

**Century Bond Bhd.**

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

**Interim Financial Report**  
**30 June 2011**

# Century Bond Bhd.

(Company No. 228669-V)

(Incorporated in Malaysia)

## Condensed consolidated statement of financial position at 30 June 2011 - unaudited

	Note	30.06.2011 RM'000	31.03.2011 RM'000
<b>Assets</b>			
Property, plant and equipment		38,169	39,202
Prepaid lease payments		4,338	4,402
Investment in quoted shares	20	7	7
Goodwill		326	326
<b>Total non-current assets</b>		<u>42,840</u>	<u>43,937</u>
Inventories		38,407	24,172
Trade and other receivables		47,917	43,021
Tax recoverable		242	279
Cash and bank balances		58,390	57,271
<b>Total current assets</b>		<u>144,956</u>	<u>124,743</u>
<b>Total assets</b>		<u><u>187,796</u></u>	<u><u>168,680</u></u>
<b>Equity</b>			
Share capital		60,000	60,000
Reserves		71,910	67,355
<b>Total equity attributable to owners of the Company</b>		131,910	127,355
<b>Minority interest</b>		3,982	3,732
<b>Total equity</b>		<u>135,892</u>	<u>131,087</u>
<b>Liabilities</b>			
Loans and borrowings	22	543	757
Deferred tax liabilities		4,357	4,516
<b>Total non-current liabilities</b>		<u>4,900</u>	<u>5,273</u>
Trade and other payables		15,154	15,205
Loans and borrowings	22	27,625	13,829
Taxation		4,225	3,286
<b>Total current liabilities</b>		<u>47,004</u>	<u>32,320</u>
<b>Total liabilities</b>		<u>51,904</u>	<u>37,593</u>
<b>Total equity and liabilities</b>		<u><u>187,796</u></u>	<u><u>168,680</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 30 June 2011 - unaudited

	Note	Individual 3 months ended 30 June		Cumulative 3 months ended 30 June	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<b>Revenue</b>		45,668	42,633	45,668	42,633
Cost of sales		(37,349)	(35,036)	(37,349)	(35,036)
<b>Gross profit</b>		8,319	7,597	8,319	7,597
Other income		1,112	629	1,112	629
Distribution expenses		(1,846)	(1,788)	(1,846)	(1,788)
Administrative expenses		(1,556)	(1,553)	(1,556)	(1,553)
Other expenses		--	(99)	--	(99)
<b>Profit from operating activities</b>		6,029	4,786	6,029	4,786
Finance costs		(162)	(128)	(162)	(128)
<b>Profit before tax</b>		5,867	4,658	5,867	4,658
Tax expense	18	(1,236)	(1,341)	(1,236)	(1,341)
<b>Profit for the period</b>		<u>4,631</u>	<u>3,317</u>	<u>4,631</u>	<u>3,317</u>
<b>Attributable to:</b>					
Owners of the Company		4,381	3,157	4,381	3,157
Minority interest		250	160	250	160
<b>Profit for the period</b>		<u>4,631</u>	<u>3,317</u>	<u>4,631</u>	<u>3,317</u>
Basic and diluted earnings per ordinary share (sen)	25	<u>3.65</u>	<u>2.63</u>	<u>3.65</u>	<u>2.63</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 statement of comprehensive income for the period ended 30 June 2011 - unaudited

	Individual 3 months ended 30 June		Cumulative 3 months ended 30 June	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<b>Profit for the period</b>	4,631	3,317	4,631	3,317
Currency translation differences arising from consolidate	174	(21)	174	(21)
<b>Total comprehensive income</b>	<u>4,805</u>	<u>3,296</u>	<u>4,805</u>	<u>3,296</u>
<b>Attributable to:</b>				
Owners of the Company	4,555	3,136	4,555	3,136
Minority interest	250	160	250	160
	<u>4,805</u>	<u>3,296</u>	<u>4,805</u>	<u>3,296</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 changes in equity for the period ended 30 June 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 2011</i>	60,000	1,867	1,602	63,886	127,355	3,732	131,087
Total comprehensive income for the period	--	--	174	4,381	4,555	250	4,805
Dividends to shareholders	--	--	--	--	--	--	--
<i>At 30 June 2011</i>	<u>60,000</u>	<u>1,867</u>	<u>1,776</u>	<u>68,267</u>	<u>131,910</u>	<u>3,982</u>	<u>135,892</u>
<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>

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# Century Bond Bhd.

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## Condensed consolidated statement of cash flows for the period ended 30 June 2011 - unaudited

	3 months ended 30 June	
	2011 RM'000	2010 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	5,867	4,658
Adjustments for non-cash flow:		
Non-cash items	1,360	1,397
Non-operating items	142	(114)
<b>Operating profit before changes in working capital</b>	7,369	5,941
Net change in current assets	(19,131)	(7,064)
Net change in current liabilities	122	2,436
Net tax paid	(419)	(878)
<b>Net cash (used in)/generated from operating activities</b>	(12,059)	435
<b>Cash flows from investing activities</b>		
Other investments activities		
<b>Net cash used in investing activities</b>	(242)	(415)
<b>Cash flows from financing activities</b>		
Proceeds from/(Payment for) bank borrowings	12,157	(4,400)
<b>Net cash from/(used in) financing activities</b>	12,157	(4,400)
<b>Net decrease in cash and cash equivalents</b>	(144)	(4,380)
<b>Cash and cash equivalents at beginning of period</b>	56,046	58,444
<b>Cash and cash equivalents at end of period</b>	55,902	54,064
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash and bank balances	26,817	19,475
Deposits with licensed banks	31,573	36,454
Bank overdrafts	(2,488)	(1,837)
	55,902	54,092
Fixed deposit pledged	--	(28)
	55,902	54,064

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 three months period ended 30 June 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 2011 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 25 August 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 2011.

#### **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 2011.

Following the announcement made by the Malaysian Accounting Standards Board on 1 August 2008, the Group's next set of financial statements will be prepared in accordance with International Financial Reporting Standards Framework. The change of the financial reporting framework is not expected to have any significant impact on the financial position and performance of the Group.

## **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 were 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 were 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 was 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	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Paper packaging	44,274	38,669	4,918	4,161
Plastic packaging	7,628	6,753	522	224
Contract manufacturing and packing	5,799	5,573	470	375
Investment and property Holding	253	268	119	26
	57,954	51,263	6,029	4,786
Inter-segment elimination	(12,286)	(8,630)	--	--
	45,668	42,633	6,029	4,786
Finance costs	--	--	(162)	(128)
	45,668	42,633	5,867	4,658

## 8. Segment information (continued)

### (b) By geographical locations:

	Revenue 3 months ended 30 June	
	2011 RM'000	2010 RM'000
Malaysia	35,409	32,949
Indonesia and others	10,259	9,684
	<u>45,668</u>	<u>42,633</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 did not have any contingent liabilities and contingent assets since the last annual balance sheet date.

## 12. Capital Commitments

	30 June 2011 RM'000	30 June 2010 RM'000
<i>Property, plant and equipment</i> Contracted but not provided for	<u>2,477</u>	<u>2,015</u>

### 13. Significant related party transactions

	3 months ended 30 June	
	2011 RM'000	2010 RM'000
Directors' remuneration	403	402
<i>Rental paid/payable to certain Directors</i>	18	18
<i>Companies in which the spouse of an Executive Director/major shareholder of CBB has substantial financial interest</i>		
Purchases of printing block	178	129
Rental received/receivable	--	33
<i>Company in which a corporate shareholder of a subsidiary has substantial financial interest</i>		
Sale of paper bags	5,947	4,740
Rental paid/payable	18	18
Sales to a subsidiary in which certain directors of the subsidiary have substantial financial interest	3,192	2,616
<i>Company in which persons connected to Directors/major shareholders of CBB has substantial financial interest</i>		
Transport and forwarding charges paid/payable	208	129

## **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 RM45.668 million, which is RM3.035 million higher compared to the corresponding quarter of last financial year. Gross profit is reported at RM8.319 million in current quarter representing an increase of RM0.722 million compared to the same quarter in last financial year of RM7.597 million mainly due to higher sales volume achieved during the current quarter.

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

The Group's current quarter profit before tax of RM5.867 million is RM0.898 million lower compared to the profit before tax of RM6.765 million registered in the preceding quarter. The decrease of profit before tax is mainly due to higher cost of raw materials during the 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 current financial year will remain challenging. Although the operating conditions and environment had stabilised and improved, the recent financial turmoil in the world financial markets has resulted in growing uncertainties going forward. The Group will closely monitor and take appropriate measures to insulate 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 June		Cumulative 3 months ended 30 June	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current tax				
- Current year	1,444	1,141	1,444	1,141
- Under/(Over) provision in prior quarter	--	--	--	--
	1,444	1,141	1,444	1,141
Deferred tax (assets) / liabilities	(208)	200	(208)	200
	<u>1,236</u>	<u>1,341</u>	<u>1,236</u>	<u>1,341</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 were no purchase or disposal of quoted securities for the current quarter under review.

## 21. Status of corporate proposal announced

There was 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 2011 RM'000	31 March 2011 RM'000
<b>Non-current</b>		
- Secured	543	757
- Unsecured	--	--
	<u>543</u>	<u>757</u>
<b>Current</b>		
- Secured	655	655
- Unsecured	26,970	13,174
	<u>27,625</u>	<u>13,829</u>
Total borrowings	<u>28,168</u>	<u>14,586</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 was no pending material litigation as at 22 August 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 30 June 2011</b>
Profit for the period (RM'000)	4,631
(Less) / Add: Amount attributable to minority interest (RM'000)	(250)
Profit for the period attributable to owners of the Company (RM'000)	<u>4,381</u>
Weighted average number of ordinary shares in issue ('000)	<u>120,000</u>
Basic earnings per share (sen)	<u>3.65</u>

There are no dilutive earnings per share during the period.

## 26. Realised and unrealised profit/losses disclosure

The retained profits as at 30 June 2011 and 31 March 2011 is analysed as follows:-

	<b>30 June 2011 RM'000</b>	<b>31 March 2011 RM'000</b>
Total retained profits/(accumulated losses) of the Company and the subsidiaries:		
- Realised	80,050	76,940
- Unrealised	(4,077)	(3,782)
	<u>75,973</u>	<u>73,158</u>
Less: Consolidated adjustments	(7,706)	(9,272)
	<u>68,267</u>	<u>63,886</u>



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## **27. Auditors' report on preceding annual financial statements**

The auditor expressed an unqualified opinion on the Company's statutory financial Statements for the year ended 31 March 2011 in their report dated 19 July 2011.