

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

Interim Financial Report
30 June 2015

Century Bond Bhd.

(Company No. 228669-V)

(Incorporated in Malaysia)

Condensed consolidated statement of financial position at 30 June 2015 - unaudited

	Note	30.06.2015 RM'000	31.03.2015 RM'000
Assets			
Property, plant and equipment		47,065	43,547
Prepaid lease payments		3,631	3,690
Deferred tax assets		26	26
Total non-current assets		<u>50,722</u>	<u>47,263</u>
Inventories		26,649	27,261
Trade and other receivables		49,490	44,885
Tax recoverable		251	908
Cash and bank balances		92,948	95,472
Total current assets		<u>169,338</u>	<u>168,526</u>
Total assets		<u><u>220,060</u></u>	<u><u>215,789</u></u>
Equity			
Share capital		60,000	60,000
Reserves		118,935	114,702
Total equity attributable to owners of the Company		178,935	174,702
Minority interest		7,804	7,708
Total equity		<u>186,739</u>	<u>182,410</u>
Liabilities			
Loans and borrowings	21	45	50
Deferred tax liabilities		3,934	4,190
Total non-current liabilities		<u>3,979</u>	<u>4,240</u>
Trade and other payables		25,989	26,755
Loans and borrowings	21	1,197	694
Taxation		2,156	1,690
Total current liabilities		<u>29,342</u>	<u>29,139</u>
Total liabilities		<u>33,321</u>	<u>33,379</u>
Total equity and liabilities		<u><u>220,060</u></u>	<u><u>215,789</u></u>

The notes on pages 6 to 14 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 30 June 2015 - unaudited

	Note	Individual 3 months ended 30 June		Cumulative 3 months ended 30 June	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue		41,000	42,239	41,000	42,239
Cost of sales		(34,153)	(34,595)	(34,153)	(34,595)
Gross profit		6,847	7,644	6,847	7,644
Other income		1,604	972	1,604	972
Distribution expenses		(2,340)	(2,029)	(2,340)	(2,029)
Administrative expenses		(1,654)	(1,848)	(1,654)	(1,848)
Other expenses		--	(461)	--	(461)
Profit from operating activities		4,457	4,278	4,457	4,278
Finance costs		(14)	(23)	(14)	(23)
Profit before tax		4,443	4,255	4,443	4,255
Tax expense	19	(1,274)	(1,150)	(1,274)	(1,150)
Profit for the period		<u>3,169</u>	<u>3,105</u>	<u>3,169</u>	<u>3,105</u>
Attributable to:					
Owners of the Company		3,073	2,942	3,073	2,942
Minority interest		96	163	96	163
Profit for the period		<u>3,169</u>	<u>3,105</u>	<u>3,169</u>	<u>3,105</u>
Basic and diluted earnings per ordinary share (sen)	24	<u>2.56</u>	<u>2.45</u>	<u>2.56</u>	<u>2.45</u>

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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 2015 - unaudited

	Individual 3 months ended 30 June		Cumulative 3 months ended 30 June	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit for the period	3,169	3,105	3,169	3,105
Currency translation differences arising from consolidation	1,160	(215)	1,160	(215)
Total comprehensive income	<u>4,329</u>	<u>2,890</u>	<u>4,329</u>	<u>2,890</u>
Attributable to:				
Owners of the Company	4,233	2,727	4,233	2,727
Minority interest	96	163	96	163
	<u>4,329</u>	<u>2,890</u>	<u>4,329</u>	<u>2,890</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 30 June 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 2015</i>	60,000	3,110	111,592	174,702	7,708	182,410
Total comprehensive income for the period	--	1,160	3,073	4,233	96	4,329
<i>At 30 June 2015</i>	<u>60,000</u>	<u>4,270</u>	<u>114,665</u>	<u>178,935</u>	<u>7,804</u>	<u>186,739</u>
<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>

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Century Bond Bhd.

(Company No. 228669-V)

(Incorporated in Malaysia)

Condensed consolidated statement of cash flows for the period ended 30 June 2015 - unaudited

	3 months ended 30 June	
	2015 RM'000	2014 RM'000
Cash flows from operating activities		
Profit before tax	4,443	4,255
Adjustments for non-cash flow:		
Non-cash items	1,290	1,349
Non-operating items	725	162
Operating profit before changes in working capital	<u>6,458</u>	<u>5,766</u>
Net change in current assets	(4,008)	6,611
Net change in current liabilities	(315)	(1,241)
Net tax paid	(409)	(1,326)
Net cash generated from operating activities	<u>1,726</u>	<u>9,810</u>
Cash flows from investing activities		
Other investments activities/ Net cash used in investing activities	<u>(4,749)</u>	<u>(6,628)</u>
Cash flows used in financing activities		
Dividends paid to minority shareholder	--	(518)
Proceeds from/(Payment for) bank borrowings	499	(4,807)
Net cash used in financing activities	<u>499</u>	<u>(5,325)</u>
Net decrease in cash and cash equivalents	<u>(2,524)</u>	<u>(2,143)</u>
Cash and cash equivalents at beginning of period	<u>95,472</u>	<u>82,806</u>
Cash and cash equivalents at end of period	<u><u>92,948</u></u>	<u><u>80,663</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	35,393	32,747
Deposits with licensed banks	57,555	47,916
	<u><u>92,948</u></u>	<u><u>80,663</u></u>

The notes on pages 6 to 14 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 three months ended 30 June 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 2015 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 27 August 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 2015.

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:

2. Significant accounting policies (continue)

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

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.

2. Significant accounting policies (continue)

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.

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.

Company No. 228669-V

8. Segment information

(a) By Business Segments:

	Revenue 3 months ended 30 June		Profit before tax 3 months ended 30 June	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Paper packaging	43,654	37,758	2,896	3,423
Plastic packaging	6,117	6,870	413	301
Contract manufacturing and packing	5,482	5,226	983	304
Investment and property holding	172	525	151	250
Others	1,030	820	14	--
	<u>56,455</u>	<u>51,199</u>	<u>4,457</u>	<u>4,278</u>
Inter-segment elimination	<u>(15,455)</u>	<u>(8,960)</u>	<u>--</u>	<u>--</u>
	41,000	42,239	4,457	4,278
Finance costs	<u>--</u>	<u>--</u>	<u>(14)</u>	<u>(23)</u>
	<u>41,000</u>	<u>42,239</u>	<u>4,443</u>	<u>4,255</u>

(b) By geographical locations:

	Revenue 3 months ended 30 June	
	2015 RM'000	2014 RM'000
Malaysia	29,965	31,759
Indonesia and others	<u>11,035</u>	<u>10,480</u>
	<u>41,000</u>	<u>42,239</u>

9. Profit before tax

	3 months ended 30 June		Cumulative 3 months ended 30 June	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit for the period is arrived at after charging/ (crediting):				
Depreciation & amortisation	1,290	1,349	1,290	1,349
Net foreign exchange (gain)/loss	(710)	360	(710)	360
Interest income	(430)	(309)	(430)	(309)

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 June 2015 RM'000	30 June 2014 RM'000
<i>Property, plant and equipment</i>		
Contracted but not provided for	--	4,020

14. Significant related party transactions

	3 months ended 30 June	
	2015 RM'000	2014 RM'000
Directors' remuneration	516	575
<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	15	126
<i>Company in which a corporate shareholder of a subsidiary has substantial financial interest</i>		
Sale of paper bags	3,470	6,894
Rental paid/payable	23	18
<i>Companies in which close family members of certain Directors of the Company have substantial financial interest</i>		
Purchase of finished goods	29	67
Sales of finished goods	47	54
Services rendered	172	128

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 RM41.000 million, which is RM1.239 million lower compared to RM42.239 million registered in the corresponding quarter of last financial year. Gross profit is reported at RM6.847 million in current quarter representing a decrease of RM0.797 million compared to the corresponding quarter in last financial year of RM7.644 million mainly due to higher 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 RM33.323 million in the current quarter as compared to RM33.770 million reported in the corresponding quarter of last financial year mainly due to lower sales volume during the current quarter.

(b) Plastic Packaging

The revenue recorded in the current quarter decreased to RM3.277 million as compared to RM4.426 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 RM3.370 million as compared to RM3.259 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 RM1.030 million as compared to RM0.784 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 RM41.000 million, an increase of RM3.250 million from preceding quarter of RM37.750 million. This is mainly due to higher sales volume in paper packaging segment during the current quarter.

The Group's current quarter profit before tax of RM4.443 million is RM1.790 million lower compared to the profit before tax of RM6.233 million registered in the preceding quarter mainly due to higher cost of raw materials and lower unrealised gain on foreign exchange in current 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 of the deteriorating present market and difficult fiscal conditions.

The ongoing deterioration in the operating environment as a consequence of the drop in value of the Malaysian Ringgit is expected to negatively impact on the Company's performance for the remaining quarters of the financial year.

The Group is closely monitoring the conditions and will take appropriate measures within its control to mitigate and insulate the Group's businesses against these challenging conditions.

18. Profit forecast

Not applicable.

19. Tax expense

	3 months ended 30 June		Cumulative 3 months ended 30 June	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current tax	1,531	1,597	1,531	1,597
Deferred tax assets	(257)	(447)	(257)	(447)
	<u>1,274</u>	<u>1,150</u>	<u>1,274</u>	<u>1,150</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 2015 RM'000	31 March 2015 RM'000
Non-current		
- Secured	<u>45</u>	<u>50</u>
Current		
- Secured	20	37
- Unsecured	<u>1,177</u>	<u>657</u>
	<u>1,197</u>	<u>694</u>
Total borrowings	<u>1,242</u>	<u>744</u>

22. Changes in material litigation

There was no pending material litigation as at 25 August 2015, being a date not earlier than 7 days from the date of the quarterly report.

23. Dividends

The Board of Directors has approved and declared a special single tier interim dividend as follows:

	30 June 2015 RM'000	30 June 2014 RM'000
Interim dividend for financial year	31 March 2016	31 March 2015
Amount per share	20 sen (single tier)	--
Approved and declared on	27 August 2015	--
Entitlement to dividends based on		
Record of Depositors as at	14 September 2015	--
Date payable	28 September 2015	--

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 June 2015
Profit for the period (RM'000)	3,169
Less: Amount attributable to minority interest (RM'000)	(96)
Profit for the period attributable to owners of the Company (RM'000)	<u>3,073</u>
Weighted average number of ordinary shares in issue	<u>120,000</u>
Basic earnings per share (sen)	<u>2.56</u>

There are no dilutive earnings per share during the period.

25. Realised and unrealised profit/losses disclosure

The retained profits as at 30 June 2015 and 31 March 2015 is analysed as follows:-

	30 June 2015 RM'000	31 March 2015 RM'000
Total retained profits/(accumulated losses) of the Company and the subsidiaries:		
- Realised	137,394	136,700
- Unrealised	(3,198)	(5,694)
	<u>134,196</u>	<u>131,006</u>
Less: Consolidated adjustments	(19,531)	(19,414)
	<u><u>114,665</u></u>	<u><u>111,592</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 2015 in their report dated 21 July 2015.

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.