

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

Interim Financial Report
30 September 2010

Century Bond Bhd.

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

Condensed consolidated statement of financial position at 30 September 2010 - unaudited

	Note	30.9.2010 RM'000	31.3.2010 RM'000
Assets			
Property, plant and equipment		42,637	41,429
Prepaid lease payments		4,531	4,660
Investment in quoted shares	20	7	7
Goodwill		326	326
Total non-current assets		<u>47,501</u>	<u>46,422</u>
Inventories		28,938	29,257
Trade and other receivables		39,645	37,035
Tax recoverable		174	310
Cash and bank balances		55,904	59,162
Total current assets		<u>124,661</u>	<u>125,764</u>
Total assets		<u>172,162</u>	<u>172,186</u>
Equity			
Share capital		60,000	60,000
Reserves		62,074	54,528
Total equity attributable to owners of the Company		122,074	114,528
Minority interest		3,537	3,438
Total equity		<u>125,611</u>	<u>117,966</u>
Liabilities			
Loans and borrowings	22	1,037	1,105
Deferred tax liabilities		5,102	5,575
Total non-current liabilities		<u>6,139</u>	<u>6,680</u>
Trade and other payables		21,149	21,982
Loans and borrowings	22	14,213	21,048
Taxation		5,050	4,510
Total current liabilities		<u>40,412</u>	<u>47,540</u>
Total liabilities		<u>46,551</u>	<u>54,220</u>
Total equity and liabilities		<u>172,162</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 September 2010 - unaudited

	Note	Individual 3 months ended 30 September		Cumulative 6 months ended 30 September	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Revenue		38,953	43,683	81,586	86,673
Cost of sales		(31,952)	(35,148)	(66,988)	(69,241)
Gross profit		7,001	8,535	14,598	17,432
Other income		883	2,682	1,512	2,902
Distribution expenses		(1,643)	(2,007)	(3,432)	(4,062)
Administrative expenses		(1,593)	(2,227)	(3,145)	(4,315)
Other expenses		(82)	(1,957)	(181)	(3,140)
Profit from operating activities		4,566	5,026	9,352	8,817
Finance costs		(199)	(141)	(327)	(221)
Profit before tax		4,367	4,885	9,025	8,596
Tax expense	18	(36)	(1,776)	(1,377)	(2,750)
Profit for the period		<u>4,331</u>	<u>3,109</u>	<u>7,648</u>	<u>5,846</u>
Attributable to:					
Owners of the Company		4,165	3,903	7,322	6,566
Minority interest		166	(794)	326	(720)
Profit for the year		<u>4,331</u>	<u>3,109</u>	<u>7,648</u>	<u>5,846</u>
Basic and diluted earnings per ordinary share (sen)	25	<u>3.47</u>	<u>3.25</u>	<u>6.10</u>	<u>5.47</u>

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Century Bond Bhd.

(Company No. 228669-V)

(Incorporated in Malaysia)

**Condensed consolidated statement of comprehensive income
for the period ended 30 September 2010 - unaudited**

	Note	Individual 3 months ended 30 September		Cumulative 6 months ended 30 September	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Profit for the period		4,331	3,109	7,648	5,846
Currency translation differences arising from consolidation		(61)	65	(83)	(643)
Total comprehensive income		<u>4,270</u>	<u>3,174</u>	<u>7,565</u>	<u>5,203</u>
Attributable to:					
Owners of the Company		4,104	3,968	7,239	5,923
Minority interest		166	(794)	326	(720)
		<u>4,270</u>	<u>3,174</u>	<u>7,565</u>	<u>5,203</u>

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Century Bond Bhd.

(Company No. 228669-V)

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Condensed consolidated statement of changes in equity for the period ended 30 September 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 2010</i>	60,000	1,867	1,610	51,051	114,528	3,438	117,966
Total comprehensive income for the period	--	--	(83)	7,322	7,239	326	7,565
Gain on deemed disposal from additional shares issued	--	--	--	307	307	(307)	--
Share capital contributed by minority shareholders of a subsidiary	--	--	--	--	--	80	80
<i>At 30 September 2010</i>	<u>60,000</u>	<u>1,867</u>	<u>1,527</u>	<u>58,680</u>	<u>122,074</u>	<u>3,537</u>	<u>125,611</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	--	--	(643)	6,566	5,923	(720)	5,203
<i>At 30 September 2009</i>	<u>60,000</u>	<u>1,867</u>	<u>1,508</u>	<u>44,676</u>	<u>108,051</u>	<u>3,133</u>	<u>111,184</u>

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Century Bond Bhd.

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Condensed consolidated statement of cash flows for the period ended 30 September 2010 - unaudited

	6 months ended 30 September	
	2010	2009
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	9,025	8,596
Adjustments for non-cash flow:		
Non-cash items	2,829	1,145
Non-operating items	(49)	1,645
Operating profit before changes in working capital	<u>11,805</u>	<u>11,386</u>
Net change in current assets	(2,290)	(2,202)
Net change in current liabilities	(927)	6,299
Net tax paid	(1,163)	(751)
Net cash from operating activities	<u>7,425</u>	<u>14,732</u>
Cash flows from investing activities		
Other investments activities		
Net cash used in investing activities	<u>(3,299)</u>	<u>(1,352)</u>
Cash flows used in financing activities		
(Payment for)/Proceeds from bank borrowings	(7,532)	1,919
Net cash used in financing activities	<u>(7,532)</u>	<u>1,919</u>
Net (decrease)/increase in cash and cash equivalents	(3,406)	15,299
Cash and cash equivalents at beginning of period	<u>58,444</u>	<u>41,702</u>
Cash and cash equivalents at end of period	<u><u>55,038</u></u>	<u><u>57,001</u></u>
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash and bank balances	21,264	33,006
Deposits with licensed banks	34,641	25,662
Bank overdrafts	(839)	(1,667)
	<u>55,066</u>	<u>57,001</u>
Fixed deposit pledged	(28)	--
	<u><u>55,038</u></u>	<u><u>57,001</u></u>

The notes on pages 6 to 15 are an integral part of these condensed consolidated interim financial statements.

Century Bond Bhd.

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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 six months period ended 30 September 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, 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 24 November 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 ²⁰⁰⁴ 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		Profit before tax	
	6 months ended 30 September		6 months ended 30 September	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Paper packaging	76,260	77,962	7,493	6,313
Plastic packaging	13,156	14,120	433	1,561
Contract manufacturing and packing	11,059	14,555	1,245	857
Investment and property holding	535	535	181	86
	101,010	107,172	9,352	8,817
Inter-segment elimination	(19,424)	(20,499)	--	--
	81,586	86,673	9,352	8,817
Finance costs	--	--	(327)	(221)
	81,586	86,673	9,025	8,596

8. Segment information (continued)

(b) By geographical locations:

	Revenue	
	6 months ended	
	30 September	
	2010	2009
	RM'000	RM'000
Malaysia	63,698	69,850
Other Asian countries	17,888	16,823
	<u>81,586</u>	<u>86,673</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

Restructuring of Panoramic Packages Sdn. Bhd. (Pano)

On 9th July 2010, the share capital and equity structure of Pano, a wholly owned subsidiary of Prestige Packages Sdn. Bhd. (PPSB) which in turn is wholly owned by Century Bond Bhd was restructured as follows :

- a) The existing issued and paid-up capital of RM100,000.00 divided into 100,000 shares of RM1.00 each was increased to RM200,000.00 by way of an issue and allotment of an additional 100,000 ordinary shares of RM1.00 each at par as follows :

Prestige Packages Sdn. Bhd.	20,000 shares
Tan Kee Ching	80,000 shares

- b) Upon the completion of the increase in issued and paid-up capital the equity structure of Pano was restructured as follows :

	Before		After	
	<u>Increase of Capital</u>		<u>Increase of Capital</u>	
	<u>No of</u>		<u>No of</u>	
	<u>shares Held</u>	<u>%</u>	<u>shares Held</u>	<u>%</u>
PPSB	100,000	100	120,000	60
Tan Kee Ching	-	-	80,000	40
	<u>100,000</u>	<u>100</u>	<u>200,000</u>	<u>100</u>

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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

	30 September 2010 RM'000	30 September 2009 RM'000
<i>Property, plant and equipment</i>		
Contracted but not provided for	488	--

13. Significant related party transactions

Significant related party transactions of the Group are as follows:

	6 months ended 30 September	
	2010 RM'000	2009 RM'000
Directors' remuneration	799	789
<i>Rental paid/payable to certain Directors</i>	37	37
<i>Companies in which the spouse of an Executive Director/major shareholder of CBB has substantial financial interest</i>		
Purchases of printing block	271	325
Rental received/receivable	--	18
<i>Company in which a corporate shareholder of a subsidiary has substantial financial interest</i>		
Sale of paper bags	9,536	10,617
Rental paid/payable	36	36
<i>Company in which persons connected to Directors/major shareholders of CBB has substantial financial interest</i>		
Transport and forwarding charges paid/payable	243	511

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 RM38.953 million, which is RM4.730 million lower compared to the corresponding quarter of last financial year. Gross profit is reported at RM7.001 million in current quarter representing a decrease of RM1.534 million compared to the same quarter in last financial year of RM8.535 million mainly due to lower sales volume achieved in local market during the current quarter.

15. Variation of results against preceding quarter

The Group's current quarter profit before tax of RM4.367 million is RM0.291 million lower compared to the profit before tax of RM4.658 million registered in the preceding quarter. The decrease of profit before tax is mainly due to lower revenue in current quarter.

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 that its business for the remaining quarters of the current financial year will remain challenging. Although the operating conditions and environment has improved, the recovery in the global environment remains uncertain and the Group will continue to closely monitor and adapt to the ever changing operating conditions.

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.

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18. Tax expense

	3 months ended 30 September		Cumulative 6 months ended 30 September	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Current tax				
- Current year	1,206	2,076	2,347	3,401
- Under/(Over) provision in prior quarter	(627)	--	(627)	--
	579	2,076	1,720	3,401
Deferred tax (assets) / liabilities	(543)	(300)	(343)	(651)
	<u>36</u>	<u>1,776</u>	<u>1,377</u>	<u>2,750</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 September 2010 RM'000	31 March 2010 RM'000
Non-current		
- Secured	1,035	1,024
- Unsecured	<u>2</u>	<u>81</u>
	<u>1,037</u>	<u>1,105</u>
Current		
- Secured	3,085	8,598
- Unsecured	<u>11,128</u>	<u>12,450</u>
	<u>14,213</u>	<u>21,048</u>
Total borrowings	<u>15,250</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 18 November 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.

	3 months ended 30 September 2010	6 months ended 30 September 2010
Profit for the period (RM'000)	4,331	7,648
Less: Amount attributable to minority interest (RM'000)	(166)	(326)
Profit for the period attributable to owners of the Company (RM'000)	<u>4,165</u>	<u>7,322</u>
Weighted average number of ordinary shares in issue ('000)	<u>120,000</u>	<u>120,000</u>
Basic earnings per share (sen)	<u><u>3.47</u></u>	<u><u>6.10</u></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.