

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

Interim Financial Report
30 September 2012

Century Bond Bhd.

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

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

	Note	30.09.2012 RM'000	31.03.2012 RM'000
Assets			
Property, plant and equipment		42,805	39,366
Prepaid lease payments		3,972	4,118
Deferred tax assets		30	47
Total non-current assets		<u>46,807</u>	<u>43,531</u>
Inventories		27,238	29,379
Trade and other receivables		52,900	48,123
Tax recoverable		761	939
Cash and bank balances		60,158	50,772
Assets held for sale		328	328
Total current assets		<u>141,385</u>	<u>129,541</u>
Total assets		<u><u>188,192</u></u>	<u><u>173,072</u></u>
Equity			
Share capital		60,000	60,000
Reserves		82,203	76,371
Total equity attributable to owners of the Company		142,203	136,371
Minority interest		<u>5,222</u>	<u>4,508</u>
Total equity		<u>147,425</u>	<u>140,879</u>
Liabilities			
Loans and borrowings	22	335	451
Deferred tax liabilities		4,465	4,337
Total non-current liabilities		<u>4,800</u>	<u>4,788</u>
Trade and other payables		21,305	16,317
Loans and borrowings	22	9,523	7,463
Dividend payable		3,000	1,800
Taxation		2,139	1,825
Total current liabilities		<u>35,967</u>	<u>27,405</u>
Total liabilities		<u>40,767</u>	<u>32,193</u>
Total equity and liabilities		<u><u>188,192</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 September 2012 - unaudited

	Note	Individual 3 months ended 30 September		Cumulative 6 months ended 30 September	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue		46,407	44,978	93,593	90,645
Cost of sales		<u>(36,751)</u>	<u>(36,972)</u>	<u>(75,198)</u>	<u>(74,320)</u>
Gross profit		9,656	8,006	18,395	16,325
Other income		679	552	2,115	1,664
Distribution expenses		(2,180)	(1,887)	(4,445)	(3,733)
Administrative expenses		<u>(1,919)</u>	<u>(1,679)</u>	<u>(3,585)</u>	<u>(3,235)</u>
Profit from operating activities		6,236	4,992	12,480	11,021
Finance costs		<u>(73)</u>	<u>(132)</u>	<u>(145)</u>	<u>(294)</u>
Profit before tax		6,163	4,860	12,335	10,727
Tax expense	20	<u>(1,642)</u>	<u>(1,460)</u>	<u>(3,061)</u>	<u>(2,696)</u>
Profit for the period		<u>4,521</u>	<u>3,400</u>	<u>9,274</u>	<u>8,031</u>
Attributable to:					
Owners of the Company		4,149	3,284	8,560	7,665
Minority interest		<u>372</u>	<u>116</u>	<u>714</u>	<u>366</u>
Profit for the period		<u>4,521</u>	<u>3,400</u>	<u>9,274</u>	<u>8,031</u>
Basic and diluted earnings per ordinary share (sen)	24	<u>3.46</u>	<u>2.74</u>	<u>7.13</u>	<u>6.39</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 statement of comprehensive income for the period ended 30 September 2012 - unaudited

	Individual 3 months ended 30 September		Cumulative 6 months ended 30 September	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit for the period	4,521	3,400	9,274	8,031
Currency translation differences arising from consolidation	(139)	(396)	272	(222)
Total comprehensive income	<u>4,382</u>	<u>3,004</u>	<u>9,546</u>	<u>7,809</u>
Attributable to:				
Owners of the Company	4,010	2,888	8,832	7,443
Minority interest	372	116	714	366
	<u>4,382</u>	<u>3,004</u>	<u>9,546</u>	<u>7,809</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 changes in equity for the period ended 30 September 2012 – unaudited

	← <i>Non-distributable</i> →		<i>Distributable</i>		Minority interest RM'000	Total equity RM'000
	Share capital RM'000	Exchange fluctuation reserves RM'000	Retained earnings RM'000	Total 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	--	272	8,560	8,832	714	9,546
Dividends to shareholders	--	--	(3,000)	(3,000)	--	(3,000)
<i>At 30 September 2012</i>	<u>60,000</u>	<u>(113)</u>	<u>82,316</u>	<u>142,203</u>	<u>5,222</u>	<u>147,425</u>
<i>At 1 April 2011</i>	60,000	--	67,355	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>(222)</u>	<u>75,020</u>	<u>134,798</u>	<u>4,098</u>	<u>138,896</u>

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Century Bond Bhd.

(Company No. 228669-V)

(Incorporated in Malaysia)

Condensed consolidated statement of cash flows for the period ended 30 September 2012 - unaudited

	6 months ended 30 September	
	2012 RM'000	2011 RM'000
Cash flows from operating activities		
Profit before tax	12,335	10,727
Adjustments for non-cash flow:		
Non-cash items	2,560	2,732
Non-operating items	(1,212)	274
Operating profit before changes in working capital	13,683	13,733
Net change in current assets	(2,781)	(23,104)
Net change in current liabilities	4,412	1,781
Net tax paid	(2,424)	(3,088)
Net cash generated from/(used in) operating activities	12,890	(10,678)
Cash flows from investing activities		
Other investments activities/ Net cash used in investing activities	(5,448)	(3,682)
Cash flows from financing activities		
Proceed from bank borrowings Net cash from financing activities	2,144	9,958
Net increase/(decrease) in cash and cash equivalents	9,586	(4,402)
Cash and cash equivalents at beginning of period	50,572	56,046
Cash and cash equivalents at end of period	60,158	51,644
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash and bank balances	29,828	23,152
Deposits with licensed banks	30,330	29,751
Bank overdrafts	--	(1,259)
	60,158	51,644

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 six months period ended 30 September 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 28 November 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 1, *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 September 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 final tax exempt dividend of 2.5 sen per share in respect of the financial year ended 31 March 2012 amounting to RM3 million was proposed and approved by the shareholders at the Annual General Meeting held on 28 September 2012.

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8. Segment information

(a) By Business Segments:

	Revenue 6 months ended 30 September		Profit before tax 6 months ended 30 September	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Paper packaging	88,873	88,001	10,239	8,888
Plastic packaging	13,176	15,552	978	1,293
Contract manufacturing and packing	12,555	11,247	1149	673
Investment and property holding	505	505	288	167
Others	1,469	--	(174)	--
	<u>116,578</u>	<u>115,305</u>	<u>12,480</u>	<u>11,021</u>
Inter-segment elimination	<u>(22,985)</u>	<u>(24,660)</u>	<u>--</u>	<u>--</u>
	93,593	90,645	12,480	11,021
Finance costs	<u>--</u>	<u>--</u>	<u>(145)</u>	<u>(294)</u>
	<u><u>93,593</u></u>	<u><u>90,645</u></u>	<u><u>12,335</u></u>	<u><u>10,727</u></u>

(b) By geographical locations:

	Revenue 6 months ended 30 September	
	2012 RM'000	2011 RM'000
Malaysia	63,298	68,608
Indonesia and others	<u>30,295</u>	<u>22,037</u>
	<u><u>93,593</u></u>	<u><u>90,645</u></u>

9. Profit before tax

	3 months ended 30 September		Cumulative 6 months ended 30 September	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit for the period is arrived at after charging/ (crediting):				
Depreciation & amortisation	1,268	1,372	2,560	2,732
Net foreign exchange loss/ (gain)	63	(62)	(952)	(564)

Interest income	(221)	(343)	(405)	(443)
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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 September 2012 RM'000	30 September 2011 RM'000
<i>Property, plant and equipment</i> Contracted but not provided for	<u>145</u>	<u>577</u>

14. Significant related party transactions

	6 months ended 30 September 2012 RM'000	2011 RM'000
Directors' remuneration	<u>963</u>	<u>807</u>
<i>Rental paid/payable to certain Directors</i>	<u>55</u>	<u>37</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>96</u>	<u>323</u>
<i>Company in which a corporate shareholder of a subsidiary has substantial financial interest</i>		
Sale of paper bags	<u>13,449</u>	<u>11,297</u>
Rental paid/payable	<u>36</u>	<u>36</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>279</u>	<u>373</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 September 2011

Share capital	60,000	--	60,000
Revaluation reserve	1,867	(1,867)	--
Translation reserve	1,380	(1,602)	(222)
Retained earning	71,551	3,469	75,020
Total equity attributable to owners of the Company	<u>134,798</u>	<u>--</u>	<u>134,798</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 RM46.407 million, which is RM1.429 million higher compared to RM44.978 million registered in the corresponding quarter of last financial year. Gross profit is reported at RM9.656 million in current quarter representing an increase of RM1.650 million compared to the corresponding quarter in last financial year of RM8.006 million mainly due to lower cost of raw materials in the current quarter.

The performance of each business segment is as follows:

(a) Paper packaging

The revenue for the current quarter increased to RM38.880 million in the current quarter as compared to RM36.729 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 decreased to RM3.014 million as compared to RM4.605 million reported in the corresponding quarter of last financial year due to lower sales volume during the current quarter.

(c) Contract manufacturing and packing

The revenue for the current quarter increased to RM3.891 million as compared to RM3.644 million recorded in corresponding quarter of last financial year due to higher 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 RM0.622 million for the current quarter.

17. Variation of results against preceding quarter

The Group's revenue for the current quarter is RM46.407 million, a decrease of RM0.780 million from preceding quarter of RM47.187 million. This is mainly due to the lower revenue of RM3.014 million in plastic packaging segment in the current quarter as compared to RM3.655 million achieved in the preceding quarter.

The Group's current quarter profit before tax of RM6.163 million is RM0.009 million lower compared to the profit before tax of RM6.172 million registered in the preceding 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 September		Cumulative 6 months ended 30 September	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Current tax				
- Current year	1,317	1,532	2,682	2,976
- Under provision in prior quarter	234	179	234	179
	1,551	1,711	2,916	3,155
Deferred tax liabilities / (assets)	91	(251)	145	(459)
	<u>1,642</u>	<u>1,460</u>	<u>3,061</u>	<u>2,696</u>

21. Status of corporate proposal announced

There was no outstanding corporate proposal announced for the current quarter under review.

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22. Loans and borrowings

The loans and borrowings of the Group denominated in Ringgit Malaysia are as follows:

	30 September 2012 RM'000	31 March 2012 RM'000
Non-current		
- Secured	<u>335</u>	<u>451</u>
Current		
- Secured	227	430
- Unsecured	<u>9,296</u>	<u>7,033</u>
	<u>9,523</u>	<u>7,463</u>
Total borrowings	<u><u>9,858</u></u>	<u><u>7,914</u></u>

23. Changes in material litigation

There was no pending material litigation as at 26 November 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 September 2012	6 months ended 30 September 2012
Profit for the period (RM'000)	4,521	9,274
Less: Amount attributable to minority interest (RM'000)	<u>(372)</u>	<u>(714)</u>
Profit for the period attributable to owners of the Company (RM'000)	<u>4,149</u>	<u>8,560</u>
Weighted average number of ordinary shares in issue (RM'000)	<u>120,000</u>	<u>120,000</u>
Basic earnings per share (sen)	<u><u>3.46</u></u>	<u><u>7.13</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 September 2012 and 30 June 2012 is analysed as follows:-

	30 September 2012 RM'000	30 June 2012 RM'000
Total retained profits/(accumulated losses) of the Company and the subsidiaries:		
- Realised	91,899	93,767
- Unrealised	(3,483)	(3,328)
	<u>88,416</u>	<u>90,439</u>
Less: Consolidated adjustments	(6,100)	(9,272)
	<u><u>82,316</u></u>	<u><u>81,167</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.