



Condensed Consolidated Statement Of Financial Position
As at 30 June 2017

	30 June 2017	31 December 2016
	<u>Unaudited</u>	<u>Audited</u>
	RM'000	RM'000
<u>Assets</u>		
Property, plant & equipment	13,251	13,663
Prepaid lease payments	1,499	1,521
Investment properties	1,057	1,071
Investment in Associate	1,312	-
Total non-current assets	17,119	16,255
Inventories	16,669	14,427
Trade & other receivables	11,953	11,498
Deposit, cash & bank balances	9,614	10,466
Total current assets	38,236	36,391
Total Assets	55,355	52,646
<u>Equity</u>		
Share capital	50,000	45,780
Reserves	1,705	1,707
(Accumulated losses)/Retained earnings	(1,057)	(2,122)
Total equity attributable to owners of the Company	50,648	45,365
Non-controlling interests	-	-
Total equity	50,648	45,365
<u>Liabilities</u>		
Employee benefits	1,637	1,659
Total non-current liabilities	1,637	1,659
Trade & other payables	3,070	5,622
Total current liabilities	3,070	5,622
Total liabilities	4,707	7,281
Total Equity and Liabilities	55,355	52,646
Net assets per ordinary share (RM)	1.01	0.99

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31.12.2016 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement Of Profit Or Loss And Other Comprehensive Income
For Six Months Ended 30 June 2017

	Current quarter		Cumulative quarter	
	Three months ended		Six months ended	
	30 June		30 June	
	2017	2016	2017	2016
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	15,415	14,365	32,653	28,073
Cost of sales	(13,202)	(11,749)	(27,698)	(23,281)
Gross profit	2,213	2,616	4,955	4,792
Other operating income	246	200	662	368
Selling and distribution expenses	(920)	(971)	(1,850)	(1,900)
Administrative expenses	(1,133)	(1,106)	(2,191)	(2,169)
Other operating expenses	(141)	(255)	(581)	(480)
Profit from operating activities	265	484	995	611
Finance costs	-	-	-	-
Finance income	27	18	59	22
Share of net profit of associate company	11	-	11	-
Net finance costs	38	18	70	22
Profit before tax	303	502	1,065	633
Tax expense	-	-	-	-
Profit for the period	303	502	1,065	633
Other comprehensive income/(expense) , net of tax				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	(26)	34	(2)	(18)
Remeasurement of defined benefit liability	-	-	-	-
Other comprehensive income/(expense) for the period	(26)	34	(2)	(18)
Total comprehensive income for the period/year	277	536	1,063	615
Profit attributable to :				
Owners of the Company	303	502	1,065	633
Non-controlling interests	-	-	-	-
Profit for the period	303	502	1,065	633



Total comprehensive income attributable to :

Owners of the Company	277	536	1,063	615
Non-controlling interests		-		-
Total comprehensive income for the period	<u>277</u>	<u>536</u>	<u>1,063</u>	<u>615</u>

Basic profit per ordinary share (sen)	0.63	1.10	2.24	1.38
Diluted profit per ordinary share (sen)	0.63	1.10	2.24	1.38

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 31.12.2016 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 2017 - Unaudited

	/----- Attributable to owners of the Company -----/				
	/----- Non- distributable -----/			Distributable	
	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
At 1 January 2017	45,780	1,407	300	(2,122)	45,365
Foreign currency translation differences for foreign operations	-	-	(2)	-	(2)
Total other comprehensive income for the period	-	-	(2)	-	(2)
Profit for the period	-	-	-	1,065	1,065
Total comprehensive income for the period	-	-	(2)	1,065	1,063
Total transactions with owners of the Company					
<i>Contributions by and distributions to owners of the Company</i>					
- Issue of ordinary shares	4,220	-	-	-	4,220
At 30 June 2017	50,000	1,407	298	(1,057)	50,648



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

Condensed Consolidated Statement Of Changes In Equity
For Six Months ended 30 June 2016 - Unaudited

	/----- Attributable to owners of the Company -----/				
	/----- Non- distributable -----/			Distributable	
	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000	Retained Earnings RM'000	Total Equity 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 income for the period	-	-	(18)	-	(18)
Profit for the period	-	-	-	633	633
Total comprehensive income for the period	-	-	(18)	633	615
Total transactions with owners of the Company					
<i>Contributions by and distributions to owners of the Company</i>					
- Issue of ordinary shares	-	-	-	-	-
Total transactions with owners of the Company					
At 30 June 2016	45,780	1,407	260	(2,679)	44,768

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 31.12.2016 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement Of Cash Flows
For The Six Months Ended 30 June 2017

	Six months ended	
	<u>2017</u>	<u>30 June</u>
	<u>Unaudited</u>	<u>Unaudited</u>
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax from - continuing operations	1,065	633
Adjustment for :-		
Amortisation of prepaid lease payments	22	23
Bad debts written off	21	19
Bad debts recovered	(20)	(33)
Depreciation of property, plant and equipment	891	870
Depreciation of investment properties	14	13
Finance income	(59)	(22)
Gain on disposal of property, plant and equipment	(102)	-
Inventories Written off	75	116
Property, plant & equipment written off	1	2
Provision for slow moving		(10)
Provision for retirement benefits	87	77
Share of net profit of associated company	(11)	-
Operating profit / (loss) before changes in working capital	<u>1,984</u>	<u>1,688</u>
Change in inventories	(2,317)	1,198
Change in trade and other receivables	(456)	(744)
Change in trade and other payables	(2,536)	(1,474)
Cash (used in) / generated from operations	<u>(3,325)</u>	<u>668</u>
Income tax (paid) / refund	(16)	(14)
Retirement benefit paid	(110)	(225)
Net cash flow (used in) / from operating activities	<u>(3,451)</u>	<u>429</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(480)	(25)
Interest received	59	22
Investment in associated company	(1,300)	-
Proceeds from disposal of property, plant and equipment	102	-
Net cash flow from / (used in) investing activities	<u>(1,619)</u>	<u>(3)</u>
Cash flows from financing activities		
Proceeds from issuance of share capital	4,220	
Net cash flow from / (used in) financing activities	<u>4,220</u>	<u>0</u>



Net increase / (decrease) in cash & cash equivalents	(850)	426
Effect of exchange rate fluctuations on cash held	(2)	(5)
Cash and cash equivalents at 1 January	<u>10,466</u>	<u>5,757</u>
Cash and cash equivalents at 30 June	<u>9,614</u>	<u>6,178</u>

Cash and cash equivalents

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

	Six months ended	
	<u>2017</u>	<u>2016</u>
	RM'000	RM'000
Fixed deposits placed with a licensed bank	4,076	1,540
Short term deposit	2,268	700
Cash and bank balances	<u>3,270</u>	<u>3,938</u>
	<u>9,614</u>	<u>6,178</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 31.12.2016 and the accompanying explanatory notes attached to the interim financial statements.



Notes to the condensed consolidated interim financial statements for the three months ended 30 June 2017

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 of the Company and its subsidiaries ("Group") for the year ended 31 December 2016. 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 2016.

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 2016.

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 January 2017

- Amendments to MFRS 12, *Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 107, *Statement of Cash Flows - Disclosure Initiative*
- Amendments to MFRS 112, *Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses*

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

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*
- Clarifications to MFRS 15, *Revenue from Contracts with Customers*
- IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 2, *Share-based Payment - Classification and Measurement of Share-based Payment Transactions*

- Amendments to MFRS 4, *Insurance Contracts - Applying MFRS 9 Financial Instruments with*



MFRS 4 Insurance Contracts

- Amendments to MFRS 128, *Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 140, *Investment Property - Transfers of Investment Property*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, *Leases*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- 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*

The Group and the Company plan to apply the abovementioned accounting standards, amendments and interpretations:

- from the annual period beginning on 1 January 2017 for those amendments that are effective for annual periods beginning on or after 1 January 2017, where applicable.
- from the annual period beginning on 1 January 2018 for those accounting standards, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2018, where applicable.
- from the annual period beginning on 1 January 2019 for the accounting standard that is effective for annual periods beginning on or after 1 January 2019.

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 Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue – Barter Transactions Involving Advertising Services*.

The Group 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.

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

(iii) MFRS 16, Leases

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 16.

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

The Company incorporated CIC Construction Sdn Bhd on 12 April 2017 as a wholly-owned subsidiary of Central Industrial Corporation Berhad. CIC Construction Sdn Bhd subscribed a total of 327,500 new ordinary shares at a total subscription price of RM1.30 million on 25 May 2017 with Proventus Bina Sdn Bhd, a company engaged in construction activities.

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 except for the following:

On 29 May 2017, the Company issued 2,800,000 new ordinary shares of RM1 per ordinary share via a private placement for a total cash consideration of RM2,800,000.



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.

12. Corporate Proposals

Proceeds totaling RM4.22 million were raised under the first and second tranches of the Private Placement exercise which were completed on 17 January and 29 May 2017 respectively. The status of the utilization of these proceeds is set out below:-

Purpose	Proposed Utilisation	Actual Utilisation	Balance Utilisation	Intended Timeframe for Utilisation
	RM'000	RM'000	RM'000	
Working capital requirements	4,020	4,137	-	Within three (3) months
Estimated expenses in relation to the Proposed Placement	200	(83)	-	Within one (1) months
Total	4,220	4,220	-	

The issued and paid up share capital of the Company was increased to RM50,000,000 after the corporate exercise 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 tapes of its own brand, labels stocks 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 2017 stated as follows:

	Current quarter Three months ended		Cumulative quarter Six months ended	
	2017 RM'000	30 June 2016 RM'000	2017 RM'000	30 June 2016 RM'000
<u>Segment Revenue - Unaudited</u>				
- Malaysia	9,109	10,286	19,603	20,005
- Oversea	7,176	4,898	14,700	9,671
Elimination of inter segment revenue	(870)	(819)	(1,650)	(1,603)
Total Segment Revenue	15,415	14,365	32,653	28,073

	Current quarter Three months ended		Cumulative quarter Six months ended	
	2017 RM'000	30 June 2016 RM'000	2017 RM'000	30 June 2016 RM'000
<u>Segment Results</u>				
- Malaysia	235	517	794	621
- Oversea	30	(33)	201	(10)
Total Segment Results	265	484	995	611
Finance Cost	-	-	-	-
Finance Income	27	18	59	22
Share of Net Profit of Associated Company	11		11	
Profit Before Tax	303	502	1,065	633



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 2017 RM'000	Quarter ended 30 June 2016 RM'000
Amount approved but not contracted for		
- Property, plant & equipment	Nil	Nil

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 RM15.415 million and Profit Before Tax of RM0.303 million in the quarter under review as compared to RM14.365 million and Profit Before Tax of RM0.502 million recorded in the corresponding quarter last year. The higher revenue registered by the Group was due to the increase in export sales in the quarter under review for masking tapes. The lower Profit before Tax was due to the higher cost of goods sold and the resulting lower gross profit margins related to export sales.

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 2017 RM'000	Quarter ended 31 March 2017 RM'000	Variance RM'000	%
Revenue	15,415	17,238	(1,823)	(10.6)
Profit before tax	303	762	459	(60.2)

The Group's revenue decreased by 10.6% from RM17.238 million in the immediate preceding quarter to RM15.415 million in the current quarter under review. The lower revenue registered by the Group



was due to the temporary softening market demand due to the product price increase in the current quarter under review.

The Group recorded Profit Before Tax of RM0.303 million in the current quarter compared to Profit Before Tax of RM0.762 million in the preceding quarter. The lower Profit before Tax was due to the overall lower revenue and lower gross profit margins for export sales.

22. Commentary of Prospects

The outlook for the 3rd quarter 2017, remain unchanged from the current quarter under review with soft domestic market overhang conditions.

Revenue growth for domestic segment will continue to be tapes driven from opportunities for automotive grade masking tapes as key dealers impacted by volatile foreign currencies prefer local manufactured tapes instead of imported products.

The export segment forecasts improvements in revenue and gross profit margins via price increases to key export customers. The Company will push ahead with product re-engineering to enter new geographical markets and regain lost market share in its traditional export markets. Its re-engineered products are anticipated to roll out soft launches in the 3rd quarter and will continue to drive optimization of plant assets, resources and lower production unit costs. Export volumes are forecast to further increase from an additional potential global contract.

Though challenging, the 3rd quarter will offer sufficient opportunities for the Company to sustain its positive performance trajectory.

23. Profit For The Period

Profit for the period is arrived at after charging:

	Current quarter		Cumulative quarter	
	Three months ended		Six months ended	
	30 June		30 June	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Amortisation of prepaid lease payments	11	12	22	23
Auditors' remuneration	22	10	33	20
Bad debts written off	4	12	21	19
Depreciation				
- Property, plant and equipment	443	428	891	870
- Investment properties	7	8	14	13
Loss on foreign exchange - realised	49	(21)	86	50
Inventories written off	44	93	75	116
Allowance for slow moving inventories	-	(20)	-	-
Property, plant and equipment written off	-	-	-	2
Provision for retirement benefits	43	77	87	77
Rental expense:				
- Land and building	58	47	110	101



- Equipment	14	14	22	28
-------------	----	----	----	----

And after crediting:-

Bad debts recovered	15	19	20	33
Finance income	27	18	59	22
Gain on disposal of plant and equipment	102	-	102	52
Reversal of provision for retirement benefits	-	(20)	-	-
Rental income from investment properties	22	26	43	52
Reversal of slow moving inventory expense	-	10	-	-

24. Tax Expense

	Current quarter Three months ended 30 June		Cumulative quarter Six months ended 30 June	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current tax expense	-	-	-	-
Under provision in prior year	-	-	-	-
Tax expense	-	-	-	-

25. Realised and Unrealised Profits/ (Losses)

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 2017 RM'000	31 December 2016 RM'000
Total retained earnings/(accumulated losses) of the Group		
- Realised gain/(loss)	(1,057)	(2,118)
- Unrealised loss	-	(4)
	<u>(1,057)</u>	<u>(2,122)</u>

The unrealised loss 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	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Basic				
Profit/(Loss) attributable to the owners of the company	303	502	1,065	633
Weighted average number of ordinary shares in issue	48,215	45,780	47,616	45,780
Basic earnings per ordinary share (sen)	0.63	1.10	2.24	1.38
Diluted				
Diluted earnings per ordinary share (sen)	0.63	1.10	2.24	1.38

28. Authorisation for Issue

The interim financial statements and the accompanying notes were authorized for issue by the Board of Directors.