



Condensed Consolidated Statement Of Financial Position
As at 30 June 2016

	30 June 2016 <u>Unaudited</u> RM'000	31 December 2015 <u>Audited</u> RM'000
<u>Assets</u>		
Property, plant & equipment	14,005	14,853
Prepaid lease payments	1,544	1,567
Investment properties	1,084	1,098
Total non-current assets	16,633	17,518
Inventories	14,266	15,576
Trade & other receivables	12,368	11,534
Current tax assets	45	30
Deposit, cash & bank balances	6,178	5,757
Total current assets	32,857	32,897
Total Assets	49,490	50,415
<u>Equity</u>		
Share capital	45,780	45,780
Reserves	1,667	1,685
Accumulated losses	(2,679)	(3,312)
Total equity attributable to owners of the Company	44,768	44,153
Non-controlling interests	-	-
Total equity	44,768	44,153
<u>Liabilities</u>		
Employee benefits	1,668	1,817
Total non-current liabilities	1,668	1,817
Trade & other payables	3,054	4,445
Derivative financial liabilities	-	-
Total current liabilities	3,054	4,445
Total liabilities	4,722	6,262
Total Equity and Liabilities	49,490	50,415
Net assets per ordinary share (RM)	0.98	0.96

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31.12.2015 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 2016

	Current quarter Three months ended 30 June		Cumulative quarter Six months ended 30 June	
	<u>2016</u> <u>Unaudited</u> RM'000	<u>2015</u> <u>Unaudited</u> RM'000	<u>2016</u> <u>Unaudited</u> RM'000	<u>2015</u> <u>Unaudited</u> RM'000
Continuing operations				
Revenue	14,365	13,192	28,073	26,313
Cost of sales	(11,749)	(10,959)	(23,281)	(22,460)
Gross profit	2,616	2,233	4,792	3,853
Other operating income	200	502	368	672
Selling and distribution expenses	(971)	(940)	(1,900)	(1,791)
Administrative expenses	(1,106)	(1,391)	(2,169)	(2,315)
Other operating expenses	(255)	(5,151)	(480)	(5,496)
Profit/(loss) from operating activities	484	(4,747)	611	(5,077)
Finance costs	-	-	-	-
Finance income	18	8	22	20
Net finance costs	18	8	22	20
Profit/(loss) before tax	502	(4,739)	633	(5,057)
Tax expense	-	-	-	1
Profit/(loss) for the period	502	(4,739)	633	(5,056)
Other comprehensive income/(expense), net of tax				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	34	43	(18)	60
Other comprehensive income/(expense) for the period	34	43	(18)	60
Comprehensive income/(expense) for the period/year	536	(4,696)	615	(4,996)
Gain/(loss) attributable to :				
Owners of the Company	502	(4,739)	633	(5,056)
Non-controlling interests	-	-	-	-
Gain/(loss) for the period	502	(4,739)	633	(5,056)



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

Comprehensive income/(expense) attributable to :

Owners of the Company	536	(4,696)	615	(4,996)
Non-controlling interests	-	-	-	-
Comprehensive income/(expense) for the period	<u>536</u>	<u>(4,696)</u>	<u>615</u>	<u>(4,996)</u>

Basic profit/(loss) per ordinary share (sen) 1.10 (10.35) 1.38 (11.04)

Diluted profit/(loss) per ordinary share (sen) 1.10 (10.35) 1.38 (11.04)

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 31.12.2015 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 2016 - Unaudited

	/----- Attributable to owners of the Company -----/				
	/----- Non- distributable -----/			Distributable	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000	Retained Earnings RM'000	
At 1 January 2016	45,780	1,407	278	(3,312)	44,153
Foreign currency translation differences for foreign operations	-	-	(18)	-	(18)
Total other comprehensive expense for the period			(18)	-	(18)
Profit for the period	-	-	-	633	633
Comprehensive income for the period	-	-	(18)	633	615
<i>Contributions by and distributions to owners of the Company</i>					
- Dividend to owners	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-
At 30 June 2016	45,780	1,407	260	(2,679)	44,768



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

	/----- Attributable to owners of the Company -----/					
	/----- Non- distributable -----/			/ Distributable		
	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000	Option Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
At 1 January 2015	45,780	1,407	133		9,468	56,788
Foreign currency translation differences for foreign operations	-	-	60	-	-	60
Total other comprehensive income for the period	-	-	60	-	-	60
Loss for the period	-	-	-	-	(5,056)	(5,056)
Comprehensive expense for the period	-	-	60	-	(5,056)	(4,996)
<i>Contributions by and distributions to owners of the Company</i>						
- Dividend to owners	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-	-
At 30 June 2015	45,780	1,407	193	-	4,412	51,792

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 31.12.2015 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement Of Cash Flows
For The Six Months Ended 30 June 2016

	Six months ended	
	30 June	
	<u>2016</u>	<u>2015</u>
	<u>Unaudited</u>	<u>Unaudited</u>
	RM'000	RM'000
Cash flows from operating activities		
Profit/(loss) before tax from - continuing operations	633	(5,057)
Adjustments for :-		
Amortisation of prepaid lease payments	23	23
Bad debts written off	19	12
Bad debts recovered	(33)	(97)
Depreciation of property, plant and equipment	870	883
Depreciation of investment properties	13	13
Finance income	(22)	(20)
Gain on disposal of property, plant and equipment	-	(52)
Inventories written off	116	92
Property, plant & equipment written off	2	1
Provision for inventories variance	-	4,800
Reversal for slow moving inventories	(10)	-
Provision of retirement benefits	77	359
Operating profit before changes in working capital	<u>1,688</u>	<u>957</u>
Change in inventories	1,198	1,081
Change in trade and other payables	(1,474)	(821)
Change in trade and other receivables, prepayments and other financial assets	(744)	(453)
Cash generated from operations	<u>668</u>	<u>764</u>
Income tax paid	(14)	(10)
Retirement benefit paid	(225)	(320)
Net cash from operating activities	<u>429</u>	<u>434</u>
Cash flows from investing activities		
Acquisition of property, plant & equipment	(25)	(408)
Proceed from disposal of investment property	-	178
Proceed from disposal property, plant and equipment	-	262
Interest received	22	20
Net cash (used in)/from investing activities	<u>(3)</u>	<u>52</u>
Net increase in cash and cash equivalents	426	486
Effect on exchange rate fluctuations on cash held	(5)	60
Cash and cash equivalents at 1 January	<u>5,757</u>	<u>4,285</u>
Cash and cash equivalents at 30 June	<u><u>6,178</u></u>	<u><u>4,831</u></u>



Cash and cash equivalents

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

	Six months ended	
	30 June	
	2016	2015
	RM'000	RM'000
Fixed deposits placed with a licensed bank	1,540	2,000
Short term deposit	700	-
Cash and bank balances	3,938	2,831
	<u>6,178</u>	<u>4,831</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 31.12.2015 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 2016

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 2015. 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 2015.

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 2015.

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.

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 Property (Annual Improvements 2011-2013 Cycle)*



MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016 (continued)

- Amendments to MFRS 5, Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)#
- Amendments to MFRS 7, Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)
- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 11, Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations#
- MFRS 14, Regulatory Deferral Accounts#
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture – Agriculture: Bearer Plants*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements#*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 15, *Revenue from Contracts with Customers*
- MFRS 9, *Financial Instruments* (2014)

The Group and the Company plan to apply the abovementioned accounting 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 indicated with “*” which are not applicable to the Group and the Company;
- from the annual period beginning on 1 January 2016 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2016 except for those indicate with “#” which are not applicable to the Group and the Company;
- from the annual period beginning on 1 January 2017 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2017; and



- from the annual period beginning on 1 January 2018 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2018.

The initial application of the abovementioned accounting standards, amendments or interpretations are not expected to have any material financial impacts to the Group and the Company except as mentioned below :

(i) MFRS 15, *Revenue from Contracts with Customers*

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programme*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfer of Assets from Customers* and IC Interpretation 131, *Revenue – Barter Transactions Involving Advertising Services*.

The Group and the Company is currently assessing the financial impact that may arise from the adoption of MFRS 15.

(ii) MFRS 9, *Financial Instruments*

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

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 for the Group in the current quarter under review, except the following updates on the Company's inventory variance matter.

The audit review on the Company's balance sheet items as at 31 December 2015 had been concluded and the Report on Findings was presented to the Board of Directors on 23 June 2016. Baker Tilly Monteiro Heng had reported that based on the work done, there were no significant findings during their review engagement. With the conclusion of the audit review, the Company has closed up the investigations on its inventory variances and will have no further follow up action.

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 the quarter under review and financial year-to-date.

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 2016 stated as follows:

	Current quarter		Cumulative quarter	
	Three months ended		Six months ended	
	30 June		30 June	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue - Unaudited</u>				
- Malaysia	10,286	12,787	20,005	25,488
- Overseas	4,898	954	9,671	1,976
Elimination of inter segment revenue	(819)	(549)	(1,603)	(1,151)
Total Segment Revenue	14,365	13,192	28,073	26,313

	Current quarter		Cumulative quarter	
	Three months ended		Six months ended	
	30 June		30 June	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
<u>Segment Results - Unaudited</u>				
- Malaysia	517	(4,739)	621	(5,094)
- Overseas	(33)	(8)	(10)	17
Total Segment Results	484	(4,747)	611	(5,077)
Finance Cost	-	-	-	-
Finance Income	18	8	22	20
Profit/(loss) Before Tax	502	(4,739)	633	(5,057)

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

The amount of capital commitments for the purchase of properties, plant & equipment not provided for in the interim financial statements are as follow:

	Quarter ended 30 June 2016 RM'000	Quarter ended 31 March 2016 RM'000
Amount approved but not contracted for		
- Properties, plant & equipment	Nil	831

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 recorded revenue of RM14.365 million and Profit Before Tax of RM0.502 million in current quarter under review as compared to revenue of RM13.192 million and Loss Before Tax of RM4.739 million recorded in the corresponding quarter last year. The Group had intensified its marketing strategies in local and export markets with continuous efforts in new product development and innovation which resulted in a higher revenue recorded. The group pricing strategies and effective operating costs management contributed to the improved operating results in the current quarter under review. The loss recorded last year was due to provision made for inventory variances of RM4.80 million.

21. Material Changes in results with immediate preceding quarter

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

	Quarter ended 30 June 2016 RM'000	Quarter ended 31 March 2016 RM'000	Variance RM'000	%
Revenue	14,365	13,708	657	4.79
Profit before tax	502	131	371	283.21

The Group's revenue increased by 4.79% in the current quarter under review from RM13.708 million in the immediate preceding quarter to RM14.365 million. The higher Group turnover was contributed mainly by higher local sales during the quarter.

The Group recorded Profit Before Tax of RM0.502 million in the current quarter compared to Profit Before Tax of RM0.131 million in the preceding quarter. The Group continuing efforts in marketing strategies and cost controls resulted in improved operating results in the current quarter under review.



22. Commentary of Prospects

The outlook for the 3rd quarter 2016, is forecasted for sustainable performance improvements as the Company roll over its marketing strategies for the domestic and export markets. These strategies have yet to realize their full potential as the Company took a prudent approach in the 2nd quarter to roll out commercial launches of its new products.

However, the external environment for domestic and export will remain similar to the preceding quarter, with little relief to the external headwinds and prevailing soft market sentiments for the domestic segment while the export segment competitive landscape is not forecast to change as international players grapple for market share.

23. Profit/(loss) For The Period

Profit/(loss) for the period is arrived at after charging:

	Current quarter		Cumulative quarter	
	Three months ended		Six months ended	
	30 June		30 June	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Amortisation of prepaid lease payments	12	12	23	23
Auditors' remuneration	10	11	20	23
Bad debts written off	12	12	19	12
Depreciation				
- Property, plant and equipment	428	434	870	883
- Investment properties	8	6	13	13
Foreign exchange loss - realised	(21)	-	50	28
Inventories written off	93	(29)	116	92
Provision for slow moving inventories	(20)	-	-	-
Property, plant and equipment written off	-	1	2	1
Provision for retirement benefits	77	318	77	359
Provision for inventories variance	-	4,800	-	4,800
Professional fees payable to a company which a former director has financial interest	-	3	-	3
Rental expense:				
- Land and building	47	38	101	93
- Equipment	14	14	28	26
Unrealised loss on forward foreign exchange contracts	-	-	-	41
And after crediting:-				
Bad debts recovered	19	34	33	97
Finance income	18	8	22	20



Gain on disposal of plant & equipment	-	-	-	52
Reversal of provision for retirement benefits	(20)	-	-	-
Rental income from investment properties	26	26	52	52
Reversal of slow moving inventory expense	10	-	10	-

24. Tax Expense

	Current quarter		Cumulative quarter	
	Three months ended		Six months ended	
	30 June		30 June	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Current tax expense	-	-	-	-
Over provision in prior year	-	-	-	1
Tax expense	-	-	-	1

25. Realised and Unrealised (Loss)/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:

	30 June	31 December
	2016	2015
	RM'000	RM'000
Total retained earnings of the Group		
- Realised loss	(2,679)	(3,435)
- Unrealised profit	-	123
	<u>(2,679)</u>	<u>(3,312)</u>

The unrealised 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.

26. Dividend Proposed

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



27. 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 MFRS 133 on Earnings per Share.

	Current quarter		Cumulative quarter	
	Three months ended		Six months ended	
	30 June	30 June	30 June	30 June
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Basic				
Profit/(loss) attributable to the owners of the company	502	(4,739)	633	(5,056)
Weighted average number of ordinary shares in issue	45,780	45,780	45,780	45,780
Basic earnings per ordinary share (sen)	1.10	(10.35)	1.38	(11.04)
Diluted				
Diluted profit/(loss) per ordinary share (sen)	1.10	(10.35)	1.38	(11.04)

28. 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 24 August 2016.

By order of the Board,
Central Industrial Corporation Berhad

Company Secretary
Date: 24 August 2016