

**Century Bond Bhd.**

(Company No. 228669-V)

(Incorporated in Malaysia)

**Interim Financial Report  
31 March 2010**

# Century Bond Bhd.

(Company No. 228669-V)

(Incorporated in Malaysia)

## Condensed consolidated balance sheet at 31 March 2010 - unaudited

	Note	31.3.2010 RM'000	31.3.2009 RM'000
<b>Assets</b>			
Property, plant and equipment		41,517	43,286
Prepaid lease payments		4,660	4,942
Investment in quoted shares	B7	7	7
Goodwill		342	342
<b>Total non-current assets</b>		<u>46,526</u>	<u>48,577</u>
Inventories		29,258	21,406
Trade and other receivables		39,385	43,485
Tax recoverable		311	504
Cash and bank balances		59,213	42,350
<b>Total current assets</b>		<u>128,167</u>	<u>107,745</u>
<b>Total assets</b>		<u>174,693</u>	<u>156,322</u>
<b>Equity</b>			
Share capital		60,000	60,000
Reserves		53,927	42,128
<b>Total equity attributable to shareholders of the Company</b>		113,927	102,128
<b>Minority interest</b>		3,551	3,853
<b>Total equity</b>		<u>117,478</u>	<u>105,981</u>
<b>Liabilities</b>			
Loans and borrowings	B9	1,108	1,474
Deferred tax liabilities		5,899	7,044
<b>Total non-current liabilities</b>		<u>7,007</u>	<u>8,518</u>
Trade and other payables		23,722	23,000
Loans and borrowings	B9	21,145	17,688
Taxation		5,341	1,135
<b>Total current liabilities</b>		<u>50,208</u>	<u>41,823</u>
<b>Total liabilities</b>		<u>57,215</u>	<u>50,341</u>
<b>Total equity and liabilities</b>		<u>174,693</u>	<u>156,322</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2009 and the accompanying notes attached to the interim financial statements.

# Century Bond Bhd.

(Company No. 228669-V)

(Incorporated in Malaysia)

## Condensed consolidated income statement for the year ended 31 March 2010 - unaudited

	Note	Individual 3 months ended 31 March		Cumulative 12 months ended 31 March	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<b>Revenue</b>		40,519	44,347	172,128	203,211
Cost of sales		(29,333)	(39,135)	(134,484)	(174,180)
<b>Gross profit</b>		11,186	5,212	37,644	29,031
Other income		80	2,337	3,916	3,645
Distribution expenses		(1,749)	(56)	(7,588)	(6,938)
Administrative expenses		(669)	(458)	(6,848)	(5,588)
Other expenses		--	(935)	(3,141)	(935)
<b>Profit from operating activities</b>		8,848	6,100	23,983	19,223
Finance costs		(240)	(338)	(640)	(1,937)
<b>Profit before tax</b>		8,608	5,762	23,343	17,286
Tax expense	B5	(2,749)	(1,474)	(7,047)	(4,850)
<b>Profit for the period</b>		5,859	4,288	16,296	12,436
<b>Attributable to:</b>					
Shareholders of the Company		5,643	4,222	16,598	12,078
Minority interest		216	66	(302)	358
<b>Profit for the year</b>		5,859	4,288	16,296	12,436
Basic earnings and diluted per ordinary share (sen)	B12	4.70	3.52	13.83	10.06

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 March 2009 and the accompanying notes attached to the interim financial statements.

# Century Bond Bhd.

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## Condensed consolidated statement of changes in equity for the year ended 31 March 2010 – unaudited

Note	← Non-distributable →			Distributable			
	Share capital RM'000	Revaluation reserve RM'000	Exchange fluctuation reserves RM'000	Retained earnings RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
<i>At 1 April 2009</i>	60,000	1,867	2,151	38,110	102,128	3,853	105,981
Translation differences relating to financial statements of foreign subsidiaries	--	--	1	--	1	--	1
Profit after tax for the financial year	--	--	--	16,598	16,598	(302)	16,296
Dividends to shareholders	--	--	--	(4,800)	(4,800)	--	(4,800)
<i>At 31 March 2010</i>	<u>60,000</u>	<u>1,867</u>	<u>2,152</u>	<u>49,908</u>	<u>113,927</u>	<u>3,551</u>	<u>117,478</u>
<i>At 1 April 2008</i>	60,000	1,908	43	30,789	92,740	2,303	95,043
Translation differences relating to							
- financial statements of foreign subsidiaries	--	--	820	--	820	--	820
- advances extended to a foreign subsidiary	--	--	1,288	--	1,288	--	1,288
Transfer from revaluation reserve to retained profits	--	(43)	--	43	--	--	--
Transfer from deferred tax	--	2	--	--	2	--	2
Profit after tax for the financial year	--	--	--	12,078	12,078	358	12,436
Dividends to shareholders	--	--	--	(4,800)	(4,800)	--	(4,800)
Acquisition of minority interest	--	--	--	--	--	1,192	1,192
<i>At 31 March 2009</i>	<u>60,000</u>	<u>1,867</u>	<u>2,151</u>	<u>38,110</u>	<u>102,128</u>	<u>3,853</u>	<u>105,981</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2009 and the accompanying notes attached to the interim financial statements.

# Century Bond Bhd.

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## Condensed consolidated cash flow statement for the year ended 31 March 2010 - unaudited

	12 months ended 31 March	
	2010 RM'000	2009 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	23,343	17,286
Adjustments for non-cash flow:		
Non-cash items	4,932	6,573
Non-operating items	2,481	(1,557)
<b>Operating profit before changes in working capital</b>	30,756	22,302
Net change in current assets	(4,375)	36,331
Net change in current liabilities	722	(4,851)
Net tax paid	(3,793)	(2,666)
<b>Net cash from operating activities</b>	23,310	51,116
<b>Cash flows from investing activities</b>		
Other investments activities		
<b>Net cash used in investing activities</b>	(5,099)	(1,212)
<b>Cash flows used in financing activities</b>		
Dividends paid to shareholders	(4,800)	(4,800)
Proceeds from/(Payment for) bank borrowings	3,282	(24,878)
<b>Net cash used in financing activities</b>	(1,518)	(29,678)
<b>Net increase in cash and cash equivalents</b>	16,693	20,226
<b>Cash and cash equivalents at beginning of period</b>	41,702	19,594
Net change of foreign currency	--	1,882
<b>Cash and cash equivalents at end of period</b>	58,395	41,702

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

Cash and bank balances	36,225	20,671
Deposits with licensed banks	22,988	21,678
Bank overdrafts	(790)	(619)
	58,423	41,730
Fixed deposit pledged	(28)	(28)
	58,395	41,702

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2009 and the accompanying notes attached to the interim financial statements.

# Century Bond Bhd.

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## (A) Notes to the interim financial report

### A1. Basis of preparation

This interim financial statements are unaudited and have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad, including compliance with Financial Reporting Standard (FRS) 134, *Interim Financial Reporting*, issued by the Malaysian Accounting Standards Board (MASB).

The preparation of an interim financial statements in conformity with FRS 134, *Interim Financial Reporting* require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2009 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with FRSs.

### A2. Changes in accounting policies

The Company has not applied in advance the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:

<b>FRSs/IC Interpretations</b>	<b>Effective date</b>
Revised FRS 1 (2010) First-time Adoption of Financial Reporting Standards	1 July 2010
Revised FRS 3 (2010) Business Combinations	1 July 2010
FRS 4 Insurance Contracts	1 January 2010
FRS 7 Financial Instruments: Disclosures	1 January 2010
FRS 8 Operating Segments	1 July 2009
Revised FRS 101 (2009) Presentation of Financial Statements	1 January 2010
Revised FRS 123 (2009) Borrowing Costs	1 January 2010
Revised FRS 127 (2010) Consolidated and Separate Financial Statements	1 July 2010
Revised FRS 139 (2010) Financial Instruments: Recognition and Measurement	1 January 2010

**A2. Changes in accounting policies (continued)**

Amendments to FRS 1 and FRS 127 – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 2: Scope of FRS 2 and Revised FRS 3 (2010)	1 July 2010
Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary	1 July 2010
Amendments to FRS 7, FRS 139 and IC Interpretation 9	1 January 2010
Amendments to FRS 138 – Consequential Amendments Arising from Revised FRS 3 (2010)	1 July 2010
IC Interpretation 9 Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 13 Customer Loyalty Programmes	1 January 2010
IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Interpretation 15 Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and Revised FRS 3 (2010)	1 July 2010
Annual Improvements to FRSs (2009)	1 January 2010

## **A2. Changes in accounting policies (continued)**

The above FRSs, IC Interpretations and amendments are not relevant to the Company's operations except as follows:

### *FRS 7, Revised FRS 139 (2010) and subsequent Amendments*

The possible impacts of FRS 7 (including the subsequent amendments) and the revised FRS 139 (2010) on the financial statements upon their initial applications are not disclosed by virtue of the exemptions given in these standards.

### *Revised FRS 8*

FRS 8 replaces FRS 114 <sup>2004</sup> Segment Reporting and requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. The adoption of this standard only impacts the form and content of disclosures presented in the financial statements of the Group.

### *Revised FRS 101 (2009)*

The revised FRS 101 (2009) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. The adoption of this revised standard will only impact the form and content of the presentation of the Company's financial statements in the next financial year.

### *Revised FRS 127 (2010)*

The revised FRS 127 (2010) requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the minority interest to be absorbed by the minority interest instead of by the parent. The Group will apply the major changes of the revised FRS 127 (2010) prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.



## **A2. Changes in accounting policies (continued)**

### Amendments to FRS 1 and FRS 127

Amendments to FRS 1 and FRS 127 remove the definition of “cost method” currently set out in FRS 127, and instead require an investor to recognise all dividend from subsidiaries, jointly controlled entities or associates as income in its separate financial statements. In addition, FRS 127 has also been amended to deal with situations where a parent reorganises its group by establishing a new entity as its new parent. Under this circumstance, the new parent shall measure the cost of its investment in the original parent at the carrying amount of its share of the equity items shown in the separate financial statements of the original parent at the reorganisation date. The amendments will be applied prospectively and therefore there will not have any financial impact on the financial statements of the Company for the current financial year but may impact the accounting for future transactions or arrangements

### Amendments to FRS 5

Amendments to FRS 5 requires assets and liabilities of a subsidiary to be classified as held for sale if the parent is committed to a plan involving loss of control of the subsidiary, regardless of whether the entity will retain a non-controlling interest after the sale. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

### Amendments to FRS 138

Amendments to FRS 138 clarify the requirements under the revised FRS 3 (2010) regarding accounting for intangible assets acquired in a business combination. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

### IC Interpretation 10

IC Interpretation 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and financial assets carried at cost to be reversed at a subsequent balance sheet date. This interpretation is expected to have no material impact on the financial statements of the Group upon its initial application.

### IC Interpretation 16

IC Interpretation 16 clarifies the accounting treatment in respect of net investment hedging. This includes the fact that net investment hedging relates to differences in functional currency not presentation currency, and hedging instruments may be held anywhere in the group. This interpretation is expected to have no material impact on the financial statements of the Group upon its initial application.

## **A2. Changes in accounting policies (continued)**

### Amendments to IC Interpretation 9

Amendments to IC Interpretation 9 are a consequential amendment from the revised FRS 3 (2010). These amendments are expected to have no material impact on the financial statements of the Group upon its initial application.

### Annual Improvements 2009

Annual Improvements to FRSs (2009) contain amendments to 21 accounting standards that result in accounting changes for presentation, recognition or measurement purposes and terminology or editorial amendments. These amendments are expected to have no material impact on the financial statements of the Company's upon their initial application.

## **A3. 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 first and second quarters of the financial year.

## **A4. 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 and financial year-to-date.

## **A5. Material changes in estimates**

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

## **A6. Capital and reserves**

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter.

## **A7. Dividends paid**

There were no dividend paid during the current quarter.

## A8. Segment information

### (a) By Business Segments:

	Revenue 12 months ended 31 March		Profit before tax 12 months ended 31 March	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Paper packaging	158,585	154,710	20,120	15,313
Plastic packaging	28,557	51,853	2,626	2,416
Contract manufacturing and packing	29,008	33,658	1,456	1,412
Investment and property holding	1,070	1,061	(219)	82
	<u>217,220</u>	<u>241,282</u>	<u>23,983</u>	<u>19,223</u>
Inter-segment elimination	<u>(46,136)</u>	<u>(38,071)</u>	<u>--</u>	<u>--</u>
	171,084	203,211	23,983	19,223
Finance costs	--	--	(640)	(1,937)
	<u>171,084</u>	<u>203,211</u>	<u>23,343</u>	<u>17,286</u>

### (b) By geographical locations:

	Revenue 12 months ended 31 March	
	2010 RM'000	2009 RM'000
Malaysia	136,488	166,025
Other Asian countries	<u>35,640</u>	<u>37,186</u>
	<u>172,128</u>	<u>203,211</u>

## A9. 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.

## A10. Changes in composition of the Group

There were no changes in the composition of the group during the current quarter.

## A11. Contingent assets and contingent liabilities

The Group does not have any contingent liabilities and contingent assets since the last annual balance sheet date.

## A12. Capital Commitments

	<b>31 March 2010 RM'000</b>	<b>31 March 2009 RM'000</b>
<i>Property, plant and equipment</i>		
Contracted but not provided for	<u>2,262</u>	<u>--</u>

## A13. Material related party transactions

Significant related party transactions of the Group are as follows:

	<b>12 months ended 31 March</b>	
	<b>2010 RM'000</b>	<b>2009 RM'000</b>
Directors' remuneration	<u>1,811</u>	<u>1,926</u>
<i>Rental paid/payable to certain Directors</i>	<u>73</u>	<u>73</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>638</u>	<u>852</u>
Rental received/receivable	<u>33</u>	<u>36</u>
<i>Company in which a corporate shareholder of a subsidiary has substantial financial interest</i>		
Sale of paper bags	<u>20,698</u>	<u>24,028</u>
Rental paid/payable	<u>72</u>	<u>72</u>
Sales to a subsidiary in which certain directors of the subsidiary have substantial financial interest	<u>8,493</u>	<u>9,049</u>
<i>Company in which persons connected to Directors/major shareholders of CBB has substantial financial interest</i>		
Transport and forwarding charges paid/payable	<u>814</u>	<u>--</u>

## A14. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 31 May 2010.

## **Part B**

Additional Explanatory Notes Pursuant to  
Appendix 9B of the Listing – Requirements of  
Bursa Malaysia Securities Berhad  
– Fourth Quarter Ended 31 March 2010

## B1. Review of performance

The Group's revenue for the current quarter is reported at RM40.519 million, which is RM3.828 million lower compared to the corresponding quarter of last financial year. The decrease is mainly due to the decreased selling price of our paper packaging division and downsizing of our plastic packaging division. Gross profit is reported at RM11.186 million in current quarter representing an increase of RM5.974 million compared to the same quarter in last financial year of RM5.212 million which is mainly due to lower cost of raw materials in current quarter.

## B2. Variation of results against preceding quarter

The Group's current quarter profit before tax of RM8.608 million is RM2.469 million higher compared to the profit before tax of RM6.139 million registered in the preceding quarter. The increase of profit before tax is attributed to lower cost of raw materials and increase in selling price of a subsidiary.

## B3. Prospects

The Group's core attention and focus will be in the paper packaging division which is the key driver of growth. Other avenues and opportunities will continue to be explored and identified.

The Group anticipates a very difficult and extremely challenging time ahead for its business for the current financial year. Amid the uncertainties in the current weaken global environment, weak consumer confidence and sentiment, the Group is bracing itself to weather this difficult period.

The Group is optimistic that based on the measures and concerted efforts undertaken by the management and employees at all levels, the Group will strive to remain profitable in the coming financial year.

## B4. Profit forecast

Not applicable.

## B5. Tax expense

	3 months ended 31 March		Cumulative 12 months ended 31 March	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Current tax				
- Current year	3,314	1,474	8,063	3,491
- Over/(Under provision) in prior quarter	--	--	--	(35)
	3,314	1,474	8,063	3,456
Deferred tax (assets) / liabilities	(565)	--	(1,016)	1,394
	<u>2,749</u>	<u>1,474</u>	<u>7,047</u>	<u>4,850</u>

**B6. Unquoted investments and properties**

There were no material profits/loss on sale of unquoted investments or properties.

**B7. Investment in quoted shares**

There was no purchase or disposal of quoted securities for the current quarter under review.

**B8. Status of corporate proposal announced**

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

**B9. Loans and borrowings**

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

	<b>31 March 2010 RM'000</b>	<b>31 March 2009 RM'000</b>
<b>Non-current</b>		
- Secured	1,044	1,295
- Unsecured	64	179
	<u>1,108</u>	<u>1,474</u>
<b>Current</b>		
- Secured	9,121	12,122
- Unsecured	12,024	5,566
	<u>21,145</u>	<u>17,688</u>
Total borrowings	<u><u>22,253</u></u>	<u><u>19,162</u></u>

**B10. 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.

**B11. Changes in material litigation**

There were no pending material litigation as at 25 May 2010, being a date not earlier than 7 days from the date of the quarterly report.

## B12. Earnings per ordinary share

### *Basic and diluted earnings per ordinary share*

Basic and diluted 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.

	<b>3 months ended 31 March 2010</b>	<b>12 months ended 31 March 2010</b>
Profit for the period (RM'000)	5,859	16,296
(Less) / Add: Amount attributable to minority interest (RM'000)	(216)	302
Profit for the period attributable to shareholders of the Company (RM'000)	<u>5,643</u>	<u>16,598</u>
Weighted average number of ordinary shares in issue ('000)	<u>120,000</u>	<u>120,000</u>
Basic and diluted earnings per share (sen)	<u><u>4.70</u></u>	<u><u>13.83</u></u>

There are no dilutive earnings per share during the period.

## B13. Auditors' report on preceding annual financial statements

The auditors have expressed an unqualified opinion on the Company's statutory financial Statements for the year ended 31 March 2009 in their report dated 29 July 2009.