

**Century Bond Bhd.**

(Company No. 228669-V)

(Incorporated in Malaysia)

**Interim Financial Report  
30 June 2010**

# Century Bond Bhd.

(Company No. 228669-V)

(Incorporated in Malaysia)

## Condensed consolidated statement of financial position at 30 June 2010 - unaudited

	Note	30.6.2010 RM'000	31.3.2010 RM'000
<b>Assets</b>			
Property, plant and equipment		41,148	41,429
Prepaid lease payments		4,588	4,660
Investment in quoted shares	20	7	7
Goodwill		326	326
<b>Total non-current assets</b>		<u>46,069</u>	<u>46,422</u>
Inventories		28,694	29,257
Trade and other receivables		44,662	37,035
Tax recoverable		310	310
Cash and bank balances		55,929	59,162
<b>Total current assets</b>		<u>129,595</u>	<u>125,764</u>
<b>Total assets</b>		<u>175,664</u>	<u>172,186</u>
<b>Equity</b>			
Share capital		60,000	60,000
Reserves		57,664	54,528
<b>Total equity attributable to owners of the Company</b>		117,664	114,528
<b>Minority interest</b>		3,678	3,438
<b>Total equity</b>		<u>121,342</u>	<u>117,966</u>
<b>Liabilities</b>			
Loans and borrowings	22	1,284	1,105
Deferred tax liabilities		5,643	5,575
<b>Total non-current liabilities</b>		<u>6,927</u>	<u>6,680</u>
Trade and other payables		24,440	21,982
Loans and borrowings	22	18,050	21,048
Taxation		4,905	4,510
<b>Total current liabilities</b>		<u>47,395</u>	<u>47,540</u>
<b>Total liabilities</b>		<u>54,322</u>	<u>54,220</u>
<b>Total equity and liabilities</b>		<u>175,664</u>	<u>172,186</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 income statement for the period ended 30 June 2010 - unaudited

	Note	Individual 3 months ended 30 June		Cumulative 3 months ended 30 June	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<b>Revenue</b>		42,633	42,990	42,633	42,990
Cost of sales		<u>(35,036)</u>	<u>(34,093)</u>	<u>(35,036)</u>	<u>(34,093)</u>
<b>Gross profit</b>		7,597	8,897	7,597	8,897
Other income		629	433	629	433
Distribution expenses		(1,788)	(1,902)	(1,788)	(1,902)
Administrative expenses		(1,553)	(2,239)	(1,553)	(2,239)
Other expenses		<u>(99)</u>	<u>(1,398)</u>	<u>(99)</u>	<u>(1,398)</u>
<b>Profit from operating activities</b>		4,786	3,791	4,786	3,791
Finance costs		<u>(128)</u>	<u>(79)</u>	<u>(128)</u>	<u>(79)</u>
<b>Profit before tax</b>		4,658	3,712	4,658	3,712
Tax expense	18	<u>(1,341)</u>	<u>(976)</u>	<u>(1,341)</u>	<u>(976)</u>
<b>Profit for the period</b>		<u>3,317</u>	<u>2,736</u>	<u>3,317</u>	<u>2,736</u>
<b>Attributable to:</b>					
Owners of the Company		3,157	2,662	3,157	2,662
Minority interest		<u>160</u>	<u>74</u>	<u>160</u>	<u>74</u>
<b>Profit for the year</b>		<u>3,317</u>	<u>2,736</u>	<u>3,317</u>	<u>2,736</u>
Basic and diluted earnings per ordinary share (sen)	25	<u>2.63</u>	<u>2.22</u>	<u>2.63</u>	<u>2.22</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 comprehensive income for the period ended 30 June 2010 - unaudited

	Note	Individual 3 months ended 30 June		Cumulative 3 months ended 30 June	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<b>Profit for the period</b>		3,317	2,736	3,317	2,736
Currency translation differences arising from consolidation		(21)	(708)	(21)	(708)
<b>Total comprehensive income</b>		<u>3,296</u>	<u>2,028</u>	<u>3,296</u>	<u>2,028</u>
<b>Attributable to:</b>					
Owners of the Company		3,136	1,954	3,136	1,954
Minority interest		<u>160</u>	<u>74</u>	<u>160</u>	<u>74</u>
		<u>3,296</u>	<u>2,028</u>	<u>3,296</u>	<u>2,028</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 period ended 30 June 2010 – unaudited

Note	← Non-distributable →			Distributable		Minority interest RM'000	Total equity RM'000
	Share capital RM'000	Revaluation reserve RM'000	Exchange fluctuation reserves RM'000	Retained earnings RM'000	Total RM'000		
<i>At 1 April 2010</i>	60,000	1,867	1,610	51,051	114,528	3,438	117,966
Total comprehensive income for the period	--	--	(21)	3,157	3,136	160	3,296
Share capital contributed by minority shareholders of a subsidiary	--	--	--	--	--	80	80
<i>At 30 June 2010</i>	<u>60,000</u>	<u>1,867</u>	<u>1,589</u>	<u>54,208</u>	<u>117,664</u>	<u>3,678</u>	<u>121,342</u>
<i>At 1 April 2009</i>	60,000	1,867	2,151	38,110	102,128	3,853	105,981
Total comprehensive income for the period	--	--	(708)	2,662	1,954	73	2,027
<i>At 30 June 2009</i>	<u>60,000</u>	<u>1,867</u>	<u>1,443</u>	<u>40,772</u>	<u>104,082</u>	<u>3,926</u>	<u>108,008</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 period ended 30 June 2010 - unaudited

	3 months ended 30 June	
	2010 RM'000	2009 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	4,658	3,712
Adjustments for non-cash flow:		
Non-cash items	1,397	1,797
Non-operating items	(114)	29
<b>Operating profit before changes in working capital</b>	5,941	5,538
Net change in current assets	(7,064)	(3,393)
Net change in current liabilities	2,436	8,656
Net tax paid	(878)	(533)
<b>Net cash from operating activities</b>	435	10,268
<b>Cash flows from investing activities</b>		
Other investments activities		
<b>Net cash used in investing activities</b>	(415)	(442)
<b>Cash flows used in financing activities</b>		
Payment for bank borrowings	(4,400)	(4,782)
<b>Net cash used in financing activities</b>	(4,400)	(4,782)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(4,380)	5,044
<b>Cash and cash equivalents at beginning of period</b>	58,444	41,702
<b>Cash and cash equivalents at end of period</b>	54,064	46,746
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash and bank balances	19,475	21,793
Deposits with licensed banks	36,454	25,662
Bank overdrafts	(1,837)	(709)
	54,092	46,746
Fixed deposit pledged	(28)	--
	54,064	46,746

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 three months period ended 30 June 2010 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 2010 are available upon request from the Company's registered office at:

Suite 5.11 & 5.12, 5<sup>th</sup> 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 26 August 2010.

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

##### **Statement of compliance**

These condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and FRS 134, *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 statements of the Group as at and for the year ended 31 March 2010.

#### **2. Significant accounting policies**

Except as described below, 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 2010.

## 2. Significant accounting policies (continued)

### (a) Change in accounting policy

#### (i) *FRS 139, Financial Instruments: Recognition and Measurement*

The adoption of FRS 139 has resulted in changes to accounting policies relating to recognition and measurement of financial instruments and the new accounting policies are as below:

#### I) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Group becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

#### II) Financial instrument categories and subsequent measurement

The Group categorises financial instruments as follows:

##### *Financial assets*

#### (a) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market, trade and other receivables and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

#### (b) Available-for-sale financial assets

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

Investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.



## **2. Significant accounting policies (continued)**

### **(a) Change in accounting policy (continued)**

#### **(i) FRS 139, Financial Instruments: Recognition and Measurement (continued)**

### **II) Financial instrument categories and subsequent measurement (continued)**

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment.

#### ***Financial liabilities***

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designed into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

### **III) Derecognition**

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the profit or loss.

## **2. Significant accounting policies (continued)**

### **(a) Change in accounting policy (continued)**

#### **Investments in equity securities**

Prior to the adoption of FRS 139, investments in non-current equity securities, other than investments in subsidiaries and associates were stated at cost less allowance for diminution in value which is other than temporary. With the adoption of FRS 139, quoted investments in non-current equity securities, other than investments in subsidiaries and associates are now categorised and measured as available-for-sale.

The adoption of FRS 139 has no significant impact to the financial statements.

#### **(ii) *FRS 7, Financial Instruments : Disclosures***

FRS 7 requires disclosures in financial statements that enable users to evaluate the significance of financial instruments of the entity to which is exposed and how these risks are managed. This is a disclosure standard with no impact on the financial position or financial performance of the Group.

#### **(iii) *FRS 8, Operating Segments***

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 Group presents its segment information based on its business segments for its internal reporting purposes and the format, the basis of measurement of the segment results are the same as that for external reporting purposes. This standard does not have any impact on the financial position and results of the Group.

#### **(iv) *FRS 101 (revised), Presentation of Financial Statements***

The Group applies revised FRS 101 (revised) which became effective as of 1 January 2010. As a result, the Group presents all non-owner changes in equity in the consolidated statement of comprehensive income.

Comparative information has been re-presented so that it is in conformity with the revised standard. Since the change only affects presentation aspects, there is no impact on earnings per ordinary share.

#### **(v) *FRS 117, Lease***

The Group has adopted the amendment to FRS 117. The Group has reassessed all the leasehold land of the Group.

This standard does not have any impact on the financial position and results of the Group.

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

### **4. 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.

### **5. Material changes in estimates**

There are 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. Dividend**

There is no dividend proposed or paid for the current quarter.

## 8. Segment information

### (a) By Business Segments:

	Revenue 3 months ended 30 June		Profit before tax 3 months ended 30 June	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Paper packaging	38,669	38,730	4,161	2,867
Plastic packaging	6,753	5,778	224	627
Contract manufacturing and packing	5,573	6,784	375	241
Investment and property holding	268	268	26	56
	<u>51,263</u>	<u>51,560</u>	<u>4,786</u>	<u>3,791</u>
Inter-segment elimination	<u>(8,630)</u>	<u>(8,570)</u>	<u>--</u>	<u>--</u>
	42,633	42,990	4,786	3,791
Finance costs	--	--	(128)	(79)
	<u>42,633</u>	<u>42,990</u>	<u>4,658</u>	<u>3,712</u>

### (b) By geographical locations:

	Revenue 3 months ended 30 June	
	2010 RM'000	2009 RM'000
Malaysia	32,949	34,617
Other Asian countries	<u>9,684</u>	<u>8,373</u>
	<u>42,633</u>	<u>42,990</u>

## 9. 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.

## 10. Changes in composition of the Group

CB Bags Sdn. Bhd., a wholly owned subsidiary, had acquired a wholly owned subsidiary, "Prompt Plus Limited" in the British Virgin Islands on 22 April 2010 with an initial paid-up capital of USD1.00.

Prompt Plus Limited has been set up for the intended purpose of holding the CBB Group's current overseas investments and any new overseas investments in the future.

## 11. Contingent assets and contingent liabilities

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

## 12. Capital Commitments

	<b>30 June 2010 RM'000</b>	<b>30 June 2009 RM'000</b>
<i>Property, plant and equipment</i> Contracted but not provided for	<u>2,015</u>	<u>--</u>

## 13. Significant related party transactions

Significant related party transactions of the Group are as follows:

	<b>3 months ended 30 June</b>	
	<b>2010 RM'000</b>	<b>2009 RM'000</b>
Directors' remuneration	<u>402</u>	<u>394</u>
<i>Rental paid/payable to certain Directors</i>	<u>18</u>	<u>18</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>129</u>	<u>190</u>
Rental received/receivable	<u>33</u>	<u>9</u>
<i>Company in which a corporate shareholder of a subsidiary has substantial financial interest</i>		
Sale of paper bags	<u>4,740</u>	<u>5,652</u>
Rental paid/payable	<u>18</u>	<u>18</u>
Sales to a subsidiary in which certain directors of the subsidiary have substantial financial interest	<u>2,616</u>	<u>1,756</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>129</u>	<u>221</u>

## **Notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A.**

### **14. Review of performance**

The Group's revenue for the current quarter is reported at RM42.633 million, which is RM0.357 million lower compared to the corresponding quarter of last financial year. Gross profit is reported at RM7.597 million in current quarter representing a decrease of RM1.300 million compared to the same quarter in last financial year of RM8.897 million mainly due to higher cost of raw materials in current quarter.

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

The Group's current quarter profit before tax of RM4.658 million is RM3.950 million lower compared to the profit before tax of RM8.608 million registered in the preceding quarter. The decrease of profit before tax is partly due to higher cost of raw materials in the current quarter and over provision of expenses in preceding quarters.

### **16. 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 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 current financial year.

### **17. Profit forecast**

Not applicable.

**18. Tax expense**

	3 months ended 30 June		Cumulative 3 months ended 30 June	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Current tax	1,141	1,326	1,141	1,326
Deferred tax liabilities / (assets)	200	(350)	200	(350)
	<u>1,341</u>	<u>976</u>	<u>1,341</u>	<u>976</u>

**19. Unquoted investments and properties**

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

**20. Investment in quoted shares**

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

**21. Status of corporate proposal announced**

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

**22. Loans and borrowings**

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

	30 June 2010 RM'000	31 March 2010 RM'000
<b>Non-current</b>		
- Secured	1,251	1,024
- Unsecured	33	81
	<u>1,284</u>	<u>1,105</u>
<b>Current</b>		
- Secured	6,307	8,598
- Unsecured	11,743	12,450
	<u>18,050</u>	<u>21,048</u>
Total borrowings	<u>19,334</u>	<u>22,153</u>

### 23. 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.

### 24. Changes in material litigation

There were no pending material litigation as at 23 August 2010, being a date not earlier than 7 days from the date of the quarterly report.

### 25. 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.

	<b>3 months ended 30 June 2010</b>
Profit for the period (RM'000)	3,317
Less: Amount attributable to minority interest (RM'000)	<u>(160)</u>
Profit for the period attributable to owners of the Company (RM'000)	<u>3,157</u>
Weighted average number of ordinary shares in issue ('000)	<u>120,000</u>
Basic earnings per share (sen)	<u>2.63</u>

There are no dilutive earnings per share during the period.

### 26. 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 2010 in their report dated 26 July 2010.