



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2011

<i>In thousand of RM</i>	31 December 2011 <u>Unaudited</u>	31 December 2010 <u>Audited</u>
<u>ASSETS</u>		
Property, plant & equipment	19,246	20,851
Prepaid lease payments	1,752	1,798
Investment properties	2,066	2,095
Total non-current assets	23,064	24,744
Inventories	31,059	31,304
Trade & other receivables	12,313	14,467
Derivative financial asset	-	16
Current tax assets	49	87
Cash & bank balances	3,475	1,478
Total current assets	46,896	47,352
TOTAL ASSETS	69,960	72,096
<u>EQUITY</u>		
Equity attributable to equity holders of the parent		
Share capital	45,780	45,780
Reserves	1,709	1,687
Retained earnings	14,834	14,161
Total equity attributable to owners of the Company	62,323	61,628
Non-controlling interests	-	-
Total equity	62,323	61,628
<u>LIABILITIES</u>		
Employee benefits	1,595	1,479
Deferred tax liabilities	-	160
Total non-current liabilities	1,595	1,639
Trade & other payables	1,914	3,341
Derivative financial liability	32	-
Short term borrowings	4,057	5,315
Bank overdrafts	-	148
Current tax liabilities	39	25
Total current liabilities	6,042	8,829
Total liabilities	7,637	10,468



TOTAL EQUITY & LIABILITIES	<u>69,960</u>	<u>72,096</u>
 Net assets per ordinary share (RM)	 1.36	 1.34

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31.12.2010 and the accompanying explanatory notes attached to the interim financial statements.



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the twelve months ended 31 December 2011

<i>In thousand of RM</i>	Three months ended		Twelve months ended	
	31-December		31-December	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	<u>Unaudited</u>	<u>Audited</u>	<u>Unaudited</u>	<u>Audited</u>
Continuing operations				
Revenue	14,461	16,032	63,103	65,715
Cost of sales	(12,553)	(13,793)	(54,001)	(56,660)
Gross profit	1,908	2,239	9,102	9,055
Other operating income	12	323	517	2,595
Selling & distribution expenses	(676)	(692)	(3,413)	(3,184)
Administrative expenses	(869)	(1,556)	(4,053)	(4,257)
Other operating expenses	(282)	(1,071)	(794)	(1,443)
Profit/(Loss) from operation	93	(757)	1,359	2,766
Finance income	-	-	-	-
Finance costs	(53)	20	(248)	(288)
Net finance costs	(53)	20	(248)	(288)
Fair value gain / (loss) on derivative financial instruments	27	16	(49)	16
Share of profit of associates, net of tax	-	-	-	-
Profit/(Loss) before tax	67	(721)	1,062	2,494
Income tax expense	187	(124)	126	(190)
Profit/(Loss) for the period/year	254	(845)	1,188	2,304
Other comprehensive income , net of tax				
Foreign currency translation differences for foreign operations	(9)	13	22	(5)
Other comprehensive income/(expense) for the period/year	(9)	13	22	(5)
Total comprehensive income/(expense) for the period/year	245	(832)	1,210	2,299



CENTRAL INDUSTRIAL CORPORATION BERHAD and its subsidiaries
Company No. 12186-K (Incorporated in Malaysia)

Profit attributable to :

Owners of the Company	254	(845)	1,188	2,304
Non-controlling interests	-	-	-	-
Profit/(Loss) for the period/year	254	(845)	1,188	2,304

Total comprehensive income/(expense) attributable to :

Owners of the Company	245	(832)	1,210	2,299
Non-controlling interests	-	-	-	-
Total comprehensive income/(expense) for the period/year	245	(832)	1,210	2,299

Earnings per ordinary share

Basic earnings per ordinary share (sen)	0.55	(1.85)	2.60	5.03
Diluted earnings per ordinary share (sen)	0.55	(1.85)	2.60	5.03

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31.12.2010 and the accompanying explanatory notes attached to the interim financial statements.



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the twelve months ended 31 December 2011

<i>In thousand of RM - Unaudited</i>	/----- Attributable to owners of the Company -----/					
	/----- Non- distributable -----/			Distributable		
	Share Capital	Share Premium	Translation Reserve	Share Option Reserve	Retained Earnings	Total Equity
At 1 January 2011,	45,780	1,407	(8)	288	14,161	61,628
Foreign currency translation differences for foreign operations, representing total other comprehensive income for the year	-	-	22	-	-	22
Profit for the year	-	-	-	-	1,188	1,188
Dividend to owners	-	-	-	-	(515)	(515)
At 31 December 2011	45,780	1,407	14	288	14,834	62,323

<i>In thousand of RM - Audited</i>	/----- Attributable to owners of the Company -----/					
	/----- Non- distributable -----/			Distributable		
	Share Capital	Share Premium	Translation Reserve	Share Option Reserve	Retained Earnings	Total Equity
At 1 January 2010,	45,780	1,407	(3)	288	12,372	59,844
Foreign currency translation differences for foreign operations, representing total other comprehensive income for the year	-	-	(5)	-	-	(5)
Profit for the year	-	-	-	-	2,304	2,304
Dividend to owners	-	-	-	-	(515)	(515)
At 31 December 2010	45,780	1,407	(8)	288	14,161	61,628

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31.12.2010 and the accompanying explanatory notes attached to the interim financial statements.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the twelve months ended 31 December 2011

<i>In thousand of RM</i>	Twelve months ended	
	31-December	
	<u>2011</u>	<u>2010</u>
	<u>Unaudited</u>	<u>Audited</u>
Cash flows from operating activities		
Profit before tax from - continuing operations	1,062	2,494
Adjustments for :-		
Amortisation of prepaid lease payments	46	46
Depreciation of property, plant and equipment	1,794	1,835
Depreciation of investment properties	46	66
Finance costs	248	288
Gain on disposal of property, plant & equipment	(38)	(2,095)
Plant and equipment written off	2	35
Operating profit before changes in working capital	<u>3,160</u>	<u>2,669</u>
Change in employee benefits, provisions and deferred income	115	11
Change in inventories	264	(5,255)
Change in trade and other payables	(1,446)	75
Change in trade and other receivables, prepayments and other financial assets	2,226	355
Cash generated from/(used in) operations	<u>4,319</u>	<u>(2,145)</u>
Income tax refund / (paid)	13	(89)
Interest paid	(248)	(288)
Net cash from/(used in) operating activities	<u>4,084</u>	<u>(2,522)</u>
Cash flows from investing activities		
Acquisition of property, plant & equipment	(207)	(1,312)
Proceeds from disposal of property, plant & equipment	38	4,163
Net cash (used in)/from investing activities	<u>(169)</u>	<u>2,851</u>
Cash flows from financing activities		
Dividend paid to the owners of the Company	(515)	(515)
Repayment of loans and borrowings, net	(1,258)	(1,029)
Net cash used in financing activities	<u>(1,773)</u>	<u>(1,544)</u>
Net increase / (decrease) in cash and cash equivalents	2,142	(1,215)
Effect on exchange rate fluctuations on cash held	3	(1)
Cash and cash equivalents at 1 January	<u>1,330</u>	<u>2,546</u>
Cash and cash equivalents at 31 December	<u>3,475</u>	<u>1,330</u>



Cash and cash equivalents

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

<i>In thousand of RM</i>	Twelve months ended 31-December	
	<u>2011</u>	<u>2010</u>
Cash and bank balances	3,475	1,478
Bank overdrafts	-	(148)
	<u>3,475</u>	<u>1,330</u>

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31.12.2010 and the accompanying explanatory notes attached to the interim financial statements.



Notes to the condensed consolidated interim financial statements for the twelve months ended 31 December 2011

1. **Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards (FRS) 134, *Interim Financial Reporting*, issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Securities Malaysia Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since year ended 31 December 2010.

2. **Significant Accounting Policies**

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated annual financial statements as at and for the year ended 31 December 2010.

The following are accounting standards, amendments and interpretations of the FRS framework that have been issued by the Malaysian Accounting Standards Board (MASB) but have not been adopted by the Group:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011

- IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to IC Interpretation 14, *Prepayments of a Minimum Funding Requirement*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012

- FRS 124, *Related Party Disclosures* (revised)
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Transfers of Financial Assets*
- Amendments to FRS 112, *Income Taxes – Deferred Tax: Recovery of Underlying Assets*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012

- Amendments to FRS 101, *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

- FRS 9, *Financial Instruments* (2009)
- FRS 9, *Financial Instruments* (2010)
- FRS 10, *Consolidated Financial Statements*
- FRS 11, *Joint Arrangements*
- FRS 12, *Disclosure of Interests in Other Entities*



- FRS 13, *Fair Value Measurement*
- FRS 119, *Employee Benefits* (2011)
- FRS 127, *Separate Financial Statements* (2011)
- FRS 128, *Investments in Associates and Joint Ventures* (2011)
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*

The Group's financial statements for annual period beginning on 1 January 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards (MFRSs) issued by the MASB and International Financial Reporting Standards (IFRSs). As a result, the Group will not be adopting the above FRSs, Interpretations and amendments.

2. **Auditors' Report**

The audited report of the preceding annual financial statements was not qualified.

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

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses, if any. The property, plant and equipment have been brought forward without any amendment from the previous audited financial statements.

4. **Seasonal or Cyclical Factors**

The business nature of the Group is not materially affected by any seasonal or cyclical factors.

5. **Exceptional or unusual items**

There were no exceptional or unusual items affecting assets, liabilities, equity, net income or cash flow of the Group for the current quarter under review.

6. **Changes in Estimates**

There were no changes in estimates that have a material effect in the current interim results.

7. **Debts and Equity Securities**

There were no issuances, cancellation, repurchases, resale or repayments of debt or equity securities for the current quarter under review and financial year to date.

8. **Dividends Paid**

No dividend was paid in the current quarter ended 31 December 2011.



9. **Segment Reporting**

The Group's primary business segment is principally confined to the manufacturing and trading of self-adhesive tapes and label stocks. The analysis of geographical segment of the Group is stated as follows:

	Quarter ended		Year to date ended	
	31-December		31-December	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
<u>Segment revenue</u>				
Malaysia	8,461	9,236	37,263	37,003
Overseas	6,000	6,796	25,840	28,712
	<u>14,461</u>	<u>16,032</u>	<u>63,103</u>	<u>65,715</u>
Segment results	67	(721)	1,062	2,494

The directors are of the opinion that all inter segment transfers have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. Those transfers are eliminated on consolidation.

10. **Subsequent Events**

There were no subsequent events up to the date of this interim report that have not been reflected in these interim financial statements.

11. **Changes in the Composition of the Group**

There are no changes in the composition of the Group for the current quarter under review and financial year to date.

12. **Contingent Liabilities or Contingent Assets**

There were no contingent liabilities or contingent assets that may have material effect on the net assets, profits or financial position of the Group for the current quarter under review.

13. **Capital Commitments**

The Group has entered into an agreement with Converttech Industries Sdn Bhd to purchase one unit of slitter rewinder machine for a cash consideration of RM498,000.



14. **Significant Related Party Transactions**

There were no significant related party transactions during the current reporting period.

15. **Review of Performance**

Total revenue for the Group reduced by 9.80% to RM14.461 million for the quarter under review, as compared to RM16.032 million recorded in the corresponding period of the preceding year. The Group has recorded a profit before tax of RM0.067 million for the quarter under review as compared to loss before tax of RM0.721 million in the corresponding period last year.

For the twelve months ended 31 December 2011, total revenue and profit before tax for the Group reduced by 3.97% and 57.42% respectively to RM63.103 million and RM1.062 million as compared to RM65.715 million and RM2.494 million reported in the corresponding period last year.

The lower revenue recorded in the current quarter and current financial year were due to decrease in the overall Group's sales. Lower profit before tax recorded for this financial year was mainly due to lower sales generated in the current financial year and recognition of a gain on disposal of property of approximately RM2.0 million in the last financial year.

16. **Material Changes in results with immediate preceding quarter**

The comparison of the Group revenue and profit before tax for the current quarter and preceding quarter are summarised as follows:-

	Quarter ended 31 December 2011 RM'000	Quarter ended 30 September 2011 RM'000	Variance RM'000	%
Revenue	14,461	15,148	(687)	(4.54%)
Profit before tax	67	127	(60)	(47.24%)

The Group's revenue has dropped from RM15.148 million to RM14.461 million as compared to the revenue recorded in the preceding quarter. The group achieved profit before tax of RM0.067 million for the current quarter, a decrease of 47.24% from the preceding quarter ended 30 September 2011. The lower Group's revenue and profit before tax were mainly due to lower sales recorded in the current quarter.

17. **Commentary of Prospects**

The Group's business segments will continue to operate in a challenging environment in 2012 as a result of global economic uncertainties as well as continue facing increases in its raw materials costs and fluctuation in foreign exchange rate. The Board would continue with its efforts for measures which have already been put in place for stricter cost control and savings, improvement



to products quality, streamlining the supply chain and to continue focusing on further development of our export markets and customers to improve its overall sales and profitability.

18. **Profit Forecast or Profit Guarantee**

Not applicable as no profit forecast or guarantee was issued.

19. **Taxation**

The Group's tax charge comprises:

	Quarter ended		Year to date ended	
	31-December	31-December	31-December	31-December
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	67	(721)	1,062	2,494
Tax at the statutory income tax rate of 25%	17	(180)	266	624
Income not subject to tax	(1)	(43)	(4)	(48)
Effect of different tax rates in foreign jurisdictions	(13)	(19)	(42)	(19)
Expenses not deductible for tax purposes	(240)	801	152	256
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	49	(394)	(499)	(582)
Other items	-	1	-	1
	(188)	166	(127)	232
(Over) / under provided in prior year	1	(42)	1	(42)
Income tax expense	(187)	124	(126)	190
Effective tax rate	(280.60%)	(23.02%)	(11.96%)	9.30%

The effective tax rate for the Group in the current quarter under review and financial year to date is different from that of the statutory tax rate primarily due to the utilization of previously unrecognised tax losses and unabsorbed capital allowances.

20. **Unquoted Investments and Properties**

There was no purchase or sale of unquoted investments and properties in the current quarter under review.



21. Quoted Securities

There was no purchase or sale of quoted securities during the current quarter under review.

22. Corporate Proposals

There were no corporate proposals announced in the current quarter under review and up to the date of this interim report.

23. Borrowings

All the borrowings are denominated in Ringgit Malaysia. Particulars of the Group's borrowings are as follows:

	31 December 2011 RM'000	31 December 2010 RM'000
<u>Unsecured Borrowings</u>		
Bank Overdraft	-	148
Banker's Acceptance	4,057	5,315
	4,057	5,463

24. Derivatives Financial Instruments

a) Derivatives

The Group has entered into several forward foreign exchange currencies contracts to hedge foreign exchange risks associated with sales transactions. As at end of the current quarter under review, the details of the open foreign exchange forward contracts are as follows:

Type of Derivatives	Amount in original currency	Contract / Notional Rate	Contract / Notional Value	Fair Value (favorable)
Forward foreign exchange currencies contracts	USD'000		RM'000	RM'000
- Less than 1 year	598	3.1148	1,864	1,896

The above instruments are executed with financial institutions in Malaysia and as such credit and counter parties risks are minimal. There are no transaction costs at the inception of these contracts. The Group is exposed to minimal cash flow risk in view of its healthy cash position.



b) Gains / (losses) arising from fair value changes in financial liabilities

The gain arising from the fair value changes have been recognised in the financial statements of the Group for the quarter under review.

25. Material Litigation

The Group has not engaged in any litigation which has a material effect on the financial position of the Group for the quarter under review and financial year to date.

26. Realised and Unrealised Profits

The determination of realised and unrealised profits or losses is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits or losses is made solely for complying with the disclosure requirements as stipulated in the directive of Bursa Malaysia Securities Berhad and is not made for any other purposes.

The breakdown of retained earnings of the Group as at the reporting date, into realised and unrealised profits or losses, pursuant to the directive, is as follows:

	Quarter ended 31 December 2011 RM'000	Quarter ended 31 December 2010 RM'000
Total retained earnings of the Group		
- Realised gain	14,925	14,196
- Unrealised loss	<u>(91)</u>	<u>(35)</u>
	<u>14,834</u>	<u>14,161</u>

The unrealised profits of the Group as disclosed above includes translation gains and losses on monetary items denominated in a currency other than the functional currency and foreign exchange contracts, as translation gains and losses are incurred in the ordinary course of business of the Group, and are hence deemed as realised.

27. Dividend Proposed

On 28 February 2012, the Board of Directors recommended a Final Dividend of 2.0% less 25% income tax in respect of the financial year ended 31 December 2011 for the shareholders' approval in the forthcoming Annual General Meeting. The entitlement date and payment date for the proposed final dividend will be determined and announced at a later date.



28. Earnings Per Share

Basic earnings per ordinary share are calculated based on the Group's net profit attributable to equity holders of the Company and the weighted average number of ordinary shares in issue during the current quarter and the financial year to date.

Diluted earnings per ordinary share is the same as the basic earnings per ordinary share as the effect of anti-dilutive potential ordinary shares are ignored in calculating diluted earnings per ordinary share in accordance with FRS 133 on Earnings per Share.

	Quarter ended		Year to date ended	
	31-December		31-December	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Basic				
Profit/(loss) attributable to the owners of the company	254	(845)	1,188	2,304
Weighted average number of ordinary shares in issue	45,780	45,780	45,780	45,780
Basic earnings per ordinary share (sen)	0.55	(1.85)	2.60	5.03
Diluted				
Diluted earnings per ordinary share (sen)	0.55	(1.85)	2.60	5.03

29. Authorisation for Issue

The interim financial statements and the accompanying notes were authorized for issue by the Board of Directors in accordance with a resolution of the directors passed on 28 February 2012.

By order of the Board,
Central Industrial Corporation Berhad

Fong Phoi Shan
Company Secretary

Date: 28 February 2012