

Century Bond Bhd.

(Company No. 228669-V)

(Incorporated in Malaysia)

Interim Financial Report
30 June 2014

Century Bond Bhd.

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

Condensed consolidated statement of financial position at 30 June 2014 - unaudited

	Note	30.06.2014 RM'000	31.03.2014 RM'000
Assets			
Property, plant and equipment		43,825	38,214
Prepaid lease payments		3,904	3,927
Deferred tax assets		35	27
Total non-current assets		<u>47,764</u>	<u>42,168</u>
Inventories		28,217	29,836
Trade and other receivables		49,695	54,798
Tax recoverable		821	913
Cash and bank balances		80,663	82,806
Total current assets		<u>159,396</u>	<u>168,353</u>
Total assets		<u><u>207,160</u></u>	<u><u>210,521</u></u>
Equity			
Share capital		60,000	60,000
Reserves		106,637	103,910
Total equity attributable to owners of the Company		166,637	163,910
Minority interest		7,021	6,755
Total equity		<u>173,658</u>	<u>170,665</u>
Liabilities			
Loans and borrowings	21	65	86
Deferred tax liabilities		3,836	4,275
Total non-current liabilities		<u>3,901</u>	<u>4,361</u>
Trade and other payables		26,865	27,634
Loans and borrowings	21	163	4,948
Dividend payable		--	518
Taxation		2,573	2,395
Total current liabilities		<u>29,601</u>	<u>35,495</u>
Total liabilities		<u>33,502</u>	<u>39,856</u>
Total equity and liabilities		<u><u>207,160</u></u>	<u><u>210,521</u></u>

The notes on pages 6 to 12 are an integral part of these condensed consolidated interim financial statements.

Century Bond Bhd.

(Company No. 228669-V)

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Condensed consolidated statement of profit or loss for the period ended 30 June 2014 - unaudited

	Note	Individual 3 months ended 30 June		Cumulative 3 months ended 30 June	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue		42,239	44,941	42,239	44,941
Cost of sales		(34,595)	(34,742)	(34,595)	(34,742)
Gross profit		7,644	10,199	7,644	10,199
Other income		972	585	972	585
Distribution expenses		(2,029)	(1,698)	(2,029)	(1,698)
Administrative expenses		(1,848)	(1,988)	(1,848)	(1,988)
Other expenses		(461)	--	(461)	--
Profit from operating activities		4,278	7,098	4,278	7,098
Finance costs		(23)	(32)	(23)	(32)
Profit before tax		4,255	7,066	4,255	7,066
Tax expense	19	(1,150)	(1,745)	(1,150)	(1,745)
Profit for the period		3,105	5,321	3,105	5,321
Attributable to:					
Owners of the Company		2,942	4,970	2,942	4,970
Minority interest		163	351	163	351
Profit for the period		3,105	5,321	3,105	5,321
Basic and diluted earnings per ordinary share (sen)	23	2.45	4.14	2.45	4.14

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Century Bond Bhd.

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

Condensed consolidated statement of profit or loss and other comprehensive income for the period ended 30 June 2014 - unaudited

	Individual 3 months ended 30 June		Cumulative 3 months ended 30 June	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit for the period	3,105	5,321	3,105	5,321
Currency translation differences arising from consolidation	(215)	226	(215)	226
Total comprehensive income	<u>2,890</u>	<u>5,547</u>	<u>2,890</u>	<u>5,547</u>
Attributable to:				
Owners of the Company	2,727	5,196	2,727	5,196
Minority interest	163	351	163	351
	<u>2,890</u>	<u>5,547</u>	<u>2,890</u>	<u>5,547</u>

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Condensed consolidated statement of changes in equity for the period ended 30 June 2014 – 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 reserves</i> RM'000	<i>Distributable</i> Retained earnings RM'000			
<i>At 1 April 2014</i>	60,000	1,278	102,632	163,910	6,755	170,665
Total comprehensive income for the period	--	(215)	2,942	2,727	266	2,993
<i>At 30 June 2014</i>	<u>60,000</u>	<u>1,063</u>	<u>105,574</u>	<u>166,637</u>	<u>7,021</u>	<u>173,658</u>
<i>At 1 April 2013</i>	60,000	(153)	91,108	150,955	5,687	156,642
Total comprehensive income for the period	--	226	4,970	5,196	351	5,547
<i>At 30 June 2013</i>	<u>60,000</u>	<u>73</u>	<u>96,078</u>	<u>156,151</u>	<u>6,038</u>	<u>162,189</u>

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Condensed consolidated statement of cash flows for the period ended 30 June 2014 - unaudited

	3 months ended 30 June	
	2014 RM'000	2013 RM'000
Cash flows from operating activities		
Profit before tax	4,255	7,066
Adjustments for non-cash flow:		
Non-cash items	1,349	1,325
Non-operating items	162	(433)
Operating profit before changes in working capital	<u>5,766</u>	<u>7,958</u>
Net change in current assets	6,611	(6,741)
Net change in current liabilities	(1,241)	471
Net tax paid	(1,326)	(941)
Net cash generated from operating activities	<u>9,810</u>	<u>747</u>
Cash flows from investing activities		
Other investments activities/		
Net cash used in investing activities	<u>(6,628)</u>	<u>(365)</u>
Cash flows used in financing activities		
Dividends paid to shareholders	--	(1,800)
Dividends paid to minority shareholder	(518)	--
Proceed from/(payment for) bank borrowings	(4,807)	789
Net cash used in financing activities	<u>(5,325)</u>	<u>(1,011)</u>
Net decrease in cash and cash equivalents	<u>(2,143)</u>	<u>(629)</u>
Cash and cash equivalents at beginning of period	<u>82,806</u>	<u>76,668</u>
Cash and cash equivalents at end of period	<u>80,663</u>	<u>76,039</u>
Cash and cash equivalents included in the cash flow statement comprise the following consolidated statement of financial position amounts:		
Cash and bank balances	32,747	37,608
Deposits with licensed banks	47,916	38,431
	<u>80,663</u>	<u>76,039</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 three months ended 30 June 2014 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 2014 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 August 2014.

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 2014.

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 2014.

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. Dividends

There was no dividend proposed or paid for the current quarter.

8. Segment information

(a) By Business Segments:

	Revenue 3 months ended 30 June		Profit before tax 3 months ended 30 June	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Paper packaging	37,758	43,283	3,423	6,234
Plastic packaging	6,870	6,245	301	389
Contract manufacturing and packing	5,226	4,777	304	306
Investment and property holding	525	223	250	194
Others	820	547	--	(25)
	<u>51,199</u>	<u>55,075</u>	<u>4,278</u>	<u>7,098</u>
Inter-segment elimination	<u>(8,960)</u>	<u>(10,134)</u>	<u>--</u>	<u>--</u>
	42,239	44,941	4,278	7,098
Finance costs	<u>--</u>	<u>--</u>	<u>(23)</u>	<u>(32)</u>
	<u><u>42,239</u></u>	<u><u>44,941</u></u>	<u><u>4,255</u></u>	<u><u>7,066</u></u>

(b) By geographical locations:

	Revenue 3 months ended 30 June	
	2014 RM'000	2013 RM'000
Malaysia	31,759	31,939
Indonesia and others	10,480	13,002
	<u>42,239</u>	<u>44,941</u>

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9. Profit before tax

	3 months ended 30 June		Cumulative 3 months ended 30 June	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit for the period is arrived at after charging/ (crediting):				
Depreciation & amortisation	1,349	1,324	1,349	1,324
Net foreign exchange loss/ (gain)	360	(180)	360	(180)
Interest income	(309)	(277)	(309)	(277)

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

Prestige Packages Sdn Bhd ("PP"), a wholly-owned subsidiary of the Group had on 29 May 2014 disposed off its 60% equity interest in Panoramic Packages Sdn Bhd ("PANO"). PANO ceased to be a wholly-owned subsidiary of PP and ceased indirectly to be a subsidiary of the Group.

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 June 2014 RM'000	30 June 2013 RM'000
<i>Property, plant and equipment</i>		
Contracted but not provided for	4,020	83

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14. Significant related party transactions

	3 months ended 30 June	
	2014 RM'000	2013 RM'000
Directors' remuneration	575	602
<i>Rental paid/payable to certain Directors</i>	27	27
<i>Companies in which the spouse of an Executive Director/major shareholder of CBB has substantial financial interest</i>		
Purchases of printing block	126	31
<i>Company in which a corporate shareholder of a subsidiary has substantial financial interest</i>		
Sale of paper bags	6,894	6,981
Rental paid/payable	18	18
<i>Companies in which close family members of certain Directors of the Company have substantial financial interest</i>		
Purchase of finished good	67	87
Sales of finished good	54	69
Services rendered	128	142

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

15. Review of performance

The Group's revenue for the current quarter is reported at RM42.239 million, which is RM2.702 million lower compared to RM44.941 million registered in the corresponding quarter of last financial year. Gross profit is reported at RM7.644 million in current quarter representing a decrease of RM2.555 million compared to the corresponding quarter in last financial year of RM10.199 million mainly due to fresh competition in paper packaging segment during the current quarter.

The performance of each business segment is as follows:

(a) Paper packaging

The revenue for the current quarter decreased to RM33.770 million in the current quarter as compared to RM37.956 million reported in the corresponding quarter of last financial year mainly due to fresh competition during the current quarter.

(b) Plastic Packaging

The revenue recorded in the current quarter increased to RM4.426 million as compared to RM3.383 million reported in the corresponding quarter of last financial year mainly due to higher sales volume during the current quarter.

(c) Contract manufacturing and packing

The revenue for the current quarter increased to RM3.259 million as compared to RM3.055 million recorded in corresponding quarter of last financial year mainly due to lower 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 and dividends received from 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 increased to RM0.784 million as compared to RM0.547 million recorded in corresponding quarter of last financial year mainly due to higher sales volume achieved during the current quarter.

16. Variation of results against preceding quarter

The Group's revenue for the current quarter is RM42.239 million, a decrease of RM0.654 million from preceding quarter of RM41.585 million. This is mainly due to fresh competition in paper packaging segment during the current quarter.

The Group's current quarter profit before tax of RM4.255 million is marginal decrease of RM1 thousand compared to the profit before tax of RM4.256 million registered in the preceding quarter.

17. Prospects

The Group's core attention and focus will be maintained in the paper packaging division. 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's business for the current financial year will remain difficult and 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.

The Group will strive to remain profitable but caution and prudence will be exercised.

18. Profit forecast

Not applicable.

19. Tax expense

	3 months ended 30 June		Cumulative 3 months ended 30 June	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current tax	1,597	2,046	1,597	2,046
Deferred tax liabilities / (assets)	(447)	(301)	(447)	(301)
	<u>1,150</u>	<u>1,745</u>	<u>1,150</u>	<u>1,745</u>

20. Status of corporate proposal announced

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

21. Loans and borrowings

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

	30 June 2014 RM'000	31 March 2014 RM'000
Non-current		
- Secured	<u>65</u>	<u>86</u>
Current		
- Secured	163	188
- Unsecured	<u>--</u>	<u>4,760</u>
	<u>163</u>	<u>4,948</u>
Total borrowings	<u>228</u>	<u>5,034</u>

22. Changes in material litigation

There was no pending material litigation as at 26 August 2014, being a date not earlier than 7 days from the date of the quarterly report.

23. 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 June 2014
Profit for the period (RM'000)	3,105
Less: Amount attributable to minority interest (RM'000)	<u>(163)</u>
Profit for the period attributable to owners of the Company (RM'000)	<u>2,942</u>
Weighted average number of ordinary shares in issue	<u>120,000</u>
Basic earnings per share (sen)	<u><u>2.45</u></u>

There are no dilutive earnings per share during the period.

24. Realised and unrealised profit/losses disclosure

The retained profits as at 30 June 2014 and 31 March 2014 is analysed as follows:-

	30 June 2014 RM'000	31 March 2014 RM'000
Total retained profits/(accumulated losses) of the Company and the subsidiaries:		
- Realised	128,538	121,602
- Unrealised	<u>(4,161)</u>	<u>(1,481)</u>
	124,377	120,121
Less: Consolidated adjustments	<u>(18,803)</u>	<u>(17,489)</u>
	<u><u>105,574</u></u>	<u><u>102,632</u></u>

25. Auditors' report on preceding annual financial statements

The auditors expressed an unqualified opinion on the Company's statutory financial Statements for the year ended 31 March 2014 in their report dated 18 July 2014.