

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

**Interim financial report**  
**31 December 2004**

The Board of Directors  
Century Bond Bhd.  
PLO 97, 98, 99  
Jalan Cyber 5  
Senai Industrial Estate Phase III  
81400 Senai  
Johor

Date

Dear Sirs

**Century Bond Bhd. and its Subsidiaries (“the Group”)  
Review report on interim financial report for the period ended 31 December 2004**

We have reviewed the accompanying interim financial report of the Group at 31 December 2004 for the individual and cumulative quarters ended 31 December 2004 and the accompanying notes thereon.

The interim financial report is the responsibility of the Board of the Company and our responsibility is to issue a report on the interim financial report based on our review. Our scope of review is limited to the financial statements of the following subsidiaries only:-

- (i) Prestige Packages Sdn Bhd
- (ii) Prestige Packages (Perlis) Sdn Bhd
- (iii) Southern Polymer Products Sdn Bhd
- (iv) Brandpak Industries Sdn Bhd

It is the responsibility of the Board of the Company to take all necessary steps to ensure that the financial statements of the rest of the subsidiaries in the Group are presented fairly for consolidation into the Group’s financial statements and in compliance with Bursa Malaysia Securities Berhad announcement.

We conducted our review in accordance with the approved Standard on Auditing in Malaysia applicable to review engagements. This standard requires us to plan and perform the review to obtain moderate assurance as to whether the interim financial report is free from material misstatement.

Our review performed is limited primarily to enquiries of the Company’s personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report is not presented fairly, in all material respects, in accordance with applicable approved accounting standards in Malaysia.

Yours faithfully

# Century Bond Bhd.

(Company No. 228669-V)  
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## Condensed consolidated balance sheet at 31 December 2004

	Note	31.12.2004 RM'000	31.3.2004 RM'000
<b>Property, plant and equipment</b>	2	46,670	44,591
<b>Investments in associates</b>		195	247
<b>Investments in quoted shares</b>	3	7	7
<b>Goodwill</b>		390	409
		<u>47,262</u>	<u>45,254</u>
<b>Current assets</b>			
Inventories		32,717	23,013
Trade and other receivables		40,373	35,012
Tax recoverable		130	109
Cash and cash equivalents		9,431	10,647
		<u>82,651</u>	<u>68,781</u>
<b>Current liabilities</b>			
Trade and other payables		21,558	16,993
Borrowings		24,009	20,685
Taxation		465	1,169
		<u>46,032</u>	<u>38,847</u>
		<u>-</u>	<u>-</u>
<b>Net current assets</b>		<u>36,619</u>	<u>29,934</u>
		<u>83,881</u>	<u>75,188</u>
Financed by:-			
<b>Capital and reserves</b>			
Share capital		40,000	40,000
Reserves		30,648	24,840
		<u>70,648</u>	<u>64,840</u>
<b>Minority shareholders' interests</b>		1,727	1,571
<b>Long term and deferred liabilities</b>			
Borrowings		6,826	4,216
Deferred tax liabilities		4,680	4,561
		<u>11,506</u>	<u>8,777</u>
		<u>83,881</u>	<u>75,188</u>
Net tangible assets per share of RM1.00 each (RM)		<u>1.76</u>	<u>1.61</u>

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

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## Condensed consolidated income statement for the period ended 31 December 2004

	Note	Individual 3 months ended 31 December		Cumulative 9 months ended 31 December	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
<b>Revenue</b>		35,705	26,473	103,787	87,180
Cost of sales		<u>(28,986)</u>	<u>(20,277)</u>	<u>(84,027)</u>	<u>(68,474)</u>
<b>Gross profit</b>		6,719	6,196	19,760	18,706
Operating expenses		<u>(2,507)</u>	<u>(1,984)</u>	<u>(7,694)</u>	<u>(6,500)</u>
<b>Operating profit</b>		4,212	4,212	12,066	12,206
Interest expense		(447)	(307)	(1,346)	(857)
Share of (loss)/profit in associates		<u>(6)</u>	<u>(20)</u>	<u>(53)</u>	<u>6</u>
<b>Profit before tax</b>		3,759	3,885	10,667	11,355
Tax expense	4	<u>(717)</u>	<u>(1,063)</u>	<u>(2,105)</u>	<u>(3,183)</u>
<b>Profit after tax</b>		3,042	2,822	8,562	8,172
Less: Minority interests		<u>(122)</u>	<u>19</u>	<u>(391)</u>	<u>(15)</u>
<b>Net profit for the period</b>		<u>2,920</u>	<u>2,841</u>	<u>8,171</u>	<u>8,157</u>
Basic earnings per ordinary share (sen)	5	<u>7.30</u>	<u>7.51</u>	<u>20.43</u>	<u>23.35</u>

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## Condensed consolidated statement of changes in equity for the period ended 31 December 2004

	Note	Share capital RM'000	Non- distributable Reserves RM'000	Distributable Retained profits RM'000	Total RM'000
<i>At 1 April 2004</i>		40,000	7,582	17,258	64,840
<i>Net gain and loss not recognised in the income statement:</i>					
- Exchange difference on translation of the financial statements of a foreign subsidiary		--	21	--	21
- Share issue expenses		--	(80)	--	(80)
Dividends - 2004 Final	6	--	--	(2,304)	(2,304)
Net profit for the nine months period		--	--	8,171	8,171
<i>At 31 December 2004</i>		<u>40,000</u>	<u>7,523</u>	<u>23,125</u>	<u>70,648</u>
<i>At 1 April 2003</i>		10,616	8,356	26,259	45,231
Bonus issue		22,867	(3,650)	(19,217)	--
Issue of shares		6,517	4,562	--	11,079
<i>Net gain and loss not recognised in the income statement:</i>					
- Exchange difference on translation of the financial statements of a foreign subsidiary		--	22	--	22
- Listing expenses		--	(726)	--	(726)
Net profit for the nine months period		--	--	8,157	8,157
<i>At 31 December 2003</i>		<u>40,000</u>	<u>8,564</u>	<u>15,199</u>	<u>63,763</u>

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

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## Condensed consolidated cash flow statement for the period ended 31 December 2004

	<b>9 months ended 31 December</b>	
	<b>2004</b>	<b>2003</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	10,667	11,355
Adjustments for non-cash flow:		
Non-cash items	3,009	2,500
Non-operating items	<u>1,236</u>	<u>679</u>
Operating profit before working capital changes	14,912	14,534
Changes in working capital:		
Net change in current assets	(15,882)	(9,635)
Net change in current liabilities	<u>2,721</u>	<u>3,959</u>
<b>Net cash generated from operating activities</b>	<u>1,751</u>	<u>8,858</u>
<b>Cash flows from investing activity</b>		
Other investments/Net cash used in investing activity	(2,424)	(988)
<b>Cash flows from financing activities</b>		
Transactions with owners	(2,384)	(1,727)
Bank borrowings	<u>3,318</u>	<u>1,239</u>
<b>Net cash generated from/(used in) financing activities</b>	<u>934</u>	<u>(488)</u>
<b>Net increase in cash and cash equivalents</b>	261	7,382
<b>Cash and cash equivalents at beginning of period</b>	<u>4,500</u>	<u>9,065</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>4,761</u></u>	<u><u>16,447</u></u>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	5,056	5,060
Deposits with licensed banks	4,355	11,908
Bank overdrafts	<u>(4,650)</u>	<u>(521)</u>
	<u><u>4,761</u></u>	<u><u>16,447</u></u>

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

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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 2004.

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 2004.

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 2004.

### 2. Property, plant and equipment

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

### 3. Investments in quoted shares

	31.12.2004 RM'000	31.3.2004 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>3</u>	<u>4</u>

### 4. Tax expense

	3 months ended 31 December		9 months ended 31 December	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Income tax expense	694	1,072	1,852	3,111
Deferred tax expense/(income)	23	(9)	253	72
	<u>717</u>	<u>1,063</u>	<u>2,105</u>	<u>3,183</u>

The effective tax rate for the current quarter and cumulative period to-date are lower than the statutory tax rate due to utilisation of reinvestment allowances by two of the subsidiaries.

## **5. Basic earnings per share**

### *Basic earnings per 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 RM2,920,000 and RM8,171,000 respectively and the weighted average number of ordinary shares of 40,000,000.

### *Diluted earnings per share*

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

## **6. Dividends**

Since the end of the previous financial year, the Company paid a final dividend of 8% less tax per ordinary share totalling RM2,304,000 in respect of the year ended 31 March 2004 on 23 November 2004.

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

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 a pretax gain on disposal of RM83,000 at Group level.

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

On 12 October 2004, the Company increased its investment in Polyplus Packages Sdn. Bhd. from 33.83% comprising 1,522,000 ordinary shares of RM1.00 each to 35% comprising 1,570,000 ordinary shares of RM1.00 each by acquiring 52,700 ordinary shares of RM1.00 each for a cash consideration of RM174,437.

## **8. 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.



## 9. 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 9 months ended 31 December		Profit before tax 9 months ended 31 December	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Paper packaging	71,230	67,667	9,188	9,021
Plastic packaging	31,375	15,625	2,290	2,177
Contract manufacturing and packing	21,376	17,218	1,115	1,212
Investment and property holding	15,540	317	14,954	(208)
	139,521	100,827	27,547	12,202
Inter-segment elimination	(35,734)	(13,647)	(15,564)	4
	103,787	87,180		
Segment result			11,983	12,206
Gain on disposal of a subsidiary	--	--	83	--
Interest expense	--	--	(1,346)	(857)
Share of (loss)/profit in associates	--	--	(53)	6
	103,787	87,180	10,667	11,355

## 10. Capital commitments

	31.12.2004 RM'000
<i>Property, plant and equipment</i>	
Authorised but not contracted for	7,224
Contracted but not provided for	2,964
	10,188

## 11. Debt and equity securities

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

## 12. Related parties

Significant related party transactions of the Group are as follows:

	<b>9 months ended</b>	
	<b>31 December</b>	
	<b>2004</b>	<b>2003</b>
	<b>RM'000</b>	<b>RM'000</b>
Directors' remunerations	1,413	1,194
<i>Remuneration paid to staff who is a close family member of a Director, Mr. Loi Tuan Ee</i>	54	45
<i>Rental payable to Mr. Kuan Hai Ngon, Mdm. Tan Sui Moi, Mr. Loi Tuan Ee and Mr. Tan Boon Leng</i>	82	--
<i>Associates</i>		
<i>- Gemilang Packaging Sdn. Bhd.</i>		
Sale of carton boxes	1,088	2,272
<i>- PB Packaging (M) Sdn. Bhd.</i>		
Sale of plant and equipment	49	--
Sale of carton boxes	867	905
<i>Companies in which the spouse of Mdm. Tan Seok Kim, an Executive Director of CBB has substantial financial interest</i>		
<i>- Flexo Process Sdn. Bhd.</i>		
Purchases of printing block	440	533
<i>- Flexo Process (K.L.) Sdn. Bhd.</i>		
Rental receivable	23	23
<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	12,321	--
<i>- Perlis Paper Products Sdn. Bhd.</i>		
Rental payable	54	--

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

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31 December 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 recorded a profit after tax and minority interest of RM2.92 million for the third quarter compared to the corresponding period last year of RM2.84 million whilst the Group achieved a cumulative profit after tax and minority interest of RM8.17 million for the nine months ended 31 December 2004 compared to the corresponding period last year of RM8.17 million.

The Group's consolidated revenue for the first nine months was RM103.79 million, representing a 19% increase on revenue compared to the previous corresponding period. The additional revenues were contributed significantly by the plastic packaging division. However, the gross margin decreased slightly due to increased raw material cost while the increase in selling prices were only partially passed on to the customers.

### **2. Variation of results against preceding quarter**

The Group registered a profit after tax of RM3.04 million for the current quarter, as compared to the previous quarter of RM3.20 million, a decrease of 5%. This was due to higher effective tax rate for the current quarter under review.

### **3. Future prospects**

The paper packaging businesses continue to be the main driver for the Group, in terms of revenue and profits. Barring any unforeseen circumstances, the Board is reasonably certain that the performance of the Group will remain satisfactory for the next quarter.

### **4. Profit forecast**

Not applicable.

### **5. 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.

### **6. Status of corporate proposal announced**

(a) On behalf of the Board of Directors of the Company, Malaysian International Merchant Bankers Berhad ("MIMB") has announced to Bursa Malaysia Securities Berhad ("Bursa Securities") the following corporate proposals on 14 October 2004:-

- Proposed bonus issue of 20,000,000 new ordinary shares of RM1.00 each in the Company ("Company shares"), to be credited as fully paid-up on the basis of one (1) new Company share for every two (2) existing Company shares held on an entitlement date to be determined and announced later ("Proposed Bonus Issue");

## 6. Status of corporate proposal announced (continued)

- Proposed share split into two (2) new ordinary shares of RM0.50 each in the Company (“Subdivided Company shares”) for every one (1) Company share held (“Proposed Share Split”);
- Proposed transfer of the listing of and quotation for the entire enlarged issue and paid-up share capital of the Company from the Second Board to the Main Board of Bursa Securities (“Proposed Listing Transfer”);
- Proposed increase in the authorised share capital of the Company from RM50,000,000 comprising 50,000,000 Company shares to RM100,000,000 comprising 200,000,000 Subdivided Company shares (“Proposed Capital Increase”); and
- Proposed amendments to the Memorandum and Articles of Association of the Company.

The application on Proposed Share Split was approved in principle by Bursa Securities on 30 November 2004.

The Proposed Share Split and the Proposed Listing transfer were approved by the Securities Commission on 3 February 2005.

### (b) Utilisation of proceeds.

The total gross proceeds of RM11,078,900 arising from the Public Issue of 6,517,000 new ordinary shares at an issue price of RM1.70 per ordinary share have been utilised as follows:-

No.	Planned utilisation of proceeds	Amount Allocated RM'000	Amount Utilised RM'000	Amount Unutilised RM'000
1.	Construction of an office block at PLO 97 to be used as the head office of the Group	1,500	39	1,461
2.	a) Repayment of bank borrowings for the purchase of raw materials *	2,200	2,200	--
	b) Purchase of machinery for manufacturing of paper bags	3,800	2,015	1,785
3.	Working capital requirements for the Group	1,779	1,779	--
4.	Estimated listing expenses	1,800	1,727	73
	Total	<u>11,079</u>	<u>7,760</u>	<u>3,319</u>

\* The aforesaid amount was originally intended for the repayment of bank borrowings for the purchase of machinery for manufacturing of paper bags as approved by the Securities Commission. The Group has subsequently varied it for the repayment of bank borrowings which was utilised for the core business of the Group i.e. for the purchase of raw materials. The said variation was disclosed in the annual report and the amount represents less than 25% of the total proceeds raised from the listing.

## 6. Status of corporate proposal announced (continued)

The circumstances giving rise to the unutilised portion of the proceeds include the followings:

- The proposed building plan to construct office block at PLO 97 was submitted to Majlis Daerah Kulai, Johor on 1 January 2004 and the Company is now awaiting for approval from the relevant authority.
- As at to date, the Company is in the midst of finalising orders for machinery to be purchased.

The Group had on 22 April 2004 announced an extension of the time frame for utilisation of the proceeds to 23 April 2005.

## 7. Borrowing and debt securities

	31.12.2004 RM'000	31.3.2004 RM'000
<i>Current</i>		
<i>Secured</i>		
- Term loans	1,298	848
- Bankers' acceptances	1,712	1,512
- Trust receipts	8,568	527
- Bank overdrafts	221	888
- Hire purchase creditors	109	66
	<u>11,908</u>	<u>3,841</u>
<i>Unsecured</i>		
- Term loans	1,229	725
- Bankers' acceptances	3,450	4,580
- Bank overdrafts	4,429	2,578
- Trust receipts	2,993	8,961
	<u>12,101</u>	<u>16,844</u>
	<u>24,009</u>	<u>20,685</u>
<i>Non-current</i>		
<i>Secured</i>		
- Term loans	2,468	1,807
- Hire purchase creditors	83	124
	<u>2,551</u>	<u>1,931</u>
<i>Unsecured</i>		
- Term loans	4,275	2,285
	<u>6,826</u>	<u>4,216</u>
Total borrowings	<u><u>30,835</u></u>	<u><u>24,901</u></u>

## 8. 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.

## **9. Dividends payable**

- (a) No interim dividends have been declared for the current financial period-to-date.
- (b) At the Annual General Meeting of the Company held on 16 September 2004, the shareholders approved the payment of a final dividend of 8 sen less tax in respect of the financial year ended 31 March 2004. The final dividend was paid on 23 November 2004 to the depositors registered in the Record of Depositors at the close of the business on 26 October 2004.
- (c) In the corresponding financial quarter ended 31 December 2003, the Company paid 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.

## **10. Changes in material litigation**

There were no pending material litigation as at 26 February 2005, being a date not earlier than 7 days from the date of this quarterly report.