

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

Interim Financial Report
31 December 2010

Century Bond Bhd.

(Company No. 228669-V)

(Incorporated in Malaysia)

Condensed consolidated statement of financial position at 31 December 2010 - unaudited

	Note	31.12.2010 RM'000	31.3.2010 RM'000
Assets			
Property, plant and equipment		43,180	41,429
Prepaid lease payments		4,467	4,660
Investment in quoted shares	20	7	7
Goodwill		326	326
Total non-current assets		<u>47,980</u>	<u>46,422</u>
Inventories		23,699	29,257
Trade and other receivables		40,974	37,035
Tax recoverable		408	310
Cash and bank balances		60,074	59,162
Total current assets		<u>125,155</u>	<u>125,764</u>
Total assets		<u><u>173,135</u></u>	<u><u>172,186</u></u>
Equity			
Share capital		60,000	60,000
Reserves		63,103	54,528
Total equity attributable to owners of the Company		123,103	114,528
Minority interest		3,343	3,438
Total equity		<u>126,446</u>	<u>117,966</u>
Liabilities			
Loans and borrowings	22	820	1,105
Deferred tax liabilities		5,010	5,575
Total non-current liabilities		<u>5,830</u>	<u>6,680</u>
Trade and other payables		25,037	21,982
Loans and borrowings	22	12,811	21,048
Taxation		3,011	4,510
Total current liabilities		<u>40,859</u>	<u>47,540</u>
Total liabilities		<u>46,689</u>	<u>54,220</u>
Total equity and liabilities		<u><u>173,135</u></u>	<u><u>172,186</u></u>

The notes on pages 6 to 16 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 31 December 2010 - unaudited

	Note	Individual 3 months ended 31 December		Cumulative 9 months ended 31 December	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Revenue		44,536	44,936	126,123	131,608
Cost of sales		(36,286)	(35,910)	(103,274)	(105,150)
Gross profit		8,250	9,026	22,849	26,458
Other income		46	935	1,558	3,836
Distribution expenses		(1,748)	(1,777)	(5,180)	(5,838)
Administrative expenses		(1,519)	(1,866)	(4,665)	(6,180)
Other expenses		(42)	--	(223)	(3,141)
Profit from operating activities		4,987	6,318	14,339	15,135
Finance costs		(138)	(179)	(465)	(400)
Profit before tax		4,849	6,139	13,874	14,735
Tax expense	18	(1,560)	(1,550)	(2,937)	(4,300)
Profit for the period		3,289	4,589	10,937	10,435
Attributable to:					
Owners of the Company		3,258	4,387	10,580	10,953
Minority interest		31	202	357	(518)
Profit for the year		3,289	4,589	10,937	10,435
Basic and diluted earnings per ordinary share (sen)	25	2.72	3.66	8.82	9.13

The notes on pages 6 to 16 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 31 December 2010 - unaudited

	Note	Individual 3 months ended 31 December		Cumulative 9 months ended 31 December	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Profit for the period		3,289	4,589	10,937	10,435
Currency translation differences arising from consolidation		171	439	88	(204)
Total comprehensive income		<u>3,460</u>	<u>5,028</u>	<u>11,025</u>	<u>10,231</u>
Attributable to:					
Owners of the Company		3,429	4,826	10,668	10,749
Minority interest		31	202	357	(518)
		<u>3,460</u>	<u>5,028</u>	<u>11,025</u>	<u>10,231</u>

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Century Bond Bhd.

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Condensed consolidated statement of changes in equity for the period ended 31 December 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	--	--	88	10,580	10,668	357	11,025
Gain on deemed disposal from additional shares issued	--	--	--	307	307	(307)	--
Share capital contributed by minority shareholder of a subsidiary	--	--	--	--	--	80	80
Dividends to shareholders	--	--	--	(2,400)	(2,400)	--	(2,400)
Dividends to minority shareholder	--	--	--	--	--	(225)	(225)
<i>At 31 December 2010</i>	<u>60,000</u>	<u>1,867</u>	<u>1,698</u>	<u>59,538</u>	<u>123,103</u>	<u>3,343</u>	<u>126,446</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	--	--	(204)	10,953	10,749	(518)	10,231
Dividends to shareholders	--	--	--	(4,800)	(4,800)	--	(4,800)
<i>At 31 December 2009</i>	<u>60,000</u>	<u>1,867</u>	<u>1,947</u>	<u>44,263</u>	<u>108,077</u>	<u>3,335</u>	<u>111,412</u>

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Century Bond Bhd.

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Condensed consolidated statement of cash flows for the period ended 31 December 2010 - unaudited

	9 months ended 31 December	
	2010 RM'000	2009 RM'000
Cash flows from operating activities		
Profit before tax	13,874	14,735
Adjustments for non-cash flow:		
Non-cash items	4,211	2,276
Non-operating items	311	1,596
Operating profit before changes in working capital	<u>18,396</u>	<u>18,607</u>
Net change in current assets	1,619	2,964
Net change in current liabilities	3,143	(2,748)
Net tax paid	(5,100)	(2,347)
Net cash from operating activities	<u>18,058</u>	<u>16,476</u>
Cash flows from investing activities		
Other investments activities		
Net cash used in investing activities	<u>(5,458)</u>	<u>(1,352)</u>
Cash flows used in financing activities		
Dividends paid to shareholders	(2,400)	(4,800)
Dividends paid to minority shareholder	(225)	--
(Payment for)/Proceeds from bank borrowings	(9,884)	2,812
Net cash used in financing activities	<u>(12,509)</u>	<u>(1,988)</u>
Net increase in cash and cash equivalents	91	13,136
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>58,535</u></u>	<u><u>54,838</u></u>
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash and bank balances	26,993	25,635
Deposits with licensed banks	33,081	31,165
Bank overdrafts	(1,511)	(1,934)
	<u>58,563</u>	<u>54,866</u>
Fixed deposit pledged	(28)	(28)
	<u><u>58,535</u></u>	<u><u>54,838</u></u>

The notes on pages 6 to 16 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 nine months period ended 31 December 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 28 February 2011.

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

A final tax exempt dividend of 4% (or 2 sen per share) in respect of the financial year ended 31 March 2010 amounting to RM2.4 million was paid during the current quarter.

8. Segment information

(a) By Business Segments:

	Revenue		Profit before tax	
	9 months ended 31 December		9 months ended 31 December	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Paper packaging	118,253	119,433	10,536	12,273
Plastic packaging	20,365	21,934	1,311	2,404
Contract manufacturing and packing	16,936	22,259	2,318	546
Investment and property holding	1,328	803	174	(88)
	<u>156,882</u>	<u>164,429</u>	<u>14,339</u>	<u>15,135</u>
Inter-segment elimination	<u>(30,759)</u>	<u>(32,821)</u>	<u>--</u>	<u>--</u>
	126,123	131,608	14,339	15,135
Finance costs	--	--	(465)	(400)
	<u>126,123</u>	<u>131,608</u>	<u>13,874</u>	<u>14,735</u>

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8. Segment information (continued)

(b) By geographical locations:

	Revenue	
	9 months ended	
	31 December	
	2010	2009
	RM'000	RM'000
Malaysia	97,874	104,267
Other Asian countries	28,249	27,341
	<u>126,123</u>	<u>131,608</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

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

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

	31 December 2010 RM'000	31 December 2009 RM'000
<i>Property, plant and equipment</i> Contracted but not provided for	<u>1,140</u>	<u>1,724</u>

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13. Significant related party transactions

Significant related party transactions of the Group are as follows:

	9 months ended	
	31 December	
	2010	2009
	RM'000	RM'000
Directors' remuneration	<u>1,198</u>	<u>1,183</u>
<i>Rental paid/payable to certain Directors</i>	<u>55</u>	<u>55</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>419</u>	<u>477</u>
Rental received/receivable	<u>--</u>	<u>27</u>
<i>Company in which a corporate shareholder of a subsidiary has substantial financial interest</i>		
Sale of paper bags	<u>15,339</u>	<u>15,680</u>
Rental paid/payable	<u>54</u>	<u>54</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>361</u>	<u>814</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 RM44.536 million, which is RM0.400 million lower compared to the corresponding quarter of last financial year. Gross profit is reported at RM8.250 million in current quarter representing a decrease of RM0.776 million compared to the same quarter in last financial year of RM9.026 million mainly due to higher cost of raw materials during the current quarter.

15. Variation of results against preceding quarter

The Group's current quarter profit before tax of RM4.849 million is RM0.482 million higher compared to the profit before tax of RM4.367 million registered in the preceding quarter. The increase of profit before tax is mainly due to higher revenue achieved 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 quarter 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 31 December		Cumulative 9 months ended 31 December	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Current tax				
- Current year	1,287	1,350	3,634	4,751
- Under/(Over) provision in prior quarter	374	--	(253)	--
	1,661	1,350	3,381	4,751
Deferred tax (assets) / liabilities	(101)	200	(444)	(451)
	<u>1,560</u>	<u>1,550</u>	<u>2,937</u>	<u>4,300</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:

	31 December 2010 RM'000	31 March 2010 RM'000
Non-current		
- Secured	820	1,024
- Unsecured	--	81
	<u>820</u>	<u>1,105</u>
Current		
- Secured	4,137	8,598
- Unsecured	8,674	12,450
	<u>12,811</u>	<u>21,048</u>
Total borrowings	<u>13,631</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 25 February 2011, 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 31 December 2010	9 months ended 31 December 2010
Profit for the period (RM'000)	3,289	10,937
Less: Amount attributable to minority interest (RM'000)	(31)	(357)
Profit for the period attributable to owners of the Company (RM'000)	<u>3,258</u>	<u>10,580</u>
Weighted average number of ordinary shares in issue ('000)	<u>120,000</u>	<u>120,000</u>
Basic earnings per share (sen)	<u>2.72</u>	<u>8.82</u>

There are no dilutive earnings per share during the period.

26. Realised and unrealised profit/losses disclosure

The retained profits as at 31 December 2010 and 30 September 2010 is analysed as follows:-

	31 December 2010 RM'000	30 September 2010 RM'000
Total retained profits/(accumulated losses) of the Company and the subsidiaries:		
- Realised	70,751	69,706
- Unrealised	(4,756)	(4,569)
	<u>65,995</u>	<u>65,137</u>
Less: Consolidated adjustments	(6,457)	(6,457)
	<u>59,538</u>	<u>58,680</u>

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27. 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.