

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

**Interim Financial Report (Announcement)**  
**31 March 2004**

# Century Bond Bhd.

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

## Condensed consolidated balance sheet at 31 March 2004

	Note	31.3.2004 RM'000	31.3.2003 RM'000
<b>Property, plant and equipment</b>	2	44,591	37,839
<b>Investments in associates</b>		247	203
<b>Investments in quoted shares</b>		7	7
<b>Goodwill</b>		409	433
		<u>45,254</u>	<u>38,482</u>
<b>Current assets</b>			
Inventories		23,013	18,630
Trade and other receivables		35,012	25,675
Tax recoverable		109	--
Cash and cash equivalents		10,647	11,455
		<u>68,781</u>	<u>55,760</u>
<b>Current liabilities</b>			
Trade and other payables		16,993	12,400
Borrowings		20,685	16,682
Taxation		1,169	501
Dividend payable		--	12,080
		<u>38,847</u>	<u>41,663</u>
<b>Net current assets</b>		<u>29,934</u>	<u>14,097</u>
		<u>75,188</u>	<u>52,579</u>
Financed by:-			
<b>Capital and reserves</b>			
Share capital		40,000	10,616
Reserves		24,840	34,615
		<u>64,840</u>	<u>45,231</u>
<b>Minority shareholders' interests</b>		1,571	798
<b>Long term and deferred liabilities</b>			
Borrowings		4,216	2,316
Deferred tax liabilities		4,561	4,234
		<u>8,777</u>	<u>6,550</u>
		<u>75,188</u>	<u>52,579</u>

The accompanying notes form an integral part of the interim financial report.

# Century Bond Bhd.

(Company No. 228669-V)  
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## Condensed consolidated income statement for the year ended 31 March 2004

	<b>Individual 3 months ended 31 March 2004 RM'000</b>	<b>Cumulative 12 months ended 31 March 2004 RM'000</b>	<b>31 March 2003 RM'000</b>
<b>Revenue</b>	26,133	113,313	94,755
Cost of sales	<u>(20,236)</u>	<u>(88,710)</u>	<u>(73,829)</u>
<b>Gross profit</b>	5,897	24,603	20,926
Other operating expenses	<u>(2,877)</u>	<u>(9,377)</u>	<u>(8,505)</u>
<b>Operating profit</b>	3,020	15,226	12,421
Interest expense	(451)	(1,308)	(763)
Share of profit in associates	<u>51</u>	<u>57</u>	<u>14</u>
<b>Profit before tax</b>	2,620	13,975	11,672
Tax expense	<u>(403)</u>	<u>(3,586)</u>	<u>(2,905)</u>
<b>Profit after tax</b>	2,217	10,389	8,767
Less: Minority interests' share of profit	<u>(158)</u>	<u>(173)</u>	<u>(44)</u>
<b>Net profit for the period/year</b>	<u>2,059</u>	<u>10,216</u>	<u>8,723</u>
Basic earnings per ordinary share (sen)	<u>5.15</u>	<u>28.23</u>	<u>26.05</u>

The accompanying notes form an integral part of the interim financial report.

## Century Bond Bhd.

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### Condensed consolidated statement of changes in equity for the year ended 31 March 2004

	Share capital RM'000	Non- distributable RM'000	<i>Distributable</i> Retained profits RM'000	Total RM'000
<i>At 1 April 2003</i>	10,616	8,356	26,259	45,231
Bonus issue	22,867	(3,650)	(19,217)	--
Public issue	6,517	4,562	--	11,079
Listing expenses	--	(1,727)	--	(1,727)
Exchange fluctuation on translation of a foreign subsidiary	--	41	--	41
Net profit for the year	--	--	10,216	10,216
<i>At 31 March 2004</i>	<u>40,000</u>	<u>7,582</u>	<u>17,258</u>	<u>64,840</u>
<i>At 1 April 2002</i>	10,616	1,894	21,536	34,046
Net gain not recognised in the income statement	--	6,462	--	6,462
Net profit for the year	--	--	8,723	8,723
Dividends -2003 Interim	--	--	(4,000)	(4,000)
<i>At 31 March 2003</i>	<u>10,616</u>	<u>8,356</u>	<u>26,259</u>	<u>45,231</u>

# Century Bond Bhd.

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## Condensed consolidated cash flow statement for the year ended 31 March 2004

	12 months ended	
	31.3.2004	31.3.2003
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	13,975	11,672
Adjustments for non-cash flow:		
Non-cash items	3,511	3,027
Non-operating items	699	691
Operating profit before working capital changes	18,185	15,390
Changes in working capital:		
Net change in current assets	(13,805)	(9,020)
Net change in current liabilities	(275)	(745)
<b>Net cash generated from operating activities</b>	<u>4,105</u>	<u>5,625</u>
<b>Cash flows from investing activity</b>		
Other investments/Net cash used in investing activity	<u>(9,832)</u>	<u>(6,350)</u>
<b>Cash flows from financing activities</b>		
Transactions with owners	(2,728)	(5,000)
Bank borrowings	3,911	11,786
<b>Net cash generated from financing activities</b>	<u>1,183</u>	<u>6,786</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(4,544)	6,061
<b>Cash and cash equivalents at beginning of year</b>	<u>9,045</u>	<u>2,984</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>4,501</u></u>	<u><u>9,045</u></u>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	1,967	3,363
Deposits with licensed banks	6,000	8,072
Bank overdrafts	(3,466)	(2,390)
	<u>4,501</u>	<u>9,045</u>

The accompanying notes form an integral part of the interim financial report.

# **Century Bond Bhd.**

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## **Notes to the interim financial report**

### **1. Basis of preparation**

The interim financial report is unaudited and has been prepared in compliance with MASB 26, Interim Financial Reporting.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2003.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 March 2003 except for the adoption of the following:

- (i) MASB 8, Related Party Transactions
- (ii) MASB 25, Income Taxes.
- (iii) MASB 29, Employee Benefits.

The following notes explain the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2003.

### **2. Property, plant and equipment**

The valuations of land and buildings have been brought forward, without amendment from the previous financial statements.

### **3. Changes in composition of the Group**

- (a) Acquisition of new subsidiaries

Century Bond Bhd. ("CBB") acquired the entire issued and paid up share capital of CB Bags Sdn. Bhd. ("CB Bags") and CB Packages Sdn. Bhd. for total considerations of RM2.00 on 31 October 2003 and RM2,650 on 12 November 2003 respectively.

On 31 October 2003, CB Bags entered into a joint venture arrangement ("JV") with Cement Industries of Malaysia Berhad ("CIMA"). Under the JV agreement, a joint venture company, Prestige Packages (Perlis) Sdn. Bhd. ("Prestige"), with eventual equity participation by CB Bags and CIMA of 70% and 30% respectively, would be set up for the purpose of acquiring the existing multi-wall paper bags manufacturing business of Perlis Paper Products Sdn. Bhd. ("PPPSB"), a wholly owned subsidiary of CIMA, for a total consideration of RM1,612,689.

Prestige then entered into a supply agreement with Negeri Sembilan Cement Industries Sdn. Bhd. ("NSCI") a wholly owned subsidiary of CIMA for the supply of cement paper bags from Prestige to NSCI.

### 3. Changes in composition of the Group (continued)

Pursuant to the JV agreement, the followings were undertaken on 9 February 2004

- (i) CB Bags has acquired 2 subscribers' shares in Prestige for a total consideration of RM2.00.
- (ii) Prestige allotted 1,399,998 new ordinary shares to CB Bags at the issued price of RM1.00 each.
- (iii) Prestige allotted 600,000 new ordinary shares to CIMA at the issued price of RM1.00 each per share as part satisfaction of the purchase consideration.

The effect of the above acquisitions is not material to the Group's result.

- (b) Increase in investment in a subsidiary

On 31 December 2003, CBB subscribed for an additional 1,500,000 new ordinary shares of RM1 each in Southern Polymer Products Sdn. Bhd. (formerly known as Southern FIBC Sdn. Bhd.) ("SPP") for a total consideration of RM1,500,000. The Company's equity interest in SPP has increased from 414,998 ordinary shares of RM1.00 each representing 83% of the total issued and paid up capital of SPP to 1,914,998 ordinary share of RM1.00 each representing 95.75% of the enlarged issued and paid up capital of SPP.

The effect of additional investment in SPP is not material to the Group's result.

### 4. Dividends

Since the end of the previous financial year, the Company paid:

- i) the balance of first interim dividend of 70.65% tax exempt totalling RM7,500,000 in respect of the year ended 31 March 2002 amounting to RM2,500,000 on 2 April 2003;
- ii) second interim dividend of 73% less tax at 28% totalling RM5,580,000 in respect of the year ended 31 March 2002 on 2 April 2003; and
- iii) an interim dividend of 52.33% less tax at 28% totalling RM4,000,000 in respect of the year ended 31 March 2003 on 7 October 2003.

The final dividend recommended by the Directors in respect of the year ended 31 March 2004 is 8% less tax per ordinary share totalling RM2,304,000.

### 5. Seasonal or cyclical factors

The Group normally experiences higher sales volume for the first and second quarters of the financial year due to the customers' business cycle trend.

## 6. Segment information

Segment information is presented in respect of the Group's business segments. Inter-segment pricing is determined based on a negotiated basis.

	Revenue		Profit before tax	
	12 months ended		12 months ended	
	31.3.2004	31.3.2003	31.3.2004	31.3.2003
	RM'000	RM'000	RM'000	RM'000
Paper packaging	88,579	74,151	11,075	9,282
Plastic packaging	17,528	18,566	2,401	2,041
Contract manufacturing and packing	27,670	19,764	1,949	1,028
Investment and property holding	3,623	5,978	2,976	5,327
	137,400	118,459	18,401	17,678
Inter-segment elimination	(24,087)	(23,704)	(3,175)	(5,257)
	113,313	94,755	15,226	12,421
Segment result				
Interest expense	--	--	(1,308)	(763)
Share of profits of associates	--	--	57	14
	113,313	94,755	13,975	11,672

## 7. Capital commitments

	31.3.2004	31.3.2003
	RM'000	RM'000
<i>Property, plant and equipment</i>		
Authorised but not contracted for	7,224	10,800
Contracted but not provided for	2,964	1,938
	10,188	12,738

## 8. Changes in contingent liabilities

There is no material changes in contingent liability for the Group since the last annual balance sheet date to 27 May 2004, which is in respect of a litigation against a subsidiary.

A debtor of a subsidiary has made a claim in the Seremban High Court against the subsidiary for damages of approximately RM3.778 million as well as general damages due to alleged negligence on the part of the subsidiary in relation to the supply of goods and in respect of the publication of an advertisement to wind up the debtor. Prior to the above suit, the subsidiary had filed a winding up petition against the debtor following the demands made by the subsidiary for full payment of goods sold and delivered to the debtor.

On 24 May 2004, the High Court has allowed the subsidiary's application to strike out the claim. As a result of this order, the debtor's claim against the subsidiary has been reduced by RM3.733 million.



## 9. Debt and equity securities

During the period under review and year to date, the followings were undertaken:-

- i) The authorised share capital was increased from RM25,000,000 to RM50,000,000.
- ii) The issued and paid-up capital was increased from RM10,615,978 to RM33,483,000 via a bonus issue of 22,867,022 new ordinary shares of RM1.00 each on the basis of 2.154 new ordinary shares for every one (1) existing ordinary share held. The bonus issue was effected by way of capitalisation of RM1,802,402 from revaluation reserve, RM1,847,931 from share premium account and RM19,216,689 from retained profits.
- iii) Pursuant to the listing of CBB on the Second Board of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) on 23 October 2003, a public issue of 6,517,000 ordinary shares of RM1.00 each was effected at an issued price of RM1.70 per share.

There were no other issuance, cancellations, repurchase, resale and repayments of debt and equity securities for the period under review.

## 10. Related parties

Significant related party transactions of the Group are as follows:

	<b>31.3.2004</b>
	<b>RM'000</b>
<i>Remuneration paid to staff who is a close family member of a Director, Mr. Loi Tuan Ee</i>	<u>84</u>
<i>Rental payable to Mr. Kuan Hai Ngon, Mdm. Tan Sui Moi, Mr. Loi Tuan Ee and Mr. Tan Boon Leng</i>	<u>70</u>
<i>Associates</i>	
- <i>Gemilang Packaging Sdn. Bhd.</i>	
Sales of carton boxes	<u>3,362</u>
- <i>PB Packaging (M) Sdn. Bhd.</i>	
Sales of carton boxes	<u>1,344</u>
<i>Companies in which the spouse of Mdm. Tan Seok Kim, an Executive Director of the Company has substantial financial interest</i>	
- <i>Flexo Process Sdn. Bhd.</i>	
Purchases of printing block	<u>584</u>
- <i>Flexo Process (K.L.) Sdn. Bhd.</i>	
Rental receivable	<u>30</u>
<i>Company in which a corporate shareholder of a subsidiary has substantial financial interest</i>	
- <i>Negeri Sembilan Cement Industries Sdn. Bhd.</i>	
Sale of paper bags	<u>9,205</u>

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

## **11. Events subsequent to the balance sheet date**

On 21 May 2004, a subsidiary entered into an agreement to dispose of its subsidiary, Polyplus Packages (Penang) Sdn. Bhd. for a consideration of RM260,000 at pretax gain on disposal of approximately RM70,000 at Group level.

The disposal of the subsidiary does not have a material effect on the results and the financial position of the Group.

## **12. Audit qualification**

The audit report of the Group and of the Company for the preceding annual financial statements was not subject to any audit qualification.

## **13. Unusual items affecting the assets, liabilities, equity, net income or cash flows**

There are no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current quarter to-date.

## **14. Material changes in estimates**

There are no material changes in estimates for the current quarter to-date.

## **15. Comparative figures**

There are no comparative figures for the corresponding fourth quarter for the condensed consolidated income statement as this is the first year of quarterly interim report prepared in accordance with MASB 26, Interim Financial Reporting.

**Century Bond Bhd.**

(Company No. 228669-V)  
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**Interim Financial Report  
31 March 2004**

Additional information required by the  
Bursa Malaysia Securities Berhad  
Listing Requirements

# Century Bond Bhd.

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## Additional information required by the Bursa Malaysia Securities Berhad Listing Requirements

### 1. Review of performance

The Group has achieved a profit after tax and minority interests of RM2.06 million for the current quarter, which is within the expectation of the Directors.

### 2. Variation of results against preceding quarter

For the quarter under review, the Group recorded a profit before tax of RM2.62 million, compared to RM3.89 million in the previous quarter. The reason for the decrease in profit is mainly attributable to a gain on disposal of motor vehicle of approximately RM0.3 million recorded in the previous quarter and increase in sale and promotional activities and provision for Directors' fee during the quarter under review.

### 3. Future prospects

In view of the continuous capital expansion plan, the Group is still positive about the revenue growth in the next financial year, despite the current competitive and challenging business environment.

### 4. Profit forecast

The Company's results for the financial year ended 31 March 2004 is above the forecasted results as reported in prospectus for listing purpose dated 30 September 2003 mainly due to successful achievement of higher revenue growth than forecasted in the contract manufacturing and paper packaging divisions.

### 5. Tax expense

	<b>3 months ended</b>	<b>12 months ended</b>	
	<b>31.3.2004</b>	<b>31.3.2004</b>	<b>31.3.2003</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income tax	272	3,383	2,174
Deferred tax	131	203	731
	<u>403</u>	<u>3,586</u>	<u>2,905</u>

### 6. Unquoted investments and properties

There were no profits on sale of unquoted investments or properties as there were no disposals of unquoted investments or properties during the period under review.

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## 7. Quoted investments

	12 months ended	
	31.3.2004 RM'000	31.4.2003 RM'000
<i>Quoted shares in Malaysia</i>		
At cost	41	41
Less: Allowance for diminution in value	(34)	(34)
	<u>7</u>	<u>7</u>
Market value	<u>4</u>	<u>3</u>

## 8. Status of corporate proposal announced

There were no corporate proposal announced nor were there any corporate proposal not completed as at the date of this quarterly report.

## 9. Borrowing and debt securities

	12 months ended	
	31.3.2004 RM'000	31.3.2003 RM'000
<i>Current</i>		
<i>Secured</i>		
- Term loans	848	417
- Bankers' acceptances	1,512	1,512
- Trust receipts	527	616
- Bank overdrafts	888	413
- Hire purchase creditors	66	7
	3,841	2,965
<i>Unsecured</i>		
- Term loans	725	200
- Bankers' acceptances	4,580	2,127
- Bank overdrafts	2,578	1,977
- Trust receipts	8,961	9,413
	16,844	13,717
	20,685	16,682
<i>Non-current</i>		
<i>Secured</i>		
- Term loans	1,807	1,683
- Hire purchase creditors	124	--
	1,931	1,683
<i>Unsecured</i>		
- Term loans	2,285	633
	4,216	2,316
Total borrowings	<u>24,901</u>	<u>18,998</u>

## 10. Off balance sheet financial instruments

During the financial period to-date, the Group did not enter into any contracts involving off balance sheet financial instruments.

## 11. Changes in material litigation

There is no material changes in contingent liability for the Group since the last annual balance sheet date to 27 May 2004, which is in respect of a litigation against a subsidiary.

A debtor of a subsidiary has made a claim in the Seremban High Court against the subsidiary for damages of approximately RM3.778 million as well as general damages due to alleged negligence on the part of the subsidiary in relation to the supply of goods and in respect of the publication of an advertisement to wind up the debtor. Prior to the above suit, the subsidiary had filed a winding up petition against the debtor following the demands made by the subsidiary for full payment of goods sold and delivered to the debtor.

On 24 May 2004, the High Court has allowed the subsidiary's application to strike out the claim. As a result of this order, the debtor's claim against the subsidiary has been reduced by RM3.733 million.

## 12. Basic earnings per ordinary share

### *Basic earnings per ordinary share*

The calculation of basic earnings per share for the current and financial period to-date are based on the net profit attributable to ordinary shareholders of RM2,059,000 and RM10,216,000 over the weighted average number of ordinary shares of 40,000,000 and 36,198,000 respectively.

### *Diluted earnings per share*

No disclosure is made for the diluted earnings per share as there was no dilutive potential ordinary shares outstanding.