 2023)	21,677	5,500	-	-	-	-	-	27,177
Lee Swee Meng	36,000	13,000	-	-	-	-	-	49,000
Sahari bin Ahmad	36,000	13,000	-	-	-	-	-	49,000
Tan Suat Hoon (Appointed on 03.01.2023)	35,800	14,500	-	-	-	-	-	50,300
Group Managing Director								
Chew Hian Tat	10,000	-	495,000	-	60,440	-	-	565,440
Executive Director								
Lee Chee Vui	10,000	-	420,000	-	50,400	1,528,807	-	2,009,207
Total	199,477	61,000	915,000	-	110,840	1,528,807	-	2,815,124

Director	In RM'000		Company					Total (RM)
	Fees (RM)	Allowance (RM)	Salary (RM)	Bonus (RM)	Benefits-in-kind (RM)	Other Emoluments (RM)		
Non-Independent Non-Executive Chairman								
Dato' Faisal Zelman bin Datuk Abdul Malik	50,000	15,000	-	-	-	-	-	65,000
Independent Non-Executive Director								
YM Tengku Dato' Indera Abu Bakar Ahmad bin Tengku Abdullah (Resigned on 8 August 2023)	21,667	5,500	-	-	-	-	-	27,177
Lee Swee Meng	36,000	13,000	-	-	-	-	-	49,000
Sahari bin Ahmad	36,000	13,000	-	-	-	-	-	49,000
Tan Suat Hoon (Appointed on 03.01.2023)	35,800	14,500	-	-	-	-	-	50,300
Group Managing Director								
Chew Hian Tat	10,000	-	495,000	-	60,440	-	-	565,440
Executive Director								
Lee Chee Vui	10,000	-	-	-	-	1,528,807	-	1,538,807
Total	199,477	61,000	495,000	-	60,440	1,528,807	-	2,344,724



STATEMENT OF CORPORATE GOVERNANCE

(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. DIRECTORS' REMUNERATION (CONT'D)

Remuneration Committee (Cont'd)

Range of Remuneration	Number of Senior Management Staff
Less than RM100,000	1
RM100,001- RM200,000	1
RM200,001 and above	2

The board has chosen to disclose the remuneration of the senior management staff in bands instead of named basis as the Board considered the information of the remuneration of these staff to be sensitive and proprietary. The transparency and accountability aspects of corporate governance applicable to the remuneration of these staff are deemed appropriately served by the above disclosures.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Risk Management Framework

The Board of Directors has always placed significant emphasis on sound internal controls which are necessary to safeguard the Group's assets and shareholders' investment. To this end, the Board affirms its overall responsibility for the Group's internal controls system which encompasses risk management practices as well as financial, operational and compliance controls. However, it should be noted that such system, by its nature, manages but not eliminate risks and therefore can provide only reasonable and not absolute assurance against material misstatement, loss or fraud.

Ongoing reviews are performed throughout the year to identify, evaluate, monitor and manage significant risks affecting the business and ensure that adequate and effective controls are in place.

Internal Audit Function

The Board acknowledges the importance of internal audit function and has engaged the services of an external independent professional accounting and consulting firm who reports directly to the ARMC at least on a semi-annually basis. Further details of the Group's internal control system and framework are found in the Statement on Risk Management and Internal Control and the ARMC Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP

Corporate Disclosure

The Board recognises the importance of accountability to its shareholders through proper and equal dissemination of information to its shareholders. The Board acknowledges that shareholders should be informed of all material business matters which influence the Group. Timely release of quarterly financial results to Bursa Securities and other information and corporate actions taken by the Group that warrant an announcement to Bursa Securities under MMLR of Bursa Securities provide shareholders with a current overview of the Group's performance. Towards this end, the Board has established a Policy on Corporate Disclosure which provides guidance to the Board, the Management and the employees on the Group's disclosure requirements and practices in disseminating material information to and in dealing with stakeholders, analysts, media and the investing public.

In addition, the Board and the Management welcome any form of visit by fund managers and analysts and conduct regular briefings to them as the Board believes that this will give investors and interested parties on one hand, a better appreciation and understanding of the Group's performance and on the other, awareness of the expectations and concerns of investors and such interested parties.



STATEMENT OF CORPORATE GOVERNANCE

(cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP (CONT'D)

Using Information Technology for Effective Dissemination

The Group also maintains an official website at www.cgbgroup.com.my that provides background information of the Group to the public. However, in any circumstances, while the Group endeavours to provide as much information as possible to its shareholders and stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information. However, in any of the circumstances, the Directors are cautious not to provide undisclosed material information about the Group and frequently stress the importance of timely and equal dissemination of information to shareholders and stakeholders.

Encourage Shareholder Participation at General Meetings

Whilst this Annual Report provides a comprehensive source of information on the Group's financial and operational performance, AGM and Extraordinary General Meetings provide a platform for shareholders to seek more information and clarification on the audited financial statements, operational issues and other matters of interest.

The Directors readily available themselves to answer any such questions that may arise as shareholders may seek more information than what is available in this Annual Report. The Company's practice is to send out the notice of AGM and related papers to shareholders at least twenty-one (21) days before the meeting.

Poll Voting

At general meetings, shareholders are given the opportunity to seek clarification on any matter pertaining to the business activities and financial performance of the Group. All resolutions in the general meetings were deliberated, take on the questions and answers before putting to vote. Voting is by way of poll and an independent scrutineer is appointed to verify the poll results.

Communication and Engagement with Shareholders

The Board will maintain an effective communication policy that enables both the Board and the Management to communicate effectively with shareholders and the general public. The shareholders shall be informed of all material matters affecting the Group.

The ways of communication to shareholders are as follows:

- (a) timely announcements and disclosures made to the Bursa Securities, which include quarterly financial results, material contract awarded, changes in the composition of the Group and any other material information that may affect investors' decision making;
- (b) make available of the additional corporate information and/or disclosures of the Group for reference on the Company's website; and
- (c) ensure that the general meetings are conducted in an efficient manner, which includes supply of comprehensive and timely information and active participation of the shareholders at AGM.

The Company had conducted a virtual Fourth Annual General Meeting ("4th AGM") which was held through live streaming via remote participation and voting facilities on Wednesday, 21 June 2023 at 10.00 a.m., by leveraging technology in accordance with Sections 327(1) and (2) of the Companies Act 2016, Clause 59 of the Constitution of the Company and the Securities Commission Malaysia's Guidance and FAQs on the Conduct of General Meetings for Listed Issuers.

All the Board members attended the 4th AGM together with the Joint Secretaries, the External Auditors and the senior management.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

COMPLIANCE STATEMENT

The Board is satisfied that the Group had applied most of the principles and best practices of MCCG during the financial year. The Board is committed and will continue to enhance compliance with MCCG within the Group. This statement on Corporate Governance has been approved by the Board of the Company.

The Malaysian Code on Corporate Governance promulgates, inter-alia, the need for listed companies to maintain a sound risk management framework and internal control system to safeguard shareholders' investment and the Group's assets. The Board of Directors (the "Board") of CGB is pleased to present the Statement on Risk Management and Internal Control (the "Statement") which is in compliance with paragraph 15.26(b) of Bursa Securities' MMLR and has taken into account the guidelines mentioned in the Statement on Risk Management and Internal Control (Guidelines for Directors of Listed Issuers).

RESPONSIBILITY FOR RISK MANAGEMENT AND INTERNAL CONTROL

The Board recognises and affirms its overall responsibility for the Group's system of internal control and risk management as well as reviewing the adequacy and effectiveness of those systems regularly. However, such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. As such, they can only provide reasonable assurance rather than absolute assurance against material misstatement or loss.

The Board and Management acknowledge that a sound internal control system is a vital process developed to ensure effective and efficient operation, provide reliable and relevant reporting, and comply with the applicable laws and regulations. The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced, or potentially exposed to, by the Group in pursuing and achieving its business objectives and strategies. This process has been in place throughout the financial year and up to the date of approval of the Annual Report.

The Group has established a Risk Management Working Group ("RMWG") for each major subsidiary to identify risk profiles of all departments within the operations and also review the areas that require further improvement. The RMWG consists of the Business Head of the subsidiary as the chairman and the Head of Departments as members.

The terms of reference of RMWG are:

- a) Create a high-level risk policy aligned with the Group's strategic business objectives;
- b) Identify critical risks, whether present or potential, their changes and the management's action plan to manage the risks;
- c) Perform risks oversight and review the risk profiles of the respective companies and monitor organisational performance; and
- d) Provide guidance to the business units/departments on the Group's risk appetite.

The RMWG is to hold at least two (2) meetings during the year and all Department Heads are responsible for carrying out action plans in their respective areas of responsibilities. Progress is monitored by the Management through meetings scheduled half-yearly or as and when deemed necessary.

RISK MANAGEMENT

Risk management is regarded by the Board as part of the business operation activities of the Group. It is the Board's priority to ensure that the uncertainties and investment risks in new business ventures are managed to safeguard the interests of the shareholders. Collectively, the Board oversees and reviews the conduct of the Group's businesses while the Management executes measures and controls to ensure that risks are effectively managed. As part of the risk identification process, the Board receives updates on the Group's risk management by the Management during the Board meetings.

The Board, assisted by the Audit and Risk Management Committee deliberates the integrity of the financial results, Annual Report and audited financial statements before presenting this financial information to the shareholders and public investors.

For bribery and corruption risks, the Group has adopted the Guidelines on Adequate Procedures pursuant to Subsection (5) of Section 17A under the Malaysian Anti-Corruption Commission (Amendment) Act 2018 to prevent, detect and respond to bribery and corruption risks.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(cont'd)

INTERNAL AUDIT

The Group engaged RSM Corporate Consulting (Malaysia) Sdn. Bhd. (“RSM”), an independent professional firm as the Internal Auditors to provide independent internal audit services to the Group. RSM is responsible for developing the internal audit plan for the year 2023.

The principal role of the Internal Auditors is to assist the Audit and Risk Management Committee in discharging its duties and responsibilities in reviewing the adequacy and effectiveness of the internal control system, risk management framework, governance control and processes.

The Audit and Risk Management Committee has full and direct access to the Internal Auditors, reviews their reports on all audits performed and monitors their performance. The Audit and Risk Management Committee also in its framework, reviews the adequacy of the scope, functions, competency and resources of the outsourced Internal Auditors.

The outsourced Internal Auditors carry out internal audits on various operating units within the Group based on a risk-based audit plan approved by the Audit and Risk Management Committee. Based on these audits, the outsourced Internal Auditors provide the Audit and Risk Management Committee with periodic reports highlighting observations, recommendations, and management action plans to improve the system of internal control.

For the financial year ended 31 December 2023, a summary of activities carried out by RSM for the holding entity (Central Global Berhad (“CGB”)) and two (2) major subsidiaries of the Group, namely Proventus Bina Sdn. Bhd. (“PBSB”) and Central Industrial Corporation Berhad (“CICB”), which includes:

- Four (4) audits on:
 - Risk Profile (CGB)
 - Human Resource Management (CGB)
 - Sales, Billings and Collection (CICB)
 - Inventory Management (CICB)
- Three (3) follow-up reviews on:
 - Contract Management (PBSB)
 - Risk Profile (CGB)
 - Human Resource Management (CGB)
- Issued reports on the results of the internal audit/reviews, weaknesses identified with suggested recommendations for improvements to Management for further action to improve the system of internal control;
- Attended Audit and Risk Management Committee’s meetings to table and discuss the internal audit reports; and
- Followed up on the implementation of corrective action plans agreed by Management.

INTERNAL CONTROL

The Board and, Audit and Risk Management Committee

The Board has an overall responsibility for the system of internal controls and risk management that adequately manages various risks faced by the Group while the Audit and Risk Management Committee undertakes the role of providing assurance, where appropriate to the Board, as an independent party on the effectiveness of the internal control system and risk management in the Group.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(cont'd)

INTERNAL CONTROL (CONT'D)

Organisational Structure and Authorisation

In striving to operate a sound system of risk management and internal control that drives the Group toward achieving its goals, the Board has put in place structure with formally defined lines of responsibility and Limits of Authority for the Group's operating units.

The daily affairs of business operations are entrusted to the respective Head of Business of the Group's operating subsidiaries. Under the purview of the Head of Business, the respective heads of each department are empowered with the responsibility to manage their respective operations.

The head office coordinates the process for the Group for the coming year wherein the Budgets are discussed and ultimately approved by the Group Managing Director and Executive Director (collectively known as "EXCO"). Actual performances are monitored and measured monthly against the budget provided by the Management whilst corrective actions are taken to address shortfalls, if any. Major decisions that require the approval of the EXCO are only made after detailed deliberations and review. Proposals for major capital expenditure and new investment(s) by the Group are reviewed and approved by the Board.

Information and Communication

The Audit and Risk Management Committee holds meetings to deliberate on the findings and recommendations for improvement by the Internal Auditors on the state of the internal control system and reports to the Board. The Audit and Risk Management Committee also reviews and deliberates on any matters relating to internal control highlighted by the External Auditors in the course of their statutory audit of the financial statements of the Group.

Quarterly performance reports enable the Board and Management to keep abreast with the Group's financial performance and key business indicators.

Monitoring and Review

Scheduled periodic meetings of the Board, Board Committees and Management represent the main platform by which the Group's performance and conduct are monitored. Informal Board and Management meetings at the operational level are also held during the financial year to assess performance and controls.

Periodic reviews of the adequacy and integrity of selected areas of the internal control system are carried out by the Internal Auditor and results of such reviews are reported to the Audit and Risk Management Committee. The internal audit function thereby provides independent assurance on the areas reviewed by the Internal Auditor to the Board on the effectiveness of the Group's internal control system.

Board Assurance and Limitation

While the Board reiterates that the risk management and system of internal control should be continuously improved in line with evolving business developments, it should also be noted that all risk management and systems of internal control can only manage rather than eliminate the risks of the failure to achieve business objectives. Therefore, these systems of internal control and risk management in the Group can only provide reasonable but not absolute assurance against material misstatements, frauds and losses.

The Board is committed to enhancing the internal control system of the Group. Where areas of improvement in the system are identified, the Board considers the recommendations made by both the Audit and Risk Management Committee and Management.

The Board has received assurance from the EXCO and the respective Business Head of its major operating units that the subsidiary's risk management and internal control system are operating adequately and effectively in all material aspects, based on the risk management and internal control system of the subsidiary and ongoing improvements to internal control will continue to be prioritised by the subsidiary.

This Statement on Risk Management and Internal Control is made in accordance with a resolution of the Board of Directors dated 29 April 2024.



OTHER INFORMATION

Audit Fees and Non-Audit Fees

The amount of audit and non-audit fees incurred for the services rendered by external auditors of the Group for the financial year ended 31 December 2023 were as follows:

	Group RM	Company RM
Audit Fees	318,117	46,000
Non-audit Fees	31,000	31,000

Material Contracts

There were no material contracts entered into by the Company and/or its subsidiaries involving the Directors' and major shareholders' interests, either still subsisting at the end of the financial year ended 31 December 2023 or since the end of the previous financial year, other than as disclosed in the financial statements in this Annual Report.

Status of Utilisation of Proceeds Raised from Corporate Proposal

There were no corporate proposals during the financial year. Therefore, there were no proceeds raised from corporate proposals during the financial year.

Long-Term Incentive Plan ("LTIP")

The Company had at the Extraordinary General Meeting held on 27 October 2021 obtained its shareholders' approval to establish the LTIP which comprises of share option scheme and a share grant scheme. The LTIS shall be in force for a period of five (5) years from the effective date of 21 March 2022.

On 21 March 2022, the Company announced that the effective date for the implementation of LTIS is 21 March 2022, the date on which CGB is in full compliance with the 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").

On 18 January 2023, the Company announced that the effective grant date for the first tranche of the SGS amounting to 697,859 ordinary shares of CGB to eligible employees on 18 January 2023 at an issue price at RM0.9635 based on the five (5)-day volume weighted average market price of the Company's shares immediately preceding the share grant date.

On 11 April 2023, the Company announced that the effective grant date for the first tranche of the SGS amounting to 945,340 ordinary shares of CGB to the eligible director on 11 April 2023 at an issue price at RM1.1085 based on the five (5)-day volume weighted average market price of the Company's shares immediately preceding the share grant date.

On 15 June 2023, the Company announced that the effective grant date for the first tranche of the SGS amounting to 333,170 ordinary shares of CGB to the eligible director on 15 June 2023 at an issue price at RM1.4434 based on the five (5)-day volume weighted average market price of the Company's shares immediately preceding the share grant date.

On 30 June 2023, the Company announced that the effective grant date for the first tranche of the SGS amounting to 1,000,000 ordinary shares of CGB to the eligible employees on 30 June 2023 at an issue price at RM1.5240 based on the five (5)-day volume weighted average market price of the Company's shares immediately preceding the share grant date.

Recurrent Related Party Transactions of A Revenue Nature

There were no recurrent related party transactions of a revenue nature during the financial year.

REPORTS AND FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of its subsidiaries include manufacturing and sales of self-adhesive label stocks and tapes of its own brand, investment holding, construction of building, general contract work and other engineering projects.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Loss for the financial year, net of tax	(37,881,154)	(7,309,533)
Attributable to:		
Owners of the Company	(42,060,869)	(7,309,533)
Non-controlling interest	4,179,715	-
	<u>(37,881,154)</u>	<u>(7,309,533)</u>

DIVIDENDS

No dividends have been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 December 2023.

RESERVES OR PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.



DIRECTORS' REPORT

(cont'd)

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors, except as disclosed in the financial statements,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION AND INDEMNITY

The auditors' remuneration of the Group and the Company during the financial year were RM318,117 and RM46,000 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.



DIRECTORS' REPORT

ISSUE OF SHARES AND DEBENTURES

During the financial year,

- (i) the Company issued 10,200,000 new ordinary shares at a price of RM1.30 per ordinary share as the purchase consideration for the acquisition of the 30% equity interest in RYRT International Sdn. Bhd. pursuant to the supplemental share sale agreement dated 10 July 2023. The value of the new ordinary shares, amounting to RM2.53 per ordinary share;
- (ii) the Company issued 25,056,300 ordinary shares from the exercise of 25,056,300 units of Warrants at an exercise price of RM0.80; and
- (iii) the Company issued 631,920, 945,340, 333,170, and 917,300 ordinary shares from the exercise of the Share Grant Scheme of the Long Term Incentive Scheme at issue price of RM0.96, RM1.11, RM1.44 and RM1.52 respectively.

The issued share capital of the Company increased from RM100,111,517 to RM149,498,184.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

The Company did not issue any debentures during the financial year.

WARRANTS

Warrants A (2022/2025)

The Warrants A issued on 29 July 2022 are constituted under a Deed Poll dated 5 July 2022 executed by the Company. The Warrants A are listed on the Bursa Malaysia Securities Berhad.

The movement of Warrants A during the financial year ended 31 December 2023 are stated as below:

	← Number of warrants →			
	At 1.1.2023	Issued	Exercised	At 31.12.2023
Warrants A (2022/2025)	51,437,820	-	(25,056,300)	26,381,520

The salient features of the Warrants A [2022/2025] are as follows:

- (i) Each warrant will entitle the registered holder/(s) at any time prior to 26 July 2025 to subscribe for one (1) new ordinary share at RM0.80 each. The Warrants A entitlement is subject to adjustments under the terms and conditions as set out in the Deed Poll dated 5 July 2022;
- (ii) The exercise period is three (3) years from the date of issuance until the maturity date. Upon the expiry of the exercise period, any unexercised rights will lapse and cease to be valid for any purposes; and
- (iii) The holders of the Warrants A are not entitled to vote in any general meetings or to participate in any dividends, distribution and/or offer of securities in the Company until and unless such holders of the Warrants A exercise their Warrants A into new shares.

As at reporting date, 26,381,520 Warrants A remained unexercised.



DIRECTORS' REPORT

(cont'd)

LONG-TERM INCENTIVE SCHEME

At an Extraordinary General Meeting held on 27 October 2021, the Company's shareholders approved the establishment of a Long-term incentive scheme for eligible employees, executive directors and non-executive directors of the Company and its subsidiaries.

The share grant scheme granted for subscription of unissued ordinary shares and the respective exercise prices are as follows:

Grant date	Expiry date	Exercise price RM	At 1.1.2023 Units	Number of shares granted		At 31.12.2023 Units
				Granted Units	Alloted Units	
18 January 2023	17 January 2028	0.9635	-	697,589	(631,920)	65,669
11 April 2023	9 April 2028	1.1085	-	945,340	(945,340)	-
15 June 2023	13 June 2028	1.4434	-	333,170	(333,170)	-
30 June 2023	28 June 2028	1.5240	-	1,000,000	(917,300)	82,700
			-	2,976,099	(2,827,730)	148,369

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Dato' Faisal Zelman bin Datuk Abdul Malik
 Chew Hian Tat *
 Lee Chee Vui *
 Lee Swee Meng
 Sahari Bin Ahmad
 Tan Suat Hoon
 YM Tengku Dato' Indera Abu Bakar Ahmad Bin Tengku Abdullah (Resigned on 8 August 2023)

* Directors of the Company and certain subsidiaries

Other than as stated above, the names of directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Yao Kee Kong
 Terence Yee Wai Leong
 Lau Chee Wai
 Beh Kim Boon (Appointed on 27 September 2023)
 Yap Yun Fah (Appointed on 20 February 2024)
 Soo Yu Chai (Resigned on 9 March 2023)
 Yeoh Weng Hong (Resigned on 8 November 2023)



DIRECTORS' REPORT

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	← Number of ordinary shares →			
	At 1.1.2023	Allotted and/ or Bought	Sold	At 31.12.2023
Direct interests				
Chew Hian Tat	32,898,078	15,056,350	-	47,954,428
Lee Chee Vui	1,050,000	1,278,510	-	2,328,510
Lee Swee Meng	213,300	-	74,000	139,300
Indirect interests				
Chew Hian Tat	5,242,000	1,200,500	-	6,442,500
Lee Chee Vui	10,528,308	15,715,000	6,075,200	20,168,108

	← Number of ordinary shares granted →			
	At 1.1.2023	Granted	Alloted	At 31.12.2023
Direct interests				
Lee Chee Vui	-	1,278,510	1,278,510	-

	← Number of ordinary shares →			
	At 1.1.2023	Allotted and/ or Bought	Sold	At 31.12.2023
Direct interests				
Chew Hian Tat	18,704,039	211,000	4,116,350	14,798,689
Lee Swee Meng	156,650	-	-	156,650
Indirect interests				
Chew Hian Tat	1,775,000	-	-	1,775,000
Lee Chee Vui	6,825,767	-	4,000,000	2,825,767

By virtue of his interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Chew Hian Tat and Lee Chee Vui are deemed to have an interest in ordinary shares in the subsidiaries to the extent that the Company has an interest.

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in ordinary shares or debentures of the Company and its related corporations during the financial year.



DIRECTORS' REPORT

(cont'd)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no directors of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown below) by reason of a contract made by the Company or subsidiary company with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

The directors' benefits of the Group and of the Company were as follows:

	Group RM	Company RM
Directors		
- Fees	199,477	199,477
- Other emoluments	1,866,052	556,000
- Defined contribution plans	239,081	60,440
- Share grant scheme	1,635,859	1,528,807
	3,940,469	2,344,724

Neither during, nor at the end of the financial year, was the Company a party to any arrangement where the object was to enable the directors to acquire benefits by means of the acquisition of ordinary shares in, or debentures of the Company or any other body corporate.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for the directors and officers of the Company and its subsidiaries were RM10,000,000 and RM18,000 respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are as follows:

Name of company	Principal place of business/ Country of incorporation	Effective ownership interest		Principal activities
		2023 %	2022 %	
Direct subsidiaries of the Company:				
Central Industrial Corporation Berhad ("CICB")	Malaysia	100	100	Manufacturing and sales of self-adhesive label stocks and tapes of its own brand and trading of other self-adhesive label stocks and tapes.
CIC Construction Sdn. Bhd. ("CICC")	Malaysia	100	100	Investment holding, contractor of building and infrastructure and trading of building materials.
Central Global Construction Sdn. Bhd. ("CGC")	Malaysia	100	100	Construction of buildings.
Central Global Technology Sdn. Bhd. ("CGT")	Malaysia	100	100	Dormant
Central Global Energy Sdn. Bhd. ("CGE")	Malaysia	100	100	Investment holding
CIC Marketing Sdn. Bhd. ("CICM")	Malaysia	100	100	Marketing of self-adhesive label stocks and tapes.
CICS Distributors Pte. Ltd. ("CICS") ^	Singapore	100	100	Trading of adhesive tapes.



DIRECTORS' REPORT

SUBSIDIARIES (CONT'D)

The details of the Company's subsidiaries are as follows: (Cont'd)

Name of company	Principal place of business/ Country of incorporation	Effective ownership interest		Principal activities
		2023 %	2022 %	
Direct subsidiary of CICC:				
Proventus Bina Sdn. Bhd. ("PBSB")	Malaysia	100	100	Contractor of building and general contract works and trading of building materials.
RYRT International Sdn. Bhd. ("RYRT")	Malaysia	100	70	Construction of building and other engineering projects.
Direct subsidiaries of CGC:				
Central Global Development Sdn. Bhd. ("CGD")	Malaysia	100	100	Investment holding and buying, selling, renting and operating of self-owned or leased real estate of residential buildings and land.

The available auditors' reports on the account of the subsidiary did not contain any qualification.

SIGNIFICANT EVENT DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

(a) Acquisition of additional interest in RYRT International Sdn. Bhd.

On 5 October 2023, the wholly-owned subsidiary, CIC Construction Sdn. Bhd. has completed the acquisition of additional 30% equity interest in RYRT International Sdn. Bhd. for a purchase consideration of RM25,806,000 which is satisfied wholly by issuance of 10,200,000 new ordinary shares in the Company at an issue price of RM1.04 per share. The value of the new ordinary shares, amounting to RM2.53 per ordinary share.

The acquisition is deemed completed following the listing of 10,200,000 consideration shares on the Main Market of Bursa Securities on 5 October 2023.

(b) 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").

On 18 January 2023, the Company announced that effective grant date for the first tranche of the SGS amounting to 697,859 ordinary shares of CGB to eligible employees on 18 January 2023 at an issue price at RM0.9635 based on the five (5)-day volume weighted average market price of the Company's shares immediately preceding the share grant date.

On 11 April 2023, the Company announced that the effective grant date for the first tranche of the SGS amounting to 945,340 ordinary shares of CGB to the eligible director on 11 April 2023 at an issue price at RM1.1085 based on the five (5)-day volume weighted average market price of the Company's shares immediately preceding the share grant date.

On 15 June 2023, the Company announced that the effective grant date for the first tranche of the SGS amounting to 333,170 ordinary shares of CGB to the eligible director on 15 June 2023 at an issue price at RM1.4434 based on the five (5)-day volume weighted average market price of the Company's shares immediately preceding the share grant date.



DIRECTORS' REPORT

(cont'd)

SIGNIFICANT EVENT DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR (CONT'D)

(b) Long-term incentive scheme ("LTIS") (Cont'd)

On 30 June 2023, the Company announced that the effective grant date for the first tranche of the SGS amounting to 1,000,000 ordinary shares of CGB to the eligible employees on 30 June 2023 at an issue price at RM1.5240 based on the five (5)-day volume weighted average market price of the Company's shares immediately preceding the share grant date.

(c) Proposed Share Split and Issuance of Free Warrant

The Company had via the Extraordinary General Meeting (EGM) held on 20 February 2024 obtained its shareholders' approval to subdivide every 1 existing ordinary share of the Company into 4 subdivided ordinary shares at an entitlement date on 8 March 2024.

The total issued and paid-up share capital comprising 183,518,885 ordinary shares to be subdivided into 734,075,540 ordinary shares as of the close of business on 8 March 2024 as per the Record of Depositors of the Company as at 8 March 2024.

734,075,540 Split Shares is listed and quoted on the Main Market of Bursa Securities on 11 March 2024.

The Company had on 13 March 2024 announced that 244,691,418 Warrants B have been issued pursuant to the basis of 1 Warrant B for every 3 Split Shares held by Warrants B Entitled Shareholders on the Warrants B entitlement Date being 8 March 2024.

On 14 March 2024, the Company had announced that the 244,691,418 Warrants B issued has been listed and quoted with effect from 9:00 a.m. on 15 March 2024, marking the completion of the proposed share split and issuance of free warrant.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

CHEW HIAN TAT
Director

LEE CHEE VUI
Director

Date: 29 April 2024



STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	26,842,816	12,044,850	12,554	21,497
Right-of-use assets	6	1,488,745	1,742,520	-	-
Investment properties	7	560,173	577,072	-	-
Goodwill on consolidation	8	21,144,873	21,144,873	-	-
Investment in subsidiaries	9	-	-	112,216,737	87,799,022
Total non-current assets		50,036,607	35,509,315	112,229,291	87,820,519
Current assets					
Inventories	10	12,804,473	22,790,655	-	-
Contract assets	11	474,457	17,952,411	-	-
Trade and other receivables	12	164,096,769	104,637,116	27,278,114	16,800,169
Current tax assets		1,046,336	714,441	-	-
Short-term investment	13	35,960	27,150	-	-
Fixed deposits with licensed banks	14	3,776,241	1,728,975	1,800,000	-
Cash and bank balances	15	4,856,050	6,149,921	391,763	48,445
Total current assets		187,090,286	154,000,669	29,469,877	16,848,614
TOTAL ASSETS		237,126,893	189,509,984	141,699,168	104,669,133



STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023
(cont'd)

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	16	149,498,184	100,111,517	149,498,184	100,111,517
Translation reserve	17	471,459	388,655	-	-
Share grant reserve	17	189,307	-	189,307	-
Accumulated losses		(64,227,941)	(8,495,675)	(13,967,313)	(6,657,780)
		85,931,009	92,004,497	135,720,178	93,453,737
Non-controlling interests		-	7,954,888	-	-
TOTAL EQUITY		85,931,009	99,959,385	135,720,178	93,453,737
Non-current liabilities					
Loans and borrowings	18	26,663,348	1,259,687	-	-
Employee benefits	19	-	1,322,217	-	-
Deferred tax liabilities	20	1,309,389	1,038,175	-	-
Total non-current liabilities		27,972,737	3,620,079	-	-
Current liabilities					
Loans and borrowings	18	9,442,550	9,990,829	-	-
Contract liabilities	11	18,125,862	16,206,883	-	-
Trade and other payables	21	84,568,422	50,228,465	5,978,990	11,215,396
Current tax liabilities		11,086,313	9,504,343	-	-
Total current liabilities		123,223,147	85,930,520	5,978,990	11,215,396
TOTAL LIABILITIES		151,195,884	89,550,599	5,978,990	11,215,396
TOTAL EQUITY AND LIABILITIES		237,126,893	189,509,984	141,699,168	104,669,133

The accompanying notes form an integral part of these financial statements.



STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	22	218,563,760	211,169,597	-	-
Cost of sales		(192,011,853)	(176,595,753)	-	-
Gross profit		26,551,907	34,573,844	-	-
Other income		578,686	549,481	-	76,899
Distribution expenses		(2,045,223)	(3,767,483)	-	-
Administrative expenses		(14,746,811)	(9,960,685)	(7,309,533)	(2,347,483)
Net (impairment loss)/ reversal on financial instruments and contract assets		(42,174,947)	(1,962,752)	-	-
Other expenses		(387,971)	(1,990,934)	-	(2,444)
Operating (loss)/profit		(32,224,359)	17,441,471	(7,309,533)	(2,273,028)
Finance income	23	47,626	34,717	-	-
Finance costs	24	(399,423)	(465,323)	-	-
(Loss)/Profit before tax	25	(32,576,156)	17,010,865	(7,309,533)	(2,273,028)
Income tax expense	27	(5,304,998)	(3,879,875)	-	-
(Loss)/Profit for the financial year		(37,881,154)	13,130,990	(7,309,533)	(2,273,028)
Other comprehensive income/(loss), net of tax					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Remeasurement of employee benefits		-	68,875	-	-
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Foreign currency translation differences on foreign operations		82,804	94,162	-	-
Total comprehensive (loss)/income for the financial year		(37,798,350)	13,294,027	(7,309,533)	(2,273,028)



STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023
(cont'd)

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
(Loss)/Profit attributable to:					
Owners of the Company		(42,060,869)	7,466,689	(7,309,533)	(2,273,028)
Non-controlling interests		4,179,715	5,664,301	-	-
		(37,881,154)	13,130,990	(7,309,533)	(2,273,028)
Total comprehensive (loss)/ income attributable to:					
Owners of the Company		(41,978,065)	7,629,726	(7,309,533)	(2,273,028)
Non-controlling interests		4,179,715	5,664,301	-	-
		(37,798,350)	13,294,027	(7,309,533)	(2,273,028)
(Loss)/Earnings ordinary share attributable to:					
Owners of the Company (sen)					
- Basic	28	(26.95)	6.27		
- Diluted	28	(26.93)	6.26		

The accompanying notes form an integral part of these financial statements.



STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Group	← Attributable to owners of the Company →						Total equity RM
	Share capital RM	Share grant reserve RM	Translation reserve RM	Accumulated losses RM	Sub-total RM	Non-controlling interests RM	
At 31 December 2022	100,111,517	-	388,655	(8,495,675)	92,004,497	7,954,888	99,959,385
Total comprehensive income for the financial year							
Foreign currency translation differences for foreign operations	-	-	82,804	-	82,804	-	82,804
Total other comprehensive income for the financial year (Loss)/profit for the year	-	-	82,804	-	82,804	-	82,804
Total comprehensive income/(loss)	-	-	-	(42,060,869)	(42,060,869)	4,179,715	(37,881,154)
Transactions with owners							
Issue of ordinary shares	20,045,040	-	-	-	20,045,040	-	20,045,040
Issuance of shares pursuant to share grant scheme	3,535,627	189,307	-	-	3,724,934	-	3,724,934
Change in ownership interest in subsidiary	25,806,000	-	-	(13,671,397)	12,134,603	(12,134,603)	-
Total transactions with owners	49,386,667	189,307	-	(13,671,397)	35,904,577	(12,134,603)	23,769,974
At 31 December 2023	149,498,184	189,307	471,459	(64,227,941)	85,931,009	-	85,931,009

9(a)(i)

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

(cont'd)

Group	← Attributable to owners of the Company →					Total equity RM
	Share capital RM	Translation reserve RM	Accumulated losses RM	Sub-total RM	Non-controlling interests RM	
At 31 December 2021	64,432,047	294,493	(13,036,878)	51,689,662	-	51,689,662
- As previously stated	-	-	(2,994,361)	(2,994,361)	-	(2,994,361)
- Prior year adjustment						
Restated balance at 1 January 2022	64,432,047	294,493	(16,031,239)	48,695,301	-	48,695,301
Total comprehensive income for the financial year						
Foreign currency translation differences for foreign operations	-	94,162	-	94,162	-	94,162
Remeasurement of employee benefits	-	-	68,875	68,875	-	68,875
Total other comprehensive income for the financial year	-	94,162	68,875	163,037	-	163,037
Profit for the year	-	-	7,466,689	7,466,689	5,664,301	13,130,990
Total comprehensive income	-	94,162	7,535,564	7,629,726	5,664,301	13,294,027
Transactions with owners						
Issue of ordinary shares	8,763,124	-	-	8,763,124	-	8,763,124
Shared issued for acquisition of a subsidiary	26,916,346	-	-	26,916,346	-	26,916,346
Non-controlling interest arising from acquisition of a subsidiary	-	-	-	-	2,290,587	2,290,587
Total transactions with owners	35,679,470	-	-	35,679,470	2,290,587	37,970,057
At 31 December 2022	100,111,517	388,655	(8,495,675)	92,004,497	7,954,888	99,959,385

9(a)(i)



STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023
(cont'd)

Company	← Attributable to owners of the Company →			Total equity RM
	Share capital RM	Share grant reserve RM	Accumulated losses RM	
At 1 January 2022	64,432,047	-	(4,384,752)	60,047,295
Total comprehensive loss for the financial year	-	-	(2,273,028)	(2,273,028)
Issue of ordinary shares	8,763,124	-	-	8,763,124
Share issued for acquisition of a subsidiary	26,916,346	-	-	26,916,346
At 31 December 2022	100,111,517	-	(6,657,780)	93,453,737
Total comprehensive loss for the financial year	-	-	(7,309,533)	(7,309,533)
Share grant reserve	-	189,307	-	189,307
Issue of ordinary shares	20,045,040	-	-	20,045,040
Issuance of shares pursuant to share grant scheme	3,535,627	-	-	3,535,627
Change in ownership interest in a subsidiary	25,806,000	-	-	25,806,000
At 31 December 2023	149,498,184	189,307	(13,967,313)	135,720,178

The accompanying notes form an integral part of these financial statements.



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from operating activities				
(Loss)/Profit before tax	(32,576,156)	17,010,865	(7,309,533)	(2,273,028)
Adjustments for:				
Depreciation of:				
- property, plant and equipment	1,663,637	1,111,244	8,943	7,675
- right-of-use assets	424,465	243,564	-	-
- investment properties	16,899	16,901	-	-
Impairment loss on goodwill	-	426,772	-	-
(Gain)/loss on disposal of property, plant and equipment	(395,720)	66,255	-	-
Property, plant and equipment written off	4	20,269	-	-
Finance costs	399,423	465,323	-	-
Finance income	(47,626)	(34,717)	-	-
Impairment loss on investment in a subsidiary	-	-	3,138,085	301
Impairment loss:				
- trade receivables	21,259,966	1,876,351	-	-
- contract assets	18,646,747	-	-	-
- other receivables	2,268,234	94,051	-	-
Reversal of impairment loss on trade receivables	-	(7,650)	-	-
Inventories written off	14,479	-	-	-
Employee benefits	129,116	133,990	-	-
Fair value (gain)/loss on short-term investment	(8,810)	35,150	-	-
Share grant scheme expenses	3,724,934	-	1,726,584	-
Net unrealised foreign exchange gain	(9,389)	(25,265)	-	-
Operating profit/(loss) before changes in working capital, carried forward	15,510,203	21,433,103	(2,435,921)	(2,265,052)
<u>Changes in working capital</u>				
Inventories	9,971,703	(5,265,738)	-	-
Trade and other receivables	(82,978,464)	(603,981)	(3,470)	(258)
Contract assets	(1,168,793)	(8,555,450)	-	-
Trade and other payables	34,339,957	(12,757,069)	(325,613)	(201,203)
Contract liabilities	1,918,979	(4,118,276)	-	-
Net cash used in operations	(22,406,415)	(9,867,411)	(2,765,004)	(2,466,513)
Tax paid	(3,783,709)	(1,177,705)	-	-
Employee benefits paid	(1,451,333)	(362,091)	-	-
Net cash used in operating activities	(27,641,457)	(11,407,207)	(2,765,004)	(2,466,513)



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023
(cont'd)

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from investing activities					
Purchase of property, plant and equipment (a)		(11,614,541)	(1,096,193)	-	(6,278)
Proceeds from disposal of property, plant and equipment		684,295	43,500	-	-
Purchase of right-of use assets		(156,851)	(658,351)	-	-
Acquisition of a subsidiary, net of cash acquired		-	2,162,994	-	-
Net advances to subsidiaries		-	-	(13,386,918)	(8,546,629)
Investment in subsidiaries		-	-	(1,749,800)	(100)
Interest received		47,626	34,717	-	-
Net cash (used in)/generated from investing activities		(11,039,471)	486,667	(15,136,718)	(8,553,007)
Cash flows from financing activities					
Proceeds from issuance of ordinary shares		20,045,040	8,763,124	20,045,040	8,763,124
Net drawdown from term loans (b)		22,538,332	-	-	-
Proceeds from disposal of short-term investment		-	274,000	-	-
Change in pledge deposits		(2,047,266)	66,807	(1,800,000)	-
Interest paid		(399,423)	(465,323)	-	-
Net drawdown of lease liabilities (b)		(207,872)	511,159	-	-
Net repayment of hire purchase payables (b)		(767,173)	(191,085)	-	-
Net drawdown of bankers' acceptance (b)		(1,988,606)	1,504,045	-	-
Net cash generated from financing activities		37,173,032	10,462,727	18,245,040	8,763,124
Net (decrease)/increase in cash and cash equivalents		(1,507,896)	(457,813)	343,318	(2,256,396)
Cash and cash equivalents at the beginning of the year		6,113,820	6,527,127	48,445	2,304,841
Effects of exchange rate changes on cash and cash equivalents		68,371	44,506	-	-
Cash and cash equivalents at the end of the year		4,674,295	6,113,820	391,763	48,445

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023
(cont'd)

(a) Purchase property, plant and equipment.

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Purchase of property plant and equipment	16,749,588	1,921,493	-	6,278
Financed by way of lease	(5,135,047)	(825,300)	-	-
	11,614,541	1,096,193	-	6,278

(b) Reconciliation of liabilities arising from financing activities:

	1 January 2023 RM	Additions RM	Cash flows RM	31 December 2023 RM
Group				
Revolving credit	3,000,000	-	-	3,000,000
Bankers' acceptance	6,284,888	-	(1,988,606)	4,296,282
Lease liabilities	511,159	156,851	(364,723)	303,287
Hire purchase payables	1,418,368	5,135,047	(767,173)	5,786,242
Term loan	-	-	22,538,332	22,538,332
	11,214,415	5,291,898	19,417,830	35,924,143

	1 January 2022 RM	Non-cash acquisition RM	Additions RM	Cash flows RM	31 December 2022 RM
Group					
Revolving credit	3,000,000	-	-	-	3,000,000
Bankers' acceptance	4,780,843	-	-	1,504,045	6,284,888
Lease liabilities	-	-	656,199	(145,040)	511,159
Hire purchase payables	185,939	598,214	825,300	(191,085)	1,418,368
	7,966,782	598,214	1,481,499	1,167,920	11,214,415

(c) Total cash outflows for leases as a lessee:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Included in net cash from operating activities:				
Payments relating to short-term leases and low-value assets	526,464	418,097	54,442	19,602
Interest paid in relation to lease liabilities	24,720	49,920	-	-
Included in net cash from financing activities:				
Payments of lease liabilities	364,723	145,040	-	-
Total cash outflows for leases	915,907	613,057	54,442	19,602



NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Central Global Berhad (“the Company”) is a public limited company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”). The registered office of the Company is located at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur. The principal place of business of the Company is located at A5-06, Block A Plaza Dwi Tasik, Jalan 5/106 Bandar Sri Permaisuri, 56000 Kuala Lumpur.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries include manufacturing and sales of self-adhesive label stocks and tapes of its own brand, investment holding, construction of building, general contract work and other engineering projects.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 April 2024.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysia Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of new MFRSs, amendments to MFRSs and explanation of change in accounting policy

(a) Adoption of new MFRS and amendments to MFRSs

The Group and of the Company have adopted the following applicable new to MFRS and amendments to MFRSs for the current financial year:

New MFRS

MFRS 17	Insurance Contracts
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Amendments to MFRSs

MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes In Accounting Estimates and Errors
MFRS 112	Income Taxes

The adoption of the above new MFRS and 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, except as discussed below:

Amendments to MFRS 101 Presentation of Financial Statements

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

Accordingly, the Group and the Company disclosed their material accounting policy information in these financial statements. However, the amendments did not result in changes to the accounting policies of the Group and of the Company.



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.3 Amendments to MFRSs that have been issued, but yet to be effective

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

<u>Amendments to MFRSs</u>	Effective for financial periods beginning on or after
MFRS 7 Financial Instruments: Disclosures	1 January 2024
MFRS 10 Consolidated Financial Statements	Deferred
MFRS 16 Leases	1 January 2024
MFRS 101 Presentation of Financial Statements	1 January 2024
MFRS 107 Statements of Cash Flows	1 January 2024
MFRS 121 The Effects of Changes in Foreign Exchange Rate	1 January 2025
MFRS 128 Investments in Associates and Joint Ventures	Deferred

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

Amendments to MFRS 101 Presentation of Financial Statements

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

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates

Amendments to MFRS 121 respond to stakeholder feedback and concerns about diversity in practice in accounting for a lack of exchangeability between currencies.

Applying the Amendments, entities will be applying a consistent approach in determining if a currency can be exchanged into another currency. These amendments provide guidance on the spot exchange rate to use when a currency is not exchangeable into another currency and the disclosures entities need to provide to enable users of financial statements to understand the impact on the entities' financial performance, financial position and cash flows as a result of a currency being not exchangeable into another currency.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.5 Basis of measurement

The financial statements of the Group and the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the financial statements.

2.6 Use of estimates and judgement

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgements are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group's and the Company's financial statements are disclosed in Note 4 to the financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following material accounting policy information have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

(a) Subsidiaries and business combination

The Group applies the acquisition method to account for business combinations from the acquisition date. When the acquired set of activities meets the definition of a business and control is transferred to the Group.

(b) Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at their acquisition-date fair values.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries is measured at cost less any impairment losses.

Contributions to subsidiaries are amounts which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

3.3 Financial instruments

Financial assets - subsequent measurements and gains and loss

Financial assets at fair value through profit or loss

These assets are subsequently measured at fair value. Net gains and losses, including any interest and dividend income, are recognised in profit or loss.



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.3 Financial instruments (Cont'd)

Financial assets - subsequent measurements and gains and loss (Cont'd)

Debt Instrument at amortised cost

These assets are subsequently measured at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt instrument at fair value through other comprehensive income

These assets are subsequently measured at fair value. Interest income calculated under the effective interest method, foreign exchange gain and losses and impairment are recognized in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Financial liabilities - subsequent measurements and gains and loss

The Group and the Company classify the financial liabilities at amortised cost or fair value through profit or loss. Financial liabilities are classified as fair value through profit or loss if it is classified as held for trading or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.4 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment other than right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

All other property, plant and equipment (other than right-of-use assets as disclosed in Note 3.5) are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Annual Rates %
Buildings	2 – 10
Plant, machinery and loose tools	7.5 – 33.33
Furniture, fittings, equipment, and installation	7.5 – 33.33
Motor vehicles	20



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.5 Leases

(a) Lessee accounting

The Group and the Company present right-of-use assets that do not meet the definition of property, plant and equipment and investment property in Note 5 and Note 7, and lease liabilities as loans and borrowings in Note 18.

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use asset

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses and adjust for any remeasurement of the lease liabilities. The right of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The annual rate used for this purpose are as follows:

	Annual Rates %
Leasehold land	2.29
Building	33.33 – 50.00

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

(b) Lessor accounting

The Group recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term as part of revenue. Rental income from sublease properties which recognise as other income.

3.6 Investment properties

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

The investment properties, buildings are depreciated on straight-line basis by allocating their depreciation amounts over their remaining useful lives of 50 years.



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.7 Inventories

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- raw materials: purchase costs on a first-in first-out basis.
- finished goods and work-in-progress: costs of direct materials and labour and proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average cost basis.

3.8 Revenue and other income

Financing components

The Group and the Company have applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components as the Group and the Company expect that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

(a) Sale of goods - manufacturing

Revenue from sale of goods is recognised at a point in time when control of goods is transferred to the customer, generally on the delivery of goods.

A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

Revenue is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience with the customer's purchasing pattern is used to estimate and provide for the discounts, using the expected value method. The estimated volume discounts recognised is constrained to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

(b) Construction contracts

The Group constructs commercial and industrial properties under long term contracts with customers. Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control of the commercial and industrial properties is transferred over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

The Group becomes entitled to invoice customers for construction of commercial and industrial properties based on achieving a series of performance-related milestones.

The Group recognised a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognises a contract liability for the difference.

Defect liability period is usually 24 months from the date of Certificate of Practical Completion as provided in the contracts with customers.



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.8 Revenue and other income (Cont'd)

Financing components (Cont'd)

(c) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentive granted is recognised as an integral part of the total rental income, over the term of the lease.

(d) Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered because the customer receives and uses the benefits simultaneously. This is determined based on the time elapsed (output method).

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Impairment of financial assets and contract assets

The impairment of financial assets and contract assets are based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast of economic conditions over the expected lives of the financial assets and contract assets. The Group's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future.

The information about the impairment losses on the Group's financial assets and contract assets are disclosed in Note 29(b)(i).

(b) Inventories

The cost of inventories comprise the cost of raw materials, direct labour, conversion cost such as variable and fixed overheads. The cost allocation to the work-in-progress and manufactured goods involves multiple inputs which comprise the cost of raw materials, direct labour, other direct costs, and the appropriate allocation of overheads based on normal operating capacity.

Reviews are made periodically on inventories for cost allocation, obsolete and decline in net realisable value. These reviews require the use of judgement and estimate. Possible change in these estimates may result in revision to the valuation of inventories.

The carrying amounts of inventories are disclosed in Note 10.



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

(c) Construction revenue

The Group recognised construction revenue in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs for each project (input method).

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction revenue and costs, as well as the recoverability of the construction projects. In making the judgement, the Group evaluate based on past experience and by relying on the work of specialists.

The carrying amounts of the Group's contract assets and contract liabilities are disclosed in Note 11.

(d) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash generating units to which goodwill is allocated. When value-in-use calculations are undertaken, the Group uses its judgement to decide the discount rates to be applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including inflation rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than the expected.

The carrying amount of the Group's goodwill and key assumptions used to determine the recoverable amount for different cash-generating units, including sensitivity analysis, are disclosed in Note 8.

(e) Investment in subsidiaries

The Company assesses whether there is any indication that the cost of investment in subsidiaries is impaired at the end of each reporting date. Impairment is measured by comparing carrying amount of an assets with its recoverable amount. Recoverable amount is measured at the higher of the fair value less cost to sell for that assets and its value-in-use. The value-in-use involves exercise of judgement on the discount rate applied and the assumptions supporting the underlying cash flow projection which includes future sales, gross profit margin and operating expenses.

The carrying amounts of investment in subsidiaries are disclosed in Note 9.



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

5. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings RM	Plant, machinery and loose tools RM	Furniture, fittings, equipment and installation RM	Motor vehicles RM	Capital works-in- progress RM	Total RM
Cost						
At 1 January 2022	11,105,070	26,603,983	4,117,430	1,077,593	-	42,904,076
Additions	8,430	81,043	575,751	1,256,269	-	1,921,493
Disposals	-	-	(74,703)	(155,127)	-	(229,830)
Written off	-	-	(20,789)	-	-	(20,789)
Acquisition of a subsidiary	-	-	208,281	793,231	-	1,001,512
Transfer from right-of-use assets	-	380,000	-	-	-	380,000
Transfer from investment properties	193,217	-	-	-	-	193,217
Effect of movement in exchange rates	-	-	10,264	-	-	10,264
At 31 December 2022	11,306,717	27,065,026	4,816,234	2,971,966	-	46,159,943
Additions	-	2,925,324	202,284	2,368,538	11,253,442	16,749,588
Disposals	-	(380,000)	(3,270)	(646,012)	-	(1,029,282)
Written off	-	(3,350)	(5,560)	(15,052)	-	(23,962)
Effect of movement in exchange rates	-	-	8,352	-	-	8,352
At 31 December 2023	11,306,717	29,607,000	5,018,040	4,679,440	11,253,442	61,864,639



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Buildings RM	Plant, machinery and loose tools RM	Furniture, fittings, equipment and installation RM	Motor vehicles RM	Capital works-in- progress RM	Total RM
Accumulated Depreciation						
At 1 January 2022	3,562,135	25,033,263	3,326,046	921,315	-	32,842,759
Depreciation for the year	226,445	382,826	256,948	245,025	-	1,111,244
Disposals	-	-	(18,114)	(101,961)	-	(120,075)
Written off	-	-	(520)	-	-	(520)
Transfer from right-of-use assets	-	213,750	-	-	-	213,750
Transfer from investment properties	59,243	-	-	-	-	59,243
Effect of movement in exchange rates	-	-	8,692	-	-	8,692
At 31 December 2022	3,847,823	25,629,839	3,573,052	1,064,379	-	34,115,093
Depreciation for the year	226,949	509,832	287,073	639,783	-	1,663,637
Disposals	-	(364,167)	(1,635)	(374,905)	-	(740,707)
Written off	-	(3,350)	(5,557)	(15,051)	-	(23,958)
Effect of movement in exchange rates	-	-	7,758	-	-	7,758
At 31 December 2023	4,074,772	25,772,154	3,860,691	1,314,206	-	35,021,823
Carrying amount						
At 1 January 2023	7,458,894	1,435,187	1,243,182	1,907,587	-	12,044,850
At 31 December 2023	7,231,945	3,834,846	1,157,349	3,365,234	11,253,442	26,842,816



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Furniture, fittings, equipment and installation RM	Total RM
Cost		
At 1 January 2022	26,189	26,189
Additions	6,278	6,278
At 31 December 2022/ At 31 December 2023	32,467	32,467
Accumulated Depreciation		
At 1 January 2022	3,295	3,295
Depreciation for the year	7,675	7,675
At 31 December 2022	10,970	10,970
Depreciation for the year	8,943	8,943
At 31 December 2023	19,913	19,913
Carrying amount		
At 1 January 2023	21,497	21,497
At 31 December 2023	12,554	12,554

- (a) The Group's motor vehicles and plant, machinery and tools with carrying amount of RM1,818,751 (2022: RM1,588,706) have been pledged as security for hire purchase arrangement as disclosed in Note 18(b).
- (b) The motor vehicles of the Group at the net book value of RM123,280 (2022: RM182,974) were held in trust by one of the directors, Mr Lee Chee Vui.



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

6. RIGHT-OF-USE ASSETS

	Land RM	Building RM	Machinery RM	Total RM
Group				
Cost				
At 1 January 2022	2,017,009	-	380,000	2,397,009
Addition	-	658,351	-	658,351
Acquisition of a subsidiary	-	41,220	-	41,220
Reclass to property, plant and equipment	-	-	(380,000)	(380,000)
At 31 December 2022	2,017,009	699,571	-	2,716,580
Addition	45,839	111,012	-	156,851
Written off	-	(54,395)	-	(54,395)
Effect of movement in exchange rates	-	24,933	-	24,933
At 31 December 2023	2,062,848	781,121	-	2,843,969
Accumulated Depreciation				
At 1 January 2022	726,565	-	213,750	940,315
Depreciation for the year	46,189	197,375	-	243,564
Reclass to property, plant and equipment	-	-	(213,750)	(213,750)
Effect of movement in exchange rates	-	3,931	-	3,931
At 31 December 2022	772,754	201,306	-	974,060
Depreciation for the year	67,199	357,266	-	424,465
Written off	-	(54,395)	-	(54,395)
Effect of movement in exchange rates	-	11,094	-	11,094
At 31 December 2023	839,953	515,271	-	1,355,224
Carrying amount				
At 1 January 2023	1,244,255	498,265	-	1,742,520
At 31 December 2023	1,222,895	265,850	-	1,488,745

- (a) The Group's leasehold land with carrying amount of RM1,198,066 for office and operation site. The leasehold land has lease term of 60 years and have been pledged as security for term loan arrangement as disclosed in Note 18(c).
- (b) The Group's leasehold land and buildings with carrying amount of RM290,679 (2022: 498,265) for office space and operation site. Generally have lease term between 2 to 3 years.



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

7. INVESTMENT PROPERTIES

	Shoplots RM	Total RM
Group		
Cost		
At 1 January 2022	1,024,163	1,024,163
Transfer to property, plant and equipment	(193,217)	(193,217)
	<hr/>	<hr/>
At 31 December 2022/ At 31 December 2023	830,946	830,946
Accumulated Depreciation		
At 1 January 2022	296,216	296,216
Depreciation for the year	16,901	16,901
Transfer to property, plant and equipment	(59,243)	(59,243)
	<hr/>	<hr/>
At 31 December 2022	253,874	253,874
Depreciation for the year	16,899	16,899
	<hr/>	<hr/>
At 31 December 2023	270,773	270,773
Carrying amount		
At 1 January 2023	577,072	577,072
	<hr/>	<hr/>
At 31 December 2023	560,173	560,173
	<hr/>	<hr/>

(a) The Group's investment properties comprise of shoplots that are leased to third parties. Each of the leases contains an initial non-cancellable period of 2 years. Subsequent renewals are negotiated with the lessee and on average renewal periods are 2 years.

(b) The following are recognised in profit or loss in respect of investment properties:

	Group	
	2023 RM	2022 RM
Rental income	105,270	34,300
Direct operating expenses:		
- income generating investment	23,945	24,983
- non-income generating investment	-	7,728
	<hr/>	<hr/>

(c) The operating lease payments to be received are as follows:

	Group	
	2023 RM	2022 RM
Less than one year	18,810	-
One to two years	-	-
	<hr/>	<hr/>
Total undiscounted lease payment	18,810	-
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

7. INVESTMENT PROPERTIES (CONT'D)

(d) Fair value information

Fair value of investment property is categorised as follows:

	Level 3 RM	Group Total RM
2023		
Shoplots	1,426,845	1,426,845
2022		
Shoplots	1,854,000	1,854,000

The estimated fair values of the investment properties are determined based on the directors' estimation of the fair values of the investment properties. Such fair values are arrived at based on comparisons with prices of similar properties in the same location or adjacent locations. Location differences may significantly affect the estimates of the fair values.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

8. GOODWILL ON CONSOLIDATION

Goodwill acquired in a business combination was allocated, at acquisition, to the cash-generating unit ("CGU") that is expected to benefit from the business combination. The carrying amount of goodwill had been allocated to RYRT International Sdn. Bhd. ("CGU 1") that was acquired in the current financial year.

The carrying amount of goodwill to the CGU of the Group is as follow:

	2023 RM	Group 2022 RM
Goodwill		
Cost		
At 1 January	21,593,930	22,285
Acquisition of a subsidiary	-	21,571,645
At 31 December	21,593,930	21,593,930
Accumulated impairment loss		
At 1 January	449,057	22,285
Impairment loss recognised for the financial year	-	426,772
At 31 December	449,057	449,057
Carrying amount		
At 31 December	21,144,873	21,144,873



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

8. GOODWILL ON CONSOLIDATION (CONT'D)

The carrying amount of goodwill allocated to the CGU is as follows:

	Group	
	2023 RM	2022 RM
CGU 1	21,144,873	21,144,873

Goodwill is assessed at each reporting date regardless of any indication of impairment by comparing the carrying amount with the recoverable amount of each CGU.

The recoverable amount of the CGU has been determined based on value-in-use calculations using cash flows projection from financial budgets and forecasts approved by management covering a four-year period.

The pre-tax discount rate applied to the cash flow projections is as follows:

	Group	
	2023	2022
Discount rate	10.69%	15.12%

Key assumptions used in the value-in-use calculations

The calculation of value-in-use for the CGU is most sensitive to the following assumptions:

- (i) The basis used to determine the future potential earning are the remaining book order.
- (ii) Gross margin is the forecasted margin as a percentage of revenue over the four-year projection period. These are based on the average gross margin of the existing projects.
- (iii) Discount rate was estimated based on the industry weighted average cost of capital. The discount rate applied to the cash flow projections is pre-tax and reflects management's estimate of the risks specific to the CGU at the date of assessment.

9. INVESTMENT IN SUBSIDIARIES

	Company	
	2023 RM	2022 RM
Cost		
Unquoted shares	53,906,780	52,156,980
Loan that are part of net investments	61,448,042	35,642,042
	115,354,822	87,799,022
Less: Impairment loss	(3,138,085)	-
	112,216,737	87,799,022

Loans that are part of net investments represent amount owing by subsidiary which is non-trade in nature, unsecured and non-interest bearing. The settlement of the amount is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as long-term source of capital to the subsidiary. As this amount is, in substance, a part of the Company's net investment in the subsidiary, it is stated at cost less accumulated impairment loss, if any.

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of company	Principal place of business/ Country of incorporation	Effective ownership interest		Principal activities
		2023 %	2022 %	
Direct subsidiaries of the Company:				
Central Industrial Corporation Berhad ("CICB")	Malaysia	100	100	Manufacturing and sales of self-adhesive label stocks and tapes of its own brand and trading of other self-adhesive label stocks and tapes.
CIC Construction Sdn. Bhd. ("CICC")	Malaysia	100	100	Investment holding, contractor of building and infrastructure and trading of building materials.
Central Global Construction Sdn. Bhd. ("CGC")	Malaysia	100	100	Construction of buildings.
Central Global Technology Sdn. Bhd. ("CGT")	Malaysia	100	100	Dormant
Central Global Energy Sdn. Bhd. ("CGE")	Malaysia	100	100	Investment holding
CIC Marketing Sdn. Bhd. ("CICM")	Malaysia	100	100	Marketing of self-adhesive label stocks and tapes.
CICS Distributors Pte. Ltd. ("CICS") ^	Singapore	100	100	Trading of adhesive tapes.
Direct subsidiaries of the CICC:				
Proventus Bina Sdn. Bhd. ("PBSB")	Malaysia	100	100	Contractor of building and general contract works and trading of building materials.
RYRT International Sdn. Bhd. ("RYRT")	Malaysia	100	70	Construction of building and other engineering projects.
Direct subsidiaries of the CGC:				
Central Global Development Sdn. Bhd. ("CGD")	Malaysia	100	100	Investment holding and buying, selling, renting and operating of self-owned or leased real estate of residential buildings and land.

^ Audited by auditors other than Baker Tilly Monteiro Heng PLT.



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Changes in the composition of the Group

For the financial year ended 31 December 2023

(i) Acquisition of additional interest in RYRT International Sdn. Bhd.

On 5 October 2023, a wholly owned subsidiary, CIC Construction Sdn. Bhd. purchased additional 30% equity interest (representing 10,200,000 ordinary shares) in RYRT International Sdn Bhd, a subsidiary of the Group at a price of RM2.53 per share. The Company's effective ownership in RYRT International increased from 70% to 100% as a result of the additional shares purchased.

Effect of the increase in the Company's ownership interest is as follows:

	RM
Fair value of consideration transferred	25,806,000
Increase in share of net assets	(12,134,603)
	<hr/>
Excess charged directly to equity	13,671,397
	<hr/>

For the financial year ended 31 December 2022

(i) Acquisition of RYRT International Sdn. Bhd.

On 20 April 2022, a wholly owned subsidiary, CIC Construction Sdn. Bhd. acquired 70% controlling interest in the equity shares of RYRT International Sdn. Bhd. ("RYRT").

The fair value of the 28,942,308 ordinary shares issued as the consideration paid for RYRT International Sdn. Bhd. was determined on the basis of the closing market price of the Company's ordinary shares of RM0.93 per share on the acquisition date.

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 27 June and 7 December 2022, the Company has issued the remaining of 8,448,380 and 6,022,774 consideration shares respectively, as part of the balance consideration share for the acquisition.

The Group completed its purchase price allocation process to value the assets acquired and liabilities assumed. The following summarises the consideration transferred, and the recognised amount of assets acquired, and liabilities assumed at the acquisition date.



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Changes in the composition of the Group (Cont'd)

For the financial year ended 31 December 2022 (Cont'd)

(i) Acquisition of RYRT International Sdn. Bhd. (Cont'd)

(a) Fair value of the identifiable assets acquired and liabilities recognised:

	RM
Assets	
Property, plant and equipment	1,001,512
Right-of-use asset	41,220
Trade and other receivables	49,463,985
Short-term investment	336,300
Cash and cash equivalents	2,162,994
	<hr/>
Total assets	53,006,011
	<hr/>
Liabilities	
Loans and borrowings	(598,214)
Deferred tax liabilities	(2,439,777)
Trade and other payables	(17,287,203)
Contract liabilities	(20,325,159)
Current tax liabilities	(4,720,370)
	<hr/>
Total liabilities	(45,370,723)
	<hr/>
Total identifiable net assets acquired	7,635,288
Goodwill arising on acquisition (Note 8)	21,571,645
Non-controlling interest in fair value	(2,290,587)
	<hr/>
Fair value of consideration transferred	26,916,346
	<hr/>

(b) Effects of acquisition on cash flows:

	RM
Fair value of consideration paid via shares issuance	26,916,346
Less: Non-cash consideration	(26,916,346)
	<hr/>
Consideration paid in cash	-
Less: cash and cash equivalents of subsidiary acquired	(2,162,994)
	<hr/>
Net cash inflows on acquisition	(2,162,994)
	<hr/>



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Changes in the composition of the Group (Cont'd)

For the financial year ended 31 December 2022 (Cont'd)

(i) Acquisition of RYRT International Sdn. Bhd. (Cont'd)

(c) Effects of acquisition on statements of comprehensive income

From the date of acquisition, the subsidiary's contributed revenue and profit net of tax are as follows:

	RM
Revenue	109,403,044
Profit for the financial year	<u>18,881,002</u>

If the acquisition had occurred on 1 January 2022, the consolidated results for the financial year ended 31 December 2022 would have been as follows:

	RM
Revenue	148,712,081
Profit for the financial year	<u>17,787,850</u>

(ii) Incorporation of new subsidiaries

The Group had on 1 March 2022 and 17 March 2022 incorporated 2 new subsidiaries, namely Central Global Energy Sdn. Bhd. And Central Global Development Sdn. Bhd. with initial share capital of RM100 each.

(b) Non-controlling interests in subsidiary

The financial information of the Group's subsidiaries that have material non-controlling interests are as follows:

Equity interest held by non-controlling interests:

Name of company	Principal place of business/Country of incorporation	Ownership interest	
		2023 %	2022 %
RYRT International Sdn. Bhd. ("RYRT")	Malaysia	-	<u>30</u>



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Non-controlling interests in subsidiary (Cont'd)

Carrying amount of material non-controlling interest:

	2023 RM	2022 RM
Name of company		
RYRT International Sdn. Bhd. ("RYRT")	-	7,954,888

Profit allocated to material non-controlling interest:

	2023 RM	2022 RM
Name of company		
RYRT International Sdn. Bhd. ("RYRT")	4,179,715	5,664,301

(c) Summarised financial information of material non-controlling interest

The summarised financial information (before intra-group elimination) of the Group's subsidiaries that have material non-controlling interests are as follows:

	RM
Summarised statements of financial position	
Financial year ended 31 December 2022	
Non-current assets	2,011,229
Current assets	71,994,647
Non-current liabilities	(994,509)
Current liabilities	(54,165,939)
	<u>18,845,428</u>
Summarised statements of comprehensive income	
Financial year ended 31 December 2022	
Revenue	109,403,044
Profit for the financial year and total comprehensive income	<u>18,881,002</u>
Summarised cash flow information	
Financial year ended 31 December 2022	
Cash flows used in operating activities	1,328,898
Cash flows used in investing activities	(1,310,600)
Cash flows generated from financing activities	924,647
	<u>942,945</u>
Net increase in cash and cash equivalents	<u>942,945</u>
Dividend paid to non-controlling interest	<u>-</u>



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

10. INVENTORIES

	2023 RM	Group 2022 RM
Raw material	6,422,764	13,037,445
Work-in-progress	2,046,821	3,161,446
Manufactured inventories	2,010,016	4,264,865
Trading inventories	2,324,872	2,326,899
	12,804,473	22,790,655
Recognised in profit or loss:		
Inventories recognised as cost of sales	48,861,362	55,556,332
Inventories written off	14,479	-

11. CONTRACT ASSETS/(LIABILITIES)

	2023 RM	Group 2022 RM
Contract assets relating to construction contracts	(a) 19,121,204	17,952,411
Less: Impairment loss	(b) (18,646,747)	-
Total contract assets	474,457	17,952,411
Contract liabilities relating to construction contracts	(c) (18,125,862)	(16,206,883)
Total contract liabilities	(18,125,862)	(16,206,883)
Net amount	(17,651,405)	1,745,528

(a) Contract assets

The contract assets represent the Group's and the Company's rights to consideration for the work performed for the construction contracts but yet to be billed. Contract assets are transferred to receivables when the Group and the Company issue progress billings to the customers. Typically, the amount will be billed within 60 days and payments is expected within 60 days.



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

11. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(b) Impairment

The movement in the impairment of contract assets is as follows:

	Group	
	2023 RM	2022 RM
At 1 January	-	-
Charge for the financial year		
- Individually assessed	18,646,747	-
At 31 December	18,646,747	-

(c) Contract liabilities

The contract liabilities represent progress billings and deposits received for construction contracts for which performance obligations have not been satisfied. The contract liabilities are expected to be recognised as revenue over a period of 60 days.

(d) Significant changes in contract balances

	2023		2022	
	Contract assets Increase/ (Decrease) RM	Contract liabilities (Increase)/ Decrease RM	Contract assets Increase/ (Decrease) RM	Contract liabilities (Increase)/ Decrease RM
Group				
Revenue recognised that was included in contract liability at the beginning of the financial year	-	16,206,883	-	-
Increase due to consideration received from customers, but revenue not recognised	-	(18,125,862)	-	(16,208,883)
Increase as a result of changes in the measure of progress	18,685,839	-	17,952,411	-
Transfer from contract assets recognised at the beginning of the period to receivables	(17,517,047)	-	(9,396,961)	-
Impairment losses on contract assets	(18,646,747)	-	-	-



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

12. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Trade					
Third parties	(a)	146,910,550	68,541,506	-	-
Retention sum	(b)	26,987,340	17,931,810	-	-
		173,897,890	86,473,316	-	-
Less:					
Impairment loss	(a)	(23,136,317)	(1,876,351)	-	-
		150,761,573	84,596,965	-	-
Non-trade					
Amount due from subsidiaries	(c)	-	-	27,271,886	16,797,411
Other receivables		7,928,427	19,379,141	-	-
Advance payment to suppliers		6,028,700	-	-	-
Deposits		1,080,935	566,509	1,500	2,758
Prepayments		659,419	188,552	4,728	-
		15,697,481	20,134,202	27,278,114	16,800,169
Less:					
Impairment loss	(d)	(2,362,285)	(94,051)	-	-
		13,335,196	20,040,151	27,278,114	16,800,169
		164,096,769	104,637,116	27,278,114	16,800,169

(a) Trade receivables

Trade receivables are non-interest bearing and normal credit terms offered by the Company ranging from 0 to 90 days (2022: 0 to 90 days) from the date of invoices. Other credit terms are assessed and approved on a case-by-case basis.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

	Group	
	2023 RM	2022 RM
At 1 January	1,876,351	84,605
Charge for the financial year		
- Individually assessed	21,259,966	1,876,351
Reversal of impairment losses	-	(7,650)
Written off of impairment losses	-	(76,955)
At 31 December	23,136,317	1,876,351

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

12. TRADE AND OTHER RECEIVABLES (CONT'D)

- (b) Retention sum relates to construction work-in-progress. Retention sum is unsecured, interest-free and is expected to be collected as follows:

	Group	
	2023 RM	2022 RM
Within 1 year	2,269,521	10,285,094
More than 1 year	24,717,819	7,646,716
	26,987,340	17,931,810

- (c) Amount due from subsidiaries is unsecured, non-interest bearing, repayable on demand.

(d) Other receivables

The Group's other receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of other receivables are as follows:

	Group	
	2023 RM	2022 RM
At 1 January	94,051	-
Charge for the financial year		
- Individually assessed	2,268,234	94,051
	2,362,285	94,051

13. SHORT TERM INVESTMENT

	Group	
	2023 RM	2022 RM
Financial assets designated at fair value through profit or loss ("DFVPL")		
At fair value:		
- Quoted equity securities	35,960	27,150

14. FIXED DEPOSITS WITH LICENSED BANK

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Fixed deposits placed with licensed bank	3,776,241	1,728,975	1,800,000	-

Fixed deposits have been pledged to banks from banking facilities granted to the Group as disclosed in Note 18(e) and 18(f) and hence, are not available for general use.

The interest rates for the fixed deposits placed with licensed bank range from 2.10% to 3.10% (2022: 2.10% to 2.85%) per annum.



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

15. CASH AND BANK BALANCES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	4,856,050	6,149,921	391,763	48,445

16. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amounts	
	2023 Units	2022 Units	2023 RM	2022 RM
Issued and fully paid up (no par value):				
At 1 January	141,760,214	101,864,002	100,111,517	64,432,047
Warrants exercised	25,056,300	10,953,904	20,045,040	8,763,124
Acquisition of a subsidiary	10,200,000	28,942,308	25,806,000	26,916,346
Share grant scheme	2,827,730	-	3,535,627	-
At 31 December	179,844,244	141,760,214	149,498,184	100,111,517

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

During the financial year,

- (i) the Company issued 10,200,000 new ordinary shares at a price of RM1.30 per ordinary share as the purchase consideration for the acquisition of the 30% equity interest in RYRT International Sdn Bhd pursuant to a sale and purchase agreement dated 31 May 2023. The fair value of the new ordinary shares, amounting to RM2.53 per ordinary share; and
- (ii) the Company issued 25,056,300 ordinary shares from the exercise of 25,056,300 units of Warrants A at an exercise price of RM0.80.
- (iii) the Company issued 2,827,730 ordinary shares as part of their Share Grant Scheme (SGS) under the Company's Long Term Incentive Scheme (LTIS) at a price based on the five (5)-day volume weighted average price (VWAP) of the Company's shares preceding to the share grant date.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

16. SHARE CAPITAL (CONT'D)

Warrants

Warrants A (2022/2025)

The Warrants A issued on 29 July 2022 are constituted under a Deed Poll dated 5 July 2022 executed by the Company. The Warrants A are listed on the Bursa Malaysia Securities Berhad.

The movement of Warrants A during the financial year ended 31 December 2023 are stated as below:

	← Number of Warrants →			
	At 1.1.2023	Issued	Exercised	At 31.12.2023
Warrants A (2022/2025)	51,437,820	-	(25,056,300)	26,381,520

The salient features of the Warrants A [2022/2025] are as follows:

- (i) Each warrant will entitle the registered holder/(s) at any time prior to 26 July 2025 to subscribe for one (1) new ordinary share at RM0.80 each. The Warrants entitlement is subject to adjustments under the terms and conditions as set out in the Deed Poll dated 5 July 2022;
- (ii) The exercise period is three (3) years from the date of issuance until the maturity date. Upon the expiry of the exercise period, any unexercised rights will lapse and cease to be valid for any purposes; and
- (iii) The holders of the Warrants are not entitled to vote in any general meetings or to participate in any dividends, distribution and/or offer of securities in the Company until and unless such holders of the Warrants exercise their Warrants into new shares.

17. OTHER RESERVES

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Foreign currency translation reserve	(a)	471,459	388,655	-	-
Share grant reserve	(b)	189,307	-	189,307	-
		660,766	388,655	189,307	-

- (a) The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency as well as the foreign currency differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation or another currency.
- (b) Share grant reserve comprises the number of ordinary shares that the Group had granted from the Long Term Incentive Scheme but yet to be allotted as of current financial year end.



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

18. LOANS AND BORROWINGS

		Group	
	Note	2023 RM	2022 RM
Non-current:			
Lease liabilities	(a)	58,027	189,526
Hire purchase payable	(b)	4,657,489	1,070,161
Term loan	(c)	21,947,832	-
		26,663,348	1,259,687
Current:			
Lease liabilities	(a)	245,260	321,633
Hire purchase payable	(b)	1,128,753	348,207
Term loan	(c)	590,500	-
Bankers' acceptance	(d)	4,296,282	6,284,888
Revolving credit	(e)	3,000,000	3,000,000
Bank overdrafts	(f)	181,755	36,101
		9,442,550	9,990,829
Total loans and borrowings:			
Lease liabilities	(a)	303,287	511,159
Hire purchase payable	(b)	5,786,242	1,418,368
Term loan	(c)	22,538,332	-
Bankers' acceptance	(d)	4,296,282	6,284,888
Revolving credit	(e)	3,000,000	3,000,000
Bank overdrafts	(f)	181,755	36,101
		36,105,898	11,250,516

(a) Lease liabilities

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group	
	2023 RM	2022 RM
Minimum lease payments:		
Not later than one year	254,245	341,815
Later than one year and not later than five years	58,970	194,531
	313,215	536,346
Less: Future finance charges	(9,928)	(25,187)
Present value of minimum lease payments	303,287	511,159
Present value of minimum lease payments:		
Not later than one year	245,260	321,633
Later than one year and not later than five years	58,027	189,526
	303,287	511,159
Less: Amount due within 12 months	(245,260)	(321,633)
Amount due after 12 months	58,027	189,526



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

18. LOANS AND BORROWINGS

(b) Hire purchase payables

Hire purchase payables of the Group of RM5,717,653 (2022: RM1,418,368) bears interest ranging from 2.13% to 7.79% (2022: 2.13% to 6.20%) per annum and are secured by the Group's motor vehicles and plant, machinery and tools under hire purchase arrangements as disclosed in Note 5(a).

(c) Term loan

Term loan of the Group of RM22,538,333 (2022: Nil) bears interest at 8.34% (2022: NIL) per annum and is repayable by monthly instalments over 7 years and is secured and supported as follows:

- (i) pledged of leasehold land as disclosed in Note 6(b).
- (ii) personal guarantee provided by Directors of the Company; and
- (iii) corporate guarantee provided by the Company

(d) Bankers' acceptance

The bankers' acceptance of the Group bears interest at the rate of 3.30% to 4.63% (2022: 3.01% to 4.48%) per annum and is secured by way of corporate guarantee.

(e) Revolving credit

The revolving credit of the Group bears interest at the rate of 4.44% to 5.00% (2022: 4.15% to 5.01%) per annum and is secured by way of:

- (i) pledged of fixed deposits with a licensed bank as disclosed in Note 14; and
- (ii) corporate guarantee of the Company.

(f) Bank overdrafts

The bank overdraft of the Group bears interest at the rate of 7.57% (2022: 6.32% to 7.32%) per annum and is secured by way of:

- (i) facilities agreement as principal instrument;
- (ii) pledged of fixed deposits with a licensed bank as disclosed in Note 14;
- (ii) deed of assignment of contract proceed; and
- (iv) corporate guarantee provide by the Company.

19. EMPLOYEE BENEFITS

	Group	
	2023 RM	2022 RM
Net defined benefit liability	-	1,322,217

The Group provides retirement benefits for all permanent Union employees who joined the Company prior to 1 January 2008. Under the Scheme, a retired/resigned employee is entitled to receive an annual payment equal to 0.75 month of the last drawn salary for each year of service the employee provided.

During the financial year, the Group had offered Share Grant Scheme (SGS) under the Company's Long Term Incentive Scheme (LTIS) to the eligible employees to replace the existing retirement benefits. All eligible employees accepted the offer and the existing retirement benefits are fully paid off.



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

19. EMPLOYEE BENEFITS (CONT'D)

Movement in the net defined benefit liability

The following table illustrates a reconciliation of the net defined benefit liability and its components:

	2023 RM	Group 2022 RM
At 1 January	1,322,217	1,619,193
Included in profit or loss		
Current service cost	22,775	61,780
Interest cost	30,150	72,210
Adjustment on settlement	76,191	-
	129,116	133,990
Included in other comprehensive income		
Remeasurement gain of the net defined liability:		
- Actuarial gain arising from financial assumptions	-	(68,875)
Other		
Benefits paid	(53,365)	(362,091)
Share grant scheme	(1,397,968)	-
At 31 December	-	1,322,217

Significant actuarial assumptions

Principal actuarial assumptions at the end of the reporting period (expressed as weighted averages):

	2023 RM %	Group 2022 RM %
Discount rate	-	5.2
Future salary growth	-	4.0

At 31 December 2023, the weighted-average duration of the defined benefit obligation is NIL (2022: 7 years).

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

19. EMPLOYEE BENEFITS (CONT'D)

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	Reasonably possible change in assumption %	Effect on defined benefit obligation Increase/(Decrease)	
		RM	RM
Group			
2022			
Discount rate	1.0	(71,304)	79,247
Future salary growth	1.0	72,970	(66,956)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in significant actuarial assumptions occurring at the end of reporting period.

Although the analysis does not account to the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

20. DEFERRED TAX LIABILITIES

Deferred tax relates to the following:

	At 1 January 2023 RM	Recognised in profit or loss (Note 27) RM	At 31 December 2023 RM
Group			
Property, plant and equipment	(1,011,068)	(176,125)	(1,187,193)
Provisions	524,859	(642,977)	(118,118)
Other deductible differences	(551,966)	547,888	(4,078)
	(1,038,175)	(271,214)	(1,309,389)

	At 1 January 2022 RM	Recognised in profit or loss (Note 27) RM	Acquisition of a subsidiary (Note 9) RM	At 31 December 2022 RM
Group				
Provisions	658,650	(133,791)	-	524,859
Property, plant and equipment	(998,417)	(12,651)	-	(1,011,068)
Other deductible differences	-	1,887,811	(2,439,777)	(551,966)
	(339,767)	1,741,369	(2,439,777)	(1,038,175)



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

20. DEFERRED TAX LIABILITIES (CONT'D)

Deferred tax relates to the following: (Cont'd)

	2023 RM	Group 2022 RM
Presented after appropriate offsetting as follows:		
Deferred tax assets	-	524,859
Deferred tax liabilities	(1,309,389)	(1,563,034)
	(1,309,389)	(1,038,175)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	2023 RM	Group 2022 RM
Unabsorbed capital allowances	1,301,389	607,698
Unutilised reinvestment allowances	10,022,950	10,022,950
Unutilised tax losses	5,742,421	2,954,523
Others	653,795	2,774,613
	17,720,555	16,359,784

The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

The foreign unutilised tax losses applicable to foreign incorporated subsidiary company are pre-determined by and subject to the tax legislation of the respective country.

The unused tax losses are available for offset against future taxable profits of the Group up to the following financial years:

	2023 RM	Group 2022 RM
2030	25,187	2,444,144
2031	65,841	382,530
2032	5,638,631	-
With no expiry	12,762	127,849
	5,742,421	2,954,523

The unutilised reinvestment allowances will expire as follows:

	2023 RM	Group 2022 RM
Unutilised reinvestment allowances 2025	10,022,950	10,022,950

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

21. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Trade					
Third parties		42,542,422	26,514,561	-	-
Accrued cost		26,257,775	2,733,542	-	-
Retention sum	(a)	10,934,252	6,438,371	-	-
		79,734,449	35,686,474	-	-
Non-trade					
Amount due to subsidiaries	(b)	-	-	5,709,864	10,620,657
Amount due to directors	(c)	-	724,668	-	-
Other payables		4,237,170	9,305,952	200,056	557,194
Accrued expense		596,803	4,511,371	69,070	37,545
		4,833,973	14,541,991	5,978,990	11,215,396
		84,568,422	50,228,465	5,978,990	11,215,396

- (a) Retention sum relates to construction work-in-progress. Retention sum is unsecured, interest-free and is expected to be paid after 2 years. The retention sum which is payable upon the expiry of defect liability period is expected to be settled as follows:

	Group	
	2023 RM	2022 RM
Within 1 year	4,681,419	5,269,752
More than 1 year	6,252,833	1,168,619
	10,934,252	6,438,371

- (b) Amount due to subsidiaries are unsecured, non-interest bearing, repayable upon demand.

- (c) Amount due to directors are unsecured, non-interest bearing, repayable upon demand.

22. REVENUE

	Group	
	2023 RM	2022 RM
Revenue from contract customers:		
- Sale of goods	50,151,292	57,610,266
- Construction contracts	168,412,468	153,559,331
	218,563,760	211,169,597



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

22. REVENUE (CONT'D)

(a) Disaggregation of revenue

For the purpose of disclosure for disaggregation of revenue, it disaggregates revenue into primary geographical markets, major products or services, timing and revenue recognition (i.e. goods transferred at a point in time or services transferred over time).

	Group	
	2023 RM	2022 RM
Primary geographical markets		
- Malaysia	199,041,825	189,330,464
- Asia (excluding Malaysia)	14,073,991	16,403,290
- Australia	2,928,446	2,234,826
- United States of America	756,576	1,885,075
- Europe	919,108	550,456
- Other countries	843,814	765,486
	218,563,760	211,169,597
Major products and services lines		
- Self-adhesive tapes	32,504,183	37,520,806
- Self-adhesive label stocks	10,071,177	5,725,836
- Trading goods	7,575,932	14,363,624
- Construction contracts	168,412,468	153,559,331
	218,563,760	211,169,597
Timing and revenue		
- At a point in time	50,151,292	57,610,266
- Over time	168,412,468	153,559,331
	218,563,760	211,169,597

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

22. REVENUE (CONT'D)

(b) Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Label stocks and tapes	Revenue is recognised when the control of the goods are transferred and accepted by the customers.	Credit period of 14 – 90 days from invoice date.	Discounts are given to customers where the customers pay within 30 days from invoice date.	The Group allows returns only for exchange with new goods (i.e. no cash refunds are offered).	Not applicable.
Construction contracts	Revenue is recognised over time using the cost incurred method. The construction is on land owned by the customer.	Based on agreed milestones, certified by architects.	Certain projects are embedded with sharing of base cost saving.	Not applicable.	Defect liability period of 2 years is given to the customer.

(c) Transaction price allocated to the remaining performance obligations

The revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date is RM233,559,087 (2022: RM301,998,211). The Group expected to recognise the revenue progressively over 1 to 2 years (2022: 1 to 2 years) based on the progress of satisfaction of the performance obligation.

The Group applies the practical expedient in paragraph 121(a) of MFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

	2024 RM	2025 RM	Total RM
2023			
Construction contracts	171,821,708	61,737,379	233,559,087
	2023 RM	2024 RM	Total RM
2022			
Construction contracts	213,465,556	88,532,655	301,998,211



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

22. REVENUE (CONT'D)

(c) Transaction price allocated to the remaining performance obligations (Cont'd)

The Group applies the following practical expedients:

- exemption on disclosure of information on remaining performance obligations that have original expected durations of one year or less.
- exemption not to adjust the promised amount of consideration for the effects of a significant financing component when the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service is one year or less.

23. FINANCE INCOME

	2023 RM	Group 2022 RM
Interest income from:		
- Fixed deposits	70	31,322
- REPO	47,556	3,395
	47,626	34,717

24. FINANCE COST

	2023 RM	Group 2022 RM
Interest expense from:		
- Revolving credit	131,070	27,820
- Bankers' acceptance	230,531	256,213
- Bank overdrafts	13,102	131,370
- Lease liabilities	24,720	49,920
	399,423	465,323

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

25. (LOSS)/PROFIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at (loss)/profit before tax:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Auditors' remuneration				
- statutory audit:				
- Baker Tilly Monteiro Heng PLT	303,500	299,667	46,000	41,000
- Other auditors	14,617	13,755	-	-
Other services				
- Baker Tilly Monteiro Heng PLT	31,000	46,000	31,000	46,000
- Member firms of Baker Tilly International	25,000	19,800	2,500	2,800
- Other auditors	69,194	66,936	56,125	56,777
Depreciation of:				
- property, plant and equipment	1,663,637	1,111,244	8,943	7,675
- right-of-use assets	424,465	243,564	-	-
- investment properties	16,899	16,901	-	-
(Gain)/loss on disposal of property, plant and equipment	(395,720)	66,255	-	-
Property, plant and equipment written off	4	20,269	-	-
Expenses relating to:				
- short term lease	487,850	394,902	49,840	15,840
- low value assets	38,614	23,195	4,602	3,762
Impairment loss on goodwill	-	426,772	-	-
Impairment loss in investment in a subsidiary	-	-	3,138,085	301
Impairment loss on financial assets and contract assets:				
- trade receivables	21,259,966	1,876,351	-	-
- other receivables	2,268,234	94,051	-	-
- contract assets	18,646,747	-	-	-
Reversal of impairment loss on trade receivables	-	(7,650)	-	-
Inventories written off	14,479	-	-	-
Net realised foreign exchange loss	(7,853)	(70,773)	-	-
Net unrealised foreign exchange loss	(9,389)	(25,265)	-	-
Employee benefits expense (excluding directors' emoluments)	129,116	133,990	-	-
- Wages, salaries and others	9,241,317	8,786,339	272,428	100,290
- Employees' Provident Fund contribution	1,130,733	1,079,408	31,896	12,560
- SOCSO	141,940	261,527	1,470	-
- Share grant scheme	1,899,768	-	8,470	-



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

26. KEY MANAGEMENT PERSONNEL COMPENSATION

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Short term employee benefit	2,150,256	2,621,313	831,851	833,067
Defined contribution plan	238,736	296,403	68,448	68,724
Share grant scheme	1,635,859	-	1,528,807	-
	4,024,851	2,917,716	2,429,106	901,791

Include in the total compensation of key management personnel are:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Directors				
- Fees	199,477	213,390	199,477	213,390
- Remuneration and others	1,866,052	2,035,923	556,000	519,677
- Defined contribution plans	239,081	265,683	60,440	56,724
- Share grant scheme	1,635,859	-	1,528,807	-
	3,940,469	2,514,996	2,344,724	789,791

27. INCOME TAX EXPENSE

The major components of income tax expense for the financial years ended 31 December 2023 and 31 December 2022 are as follows:

	Group	
	2023 RM	2022 RM
Current tax expense		
- Current year	5,228,675	5,603,834
- Prior year	(194,890)	17,410
	5,033,785	5,621,244
Deferred tax expense (Note 20)		
- (Reversal)/Origination of temporary differences	(686,587)	(1,655,544)
- Prior year	957,800	(85,825)
	271,213	(1,741,369)
Total tax expense	5,304,998	3,879,875

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2022: 24%) of the estimated assessable profit for the financial year.

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

27. INCOME TAX EXPENSE (CONT'D)

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
(Loss)/Profit before tax	(32,576,156)	17,010,865	(7,309,533)	(2,273,028)
Tax at Malaysian statutory income tax of 24% (2022: 24%)	(7,818,277)	4,082,608	(1,754,288)	(545,527)
Effect of lower tax rate in foreign jurisdiction	(7,429)	(11,380)	-	-
Non-deductible expenses	12,069,410	737,984	1,754,288	545,527
Income not subject to tax	(28,201)	(3,120)	-	-
Origination/(Utilisation) of deferred tax assets not recognised	326,585	(857,802)	-	-
Adjustment in respect of income tax of prior years	(194,890)	17,410	-	-
Adjustment in respect of deferred tax of prior years	957,800	(85,825)	-	-
Income tax expense	5,304,998	3,879,875	-	-

28. (LOSS)/EARNINGS PER ORDINARY SHARE

Basic (loss)/earnings per ordinary share

Basic (loss)/earnings per share are based on the (loss)/profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2023 RM	2022 RM
(Loss)/Profit attributable to owners of the Company	(42,060,869)	7,466,689
Weighted average number of ordinary shares for basic (loss)/earnings per share	156,090,470	119,033,564
Basic (loss)earnings per ordinary share (sen)	(26.95)	6.27



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

28. (LOSS)/EARNINGS PER ORDINARY SHARE (CONT'D)

Diluted (loss)/earnings per ordinary share

Diluted (loss)/earnings per ordinary share are based on the (loss)/earnings for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of the Warrants into ordinary shares, calculated as follows:

	Group	
	2023 RM	2022 RM
(Loss)/Profit attributable to owners of the Company	(42,060,869)	7,466,689
Weighted average number of ordinary shares for basic (loss)/earnings per share	156,090,470	119,033,564
Effect of dilution from Warrants	122,689	178,546
	<u>156,213,159</u>	<u>119,212,110</u>
Diluted (loss)/earning per ordinary share (sen)	<u>(26.93)</u>	<u>6.26</u>

29. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

- (i) Amortised cost
- (ii) Fair value through profit or loss ("FVPL")

Group	Carrying amount RM	Amortised cost RM	FVPL RM
2023			
Financial assets			
Trade and other receivables ^	157,408,650	157,408,650	-
Short term investment	35,960	-	35,960
Fixed deposits with licensed bank	3,776,241	3,776,241	-
Cash and bank balances	4,856,050	4,856,050	-
	<u>166,076,901</u>	<u>166,040,941</u>	<u>35,960</u>
Financial liabilities			
Loans and borrowings	36,105,898	36,105,898	-
Trade and other payables	84,568,422	84,568,422	-
	<u>120,674,320</u>	<u>120,674,320</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

29. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of financial instruments (Cont'd)

Group	Carrying amount RM	Amortised cost RM	FVPL RM
2022			
Financial assets			
Trade and other receivables ^	104,448,564	104,448,564	-
Short term investment	27,150	-	27,150
Fixed deposits with licensed bank	1,728,975	1,728,975	-
Cash and bank balances	6,149,921	6,149,921	-
	112,354,610	112,327,460	27,150
Financial liabilities			
Loans and borrowings	11,250,516	11,250,516	-
Trade and other payables	50,228,465	50,228,465	-
	61,478,981	61,478,981	-

^ Exclude prepayment and advance payment to suppliers

Company	Carrying amount RM	Amortised cost RM
2023		
Financial assets		
Trade and other receivables ^	27,273,386	27,273,386
Fixed deposits with licensed bank	1,800,000	1,800,000
Cash and bank balances	391,763	391,763
	29,465,149	29,465,149
Financial liability		
Trade and other payables	5,978,990	5,978,990
2022		
Financial assets		
Trade and other receivables ^	16,800,169	16,800,169
Cash and bank balances	48,445	48,445
	16,848,614	16,848,614
Financial liability		
Trade and other payables	11,215,396	11,215,396

^ Exclude prepayment and advance payment to suppliers



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

29. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and foreign currency risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders. The Group and the Company use derivative financial instruments, such as, foreign exchange contracts to hedge certain exposures. The Group and the Company do not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management and executive directors. The audit committee provides independent oversight to the effectiveness of the risk management process.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

The Group and the Company consider a financial asset to be in default when:

- the counterparty is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

At the end of the reporting period, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Those events evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the counterparty;
- a breach of contract, including a default event;
- a concession or restructuring of loans granted by the lender of the counterparty relating to the counterparty's financial difficulty; or
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

29. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position.

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

Credit risk concentration profile

The Group determines the credit risk concentration of its trade receivables and contract assets by geographical region. The credit risk concentration profile of the Group's trade receivables and contract assets at the reporting date are as follows:

	2023	2022
	RM	RM
Malaysia	149,207,228	99,451,222
Asia (excluding Malaysia)	1,467,168	2,047,214
Australia	438,667	-
United States of America	122,967	1,007,119
Europe	-	43,821
	151,236,030	102,549,376

The Group applies the simplified approach to provide for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit losses provision for all trade receivables and contract assets. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information.

For construction contracts, as there are only a few customers, the Group assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable.



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

29. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Credit risk concentration profile (Cont'd)

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows:

Group	Gross carrying amount RM	Impairment loss RM	Net balance RM
At 31 December 2023			
Contract assets	19,121,204	(18,646,747)	474,457
Trade receivables			
Current (not past due)	66,913,060	-	66,913,060
1 - 30 days past due	38,225,072	-	38,225,072
31 - 60 days past due	20,701,909	-	20,701,909
61 - 90 days past due	22,033,254	-	22,033,254
More than 90 days past due	26,024,595	(23,136,317)	2,888,278
	173,897,890	(23,136,317)	150,761,573
At 31 December 2022			
Contract assets	17,952,411	-	17,952,411
Trade receivables			
Current (not past due)	32,137,080	-	32,137,080
1 - 30 days past due	8,714,618	-	8,714,618
31 - 60 days past due	6,712,741	-	6,712,741
61 - 90 days past due	655,331	-	655,331
More than 90 days past due	38,253,546	(1,876,351)	36,377,195
	86,473,316	(1,876,351)	84,596,965

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

29. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Credit risk concentration profile (Cont'd)

The movement in allowance for impairment losses on trade receivables and contract assets are as follows:

	2023 RM	Group 2022 RM
Credit impaired		
At 1 January	1,876,351	84,605
Charge for the financial year		
- Individually assessed	39,906,713	1,876,351
Reversal of impairment losses	-	(7,650)
Written off of impairment losses	-	(76,955)
At 31 December	41,783,064	1,876,351

Other receivables and other financial assets

For other receivables and other financial assets (including investment securities, cash and cash equivalents and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

As at the end of the reporting date, the Group and the Company consider the other receivables and other financial assets as low credit risk and any loss allowance would be negligible.



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

29. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Financial guarantee contracts

The maximum exposure to credit risk amounts to RM36,607,352 (2022: RM6,311,897) where the financial guarantees of RM2,369,566 (2022: RM691,627) and RM34,237,786 (2022: RM5,620,270) are provided as credit enhancements to a subsidiary's secured contracts and a subsidiary's secured banking facilities respectively.

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 29(b) (ii). As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to subsidiaries' secured borrowings.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's and the Company's treasury department also ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

29. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

	Contractual cash flows				Total RM
	Carrying amount RM	On demand or within 1 year RM	Between 1 and 5 years RM	More than 5 years RM	
Group					
At 31 December 2023					
Trade and other payables	84,568,422	84,568,422	-	-	84,568,422
Lease liabilities	303,287	254,245	58,970	-	313,215
Hire purchase payable	5,786,242	1,491,536	5,058,650	-	6,550,186
Term loan	22,538,332	-	23,700,340	-	23,700,340
Bankers' acceptance	4,296,282	4,296,282	-	-	4,296,282
Bank overdrafts	181,755	181,755	-	-	181,755
Revolving credit	3,000,000	3,000,000	-	-	3,000,000
	120,674,320	93,792,240	28,817,960	-	122,610,200
At 31 December 2022					
Trade and other payables	50,228,465	50,228,465	-	-	50,228,465
Lease liabilities	511,159	341,815	194,531	-	536,346
Hire purchase payable	1,418,368	402,006	1,082,013	98,293	1,582,312
Bankers' acceptance	6,284,888	6,284,888	-	-	6,284,888
Bank overdrafts	36,101	36,101	-	-	36,101
Revolving credit	3,000,000	3,000,000	-	-	3,000,000
	61,478,981	60,293,275	1,276,544	98,293	61,668,112



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

29. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows: (Cont'd)

	← Contractual cash flows →		
	Carrying amount RM	On demand or within 1 year RM	Total RM
Company			
At 31 December 2023			
Trade and other payables	5,978,990	5,978,990	5,978,990
Financial guarantee contracts	-	36,607,352	36,607,352
	5,978,990	42,586,342	42,586,342
At 31 December 2022			
Trade and other payables	11,215,396	11,215,396	11,215,396
Financial guarantee contracts	-	6,311,897	6,311,897
	11,215,396	17,527,293	17,527,293

(iii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's and the Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's and the Company's operating activities (when sales and purchases that are denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

Management has set up a policy that requires all companies within the Group and the Company to manage their treasury activities and exposures. The Group's and the Company's policy is to hedge all material foreign currency exposures arising from its transactions and balances using derivative instruments that have maturity periods that match the corresponding maturity periods of the hedged items. In addition, the Group and the Company also takes advantage of any natural effects of its foreign currencies revenues and expenses by maintaining current accounts in foreign currencies.

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

29. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Foreign currency risk (Cont'd)

The Group's unhedged financial assets and liabilities that are not denominated in their functional currencies are as follows:

	Group	
	2023 RM	2022 RM
Financial assets and (liabilities) not held in functional currencies		
<u>Trade and other receivables</u>		
United States Dollar ("USD")	1,031,844	1,007,119
Chinese Yuan ("CNY")	311,648	743,814
Singapore Dollar ("SGD")	1,277,116	1,348,196
Euro ("EUR")	-	43,821
	2,620,608	3,142,950
<u>Cash and cash equivalents</u>		
United States Dollar ("USD")	1,610,244	453,010
Singapore Dollar ("SGD")	555,384	780,176
	2,165,628	1,233,186
<u>Trade and other payables</u>		
United States Dollar ("USD")	(305,592)	(1,974,431)
Chinese Yuan ("CNY")	(1,832)	(377,702)
Singapore Dollar ("SGD")	(156,927)	(141,169)
Japanese Yen ("JPY")	(20,823)	(73,211)
	(485,174)	(2,566,513)



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

29. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

The Group's principal foreign currency exposure relates mainly to USD, CNY, SGD, EUR and JPY.

The following table demonstrates the sensitivity to a reasonably possible change in the USD, CNY, SGD, EUR and JPY, with all other variables held constant on the Group's and the Company's total equity and profit for the financial year.

	Change in rate %	Effect on profit for the financial year/equity RM
Group		
31 December 2023		
- USD	+ 10%	177,574
	- 10%	(177,574)
- CNY	+ 10%	23,546
	- 10%	(23,546)
- SGD	+ 10%	127,344
	- 10%	(127,344)
- JPY	+ 10%	(1,583)
	- 10%	1,583
<hr/>		
Group		
31 December 2022		
- USD	+ 10%	(39,087)
	- 10%	39,087
- CNY	+ 10%	27,825
	- 10%	(27,825)
- SGD	+ 10%	151,027
	- 10%	(151,027)
- EUR	+ 10%	3,330
	- 10%	(3,330)
- JPY	+ 10%	(5,564)
	- 10%	5,564
<hr/>		

(c) Fair value measurement

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

There were no transfers in either directions during the financial years (2022: no transfer in either directions).



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

30. RELATED PARTIES

(a) Identify of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

- (i) Subsidiaries;
- (ii) Entities in which directors have substantial financial interests; and
- (iii) Key management personnel of the Group and the Company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Company	
	2023 RM	2022 RM
Rental expense		
Subsidiary	49,840	15,840

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Note 12 and Note 21.

The Company provides secured corporate guarantees to banks in respect of banking facilities granted to the subsidiaries as disclosed in Note 18.

(c) Compensation of key management personnel

Key management personnel includes all the Directors of the Group.

There were no transactions with the key management personnel other than the remuneration package paid to them in accordance with the terms and conditions of their appointment as disclosed in Note 26.



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

31. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholder value. The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 31 December 2023 and 31 December 2022.

The Group and the Company monitor capital using debt to equity ratio. The debt to equity ratio is calculated as total debts divided by total equity. The debt to equity ratio at 31 December 2023 and 31 December 2022 are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Total loan and borrowings	36,105,898	11,250,516	-	-
Less: Cash and bank balances	(4,856,050)	(6,149,921)	(391,763)	(48,445)
Less: Fixed deposits with licensed banks	(3,776,241)	(1,728,975)	(1,800,000)	-
Net cash	27,473,607	3,371,620	(2,191,763)	(48,445)
Total equity	85,931,009	99,959,385	135,720,178	93,453,737
Debt-to-equity ratio	31.97%	3.37%	NA	NA

There were no changes in the Group's and the Company's approach to capital management during the financial year.

32. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by the Chief Operating Decision Maker ("CODM") (i.e. Managing Director of respective business units) for the purpose of making decisions about resource allocation and performance assessment.

The reportable operating segments are as follows:

Segments	Products and services
Manufacturing and trading	Manufacturing and trading of self-adhesive label stocks, tapes and related products
Construction contracts	Construction of residential buildings and public infrastructure.
Others	Investment holding.

Intersegment pricing is determined based on negotiated terms.



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

32. SEGMENT INFORMATION (CONT'D)

Segments profit

Segment performance is used to measure performance as CODM believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segments assets

The total of segment assets is measured on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total assets are used to measure the return on assets of each segment.

Segments liabilities

Segment liabilities information is neither included in the internal reports that are reviewed by the Group's CODM. Hence, no disclosure is made on segment liability.

Segments capital expenditure

Segment capital expenditure is the total cost incurred during the financial period to acquire property, plant and equipment, investment properties and intangible assets other than goodwill.



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

32. SEGMENT INFORMATION (CONT'D)

	Note	Manufacturing and trading		Construction contracts		Others		Eliminations		Consolidated	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
		RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Revenue											
Revenue from external customers		50,151,292	57,610,266	168,412,468	153,559,331	-	-	-	-	218,563,760	211,169,597
Inter-segment revenue	A	3,766,434	5,127,210	24,803,159	45,230,252	-	-	(28,569,593)	(50,357,462)	-	-
		53,917,726	62,737,476	193,215,627	198,789,583	-	-	(28,569,593)	(50,357,462)	218,563,760	211,169,597
Results											
Included in measure of segment (loss)/profit are:											
Depreciation of:											
- Property, plant and equipment		(837,654)	(614,298)	(783,661)	(455,892)	(8,943)	(7,675)	(33,379)	(33,379)	(1,663,637)	(1,111,244)
- Right-of-use assets		(306,966)	(189,336)	(119,309)	(54,228)	-	-	1,810	-	(424,465)	(243,564)
- Investment properties		(50,278)	(50,280)	-	-	-	-	33,379	33,379	(16,899)	(16,901)
Net reversal/(impairment loss) on financial instruments and contract assets		-	7,650	(42,174,947)	(1,970,402)	-	-	-	-	(42,174,947)	(1,962,752)
Finance income		128,445	289,109	21,010	2,347	-	-	(101,829)	(256,739)	47,626	34,717
Finance costs		(388,521)	(305,518)	(112,731)	(416,544)	-	-	101,829	256,739	(999,423)	(465,323)
Segment (loss)/profit		(3,853,089)	(873,701)	(24,470,392)	24,419,857	(8,153,825)	(2,699,430)	3,901,150	(3,835,861)	(32,576,156)	17,010,865
Included in the measure of segment assets are:											
Additions to non-current assets other than financial instruments and deferred tax assets		35,524,818	1,010,797	3,457,225	1,562,769	462	6,278	(22,076,066)	-	16,906,439	2,579,844
Segment assets		85,389,639	70,369,958	234,255,352	174,101,585	143,206,341	104,670,953	(225,724,439)	(159,632,512)	237,126,893	189,509,984



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

32. SEGMENT INFORMATION (CONT'D)

A Inter-segment revenue

Inter-segment revenues are eliminated on consolidation.

Geographical information

Revenue and non-current assets information based on the geographical location of customers are as follows:

	Revenue RM	Non-current assets RM
2023		
Malaysia	199,041,825	49,923,735
Asia (excluding Malaysia)	14,073,991	112,872
Australia	2,928,446	-
United States of America	756,576	-
Europe	919,108	-
Others	843,814	-
	218,563,760	50,036,607
2022		
Malaysia	189,330,464	35,135,898
Asia (excluding Malaysia)	16,403,290	373,417
Australia	2,234,826	-
United States of America	1,885,075	-
Europe	550,456	-
Others	765,486	-
	211,169,597	35,509,315

Information about major customers

For construction segment, revenue from one (2022: one) customer represented RM138,177,358 (2022: RM107,978,625) for the Group's total revenue.



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

33. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

(a) Acquisition of additional interest in RYRT International Sdn. Bhd.

On 5 October 2023, the wholly-owned subsidiary, CIC Construction Sdn. Bhd. has completed the acquisition of additional 30% equity interest in RYRT International Sdn. Bhd. for a purchase consideration of RM25,806,000 which is satisfied wholly by issuance of 10,200,000 new ordinary shares in the Company at an issue price of RM1.04 per share. The value of the new ordinary shares, amounting to RM2.53 per ordinary share.

The acquisition is deemed completed following the listing of 10,200,000 consideration shares on the Main Market of Bursa Securities on 5 October 2023.

(b) 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").

On 18 January 2023, the Company announced that effective grant date for the first tranche of the SGS amounting to 697,859 ordinary shares of CGB to eligible employees on 18 January 2023 at an issue price at RM0.9635 based on the five (5)-day volume weighted average market price of the Company's shares immediately preceding the share grant date.

On 11 April 2023, the Company announced that the effective grant date for the first tranche of the SGS amounting to 945,340 ordinary shares of CGB to the eligible director on 11 April 2023 at an issue price at RM1.1085 based on the five (5)-day volume weighted average market price of the Company's shares immediately preceding the share grant date.

On 15 June 2023, the Company announced that the effective grant date for the first tranche of the SGS amounting to 333,170 ordinary shares of CGB to the eligible director on 15 June 2023 at an issue price at RM1.4434 based on the five (5)-day volume weighted average market price of the Company's shares immediately preceding the share grant date.

On 30 June 2023, the Company announced that the effective grant date for the first tranche of the SGS amounting to 1,000,000 ordinary shares of CGB to the eligible employees on 30 June 2023 at an issue price at RM1.5240 based on the five (5)-day volume weighted average market price of the Company's shares immediately preceding the share grant date.

(c) Proposed Share Split and Issuance of Free Warrant

The Company had via the Extraordinary General Meeting (EGM) held on 20 February 2024 obtained its shareholders' approval to subdivide every 1 existing ordinary share of the Company into 4 subdivided ordinary shares at an entitlement date on 8 March 2024.

The total issued and paid-up share capital comprising 183,518,885 ordinary shares to be subdivided into 734,075,540 ordinary shares as of the close of business on 8 March 2024 as per the Record of Depositors of the Company as at 8 March 2024.

734,075,540 Split Shares is listed and quoted on the Main Market of Bursa Securities on 11 March 2024.

The Company had on 13 March 2024 announced that 244,691,418 Warrants B have been issued pursuant to the basis of 1 Warrant B for every 3 Split Shares held by Warrants B Entitled Shareholders on the Warrants B entitlement Date being 8 March 2024.

On 14 March 2024, the Company had announced that the 244,691,418 Warrants B issued has been listed and quoted with effect from 9:00 a.m. on 15 March 2024, marking the completion of the proposed share split and issuance of free warrant.



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

34. MATERIAL LITIGATION

(i) Trade Empire Sdn. Bhd. (“Plaintiff”) vs Proventus Bina Sdn. Bhd. & Kong Teck Fong (“Defendants”)

Proventus Bina Sdn. Bhd. (“PBSB”), a wholly owned 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 Plaintiffs 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 counter claim against the Plaintiff to which the Penang High Court had directed the Plaintiff to enter their reply and defense 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 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. On 18 March 2024, the Court adjourned the hearing for the Plaintiff’s application for summary judgement application and the Third Party’s application to set aside the Third Party Notice in view of a possibility of settlement. The interlocutory applications will be heard on 18 July 2024 via zoom.

(ii) 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 ”or “Claimant”) a wholly-owned subsidiary of CIC Construction Sdn. Bhd., had commenced an adjudication proceeding pursuant to CIPAA2012 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 stated above.

Claimant had on 7 September 2023 served a payment claim amounting to RM7.41million (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 CIPAA2012. On 8 January 2024, PBSB received the adjudication decision from the Adjudicator who had decided in favour of the Claimant.



NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

34. MATERIAL LITIGATION (CONT'D)

(iii) 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 ”or “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 CIPAA2012 against Prisma Bumiraya Sdn. Bhd. (“Respondent”). The Claimant is claiming for the principal sum of RM7.16 million and RM0.47 million, 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 stated 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 CIPAA2012 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.

PBSB had on 5 April 2024 received the adjudication decision dated 3 April 2024 from the Adjudicator who had decided in favour of the PBSB.

(iv) Commencement of Adjudication Proceeding pursuant to the Construction Industry Payment and Adjudication Act 2012 (“CIPAA2012”) by Proventus Bina Sdn. Bhd. (“Claimant”) against Jonah Bina Sdn. Bhd. (“Respondent”).

Proventus Bina Sdn. Bhd. (“PBSB ”or “Claimant”) a wholly-owned subsidiary of CIC Construction Sdn. Bhd. had commenced an adjudication proceeding pursuant to CIPAA2012 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 “Sungai Pinang Project”:-

“Cadangan Mendirikan 1 Blok Rumah Pangsa Mampu Milik 16-Tingkat (378Unit) 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.

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

PBSB had on 1 April 2024 received the adjudication decision dated 1 April 2024 from the Adjudicator who had decided in favour of PBSB.



STATEMENT BY DIRECTORS

(Pursuant to Section 251(2) of the Companies Act 2016)

We, **CHEW HIAN TAT** and **LEE CHEE VUI**, being two of the directors of Central Global Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 68 to 134 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors,

CHEW HIAN TAT

Director

LEE CHEE VUI

Director

Kuala Lumpur

Date: 29 April 2024



STATUTORY DECLARATION

(Pursuant to Section 251(1) of the Companies Act 2016)

I, **NG JIA WEI**, being the officer primarily responsible for the financial management of Central Global Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 68 to 134 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

NG JIA WEI
(MIA membership no: 26624)

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 29 April 2024.

Before me,

Rosli Bin Saad
License No. W904
Commissioner for Oaths



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CENTRAL GLOBAL BERHAD

(Incorporated in Malaysia)

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Central Global Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended and notes to the financial statements, including material accounting policy information, as set out on pages 68 to 134.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis of Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

Trade receivables and contract assets (Notes 4(a), 11 and 12 to the financial statements)

The Group has significant trade receivables and contract assets as at 31 December 2023 which include certain amounts which are long outstanding. We focused on this area because the Group made significant judgements over assumptions about risk of default. In making the assumptions, the Group selected inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of the reporting period.

Our audit response:

Our audit procedures included, among others:

- understanding the design and implementation of controls associated with monitoring of outstanding receivables and contract assets and impairment calculation;
- understanding of significant credit exposures which were significantly overdue or deemed to be in default through analysis of ageing reports and other collection or legal reports prepared by management;
- obtaining confirmation of balances from selected receivables; and
- checking subsequent receipts, customer correspondence, and considering level of activity with the customer and management explanation on recoverability with significantly past due balances.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CENTRAL GLOBAL BERHAD

(Incorporated in Malaysia)
(cont'd)

Key Audit Matters (Cont'd)

Group (Cont'd)

Inventories (Notes 4(b) and 10 to the financial statements)

As at 31 December 2023, the carrying amount of inventories held by the Group amounting to RM12,804,473. We focused on this area because the computation of the Group on the cost allocation process involves multiple inputs and significant judgment is required to estimate the cost of manufactured goods and work-in-progress. The review of valuation of these inventories at lower of cost and net realisable value by the Group are major source of estimation uncertainty.

Our audit response:

Our audit procedures included, among others:

- obtaining an understanding of the inventories policy and its related processes in allocating, recording and computing the cost of inventories;
- observing year end physical inventory count to examine physical existence and condition of the inventories and evaluating the design and implementation of controls during the count;
- checking subsequent sales and evaluating Group's assessment on estimated net realisable value on selected inventory items; and
- discussing with the Directors whether the inventories have been written down to their net realisable value for inventory items with net realisable value lower than their cost.

Revenue recognition for construction activities (Notes 4(c) and 22 to the financial statements)

The amount of revenue of the Group's construction activities is recognised over the period of contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to proportion of construction costs incurred for works performed to date bear to the estimated total costs for each project (input method). We focused on this area because significant Group's judgement is required, in particular with regards to determining the progress towards satisfaction of a performance obligation, the extent of the construction costs incurred, the estimated total construction contracts revenue and costs, as well as the recoverability of the construction contracts projects. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

Our audit response:

Our audit procedures included, among others:

- understanding the Group's process in preparing project budget and the calculation of the progress towards anticipated satisfaction of a performance obligation;
- comparing the Group's major assumptions to contractual terms, our understanding gathered from the analysis of changes in the assumptions from previous financial year and discussing with project manager; and
- checking the mathematical computation of recognised revenue for the projects during the financial year.



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CENTRAL GLOBAL BERHAD

(Incorporated in Malaysia)
(cont'd)

Key Audit Matters (Cont'd)

Group (Cont'd)

Goodwill on consolidation (Notes 4(d) and 8 to the financial statements)

The Group has significant balances of goodwill arising from the acquisition of RYRT International Sdn. Bhd. The goodwill is tested for impairment annually. We focused on this area because this assessment requires significant judgements by the Group on the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including inflation rates and gross profit margin.

Our audit response:

Our audit procedures included, among others:

- comparing the Group's key assumptions which include consideration of the current economic and business environment, to externally derived data, in relation to key inputs such as discount rates, forecast growth rates, inflation rates and gross profit margin;
- testing the mathematical accuracy of the impairment assessment; and
- discussing with the Directors on the sensitivity of key assumptions by assessing the impacts of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount.

Company

Investment in a subsidiary (Notes 4(e) and 9 to the financial statements)

The Company has significant balance of investment in a subsidiary, namely CIC Construction Sdn. Bhd.. At the end of the financial year, the Company determined whether there is any indication of impairment in investment in a subsidiary. We focused on this area because the Company's assessment of the recoverable amount involved significant judgement. The recoverable amount of investment in the subsidiary was determined based on value-in-use which includes the discount rate applied in the recoverable amount calculation and the assumption supporting the underlying cash flow projections which include gross profit margin and operating expenses.

Our audit response:

Our audit procedures included, among others:

- comparing the actual results with previous budget to assess the performance of the business and reliability of the forecasting process;
- testing the mathematical accuracy of the impairment assessment; and
- discussing with the Directors on the sensitivity of key assumptions by assessing the impacts of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CENTRAL GLOBAL BERHAD

(Incorporated in Malaysia)
(cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CENTRAL GLOBAL BERHAD

(Incorporated in Malaysia)
(cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Ong Teng Yan
No. 03076/07/2025 J
Chartered Accountant

Kuala Lumpur

Date: 29 April 2024



LIST OF PROPERTIES

Registered Owner/Location	Description And Existing Use	Land/ Built Up Area (sq ft)	Tenure	Approximate Age of Building	Net Book Value as at 31.12.2023 (RM)
Central Industrial Corporation Berhad Lot 77 & 78, Persiaran 11, Kawasan Perusahaan Bakar Arang, 08000 Sungai Petani, Kedah Darul Aman, Malaysia.	Industrial land with factory, warehouse and office	409,028/ 124,901	Leasehold (Expire: Year 2050)	33 years	14,920,232
Central Industrial Corporation Berhad No. 5-13.1, 5-13.2, 5-14.1,5-14.2, 5-15.1,5-15.2, 5-16.1, 5-16.2, 5-17.1, 5-17.2 and 5-18 Block A, Plaza Dwitasik, Phase 1, Bandar Sri Permaisuri, Off Jalan Permaisuri, Cheras, 56000, Kuala Lumpur Malaysia.	Office building	N/A/11,368	Leasehold (Expire: Year 2095)	25 years	1,690,483

ANALYSIS OF SHAREHOLDINGS

AS PER RECORD OF DEPOSITORS AS AT 29 MARCH 2024

Total Number of Issued Shares	:	747,421,708 ordinary shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share

SHAREHOLDINGS DISTRIBUTION

Size of Holdings	No. of Holders	Total Holdings	%
Less than 100 shares	347	9,413	0.00
100 - 1,000 shares	195	93,003	0.01
1,001 - 10,000 shares	380	1,949,252	0.26
10,001 - 100,000 shares	462	16,234,324	2.17
100,001 to less than 5% of issued shares	259	526,738,204	70.48
5% and above of issued shares	3	202,397,512	27.08
Total	1,646	747,421,708	100.00

DIRECTORS' SHAREHOLDINGS

No.	Name	Direct Interest		Deemed Interest	
		Shares	%	Shares	%
1.	DATO' FAISAL ZELMAN BIN DATUK ABDUL MALIK	-	-	-	-
2.	CHEW HIAN TAT	205,693,712	27.52	⁽¹⁾ 25,770,000	3.45
3.	LEE CHEE VUI	10,664,040	1.43	⁽²⁾ 72,425,500	9.69
4.	TAN SUAT HOON	-	-	-	-
5.	LEE SWEE MENG	557,200	0.07	-	-
6.	SAHARI BIN AHMAD	-	-	-	-

Note:-

- ⁽¹⁾ Deemed interested by virtue of his interest in HJT International Group (M) Sdn. Bhd. and HJT Technology (M) Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016
- ⁽²⁾ Deemed interested by virtue of his interest in RYRT Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016

SUBSTANTIAL SHAREHOLDERS

No.	Name	Direct Interest		Deemed Interest	
		Shares	%	Shares	%
1.	CHEW HIAN TAT	205,693,712	27.52	⁽¹⁾ 25,770,000	3.45
2.	RYRT HOLDINGS SDN. BHD.	72,425,500	9.69	-	-
3.	LEE CHEE VUI	10,664,040	1.43	⁽²⁾ 72,425,500	9.69
4.	SOO YU CHAI	782,668	0.10	⁽²⁾ 72,425,500	9.69
5.	GENEVA INSURANCE GROUP (BARBADOS) INC	40,000,000	5.35	-	-

Note:-

- ⁽¹⁾ Deemed interested by virtue of his interest in HJT International Group (M) Sdn. Bhd. and HJT Technology (M) Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016
- ⁽²⁾ Deemed interested by virtue of their interests in RYRT Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016



ANALYSIS OF SHAREHOLDINGS

AS PER RECORD OF DEPOSITORS AS AT 29 MARCH 2024
(cont'd)

THIRTY (30) LARGEST SHAREHOLDERS/DEPOSITORS

(without aggregating the securities from different securities accounts belonging to the same person)

No.	Names	No. of Shares held	%
1.	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR CHEW HIAN TAT (MGN-CHT0002M)	103,002,712	13.78
2.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR CHEW HIAN TAT	59,394,800	7.95
3.	GENEVA INSURANCE GROUP (BARBADOS) INC	40,000,000	5.35
4.	RYRT HOLDINGS SDN. BHD.	28,215,500	3.78
5.	KENANGA INVESTMENT BANK BERHAD - IVT NAGA 8	24,580,000	3.29
6.	CITIGROUP NOMINEES (ASING) SDN. BHD. - EXEMPT AN FOR UBS SWITZERLAND AG (CLIENTS ASSETS)	20,400,000	2.73
7.	MERSEC NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR RYRT HOLDINGS SDN. BHD.	18,860,000	2.52
8.	HSBC NOMINEES (ASING) SDN. BHD. - SOCIETE GENERALE PARIS	17,395,400	2.33
9.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR HJT INTERNATIONAL GROUP (M) SDN. BHD. (7002971)	16,936,000	2.27
10.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR WONG WAI FOO	15,959,600	2.14
11.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR CHEW HIAN TAT (MY3742)	13,396,200	1.79
12.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR CHEW HIAN TAT	13,016,000	1.74
13.	CITIGROUP NOMINEES (ASING) SDN. BHD. - EXEMPT AN FOR NOMURA BANK (SWITZERLAND) LTD	12,000,000	1.61
14.	PEMBINAAN URUSMESRA SDN. BHD.	10,932,100	1.46
15.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR LEE CHEE VUI	10,664,040	1.43
16.	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR HJT TECHNOLOGY (M) SDN. BHD. (MGN-HJT0001M)	8,834,000	1.18
17.	YAP FEI YUN	8,477,200	1.13
18.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR SHIN KAM SUN	8,182,000	1.09
19.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR RYRT HOLDINGS SDN. BHD.	8,000,000	1.07
20.	PHILLIP NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR RYRT HOLDINGS SDN. BHD.	8,000,000	1.07
21.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR TEOH SENG KIAN (SMART)	7,884,000	1.05
22.	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR GAN SHENG YIH (MGN-GSY0001M)	7,800,000	1.04



ANALYSIS OF SHAREHOLDINGS

AS PER RECORD OF DEPOSITORS AS AT 29 MARCH 2024
(cont'd)

THIRTY (30) LARGEST SHAREHOLDERS/DEPOSITORS (CONT'D)
(without aggregating the securities from different securities accounts belonging to the same person)

No.	Names	No. of Shares held	%
23.	YUNUS GUL BIN ALIF GUL	7,370,800	0.99
24.	YUNUS GUL BIN ALIF GUL	6,878,000	0.92
25.	KENANGA NOMINEES (ASING) SDN. BHD. - EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	6,800,000	0.91
26.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR ONG PUI SHAN	6,030,400	0.81
27.	CHEW HIAN TAT	6,000,000	0.80
28.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR RYRT HOLDINGS SDN. BHD.	6,000,000	0.80
29.	TA NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR WONG WAI FOO	5,836,000	0.78
30.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR AN SIEW CHONG (7001941)	5,252,000	0.70



ANALYSIS OF WARRANT A HOLDINGS

AS PER RECORD OF DEPOSITORS AS AT 29 MARCH 2024

Number of Warrants A in issue	:	80,687,048 units
Exercise price (adjusted)	:	RM0.20 per warrant for one new ordinary share
Expiry date of Warrants A	:	26 July 2025

DISTRIBUTION OF WARRANT A HOLDINGS

Size of Holdings	No. of Warrant Holders	Total Holdings	%
Less than 100 shares	200	6,532	0.01
100 - 1,000 shares	217	73,468	0.09
1,001 - 10,000 shares	285	1,341,152	1.66
10,001 - 100,000 shares	174	4,821,180	5.98
100,001 to less than 5% of Warrants in issue	25	8,149,960	10.10
5% and above of Warrants in issue	5	66,294,756	82.16
Total	906	80,687,048	100.00

DIRECTORS' WARRANT A HOLDINGS

No.	Name	Direct Interest		Deemed Interest	
		Shares	%	Shares	%
1.	DATO' FAISAL ZELMAN BIN DATUK ABDUL MALIK	-	-	-	-
2.	CHEW HIAN TAT	59,194,756	73.36	⁽¹⁾ 7,100,000	8.80
3.	LEE CHEE VUI	-	-	-	-
4.	TAN SUAT HOON	-	-	-	-
5.	LEE SWEE MENG	626,600	0.78	-	-
6.	SAHARI BIN AHMAD	-	-	-	-

Note:-

⁽¹⁾ Deemed interested by virtue of his interest in HJT International Group (M) Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016

ANALYSIS OF WARRANT A HOLDINGSAS PER RECORD OF DEPOSITORS AS AT 29 MARCH 2024
(cont'd)**THIRTY (30) LARGEST WARRANT A HOLDERS/DEPOSITORS****(without aggregating the securities from different securities accounts belonging to the same person)**

No.	Names	No. of Warrants held	%
1.	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR CHEW HIAN TAT (MGN-CHT0002M)	18,149,356	22.49
2.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR CHEW HIAN TAT (7006414)	16,020,000	19.85
3.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR CHEW HIAN TAT	16,000,000	19.83
4.	CHEW HIAN TAT	9,025,400	11.19
5.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR HJT INTERNATIONAL GROUP (M) SDN. BHD. (7002971)	7,100,000	8.80
6.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR NG CHEE MOY (7006674)	1,076,000	1.33
7.	LOW GEE CHAI	820,000	1.02
8.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR KHOR SHU LIN (7001821)	680,000	0.84
9.	LEE SWEE MENG	626,600	0.78
10.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. - EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-R ES)	502,360	0.62
11.	DULCET ONE HOLDINGS SDN. BHD	460,000	0.57
12.	FS MOTORSPORTS SDN. BHD.	400,000	0.50
13.	CITIGROUP NOMINEES (ASING) SDN. BHD. - EXEMPT AN FOR UBS SWITZERLAND AG (CLIENTS ASSETS)	400,000	0.50
14.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR LIEW HUI TONG (7006561)	330,000	0.41
15.	YEOH WENG HONG	310,000	0.38
16.	YEOH WENG HONG	306,000	0.38
17.	NG AUN HOOI	280,000	0.35
18.	TA NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR LIEW HUI TONG	240,000	0.30
19.	TAN LAM KHOON	220,000	0.27
20.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR MOHD ZAKRI BIN MOHAMAD NOR	200,000	0.25
21.	SIEW WAI HONG	180,000	0.22
22.	CHIN LEE YUEE	162,000	0.20
23.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR HIAN BEE GEOK (015)	160,000	0.20
24.	LAW SIEW TENG	127,600	0.16
25.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR LU YAP WEI (KKINABALU-CL)	122,400	0.15
26.	ONG JIA HUI	121,600	0.15
27.	WONG WAI PING	120,000	0.15
28.	YEOH WENG HONG	103,600	0.13
29.	CGS INTERNATIONAL NOMINEES MALAYSIA (ASING) SDN. BHD. - EXEMPT AN FOR CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD. (RETAIL CLIENTS)	101,400	0.13
30.	FUN PEI YIN	100,400	0.12



ANALYSIS OF WARRANT B HOLDINGS

AS PER RECORD OF DEPOSITORS AS AT 29 MARCH 2024

Number of Warrants B in issue	:	239,526,738 units
Exercise price	:	RM0.75 per warrant for one new ordinary share
Expiry date of Warrants B	:	12 March 2027

DISTRIBUTION OF WARRANT B HOLDINGS

Size of Holdings	No. of Warrant Holders	Total Holdings	%
Less than 100 shares	432	7,349	0.00
100 - 1,000 shares	220	82,290	0.03
1,001 - 10,000 shares	439	1,882,204	0.79
10,001 - 100,000 shares	283	8,656,994	3.62
100,001 to less than 5% of Warrants in issue	147	159,098,732	66.42
5% and above of Warrants in issue	3	69,799,169	29.14
Total	1,524	239,526,738	100.00

DIRECTORS' WARRANT B HOLDINGS

No.	Name	Direct Interest		Deemed Interest	
		Shares	%	Shares	%
1.	DATO' FAISAL ZELMAN BIN DATUK ABDUL MALIK	-	-	-	-
2.	CHEW HIAN TAT	68,564,568	28.63	⁽¹⁾ 8,589,999	3.59
3.	LEE CHEE VUI	-	-	⁽²⁾ 25,657,474	10.71
4.	TAN SUAT HOON	-	-	-	-
5.	LEE SWEE MENG	185,733	0.08	-	-
6.	SAHARI BIN AHMAD	-	-	-	-

Note:-

⁽¹⁾ Deemed interested by virtue of his interest in HJT International Group (M) Sdn. Bhd. and H JT Technology (M) Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016

⁽²⁾ Deemed interested by virtue of his interest in RYRT Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016

ANALYSIS OF WARRANT B HOLDINGS

AS PER RECORD OF DEPOSITORS AS AT 29 MARCH 2024
(cont'd)

THIRTY (30) LARGEST WARRANT B HOLDERS/DEPOSITORS (without aggregating the securities from different securities accounts belonging to the same person)

No.	Names	No. of Warrants held	%
1.	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR CHEW HIAN TAT (MGN-CHT0002M)	36,667,570	15.31
2.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR CHEW HIAN TAT	19,798,266	8.27
3.	GENEVA INSURANCE GROUP (BARBADOS) INC	13,333,333	5.57
4.	RYRT HOLDINGS SDN. BHD.	8,266,666	3.45
5.	CITIGROUP NOMINEES (ASING) SDN. BHD. - EXEMPT AN FOR UBS SWITZERLAND AG (CLIENTS ASSETS)	6,800,000	2.84
6.	MERCSEC NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR RYRT HOLDINGS SDN. BHD.	6,286,666	2.62
7.	HSBC NOMINEES (ASING) SDN. BHD. - SOCIETE GENERALE PARIS	6,070,666	2.53
8.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR HJT INTERNATIONAL GROUP (M) SDN. BHD. (7002971)	5,645,333	2.36
9.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR WONG WAI FOO	5,319,866	2.22
10.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR CHEW HIAN TAT (MY3742)	4,465,400	1.86
11.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR CHEW HIAN TAT	4,338,666	1.81
12.	CITIGROUP NOMINEES (ASING) SDN. BHD. - EXEMPT AN FOR NOMURA BANK (SWITZERLAND) LTD	4,000,000	1.67
13.	RYRT HOLDINGS SDN. BHD.	3,770,810	1.57
14.	PEMBINAAN URUSMESRA SDN. BHD.	3,355,933	1.40
15.	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR HJT TECHNOLOGY (M) SDN. BHD. (MGN-HJT0001M)	2,944,666	1.23
16.	YAP FEI YUN	2,825,733	1.18
17.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR TEOH SENG KIAN (SMART)	2,728,000	1.14
18.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR SHIN KAM SUN	2,727,333	1.14
19.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR RYRT HOLDINGS SDN. BHD.	2,666,666	1.11
20.	PHILLIP NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR RYRT HOLDINGS SDN. BHD.	2,666,666	1.11
21.	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR GAN SHENG YIH (MGN-GSY0001M)	2,600,000	1.09
22.	YUNUS GUL BIN ALIF GUL	2,456,933	1.03



ANALYSIS OF WARRANT B HOLDINGS

AS PER RECORD OF DEPOSITORS AS AT 29 MARCH 2024
(cont'd)

THIRTY (30) LARGEST WARRANT B HOLDERS/DEPOSITORS (CONT'D) (without aggregating the securities from different securities accounts belonging to the same person)

No.	Names	No. of Warrants held	%
23.	YUNUS GUL BIN ALIF GUL	2,292,666	0.96
24.	KENANGA NOMINEES (ASING) SDN. BHD. - EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	2,266,666	0.95
25.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR ONG PUI SHAN	2,010,133	0.84
26.	CHEW HIAN TAT	2,000,000	0.83
27.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR RYRT HOLDINGS SDN. BHD.	2,000,000	0.83
28.	TA NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR WONG WAI FOO	1,945,333	0.81
29.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR AN SIEW CHONG (7001941)	1,750,666	0.73
30.	CITIGROUP NOMINEES (ASING) SDN. BHD. - UBS AG	1,675,066	0.70



ADMINISTRATIVE NOTES



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



ADMINISTRATIVE NOTES FOR THE FIFTH ANNUAL GENERAL MEETING (“5th AGM” or “Meeting”)

Date : **Tuesday, 25 June 2024**
 AGM Time : **10.00 a.m.**
 Venue : **A5-06, Block A, Plaza Dwi Tasik, Jalan 5/106, Bandar Sri Permaisuri, 56000 Kuala Lumpur**

Voting via Digital Ballot Form at a Virtual 5th AGM

1. The 5th AGM will be conducted on a virtual basis through remote participation and electronic voting from the Broadcast Venue.
2. This is a virtual AGM. No shareholders / proxies are allowed to be physically at the Meeting venue. Pre-registration of attendance is required via the link at <https://vps.megacorp.com.my/C1k3db> (please refer to paragraph 5 for further details). After the registration is validated and accepted, shareholders will receive an email with a link to grant access to the **Digital Ballot Form (“DBF”)**.
3. With the DBF and meeting link, you may exercise your right as a shareholder of the Company to vote remotely during the AGM, at the comfort of your home or from any location.
4. Shareholders may use the Questions’ Pane facility (located at the top right corner of the screen) to submit questions in real time during the meeting via the Live-Streaming solution. Shareholders may also submit questions before the meeting via email to the following e-mail address in relation to the agenda items for the AGM:
AGM-support.CGB@megacorp.com.my

Registration Procedure

5. Kindly follow the steps below to ensure that you are able to obtain your DBF and meeting link to log in to the Live-Streaming session to participate and vote remotely during the AGM online:
 - a. Open this link <https://vps.megacorp.com.my/C1k3db> or scan the QR code at the top right corner of this document, and submit all requisite details at least twenty-four (24) hours before the Meeting.
 - b. Only shareholders are allowed to register their details online. Shareholders can also appoint proxies or Chairman of the meeting as proxy via online, as in step (a) above. Please ensure that your details are accurate as non-compliance would result in you not being able to participate in the Meeting.
 - c. Alternatively, you may deposit your Proxy Form, duly completed with the proxy’s email address and mobile phone number, at the office of the Poll Administrator at least 48 hours before the Meeting at:

Mega Corporate Services Sdn. Bhd.

Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan or;

Submit via e-mail to:

AGM-support.CGB@megacorp.com.my



ADMINISTRATIVE NOTES

(cont'd)

Registration Procedure (Cont'd)

- d. For corporate shareholders / nominee accounts, please execute the Proxy Form as per step (c) above.
- e. Upon verification on your registration, the Poll Administrator, Mega Corporate Services Sdn. Bhd., will send the following via email:
 - i. **Meeting Link** - for the Live-Streaming Session
 - ii. **DBF** - for Voting Purposes

Record of Depositors ("ROD") for the AGM

6. The date of ROD for the Meeting is Tuesday, 18 June, 2024. As such, only shareholders whose names appear in the ROD shall be entitled to participate and vote at the Meeting, or appoint proxy(ies) / corporate representative(s) to participate and vote on his / her behalf.

Poll Voting

7. The voting of the Meeting will be conducted by poll. The Company has appointed Mega Corporate Services Sdn. Bhd. as the Poll Administrator to conduct the polling process by way of e-voting, and Cygnus Technology Solutions Sdn. Bhd. as Scrutineers to verify the poll results.
8. Shareholders can proceed to vote on the resolutions and submit your votes during the voting period as stipulated in the DBF. Upon closure of the voting session for the Meeting, the Scrutineers will verify the poll results after which the Chairman will announce the poll results of the resolutions.

Enquiry

If you have any enquiries on the above, please contact the Poll Administrator during office hours (Monday to Friday):

Mega Corporate Services Sdn. Bhd.

Email : AGM-support.CGB@megacorp.com.my
Tel : +60 (3) 2692 4271 / 2694 8984
Vino : +60169699220
Benjamin : +60176119665

PROXY FORM

CENTRAL GLOBAL BERHAD
(Registration No. 201801036114 (1298143-T))

No. of Shares Held:	
CDS Account No.:	

I/We _____ (NRIC No. _____)
(Full name in block letters)

of _____
(Full address)

being a member/members of **CENTRAL GLOBAL BERHAD** hereby appoint the following person(s):-

Full Name (in Block)	NRIC/Passport No.	Proportion in Shareholdings	
		No. of Shares	%
Address:			
Email Address:			
Mobile Phone No.:			

and/or*

Full Name (in Block)	NRIC/Passport No.	Proportion in Shareholdings	
		No. of Shares	%
Address:			
Email Address:			
Mobile Phone No.:			

or failing him/her, the Chairman of the Meeting as *my/our proxy/proxies to attend and vote for *me/us and on my/our behalf at the Fifth Annual General Meeting of the Company will be conducted on a fully virtual basis at the Broadcast Venue at A5-06 Block A, Plaza Dwi Tasik, Jalan 5/106, Bandar Sri Permaisuri, 56000 Kuala Lumpur on Tuesday, 25 June 2024 at 10.00 a.m. and at every adjournment thereof.

My/our proxy/proxies is(are) to vote as indicated below:-

Ordinary Resolutions		First Proxy		Second Proxy	
		For	Against	For	Against
1	To approve the payment of Directors' fees and benefits from this Annual General Meeting until the next Annual General Meeting				
2	To re-elect the director, Mr. Chew Hian Tat				
3	To re-elect the director, Mr. Lee Swee Meng				
4	To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company				
5	Authority to allot shares and waiver of pre-emptive rights				

(Please indicate with an "x" in the space provided above on how you wish your vote to be cast. If you do not indicate how you wish to vote on any resolutions, the proxy(ies) will vote or abstain from voting at his/her/their discretion(s)).

As witness my hand this.....day of.....2024

.....
Signature/Common Seal

*** Strike out whichever is not desired.**

Notes:

- (i) The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue. **No shareholders/proxies** from the public will be physically present at the meeting venue. Shareholders who wish to participate the Fifth Annual General Meeting will therefore have to register via the link <https://vps.megacorp.com.my/C1k3db>. Kindly refer to the annexure of the Administrative Notes for further information.
- (ii) Only depositors whose names appear in the Record of Depositors as at 18 June 2024 shall be entitled to attend the Fifth Annual General Meeting or appoint a proxy to attend, speak and vote on his behalf. All voting will be conducted by way of poll.
- (iii) A member of the Company entitled to attend, speak and vote at this meeting is entitled to appoint a proxy to attend, speak and vote in his stead. A member may appoint up to two (2) proxies to attend at the same meeting. Where a member appoints two proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
- (iv) (a) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
(b) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (v) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation under its Common Seal or the hand of its attorney.
- (vi) Except for body corporate, you have the option to register directly at <https://vps.megacorp.com.my/C1k3db> to submit the proxy appointment electronically not later than 24 June 2024 at 10.00 a.m. Kindly refer to the annexure of the Administrative Notes for further information.
- (vii) All Proxy Form must be deposited at the Company's Registered Office at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia or email to AGM-support.CGB@megacorp.com.my not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
- (viii) **PERSONAL DATA NOTICE**
By submitting the duly executed Form of Proxy, a member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein accordance with the Personal Data Protection Act 2010 for the purpose of this meeting and at any adjournment thereof.

Fold here

Affix
Stamp Here

The Company Secretary

CENTRAL GLOBAL BERHAD

Registration No. 201801036114 (1298143-T)

c/o Mega Corporate Services Sdn. Bhd.

Level 15-2, Bangunan Faber Imperial Court,

Jalan Sultan Ismail,

50250 Kuala Lumpur, Malaysia.

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CENTRAL GLOBAL BERHAD

201801036114 (1298143-T)

A5-06 Block A Plaza Dwi Tasik,
Jalan 5/106 Bandar Sri Permaisuri,
56000 Kuala Lumpur, Malaysia.

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