

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

**Interim Financial Report**  
**31 December 2012**

# Century Bond Bhd.

(Company No. 228669-V)

(Incorporated in Malaysia)

## Condensed consolidated statement of financial position at 31 December 2012 - unaudited

	Note	31.12.2012 RM'000	31.03.2012 RM'000
<b>Assets</b>			
Property, plant and equipment		41,668	39,366
Prepaid lease payments		3,899	4,118
Deferred tax assets		44	47
<b>Total non-current assets</b>		<u>45,611</u>	<u>43,531</u>
Inventories		26,366	29,379
Trade and other receivables		47,784	48,123
Tax recoverable		809	939
Cash and bank balances		70,973	50,772
Assets held for sale		--	328
<b>Total current assets</b>		<u>145,932</u>	<u>129,541</u>
<b>Total assets</b>		<u><u>191,543</u></u>	<u><u>173,072</u></u>
<b>Equity</b>			
Share capital		60,000	60,000
Reserves		86,976	76,371
<b>Total equity attributable to owners of the Company</b>		146,976	136,371
<b>Minority interest</b>		<u>5,513</u>	<u>4,508</u>
<b>Total equity</b>		<u>152,489</u>	<u>140,879</u>
<b>Liabilities</b>			
Loans and borrowings	22	293	451
Deferred tax liabilities		4,557	4,337
<b>Total non-current liabilities</b>		<u>4,850</u>	<u>4,788</u>
Trade and other payables		24,443	16,317
Loans and borrowings	22	8,044	7,463
Dividend payable		--	1,800
Taxation		1,717	1,825
<b>Total current liabilities</b>		<u>34,204</u>	<u>27,405</u>
<b>Total liabilities</b>		<u>39,054</u>	<u>32,193</u>
<b>Total equity and liabilities</b>		<u><u>191,543</u></u>	<u><u>173,072</u></u>

The notes on pages 6 to 15 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 31 December 2012 - unaudited

	Note	Individual 3 months ended 31 December		Cumulative 9 months ended 31 December	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Revenue</b>		48,347	46,737	141,941	137,383
Cost of sales		<u>(38,189)</u>	<u>(38,894)</u>	<u>(113,387)</u>	<u>(113,214)</u>
<b>Gross profit</b>		10,158	7,843	28,554	24,169
Other income		1,187	635	3,302	2,299
Distribution expenses		(2,469)	(2,041)	(6,915)	(5,774)
Administrative expenses		<u>(1,751)</u>	<u>(1,614)</u>	<u>(5,336)</u>	<u>(4,849)</u>
<b>Profit from operating activities</b>		7,125	4,823	19,605	15,845
Finance costs		<u>(61)</u>	<u>(134)</u>	<u>(206)</u>	<u>(429)</u>
<b>Profit before tax</b>		7,064	4,689	19,399	15,416
Tax expense	20	<u>(2,002)</u>	<u>(1,344)</u>	<u>(5,063)</u>	<u>(4,040)</u>
<b>Profit for the period</b>		<u>5,062</u>	<u>3,345</u>	<u>14,336</u>	<u>11,376</u>
<b>Attributable to:</b>					
Owners of the Company		4,771	3,170	13,331	10,835
Minority interest		<u>291</u>	<u>175</u>	<u>1,005</u>	<u>541</u>
<b>Profit for the period</b>		<u>5,062</u>	<u>3,345</u>	<u>14,336</u>	<u>11,376</u>
Basic and diluted earnings per ordinary share (sen)	24	<u>3.98</u>	<u>2.64</u>	<u>11.11</u>	<u>9.03</u>

The notes on pages 6 to 15 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 31 December 2012 - unaudited

	Individual 3 months ended 31 December		Cumulative 9 months ended 31 December	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Profit for the period</b>	5,062	3,345	14,336	11,376
Currency translation differences arising from consolidation	2	(32)	274	(254)
<b>Total comprehensive income</b>	<u>5,064</u>	<u>3,313</u>	<u>14,610</u>	<u>11,122</u>
<b>Attributable to:</b>				
Owners of the Company	4,773	3,138	13,605	10,581
Minority interest	291	175	1,005	541
	<u>5,064</u>	<u>3,313</u>	<u>14,610</u>	<u>11,122</u>

The notes on pages 6 to 15 are an integral part of these condensed consolidated interim financial statements.

## Century Bond Bhd.

(Company No. 228669-V)

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### Condensed consolidated statement of changes in equity for the period ended 31 December 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	--	274	13,331	13,605	1,005	14,610
Dividends to shareholders	--	--	(3,000)	(3,000)	--	(3,000)
<i>At 31 December 2012</i>	<u>60,000</u>	<u>(111)</u>	<u>87,087</u>	<u>146,976</u>	<u>5,513</u>	<u>152,489</u>
<i>At 1 April 2011</i>	60,000	--	67,355	127,355	3,732	131,087
Total comprehensive income for the period	--	(254)	10,835	10,581	541	11,122
Dividends to shareholders	--	--	(3,600)	(3,600)	--	(3,600)
<i>At 31 December 2011</i>	<u>60,000</u>	<u>(254)</u>	<u>74,590</u>	<u>134,336</u>	<u>4,273</u>	<u>138,609</u>

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# Century Bond Bhd.

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## Condensed consolidated statement of cash flows for the period ended 31 December 2012 - unaudited

	9 months ended 31 December	
	2012 RM'000	2011 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	19,399	15,416
Adjustments for non-cash flow:		
Non-cash items	3,813	4,082
Non-operating items	(1,473)	409
<b>Operating profit before changes in working capital</b>	21,739	19,907
Net change in current assets	3,146	(13,374)
Net change in current liabilities	7,612	1,383
Net tax paid	(4,818)	(5,867)
<b>Net cash generated from operating activities</b>	27,679	2,049
<b>Cash flows from investing activities</b>		
Other investments activities/ Net cash used in investing activities	(4,901)	(5,026)
<b>Cash flows used in financing activities</b>		
Dividend paid to shareholders	(3,000)	(3,600)
Proceeds from/(Payment for) bank borrowings	623	(5,126)
<b>Net cash used in financing activities</b>	(2,377)	(8,726)
<b>Net increase/(decrease) in cash and cash equivalents</b>	20,401	(11,703)
<b>Cash and cash equivalents at beginning of period</b>	50,572	56,046
<b>Cash and cash equivalents at end of period</b>	70,973	44,343
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash and bank balances	32,962	19,046
Deposits with licensed banks	38,011	25,584
Bank overdrafts	--	(287)
	70,973	44,343

The notes on pages 6 to 15 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 nine months period ended 31 December 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, 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 27 February 2013.

### 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.

## **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, 31 December 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 paid during current quarter.



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## 7. Dividend (continued)

The Board of Directors has approved and declared a first interim dividend as follows:

	<b>31 December 2012 RM'000</b>	<b>31 December 2011 RM'000</b>
Interim dividend for financial year	31 March 2013	31 March 2012
Amount per share	2.0 sen less 25% tax	1.5 sen (tax exempt)
Approved and declared on	27 February 2013	27 February 2012
Entitlement to dividends based on		
Record of Depositors as at	9 April 2013	9 April 2012
Date payable	30 April 2013	30 April 2012

## 8. Segment information

### (a) By Business Segments:

	<b>Revenue 9 months ended 31 December</b>		<b>Profit before tax 9 months ended 31 December</b>	
	<b>2012 RM'000</b>	<b>2011 RM'000</b>	<b>2012 RM'000</b>	<b>2011 RM'000</b>
Paper packaging	135,253	132,160	15,972	11,750
Plastic packaging	19,532	22,611	1,365	2,550
Contract manufacturing and packing	19,122	18,010	2,044	1,229
Investment and property holding	758	758	461	316
Others	2,482	--	(237)	--
	<u>177,147</u>	<u>173,539</u>	<u>19,605</u>	<u>15,845</u>
Inter-segment elimination	<u>(35,206)</u>	<u>(36,156)</u>	<u>--</u>	<u>--</u>
	141,941	137,383	19,605	15,845
Finance costs	<u>--</u>	<u>--</u>	<u>(206)</u>	<u>(429)</u>
	<u><u>141,941</u></u>	<u><u>137,383</u></u>	<u><u>19,399</u></u>	<u><u>15,416</u></u>

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## 8. Segment information (continued)

### (b) By geographical locations:

	Revenue	
	9 months ended 31 December	
	2012	2011
	RM'000	RM'000
Malaysia	96,071	102,247
Indonesia and others	45,870	35,136
	<u>141,941</u>	<u>137,383</u>

## 9. Profit before tax

	3 months ended		Cumulative	
	31 December		31 December	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
<b>Profit for the period is arrived at after charging/ (crediting):</b>				
Depreciation & amortisation	1,253	1,350	3,813	4,083
Net foreign exchange loss/ (gain)	(60)	(224)	(1,012)	(788)
Interest income	(288)	(207)	(693)	(650)

## 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.

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### 13. Capital Commitments

	<b>31 December 2012 RM'000</b>	<b>31 December 2011 RM'000</b>
<i>Property, plant and equipment</i> Contracted but not provided for	<u>15</u>	<u>63</u>

### 14. Significant related party transactions

	<b>9 months ended 31 December</b>	
	<b>2012 RM'000</b>	<b>2011 RM'000</b>
Directors' remuneration	<u>1,403</u>	<u>1,211</u>
<i>Rental paid/payable to certain Directors</i>	<u>82</u>	<u>55</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>165</u>	<u>458</u>
<i>Company in which a corporate shareholder of a subsidiary has substantial financial interest</i>		
Sale of paper bags	<u>20,536</u>	<u>17,407</u>
Rental paid/payable	<u>54</u>	<u>54</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>423</u>	<u>488</u>

## 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:

	<b>FRSs</b>	<b>Effect of transition to MFRSs</b>	<b>MFRSs</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Reconciliation as at 1 April 2011</u></b>			
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 31 December 2011**

Share capital	60,000	--	60,000
Revaluation reserve	1,867	(1,867)	--
Translation reserve	1,348	(1,602)	(254)
Retained earning	71,121	3,469	74,590
Total equity attributable to owners of the Company	<u>134,336</u>	<u>--</u>	<u>134,336</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 RM48.347 million, which is RM1.610 million higher compared to RM46.737 million registered in the corresponding quarter of last financial year. Gross profit is reported at RM10.158 million in current quarter representing an increase of RM2.315 million compared to the corresponding quarter in last financial year of RM7.843 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 RM40.501 million in the current quarter as compared to RM38.438 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 RM3.316 million as compared to RM3.677 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 decreased to RM3.518 million as compared to RM4.622 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 4<sup>th</sup> quarter of the last financial year contributed revenue of RM1.012 million for the current quarter.

### 17. Variation of results against preceding quarter

The Group's revenue for the current quarter is RM48.347 million, an increase of RM1.940 million from preceding quarter of RM46.407 million. This is mainly due to the higher revenue of RM40.501 million in paper packaging segment in the current quarter as compared to RM38.880 million achieved in the preceding quarter.

The Group's current quarter profit before tax of RM7.064 million is RM0.901 million higher compared to the profit before tax of RM6.163 million registered in the preceding quarter mainly due to higher revenue in 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. The problems plaguing the world economy in particular the United States and Europe remains. Local business confidence and sentiment remains weak and uncertain affected by world and local events. 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 31 December		Cumulative 9 months ended 31 December	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Current tax				
- Current year	1,924	993	4,606	3,969
- Under provision in prior quarter	0	0	234	179
	1,924	993	4,840	4,148
Deferred tax liabilities / (assets)	78	351	223	(108)
	<u>2,002</u>	<u>1,344</u>	<u>5,063</u>	<u>4,040</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:

	<b>31 December 2012 RM'000</b>	<b>31 March 2012 RM'000</b>
<b>Non-current</b>		
- Secured	293	451
<b>Current</b>		
- Secured	210	430
- Unsecured	7,834	7,033
	<u>8,044</u>	<u>7,463</u>
Total borrowings	<u><u>8,337</u></u>	<u><u>7,914</u></u>

## 23. Changes in material litigation

There was no pending material litigation as at 25 February 2013, 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.

	<b>3 months ended 31 December 2012</b>	<b>9 months ended 31 December 2012</b>
Profit for the period (RM'000)	5,062	14,336
Less: Amount attributable to minority interest (RM'000)	(291)	(1,005)
Profit for the period attributable to owners of the Company (RM'000)	<u>4,771</u>	<u>13,331</u>
Weighted average number of ordinary shares in issue	<u>120,000</u>	<u>120,000</u>
Basic earnings per share (sen)	<u><u>3.98</u></u>	<u><u>11.11</u></u>

There are no dilutive earnings per share during the period.

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## 25. Realised and unrealised profit/losses disclosure

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

	<b>31 December 2012 RM'000</b>	<b>31 March 2012 RM'000</b>
Total retained profits/(accumulated losses) of the Company and the subsidiaries:		
- Realised	97,007	87,954
- Unrealised	<u>(3,501)</u>	<u>(4,012)</u>
	93,506	83,942
Less: Consolidated adjustments	<u>(6,419)</u>	<u>(8,855)</u>
	<u><u>87,087</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.