

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

Interim Financial Report
31 March 2006

Century Bond Bhd.

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

Condensed consolidated balance sheet at 31 March 2006

	Note	31.3.2006 RM'000	31.3.2005 RM'000
Property, plant and equipment	2	45,706	47,220
Investments in associates		275	218
Investments in quoted shares	3	78	7
Goodwill		359	384
		<u>46,418</u>	<u>47,829</u>
Current assets			
Inventories		31,309	32,298
Trade and other receivables		35,930	38,805
Tax recoverable		724	545
Cash and cash equivalents		15,882	12,332
		<u>83,845</u>	<u>83,980</u>
Current liabilities			
Trade and other payables		15,641	18,448
Borrowings		22,533	25,457
Taxation		214	759
		<u>38,388</u>	<u>44,664</u>
Net current assets		<u>45,457</u>	<u>39,316</u>
		<u>91,875</u>	<u>87,145</u>
Financed by:-			
Capital and reserves			
Share capital		60,000	40,000
Reserves		19,983	33,283
		<u>79,983</u>	<u>73,283</u>
Minority shareholders' interests		1,793	1,711
Long term and deferred liabilities			
Borrowings		4,703	7,018
Deferred tax liabilities		5,396	5,133
		<u>10,099</u>	<u>12,151</u>
		<u>91,875</u>	<u>87,145</u>
Net assets per share of RM0.50 (31.3.2005: RM1.00) each		<u>0.67</u>	<u>1.83</u>

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Condensed consolidated income statement for the year ended 31 March 2006

	Note	Individual 3 months ended 31 March		Cumulative 12 months ended 31 March	
		2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Revenue		39,226	36,734	151,633	140,521
Cost of sales		<u>(33,001)</u>	<u>(29,497)</u>	<u>(127,487)</u>	<u>(113,524)</u>
Gross profit		6,225	7,237	24,146	26,997
Operating expenses		<u>(3,095)</u>	<u>(3,219)</u>	<u>(10,607)</u>	<u>(10,914)</u>
Operating profit		3,130	4,018	13,539	16,083
Interest expense		(391)	(519)	(1,791)	(1,865)
Share of profit/(loss) in associates		<u>42</u>	<u>38</u>	<u>(15)</u>	<u>(15)</u>
Profit before tax		2,781	3,537	11,733	14,203
Tax expense	4	<u>(818)</u>	<u>(915)</u>	<u>(2,705)</u>	<u>(3,020)</u>
Profit after tax		1,963	2,622	9,028	11,183
Less: Minority interests		<u>92</u>	<u>15</u>	<u>(162)</u>	<u>(375)</u>
Net profit for the period		<u>2,055</u>	<u>2,637</u>	<u>8,866</u>	<u>10,808</u>
Basic earnings per ordinary share (sen)	5	<u>1.71</u>	<u>2.20</u>	<u>7.39</u>	<u>9.01</u>

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

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**Condensed consolidated statement of changes in equity
for the year ended 31 March 2006**

	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	--	(6)	--	(6)
Net profit for the year	--	--	8,866	8,866
Dividends - 2005 Final	--	--	(2,160)	(2,160)
<i>At 31 March 2006</i>	<u>60,000</u>	<u>159</u>	<u>19,824</u>	<u>79,983</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	--	19	--	19
Net profit for the year	--	--	10,808	10,808
Dividends - 2004 Final	--	--	(2,304)	(2,304)
<i>At 31 March 2005</i>	<u>40,000</u>	<u>7,521</u>	<u>25,762</u>	<u>73,283</u>

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Condensed consolidated cash flow statement for the year ended 31 March 2006

	12 months ended 31 March	
	2006 RM'000	2005 RM'000
Cash flows from operating activities		
Profit before tax	11,733	14,203
Adjustments for non-cash flow:		
Non-cash items	4,904	4,155
Non-operating items	1,612	1,642
Operating profit before working capital changes	18,249	20,000
Changes in working capital:		
Net change in current assets	3,787	(13,765)
Net change in current liabilities	(6,146)	(999)
Net cash generated from operating activities	<u>15,890</u>	<u>5,236</u>
Cash flows from investing activity		
Other investments/Net cash used in investing activity	<u>(3,016)</u>	<u>(3,896)</u>
Cash flows from financing activities		
Transactions with owners	(2,160)	(2,384)
Bank borrowings	<u>(7,034)</u>	<u>7,621</u>
Net cash (used in)/generated from financing activities	<u>(9,194)</u>	<u>5,237</u>
Net increase in cash and cash equivalents	3,680	6,577
Cash and cash equivalents at beginning of year	<u>11,078</u>	<u>4,501</u>
Cash and cash equivalents at end of year	<u><u>14,758</u></u>	<u><u>11,078</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

	31.3.2006	31.3.2005
	RM'000	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>56</u>	<u>3</u>

4. Tax expense

	3 months ended		12 months ended	
	31 March		31 March	
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
Income tax expense				
- Current year	562	533	2,755	2,385
- Overprovision in prior year	(50)	--	(370)	--
	512	533	2,385	2,385
Deferred tax expense	306	382	320	635
	<u>818</u>	<u>915</u>	<u>2,705</u>	<u>3,020</u>

The effective tax rate for the current period to-date is higher than the statutory tax rate mainly due to certain expenses not deductible for tax purposes.

The effective tax rate for the cumulative year to-date is lower than the statutory tax rate mainly due to utilisation of reinvestment allowances.

5. Basic earnings per share

Basic earnings per share

The calculation of basic earnings per share for the current and financial year to-date is based on the net profit attributable to ordinary shareholders of RM2,055,000 and RM8,866,000 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 as there was no dilutive potential ordinary shares outstanding.

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 27 March 2006, the Group and the Company increased its investment in Southern Polymer Products Sdn. Bhd. from 95.75% comprising 1,915,000 ordinary shares of RM1.00 each to 100% comprising 2,000,000 ordinary shares of RM1.00 each by acquiring 85,000 ordinary shares of RM1.00 each for a cash consideration of RM85,000.

On 30 March 2006, Prestige Packages Sdn Bhd, a wholly owned subsidiary acquired an additional 6% of equity comprising 6,000 ordinary shares of RM1.00 each at a purchase consideration of RM2.00 in an associated company, Gemilang Packaging Sdn. Bhd., to make it as a subsidiary company with shareholding of 55% comprising 55,000 ordinary shares of RM1.00 each.

On 17 May 2006, Prestige Packages Sdn Bhd, a wholly owned subsidiary entered into an agreement to dispose of its 49% equity interest comprising 98,000 ordinary shares of RM1.00 each in an associated company, PB Packaging (M) Sdn. Bhd. for a consideration of RM276,360. The divestment in this associated company does not have a material effect on the results and the financial position of the Group.

On 25 May 2006, the Group increased its investment in Prior Packaging Industries Sdn. Bhd. from 97% comprising 2,046,700 ordinary shares of RM1.00 each to 100% comprising 2,110,000 ordinary shares of RM1.00 each by acquiring 63,300 ordinary shares of RM1.00 each for a cash consideration of RM100,000.

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 12 months ended 31 March		Profit before tax 12 months ended 31 March	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Paper packaging	83,917	90,901	9,342	11,694
Plastic packaging	65,871	47,199	2,067	3,706
Contract manufacturing and packing	31,166	31,094	2,766	1,216
Investment and property holding	17,806	15,724	16,615	14,613
	198,760	184,918	30,790	31,229
Inter-segment elimination	(47,127)	(44,397)	(17,251)	(15,229)
	151,633	140,521	13,539	16,000
Segment result				
Gain on disposal of a subsidiary	--	--	--	83
Interest expense	--	--	(1,791)	(1,865)
Share of loss in associates	--	--	(15)	(15)
	151,633	140,521	11,733	14,203

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. Significant related party transactions

Significant related party transactions of the Group are as follows:

	12 months ended 31 March	
	2006 RM'000	2005 RM'000
Directors' remunerations	1,635	2,261
<i>Remuneration paid to staff who is a close family member of a Director, Mr. Loi Tuan Ee</i>	15	90
<i>Rental payable to Mr. Kuan Hai Ngon, Mdm. Tan Sui Moi, Mr. Loi Tuan Ee and Mr. Tan Siew Kim</i>	109	109
<i>Associates</i>		
<i>- Gemilang Packaging Sdn. Bhd.</i>		
Sales of carton boxes	929	1,216
<i>- PB Packaging (M) Sdn. Bhd.</i>		
Sale of plant and equipment	--	49
Sale of carton boxes	1,219	1,186
<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	517	511
<i>- Flexo Process (K.L.) Sdn. Bhd.</i>		
Rental receivable	30	30
<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	12,594	15,967
<i>- Perlis Paper Products Sdn. Bhd.</i>		
Rental payable	72	72

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

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31 March 2006**

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's revenue increased by RM2.5 million in the 4th quarter 2006 as compared to the RM36.7 million reported in the same corresponding quarter last year. 12 months cumulative revenue for year ended 31 March 2006 amounted to RM151.6 million, which is RM11.1 million higher than last year. Higher revenue reported in current financial year was mainly due to increase in sales contributed by plastic packaging division.

However, net profit for the current quarter has dropped by RM0.6 million from RM2.6 million in 4th quarter last year to RM2.0 million in current quarter. Year to date net profit of the Group reported at RM8.9 million for the year ended 31 March 2006, which is approximately RM1.9 million lower than 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

The Group's current quarter revenue registered at RM39.2 million is comparable to RM38.7 million registered in the preceding quarter. Net profit of the Group, however, reduced from RM2.8 million in the preceding quarter to RM2.0 million in the quarter under review. The reduction of the net profit was mainly attributed to higher operating expenses due to write off of goodwill and higher tax expense.

3. Future prospects

The Group has identified paper and plastic packaging divisions as the key drivers of the growth for the Group. Various businesses are being explored to expand its paper and plastic packaging divisions. The Board expects positive earnings from both divisions to maintain the performance of the Group for the next financial year.

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

There were no outstanding corporate proposals during the current year under review.

7. Borrowing and debt securities

	31.3.2006 RM'000	31.3.2005 RM'000
Current		
Secured		
- Term loans	1,239	1,614
- Bankers' acceptances	1,679	4,326
- Trust receipts	3,823	8,262
- Bank overdrafts	320	204
- Hire purchase creditors	141	128
	<u>7,202</u>	<u>14,534</u>
Unsecured		
- Term loans	1,487	1,155
- Bankers' acceptances	4,682	5,001
- Bank overdrafts	783	1,030
- Trust receipts	8,379	3,737
	<u>15,331</u>	<u>10,923</u>
	<u>22,533</u>	<u>25,457</u>
Non-current		
Secured		
- Term loans	1,555	2,830
- Hire purchase creditors	79	95
	<u>1,634</u>	<u>2,925</u>
Unsecured		
- Term loans	3,069	4,093
	<u>4,703</u>	<u>7,018</u>
Total borrowings	<u><u>27,236</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) 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.
- b) The Board of Directors has recommended a final dividend of 3.5 sen per share less income tax of 28% in respect of the financial year ended 31 March 2006 on 120,000,000 ordinary shares of RM0.50 each for shareholders' approval at the forthcoming Annual General Meeting. The entitlement date and payment date for the proposed final dividend will be determined at a later date.

10. Changes in material litigation

There were no pending material litigation as at 25 May 2006, being a date not earlier than 7 days from the date of this quarterly report.