

Century Bond Bhd.

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

Interim Financial Report
30 June 2012

Century Bond Bhd.

(Company No. 228669-V)

(Incorporated in Malaysia)

Condensed consolidated statement of financial position at 30 June 2012 - unaudited

	Note	30.06.2012 RM'000	31.03.2012 RM'000
Assets			
Property, plant and equipment		38,318	39,366
Prepaid lease payments		4,045	4,118
Deferred tax assets		76	47
Total non-current assets		<u>42,439</u>	<u>43,531</u>
Inventories		26,752	29,379
Trade and other receivables		53,335	48,123
Tax recoverable		1,069	939
Cash and bank balances		56,031	50,772
Assets held for sale		328	328
Total current assets		<u>137,515</u>	<u>129,541</u>
Total assets		<u><u>179,954</u></u>	<u><u>173,072</u></u>
Equity			
Share capital		60,000	60,000
Reserves		81,193	76,371
Total equity attributable to owners of the Company		141,193	136,371
Minority interest		4,850	4,508
Total equity		<u>146,043</u>	<u>140,879</u>
Liabilities			
Loans and borrowings	22	382	451
Deferred tax liabilities		4,420	4,337
Total non-current liabilities		<u>4,802</u>	<u>4,788</u>
Trade and other payables		17,248	16,317
Loans and borrowings	22	10,034	7,463
Dividend payable		--	1,800
Taxation		1,827	1,825
Total current liabilities		<u>29,109</u>	<u>27,405</u>
Total liabilities		<u>33,911</u>	<u>32,193</u>
Total equity and liabilities		<u><u>179,954</u></u>	<u><u>173,072</u></u>

The notes on pages 6 to 14 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 2012 - unaudited

	Note	Individual 3 months ended 30 June		Cumulative 3 months ended 30 June	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue		47,187	45,668	47,187	45,668
Cost of sales		(38,447)	(37,349)	(38,447)	(37,349)
Gross profit		8,740	8,319	8,740	8,319
Other income		1,436	1,112	1,436	1,112
Distribution expenses		(2,266)	(1,846)	(2,266)	(1,846)
Administrative expenses		(1,666)	(1,556)	(1,666)	(1,556)
Profit from operating activities		6,244	6,029	6,244	6,029
Finance costs		(72)	(162)	(72)	(162)
Profit before tax		6,172	5,867	6,172	5,867
Tax expense	20	(1,419)	(1,236)	(1,419)	(1,236)
Profit for the period		<u>4,753</u>	<u>4,631</u>	<u>4,753</u>	<u>4,631</u>
Attributable to:					
Owners of the Company		4,411	4,381	4,411	4,381
Minority interest		342	250	342	250
Profit for the period		<u>4,753</u>	<u>4,631</u>	<u>4,753</u>	<u>4,631</u>
Basic and diluted earnings per ordinary share (sen)	24	<u>3.68</u>	<u>3.65</u>	<u>3.68</u>	<u>3.65</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 June 2012 - unaudited

	Individual 3 months ended 30 June		Cumulative 3 months ended 30 June	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit for the period	4,753	4,631	4,753	4,631
Currency translation differences arising from consolidation	411	174	411	174
Total comprehensive income	<u>5,164</u>	<u>4,805</u>	<u>5,164</u>	<u>4,805</u>
Attributable to:				
Owners of the Company	4,822	4,555	4,822	4,555
Minority interest	342	250	342	250
	<u>5,164</u>	<u>4,805</u>	<u>5,164</u>	<u>4,805</u>

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Condensed consolidated statement of changes in equity for the period ended 30 June 2012 – unaudited

	← <i>Non-distributable</i> →	<i>Distributable</i>				
	Share capital 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 2012</i>	60,000	(385)	76,756	136,371	4,508	140,879
Total comprehensive income for the period	--	411	4,411	4,822	342	5,164
<i>At 30 June 2012</i>	<u>60,000</u>	<u>26</u>	<u>81,167</u>	<u>141,193</u>	<u>4,850</u>	<u>146,043</u>
<i>At 1 April 2011</i>	60,000	--	67,355	127,355	3,732	131,087
Total comprehensive income for the period	--	174	4,381	4,555	250	4,805
<i>At 30 June 2011</i>	<u>60,000</u>	<u>174</u>	<u>71,736</u>	<u>131,910</u>	<u>3,982</u>	<u>135,892</u>

The notes on pages 6 to 14 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 period ended 30 June 2012 - unaudited

	3 months ended 30 June	
	2012 RM'000	2011 RM'000
Cash flows from operating activities		
Profit before tax	6,172	5,867
Adjustments for non-cash flow:		
Non-cash items	1,292	1,360
Non-operating items	(1,128)	142
Operating profit before changes in working capital	6,336	7,369
Net change in current assets	(2,657)	(19,131)
Net change in current liabilities	557	122
Net tax paid	(1,492)	(419)
Net cash generated from/(used in) operating activities	2,744	(12,059)
Cash flows from investing activities		
Other investments activities/		
Net cash from/(used in) investing activities	13	(242)
Cash flows used in financing activities		
Proceeds from bank borrowings	2,438	12,157
Net cash from financing activities	2,438	12,157
Net increase/(decrease) in cash and cash equivalents	5,195	(144)
Cash and cash equivalents at beginning of period	50,572	56,046
Cash and cash equivalents at end of period	55,767	55,902
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash and bank balances	26,024	26,817
Deposits with licensed banks	30,007	31,573
Bank overdrafts	(264)	(2,488)
	55,767	55,902

The notes on pages 6 to 14 are an integral part of these condensed consolidated interim financial statements.

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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 2012 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 2012 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 29 August 2012.

1. Basis of preparation

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 MFRS 134, *Interim Financial Reporting* in Malaysia and with IAS 34, *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 2012.

These are the Group's condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS framework annual financial statements and MFRS, *First-time Adoption of Malaysian Financial Reporting Standards* has been applied. An explanation of how the transition to MFRSs has affected the reported financial position is provided in note 15.

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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 2012.

(a) Property, plant and equipment

In the previous years, the Group has availed itself to the transitional provision when the MASB first adopted IAS 16, *Property, plant and equipment* in 1998. Certain land and buildings were revalued in January 2008 and no later valuation has been recorded for these properties.

Upon transition to MFRSs, the Group elected to apply the optional exemption to use previous revaluation as deemed cost under MFRSs. The revaluation reserve of RM1,866,759 at 1 April 2011, 30 June 2011 and 1 April 2012 was reclassified to retained earnings.

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 second and third 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

A first interim tax exempt dividend of 3% (or 1.5 sen per share) in respect of financial year ended 31 March 2012 amounting to RM1.8 million was paid during the current quarter.

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8. Segment information

(a) By Business Segments:

	Revenue 3 months ended 30 June		Profit before tax 3 months ended 30 June	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Paper packaging	44,335	44,274	5,344	4,918
Plastic packaging	6,822	7,628	356	522
Contract manufacturing and packing	5,943	5,799	445	470
Investment and property holding	253	253	137	119
Others	846	--	(38)	--
	<u>58,199</u>	<u>57,954</u>	<u>6,244</u>	<u>6,029</u>
Inter-segment elimination	<u>(11,012)</u>	<u>(12,286)</u>	<u>--</u>	<u>--</u>
	<u>47,187</u>	<u>45,668</u>	<u>6,244</u>	<u>6,029</u>
Finance costs	<u>--</u>	<u>--</u>	<u>(72)</u>	<u>(162)</u>
	<u><u>47,187</u></u>	<u><u>45,668</u></u>	<u><u>6,172</u></u>	<u><u>5,867</u></u>

(b) By geographical locations:

	Revenue 3 months ended 30 June	
	2012 RM'000	2011 RM'000
Malaysia	32,542	35,409
Indonesia and others	<u>14,645</u>	<u>10,259</u>
	<u><u>47,187</u></u>	<u><u>45,668</u></u>

9. Profit before tax

	3 months ended 30 June		Cumulative 3 months ended 30 June	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit for the period is arrived at after charging/ (crediting):				
Depreciation & amortisation	1,292	1,360	1,292	1,360
Net foreign exchange loss/ (gain)	(1,015)	(502)	(1,015)	(502)
Interest income	(184)	(100)	(184)	(100)

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10. 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.

11. Changes in composition of the Group

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

12. Contingent assets and contingent liabilities

The Group did not have any contingent liabilities and contingent assets since the last annual balance sheet date.

13. Capital Commitments

	30 June 2012 RM'000	30 June 2011 RM'000
<i>Property, plant and equipment</i> Contracted but not provided for	<u>5,269</u>	<u>2,477</u>

14. Significant related party transactions

	3 months ended 30 June	
	2012 RM'000	2011 RM'000
Directors' remuneration	<u>478</u>	<u>403</u>
<i>Rental paid/payable to certain Directors</i>	<u>27</u>	<u>18</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>32</u>	<u>178</u>
<i>Company in which a corporate shareholder of a subsidiary has substantial financial interest</i>		
Sale of paper bags	<u>6,929</u>	<u>5,947</u>
Rental paid/payable	<u>18</u>	<u>18</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>138</u>	<u>208</u>

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15. Explanation of transition to MFRSs

In preparing its opening MFRS statement of financial position, the Group has adjusted amount reported previously in financial statements prepared in accordance with previous FRSs as follows:

	FRSs RM'000	Effect of transition to MFRSs RM'000	MFRSs RM'000
<u>Reconciliation as at 1 April 2011</u>			
Share capital	60,000	--	60,000
Revaluation reserve	1,867	(1,867)	--
Translation reserve	1,602	(1,602)	--
Retained earning	63,886	3,469	67,355
Total equity attributable to owners of the Company	<u>127,355</u>	<u>--</u>	<u>127,355</u>

Reconciliation as at 30 June 2011

Share capital	60,000	--	60,000
Revaluation reserve	1,867	(1,867)	--
Translation reserve	1,776	(1,602)	174
Retained earning	68,267	3,469	71,736
Total equity attributable to owners of the Company	<u>131,910</u>	<u>--</u>	<u>131,910</u>

Reconciliation as at 1 April 2012

Share capital	60,000	--	60,000
Revaluation reserve	1,867	(1,867)	--
Translation reserve	1,217	(1,602)	(385)
Retained earning	73,287	3,469	76,756
Total equity attributable to owners of the Company	<u>136,371</u>	<u>--</u>	<u>136,371</u>

Notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A.

16. Review of performance

The Group's revenue for the current quarter is reported at RM47.187 million, which is RM1.519 million higher compared to RM45.668 million registered in the corresponding quarter of last financial year. Gross profit is reported at RM8.740 million in current quarter representing an increase of RM0.421 million compared to the corresponding quarter in last financial year of RM8.319 million mainly due to higher sales volume achieved during the current quarter.

The performance of each business segment is as follows:

(a) Paper packaging

The revenue for the current quarter increased to RM38.863 million in the current quarter as compared to RM38.126 million reported in the corresponding quarter of last financial year due to higher sales volume achieved during the current quarter.

(b) Plastic Packaging

The revenue recorded in the current quarter increased to RM3.655 million as compared to RM3.646 million reported in the corresponding quarter of last financial year due to higher sales volume during the current quarter.

(c) Contract manufacturing and packing

The revenue for the current quarter decreased to RM3.823 million as compared to RM3.896 million recorded in corresponding quarter of last financial year due to lower sales volume achieved during the current quarter.

(d) Investment and property holding

The Group's investment and property holding activities comprises of properties which are rented to subsidiaries and management services which are provided to subsidiaries. All revenue received for both current and corresponding quarter of last financial year is eliminated from the report.

(e) Others

The Group's other activities comprise mainly of its direct sales business which commenced during the 4th quarter of the last financial year contributed revenue of RM0.846 million for the current quarter.

17. Variation of results against preceding quarter

The Group's revenue for the current quarter is RM47.187 million, an increase of RM2.962 million from preceding quarter of RM44.225 million. This is mainly due to the higher revenue of RM38.863 million in paper packaging segment in the current quarter as compared to RM36.371 million achieved in the preceding quarter.

The Group's current quarter profit before tax of RM6.172 million is RM0.623 million higher compared to the profit before tax of RM5.549 million registered in the preceding quarter. The increased profit before tax is mainly due to higher unrealised gain on forex in the current quarter.

18. 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. Currently the ongoing turmoil in the world economy has affected local business confidence and sentiment. 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.

19. Profit forecast

Not applicable.

20. Tax expense

	3 months ended 30 June		Cumulative 3 months ended 30 June	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Current tax				
- Current year	1,365	1,444	1,365	1,444
- Under provision in prior Quarter	--	--	--	--
	1,365	1,444	1,365	1,444
Deferred tax (assets) / liabilities	54	(208)	54	(208)
	<u>1,419</u>	<u>1,236</u>	<u>1,419</u>	<u>1,236</u>

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 2012 RM'000	31 March 2012 RM'000
Non-current		
- Secured	382	451
Current		
- Secured	340	430
- Unsecured	9,694	7,033
	<u>10,034</u>	<u>7,463</u>
Total borrowings	<u><u>10,416</u></u>	<u><u>7,914</u></u>

23. Changes in material litigation

There was no pending material litigation as at 27 August 2012, being a date not earlier than 7 days from the date of the quarterly report.

24. 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 June 2012
Profit for the period (RM'000)	4,753
Less: Amount attributable to minority interest (RM'000)	<u>(342)</u>
Profit for the period attributable to owners of the Company (RM'000)	<u>4,411</u>
Weighted average number of ordinary shares in issue (RM'000)	<u>120,000</u>
Basic earnings per share (sen)	<u><u>3.68</u></u>

There are no dilutive earnings per share during the period.

25. Realised and unrealised profit/losses disclosure

The retained profits as at 30 June 2012 and 31 March 2012 is analysed as follows:-

	30 June 2012 RM'000	31 March 2012 RM'000
Total retained profits/(accumulated losses) of the Company and the subsidiaries:		
- Realised	93,767	87,954
- Unrealised	(3,328)	(4,012)
	<u>90,439</u>	<u>83,942</u>
Less: Consolidated adjustments	(9,272)	(8,855)
	<u><u>81,167</u></u>	<u><u>75,087</u></u>

26. 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 2012 in their report dated 19 July 2012.