

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

Interim Financial Report
31 December 2005

Century Bond Bhd.

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

Condensed consolidated balance sheet at 31 December 2005

	Note	31.12.2005 RM'000	31.3.2005 RM'000
Property, plant and equipment	2	46,005	47,220
Investments in associates		160	218
Investments in quoted shares	3	78	7
Goodwill		388	384
		<u>46,631</u>	<u>47,829</u>
Current assets			
Inventories		33,120	32,298
Trade and other receivables		35,913	38,805
Tax recoverable		504	545
Cash and cash equivalents		13,203	12,332
		<u>82,740</u>	<u>83,980</u>
Current liabilities			
Trade and other payables		18,734	18,448
Borrowings		19,172	25,457
Taxation		165	759
		<u>38,071</u>	<u>44,664</u>
Net current assets		<u>44,669</u>	<u>39,316</u>
		<u>91,300</u>	<u>87,145</u>
Financed by:-			
Capital and reserves			
Share capital		60,000	40,000
Reserves		17,925	33,283
		<u>77,925</u>	<u>73,283</u>
Minority shareholders' interests		1,993	1,711
Long term and deferred liabilities			
Borrowings		6,265	7,018
Deferred tax liabilities		5,117	5,133
		<u>11,382</u>	<u>12,151</u>
		<u>91,300</u>	<u>87,145</u>
Net assets per share of RM0.50 (31.3.2005: RM1.00 each)		<u>0.66</u>	<u>1.87</u>

The accompanying notes form an integral part of the interim financial report.

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Condensed consolidated income statement for the period ended 31 December 2005

	Note	Individual 3 months ended 31 December		Cumulative 9 months ended 31 December	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Revenue		38,678	35,705	112,407	103,787
Cost of sales		<u>(32,557)</u>	<u>(28,986)</u>	<u>(94,486)</u>	<u>(84,027)</u>
Gross profit		6,121	6,719	17,921	19,760
Operating expenses		<u>(2,502)</u>	<u>(2,507)</u>	<u>(7,512)</u>	<u>(7,694)</u>
Operating profit		3,619	4,212	10,409	12,066
Interest expense		(423)	(447)	(1,400)	(1,346)
Share of loss in associates		<u>(11)</u>	<u>(6)</u>	<u>(57)</u>	<u>(53)</u>
Profit before tax		3,185	3,759	8,952	10,667
Tax expense	4	<u>(344)</u>	<u>(717)</u>	<u>(1,887)</u>	<u>(2,105)</u>
Profit after tax		2,841	3,042	7,065	8,562
Less: Minority interests		<u>(85)</u>	<u>(122)</u>	<u>(254)</u>	<u>(391)</u>
Net profit for the period		<u>2,756</u>	<u>2,920</u>	<u>6,811</u>	<u>8,171</u>
Basic earnings per ordinary share (sen)	5	<u>2.30</u>	<u>2.43</u>	<u>5.68</u>	<u>6.81</u>

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Condensed consolidated statement of changes in equity for the period ended 31 December 2005

	Share capital RM'000	Non- distributable RM'000	Distributable Retained profits RM'000	Total RM'000
<i>At 1 April 2005</i>	40,000	7,521	25,762	73,283
Bonus issue	20,000	(7,356)	(12,644)	--
Exchange difference on translation of the financial statements of a foreign subsidiary	--	(9)	--	(9)
Net profit for the nine months period	--	--	6,811	6,811
Dividends - 2005 Final	--	--	(2,160)	(2,160)
<i>At 31 December 2005</i>	<u>60,000</u>	<u>156</u>	<u>17,769</u>	<u>77,925</u>
<i>At 1 April 2004</i>	40,000	7,582	17,258	64,840
Share issue expenses	--	(80)	--	(80)
Exchange difference on translation of the financial statements of a foreign subsidiary	--	21	--	21
Net profit for the nine months period	--	--	8,171	8,171
Dividends - 2004 Final	--	--	(2,304)	(2,304)
<i>At 31 December 2004</i>	<u>40,000</u>	<u>7,523</u>	<u>23,125</u>	<u>70,648</u>

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Condensed consolidated cash flow statement for the period ended 31 December 2005

	9 months ended 31 December	
	2005 RM'000	2004 RM'000
Cash flows from operating activities		
Profit before tax	8,952	10,667
Adjustments for non-cash flow:		
Non-cash items	3,532	3,009
Non-operating items	1,307	1,236
Operating profit before working capital changes	13,791	14,912
Changes in working capital:		
Net change in current assets	2,142	(15,882)
Net change in current liabilities	(2,179)	2,721
Net cash generated from operating activities	<u>13,754</u>	<u>1,751</u>
Cash flows from investing activity		
Other investments/Net cash used in investing activity	<u>(2,286)</u>	<u>(2,424)</u>
Cash flows from financing activities		
Transactions with owners	(2,160)	(2,384)
Bank borrowings	<u>(8,431)</u>	<u>3,318</u>
Net cash (used in)/generated from financing activities	<u>(10,591)</u>	<u>934</u>
Net increase in cash and cash equivalents	877	261
Cash and cash equivalents at beginning of period	<u>11,078</u>	<u>4,500</u>
Cash and cash equivalents at end of period	<u><u>11,955</u></u>	<u><u>4,761</u></u>

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Notes to the interim financial report

1. Basis of preparation

The interim financial report is unaudited and has been prepared in compliance with FRS 134₂₀₀₄, Interim Financial Reporting.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2005.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 March 2005.

The following notes explain the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2005.

2. Property, plant and equipment

The valuations of land and buildings have been brought forward, without amendment from the previous annual report.

3. Quoted investments

	31.12.2005 RM'000	31.3.2005 RM'000
<i>Quoted shares in Malaysia</i>		
At cost	112	41
Less: Allowance for diminution in value	(34)	(34)
	<u>78</u>	<u>7</u>
Market value	<u>59</u>	<u>3</u>

4. Tax expense

	3 months ended 31 December		9 months ended 31 December	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Income tax expense				
- Current year	795	694	2,193	1,852
- Overprovision in prior year	(320)	--	(320)	--
	<u>475</u>	<u>694</u>	<u>1,873</u>	<u>1,852</u>
Deferred tax (income)/expense	<u>(131)</u>	<u>23</u>	<u>14</u>	<u>253</u>
	<u>344</u>	<u>717</u>	<u>1,887</u>	<u>2,105</u>

The effective tax rate for the current and cumulative period to-date are lower than the statutory tax rate due to overprovision in prior year and utilisation of reinvestment allowances by two of the subsidiaries.

5. Basic earnings per share

Basic earnings per share

The calculation of basic earnings per share for the current and financial period to-date is based on the net profit attributable to ordinary shareholders of RM2,756,000 and RM6,811,000 respectively and the weighted average number of ordinary shares of 120,000,000.

The comparative earnings per share has been restated as a result of bonus issue and share splits during the year.

Diluted earnings per share

No disclosure is made for the diluted earnings per share for the period as it is anti-dilutive.

6. Dividends

Since the end of the previous financial year, the Company paid a final dividend of 2.5 sen less tax per ordinary share totalling RM2,160,000 in respect of the year ended 31 March 2005 on 24 November 2005.

7. Changes in composition of the Group

On 26 September 2005, the Group increased its investment in Creative Chemical Sdn. Bhd. from 60% comprising 60,000 ordinary shares of RM1.00 each to 100% comprising 100,000 ordinary shares of RM1.00 each by acquiring 40,002 ordinary shares of RM1.00 each for a cash consideration of RM40,002.

8. Seasonal or cyclical factors

The Group normally experiences higher sales volume for the first and second quarters of the financial year due to the customers' business cycle trend.

9. Segment information

Segment information is presented in respect of the Group's business segments. Inter-segment pricing is determined based on a negotiated basis.

	Revenue		Profit/(Loss) before tax	
	9 months ended 31 December		9 months ended 31 December	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Paper packaging	63,626	71,230	6,845	9,188
Plastic packaging	48,110	31,375	3,366	2,290
Contract manufacturing and packing	22,970	21,376	748	1,115
Investment and property holding	443	15,540	(388)	14,954
	135,149	139,521	10,571	27,547
Inter-segment elimination	(22,742)	(35,734)	(162)	(15,564)
	112,407	103,787		
Segment result			10,409	11,983
Gain on disposal of a subsidiary	--	--	--	83
Interest expense	--	--	(1,400)	(1,346)
Share of loss in associates	--	--	(57)	(53)
	112,407	103,787	8,952	10,667

10. Debt and equity securities

There were no issuance, cancellations, repurchase, resale and repayments of debt and equity securities for the period under review.

11. Related parties

Significant related party transactions of the Group are as follows:

	9 months ended 31 December	
	2005 RM'000	2004 RM'000
Directors' remunerations	1,034	1,413
<i>Remuneration paid to staff who is a close family member of a Director, Mr. Loi Tuan Ee</i>	15	54
<i>Rental payable to Mr. Kuan Hai Ngon, Mdm. Tan Sui Moi, Mr. Loi Tuan Ee and Mr. Tan Siew Kim</i>	82	82
<i>Associates</i>		
<i>- Gemilang Packaging Sdn. Bhd.</i>		
Sales of carton boxes	857	1,088
<i>- PB Packaging (M) Sdn. Bhd.</i>		
Sale of plant and equipment	--	49
Sale of carton boxes	971	867
<i>Companies in which the spouse of Mdm. Tan Seok Kim, an Executive Director of CBB has substantial financial interest</i>		
<i>- Flexo Process Sdn. Bhd.</i>		
Purchases of printing block	344	440
<i>- Flexo Process (K.L.) Sdn. Bhd.</i>		
Rental receivable	23	23
<i>Company in which a corporate shareholder of a subsidiary has substantial financial interest</i>		
<i>- Negeri Sembilan Cement Industries Sdn. Bhd.</i>		
Sale of paper bags	10,096	12,321
<i>- Perlis Paper Products Sdn. Bhd.</i>		
Rental payable	54	54

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

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31 December 2005**

Additional information required by the
Bursa Malaysia Securities Berhad
Listing Requirements

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Additional information required by the Bursa Malaysia Securities Berhad Listing Requirements

1. Review of performance

The Group has recorded a higher turnover of RM38.7 million for the 3rd quarter as compared to the same corresponding quarter last year of RM35.7 million. 9 months cumulative revenue for period ended 31 December 2005 amounted to RM112.4 million, which is RM8.6 million higher than the same corresponding period last year. Higher revenue reported in current period was mainly due to increase in sales of plastic packaging division.

However, profit after tax for the current quarter has dropped by RM0.1 million from RM2.9 million in 3rd quarter last year to RM2.8 million in current quarter. Profit after tax of the Group for the period ended 31 December 2005 amounted to RM6.8 million, which is approximately RM1.4 million lower than the same period last year. The decrease was mainly due to higher material and production costs and stiff competition in the industry, especially paper packaging division.

2. Variation of results against preceding quarter

Group's current quarter revenue registered at RM38.7 million, which is marginally higher by RM1.6 million against preceding quarter of RM37.1 million. Profit after tax of the Group registered at RM2.8 million for the quarter under review, which was RM0.5 million higher than preceding quarter. The improvement was mainly attributed to lower tax expense due to overprovision in prior year and utilisation of reinvestment allowances by two of the subsidiaries.

3. Future prospects

The Board expects the market condition to remain highly competitive. The Group, however, will continue to pursue various measures to maintain the performance for the next quarter.

4. Profit forecast

Not applicable.

5. Unquoted investments and properties

There were no profits on sale of unquoted investments or properties as there were no disposals of unquoted investments or properties during the period under review.

6. Status of corporate proposal announced

- i) Save as disclosed below, there were no outstanding corporate proposals during the current year under review.
- ii) The total gross proceeds of RM11,078,900 from the Public Issue of 6,517,000 new ordinary shares at an issue price of RM1.70 per ordinary share have been utilized as follows:

No.	Planned utilization of proceeds	Amount Allocated (RM)	Amount Utilised (RM)	Amount Unutilised (RM)
1.	Construction of an office block at PLO 97 to be used as the head Office of the CBB Group	1,500,000	39,045	1,460,955
2 a)	Repayment of bank borrowings for the purchase of raw materials	2,200,000	2,200,000	--
2 b)	Purchase of machinery for manufacturing of paper bags	3,800,000	2,015,169	1,784,831
3	Working capital requirements for CBB Group	1,778,900	1,778,900	--
4	Estimated listing expenses	1,800,000	1,726,882	73,118
	TOTAL	11,078,900	7,759,996	3,318,904

The change in utilisation of the balance proceeds of RM3,318,904 amounts to more than 25% of the listing proceeds raised under the public issue and the approval of shareholders of the Company has been obtained at the Annual General Meeting held on 28 September 2005. The members had approved the change in utilisation of the unutilised proceeds amounting to RM3,318,904 for use as working capital of the Group.

As at the date of this report, the amount of RM3,318,904 has been fully utilised.

7. Borrowing and debt securities

	31.12.2005 RM'000	31.3.2005 RM'000
Current		
<i>Secured</i>		
- Term loans	1,459	1,614
- Bankers' acceptances	1,885	4,326
- Trust receipts	3,940	8,262
- Bank overdrafts	231	204
- Hire purchase creditors	102	128
	7,617	14,534
<i>Unsecured</i>		
- Term loans	447	1,155
- Bankers' acceptances	5,297	5,001
- Bank overdrafts	997	1,030
- Trust receipts	4,814	3,737
	11,555	10,923
	19,172	25,457

7. Borrowing and debt securities (continued)

	31.12.2005 RM'000	31.3.2005 RM'000
Non-current		
Secured		
- Term loans	5,044	2,830
- Hire purchase creditors	32	95
	<u>5,076</u>	<u>2,925</u>
Unsecured		
- Term loans	1,189	4,093
	<u>6,265</u>	<u>7,018</u>
Total borrowings	<u><u>25,437</u></u>	<u><u>32,475</u></u>

8. 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.

9. Dividends payable

- a) No interim dividend had been declared/paid for the current financial period to-date.
- b) At the Annual General Meeting of the Company held on 28 September 2005, the shareholders approved the payment of a final dividend of 2.5 sen less tax in respect of the financial year ended 31 March 2005. The final dividend was paid on 24 November 2005 to the depositors registered in the Record of Depositors at the close of the business on 9 November 2005.
- c) In the corresponding financial quarter ended 31 December 2004, the Company paid a final dividend of 8 sen less tax in respect of the year ended 31 March 2004 on 23 November 2004.

10. Changes in material litigation

There were no pending material litigation as at 21 February 2006, being a date not earlier than 7 days from the date of this quarterly report.