

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

Interim Financial Report
31 December 2006

Century Bond Bhd.

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

Condensed consolidated balance sheet at 31 December 2006 - unaudited

| | Note | 31.12.2006 RM'000 | 31.3.2006 RM'000 (Restated) |
|---|------|----------------------|-----------------------------------|
| Assets | | | |
| Property, plant and equipment | 3 | 42,916 | 45,706 |
| Investment in associates | | -- | 275 |
| Investment in quoted shares | 4 | 78 | 78 |
| Goodwill | | 359 | 359 |
| Total non-current assets | | 43,353 | 46,418 |
| Inventories | | 28,755 | 31,308 |
| Trade and other receivables | | 39,264 | 35,964 |
| Tax recoverable | | 2,421 | 670 |
| Cash and cash equivalents | | 22,419 | 15,882 |
| Total current assets | | 92,859 | 83,824 |
| Total assets | | 136,212 | 130,242 |
| Equity | | | |
| Share capital | | 60,000 | 60,000 |
| Reserves | | 23,723 | 20,043 |
| Total equity attributable to shareholders of the Company | | 83,723 | 80,043 |
| Minority interests | | 1,593 | 1,793 |
| Total equity | | 85,316 | 81,836 |
| Liabilities | | | |
| Deferred tax liabilities | | 5,316 | 5,316 |
| Borrowings | | 2,732 | 4,827 |
| Total non-current liabilities | | 8,048 | 10,143 |
| Trade and other payables | | 20,115 | 15,646 |
| Borrowings | | 20,789 | 22,405 |
| Taxation | | 1,944 | 212 |
| Total current liabilities | | 42,848 | 38,263 |
| Total liabilities | | 50,896 | 48,406 |
| Total equity and liabilities | | 136,212 | 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)
(Incorporated in Malaysia)

Condensed consolidated income statement for the period ended 31 December 2006 - unaudited

| | Note | Individual 3 months ended 31 December | | Cumulative 9 months ended 31 December | |
|--|------|---|------------------------------|---|------------------------------|
| | | 2006 RM'000 | 2005 RM'000 (Restated) | 2006 RM'000 | 2005 RM'000 (Restated) |
| Revenue | | 34,320 | 38,678 | 111,202 | 112,407 |
| Cost of sales | | (28,613) | (32,557) | (94,309) | (94,486) |
| Gross profit | | 5,707 | 6,121 | 16,893 | 17,921 |
| Other income | | 662 | 437 | 2,161 | 1,286 |
| Distribution expenses | | (1,789) | (1,606) | (5,275) | (4,942) |
| Administrative expenses | | (1,068) | (1,242) | (3,503) | (3,765) |
| Other expenses | | -- | (91) | -- | (91) |
| Results from operating activities | | 3,512 | 3,619 | 10,276 | 10,409 |
| Finance costs | | (506) | (423) | (1,409) | (1,400) |
| Share of loss in associates | | -- | (11) | -- | (57) |
| Profit before tax | | 3,006 | 3,185 | 8,867 | 8,952 |
| Tax expense | 5 | (592) | (344) | (1,943) | (1,887) |
| Profit for the period | | 2,414 | 2,841 | 6,924 | 7,065 |
| Attributable to: | | | | | |
| Shareholders of the Company | | 2,351 | 2,756 | 6,686 | 6,811 |
| Minority interests | | 63 | 85 | 238 | 254 |
| Profit for the period | | 2,414 | 2,841 | 6,924 | 7,065 |
| Earnings per share | | | | | |
| Basic earnings per ordinary share (sen) | 6 | 1.96 | 2.30 | 5.57 | 5.68 |

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.

(Company No. 228669-V)

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Condensed consolidated statement of changes in equity for the period ended 31 December 2006 - unaudited

| | Note | ← 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 earnings RM'000 | | | Total RM'000 |
| At 1 April 2006 | | 60,000 | -- | 28 | 130 | 19,885 | 80,043 | 1,793 | 81,836 |
| Exchange fluctuation on translation of a foreign subsidiary | | -- | -- | -- | 18 | -- | 18 | -- | 18 |
| Profit for the period | | -- | -- | -- | -- | 6,686 | 6,686 | 238 | 6,924 |
| Dividend paid to minority shareholders | | -- | -- | -- | -- | -- | -- | (216) | (216) |
| Dividends to shareholders | 12 | -- | -- | -- | -- | (3,024) | (3,024) | -- | (3,024) |
| Acquisition of interest from minority shareholders | | -- | -- | -- | -- | -- | -- | (222) | (222) |
| At 31 December 2006 | | <u>60,000</u> | <u>--</u> | <u>28</u> | <u>148</u> | <u>23,547</u> | <u>83,723</u> | <u>1,593</u> | <u>85,316</u> |
| At 1 April 2005 | | 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 | | -- | -- | -- | (9) | -- | (9) | -- | (9) |
| Profit for the period | | -- | -- | -- | -- | 6,811 | 6,811 | 254 | 7,065 |
| Dividends to shareholders | 12 | -- | -- | -- | -- | (2,160) | (2,160) | -- | (2,160) |
| Acquisition of interest from minority shareholders | | -- | -- | -- | -- | -- | -- | 28 | 28 |
| At 31 December 2005 | | <u>60,000</u> | <u>--</u> | <u>28</u> | <u>128</u> | <u>17,769</u> | <u>77,925</u> | <u>1,993</u> | <u>79,918</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.

(Company No. 228669-V)

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Condensed consolidated cash flow statement for the period ended 31 December 2006 - unaudited

| | 9 months ended 31 December | |
|--|-------------------------------|----------------|
| | 2006 RM'000 | 2005 RM'000 |
| Cash flows from operating activities | | |
| Profit before tax | 8,867 | 8,952 |
| Adjustments for non-cash flow: | | |
| Non-cash items | 3,305 | 3,532 |
| Non-operating items | (1,184) | 1,307 |
| Operating profit before changes in working capital | 10,988 | 13,791 |
| Changes in working capital: | | |
| Net change in current assets | (1,019) | 2,142 |
| Net change in current liabilities | 4,487 | 276 |
| Tax paid | (1,962) | (2,455) |
| Net cash from operating activities | 12,494 | 13,754 |
| Cash flows from investing activity | | |
| Other investments/ Net cash used in investing activity | (415) | (2,286) |
| Cash flows from financing activities | | |
| Transactions with owners and minority shareholders | (3,240) | (2,160) |
| Bank borrowings | (2,431) | (8,431) |
| Net cash used in financing activities | (5,671) | (10,591) |
| Net increase in cash and cash equivalents | 6,408 | 877 |
| Cash and cash equivalents at beginning of period | 14,758 | 11,078 |
| Cash and cash equivalents at end of period | 21,166 | 11,955 |
| Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts: | | |
| Cash and bank balances | 13,478 | 4,863 |
| Deposits with licensed banks | 8,920 | 8,320 |
| Bank overdrafts | (1,232) | (1,228) |
| | 21,166 | 11,955 |

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) 134₂₀₀₄, *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 134₂₀₀₄, *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 other than those that have been restated as a result of the change in accounting policies. 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 31 December | | 9 months ended 31 December | |
|-------------------------------|-------------------------------|----------------|-------------------------------|----------------|
| | 2006 RM'000 | 2005 RM'000 | 2006 RM'000 | 2005 RM'000 |
| Income tax expense | | | | |
| - Current year | 596 | 795 | 1,943 | 2,193 |
| - Overprovision in prior year | -- | (320) | -- | (320) |
| | 596 | 475 | 1,943 | 1,873 |
| Deferred tax (income)/expense | (4) | (131) | -- | 14 |
| | <u>592</u> | <u>344</u> | <u>1,943</u> | <u>1,887</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. Earnings per share

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 31 December 2006 | 9 months ended 31 December 2006 |
|---|---------------------------------------|---------------------------------------|
| Profit for the period (RM'000) | 2,414 | 6,924 |
| Less: Amount attributable to minority interest (RM'000) | (63) | (238) |
| Profit for the period attributable to shareholders of the Company (RM'000) | <u>2,351</u> | <u>6,686</u> |
| Weighted average number of ordinary shares in issue ('000) | <u>120,000</u> | <u>120,000</u> |
| Basic earnings per share (sen) | <u>1.96</u> | <u>5.57</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

Dividends attributable to the previous financial year, approved and paid during the interim period

| | nine months ended 31 December 2006 | nine months ended 31 December 2005 |
|--|---|---|
| <i>In thousands of RM'000</i> | | |
| Final dividend in respect of the financial year ended 31 March 2006, approved and paid during the following interim period, of 3.5 sen per share less 28 per cent tax (year ended 31 March 2005: 2.5 sen per share less 28 per cent tax) | 3,024 | 2,160 |

13. Segment information

| | Revenue 9 months ended 31 December | | Profit before tax 9 months ended 31 December | |
|---------------------------------------|--|----------------|--|----------------|
| | 2006 RM'000 | 2005 RM'000 | 2006 RM'000 | 2005 RM'000 |
| Paper packaging | 66,124 | 63,626 | 7,011 | 6,845 |
| Plastic packaging | 45,946 | 48,110 | 2,059 | 3,366 |
| Contract manufacturing and packing | 21,853 | 22,970 | 1,105 | 748 |
| Investment and property holding | 695 | 443 | 101 | (388) |
| | 134,618 | 135,149 | 10,276 | 10,571 |
| Inter-segment elimination | (23,416) | (22,742) | -- | (162) |
| | 111,202 | 112,407 | | |
| Segment result | -- | -- | 10,276 | 10,409 |
| Interest expense | -- | -- | (1,409) | (1,400) |
| Share of loss in associates | -- | -- | -- | (57) |
| | 111,202 | 112,407 | 8,867 | 8,952 |

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 31 December 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:

| | 9 months ended 31 December | |
|--|-------------------------------|----------------|
| | 2006 RM'000 | 2005 RM'000 |
| Directors' remunerations | 909 | 1,034 |
| <i>Remuneration paid to staff who is a close family member of a Director, Mr. Loi Tuan Ee</i> | -- | 15 |
| <i>Rental payable to Mr. Tan Siew Kim, Mr. Kuan Hai Ngon, Mdm. Tan Sui Moi and Mr. Loi Tuan Ee</i> | 82 | 82 |
| <i>Associates</i> | | |
| - <i>Gemilang Packaging Sdn. Bhd.*</i> | | |
| Sales of carton boxes | -- | 857 |
| - <i>PB Packaging (M) Sdn. Bhd.#</i> | | |
| Sale of carton boxes | -- | 971 |
| <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 | 474 | 344 |
| - <i>Flexo Process (K.L.) Sdn. Bhd.</i> | | |
| Rental receivable | 25 | 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 | 9,755 | 10,096 |
| - <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.

* This company became a subsidiary on 31 December 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 26 February 2007.

Century Bond Bhd.

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

**Interim Financial Report
31 December 2006**

Additional information required by the
Bursa Malaysia Securities Berhad
Listing Requirements

Century Bond Bhd.

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

Additional information required by the Bursa Malaysia Securities Berhad Listing Requirements

1. Review of performance

The Group's revenue for the 3rd quarter for the financial year ending 31 March 2007 is reported at RM34.3 million, which is approximately RM4.4 million lower compared the same corresponding quarter last year. Gross profit is reported at RM5.7 million in current quarter which declined by RM0.4 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 current quarter.

2. Variation of results against preceding quarter

The Group's current quarter net profit of RM2.4 million is comparable to the net profit of RM2.3 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 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 proposal during the current year under review.

7. Borrowing and debt securities

| | 31.12.2006 | 31.3.2006 |
|-------------------------|----------------------|----------------------|
| | RM'000 | RM'000 |
| Current | | |
| - Secured | 6,226 | 8,637 |
| - Unsecured | <u>14,563</u> | <u>13,768</u> |
| | <u>20,789</u> | <u>22,405</u> |
| Non-current | | |
| - Secured | 809 | 1,778 |
| - Unsecured | <u>1,923</u> | <u>3,049</u> |
| | <u>2,732</u> | <u>4,827</u> |
| Total borrowings | <u><u>23,521</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 22 February 2007, being a date not earlier than 7 days from the date of this quarterly report.