

Century Bond Bhd.
(Company No. 228669-V)
(Incorporated in Malaysia)

Interim Financial Report
30 September 2013

Century Bond Bhd.

(Company No. 228669-V)
(Incorporated in Malaysia)

Condensed consolidated statement of financial position at 30 September 2013 - unaudited

	Note	30.09.2013 RM'000	31.03.2013 RM'000
Assets			
Property, plant and equipment		39,516	40,460
Prepaid lease payments		3,975	4,022
Deferred tax assets		108	77
Total non-current assets		<u>43,599</u>	<u>44,559</u>
Inventories		32,780	25,469
Trade and other receivables		46,736	48,019
Tax recoverable		861	1,258
Cash and bank balances		80,002	76,865
Assets held for sale		--	468
Total current assets		<u>160,379</u>	<u>152,079</u>
Total assets		<u><u>203,978</u></u>	<u><u>196,638</u></u>
Equity			
Share capital		60,000	60,000
Reserves		101,950	90,955
Total equity attributable to owners of the Company		161,950	150,955
Minority interest		<u>6,334</u>	<u>5,687</u>
Total equity		<u>168,284</u>	<u>156,642</u>
Liabilities			
Loans and borrowings	22	184	272
Deferred tax liabilities		4,250	4,439
Total non-current liabilities		<u>4,434</u>	<u>4,711</u>
Trade and other payables		22,027	26,843
Loans and borrowings	22	5,998	4,327
Dividend payable		--	2,025
Taxation		3,235	2,090
Total current liabilities		<u>31,260</u>	<u>35,285</u>
Total liabilities		<u>35,694</u>	<u>39,996</u>
Total equity and liabilities		<u><u>203,978</u></u>	<u><u>196,638</u></u>

The notes on pages 6 to 13 are an integral part of these condensed consolidated interim financial statements.

Century Bond Bhd.

(Company No. 228669-V)

(Incorporated in Malaysia)

Condensed consolidated income statement for the period ended 30 September 2013 - unaudited

	Note	Individual 3 months ended 30 September		Cumulative 6 months ended 30 September	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue		41,410	46,407	86,351	93,593
Cost of sales		<u>(31,873)</u>	<u>(36,751)</u>	<u>(66,615)</u>	<u>(75,198)</u>
Gross profit		9,537	9,656	19,736	18,395
Other income		1,569	679	2,154	2,115
Distribution expenses		(1,670)	(2,180)	(3,368)	(4,445)
Administrative expenses		<u>(2,045)</u>	<u>(1,919)</u>	<u>(4,033)</u>	<u>(3,585)</u>
Profit from operating activities		7,391	6,236	14,489	12,480
Finance costs		<u>(57)</u>	<u>(73)</u>	<u>(89)</u>	<u>(145)</u>
Profit before tax		7,334	6,163	14,400	12,335
Tax expense	20	<u>(1,981)</u>	<u>(1,642)</u>	<u>(3,726)</u>	<u>(3,061)</u>
Profit for the period		<u>5,353</u>	<u>4,521</u>	<u>10,674</u>	<u>9,274</u>
Attributable to:					
Owners of the Company		5,057	4,149	10,027	8,560
Minority interest		<u>296</u>	<u>372</u>	<u>647</u>	<u>714</u>
Profit for the period		<u>5,353</u>	<u>4,521</u>	<u>10,674</u>	<u>9,274</u>
Basic and diluted earnings per ordinary share (sen)	24	<u>4.21</u>	<u>3.46</u>	<u>8.36</u>	<u>7.13</u>

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Century Bond Bhd.

(Company No. 228669-V)
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Condensed consolidated statement of comprehensive income for the period ended 30 September 2013 - unaudited

	Individual 3 months ended 30 September		Cumulative 6 months ended 30 September	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit for the period	5,353	4,521	10,674	9,274
Currency translation differences arising from consolidation	742	(139)	968	272
Total comprehensive income	<u>6,095</u>	<u>4,382</u>	<u>11,642</u>	<u>9,546</u>
Attributable to:				
Owners of the Company	5,799	4,010	10,995	8,832
Minority interest	296	372	647	714
	<u>6,095</u>	<u>4,382</u>	<u>11,642</u>	<u>9,546</u>

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Century Bond Bhd.

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Condensed consolidated statement of changes in equity for the period ended 30 September 2013 – unaudited

	← Attributable to owners of the Company →			Total RM'000	Minority interest RM'000	Total equity RM'000
	<i>Non-distributable</i> Share capital RM'000	<i>Translation</i> reserves RM'000	<i>Distributable</i> Retained earnings RM'000			
<i>At 1 April 2013</i>	60,000	(153)	91,108	150,955	5,687	156,642
Total comprehensive income for the period	--	968	10,027	10,995	647	11,642
<i>At 30 September 2013</i>	<u>60,000</u>	<u>815</u>	<u>101,135</u>	<u>161,950</u>	<u>6,334</u>	<u>168,284</u>
<i>At 1 April 2012</i>	60,000	(385)	76,756	136,371	4,508	140,879
Total comprehensive income for the period	--	272	8,560	8,832	714	9,546
Dividends to shareholders	--	--	(3,000)	(3,000)	--	(3,000)
<i>At 30 September 2012</i>	<u>60,000</u>	<u>(113)</u>	<u>82,316</u>	<u>142,203</u>	<u>5,222</u>	<u>147,425</u>

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Century Bond Bhd.

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Condensed consolidated statement of cash flows for the period ended 30 September 2013 - unaudited

	6 months ended 30 September	
	2013 RM'000	2012 RM'000
Cash flows from operating activities		
Profit before tax	14,400	12,335
Adjustments for non-cash flow:		
Non-cash items	3,094	2,560
Non-operating items	(1,629)	(1,212)
Operating profit before changes in working capital	<u>15,865</u>	<u>13,683</u>
Net change in current assets	(6,505)	(2,781)
Net change in current liabilities	(2,800)	4,412
Net tax paid	(2,404)	(2,424)
Net cash generated from operating activities	<u>4,156</u>	<u>12,890</u>
Cash flows from investing activities		
Other investments activities/		
Net cash used in investing activities	<u>(577)</u>	<u>(5,448)</u>
Cash flows used in financing activities		
Dividends paid to shareholders	(1,800)	--
Dividends paid to minority shareholder	(225)	--
Proceed from bank borrowings	1,780	2,144
Net cash from/(used) in financing activities	<u>(245)</u>	<u>2,144</u>
Net increase in cash and cash equivalents	3,334	9,586
Cash and cash equivalents at beginning of period	<u>76,668</u>	<u>50,572</u>
Cash and cash equivalents at end of period	<u><u>80,002</u></u>	<u><u>60,158</u></u>
Cash and cash equivalents included in the cash flow statement comprise the following consolidated statement of financial position amounts:		
Cash and bank balances	39,052	29,828
Deposits with licensed banks	40,950	30,330
	<u><u>80,002</u></u>	<u><u>60,158</u></u>

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Notes to the condensed consolidated interim financial statements

Century Bond Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements of the Group as at and for the financial year ended 31 March 2013 comprise the Company and its subsidiaries (together referred to as the Group).

The consolidated financial statements of the Group as at and for the year ended 31 March 2013 are available upon request from the Company's registered office at:

Suite 5.11 & 5.12, 5th floor,
Menara TJB,
No. 9, Jalan Syed Mohd Mufti,
80000 Johor Bahru,
Johor, Malaysia.

These condensed consolidated interim financial statements were approved by the Board of Directors on 28 November 2013.

1. Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, *Interim Financial Reporting* in Malaysia and with IAS 34, *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 March 2013.

2. Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 March 2013.

3. Comments about seasonal or cyclical factors

The Group businesses are affected by seasonal or cyclical factors in that it normally experiences better sales in the second and third quarters of the financial year.

4. Unusual items affecting the assets, liabilities, equity, net income or cash flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current quarter.

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5. Material changes in estimates

There were no material changes in estimates for the current quarter.

6. Capital and reserves

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter.

7. Dividend

The Board of Directors has approved and declared a first interim dividend as follows:

	30 September 2013 RM'000	30 September 2012 RM'000
Interim dividend for financial year	31 March 2014	31 March 2013
Amount per share	2.0 sen (single tier)	--
Approved and declared on	28 November 2013	--
Entitlement to dividends based on		
Record of Depositors as at	16 December 2013	--
Date payable	6 January 2014	--

8. Segment information

(a) By Business Segments:

	Revenue		Profit before tax	
	6 months ended 30 September		6 months ended 30 September	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Paper packaging	80,705	88,873	11,802	10,239
Plastic packaging	11,472	13,176	962	978
Contract manufacturing and packing	12,756	12,555	1,473	1,149
Investment and property holding	445	505	374	288
Others	1,065	1,469	(122)	(174)
	<u>106,443</u>	<u>116,578</u>	<u>14,489</u>	<u>12,480</u>
Inter-segment elimination	<u>(20,092)</u>	<u>(22,985)</u>	<u>--</u>	<u>--</u>
	86,351	93,593	14,489	12,480
Finance costs	<u>--</u>	<u>--</u>	<u>(89)</u>	<u>(145)</u>
	<u><u>86,351</u></u>	<u><u>93,593</u></u>	<u><u>14,400</u></u>	<u><u>12,335</u></u>

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8. Segment information (continue)

(b) By geographical locations:

	Revenue 6 months ended 30 September	
	2013 RM'000	2012 RM'000
Malaysia	60,124	63,298
Indonesia and others	26,227	30,295
	<u>86,351</u>	<u>93,593</u>

9. Profit before tax

	3 months ended 30 September		Cumulative 6 months ended 30 September	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit for the period is arrived at after charging/ (crediting):				
Depreciation & amortisation	1,382	1,268	2,706	2,560
Net foreign exchange loss/ (gain)	(879)	63	(1,059)	(952)
Interest income	(294)	(221)	(571)	(405)

10. Material events subsequent to period end

There were no material events subsequent to the end of the period reported that have not been reflected in this quarterly report.

11. Changes in composition of the Group

There were no changes in the composition of the Group during the current quarter.

12. Contingent assets and contingent liabilities

The Group did not have any contingent liabilities and contingent assets since the last annual balance sheet date.

13. Capital Commitments

	30 September 2013 RM'000	30 September 2012 RM'000
<i>Property, plant and equipment</i> Contracted but not provided for	<u>377</u>	<u>145</u>

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14. Significant related party transactions

	6 months ended 30 September	
	2013 RM'000	2012 RM'000
Directors' remuneration	1,206	963
<i>Rental paid/payable to certain Directors</i>	55	55
<i>Companies in which the spouse of an Executive Director/major shareholder of CBB has substantial financial interest</i>		
Purchases of printing block	79	96
<i>Company in which a corporate shareholder of a subsidiary has substantial financial interest</i>		
Sale of paper bags	13,455	13,449
Rental paid/payable	36	36
<i>Companies in which close family members of certain Directors of the Company have substantial financial interest</i>		
Purchase of finished good	106	--
Sales of finished good	82	--
Services rendered	266	279

15. Revenue and cost of sales for preceding quarter

The revenue and cost of sales for preceding quarter were overstated by RM3.429 million respectively due to omission in eliminating certain inter-company transactions. The revised figures are presented as follows:

Revised figures for the period ended 30 June 2013	Previously reported RM'000	Inter- company transaction RM'000	As restated RM'000
Revenue	48,370	(3,429)	44,941
Cost of sales	(38,171)	3,429	(34,742)
Gross profit	10,199	--	10,199

The revenue and cost of sales figures in second quarter are derived based on the cumulative figures for the period ended 30 September 2013, after deducting the above restated figures for first quarter ended 30 June 2013.

Notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A.

16. Review of performance

The Group's revenue for the current quarter is reported at RM41.410 million, which is RM4.997 million lower compared to RM46.407 million registered in the corresponding quarter of last financial year. Gross profit is reported at RM9.537 million in current quarter representing a decrease of RM0.119 million compared to the corresponding quarter in last financial year of RM9.656 million mainly due to lower sales volume achieved in the current quarter.

The performance of each business segment is as follows:

(a) Paper packaging

The revenue for the current quarter decreased to RM33.625 million in the current quarter as compared to RM38.880 million reported in the corresponding quarter of last financial year due to lower sales volume achieved during the current quarter.

(b) Plastic Packaging

The revenue recorded in the current quarter increased to RM3.344 million as compared to RM3.014 million reported in the corresponding quarter of last financial year due to higher sales volume during the current quarter.

(c) Contract manufacturing and packing

The revenue for the current quarter increased to RM3.932 million as compared to RM3.891 million recorded in corresponding quarter of last financial year due to higher sales volume achieved during the current quarter.

(d) Investment and property holding

The Group's investment and property holding activities comprises of properties which are rented to subsidiaries and management services which are provided to subsidiaries. All revenue received for both current and corresponding quarter of last financial year is eliminated from the report.

(e) Others

The revenue for the current quarter decreased to RM0.509 million as compared to RM0.622 million recorded in corresponding quarter of last financial year due to lower sales volume achieved during the current quarter.

17. Variation of results against preceding quarter

The Group's revenue for the current quarter is RM41.410 million, a decrease of RM3.531 million from preceding quarter of RM44.941 million. This is mainly due to the lower revenue of RM33.625 million in paper packaging segment in the current quarter as compared to RM37.804 million achieved in the preceding quarter.

The Group's current quarter profit before tax of RM7.334 million is RM0.268 million higher compared to the profit before tax of RM7.066 million registered in the preceding quarter mainly due to lower cost of raw materials and higher unrealised gain on foreign exchange in current quarter.

18. Prospects

The Group's core attention and focus will be maintained in the paper packaging division which is the key driver of growth. While other avenues and opportunities will continue to be explored and identified, the Group is mindful that in the prevailing market conditions, caution will be exercised.

The Group anticipates that its business for the remaining quarters in current financial year will be even more challenging. Local business confidence and sentiment continue to remain weak and uncertain affected by local events. Going forward, the Group will closely monitor and take appropriate measures to insulate and adapt to the ever changing operating conditions.

While the Group is optimistic and will continue to strive to remain profitable in the current financial year owing to the observations above, caution and prudence will be exercised.

19. Profit forecast

Not applicable.

20. Tax expense

	3 months ended 30 September		Cumulative 6 months ended 30 September	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current tax				
- Current year	1,820	1,317	3,866	2,682
- Under provision in prior quarter	80	234	80	234
	1,900	1,551	3,946	2,916
Deferred tax liabilities / (assets)	81	91	(220)	145
	<u>1,981</u>	<u>1,642</u>	<u>3,726</u>	<u>3,061</u>

21. Status of corporate proposal announced

There was no outstanding corporate proposal announced for the current quarter under review.

22. Loans and borrowings

The loans and borrowings of the Group denominated in Ringgit Malaysia are as follows:

	30 September 2013 RM'000	31 March 2013 RM'000
Non-current		
- Secured	184	272
Current		
- Secured	180	180
- Unsecured	5,818	4,147
	<u>5,998</u>	<u>4,327</u>
Total borrowings	<u><u>6,182</u></u>	<u><u>4,599</u></u>

23. Changes in material litigation

There was no pending material litigation as at 25 November 2013, being a date not earlier than 7 days from the date of the quarterly report.

24. Earnings per ordinary share

Basic and diluted earnings per ordinary share

Basic earnings per ordinary share are calculated by dividing the profit after tax for the period by the weighted average number of ordinary shares in issue during the period.

	3 months ended 30 September 2013	6 months ended 30 September 2013
Profit for the period (RM'000)	5,353	10,674
Less: Amount attributable to minority interest (RM'000)	(296)	(647)
Profit for the period attributable to owners of the Company (RM'000)	<u>5,057</u>	<u>10,027</u>
Weighted average number of ordinary shares in issue ('000)	<u>120,000</u>	<u>120,000</u>
Basic earnings per share (sen)	<u><u>4.21</u></u>	<u><u>8.36</u></u>

There are no dilutive earnings per share during the period.

25. Realised and unrealised profit/losses disclosure

The retained profits as at 30 September 2013 and 31 March 2013 is analysed as follows:-

	30 September 2013 RM'000	31 March 2013 RM'000
Total retained profits/(accumulated losses) of the Company and the subsidiaries:		
- Realised	117,491	106,032
- Unrealised	(3,095)	(2,085)
	<u>114,396</u>	<u>103,947</u>
Less: Consolidated adjustments	<u>(13,261)</u>	<u>(12,839)</u>
	<u><u>101,135</u></u>	<u><u>91,108</u></u>

26. Auditors' report on preceding annual financial statements

The auditor expressed an unqualified opinion on the Company's statutory financial Statements for the year ended 31 March 2013 in their report dated 17 July 2013.