

**Century Bond Bhd.**

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

**Interim Financial Report**  
**31 March 2011**

# Century Bond Bhd.

(Company No. 228669-V)

(Incorporated in Malaysia)

## Condensed consolidated statement of financial position at 31 March 2011 - unaudited

	Note	31.03.2011 RM'000	31.3.2010 RM'000
<b>Assets</b>			
Property, plant and equipment		39,202	41,429
Prepaid lease payments		4,402	4,660
Investment in quoted shares	20	7	7
Goodwill		326	326
<b>Total non-current assets</b>		<u>43,937</u>	<u>46,422</u>
Inventories		24,172	29,257
Trade and other receivables		42,848	37,035
Tax recoverable		279	310
Cash and bank balances		57,271	59,162
<b>Total current assets</b>		<u>124,570</u>	<u>125,764</u>
<b>Total assets</b>		<u><u>168,507</u></u>	<u><u>172,186</u></u>
<b>Equity</b>			
Share capital		60,000	60,000
Reserves		67,488	54,528
<b>Total equity attributable to owners of the Company</b>		127,488	114,528
<b>Minority interest</b>		3,693	3,438
<b>Total equity</b>		<u>131,181</u>	<u>117,966</u>
<b>Liabilities</b>			
Loans and borrowings	22	757	1,105
Deferred tax liabilities		3,987	5,575
<b>Total non-current liabilities</b>		<u>4,744</u>	<u>6,680</u>
Trade and other payables		15,678	21,982
Loans and borrowings	22	13,829	21,048
Taxation		3,075	4,510
<b>Total current liabilities</b>		<u>32,582</u>	<u>47,540</u>
<b>Total liabilities</b>		<u>37,326</u>	<u>54,220</u>
<b>Total equity and liabilities</b>		<u><u>168,507</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 year ended 31 March 2011 - unaudited

	Note	Individual 3 months ended 31 March		Cumulative 12 months ended 31 March	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<b>Revenue</b>		44,399	36,607	170,522	168,215
Cost of sales		(35,926)	(27,033)	(139,200)	(132,183)
<b>Gross profit</b>		8,473	9,574	31,322	36,032
Other income		1,561	--	3,119	2,998
Distribution expenses		(1,048)	(530)	(6,228)	(6,368)
Administrative expenses		(2,188)	(973)	(6,853)	(7,153)
Other expenses		(11)	(71)	(233)	(2,374)
<b>Profit from operating activities</b>		6,787	8,000	21,127	23,135
Finance costs		(22)	(179)	(487)	(579)
<b>Profit before tax</b>		6,765	7,821	20,640	22,556
Tax expense	18	(1,968)	(930)	(4,905)	(5,230)
<b>Profit for the period</b>		4,797	6,891	15,735	17,326
<b>Attributable to:</b>					
Owners of the Company		4,447	6,788	15,028	17,741
Minority interest		350	103	707	(415)
<b>Profit for the year</b>		4,797	6,891	15,735	17,326
Basic and diluted earnings per ordinary share (sen)	25	3.71	5.66	12.52	14.78

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 year ended 31 March 2011 - unaudited

	Individual 3 months ended 31 March		Cumulative 12 months ended 31 March	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<b>Profit for the period</b>	4,797	6,891	15,735	17,326
Currency translation differences arising from consolidation	(63)	(337)	25	(541)
<b>Total comprehensive income</b>	<u>4,734</u>	<u>6,554</u>	<u>15,760</u>	<u>16,785</u>
<b>Attributable to:</b>				
Owners of the Company	4,384	6,451	15,053	17,200
Minority interest	<u>350</u>	<u>103</u>	<u>707</u>	<u>(415)</u>
	<u>4,734</u>	<u>6,554</u>	<u>15,760</u>	<u>16,785</u>

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# Century Bond Bhd.

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## Condensed consolidated statement of changes in equity for the year ended 31 March 2011 – 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	--	--	25	15,028	15,053	707	15,760
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 March 2011</i>	<u>60,000</u>	<u>1,867</u>	<u>1,635</u>	<u>63,986</u>	<u>127,488</u>	<u>3,693</u>	<u>131,181</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	--	--	(541)	17,741	17,200	(415)	16,785
Dividends to shareholders	--	--	--	(4,800)	(4,800)	--	(4,800)
<i>At 31 March 2010</i>	<u>60,000</u>	<u>1,867</u>	<u>1,610</u>	<u>51,051</u>	<u>114,528</u>	<u>3,438</u>	<u>117,966</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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## Condensed consolidated statement of cash flows for the year ended 31 March 2011 - unaudited

	12 months ended 31 March	
	2011 RM'000	2010 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	20,640	22,556
Adjustments for non-cash flow:		
Non-cash items	5,595	6,425
Non-operating items	391	678
	<u>26,626</u>	<u>29,659</u>
<b>Operating profit before changes in working capital</b>	26,626	29,659
Net change in current assets	(727)	(2,753)
Net change in current liabilities	(6,279)	(4,469)
Net tax paid	(7,897)	(3,131)
	<u>11,723</u>	<u>19,306</u>
<b>Net cash from operating activities</b>	11,723	19,306
<b>Cash flows from investing activities</b>		
Other investments activities		
<b>Net cash used in investing activities</b>	(2,435)	197
<b>Cash flows used in financing activities</b>		
Dividends paid to shareholders	(2,400)	(4,800)
Dividends paid to minority shareholder	(225)	--
(Payment for)/Proceeds from bank borrowings	(9,093)	2,382
	<u>(11,718)</u>	<u>(2,418)</u>
<b>Net cash used in financing activities</b>	(11,718)	(2,418)
<b>Net increase in cash and cash equivalents</b>	(2,430)	17,085
<b>Cash and cash equivalents at beginning of year</b>	58,444	41,702
Net change of foreign currency	--	(343)
<b>Cash and cash equivalents at end of year</b>	<u>56,014</u>	<u>58,444</u>

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

Cash and bank balances	18,946	20,502
Deposits with licensed banks	38,325	38,660
Bank overdrafts	(1,229)	(690)
	<u>56,042</u>	<u>58,472</u>
Fixed deposit pledged	(28)	(28)
	<u>56,014</u>	<u>58,444</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)

### **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 year ended 31 March 2011 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 30 May 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 <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 12 months ended 31 March		Profit before tax 12 months ended 31 March	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Paper packaging	160,734	158,585	15,512	19,272
Plastic packaging	26,666	28,557	2,484	2,626
Contract manufacturing and packing	23,570	29,008	2,744	1,456
Investment and property holding	1,771	1,070	387	(219)
	<u>212,741</u>	<u>217,220</u>	<u>21,127</u>	<u>23,135</u>
Inter-segment elimination	<u>(42,219)</u>	<u>(49,005)</u>	<u>--</u>	<u>--</u>
	170,522	168,215	21,127	23,135
Finance costs	--	--	(487)	(579)
	<u>170,522</u>	<u>168,215</u>	<u>20,640</u>	<u>22,556</u>

## 8. Segment information (continued)

### (b) By geographical locations:

	Revenue 12 months ended 31 March	
	2011 RM'000	2010 RM'000
Malaysia	129,660	132,575
Indonesia and others	40,862	35,640
	<u>170,522</u>	<u>168,215</u>

## 9. Material events subsequent to year end

There were no material events subsequent to the end of the year reported that have not been reflected in this quarterly report.

## 10. Changes in composition of the Group

On 23 March 2011, CBB restructured its equity interest in Esteem Packaging Pte Ltd (“Esteem”), an 80% owned foreign subsidiary by way of transfer of the 80% equity interest held in Esteem by CB Bags Sdn Bhd (“CBG”), a wholly-owned subsidiary comprised of 600,000 ordinary shares to Prestige Packages Sdn Bhd (“Prestige”), another wholly-owned subsidiary of the Company.

The restructuring in Esteem will result in Esteem becoming an 80% owned subsidiary of Prestige instead of CBG and enable CBB to streamline the group’s business structure.

## 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 March 2011 RM'000	31 March 2010 RM'000
<i>Property, plant and equipment</i> Contracted but not provided for	<u>87</u>	<u>2,262</u>

### 13. Significant related party transactions

Significant related party transactions of the Group are as follows:

	<b>12 months ended 31 March</b>	
	<b>2011 RM'000</b>	<b>2010 RM'000</b>
Directors' remuneration	1,936	1,811
<i>Rental paid/payable to certain Directors</i>	73	73
<i>Companies in which the spouse of an Executive Director/major shareholder of CBB has substantial financial interest</i>		
Purchases of printing block	580	638
Rental received/receivable	--	33
<i>Company in which a corporate shareholder of a subsidiary has substantial financial interest</i>		
Sale of paper bags	20,339	20,698
Rental paid/payable	72	72
<i>Company in which persons connected to Directors/major shareholders of CBB has substantial financial interest</i>		
Transport and forwarding charges paid/payable	470	814

## **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 RM44.399 million, which is RM7.792 million higher compared to the corresponding quarter of last financial year. Gross profit is reported at RM8.473 million in current quarter representing a decrease of RM1.101 million compared to the same quarter in last financial year of RM9.574 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 RM6.765 million is RM1.916 million higher compared to the profit before tax of RM4.849 million registered in the preceding quarter. The increase of profit before tax is mainly due to unrealised gain on foreign exchange 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 next 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 next financial year.

### **17. Profit forecast**

Not applicable.

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## 18. Tax expense

	3 months ended 31 March		Cumulative 12 months ended 31 March	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current tax				
- Current year	1,750	1,975	5,384	6,726
- Under/(Over) provision in prior quarter	1,243	(27)	990	(27)
	2,993	1,948	6,374	6,699
Deferred tax (assets) / liabilities	(1,025)	(1,018)	(1,469)	(1,469)
	<u>1,968</u>	<u>930</u>	<u>4,905</u>	<u>5,230</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 March 2011 RM'000	31 March 2010 RM'000
<b>Non-current</b>		
- Secured	757	1,024
- Unsecured	--	81
	<u>757</u>	<u>1,105</u>
<b>Current</b>		
- Secured	655	8,598
- Unsecured	13,174	12,450
	<u>13,829</u>	<u>21,048</u>
Total borrowings	<u>14,586</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 26 May 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.

	<b>3 months ended 31 March 2011</b>	<b>12 months ended 31 March 2011</b>
Profit for the period (RM'000)	4,797	15,735
(Less) / Add: Amount attributable to minority interest (RM'000)	(350)	(707)
Profit for the period attributable to owners of the Company (RM'000)	4,447	15,028
Weighted average number of ordinary shares in issue ('000)	120,000	120,000
Basic earnings per share (sen)	3.71	12.52

There are no dilutive earnings per share during the period.

## 26. Realised and unrealised profit/losses disclosure

The retained profits as at 31 March 2011 and 31 December 2010 is analysed as follows:-

	<b>31 March 2011 RM'000</b>	<b>31 December 2010 RM'000</b>
Total retained profits/(accumulated losses) of the Company and the subsidiaries:		
- Realised	73,664	70,751
- Unrealised	(3,221)	(4,756)
	70,443	65,995
Less: Consolidated adjustments	(6,457)	(6,457)
	63,986	59,538



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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.