

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

Interim Financial Report
31 December 2007

Century Bond Bhd.

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

Condensed consolidated balance sheet at 31 December 2007 - unaudited

	Note	31.12.2007 RM'000	31.3.2007 RM'000 (Restated)
Assets			
Property, plant and equipment	A3	43,579	40,294
Prepaid lease payments		4,716	4,866
Investment in quoted shares	B7	7	7
Goodwill		359	359
Total non-current assets		<u>48,661</u>	<u>45,526</u>
Inventories		35,705	31,443
Trade and other receivables		61,292	35,650
Tax recoverable		1,030	1,357
Cash and cash equivalents		18,886	23,121
Total current assets		<u>116,913</u>	<u>91,571</u>
Total assets		<u><u>165,574</u></u>	<u><u>137,097</u></u>
Equity			
Share capital		60,000	60,000
Reserves		28,552	26,502
Total equity attributable to shareholders of the Company		88,552	86,502
Minority interest		1,835	1,669
Total equity		<u>90,387</u>	<u>88,171</u>
Liabilities			
Loans and borrowings	B9	5,891	2,077
Deferred tax liabilities		5,047	4,933
Total non-current liabilities		<u>10,938</u>	<u>7,010</u>
Trade and other payables		35,744	18,348
Loans and borrowings	B9	27,791	23,386
Taxation		714	182
Total current liabilities		<u>64,249</u>	<u>41,916</u>
Total liabilities		<u>75,187</u>	<u>48,926</u>
Total equity and liabilities		<u><u>165,574</u></u>	<u><u>137,097</u></u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2007 and the accompanying explanatory notes attached to the interim financial statements.

Century Bond Bhd.

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Condensed consolidated income statement for the period ended 31 December 2007 - unaudited

	Note	Individual 3 months ended 31 December		Cumulative 9 months ended 31 December	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Revenue		48,548	34,320	131,817	111,202
Cost of sales		(40,059)	(28,613)	(110,291)	(94,309)
Gross profit		8,489	5,707	21,526	16,893
Other income		498	662	2,456	2,161
Distribution expenses		(2,442)	(1,789)	(6,976)	(5,275)
Administrative expenses		(1,445)	(1,068)	(4,058)	(3,503)
Other expenses		--	--	--	--
Results from operating activities		5,100	3,512	12,948	10,276
Finance costs		(737)	(506)	(1,968)	(1,409)
Profit before tax		4,363	3,006	10,980	8,867
Tax expense	B5	(1,108)	(592)	(2,872)	(1,943)
Profit for the period		3,255	2,414	8,108	6,924
Attributable to:					
Shareholders of the Company		3,232	2,351	7,942	6,686
Minority interest		23	63	166	238
Profit for the period		3,255	2,414	8,108	6,924
Basic earnings and diluted per ordinary share (sen)	B12	2.69	1.96	6.62	5.57

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 March 2007 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 31 December 2007 - unaudited**

	Note	Non-distributable			Distributable			Total equity RM'000
		Share capital RM'000	Revaluation reserve RM'000	Exchange fluctuation reserves RM'000	Retained earnings RM'000	Total RM'000	Minority interest RM'000	
<i>At 1 April 2007</i>		60,000	28	141	26,333	86,502	1,669	88,171
Realisation of deferred tax expenses		--	75	--	--	75	--	75
Exchange differences on translation of the financial statements of foreign subsidiaries		--	--	33	--	33	--	33
Profit for the period		--	--	--	7,942	7,942	166	8,108
Dividends to shareholders	A9	--	--	--	(6,000)	(6,000)	--	(6,000)
<i>At 31 December 2007</i>		60,000	103	174	28,275	88,552	1,835	90,387
<i>At 1 April 2006</i>		60,000	28	130	19,885	80,043	1,793	81,836
Exchange differences on translation of the financial statements of foreign subsidiaries		--	--	18	--	18	--	18
Profit for the period		--	--	--	6,686	6,686	238	6,924
Dividend paid to minority shareholders		--	--	--	--	--	(216)	(216)
Dividends to shareholders		--	--	--	(3,024)	(3,024)	--	(3,024)
Acquisition of interest from minority shareholders		--	--	--	--	--	(222)	(222)
<i>At 31 December 2006</i>		60,000	28	148	23,547	83,723	1,593	85,316

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2007 and the accompanying explanatory notes attached to the interim financial statements.

Century Bond Bhd.

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**Condensed consolidated cash flow statement
for the period ended 31 December 2007 - unaudited**

	9 months ended 31 December	
	2007	2006
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	10,980	8,867
Adjustments for non-cash flow:		
Non-cash items	3,661	3,305
Non-operating items	<u>(2,107)</u>	<u>(1,184)</u>
Operating profit before changes in working capital	12,534	10,988
Net change in current assets	(29,905)	(1,019)
Net change in current liabilities	17,760	4,487
Tax paid	<u>(1,900)</u>	<u>(1,962)</u>
Net cash from operating activities	<u>(1,511)</u>	<u>12,494</u>
Cash flows from investing activities		
Other investments activities/		
Net cash used in investing activities	<u>(5,207)</u>	<u>(415)</u>
Cash flows from financing activities		
Dividend paid to shareholders	(6,000)	(3,240)
Proceeds from/(Payment for) bank borrowings	<u>6,140</u>	<u>(2,431)</u>
Net cash used in financing activities	<u>140</u>	<u>(5,671)</u>
Net (decrease)/increase in cash and cash equivalents	(6,578)	6,408
Cash and cash equivalents at beginning of period	<u>22,449</u>	<u>14,758</u>
Cash and cash equivalents at end of period	<u><u>15,871</u></u>	<u><u>21,166</u></u>

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

Cash and bank balances	5,797	13,478
Deposits with licensed banks	13,089	8,920
Bank overdrafts	<u>(3,015)</u>	<u>(1,232)</u>
	<u><u>15,871</u></u>	<u><u>21,166</u></u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2007 and the accompanying explanatory notes attached to the interim financial statements.

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(A) Notes to the interim financial report

A1. 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, *Interim Financial Reporting*, issued by the Malaysian Accounting Standards Board (MASB).

The preparation of an interim financial report in conformity with FRS 134, *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 2007 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 2007 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 2007 are available from the Company's registered office.

A2. 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 April 2006.

The Board of Directors has determined the accounting policies to be adopted in the preparation of the Group's annual financial statements for the year ending 31 March 2008 on the basis of FRSs currently in effect.

The following sets out further information on the changes in accounting policies for the annual accounting period beginning on 1 April 2007 which have been reflected in this interim financial report.

Summary of the effect of changes in accounting policies

(a) Leasehold land (FRS 117, Leases)

The adoption of the revised FRS117 has resulted in a retrospective change in accounting policy relating to the classification of leasehold land. Leasehold land was previously classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. With the adoption of FRS 117, the leasehold interest in the land held for own use is accounted for as being held under an operating lease. Such prepaid lease payments are amortised on a straight line basis over the remaining lease term of the land.

The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively.

A2. Changes in accounting policies (continued)**(b) Income taxes (FRS 112, Income Taxes)**

FRS 112 addresses the accounting treatment for income taxes. However, FRS 112 does not prescribe the accounting treatment for reinvestment allowance and investment tax allowance. In the current accounting policy for income taxes, reinvestment allowance or investment tax allowance is treated as the tax base of an asset. The Group and the Company have not yet determined whether this accounting policy needs to be changed.

A3. Property, plant and equipment

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

A4. 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 2007 in their report dated 10 July 2007.

A5. 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 first and second quarters of the financial year.

A6. Unusual items affecting the assets, liabilities, equity, net income or cash flows

There are no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current quarter and financial year-to-date.

A7. Material changes in estimates

There are no material changes in estimates for the current quarter and financial year-to-date.

A8. Capital and reserves

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter.

A9. Dividends paid

Since the end of the previous financial year, the Company paid a final dividend of 5 sen tax exempt per ordinary share totalling RM6,000,000 in respect of the year ended 31 March 2007 on 30th August 2007.

No interim dividend has been declared for the current financial year to-date.

Company No. 228669-V

A10. Segment information

	Revenue 9 months ended 31 December		Profit before tax 9 months ended 31 December	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Paper packaging	86,999	66,124	10,864	7,011
Plastic packaging	48,327	45,946	2,213	2,059
Contract manufacturing and packing	22,058	21,853	(269)	1,105
Investment and property holding	695	695	141	101
	<u>158,079</u>	<u>134,618</u>	<u>12,949</u>	<u>10,276</u>
Inter-segment elimination	<u>(26,262)</u>	<u>(23,416)</u>	<u>--</u>	<u>--</u>
	131,817	111,202		
Segment result	--	--	12,949	10,276
Finance costs	--	--	(1,969)	(1,409)
	<u>131,817</u>	<u>111,202</u>	<u>10,980</u>	<u>8,867</u>

A11. 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.

A12. Changes in composition of the Group

On 19th December 2007, CB Bags Sdn. Bhd., a wholly owned subsidiary of the Company has acquired an 80% equity interest comprised of 600,000 ordinary shares in ESTEEM PACKAGING PTE.LTD., a company incorporated in Republic of Singapore.

A13. Contingent assets and contingent liabilities

The Group does not have any contingent liabilities and contingent assets since the last annual balance sheet date.

A14. Capital Commitments

	31 December 2007 RM'000	31 December 2006 RM'000
<i>Property, plant and equipment</i> Contracted but not provided for	<u>500</u>	<u>--</u>

A15. Material related party transactions

Significant related party transactions of the Group are as follows:

	9 months ended 31 December	
	2007 RM'000	2006 RM'000
Directors' remunerations	1,158	909
<i>Rental payable to certain Directors</i>	68	82
<i>Companies in which the spouse of an Executive Director of CBB has substantial financial interest</i>		
Purchases of printing block	548	474
Rental receivable	27	25
<i>Company in which a corporate shareholder of a subsidiary has substantial financial interest</i>		
Sale of paper bags	13,820	9755
Rental payable	54	54

A16. Comparative figures

Certain comparative figures have been reclassified as a result of adoption of FRS 117, Leases.

	As restated RM'000	As previously stated RM'000
<i>Balance sheets</i>		
Property, plant and equipment	40,294	45,160
Prepaid lease payments	4,866	--

A17. 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 2008.

Part B

Additional Explanatory Notes Pursuant to
Appendix 9B of the Listing – Requirements of
Bursa Malaysia Securities Berhad
– Third Quarter Ended 31 December 2007

B1. Review of performance

The Group's revenue for the current quarter is reported at RM48.548 million, which is approximately RM14.228 million higher compared to the same corresponding quarter last year due to increase in sales volume of our paper packaging products together with additional sales from our Indonesia plant. Gross profit is reported at RM8.489 million in current quarter which increased by RM2.782 million compared to the same quarter last year of RM5.707 million due to increase in sales volume of our paper packaging products and additional sales from our Indonesia plant together with improvement in our profit margin as a result of increased in selling price.

B2. Variation of results against preceding quarter

The Group's current quarter profit before tax of RM4.363 million, which is RM1.357 million higher compared to the profit before tax of RM3.006 million registered in the preceding quarter due to increase in sales volume of our paper packaging products contributed by our Indonesia plant and improvement in gross profit margin.

B3. 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.

The financial performance of the Group in the current year will be driven by performance of the domestic and regional economies.

The Group is optimistic to maintain and generate positive earning in the current financial year with the measures and concerted efforts undertaken by the management and employees at all level.

B4. Profit forecast

Not applicable.

B5. Tax expense

	3 months ended 31 December		9 months ended 31 December	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Tax expense				
- Current year	1,108	596	2,872	1,943
- Under provision in prior quarter	--	--	--	--
	1,108	596	2,872	1,943
Deferred tax expense				
- Reversal and origination of temporary differences*	--	(4)	--	--
- Under provision in prior year	--	--	--	--
	--	(4)	--	--
	1,108	592	2,872	1,943

The effective tax rate is slightly lower than the statutory tax rate mainly due to utilization of reinvestment allowance by certain of the subsidiaries for current quarter and year to-date.

B5. Tax expense (continued)

- * With effect from year of assessment 2008, corporate tax rate is at 26%. The Malaysian Budget 2008 also announced the reduction of corporate tax rate to 25% in 2009. Consequently deferred tax assets and liabilities are measured using these tax rates.

B6. 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.

B7. Investment in quoted shares

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

B8. Status of corporate proposal announced

There were no outstanding corporate proposal during the current quarter and financial year to date.

B9. Loans and borrowings

The loans and borrowings of the Group denominated in Ringgit Malaysia are as follows:

	31 December 2007 RM'000	31 March 2007 RM'000
Non-current		
- Secured	3,875	408
- Unsecured	2,016	1,669
	<u>5,891</u>	<u>2,077</u>
Current		
- Secured	277	10,268
- Unsecured	27,514	13,118
	<u>27,791</u>	<u>23,386</u>
Total borrowings	<u><u>33,682</u></u>	<u><u>25,463</u></u>

B10. 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.

B11. Changes in material litigation

There were no pending material litigation as at 20 February 2008, being a date not earlier than 7 days from the date of this quarterly report.

B12. Earnings per ordinary share*Basic and diluted earnings per ordinary share*

Basic and diluted earnings per ordinary 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 2007	9 months ended 31 December 2007
Profit for the period (RM'000)	3,255	8,108
Less: Amount attributable to minority interest (RM'000)	(23)	(166)
Profit for the period attributable to shareholders of the Company (RM'000)	<u>3,232</u>	<u>7,942</u>
Weighted average number of ordinary shares in issue ('000)	<u>120,000</u>	<u>120,000</u>
Basic and diluted earnings per share (sen)	<u><u>2.69</u></u>	<u><u>6.62</u></u>

There are no dilutive earnings per share during the period.