

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

**Interim Financial Report**  
**30 September 2015**

# Century Bond Bhd.

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

## Condensed consolidated statement of financial position at 30 September 2015 - unaudited

	Note	30.09.2015 RM'000	31.03.2015 RM'000
<b>Assets</b>			
Property, plant and equipment		48,013	43,547
Prepaid lease payments		3,572	3,690
Deferred tax assets		113	26
<b>Total non-current assets</b>		<u>51,698</u>	<u>47,263</u>
Inventories		29,113	27,261
Trade and other receivables		53,331	44,885
Tax recoverable		268	908
Cash and bank balances		68,373	95,472
<b>Total current assets</b>		<u>151,085</u>	<u>168,526</u>
<b>Total assets</b>		<u><u>202,783</u></u>	<u><u>215,789</u></u>
<b>Equity</b>			
Share capital		60,000	60,000
Reserves		98,801	114,702
<b>Total equity attributable to owners of the Company</b>		158,801	174,702
<b>Minority interest</b>		7,129	7,708
<b>Total equity</b>		<u>165,930</u>	<u>182,410</u>
<b>Liabilities</b>			
Loans and borrowings	21	40	50
Deferred tax liabilities		4,599	4,190
<b>Total non-current liabilities</b>		<u>4,639</u>	<u>4,240</u>
Trade and other payables		28,545	26,755
Loans and borrowings	21	1,464	694
Taxation		2,205	1,690
<b>Total current liabilities</b>		<u>32,214</u>	<u>29,139</u>
<b>Total liabilities</b>		<u>36,853</u>	<u>33,379</u>
<b>Total equity and liabilities</b>		<u><u>202,783</u></u>	<u><u>215,789</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 30 September 2015 - unaudited

	Note	Individual 3 months ended 30 September		Cumulative 6 months ended 30 September	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Revenue</b>		39,971	38,151	80,971	80,390
Cost of sales		(32,627)	(30,499)	(66,780)	(65,094)
<b>Gross profit</b>		7,344	7,652	14,191	15,296
Other income		3,120	774	4,724	1,713
Distribution expenses		(2,481)	(1,818)	(4,821)	(3,847)
Administrative expenses		(1,855)	(1,843)	(3,509)	(3,691)
Other expenses		(400)	--	(400)	(428)
<b>Profit from operating activities</b>		5,728	4,765	10,185	9,043
Finance costs		(15)	(20)	(29)	(43)
<b>Profit before tax</b>		5,713	4,745	10,156	9,000
Tax expense	19	(1,476)	(1,218)	(2,750)	(2,368)
<b>Profit for the period</b>		4,237	3,527	7,406	6,632
<b>Attributable to:</b>					
Owners of the Company		4,233	3,353	7,306	6,295
Minority interest		4	174	100	337
<b>Profit for the period</b>		4,237	3,527	7,406	6,632
Basic and diluted earnings per ordinary share (sen)	23	3.53	2.79	6.09	5.25

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 30 September 2015 - unaudited

	Individual 3 months ended 30 September		Cumulative 6 months ended 30 September	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Profit for the period</b>	4,237	3,527	7,406	6,632
Currency translation differences arising from consolidation	3,754	106	4,914	(109)
<b>Total comprehensive income</b>	<u>7,991</u>	<u>3,633</u>	<u>12,320</u>	<u>6,523</u>
<b>Attributable to:</b>				
Owners of the Company	7,466	3,480	11,699	6,207
Minority interest	525	153	621	316
	<u>7,991</u>	<u>3,633</u>	<u>12,320</u>	<u>6,523</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 changes in equity for the period ended 30 September 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	Translation 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	--	4,393	7,306	11,699	621	12,320
Dividend to shareholders	--	--	(27,600)	(27,600)	--	(27,600)
Dividend to minority shareholder	--	--	--	--	(1,200)	(1,200)
<i>At 30 September 2015</i>	<u>60,000</u>	<u>7,503</u>	<u>91,298</u>	<u>158,801</u>	<u>7,129</u>	<u>165,930</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	--	(88)	6,295	6,207	316	6,523
Disposal of shares by non-controlling interests in a subsidiary	--	--	--	--	104	104
<i>At 30 September 2014</i>	<u>60,000</u>	<u>1,190</u>	<u>108,927</u>	<u>170,117</u>	<u>7,175</u>	<u>177,292</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 cash flows for the period ended 30 September 2015 - unaudited

	6 months ended 30 September	
	2015 RM'000	2014 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	10,156	9,000
Adjustments for non-cash flow:		
Non-cash items	2,648	2,716
Non-operating items	(3,408)	(325)
<b>Operating profit before changes in working capital</b>	9,396	11,391
Net change in current assets	(10,327)	9,692
Net change in current liabilities	9,356	(4,869)
Net tax paid	(1,275)	(2,434)
<b>Net cash generated from operating activities</b>	7,150	13,780
<b>Cash flows from investing activities</b>		
Other investments activities/ <b>Net cash used in investing activities</b>	(6,209)	(7,064)
<b>Cash flows used in financing activities</b>		
Dividends paid to shareholders	(27,600)	--
Dividends paid to minority shareholder	(1,200)	(518)
Proceeds from/(Payment for) bank borrowings	760	(1,389)
<b>Net cash used in financing activities</b>	(28,040)	(1,907)
<b>Net decrease in cash and cash equivalents</b>	(27,099)	4,809
<b>Cash and cash equivalents at beginning of period</b>	95,472	82,806
<b>Cash and cash equivalents at end of period</b>	68,373	87,615
Cash and cash equivalents included in the cash flow statement comprise the following consolidated statement of financial position amounts:		
Cash and bank balances	23,985	32,551
Deposits with licensed banks	44,388	55,064
	68,373	87,615

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)

## 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 six months ended 30 September 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, 5<sup>th</sup> 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 26 November 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 2018

- MFRS 9, Financial Instruments (2014)
- MFRS 15, Revenue from Contracts with Customers

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.

Company No. 228669-V
----------------------

## 7. Dividends

The company paid following dividends during the current quarter:

- (a) a final single tier dividend of 3 sen per ordinary share totalling RM3,600,000 in respect of the financial year ended 31 March 2015.
- (b) a special interim single tier dividend of 20 sen per share totalling RM24,000,000 in respect of financial year ending 31 March 2016.

## 8. Segment information

### (a) By Business Segments:

	Revenue 6 months ended 30 September		Profit before tax 6 months ended 30 September	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Paper packaging	80,994	72,588	7,450	7,579
Plastic packaging	11,262	12,606	686	630
Contract manufacturing and packing	10,402	10,005	1,665	471
Investment and property holding	26,143	697	373	405
Others	2,257	1,300	11	(42)
	<u>131,058</u>	<u>97,196</u>	<u>10,185</u>	<u>9,043</u>
Inter-segment elimination	<u>(50,087)</u>	<u>(16,806)</u>	<u>--</u>	<u>--</u>
	80,971	80,390	10,185	9,043
Finance costs	<u>--</u>	<u>--</u>	<u>(29)</u>	<u>(43)</u>
	<u>80,971</u>	<u>80,390</u>	<u>10,156</u>	<u>9,000</u>

### (b) By geographical locations:

	Revenue 6 months ended 30 September	
	2015 RM'000	2014 RM'000
Malaysia	57,904	59,584
Indonesia and others	23,067	20,806
	<u>80,971</u>	<u>80,390</u>

Company No. 228669-V
----------------------

## 9. Profit before tax

	3 months ended 30 September		Cumulative 6 months ended 30 September	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Profit for the period is arrived at after charging/ (crediting):</b>				
Depreciation & amortisation	1,358	1,367	2,648	2,716
Net foreign exchange (gain)/loss	(2,260)	(316)	(2,970)	44
Interest income	(356)	(327)	(786)	(636)

## 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 2015 RM'000	30 September 2014 RM'000
<i>Property, plant and equipment</i> Contracted but not provided for	--	4,058

**14. Significant related party transactions**

	<b>6 months ended 30 September</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Directors' remuneration	<u>1,067</u>	<u>1,189</u>
<i>Rental paid/payable to certain Directors</i>	<u>55</u>	<u>55</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>42</u>	<u>192</u>
<i>Company in which a corporate shareholder of a subsidiary has substantial financial interest</i>		
Sale of paper bags	<u>4,802</u>	<u>10,467</u>
Rental paid/payable	<u>45</u>	<u>36</u>
<i>Companies in which close family members of certain Directors of the Company have substantial financial interest</i>		
Purchase of finished goods	112	120
Sales of finished goods	71	116
Services rendered	<u>310</u>	<u>275</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 RM39.971 million, which is RM1.820 million higher compared to RM38.151 million registered in the corresponding quarter of last financial year. Gross profit is reported at RM7.344 million in current quarter representing a decrease of RM0.308 million compared to the corresponding quarter in last financial year of RM7.652 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 increased to RM32.819 million in the current quarter as compared to RM30.831 million reported in the corresponding quarter of last financial year mainly due to higher sales volume during the current quarter.

#### (b) Plastic Packaging

The revenue recorded in the current quarter decreased to RM3.163 million as compared to RM3.847 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 decreased to RM2.762 million as compared to RM2.993 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 RM1.227 million as compared to RM0.480 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 RM39.971 million, a decrease of RM1.029 million from preceding quarter of RM41.000 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 RM5.713 million is RM1.270 million higher compared to the profit before tax of RM4.443 million registered in the preceding quarter mainly due to high 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 September		Cumulative 6 months ended 30 September	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current tax				
- Current year	863	1,403	2,394	3,000
- Under/(over) provision in prior quarter	33	(152)	33	(152)
	<u>896</u>	<u>1,251</u>	<u>2,427</u>	<u>2,848</u>
Deferred tax assets/liabilities	580	(33)	323	(480)
	<u>1,476</u>	<u>1,218</u>	<u>2,750</u>	<u>2,368</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 September 2015 RM'000	31 March 2015 RM'000
<b>Non-current</b>		
- Secured	<u>40</u>	<u>50</u>
<b>Current</b>		
- Secured	20	37
- Unsecured	<u>1,444</u>	<u>657</u>
	<u>1,464</u>	<u>694</u>
Total borrowings	<u>1,504</u>	<u>744</u>

## 22. Changes in material litigation

There was no pending material litigation as at 23 November 2015, 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.

	<b>3 months ended 30 September 2015</b>	<b>6 months ended 30 September 2015</b>
Profit for the period (RM'000)	4,237	7,406
Less: Amount attributable to minority interest (RM'000)	(4)	(100)
Profit for the period attributable to owners of the Company (RM'000)	<u>4,233</u>	<u>7,306</u>
Weighted average number of ordinary shares in issue	<u>120,000</u>	<u>120,000</u>
Basic earnings per share (sen)	<u>3.53</u>	<u>6.09</u>

There are no dilutive earnings per share during the period.

## 24. Realised and unrealised profit/losses disclosure

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

	<b>30 September 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
Total retained profits/(accumulated losses) of the Company and the subsidiaries:		
- Realised	110,493	131,677
- Unrealised	(860)	(672)
	<u>109,633</u>	<u>131,005</u>
Less: Consolidated adjustments	<u>(18,335)</u>	<u>(19,414)</u>
	<u>91,298</u>	<u>111,591</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 2015 in their report dated 21 July 2015.

Company No. 228669-V
----------------------

## **26. 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.