

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

Interim Financial Report
31 December 2015

Century Bond Bhd.

(Company No. 228669-V)

(Incorporated in Malaysia)

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

	Note	31.12.2015 RM'000	31.03.2015 RM'000
Assets			
Property, plant and equipment		45,963	43,547
Prepaid lease payments		3,512	3,690
Deferred tax assets		191	26
Total non-current assets		<u>49,666</u>	<u>47,263</u>
Inventories		30,681	27,261
Trade and other receivables		48,672	44,885
Tax recoverable		253	908
Cash and bank balances		75,029	95,472
Total current assets		<u>154,635</u>	<u>168,526</u>
Total assets		<u><u>204,301</u></u>	<u><u>215,789</u></u>
Equity			
Share capital		60,000	60,000
Reserves		101,269	114,702
Total equity attributable to owners of the Company		161,269	174,702
Minority interest		6,625	7,708
Total equity		<u>167,894</u>	<u>182,410</u>
Liabilities			
Loans and borrowings	21	35	50
Deferred tax liabilities		4,476	4,190
Total non-current liabilities		<u>4,511</u>	<u>4,240</u>
Trade and other payables		28,594	26,755
Loans and borrowings	21	544	694
Taxation		2,758	1,690
Total current liabilities		<u>31,896</u>	<u>29,139</u>
Total liabilities		<u>36,407</u>	<u>33,379</u>
Total equity and liabilities		<u><u>204,301</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)
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Condensed consolidated statement of profit or loss for the period ended 31 December 2015 - unaudited

	Note	Individual 3 months ended 31 December		Cumulative 9 months ended 31 December	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue		40,410	39,573	121,381	119,963
Cost of sales		(31,821)	(31,276)	(98,601)	(96,370)
Gross profit		8,589	8,297	22,780	23,593
Other income		1,027	1,759	5,751	3,285
Distribution expenses		(3,127)	(2,351)	(7,948)	(6,198)
Administrative expenses		(1,816)	(1,875)	(5,325)	(5,566)
Other expenses		--	--	(400)	(241)
Profit from operating activities		4,673	5,830	14,858	14,873
Finance costs		(13)	(23)	(42)	(66)
Profit before tax		4,660	5,807	14,816	14,807
Tax expense	19	(1,214)	(1,199)	(3,964)	(3,567)
Profit for the period		3,446	4,608	10,852	11,240
Attributable to:					
Owners of the Company		3,345	4,454	10,651	10,749
Minority interest		101	154	201	491
Profit for the period		3,446	4,608	10,852	11,240
Basic and diluted earnings per ordinary share (sen)	23	2.79	3.71	8.88	8.96

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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 31 December 2015 - unaudited

	Individual 3 months ended 31 December		Cumulative 9 months ended 31 December	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit for the period	3,446	4,608	10,852	11,240
Currency translation differences arising from consolidation	(877)	972	4,037	863
Total comprehensive income	<u>2,569</u>	<u>5,580</u>	<u>14,889</u>	<u>12,103</u>
Attributable to:				
Owners of the Company	2,468	5,426	14,167	11,612
Minority interest	101	154	722	491
	<u>2,569</u>	<u>5,580</u>	<u>14,889</u>	<u>12,103</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 31 December 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	--	3,516	10,651	14,167	722	14,889
Dividend to shareholders	--	--	(27,600)	(27,600)	--	(27,600)
Dividend to minority shareholder	--	--	--	--	(1,805)	(1,805)
<i>At 31 December 2015</i>	<u>60,000</u>	<u>6,626</u>	<u>94,643</u>	<u>161,269</u>	<u>6,625</u>	<u>167,894</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	--	863	10,749	11,612	469	12,081
Disposal of shares by non-controlling interests in a subsidiary	--	--	--	--	104	104
Dividend to shareholders	--	--	(6,000)	(6,000)	--	(6,000)
<i>At 31 December 2014</i>	<u>60,000</u>	<u>2,141</u>	<u>107,381</u>	<u>169,522</u>	<u>7,328</u>	<u>176,850</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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(Incorporated in Malaysia)

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

	9 months ended 31 December	
	2015 RM'000	2014 RM'000
Cash flows from operating activities		
Profit before tax	14,816	14,807
Adjustments for non-cash flow:		
Non-cash items	4,258	4,224
Non-operating items	(3,120)	(2,016)
Operating profit before changes in working capital	15,954	17,015
Net change in current assets	(7,249)	11,158
Net change in current liabilities	7,954	(2,181)
Net tax paid	(2,120)	(4,427)
Net cash generated from operating activities	14,539	21,565
Cash flows from investing activities		
Other investments activities/		
Net cash used in investing activities	(5,413)	(8,535)
Cash flows used in financing activities		
Dividends paid to shareholders	(27,600)	(6,000)
Dividends paid to minority shareholder	(1,805)	(518)
Payment for bank borrowings	(164)	(4,300)
Net cash used in financing activities	(29,569)	(10,818)
Net decrease in cash and cash equivalents	(20,443)	2,212
Cash and cash equivalents at beginning of period	95,472	82,806
Cash and cash equivalents at end of period	75,029	85,018
Cash and cash equivalents included in the cash flow statement comprise the following consolidated statement of financial position amounts:		
Cash and bank balances	36,272	30,758
Deposits with licensed banks	38,757	54,260
	75,029	85,018

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 nine months ended 31 December 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 26 February 2016.

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 2015.

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

- MFRS 14, *Regulatory Deferral Accounts*
- 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*, 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*
- 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*

MFRSs, Interpretations and amendments effective for a date yet to be confirmed

- 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*

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 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 is 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 is currently assessing the financial 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

There was no dividend paid during the current quarter.

8. Segment information

(a) By Business Segments:

	Revenue 9 months ended 31 December		Profit before tax 9 months ended 31 December	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Paper packaging	117,411	108,930	11,289	12,244
Plastic packaging	17,678	17,877	753	994
Contract manufacturing and packing	16,463	15,108	2,045	1,061
Investment and property holding	26,315	869	436	606
Others	4,259	2,398	335	(32)
	<u>182,126</u>	<u>145,182</u>	<u>14,858</u>	<u>14,873</u>
Inter-segment elimination	<u>(60,745)</u>	<u>(25,219)</u>	<u>--</u>	<u>--</u>
	121,381	119,963	14,858	14,873
Finance costs	<u>--</u>	<u>--</u>	<u>(42)</u>	<u>(66)</u>
	<u><u>121,381</u></u>	<u><u>119,963</u></u>	<u><u>14,816</u></u>	<u><u>14,807</u></u>

(b) By geographical locations:

	Revenue 9 months ended 31 December	
	2015 RM'000	2014 RM'000
Malaysia	84,564	87,693
Indonesia and others	<u>36,817</u>	<u>32,270</u>
	<u><u>121,381</u></u>	<u><u>119,963</u></u>

Company No. 228669-V

9. Profit before tax

	3 months ended 31 December		Cumulative 9 months ended 31 December	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit for the period is arrived at after charging/ (crediting):				
Depreciation & amortisation	1,610	1,508	4,258	4,224
Net foreign exchange (gain)/loss	(262)	(1,293)	(3,232)	(1,249)
Interest income	(297)	(402)	(1,083)	(1,038)

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

	31 December 2015 RM'000	31 December 2014 RM'000
<i>Property, plant and equipment</i> Contracted but not provided for	--	4,058

14. Significant related party transactions

	9 months ended 31 December	
	2015	2014
	RM'000	RM'000
Directors' remuneration	<u>1,603</u>	<u>1,784</u>
<i>Rental paid/payable to certain Directors</i>	<u>82</u>	<u>82</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>84</u>	<u>270</u>
<i>Company in which a corporate shareholder of a subsidiary has substantial financial interest</i>		
Sale of paper bags	<u>2,388</u>	<u>13,376</u>
Rental paid/payable	<u>68</u>	<u>54</u>
<i>Companies in which close family members of certain Directors of the Company have substantial financial interest</i>		
Purchase of finished goods	248	204
Sales of finished goods	107	207
Services rendered	<u>517</u>	<u>403</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 RM40.410 million, which is RM0.837 million higher compared to RM39.573 million registered in the corresponding quarter of last financial year. Gross profit is reported at RM8.589 million in current quarter representing an increase of RM0.292 million compared to the corresponding quarter in last financial year of RM8.297 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 RM31.195 million in the current quarter as compared to RM32.086 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 increased to RM3.752 million as compared to RM3.414 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 RM3.460 million as compared to RM2.974 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 RM2.003 million as compared to RM1.099 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 RM40.410 million, increase of RM0.439 million from preceding quarter of RM39.971 million. This is mainly due to higher sales volume in contract manufacturing and others segment during the current quarter.

The Group's current quarter profit before tax of RM4.660 million is RM1.053 million lower compared to the profit before tax of RM5.713 million registered in the preceding quarter mainly due to lower 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 quarter 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 31 December		Cumulative 9 months ended 31 December	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current tax				
- Current year	1,415	1,012	3,809	4,012
- Under/(over) provision in prior quarter	--	--	33	(152)
	<u>1,415</u>	<u>1,012</u>	<u>3,842</u>	<u>3,860</u>
Deferred tax assets/liabilities	(201)	187	122	(293)
	<u>1,214</u>	<u>1,199</u>	<u>3,964</u>	<u>3,567</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 December 2015 RM'000	31 March 2015 RM'000
Non-current		
- Secured	<u>35</u>	<u>50</u>
Current		
- Secured	20	37
- Unsecured	<u>524</u>	<u>657</u>
	<u>544</u>	<u>694</u>
Total borrowings	<u>579</u>	<u>744</u>

22. Changes in material litigation

There was no pending material litigation as at 23 February 2016, 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 31 December 2015	9 months ended 31 December 2015
Profit for the period (RM'000)	3,446	10,852
Less: Amount attributable to minority interest (RM'000)	<u>(101)</u>	<u>(201)</u>
Profit for the period attributable to owners of the Company (RM'000)	<u>3,345</u>	<u>10,651</u>
Weighted average number of ordinary shares in issue	<u>120,000</u>	<u>120,000</u>
Basic earnings per share (sen)	<u>2.79</u>	<u>8.88</u>

There are no dilutive earnings per share during the period.

24. Realised and unrealised profit/losses disclosure

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

	31 December 2015 RM'000	31 March 2015 RM'000
Total retained profits/(accumulated losses) of the Company and the subsidiaries:		
- Realised	115,656	131,677
- Unrealised	<u>(3,181)</u>	<u>(672)</u>
	112,475	131,005
Less: Consolidated adjustments	<u>(17,832)</u>	<u>(19,414)</u>
	<u>94,643</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.