

Century Bond Bhd.

(Company No. 228669-V)

(Incorporated in Malaysia)

Interim Financial Report
30 June 2016

Century Bond Bhd.

(Company No. 228669-V)

(Incorporated in Malaysia)

Condensed consolidated statement of financial position at 30 June 2016 - unaudited

	Note	30.06.2016 RM'000	31.03.2016 RM'000
Assets			
Property, plant and equipment		43,127	44,311
Prepaid lease payments		3,261	3,346
Deferred tax assets		35	80
Total non-current assets		<u>46,423</u>	<u>47,737</u>
Inventories		23,735	29,557
Trade and other receivables		45,385	44,638
Tax recoverable		460	697
Cash and bank balances		81,524	73,373
Total current assets		<u>151,104</u>	<u>148,265</u>
Total assets		<u><u>197,527</u></u>	<u><u>196,002</u></u>
Equity			
Share capital		60,000	60,000
Reserves		107,833	103,446
Total equity attributable to owners of the Company		167,833	163,446
Minority interest		3,721	3,584
Total equity		<u>171,554</u>	<u>167,030</u>
Liabilities			
Loans and borrowings	21	25	30
Deferred tax liabilities		2,877	3,566
Total non-current liabilities		<u>2,902</u>	<u>3,596</u>
Trade and other payables		20,409	23,559
Loans and borrowings	21	20	20
Taxation		2,642	1,797
Total current liabilities		<u>23,071</u>	<u>25,376</u>
Total liabilities		<u>25,973</u>	<u>28,972</u>
Total equity and liabilities		<u><u>197,527</u></u>	<u><u>196,002</u></u>

The notes on pages 6 to 13 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 2016 - unaudited

	Note	Individual 3 months ended 30 June		Cumulative 3 months ended 30 June	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue		38,378	41,000	38,378	41,000
Cost of sales		(30,369)	(34,153)	(30,369)	(34,153)
Gross profit		8,009	6,847	8,009	6,847
Other income		1,762	1,604	1,762	1,604
Distribution expenses		(3,238)	(2,340)	(3,238)	(2,340)
Administrative expenses		(1,618)	(1,654)	(1,618)	(1,654)
Other expenses		(253)	--	(253)	--
Profit from operating activities		4,662	4,457	4,662	4,457
Finance costs		(9)	(14)	(9)	(14)
Profit before tax		4,653	4,443	4,653	4,443
Tax expense	19	(916)	(1,274)	(916)	(1,274)
Profit for the period		<u>3,737</u>	<u>3,169</u>	<u>3,737</u>	<u>3,169</u>
Attributable to:					
Owners of the Company		3,600	3,073	3,600	3,073
Minority interest		137	96	137	96
Profit for the period		<u>3,737</u>	<u>3,169</u>	<u>3,737</u>	<u>3,169</u>
Basic and diluted earnings per ordinary share (sen)	23	<u>3.00</u>	<u>2.56</u>	<u>3.00</u>	<u>2.56</u>

The notes on pages 6 to 13 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 June 2016 - unaudited

	Individual 3 months ended 30 June		Cumulative 3 months ended 30 June	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit for the period	3,737	3,169	3,737	3,169
Currency translation differences arising from consolidation	787	1,160	787	1,160
Total comprehensive income	<u>4,524</u>	<u>4,329</u>	<u>4,524</u>	<u>4,329</u>
Attributable to:				
Owners of the Company	4,387	4,233	4,387	4,233
Minority interest	137	96	137	96
	<u>4,524</u>	<u>4,329</u>	<u>4,524</u>	<u>4,329</u>

The notes on pages 6 to 13 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 June 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	<i>Translation</i> reserves RM'000	<i>Distributable</i> Retained earnings RM'000			
<i>At 1 April 2016</i>	60,000	4,681	98,765	163,446	3,584	167,030
Total comprehensive income for the period	--	787	3,600	4,387	137	4,524
<i>At 30 June 2016</i>	<u>60,000</u>	<u>5,468</u>	<u>102,365</u>	<u>167,833</u>	<u>3,721</u>	<u>171,554</u>
<i>At 1 April 2015</i>	60,000	3,110	111,592	174,702	7,708	182,410
Total comprehensive income for the year	--	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>

The notes on pages 6 to 13 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 June 2016 - unaudited

	3 months ended 30 June	
	2016 RM'000	2015 RM'000
Cash flows from operating activities		
Profit before tax	4,653	4,443
Adjustments for non-cash flow:		
Non-cash items	1,526	1,290
Non-operating items	95	725
Operating profit before changes in working capital	6,274	6,458
Net change in current assets	4,700	(4,008)
Net change in current liabilities	(2,363)	(315)
Net tax paid	(479)	(409)
Net cash generated from operating activities	8,132	1,726
Cash flows from investing activities		
Other investments activities/		
Net cash used in investing activities	24	(4,749)
Cash flows used in financing activities		
Proceed from /(payment for) bank borrowings	(5)	499
Net cash used in financing activities	(5)	499
Net increase/(decrease) in cash and cash equivalents	8,151	(2,524)
Cash and cash equivalents at beginning of period	73,373	95,472
Cash and cash equivalents at end of period	81,524	92,948

Cash and cash equivalents included in the cash flow statement comprise the following consolidated statement of financial position amounts:

Cash and bank balances	49,661	35,393
Deposits with licensed banks	31,863	57,555
	81,524	92,948

The notes on pages 6 to 13 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 three months ended 30 June 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 2016 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 August 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 2016.

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 2016.

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.

8. Segment information

(a) By Business Segments:

	Revenue 3 months ended 30 June		Profit before tax 3 months ended 30 June	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Paper packaging	33,259	43,654	3,502	2,896
Plastic packaging	6,316	6,117	444	413
Contract manufacturing and packing	6,103	5,482	591	983
Investment and property holding	142	172	139	151
Others	1,621	1,030	(14)	14
	<u>47,441</u>	<u>56,455</u>	<u>4,662</u>	<u>4,457</u>
Inter-segment elimination	<u>(9,063)</u>	<u>(15,455)</u>	<u>--</u>	<u>--</u>
	<u>38,378</u>	<u>41,000</u>	<u>4,662</u>	<u>4,457</u>
Finance costs	<u>--</u>	<u>--</u>	<u>(9)</u>	<u>(14)</u>
	<u><u>38,378</u></u>	<u><u>41,000</u></u>	<u><u>4,653</u></u>	<u><u>4,443</u></u>

(b) By geographical locations:

	Revenue 3 months ended 30 June	
	2016 RM'000	2015 RM'000
Malaysia	28,713	29,965
Indonesia and others	9,665	11,035
	<u>38,378</u>	<u>41,000</u>

9. Profit before tax

	3 months ended 30 June		Cumulative 3 months ended 30 June	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit for the period is arrived at after charging/ (crediting):				
Depreciation & amortisation	1,271	1,290	1,271	1,290
Net realised/unrealised foreign exchange loss/(gain)	(1,043)	(710)	(1,043)	(710)
Interest income	(275)	(430)	(275)	(430)

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 2016 RM'000	30 June 2015 RM'000
<i>Property, plant and equipment</i> Contracted but not provided for	532	--

Company No. 228669-V

14. Significant related party transactions

	3 months ended 30 June	
	2016 RM'000	2015 RM'000
Directors' remuneration	451	516
<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	61	15
<i>Companies in which close family members of certain Directors of the Company have substantial financial interest</i>		
Purchase of finished goods	164	29
Sales of finished goods	12	47
Services rendered	79	172

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 RM38.378 million, which is RM2.622 million lower compared to RM41.000 million registered in the corresponding quarter of last financial year. Gross profit is reported at RM8.009 million in current quarter representing an increase of RM1.162 million compared to the corresponding quarter in last financial year of RM6.847 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 RM29.180 million in the current quarter as compared to RM33.323 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 RM3.975 million as compared to RM3.277 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 RM3.602 million as compared to RM3.370 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 RM1.621 million as compared to RM1.030 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 RM38.378 million, decrease of RM1.806 million from preceding quarter of RM40.184 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 RM4.653 million is RM0.411 million higher compared to the profit before tax of RM4.242 million registered in the preceding quarter mainly due to 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 operating environment remains weak with challenges faced in fluctuating currency exchange rates and weak consumer sentiment. The Group's business for the current 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 30 June		Cumulative 3 months ended 30 June	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current tax	1,560	1,531	1,560	1,531
Deferred tax assets	(644)	(257)	(644)	(257)
	<u>916</u>	<u>1,274</u>	<u>916</u>	<u>1,274</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 2016 RM'000	31 March 2016 RM'000
Non-current		
- Secured	25	30
Current		
- Secured	20	20
Total borrowings	<u>45</u>	<u>50</u>

22. Changes in material litigation

There was no pending material litigation as at 26 August 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 30 June 2016
Profit for the period (RM'000)	3,737
Less: Amount attributable to minority interest (RM'000)	(137)
Profit for the period attributable to owners of the Company (RM'000)	3,600
Weighted average number of ordinary shares in issue	120,000
Basic earnings per share (sen)	3.00

There are no dilutive earnings per share during the period.

24. Realised and unrealised profit/losses disclosure

The retained profits as at 30 June 2016 and 31 March 2016 is analysed as follows:-

	30 June 2016 RM'000	31 March 2016 RM'000
Total retained profits/(accumulated losses) of the Company and the subsidiaries:		
- Realised	125,848	123,730
- Unrealised	(4,181)	(5,785)
	121,667	117,945
Less: Consolidated adjustments	(19,302)	(19,180)
	102,365	98,765

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 2016 in their report dated 20 June 2016.

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.