



Condensed Consolidated Statement Of Financial Position
As at 31 March 2018

	31 March 2018 Unaudited RM'000	31 December 2017 Audited RM'000
<u>Assets</u>		
Property, plant & equipment	12,663	13,010
Prepaid lease payments	1,464	1,475
Investment properties	1,037	1,044
Investment in Associate	1,554	1,399
Deferred Tax Assets	2,275	2,275
Total non-current assets	18,993	19,203
Inventories	13,169	15,498
Trade & other receivables	11,513	11,313
Deposit, cash & bank balances	14,911	12,493
Total current assets	39,593	39,304
Total Assets	58,586	58,507
<u>Equity</u>		
Share capital	51,407	51,407
Reserves	242	277
Retained earnings	1,439	1,375
Total equity attributable to owners of the Company	53,088	53,059
Non-controlling interests	-	-
Total equity	53,088	53,059
<u>Liabilities</u>		
Employee benefits	1,758	1,715
Total non-current liabilities	1,758	1,715
Trade & other payables	3,740	3,733
Total current liabilities	3,740	3,733
Total liabilities	5,498	5,448
Total Equity and Liabilities	58,586	58,507
Net assets per ordinary share (RM)	1.06	1.06

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31.12.2017 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement Of Profit Or Loss And Other Comprehensive Income
For Three Months Ended 31 March 2018

	Current quarter		Cumulative quarter	
	Three months ended		Three months ended	
	31 March		31 March	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Continuing operations				
Revenue	15,344	17,238	15,344	17,238
Cost of sales	(13,170)	(14,496)	(13,170)	(14,496)
Gross profit	2,174	2,742	2,174	2,742
Other operating income	25	416	25	416
Selling and distribution expenses	(950)	(930)	(950)	(930)
Administrative expenses	(1,275)	(1,058)	(1,275)	(1,058)
Other operating expenses	(133)	(440)	(133)	(440)
Profit from operating activities	(159)	730	(159)	730
Finance costs	-	-	-	-
Finance income	68	32	68	32
Share of net profit of associated company	155	-	155	-
Net finance costs	223	32	223	32
Profit before tax	64	762	64	762
Tax expense	-	-	-	-
Profit for the period	64	762	64	762
Other comprehensive income/(expense) , net of tax				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	(35)	23	(35)	23
Remeasurement of defined benefit liability	-	-	-	-
Other comprehensive income/(expense) for the period	(35)	23	(35)	23
Total comprehensive income for the period/year	29	785	29	785
Profit attributable to :				
Owners of the Company	64	762	64	762
Non-controlling interests	-	-	-	-
Profit for the period	64	762	64	762



Total comprehensive income attributable to :

Owners of the Company	29	785	29	785
Non-controlling interests		-		-
Total comprehensive income for the period	<u>29</u>	<u>785</u>	<u>29</u>	<u>785</u>

Basic profit per ordinary share (sen)	0.13	1.62	0.13	1.62
Diluted profit per ordinary share (sen)	0.13	1.62	0.13	1.62

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 31.12.2017 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 Three Months ended 31 March 2018 - 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 2018	51,407	0	277	1,375	53,059
Foreign currency translation differences for foreign operations	-	-	(35)	-	(35)
Total other comprehensive income for the period	-	-	(35)	-	(35)
Profit for the period	-	-	-	64	64
Total comprehensive income for the period	-	-	(35)	64	29
Total transactions with owners of the Company					
<i>Contributions by and distributions to owners of the Company</i>					
- Issue of ordinary shares	-	-	-	-	-
At 31 March 2018	51,407	-	242	1,439	53,088



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

Condensed Consolidated Statement Of Changes In Equity
For Three Months ended 31 March 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	-	-	23	-	23
Total other comprehensive income for the period	-	-	23	-	23
Profit for the period	-	-	-	762	762
Total comprehensive income for the period	-	-	23	762	785
Total transactions with owners of the Company					
<i>Contributions by and distributions to owners of the Company</i>					
- Issue of ordinary shares	1,420	-	-	-	1,420
Total transactions with owners of the Company					
At 31 March 2017	47,200	1,407	323	(1,360)	47,570

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 31.12.2017 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement Of Cash Flows
For The Three Months Ended 31 March 2018

	Three months ended	
	31 March	
	<u>2018</u>	<u>2017</u>
	<u>Unaudited</u>	<u>Unaudited</u>
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax from - continuing operations	64	762
Adjustment for :-		
Amortisation of prepaid lease payments	12	11
Bad debts written off	0	17
Bad debts recovered	(3)	0
Depreciation of property, plant and equipment	438	448
Depreciation of investment properties	7	7
Finance income	(68)	(32)
Inventories Written off	0	31
Provision for retirement benefits	44	44
Share of net profit of associated company	(155)	-
Operating profit / (loss) before changes in working capital	<u>339</u>	<u>1,288</u>
Change in inventories	2,323	1,507
Change in trade and other receivables	(200)	(2,485)
Change in trade and other payables	(15)	(716)
Cash (used in) / generated from operations	<u>2,447</u>	<u>(406)</u>
Income tax (paid) / refund	(10)	(6)
Retirement benefit paid	0	(110)
Net cash flow (used in) / from operating activities	<u>2,437</u>	<u>(522)</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(79)	(167)
Interest received	68	32
Proceeds from disposal of property, plant and equipment	0	-
Net cash flow from / (used in) investing activities	<u>(11)</u>	<u>(135)</u>
Cash flows from financing activities		
Proceeds from issuance of share capital	0	1,420
Net cash flow from / (used in) financing activities	<u>0</u>	<u>1,420</u>



Net increase / (decrease) in cash & cash equivalents	2,426	763
Effect of exchange rate fluctuations on cash held	(8)	23
Cash and cash equivalents at 1 January	<u>12,493</u>	<u>10,466</u>
Cash and cash equivalents at 31 March	<u><u>14,911</u></u>	<u><u>11,252</u></u>

Cash and cash equivalents

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

	Three months ended	
		31 March
	<u>2018</u>	<u>2017</u>
	RM'000	RM'000
Fixed deposits placed with a licensed bank	9,659	2,565
Short term deposit	3,102	3,365
Cash and bank balances	<u>2,149</u>	<u>5,322</u>
	<u><u>14,911</u></u>	<u><u>11,252</u></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 31.12.2017 and the accompanying explanatory notes attached to the interim financial statements.



Notes to the condensed consolidated interim financial statements for the three months ended 31 March 2018

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 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



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- MFRS 16, Leases
 - IC Interpretation 23, Uncertainty over Income Tax Treatments
 - Amendments to MFRS 3, Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)
 - Amendments to MFRS 9, Financial Instruments – Prepayment Features with Negative Compensation
 - Amendments to MFRS 11, Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)##
 - Amendments to MFRS 112, Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)
 - Amendments to MFRS 119, Employee Benefits – Plan Amendment, Curtailment or Settlement
 - Amendments to MFRS 123, Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)
 - Amendments to MFRS 128, Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, Insurance Contracts

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 in the respective financial years when the abovementioned accounting standards, amendments and interpretations become effective.

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 Programs, 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 and the Company have assessed the estimated impact that the initial application of MFRS 15 will have on their financial statements as at 1 January 2018. Based on the assessment, the Group and the Company do not expect the application of MFRS 15 to have a significant impact on their financial statements.

(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.

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. MFRS 9 also introduces a new impairment model with a forward-looking expected credit loss (ECL) model.

The Group and the Company have assessed the estimated impact that the initial application of MFRS 9 will have on their financial statements as at 1 January 2018. Based on the assessment, the Group and the Company do not expect the application of MFRS 9 to have a significant impact on their financial statements.

(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*.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Group and the Company will assess 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

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.



12. Corporate Proposals

There was no corporate proposal/exercise for the Group in the quarter under review.

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 31 March 2018 are stated as follows :



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

	Current quarter		Cumulative quarter	
	Three months ended		Three months ended	
	2018	31 March 2017	2018	31 March 2017
<u>Segment Revenue - Unaudited</u>	RM'000	RM'000	RM'000	RM'000
- Malaysia	8,674	10,494	8,674	10,494
- Oversea	7,585	7,524	7,585	7,524
Elimination of inter segment revenue	(914)	(780)	(914)	(780)
Total Segment Revenue	15,345	17,238	15,345	17,238

	Current quarter		Cumulative quarter	
	Three months ended		Three months ended	
	2018	31 March 2017	2018	31 March 2017
<u>Segment Results</u>	RM'000	RM'000	RM'000	RM'000
- Malaysia	(44)	559	(44)	559
- Oversea	(116)	171	(116)	171
Total Segment Results	(160)	730	(160)	730
Finance Cost	-	-	-	-
Finance Income	68	32	68	32
Share of Net Profit of Associated Company	155		155	
Profit Before Tax	64	762	64	762

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 31 March 2018	Quarter ended 31 March 2017
Amount approved but not contracted for	RM'000	RM'000
- 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 RM15.344 million and Profit Before Tax of RM0.064 Million in the quarter under review as compared to revenue of RM17.238 Million and Profit Before Tax of RM0.762 Million recorded in the corresponding quarter last year. The lower revenue registered by the Group was due to the decrease in local sales in the quarter under review.

Lower Profit Before Tax recorded for the quarter was mainly attributed to decrease in local sales as well as higher administration expenses paid in the quarter under review for the corporate exercise in the previous quarter and forex losses.

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 31 March 2018 RM'000	Quarter ended 31 Dec 2017 RM'000	Variance RM'000	%
Revenue	15,344	13,779	1,565	11.4%
Profit / (Loss) before tax	64	(145)	209	144.1%

The Group's revenue increased by 11.4% from RM13.779 million in the immediate preceding quarter to RM15.344 million in the current quarter under review. The higher revenue registered by the Group was mainly due to the increase in export sales.

The Group recorded Profit Before Tax of RM0.06 million in the current quarter compared to Loss Before Tax of RM0.145 million in the preceding quarter. Profit before Tax was attributed to higher sales revenue recorded during the quarter as well as profit sharing from associated company.



22. Commentary of Prospects

The outlook for the 2nd quarter 2018 is forecast to be softer than the preceding quarter with the shorter working months of May and June anticipated to affect domestic sales due to the country's general elections activities in the months of April and May while the month of June will be affected by the festive season of Ramadhan/Hari Raya.

Export orders in the 2nd quarter are also forecast to be lower due to the slowdown of orders from the Indian subcontinent which is currently experiencing aggressive competition from China manufacturers.

With lower sales anticipated for the next quarter, efforts are being made to ensure that the Company will be able to recover its revenue and profit shortfall in the 2nd half of the financial year. Revenue growth for domestic segment, include, reviving labels stocks sales to printer customers who have good credit worthiness records but requiring longer credit terms. The focus on growth from tapes and traded items sales will be further intensified to support the overall efforts to drive urgent revenue increase from the domestic market.

Overall domestic gross profit margins are forecast to sustain its improvement from the previous quarter from lower costs of raw materials in the preceding quarter which were purchased at a favorable currency exchange against the US Dollar.

Export sales will take an aggressive pricing strategy to regain lost sales as export volumes are critical for the optimization of plant assets utilization and the lowering of production unit costs. The strategy will require a short lag time to materialize as export customers sell of current inventories prior to placement of new orders. Export gross profit margins for the next quarter are expected to benefit from the higher USD exchange rate forecasted to partially offset the impact of higher production unit costs due to the lower volumes anticipated in the next quarter.

Overall the lower plant volumes forecasted for the next quarter will result in higher production unit costs which will impact gross profit margins for domestic and export segments.



23. Profit For The Period

Profit for the period is arrived at after charging:

	Current quarter		Cumulative quarter	
	Three months ended		Three months ended	
	31 March		31 March	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Amortisation of prepaid lease payments	12	11	12	11
Auditors' remuneration	18	11	18	11
Bad debts written off	1	17	1	17
Depreciation				
- Property, plant and equipment	438	448	438	448
- Investment properties	7	7	7	7
Loss on foreign exchange	42	37	42	37
Inventories written off	28	31	28	31
Provision for retirement benefits	44	44	44	44
Rental expense:				
- Land and building	54	52	54	52
- Equipment	1	8	1	8

And after crediting:-

Bad debts recovered	3	5	3	5
Finance income	68	32	68	32
Rental income from investment properties	24	21	24	21

24. Tax Expense

	Current quarter		Cumulative quarter	
	Three months ended		Three months ended	
	31 March		31 March	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Current tax expense	-	-	-	-
Deferred Tax adjustment	-	-	-	-
(Over)/Under provision in prior year	-	-	-	-
Tax expense	-	-	-	-



25. Dividend Proposed

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

26. 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 Three months ended 31 March		Cumulative quarter Three months ended 31 March	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Basic				
Profit attributable to the owners of the company	64	762	64	762
Weighted average number of ordinary shares in issue	50,000	47,011	50,000	47,011
Basic earnings per ordinary share (sen)	0.13	1.62	0.13	1.62
Diluted				
Diluted earnings per ordinary share (sen)	0.13	1.62	0.13	1.62

27. Authorisation for Issue

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