



Condensed Consolidated Statement Of Financial Position
As at 30 June 2012

<i>In thousand of RM</i>	30 June 2012 <u>Unaudited</u>	31 December 2011 <u>Audited</u>
<u>Assets</u>		
Property, plant & equipment	19,634	19,246
Prepaid lease payments	1,729	1,752
Investment properties	2,026	2,067
Total non-current assets	23,389	23,065
Inventories	25,103	31,059
Trade & other receivables	12,585	12,421
Current tax assets	57	49
Cash & bank balances	4,743	3,475
Total current assets	42,488	47,004
Total Assets	65,877	70,069
<u>Equity</u>		
Share capital	45,780	45,780
Reserves	1,751	1,710
Retained earnings	14,114	14,834
Total equity attributable to owners of the Company	61,645	62,324
Non-controlling interests	-	-
Total equity	61,645	62,324
<u>Liabilities</u>		
Employee benefits	1,646	1,595
Total non-current liabilities	1,646	1,595
Trade & other payables	1,669	2,022
Derivative financial liabilities	28	32
Short term borrowings	870	4,057
Current tax liabilities	19	39
Total current liabilities	2,586	6,150
Total liabilities	4,232	7,745
Total Equity and Liabilities	65,877	70,069
Net assets per ordinary share (RM)	1.35	1.36



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

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31.12.2011 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement Of Profit Or Loss And Other Comprehensive Income
For the six months ended 30 June 2012

<i>In thousand of RM</i>	Current quarter Three months ended 30-June		Cumulative quarter Six months ended 30-June	
	<u>2012</u> <u>Unaudited</u>	<u>2011</u> <u>Audited</u>	<u>2012</u> <u>Unaudited</u>	<u>2011</u> <u>Audited</u>
Continuing operations				
Revenue	14,279	16,685	27,715	33,494
Cost of sales	(12,238)	(14,096)	(24,148)	(28,420)
Gross profit	2,041	2,589	3,567	5,074
Other income	84	251	194	292
Selling & distribution expenses	(799)	(876)	(1,652)	(1,835)
Administrative expenses	(1,136)	(1,134)	(2,267)	(2,173)
Other expenses	(234)	(219)	(498)	(354)
Profit/(Loss) from operating activities	(44)	611	(656)	1,004
Finance costs	(17)	(62)	(57)	(136)
Net finance costs	(17)	(62)	(57)	(136)
Profit/(Loss) before tax	(61)	549	(713)	868
Tax expense	-	(15)	(7)	(42)
Profit/(Loss) for the period	(61)	534	(720)	826
Other comprehensive income, net of tax Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	42	24	41	30
Total other comprehensive income for the period	42	24	41	30
Comprehensive income/(expense) for the period	(19)	558	(679)	856
Profit attributable to :				
Owners of the Company	(61)	534	(720)	826
Non-controlling interests	-	-	-	-
Profit/(Loss) for the period	(61)	534	(720)	826



Comprehensive income/(expense) attributable to :

Owners of the Company	(19)	558	(679)	856
Non-controlling interests	-	-	-	-
Comprehensive income/(expense) for the period	(19)	558	(679)	856

Basic earnings per ordinary share (sen) (0.13) 1.16 (1.57) 1.80

Diluted earnings per ordinary share (sen) (0.13) 1.16 (1.57) 1.80

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31.12.2011 and the accompanying explanatory notes attached to the interim financial statements.



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

Condensed Consolidated Statement Of Changes In Equity
For the six months ended 30 June 2012

	/----- Attributable to owners of the Company -----/					
	/----- Non- distributable -----/			Distributable		
<i>In thousand of RM - Unaudited</i>	Share Capital	Share Premium	Translation Reserve	Share Option Reserve	Retained Earnings	Total Equity
At 1 January 2012,	45,780	1,407	15	288	14,834	62,324
Foreign currency translation differences for foreign operations	-	-	41	-	-	41
Total other comprehensive income for the period	-	-	41	-	-	41
Profit for the year	-	-	-	-	(720)	(720)
Comprehensive income for the period	-	-	41	-	(720)	(679)
<i>Contributions by and distributions to owners of the Company</i>						
- Dividend to owners	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-	-
At 30 June 2012	45,780	1,407	56	288	14,114	61,645



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

<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	(7)	288	14,161	61,629
Foreign currency translation differences for foreign operations	-	-	30	-	-	30
Total other comprehensive income for the period	-	-	30	-	-	30
Profit for the year	-	-	-	-	826	826
Comprehensive income for the period	-	-	30	-	826	856
Contributions by and distributions to owners of the Company						
- Dividend to owners	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-	-
At 30 June 2011	45,780	1,407	23	288	14,987	62,485

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 31.12.2011 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement Of Cash Flows
For the six months ended 30 June 2012

<i>In thousand of RM</i>	Six months ended 30-June	
	<u>2012</u> <u>Unaudited</u>	<u>2011</u> <u>Unaudited</u>
Cash flows from operating activities		
Profit before tax from - continuing operations	(713)	868
Adjustments for :-		
Amortisation of prepaid lease payments	23	23
Depreciation of property, plant and equipment	878	921
Depreciation of investment properties	23	23
Finance costs	57	136
Gain on disposal of property, plant & equipment	(77)	(1)
Property, plant and equipment written off	1	-
Operating profit before changes in working capital	192	1,970
Change in employee benefits, provisions and deferred income	51	39
Change in inventories	5,975	1,346
Change in trade and other payables	(399)	4,391
Change in trade and other receivables, prepayments and other financial assets	(100)	(5,658)
Cash generated from operations	5,719	2,088
Income tax paid	(35)	25
Interest paid	(57)	(136)
Net cash from/(used in) operating activities	5,627	1,977
Cash flows from investing activities		
Acquisition of property, plant & equipment	(1,251)	(155)
Proceeds from disposal of property, plant & equipment	77	1
Net cash used in investing activities	(1,174)	(154)
Cash flows from financing activities		
Dividend paid to the owners of the Company	-	-
Repayment of loans and borrowings, net	(3,187)	(287)
Net cash from/(used in) financing activities	(3,187)	(287)
Net increase in cash and cash equivalents	1,266	1,536
Effect on exchange rate fluctuations on cash held	2	4
Cash and cash equivalents at 1 January	3,475	1,329
Cash and cash equivalents at 30 June	4,743	2,869



Cash and cash equivalents

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

<i>In thousand of RM</i>	Six months ended	
	30-June	
	<u>2012</u>	<u>2011</u>
Cash and bank balances	4,743	2,869
Bank overdrafts	-	-
	<u>4,743</u>	<u>2,869</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 31.12.2011 and the accompanying explanatory notes attached to the interim financial statements.



Notes to the condensed consolidated interim financial statements for the six months ended 30 June 2012

1. **Basis of Preparation**

These condensed consolidated interim financial statements have been prepared in accordance with Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and Malaysia Financial Reporting Standards (MFRS) 134, *Interim Financial Reporting* in Malaysia and also comply with IAS 34, *Interim Financial Reporting* issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards (FRS).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011. The explanatory notes attached to these interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

These are the Group's condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS framework annual financial statements and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied. The transition to MFRS framework does not have any financial impact to the financial statements of the Group.

2. **Significant Accounting Policies**

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011.

The following MFRSs, Amendments to MFRSs, IC Interpretation were issued but not yet effective and have not been applied by the Group:

		<u>Effective on or after</u>
MFRS 9	Financial Instruments (2009 & 2010)	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interest in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits (2011)	1 January 2013
MFRS 127	Separate Financial Statements (2011)	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures (2011)	1 January 2013
Amendments to MFRS 7	Disclosure - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013



3. **Auditors' Report**

The auditor's report of the preceding annual financial statements is not subject to any qualification.

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

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. The property, plant and equipment have been brought forward without any amendment from the audited financial statements for the year ended 31 December 2011.

5. **Seasonal or Cyclical Factors**

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

6. **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.

7. **Changes in Estimates**

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

8. **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.

9. **Dividends Paid**

There was no dividend paid during the current quarter ended 30 June 2012.

10. **Segmental Reporting**

The Group's primary business segment is principally engaged in the manufacturing and trading of self-adhesive tapes and label stocks. Segmental reporting for the Group by geographical segment for the current quarter ended 30 June 2012 stated as follows:



<i>In thousand of RM</i>	Current quarter		Cumulative quarter	
	Three months ended		Six months ended	
	30- June		30-June	
	2012	2011	2012	2011
<u>Segment revenue</u>				
- Malaysia	9,094	10,342	18,116	20,863
- Overseas	5,960	7,237	11,211	14,593
Elimination of inter segment revenue	(775)	(894)	(1,612)	(1,962)
Total Segment Revenue	14,279	16,685	27,715	33,494

<i>In thousand of RM</i>	Current quarter		Cumulative quarter	
	Three months ended		Six months ended	
	30- June		30-June	
	2012	2011	2012	2011
<u>Segment Results</u>				
- Malaysia	23	446	(642)	747
- Overseas	(67)	165	(14)	257
Total Segment Results	(44)	611	(656)	1,004
Finance Costs	(17)	(62)	(57)	(136)
Profit Before Tax	(61)	549	(713)	868

11. **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.

12. **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.

13. **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.

14. **Capital Commitments**

There are no capital commitments for the current quarter under review.



15. **Review of Performance**

The Group's revenue decreased by 14.42% from RM16.685 million in the corresponding quarter last year to RM14.279 million registered in the current quarter under review. However, the Group incurred losses of RM0.061million in the current quarter under review as compared to profit before tax of RM0.549 million, a drop of 111.11% recorded in the corresponding quarter last year. For the six months ended 30 June 2012, the total revenue for the Group reduced by 17.25% to RM27.715 million as compared to RM33.494 million recorded in the corresponding period of the preceding year. The Group incurred loss before tax of RM0.713 million as compared to profit before tax of RM0.868 million recorded in the corresponding period of the preceding year. The lower revenue and loss before tax in the current quarter under review and year to date cumulative total are basically due to lower overall Group's sales recorded and lower average production output resulting in higher unit cost.

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

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

	Quarter ended 30 June 2012 RM'000	Quarter ended 31 March 2012 RM'000	Variance	
			RM'000	%
Revenue	14,279	13,436	843	6.27%
Profit before tax	(61)	(652)	591	90.64%

In the current quarter, The Group registered total revenue of RM14.279 million as compared to RM13.436 million reported in the preceding quarter. The higher revenue recorded for the Group was mainly due to higher sales recorded in the current quarter. The Group recorded loss before tax of RM0.061 million, which is 90.64% lower than loss before tax of RM0.652 million reported in the preceding quarter. The lower loss incurred in the current quarter was due to higher sales recorded and lower operating costs.

17. **Commentary of Prospects**

With the current uncertainties and the weak and sluggish global economy coupled with the prevalent volatile raw materials prices, European financial debt crisis, and continued fluctuation in foreign exchange rate, The Board envisages that 2012 will continue to remain challenging.

Due to these uncertainties, the Group will continue to focus on stricter cost control and savings, improving its operational efficiency and product quality to enhance its overall competitiveness.

18. **Profit Forecast or Profit Guarantee**

The Group did not issue any profit forecast or profit guarantee during the current quarter under review.



19. **Tax Expense**

<i>In thousand of RM</i>	Current quarter Three months ended 30-June		Cumulative quarter Six months ended 30-June	
	2012	2011	2012	2011
Current tax expense	-	15	7	42
Deferred tax expense	-	-	-	-
Under/(Over) provision in prior year	-	-	-	-
Tax Expense	-	15	7	42

The effective tax rate for the Group in the current quarter and financial year to date is lower than the statutory tax rate of 25% mainly due to the availability and utilisation of various tax allowances and incentives to offset against its taxable income.

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**

Particulars of the Group's borrowings are as follows:

<i>In thousand of RM</i>	Denominated in currency	30 June 2012	31 December 2011
Current			
Unsecured :			
Banker's Acceptance	RM	158	3,511
Banker's Acceptance	USD	712	546
		870	4,057



24. **Profit For The Period**

Profit for the period is arrived at after charging:-

<i>In thousand of RM</i>	Current quarter Three months ended 30-June		Cumulative quarter Six months ended 30-June	
	2012	2011	2012	2011
Amortisation of prepaid lease payments	11	11	23	23
Bad debts written off	6	2	8	6
Depreciation of property, plant and equipment	449	451	878	921
Depreciation of investment properties	12	12	23	23
Fair value loss / (gain) on derivatives	35	5	(4)	1
Finance costs	17	62	57	136
Foreign exchange loss – realised	1	12	60	41
Inventories written off	167	124	316	150
Property, plant and equipment written off	1	-	1	-

And after crediting:-

<i>In thousand of RM</i>	Current quarter Three months ended 30-June		Cumulative quarter Six months ended 30-June	
	2012	2011	2012	2011
Bad debts recovered	17	72	17	72
Foreign exchange gain – realised	12	125	64	164
Foreign exchange gain/(loss) – unrealised	14	(27)	14	-
Gain on disposal of property, plant & equipment	76	-	77	1

25. **Derivatives Financial Instruments**

The Group has entered into forward foreign exchange currencies contracts other than the functional currency to manage exposure to the fluctuations in foreign currency exchange rates. As at 30 June 2012, the outstanding foreign exchange forward contracts are as follows:

Type of Derivatives	Contract / Notional Value	Fair Value
	RM'000	RM'000
Forward foreign currency Sales contract denominated in USD - Less than 1 year	1,879	1,907



During the current financial year to date, the Group has recognized a fair value gain of RM4,000 on changes of its derivative instruments in the income statement.

As foreign currencies contracts are hedged with creditworthy financial institutions, the Group does not foresee any significant credit and market risks. There are also no transaction costs at the inception of these contracts as the Group only uses forward foreign currencies contracts as its hedging instruments. The Group is exposed to minimal cash flow risk in view of its healthy cash position.

26. **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.

27. **Realised and Unrealised Profits**

The breakdown of retained earnings of the Group as at the reporting date, into realised and unrealised profits or losses, pursuant to Paragraphs 2.06 and 2.23 of the Bursa Malaysia Securities Berhad Listing Requirements, are as follows:

<i>In thousand of RM</i>	30 June 2012	31 December 2011
Total retained earnings of the Group		
- Realised gains	14,096	14,925
- Unrealised gains/(losses)	<u>18</u>	<u>(90)</u>
	<u>14,114</u>	<u>14,834</u>

The unrealised gains/(losses) 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.

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.

28. **Dividend Proposed**

The Board did not recommend any dividend in the current quarter under review.

29. **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.

<i>In thousand of RM</i>	Current quarter		Cumulative quarter	
	Three months ended		Six months ended	
	30- June		30-June	
	2012	2011	2012	2011
Basic				
Profit/(loss) attributable to the owners of the company	(61)	534	(720)	826
Weighted average number of ordinary shares in issue	45,780	45,780	45,780	45,780
Basic earnings per ordinary share (sen)	(0.13)	1.16	(1.57)	1.80
Diluted				
Diluted earnings per ordinary share (sen)	(0.13)	1.16	(1.57)	1.80

30. **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 August 2012.

By order of the Board,
Central Industrial Corporation Berhad

Fong Phoi Shan
Company Secretary

Date: 28 August 2012