

Century Bond Bhd.

(Company No. 228669-V)

(Incorporated in Malaysia)

**Interim Financial Report
31 March 2015**

Century Bond Bhd.

(Company No. 228669-V)

(Incorporated in Malaysia)

Condensed consolidated statement of financial position at 31 March 2015 - unaudited

	Note	31.03.2015 RM'000	31.03.2014 RM'000
Assets			
Property, plant and equipment		43,545	38,214
Prepaid lease payments		3,742	3,927
Deferred tax assets		22	27
Total non-current assets		<u>47,309</u>	<u>42,168</u>
Inventories		27,328	29,836
Trade and other receivables		44,848	54,798
Tax recoverable		--	913
Cash and bank balances		95,358	82,806
Total current assets		<u>167,534</u>	<u>168,353</u>
Total assets		<u><u>214,843</u></u>	<u><u>210,521</u></u>
Equity			
Share capital		60,000	60,000
Reserves		115,053	103,910
Total equity attributable to owners of the Company		175,053	163,910
Minority interest		7,697	6,755
Total equity		<u>182,750</u>	<u>170,665</u>
Liabilities			
Loans and borrowings	21	50	86
Deferred tax liabilities		4,226	4,275
Total non-current liabilities		<u>4,276</u>	<u>4,361</u>
Trade and other payables		25,615	27,634
Loans and borrowings	21	761	4,948
Dividend payable		--	518
Taxation		1,441	2,395
Total current liabilities		<u>27,817</u>	<u>35,495</u>
Total liabilities		<u>32,093</u>	<u>39,856</u>
Total equity and liabilities		<u><u>214,843</u></u>	<u><u>210,521</u></u>

The notes on pages 6 to 15 are an integral part of these condensed consolidated interim financial statements.

Century Bond Bhd.

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

Condensed consolidated statement of profit or loss for the period ended 31 March 2015- unaudited

	Note	Individual 3 months ended 31 March		Cumulative 12 months ended 31 March	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue		37,750	40,482	157,713	170,080
Cost of sales		(30,100)	(33,305)	(126,470)	(133,930)
Gross profit		7,650	7,177	31,243	36,150
Other income		3,184	2,081	6,533	4,740
Distribution expenses		(2,723)	(1,760)	(8,921)	(6,930)
Administrative expenses		(1,668)	(1,795)	(7,234)	(7,557)
Other expenses		(174)	(1,317)	(479)	(1,395)
Profit from operating activities		6,269	4,386	21,142	25,008
Finance costs		(36)	(55)	(102)	(165)
Profit before tax		6,233	4,331	21,040	24,843
Tax expense	19	(1,458)	(1,064)	(5,025)	(6,395)
Profit for the period		4,775	3,267	16,015	18,448
Attributable to:					
Owners of the Company		4,555	2,983	15,304	17,225
Minority interest		220	284	711	1,223
Profit for the period		4,775	3,267	16,015	18,448
Basic and diluted earnings per ordinary share (sen)	24	3.80	2.49	12.75	14.35

The notes on pages 6 to 15 are an integral part of these condensed consolidated interim financial statements.

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 31 March 2015 - unaudited

	Individual 3 months ended 31 March		Cumulative 12 months ended 31 March	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit for the period	4,775	3,267	16,015	18,448
Currency translation differences arising from consolidation	1,103	728	1,966	1,793
Total comprehensive income	<u>5,878</u>	<u>3,995</u>	<u>17,981</u>	<u>20,241</u>
Attributable to:				
Owners of the Company	5,531	3,348	17,143	18,655
Minority interest	347	647	838	1,586
	<u>5,878</u>	<u>3,995</u>	<u>17,981</u>	<u>20,241</u>

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Century Bond Bhd.

(Company No. 228669-V)

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Condensed consolidated statement of changes in equity for the period ended 31 March 2015– 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 2014</i>	60,000	1,277	102,633	163,910	6,755	170,665
Total comprehensive income for the period	--	1,839	15,304	17,143	838	17,981
Disposal of shares by non-controlling interests in a subsidiary	--	--	--	--	104	104
Dividend to shareholders	--	--	(6,000)	(6,000)	--	(6,000)
<i>At 31 March 2015</i>	<u>60,000</u>	<u>3,116</u>	<u>111,937</u>	<u>175,053</u>	<u>7,697</u>	<u>182,750</u>
<i>At 1 April 2013</i>	60,000	(153)	91,108	150,955	5,687	156,642
Total comprehensive income for the period	--	1,430	17,225	18,655	1,586	20,241
Dividend to shareholders	--	--	(5,700)	(5,700)	(518)	(6,218)
<i>At 31 March 2014</i>	<u>60,000</u>	<u>1,277</u>	<u>102,633</u>	<u>163,910</u>	<u>6,755</u>	<u>170,665</u>

The notes on pages 6 to 15 are an integral part of these condensed consolidated interim financial statements.

Century Bond Bhd.

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Condensed consolidated statement of cash flows for the period ended 31 Mar 2015 - unaudited

	12 months ended 31 March	
	2015 RM'000	2014 RM'000
Cash flows from operating activities		
Profit before tax	21,040	24,843
Adjustments for non-cash flow:		
Non-cash items	5,381	4,899
Non-operating items	(3,784)	(2,592)
Operating profit before changes in working capital	22,637	27,150
Net change in current assets	12,136	(10,215)
Net change in current liabilities	2,720	3,793
Net tax paid	(5,110)	(5,860)
Net cash generated from operating activities	32,383	14,868
Cash flows from investing activities		
Other investments activities/ Net cash used in investing activities	(9,090)	(1,475)
Cash flows used in financing activities		
Dividends paid to shareholders	(6,000)	(7,725)
Dividends paid to minority shareholder	(518)	--
Payment for/proceeds from bank borrowings	(4,290)	633
Net cash used in financing activities	(10,808)	(7,092)
Net increase in cash and cash equivalents	12,485	6,301
Exchange differences on translation of the financial statement of foreign subsidiaries	--	(163)
Cash and cash equivalents at beginning of period	82,806	76,668
Cash and cash equivalents at end of period	95,291	82,806
Cash and cash equivalents included in the cash flow statement comprise the following consolidated statement of financial position amounts:		
Cash and bank balances	39,519	37,448
Deposits with licensed banks	55,839	45,358
Bank overdrafts	(67)	--
	95,291	82,806

The notes on pages 6 to 15 are an integral part of these condensed consolidated interim financial statements.

Century Bond Bhd.

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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 2015 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 29 May 2015.

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.

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 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)

2. Significant accounting policies (continue)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014 (continued)

- 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

- 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 10, Consolidated Financial Statements, MFRS 12, Disclosure of Interests in Other Entities and MFRS 128, Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception
- 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 2017

- MFRS 15, Revenue from Contracts with Customers

2. Significant accounting policies (continue)

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

- MFRS 9, Financial Instruments (2014)

The Group plan to apply the abovementioned standards, amendments and interpretations in the respective financial years when the above standards, amendments and interpretations become effective.

The initial application of these standards, amendments and interpretations are not expected to have any material financial impacts to the current and prior periods financial statements of the of the Group upon their first adoption 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 are 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 are currently assessing the impact that may arise from the adoption of MFRS 9.

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.

5. Material changes in estimates

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

Company No. 228669-V

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 paid during the current quarter.

8. Segment information

(a) By Business Segments:

	Revenue 12 months ended 31 March		Profit before tax 12 months ended 31 March	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Paper packaging	142,779	161,090	17,648	22,922
Plastic packaging	24,159	25,925	1,156	604
Contract manufacturing and packing	21,157	20,097	1,596	1,273
Investment and property holding	4,640	8,958	786	502
Others	3,628	2,506	(44)	(293)
	<u>196,363</u>	<u>218,576</u>	<u>21,142</u>	<u>25,008</u>
Inter-segment elimination	<u>(38,650)</u>	<u>(48,496)</u>	<u>--</u>	<u>--</u>
	157,713	170,080	21,142	25,008
Finance costs	--	--	(102)	(165)
	<u>157,713</u>	<u>170,080</u>	<u>21,040</u>	<u>24,843</u>

(b) By geographical locations:

	Revenue 12 months ended 31 March	
	2015 RM'000	2014 RM'000
Malaysia	115,141	117,003
Indonesia and others	42,572	53,077
	<u>157,713</u>	<u>170,080</u>

Company No. 228669-V

9. Profit before tax

	3 months ended		Cumulative	
	31 March		12 months ended	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after charging/ (crediting):				
Depreciation & amortisation	1,157	1,309	5,381	5,388
Net foreign exchange gain	(1,422)	64	(2,671)	(1,245)
Interest income	(384)	(294)	(1,422)	(1,152)

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

Other than as disclosed below, there were no changes in the composition of the Group during the current quarter:

- a. The Company had acquired a new subsidiary, Polyplus Packages (JB) Sdn Bhd during 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

	31 March 2015 RM'000	31 March 2014 RM'000
<i>Property, plant and equipment</i>		
Contracted but not provided for	2,433	1,706

14. Significant related party transactions

	12 months ended 31 March	
	2015	2014
	RM'000	RM'000
Directors' remuneration	<u>2,365</u>	<u>2,758</u>
<i>Rental paid/payable to certain Directors</i>	<u>109</u>	<u>109</u>
<i>Companies in which the spouse of an Executive Director/major shareholder of CBB has substantial financial interest</i>		
Purchases of printing block	<u>309</u>	<u>172</u>
<i>Company in which a corporate shareholder of a subsidiary has substantial financial interest</i>		
Sale of paper bags	<u>17,188</u>	<u>25,560</u>
Rental paid/payable	<u>77</u>	<u>72</u>
<i>Companies in which close family members of certain Directors of the Company have substantial financial interest</i>		
Purchase of finished good	347	441
Sales of finished good	284	190
Services rendered	<u>540</u>	<u>525</u>

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 RM37.750 million, which is RM2.732 million lower compared to RM40.482 million registered in the corresponding quarter of last financial year. Gross profit is reported at RM7.650 million in current quarter representing an increase of RM0.473 million compared to the corresponding quarter in last financial year of RM7.177 million mainly due to lower cost of raw materials during the current quarter.

The performance of each business segment is as follows:

(a) Paper packaging

The revenue for the current quarter decreased to RM30.015 million in the current quarter as compared to RM33.115 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 decreased to RM3.419 million as compared to RM3.644 million reported in the corresponding quarter of last financial year mainly due to lower sales volume during the current quarter.

(c) Contract manufacturing and packing

The revenue for the current quarter increased to RM3.086 million as compared to RM2.855 million recorded in corresponding quarter of last financial year mainly 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 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 RM1.230 million as compared to RM0.868 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 RM37.750 million, a decrease of RM1.823 million from preceding quarter of RM39.573 million. This is mainly due to lower sales volume in paper packaging segment during the current quarter.

The Group's current quarter profit before tax of RM6.233 million is RM0.426 million higher compared to the profit before tax of RM5.807 million registered in the preceding quarter mainly due to higher unrealised gain on foreign exchange in current quarter.

Company No. 228669-V

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 31 March		Cumulative 12 months ended 31 March	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current tax	1,209	1,073	5,221	6,447
Under/(over) provision in Prior quarter	(2)	(86)	(154)	62
	<u>1,207</u>	<u>987</u>	<u>5,067</u>	<u>6,509</u>
Deferred tax liabilities/(assets)	<u>251</u>	<u>77</u>	<u>(42)</u>	<u>(114)</u>
	<u><u>1,458</u></u>	<u><u>1,064</u></u>	<u><u>5,025</u></u>	<u><u>6,395</u></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:

	31 March 2015 RM'000	31 March 2014 RM'000
Non-current		
- Secured	<u>50</u>	<u>86</u>
Current		
- Secured	104	188
- Unsecured	<u>657</u>	<u>4,760</u>
	<u>761</u>	<u>4,948</u>
Total borrowings	<u><u>811</u></u>	<u><u>5,034</u></u>

22. Changes in material litigation

There was no pending material litigation as at 22 May 2015, being a date not earlier than 7 days from the date of the quarterly report.

23. Dividends

- (a) A final single tier dividend of 2.0 sen per ordinary share totalling RM2,400,000 in respect of the year ended 31 March 2014 was paid on 21 October 2014.
- (b) A first single tier interim dividend of 3.0 sen per ordinary share amounting to RM3,600,000 in respect of the year ended 31 March 2015 was paid on 23 December 2014.
- (c) The Directors proposed a final single tier dividend of 3.0 sen per ordinary share in respect of financial year ended 31 March 2015 subject to the approval of the shareholders at the forthcoming 2015 Annual General Meeting.

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 31 March 2015	12 months ended 31 March 2015
Profit for the period (RM'000)	4,775	16,015
Less: Amount attributable to minority interest (RM'000)	(220)	(711)
Profit for the period attributable to owners of the Company (RM'000)	<u>4,555</u>	<u>15,304</u>
Weighted average number of ordinary shares in issue	<u>120,000</u>	<u>120,000</u>
Basic earnings per share (sen)	<u>3.80</u>	<u>12.75</u>

There are no dilutive earnings per share during the period.

Company No. 228669-V

25. Realised and unrealised profit/losses disclosure

The retained profits as at 31 March 2015 and 31 March 2014 is analysed as follows:-

	31 March 2015 RM'000	31 March 2014 RM'000
Total retained profits/(accumulated losses) of the Company and the subsidiaries:		
- Realised	132,039	121,602
- Unrealised	<u>(751)</u>	<u>(1,481)</u>
	131,288	120,121
Less: Consolidated adjustments	<u>(19,351)</u>	<u>(17,488)</u>
	<u><u>111,937</u></u>	<u><u>102,633</u></u>

26. 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.

27. Memorandum Of Understanding / Joint Venture Agreement

The Company had entered into a memorandum of understanding and joint venture agreement with PT Bosowa Corporindo, a company incorporated in Indonesia for the purposes of setting up a paper bag manufacturing plant through a joint venture company, namely PT Bosowa Century Bond or any approved name by Minister of Law and Human Rights of Republic of Indonesia.

As at this date, the joint venture company PT Bosowa Century Bond is still in the process of securing the relevant approvals, licences and clearance from the relevant Indonesian Authorities.