

**Century Bond Bhd.**

(Company No. 228669-V)

(Incorporated in Malaysia)

**Interim Financial Report  
30 September 2011**

# Century Bond Bhd.

(Company No. 228669-V)

(Incorporated in Malaysia)

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

	Note	30.09.2011 RM'000	31.03.2011 RM'000
<b>Assets</b>			
Property, plant and equipment		40,300	39,202
Prepaid lease payments		4,274	4,402
Investment in quoted shares	20	7	7
Goodwill		326	326
<b>Total non-current assets</b>		<u>44,907</u>	<u>43,937</u>
Inventories		44,161	24,172
Trade and other receivables		46,136	43,021
Tax recoverable		1,134	279
Cash and bank balances		52,903	57,271
<b>Total current assets</b>		<u>144,334</u>	<u>124,743</u>
<b>Total assets</b>		<u><u>189,241</u></u>	<u><u>168,680</u></u>
<b>Equity</b>			
Share capital		60,000	60,000
Reserves		74,799	67,355
<b>Total equity attributable to owners of the Company</b>		134,799	127,355
<b>Minority interest</b>		4,097	3,732
<b>Total equity</b>		<u>138,896</u>	<u>131,087</u>
<b>Liabilities</b>			
Loans and borrowings	22	439	757
Deferred tax liabilities		4,057	4,516
<b>Total non-current liabilities</b>		<u>4,496</u>	<u>5,273</u>
Trade and other payables		17,208	15,205
Loans and borrowings	22	24,433	13,829
Taxation		4,208	3,286
<b>Total current liabilities</b>		<u>45,849</u>	<u>32,320</u>
<b>Total liabilities</b>		<u>50,345</u>	<u>37,593</u>
<b>Total equity and liabilities</b>		<u><u>189,241</u></u>	<u><u>168,680</u></u>

The notes on pages 6 to 12 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 2011 - unaudited

	Note	Individual 3 months ended 30 September		Cumulative 6 months ended 30 September	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<b>Revenue</b>		44,978	38,953	90,645	81,586
Cost of sales		(36,972)	(31,952)	(74,320)	(66,988)
<b>Gross profit</b>		8,006	7,001	16,325	14,598
Other income		552	883	1,664	1,512
Distribution expenses		(1,887)	(1,643)	(3,733)	(3,432)
Administrative expenses		(1,679)	(1,593)	(3,235)	(3,145)
Other expenses		--	(82)	--	(181)
<b>Profit from operating activities</b>		4,992	4,566	11,021	9,352
Finance costs		(132)	(199)	(294)	(327)
<b>Profit before tax</b>		4,860	4,367	10,727	9,025
Tax expense	18	(1,460)	(36)	(2,696)	(1,377)
<b>Profit for the period</b>		<u>3,400</u>	<u>4,331</u>	<u>8,031</u>	<u>7,648</u>
<b>Attributable to:</b>					
Owners of the Company		3,284	4,165	7,665	7,322
Minority interest		116	166	366	326
<b>Profit for the period</b>		<u>3,400</u>	<u>4,331</u>	<u>8,031</u>	<u>7,648</u>
Basic and diluted earnings per ordinary share (sen)	25	<u>2.74</u>	<u>3.47</u>	<u>6.39</u>	<u>6.10</u>

The notes on pages 6 to 12 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 September 2011 - unaudited

	Individual 3 months ended 30 September		Cumulative 6 months ended 30 September	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<b>Profit for the period</b>	3,400	4,331	8,031	7,648
Currency translation differences arising from consolidation	<u>(396)</u>	<u>(61)</u>	<u>(222)</u>	<u>(83)</u>
<b>Total comprehensive income</b>	<u>3,004</u>	<u>4,270</u>	<u>7,809</u>	<u>7,565</u>
<b>Attributable to:</b>				
Owners of the Company	2,888	4,104	7,443	7,239
Minority interest	<u>116</u>	<u>166</u>	<u>366</u>	<u>326</u>
	<u>3,004</u>	<u>4,270</u>	<u>7,809</u>	<u>7,565</u>

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## Century Bond Bhd.

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### Condensed consolidated statement of changes in equity for the period ended 30 September 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	--	--	(222)	7,665	7,443	366	7,809
<i>At 30 September 2011</i>	<u>60,000</u>	<u>1,867</u>	<u>1,380</u>	<u>71,551</u>	<u>134,198</u>	<u>4,098</u>	<u>138,896</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	--	--	(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>

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# Century Bond Bhd.

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

	6 months ended 30 September	
	2011 RM'000	2010 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	10,727	9,025
Adjustments for non-cash flow:		
Non-cash items	2,732	2,829
Non-operating items	274	(49)
<b>Operating profit before changes in working capital</b>	12,733	11,805
Net change in current assets	(23,104)	(2,290)
Net change in current liabilities	1,781	(927)
Net tax paid	(3,088)	(1,163)
<b>Net cash (used in)/generated from operating activities</b>	(10,678)	7,425
<b>Cash flows from investing activities</b>		
Other investments activities/ <b>Net cash used in investing activities</b>	(3,682)	(3,299)
<b>Cash flows from financing activities</b>		
Proceeds from/(Payment for) bank borrowings/ <b>Net cash from/(used in) financing activities</b>	9,958	(7,532)
<b>Net decrease in cash and cash equivalents</b>	(4,402)	(3,406)
<b>Cash and cash equivalents at beginning of period</b>	56,046	58,444
<b>Cash and cash equivalents at end of period</b>	51,644	55,038
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash and bank balances	23,152	21,264
Deposits with licensed banks	29,751	34,641
Bank overdrafts	(1,259)	(839)
	51,644	55,066
Fixed deposit pledged	--	(28)
	51,644	55,038

The notes on pages 6 to 12 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 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 November 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**

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 19 November 2011, the Group's financial statements for the financial year ending 31 March 2013 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.

### 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		Profit before tax	
	6 months ended 30 September		6 months ended 30 September	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Paper packaging	88,001	76,260	8,888	7,493
Plastic packaging	15,552	13,156	1,293	433
Contract manufacturing and packing	11,247	11,059	673	1,245
Investment and property Holding	505	535	167	181
	115,305	101,010	11,021	9,352
Inter-segment elimination	(24,660)	(19,424)	--	--
	90,645	81,586	11,021	9,352
Finance costs	--	--	(294)	(327)
	90,645	81,586	10,727	9,025

## 8. Segment information (continued)

### (b) By geographical locations:

	Revenue	
	6 months ended 30 September	
	2011	2010
	RM'000	RM'000
Malaysia	68,608	63,698
Indonesia and others	22,037	17,888
	<u>90,645</u>	<u>81,586</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

During the quarter under review, Multiview Enterprises Sdn. Bhd., a wholly-owned subsidiary of the Company has incorporated a wholly-owned subsidiary under the name of Cenfresh Sdn. Bhd. on 14 September 2011.

Cenfresh Sdn. Bhd. has an issued and paid up share capital of RM2.00 comprised of 2 ordinary shares of RM1.00 each with an authorised share capital of RM500,000.00 divided into 500,000 ordinary shares of RM1.00 each. The intended principal activity of Cenfresh Sdn. Bhd. is the supplying and servicing of hygiene and chemical products.

Subsequent to end of current quarter, Prompt Plus Limited, a wholly owned subsidiary was struck off from the British Virgin Islands Register with effect from 1 November 2011.

## 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 September 2011	30 September 2010
	RM'000	RM'000
<i>Property, plant and equipment</i>		
Contracted but not provided for	<u>577</u>	<u>488</u>

### 13. Significant related party transactions

	<b>6 months ended 30 September</b>	
	<b>2011</b>	<b>2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Directors' remuneration	807	799
<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	323	271
<i>Company in which a corporate shareholder of a subsidiary has substantial financial interest</i>		
Sale of paper bags	11,297	9,536
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	373	243

## **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 RM44.978 million, which is RM6.025 million higher compared to the corresponding quarter of last financial year. Gross profit is reported at RM8.006 million in current quarter representing an increase of RM1.005 million compared to the same quarter in last financial year of RM7.001 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 RM4.860 million is RM1.007 million lower compared to the profit before tax of RM5.867 million registered in the preceding quarter. The decrease of profit before tax is mainly due to unrealised loss on foreign exchange in 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.

**18. Tax expense**

	<b>3 months ended 30 September</b>		<b>Cumulative 6 months ended 30 September</b>	
	<b>2011 RM'000</b>	<b>2010 RM'000</b>	<b>2011 RM'000</b>	<b>2010 RM'000</b>
Current tax				
- Current year	1,532	1,206	2,976	2,347
- Under/(Over) provision in prior quarter	179	(627)	179	(627)
	1,711	579	3,155	1,720
Deferred tax (assets) / liabilities	(251)	(543)	(459)	(343)
	<u>1,460</u>	<u>36</u>	<u>2,696</u>	<u>1,377</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:

	<b>30 September 2011 RM'000</b>	<b>31 March 2011 RM'000</b>
<b>Non-current</b>		
- Secured	<u>439</u>	<u>757</u>
<b>Current</b>		
- Secured	611	655
- Unsecured	<u>23,822</u>	<u>13,174</u>
	<u>24,433</u>	<u>13,829</u>
Total borrowings	<u>24,872</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 November 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 September 2011</b>	<b>6 months ended 30 September 2011</b>
Profit for the period (RM'000)	3,400	8,031
(Less) / Add: Amount attributable to minority interest (RM'000)	(116)	(366)
Profit for the period attributable to owners of the Company (RM'000)	3,284	7,665
Weighted average number of ordinary shares in issue ('000)	120,000	120,000
Basic earnings per share (sen)	2.74	6.39

There are no dilutive earnings per share during the period.

### 26. Realised and unrealised profit/losses disclosure

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

	<b>30 September 2011 RM'000</b>	<b>30 June 2011 RM'000</b>
Total retained profits/(accumulated losses) of the Company and the subsidiaries:		
- Realised	83,026	80,050
- Unrealised	(3,769)	(4,077)
	79,257	75,973
Less: Consolidated adjustments	(7,706)	(7,706)
	71,551	68,267

### 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.