

Century Bond Bhd.

(Company No. 228669-V)

(Incorporated in Malaysia)

**Interim Financial Report
31 March 2016**

Century Bond Bhd.

(Company No. 228669-V)

(Incorporated in Malaysia)

Condensed consolidated statement of financial position at 31 March 2016 - unaudited

	Note	31.03.2016 RM'000	31.03.2015 RM'000
Assets			
Property, plant and equipment		44,467	43,547
Prepaid lease payments		3,347	3,690
Deferred tax assets		79	26
Total non-current assets		<u>47,893</u>	<u>47,263</u>
Inventories		29,577	27,261
Trade and other receivables		44,492	44,885
Tax recoverable		697	908
Cash and bank balances		73,366	95,472
Total current assets		<u>148,132</u>	<u>168,526</u>
Total assets		<u><u>196,025</u></u>	<u><u>215,789</u></u>
Equity			
Share capital		60,000	60,000
Reserves		103,472	114,701
Total equity attributable to owners of the Company		163,472	174,701
Minority interest		3,584	7,708
Total equity		<u>167,056</u>	<u>182,409</u>
Liabilities			
Loans and borrowings	21	30	50
Deferred tax liabilities		3,566	4,190
Total non-current liabilities		<u>3,596</u>	<u>4,240</u>
Trade and other payables		23,543	26,756
Loans and borrowings	21	20	694
Taxation		1,810	1,690
Total current liabilities		<u>25,373</u>	<u>29,140</u>
Total liabilities		<u>28,969</u>	<u>33,380</u>
Total equity and liabilities		<u><u>196,025</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 year ended 31 March 2016 - unaudited

	Note	Individual 3 months ended 31 March		Cumulative 12 months ended 31 March	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue		40,184	37,750	161,565	157,713
Cost of sales		(29,371)	(30,587)	(127,972)	(126,957)
Gross profit		10,813	7,163	33,593	30,756
Other income		1,611	3,432	7,362	6,717
Distribution expenses		(3,159)	(2,591)	(11,107)	(8,789)
Administrative expenses		(1,672)	(1,626)	(6,997)	(7,192)
Other expenses		(3,322)	(543)	(3,722)	(784)
Profit from operating activities		4,271	5,835	19,129	20,708
Finance costs		(29)	(36)	(71)	(102)
Profit before tax		4,242	5,799	19,058	20,606
Tax expense	19	37	(1,358)	(3,927)	(4,925)
Profit for the period		4,279	4,441	15,131	15,681
Attributable to:					
Owners of the Company		4,149	4,210	14,800	14,959
Minority interest		130	231	331	722
Profit for the period		4,279	4,441	15,131	15,681
Basic and diluted earnings per ordinary share (sen)	24	3.46	3.51	12.33	12.47

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 year ended 31 March 2016 - unaudited

	Individual 3 months ended 31 March		Cumulative 12 months ended 31 March	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit for the period	4,279	4,441	15,131	15,681
Currency translation differences arising from consolidation	(1,957)	1,096	2,080	1,959
Total comprehensive income	<u>2,322</u>	<u>5,537</u>	<u>17,211</u>	<u>17,640</u>
Attributable to:				
Owners of the Company	2,434	5,179	16,601	16,791
Minority interest	(112)	358	610	849
	<u>2,322</u>	<u>5,537</u>	<u>17,211</u>	<u>17,640</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 year ended 31 March 2016 – 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	111,591	174,701	7,708	182,409
Total comprehensive income for the year	--	1,801	14,800	16,601	610	17,211
Disposal of subsidiary	--	(230)	--	(230)	--	(230)
Disposal of shares by non-controlling interests in a subsidiary	--	--	--	--	(2,829)	(2,829)
Dividend to shareholders	--	--	(27,600)	(27,600)	--	(27,600)
Dividend to minority shareholder	--	--	--	--	(1,905)	(1,905)
<i>At 31 March 2016</i>	<u>60,000</u>	<u>4,681</u>	<u>98,791</u>	<u>163,472</u>	<u>3,584</u>	<u>167,056</u>
<i>At 1 April 2014</i>	60,000	1,278	102,632	163,910	6,755	170,665
Total comprehensive income for the year	--	1,832	14,959	16,791	849	17,640
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>3,110</u>	<u>111,591</u>	<u>174,701</u>	<u>7,708</u>	<u>182,409</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 year ended 31 March 2016 - unaudited

	12 months ended 31 March	
	2016 RM'000	2015 RM'000
Cash flows from operating activities		
Profit before tax	19,058	20,607
Adjustments for non-cash flow:		
Non-cash items	5,899	5,763
Non-operating items	1,791	(3,697)
Operating profit before changes in working capital	26,748	22,673
Net change in current assets	(1,996)	12,132
Net change in current liabilities	(7,374)	3,695
Net tax paid	(4,272)	(5,708)
Net cash generated from operating activities	13,106	32,792
Cash flows from investing activities		
Other investments activities/		
Net cash used in investing activities	(4,220)	(8,173)
Cash flows used in financing activities		
Dividends paid to shareholders	(27,600)	(6,000)
Dividends paid to minority shareholder	(1,905)	(518)
Payment for bank borrowings	(694)	(4,291)
Net cash used in financing activities	(30,199)	(10,809)
Net decrease in cash and cash equivalents	(21,313)	13,810
Exchange difference on translation of financial statement of foreign subsidiaries	(793)	(1,144)
Cash and cash equivalents at beginning of period	95,472	82,806
Cash and cash equivalents at end of period	73,366	95,472
Cash and cash equivalents included in the cash flow statement comprise the following consolidated statement of financial position amounts:		
Cash and bank balances	42,891	39,507
Deposits with licensed banks	30,475	55,965
	73,366	95,472

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 year ended 31 March 2016 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 May 2016.

1. Basis of preparation

These condensed consolidated interim financial statement 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 statement 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:

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*

2. Significant accounting policies (continue)

- 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 2017

- Amendments to MFRS 107, *Statement of Cash Flows – Disclosure Initiative*
- Amendments to MFRS 112, *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses*

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 annual periods beginning on or after 1 January 2019

- MFRS 16, *Leases*

MFRSs, Interpretations and amendments effective from 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 plans to apply the abovementioned standards, amendments and interpretations in the respective financial year 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 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.

2. Significant accounting policies (continue)

(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.

(iii) MFRS 16, *Leases*

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 16.

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 12 months ended 31 March		Profit before tax 12 months ended 31 March	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Paper packaging	150,722	142,739	14,712	17,292
Plastic packaging	23,477	24,199	1,181	1,078
Contract manufacturing and packing	23,134	21,157	2,621	1,597
Investment and property holding	35,486	4,640	174	786
Others	6,661	3,628	441	(45)
	<u>239,480</u>	<u>196,363</u>	<u>19,129</u>	<u>20,708</u>
Inter-segment elimination	<u>(77,915)</u>	<u>(38,650)</u>	<u>--</u>	<u>--</u>
	161,565	157,713	19,129	20,708
Finance costs	<u>--</u>	<u>--</u>	<u>(71)</u>	<u>(102)</u>
	<u>161,565</u>	<u>157,713</u>	<u>19,058</u>	<u>20,606</u>

(b) By geographical locations:

	Revenue 12 months ended 31 March	
	2016 RM'000	2015 RM'000
Malaysia	113,811	115,181
Indonesia and others	<u>47,754</u>	<u>42,532</u>
	<u>161,565</u>	<u>157,713</u>

9. Profit before tax

	3 months ended 31 March		Cumulative 12 months ended 31 March	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit for the period is arrived at after charging/ (crediting):				
Depreciation & amortisation	1,641	1,257	5,899	5,481
Net realised/unrealised foreign exchange loss/(gain)	3,033	(1,415)	(199)	(2,664)
Interest income	(379)	(461)	(1,462)	(1,499)

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

CB Bags Sdn. Bhd., a wholly-owned subsidiary of the Company, had acquired the remaining 30% equity in Prestige Packages (Perlis) Sdn. Bhd. (PPPSB) from Cement Industries of Malaysia Berhad thereby making PPPSB a wholly-owned subsidiary of CB Bags in December 2015. The acquisition was completed in January 2016.

The liquidation of Prestige Packages (Vietnam) Co. Ltd, a 100% owned subsidiary had been concluded and resolved in February 2016.

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 2016 RM'000	31 March 2015 RM'000
<i>Property, plant and equipment</i> Contracted but not provided for	--	2,433

14. Significant related party transactions

	12 months ended 31 March	
	2016 RM'000	2015 RM'000
Directors' remuneration	<u>2,061</u>	<u>2,360</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>154</u>	<u>309</u>
<i>Company in which a corporate shareholder of a subsidiary has substantial financial interest</i>		
Sale of paper bags	<u>5,388</u>	<u>17,188</u>
Rental paid/payable	<u>68</u>	<u>77</u>
<i>Companies in which close family members of certain Directors of the Company have substantial financial interest</i>		
Purchase of finished goods	396	347
Sales of finished goods	91	284
Services rendered	<u>623</u>	<u>540</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 RM40.184 million, which is RM2.434 million higher compared to RM37.750 million registered in the corresponding quarter of last financial year. Gross profit is reported at RM10.813 million in current quarter representing an increase of RM3.650 million compared to the corresponding quarter in last financial year of RM7.163 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 increased to RM31.001 million in the current quarter as compared to RM29.976 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 increased to RM3.584 million as compared to RM3.458 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 RM3.197 million as compared to RM3.086 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 RM2.402 million as compared to RM1.230 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 RM40.184 million, decrease of RM0.226 million from preceding quarter of RM40.410 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 RM4.242 million is RM0.418 million lower compared to the profit before tax of RM4.660 million registered in the preceding quarter mainly due to loss 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. The Group's business for the next financial year will remain difficult and challenging.

The Group is continuously 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 March		Cumulative 12 months ended 31 March	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current tax				
- Current year	773	1,151	4,582	5,163
- Under/(over) provision in prior quarter	(12)	(2)	21	(154)
	<u>761</u>	<u>1,149</u>	<u>4,603</u>	<u>5,009</u>
Deferred tax assets/liabilities	(798)	209	(676)	(84)
	<u>(37)</u>	<u>1,358</u>	<u>3,927</u>	<u>4,925</u>

20. Status of corporate proposal announced

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

Company No. 228669-V

21. Loans and borrowings

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

	31 March 2016 RM'000	31 March 2015 RM'000
Non-current		
- Secured	30	50
Current		
- Secured	20	37
- Unsecured	--	657
	--	694
Total borrowings	<u>50</u>	<u>744</u>

22. Changes in material litigation

There was no pending material litigation as at 23 May 2016, being a date not earlier than 7 days from the date of the quarterly report.

23. Dividends

- (a) A final single tier dividend of 3.0 sen per ordinary share totalling RM3,600,000 in respect of the year ended 31 March 2015 was paid on 28 September 2015.
- (b) A special single tier dividend of 20.0 sen per ordinary share totalling RM24,000,000 in respect of the financial year ended 31 March 2016 was paid on 28 September 2015.
- (c) The Directors have proposed a final single tier dividend of 3.0 sen per ordinary share totalling RM3,600,000 in respect of financial year ended 31 March 2016 subject to the approval of the shareholders at the forthcoming 2016 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 2016	12 months ended 31 March 2016
Profit for the period (RM'000)	4,279	15,131
Less: Amount attributable to minority interest (RM'000)	(130)	(331)
Profit for the period attributable to owners of the Company (RM'000)	<u>4,149</u>	<u>14,800</u>
Weighted average number of ordinary shares in issue	<u>120,000</u>	<u>120,000</u>
Basic earnings per share (sen)	<u>3.46</u>	<u>12.33</u>

There are no dilutive earnings per share during the period.

25. Realised and unrealised profit/losses disclosure

The retained profits as at 31 March 2016 and 31 March 2015 is analysed as follows:-

	31 March 2016 RM'000	31 March 2015 RM'000
Total retained profits/(accumulated losses) of the Company and the subsidiaries:		
- Realised	123,653	131,677
- Unrealised	(5,708)	(672)
	<u>117,945</u>	<u>131,005</u>
Less: Consolidated adjustments	(19,154)	(19,414)
	<u><u>98,791</u></u>	<u><u>111,591</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.