

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

**Interim Financial Report**  
**30 September 2006**

The Board of Directors  
Century Bond Bhd  
PLO 97, 98, 99, Jalan Cyber 5  
Senai Industrial Estate Phase III  
81400 Senai  
Johor

28 November 2006

Dear Sirs

**Century Bond Bhd (“the Company”)  
Limited review report on interim financial report for the quarter ended 30 September 2006**

We have carried out our limited review on the accompanying consolidated balance sheet of the Company at 30 September 2006, and the consolidated income statement for the individual quarter ended 30 September 2006 and the accompanying notes thereon (collectively referred to as “interim financial report”).

The interim financial report is the responsibility of the Board of the Company and our responsibility is to issue a report on the interim financial report based on our limited review.

Our scope of limited review includes only the following:

- i) review the presentation and disclosure of the interim financial report;
- ii) review the computation and basis of the Group consolidation; and
- iii) review the computation and basis of taxation and deferred taxation.

It is the responsibility of the Board of the Company to take all necessary steps to ensure that the financial statements of the subsidiaries are presented fairly for consolidation into the Company’s financial statements and in compliance with Bursa Malaysia Securities Berhad (“Bursa Securities”) announcement requirements.

We conducted our limited review which are lesser than the scope of review work stipulated in the approved Standard on Auditing in Malaysia, AI2400 on engagement to review financial statements. Accordingly, we plan and perform the limited review to obtain moderate assurance as to whether the interim financial report is free from material misstatement.

Our limited review performed is limited primarily to enquiries of the company’s personnel and other relevant procedures which are lesser than the scope of review work stipulated in the approved Standard on Auditing in Malaysia, AI2400 on engagement to review financial statements. We have not performed an audit or review under AI2400 and accordingly, we do not express an opinion and no audit report will be issued.

Based on our review, except for the limitation of scope stated above, nothing has come to our attention that causes us to believe that the interim financial report is not presented fairly, in all material respects, in accordance with applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board.

Yours faithfully

# Century Bond Bhd.

(Company No. 228669-V)  
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## Condensed consolidated balance sheet at 30 September 2006 - unaudited

	Note	30.9.2006 RM'000	31.3.2006 RM'000 (Restated)
<b>Assets</b>			
Property, plant and equipment	3	44,105	45,706
Investment in associates		--	275
Investment in quoted shares	4	78	78
Goodwill		359	359
<b>Total non-current assets</b>		44,542	46,418
Inventories		28,849	31,308
Trade and other receivables		40,711	35,964
Tax recoverable		730	670
Cash and cash equivalents		22,281	15,882
<b>Total current assets</b>		92,571	83,824
<b>Total assets</b>		137,113	130,242
<b>Equity</b>			
Share capital		60,000	60,000
Reserves		24,405	20,043
<b>Total equity attributable to shareholders of the Company</b>		84,405	80,043
<b>Minority interests</b>		1,746	1,793
<b>Total equity</b>		86,151	81,836
<b>Liabilities</b>			
Deferred tax liabilities		5,320	5,316
Borrowings		3,404	4,827
<b>Total non-current liabilities</b>		8,724	10,143
Trade and other payables		18,443	15,646
Borrowings		23,515	22,405
Taxation		280	212
<b>Total current liabilities</b>		42,238	38,263
<b>Total liabilities</b>		50,962	48,406
<b>Total equity and liabilities</b>		137,113	130,242

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2006 and the accompanying explanatory notes attached to the interim financial statements.

# Century Bond Bhd.

(Company No. 228669-V)  
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## Condensed consolidated income statement for the period ended 30 September 2006 - unaudited

	Note	Individual 3 months ended 30 September		Cumulative 6 months ended 30 September	
		2006 RM'000	2005 RM'000 (Restated)	2006 RM'000	2005 RM'000 (Restated)
<b>Revenue</b>		37,645	37,064	76,882	73,729
Cost of sales		<u>(32,234)</u>	<u>(30,991)</u>	<u>(65,696)</u>	<u>(61,929)</u>
<b>Gross profit</b>		5,411	6,073	11,186	11,800
Other income		880	306	1,499	849
Distribution expenses		(1,508)	(1,441)	(3,432)	(3,335)
Administrative expenses		(1,175)	(1,269)	(2,435)	(2,442)
Other expenses		<u>(26)</u>	<u>--</u>	<u>(54)</u>	<u>(82)</u>
<b>Operating profit</b>		3,582	3,669	6,764	6,790
Interest expense		(488)	(476)	(903)	(978)
Share of loss in associates		<u>--</u>	<u>(18)</u>	<u>--</u>	<u>(46)</u>
<b>Profit before tax</b>		3,094	3,175	5,861	5,766
Tax expense	5	<u>(768)</u>	<u>(827)</u>	<u>(1,351)</u>	<u>(1,543)</u>
<b>Net profit for the period</b>		<u>2,326</u>	<u>2,348</u>	<u>4,510</u>	<u>4,223</u>
<b>Attributable to:</b>					
Shareholders of the Company		2,223	2,259	4,335	4,054
Minority interests		<u>103</u>	<u>89</u>	<u>175</u>	<u>169</u>
<b>Net profit for the period</b>		<u>2,326</u>	<u>2,348</u>	<u>4,510</u>	<u>4,223</u>
<b>Earnings per share</b>					
Basic earnings per ordinary share (sen)	6	<u>1.85</u>	<u>1.88</u>	<u>3.61</u>	<u>3.38</u>

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 March 2006 and the accompanying explanatory notes attached to the interim financial statements.

## Century Bond Bhd.

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### Condensed consolidated statement of changes in equity for the period ended 30 September 2006 - unaudited

	← Non-distributable →				Distributable		Minority interests RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Exchange fluctuation reserves RM'000	Retained profits RM'000	Total RM'000		
<i>At 1 April 2006</i>	60,000	--	28	130	19,885	80,043	1,793	81,836
Exchange fluctuation on translation of a foreign subsidiary	--	--	--	27	--	27	--	27
Net profit for the period	--	--	--	--	4,335	4,335	175	4,510
Acquisition of interest from minority shareholders	--	--	--	--	--	--	(222)	(222)
<i>At 30 September 2006</i>	<u>60,000</u>	<u>--</u>	<u>28</u>	<u>157</u>	<u>24,220</u>	<u>84,405</u>	<u>1,746</u>	<u>86,151</u>
<i>At 1 April 2005</i>	40,000	2,755	4,629	137	25,762	73,283	1,711	74,994
Bonus issue	20,000	(2,755)	(4,601)	--	(12,644)	--	--	--
Exchange fluctuation on translation of a foreign subsidiary	--	--	--	(28)	--	(28)	--	(28)
Net profit for the period	--	--	--	--	4,054	4,054	169	4,223
Acquisition of interest from minority shareholders	--	--	--	--	--	--	28	28
<i>At 30 September 2005</i>	<u>60,000</u>	<u>--</u>	<u>28</u>	<u>109</u>	<u>17,172</u>	<u>77,309</u>	<u>1,908</u>	<u>79,217</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2006 and the accompanying explanatory notes attached to the interim financial statements.

# Century Bond Bhd.

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(Incorporated in Malaysia)

## Condensed consolidated cash flow statement for the period ended 30 September 2006 - unaudited

	6 months ended 30 September	
	2006 RM'000	2005 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	5,861	5,766
Adjustments for non-cash flow:		
Non-cash items	2,146	2,350
Non-operating items	(852)	885
Operating profit before working capital changes	7,155	9,001
Changes in working capital:		
Net change in current assets	(2,338)	(3,375)
Net change in current liabilities	2,825	(859)
Income taxes paid	(1,340)	(1,045)
<b>Net cash generated from operating activities</b>	<u>6,302</u>	<u>3,722</u>
<b>Cash flows from investing activity</b>		
Other investments/ Net cash used in investing activity	<u>(492)</u>	<u>(2,070)</u>
<b>Cash flows from financing activity</b>		
Bank borrowings/ Net cash used in financing activity	<u>(739)</u>	<u>(4,530)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	5,071	(2,878)
<b>Cash and cash equivalents at beginning of period</b>	<u>14,758</u>	<u>11,078</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>19,829</u></u>	<u><u>8,200</u></u>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	7,166	4,960
Deposits with licensed banks	15,095	5,700
Bank overdrafts	(2,432)	(2,460)
	<u><u>19,829</u></u>	<u><u>8,200</u></u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2006 and the accompanying explanatory notes attached to the interim financial statements.

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## Notes to the interim financial report

### 1. Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad, including compliance with Financial Reporting Standard (FRS) 134<sub>2004</sub>, *Interim Financial Reporting*, issued by the Malaysian Accounting Standards Board (MASB).

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2006 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2007 annual financial statements. Details of these changes in accounting policies are set out in Note 2.

The preparation of an interim financial report in conformity with FRS 134<sub>2004</sub>, *Interim Financial Reporting* requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2006 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with FRSS.

The financial information relating to the financial year ended 31 March 2006 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 March 2006 are available from the Company's registered office.

### 2. Changes in accounting policies

The MASB has issued a number of new and revised Financial Reporting Standards (FRSs, which term collectively includes the MASB's Issues Committee's Interpretations) that are effective for accounting periods beginning on or after 1 January 2006.

The FRSs that will be effective in the annual financial statements for the year ending 31 March 2007 may be affected by the issue of additional interpretation(s) or other changes announced by the MASB subsequent to the date of issuance of this interim report. Therefore the policies that will be applied in the Group's financial statements for that period cannot be determined with certainty at the date of issuance of this interim financial report.

The following sets out further information on the changes in accounting policies for the annual accounting period beginning on 1 January 2006 which have been reflected in this interim financial report.

## 2. Changes in accounting policies (continued)

### *Summary of the effect of changes in accounting policies*

#### *(a) Amortisation of positive and negative goodwill (FRS 3, Business Combinations and FRS136, Impairment of Assets)*

In prior periods, positive goodwill was amortised on a straight line basis over its useful life and was subject to impairment testing when there were indications of impairment.

With effect from 1 January 2006, in accordance with FRS 3 and FRS136, the Group no longer amortises positive goodwill. Such goodwill is tested annually for impairment, including in the year of its initial recognition, as well as when there are indications of impairment. Impairment losses are recognised when the carrying amount of cash generating unit to which the goodwill has been allocated exceeds its recoverable amount.

Also with effect from 1 January 2006 and in accordance with FRS3, if the fair value of the net assets acquired in a business combination exceeds the consideration paid (i.e. an amount arises which would have been known as negative goodwill under the previous accounting policy), the excess is recognised immediately in the income statement as it arises.

The new policy in respect of positive goodwill has been applied prospectively in accordance with the transitional arrangements under FRS 3. As a result, comparative amounts have not been restated. The change of this policy had no significant effect on the results of the Group during the period.

The change in policy relating to negative goodwill had no effect on the interim financial report as there was no negative goodwill deferred as at 31 March 2006.

#### *(b) Changes in presentations (FRS101, Presentation of Financial Statements and FRS127, Consolidated and Separate Financial Statements) – Minority interests*

In prior years, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and as deduction from net assets. Minority interests in the results of the Group for the year were also separately presented in the income statement as a deduction before arriving at the profit attributable to shareholders.

With effect from 1 January 2006, in order to comply with FRS101 and FRS127, minority interests at the balance sheet date are presented in the consolidated balance sheet within equity, separately from the equity attributable to the equity holders of the parent, and minority interests in the results of the Group for the period are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the period between the minority interests and the equity holders of the parent.

The presentation of minority interests in the consolidated balance sheet, income statement and statement of changes in equity for the comparative period has been restated accordingly.

## 3. Property, plant and equipment

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



#### 4. Investment in quoted shares

There were no purchase or disposal of quoted securities for the current quarter under review.

#### 5. Tax expense

	3 months ended 30 September		6 months ended 30 September	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Income tax expense	767	755	1,347	1,398
Deferred tax expense	1	72	4	145
	<u>768</u>	<u>827</u>	<u>1,351</u>	<u>1,543</u>

The effective tax rate for the current and cumulative period to-date are lower than the statutory tax rate due to availability of reinvestment allowances incentive in certain subsidiaries.

#### 6. Basic earnings per share

Basic earnings per share is 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 2006	6 months ended 30 September 2006
Profit for the period (RM'000)	2,326	4,510
Less: Amount attributable to minority interest (RM'000)	<u>(103)</u>	<u>(175)</u>
Profit for the period attributable to shareholders of the Company (RM'000)	<u>2,223</u>	<u>4,335</u>
Weighted average number of ordinary shares in issue ('000)	<u>120,000</u>	<u>120,000</u>
Basic earnings per share (sen)	<u>1.85</u>	<u>3.61</u>

#### 7. Auditors' report on preceding annual financial statements

The auditors have expressed an unqualified opinion on the Company's statutory financial statements for the year ended 31 March 2006 in their report dated 21 July 2006.

#### 8. Seasonality of operations

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. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter.

## 10. Changes in estimates

There were no changes in estimates that have had material effect in the current quarter results.

## 11. Capital and reserves

There were no changes in capital and reserves that have had material effect in the current quarter results.

## 12. Dividends

At the Annual General Meeting of the Company held on 22 September 2006, the shareholders approved the payment of a final dividend of 3.5 sen per ordinary share less tax in respect of the financial year ended 31 March 2006.

## 13. Segment information

	Revenue 6 months ended 30 September		Profit before tax 6 months ended 30 September	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Paper packaging	44,949	42,789	4,878	4,675
Plastic packaging	32,074	30,145	1,162	1,982
Contract manufacturing and packing	14,565	15,375	678	386
Investment and property holding	463	295	47	(184)
	92,051	88,604	6,765	6,859
Inter-segment elimination	(15,169)	(14,875)	(1)	(69)
	76,882	73,729		
Segment result	--	--	6,764	6,790
Interest expense	--	--	(903)	(978)
Share of loss in associates	--	--	--	(46)
	<u>76,882</u>	<u>73,729</u>	<u>5,861</u>	<u>5,766</u>

## 14. Post balance sheet events

There are no material events after the period end that have not been reflected in the financial statements for the financial period ended 30 September 2006.

## 15. Changes in composition of the Group

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

## 16. Contingent assets and liabilities

There were no contingent assets and liabilities since the last annual balance sheet date.

## 17. Material related party transactions

Significant related party transactions of the Group are as follows:

	<b>6 months ended 30 September</b>	
	<b>2006 RM'000</b>	<b>2005 RM'000</b>
Directors' remunerations	606	732
<i>Rental payable to Mr.Tan Siew Kim, Mr.Kuan Hai Ngon, Mdm. Tan Sui Moi and Mr. Loi Tuan Ee</i>	55	55
<i>Associates</i>		
<i>- Gemilang Packaging Sdn. Bhd.*</i>		
Sales of carton boxes	--	542
<i>- PB Packaging (M) Sdn. Bhd.#</i>		
Sale of carton boxes	--	601
<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	335	223
<i>- Flexo Process (K.L.) Sdn. Bhd.</i>		
Rental receivable	16	15
<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	7,113	6,787
<i>- Perlis Paper Products Sdn. Bhd.</i>		
Rental payable	36	36

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

\* This company became a subsidiary on 30 March 2006.

# Disposed on 17 May 2006.

## 18. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 November 2006.

**Century Bond Bhd.**

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**Interim Financial Report  
30 September 2006**

Additional information required by the  
Bursa Malaysia Securities Berhad  
Listing Requirements

# **Century Bond Bhd.**

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## **Additional information required by the Bursa Malaysia Securities Berhad Listing Requirements**

### **1. Review of performance**

The Group's revenue for the 2nd quarter for the financial year ending 31 March 2007 is reported at RM37.6 million, which is approximately RM0.5 million higher compared to the same corresponding quarter last year. Despite the higher revenue, gross profit is reported at RM5.4 million in the current quarter which declined by RM0.7 million as compared to the same quarter last year of RM6.1 million due to lower gross profit margin as a result of rising material cost and intense competition in the current quarter.

### **2. Variation of results against preceding quarter**

The Group's current quarter net profit of RM2.3 million is comparable to the net profit of RM2.2 million registered in the preceding quarter.

### **3. Current year prospects**

The Group has identified paper and plastic packaging divisions as the key drivers of growth for the Group. The management has also determined several strategies to improve and increase the Group's capabilities and product range, with the aim to be more competitive and ultimately position itself as a "One-Stop Solution Provider" in the packaging industry, while the performance of the Group's contract manufacturing and consumer products division is expected to be maintained.

The financial performance of the Group in the current year will again largely depend on the performance of the domestic and regional economies.

The Group is optimistic that based on the measures and concerted efforts undertaken by the management and employees at all level, the Group will continue to maintain and generate positive earning in the current financial year.

### **4. Profit forecast**

Not applicable.

### **5. Unquoted investments and properties**

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

### **6. Status of corporate proposal announced**

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

## 7. Borrowing and debt securities

	<b>30.9.2006</b>	<b>31.3.2006</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Current</b>		
- Secured	4,762	8,637
- Unsecured	<u>18,753</u>	<u>13,768</u>
	<u>23,515</u>	<u>22,405</u>
 <b>Non-current</b>		
- Secured	1,144	1,778
- Unsecured	<u>2,260</u>	<u>3,049</u>
	<u>3,404</u>	<u>4,827</u>
 <b>Total borrowings</b>	<u><u>26,919</u></u>	<u><u>27,232</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. Changes in material litigation

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