



Condensed Consolidated Statement Of Financial Position
As at 30 June 2014

<i>In thousand of RM</i>	30 June 2014 Unaudited	31 December 2013 Audited
<u>Assets</u>		
Property, plant & equipment	16,893	17,674
Prepaid lease payments	1,637	1,660
Investment properties	1,289	1,304
Total non-current assets	19,819	20,638
Inventories	27,523	29,115
Trade & other receivables	15,890	14,220
Derivatives Financial Assets	14	-
Current tax assets	13	38
Cash & bank balances	2,642	1,966
Total current assets	46,082	45,339
Total Assets	65,901	65,977
<u>Equity</u>		
Share capital	45,780	45,780
Reserves	1,796	1,804
Retained earnings	10,626	11,027
Total equity attributable to owners of the Company	58,202	58,611
Non-controlling interests	-	-
Total equity	58,202	58,611
<u>Liabilities</u>		
Employee benefits	1,193	1,170
Total non-current liabilities	1,193	1,170
Trade & other payables	3,205	5,051
Derivative financial liabilities	-	31
Borrowings	3,301	1,114
Total current liabilities	6,506	6,196
Total liabilities	7,699	7,366
Total Equity and Liabilities	65,901	65,977
Net assets per ordinary share (RM)	1.27	1.28

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31.12.2013 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 2014

<i>In thousand of RM</i>	Current quarter Three months ended 30-June		Cumulative quarter Six months ended 30-June	
	<u>2014</u> Unaudited	<u>2013</u> Unaudited	<u>2014</u> Unaudited	<u>2013</u> Unaudited
Continuing operations				
Revenue	15,714	13,825	31,887	28,474
Cost of sales	(14,180)	(12,390)	(28,397)	(25,125)
Gross profit	1,534	1,435	3,490	3,349
Other operating income	172	73	452	146
Selling and distribution expenses	(934)	(793)	(1,836)	(1,644)
Administrative expenses	(1,039)	(1,015)	(2,086)	(1,961)
Other operating expenses	(188)	(157)	(400)	(274)
Loss from operating activities	(455)	(457)	(380)	(384)
Finance costs	(13)	-	(23)	-
Finance income	-	2	2	4
Net finance costs	(13)	2	(21)	4
Loss before tax	(468)	(455)	(401)	(380)
Tax expense	-	-	-	13
Loss for the period	(468)	(455)	(401)	(367)
Other comprehensive income/(expense) , net of tax				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	(8)	4	(8)	-
Other comprehensive (expense)/income for the period	(8)	4	(8)	-
Comprehensive expense for the period	(476)	(451)	(409)	(367)
Loss attributable to :				
Owners of the Company	(468)	(455)	(401)	(367)
Non-controlling interests	-	-	-	-
Loss for the period	(468)	(455)	(401)	(367)



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

Comprehensive income/(expense) attributable to :

Owners of the Company	(476)	(451)	(409)	(367)
Non-controlling interests	-	-	-	-
Comprehensive expense for the period	(476)	(451)	(409)	(367)

Basic earnings per ordinary share (sen) (1.02) (0.99) (0.88) (0.80)

Diluted earnings per ordinary share (sen) (1.02) (0.99) (0.88) (0.80)

The Condensed Consolidated Statement of Profit Or Loss And Other Comprehensive Income should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31.12.2013 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 2014

<i>In thousand of RM - Unaudited</i>	/----- Attributable to owners of the Company -----/					
	Share Capital	Share Premium	Translation Reserve	Option Reserve	Retained Earnings	Total Equity
At 1 January 2014	45,780	1,407	109	288	11,027	58,611
Foreign currency translation differences for foreign operations	-	-	(8)	-	-	(8)
Total other comprehensive (expense)/income for the period	-	-	(8)	-	-	(8)
Loss for the period	-	-	-	-	(401)	(401)
Comprehensive expense for the period	-	-	(8)	-	(401)	(409)
<i>Contributions by and distributions to owners of the Company</i>						
- Dividend to owners	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-	-
At 30 June 2014	45,780	1,407	101	288	10,626	58,202



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	Option Reserve	Retained Earnings	Total Equity
At 1 January 2013	45,780	1,407	63	288	11,056	58,594
Foreign currency translation differences for foreign operations	-	-	-	-	-	-
Total other comprehensive income for the period	-	-	-	-	-	-
Loss for the period	-	-	-	-	(367)	(367)
Comprehensive expense for the period	-	-	-	-	(367)	(367)
Contributions by and distributions to owners of the Company						
- Dividend to owners	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-	-
At 30 June 2013	45,780	1,407	63	288	10,689	58,227

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 31.12.2013 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement Of Cash Flows
For the six months ended 30 June 2014

<i>In thousand of RM</i>	Six months ended 30-June	
	<u>2014</u> <u>Unaudited</u>	<u>2013</u> <u>Unaudited</u>
Cash flows from operating activities		
Loss before tax from - continuing operations	(401)	(380)
Adjustments for :-		
Amortisation of prepaid lease payments	23	23
Depreciation of property, plant and equipment	912	923
Depreciation of investment properties	15	15
Finance costs	23	-
Finance income	(2)	(4)
Property, plant & equipment written off	-	1
Operating profit before changes in working capital	<u>570</u>	<u>578</u>
Change in employee benefits, provisions and deferred income	23	9
Change in inventories	1,590	2,891
Change in trade and other payables	(1,869)	512
Change in trade and other receivables, prepayments and other financial assets	<u>(1,694)</u>	<u>(3,151)</u>
Cash (used in)/generated from operations	(1,380)	839
Income tax refund/(paid)	24	(6)
Interest paid	(23)	-
Net cash (used in)/from operating activities	<u>(1,379)</u>	<u>833</u>
Cash flows from investing activities		
Acquisition of property, plant & equipment	(131)	(42)
Interest received	2	4
Net cash used in investing activities	<u>(129)</u>	<u>(38)</u>
Cash flows from financing activities		
Drawn down of borrowings, net	<u>2,187</u>	-
Net cash from financing activities	<u>2,187</u>	-
Net increase in cash and cash equivalents	679	795
Effect on exchange rate fluctuations on cash held	(3)	-
Cash and cash equivalents at 1 January	<u>1,966</u>	<u>2,215</u>
Cash and cash equivalents at 30 June	<u><u>2,642</u></u>	<u><u>3,010</u></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>	Six months ended	
	30-June	
	<u>2014</u>	<u>2013</u>
Cash and bank balances	<u>2,642</u>	<u>3,010</u>
	<u>2,642</u>	<u>3,010</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 31.12.2013 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 2014

1. **Basis of Preparation**

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and Malaysia Financial Reporting Standards (MFRS) 134, *Interim Financial Reporting* in Malaysia and also comply with IAS 34, *Interim Financial Reporting* issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2013. 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 2013.

2. **Significant Accounting Policies**

The accounting principles and policies adopted in preparing these interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2013.

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

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 119, *Employee Benefits - Defined Benefit Plans: Employee Contributions*
- Amendments to MFRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)#*
- Amendments to MFRS 140, *Investment Properties (Annual Improvements 2011-2013 Cycle)*

MFRSs, Interpretations and amendments effective for a date yet to be confirmed

- MFRS 9, *Financial Instruments* (2009)
- MFRS 9, *Financial Instruments* (2010)



- MFRS 9, *Financial Instruments - Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139*
- Amendments to MFRS 7, *Financial Instruments: Disclosures - Mandatory Effective Date of MFRS 9 and Transition Disclosures*

The Group plans to apply the above mentioned standards, amendments and interpretations:

- from the annual period beginning on 1 January 2015 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2014 except for those marked “#” which are not applicable to the Group.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior periods financial statements of the Group.

3. **Auditors' Report**

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

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

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

5. **Seasonal or Cyclical Factors**

The Group's performance is not materially affected by any seasonal or cyclical factors.

6. **Debts and Equity Securities**

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

7. **Profit Forecast or Profit Guarantee**

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

8. **Unquoted Investments and Properties**

There were no purchases or sales of unquoted investments and properties in the current quarter under review.



9. **Quoted Securities**

There were no purchases or sales of quoted securities during the current quarter under review.

10. **Changes in Estimates**

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

11. **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.

12. **Corporate Proposals**

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

13. **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.

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

There were no valuations of property, plant and equipment during the current quarter under review.

15. **Dividends Paid**

There was no dividend paid during current quarter ended 30 June 2014.

16. **Segmental Reporting**

The Group's primary business segment is principally engaged in the manufacture and sale of self-adhesive label stocks and tapes of its own brand, and trading of other self-adhesive label stocks and tapes.



Segmental reporting for the Group by geographical segment for the current quarter ended 30 June 2014 stated as follows:

	Current quarter		Cumulative quarter	
	Three months ended		Six months ended	
	30-June		30-June	
<i>In thousand of RM - Unaudited</i>	2014	2013	2014	2013
<u>Segment Revenue</u>				
- Malaysia	15,311	13,558	31,149	28,001
- Overseas	1,085	1,004	2,076	2,021
Elimination of inter segment revenue	(682)	(737)	(1,338)	(1,548)
Total Segment Revenue	15,714	13,825	31,887	28,474

	Current quarter		Cumulative quarter	
	Three months ended		Six months ended	
	30-June		30-June	
<i>In thousand of RM - Unaudited</i>	2014	2013	2014	2013
<u>Segment Results</u>				
- Malaysia	(432)	(448)	(350)	(390)
- Overseas	(23)	(9)	(30)	6
Total Segment Results	(455)	(457)	(380)	(384)
Finance Cost	(13)	-	(23)	-
Finance Income	-	2	2	4
Loss Before Tax	(468)	(455)	(401)	(380)

17. 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.

18. Capital Commitments

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

19. 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.



20. **Review of Performance**

The Group's has registered revenue of RM15.714 million in the current quarter under review, which was 13.66% higher as compared to RM13.825 million registered in the corresponding quarter last year. The higher revenue registered by the Group was due to increase in sales in the quarter under review. However, the Group has registered loss before tax of RM0.468 million in the current quarter under review as compared to RM0.455 million registered in the corresponding quarter last year. The slight increase in the loss before tax was due to higher operating costs incurred in the current quarter under review.

For the six months ended 30 June 2014, total revenue for the Group increased by 11.99% to RM31.887 million as compared to RM28.474 million registered in the corresponding period last year. The higher revenue registered was due to higher sales as the result of higher sales volume and higher selling price in the cumulative quarter under review. The Group registered loss before tax of RM0.401 million, which was 5.53% higher than RM0.380 million registered in the same cumulative period last year. The higher losses registered are basically due to higher operating costs.

21. **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 2014 RM'000	Quarter ended 31 March 2014 RM'000	Variance	
			RM'000	%
Revenue	15,714	16,173	(459)	(2.84%)
(Loss)/Profit before tax	(468)	67	(535)	(798.51%)

The Group's revenue decreased by 2.84% from RM16.173 million in the immediate preceding quarter to RM15.714 million in the current quarter under review. The decreased in the Group's revenue was due to lower export sales recorded in the current quarter under review.

The Group recorded loss before tax of RM0.468 million in the current quarter under review as compared to profit before tax of RM0.067 million recorded in the immediate preceding quarter. The significant decreased in profit before tax was mainly due to higher operating and production costs which had contributed to lower gross margins and loss in the current quarter under review.

22. **Commentary of Prospects**

Even though the Group has operated under a tough and challenging circumstances in the first half of this year, the Board expects that the Group will perform better in 2014 with higher sales and better profit generated in view that the Group's strategy to focus and consolidate on its export market growth, product and service quality and stricter cost control will show improvements in the next few months.



23. Profit For The Period

Profit for the period is arrived at after charging:

<i>In thousand of RM</i>	Current quarter Three months ended		Cumulative quarter Six months ended	
	2014	30-June 2013	2014	30-June 2013
Amortisation of prepaid lease payments	11	11	23	23
Bad debts written off	9	8	9	9
Depreciation				
- Property, plant and equipment	457	460	912	923
- Investment properties	7	7	15	15
Finance costs	13	-	23	-
Foreign exchange loss – unrealised	18	-	39	-
Inventories written off	56	52	101	88
Property, plant & equipment written off	-	1	-	1
 And after crediting:-				
Bad debts recovered	40	16	40	16
Fair value gain/(loss) on derivatives	15	(29)	45	(36)
Finance income	-	2	2	4
Foreign exchange gain/(loss) – realised	33	7	(8)	38
Inventories written back	-	-	177	-

24. Tax Expense

<i>In thousand of RM</i>	Current quarter Three months ended		Cumulative quarter Six months ended	
	2014	30-June 2013	2014	30-June 2013
Current tax expense	-	-	-	-
Over provision in prior year	-	-	-	(13)
Tax expense	-	-	-	(13)



25. **Borrowings**

Particulars of the Group's borrowings are as follow:-

<i>In thousand of RM</i>	Denominated in currency	30 June 2014	30 June 2013
Current			
Unsecured :			
Banker's Acceptance	USD	2,565	-
Banker's Acceptance	RM	736	-

26. **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.

The outstanding of these derivatives as at 30 June 2014 are as follows:

Type of Derivatives	Contract / Notional Value	Fair Value
	RM'000	RM'000
Foreign currency forward contracts		
Sales contract denominated in USD	510	491
- Less than 1 year		
Purchases contract denominated in USD	189	184
- Less than 1 year		

Derivatives financial instruments entered into by the Group are similar to those disclosed in the audited financial statements for the year ended 31 December 2013. During the current quarter under review, the Group recognised a fair value gain of RM14,989 on changes of its derivative instruments in the profit or loss.

The maturity periods of the above derivatives are less than one year. 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.



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 2014	31 December 2013
Total retained earnings of the Group		
- Realised gain	10,620	11,077
- Unrealised gain/(loss)	<u>6</u>	<u>(50)</u>
	<u>10,626</u>	<u>11,027</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 of Directors 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 Three months ended		Cumulative quarter Six months ended	
	2014	30-June 2013	2014	30-June 2013
Basic				
Loss attributable to the owners of the company	(468)	(455)	(401)	(367)
Weighted average number of ordinary shares in issue	45,780	45,780	45,780	45,780
Basic earnings per ordinary share (sen)	(1.02)	(0.99)	(0.88)	(0.80)
Diluted				
Diluted earnings per ordinary share (sen)	<u>(1.02)</u>	<u>(0.99)</u>	<u>(0.88)</u>	<u>(0.80)</u>



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 21 August 2014.

By order of the Board,
Central Industrial Corporation Berhad

Fong Phoi Shan
Company Secretary

Date: 21 August 2014