

Century Bond Bhd.

(Company No. 228669-V)

(Incorporated in Malaysia)

Interim Financial Report
31 March 2008

Century Bond Bhd.

(Company No. 228669-V)

(Incorporated in Malaysia)

Condensed consolidated balance sheet at 31 March 2008 - unaudited

	Note	31.3.2008 RM'000	31.3.2007 RM'000 (Restated)
Assets			
Property, plant and equipment		45,509	40,294
Prepaid lease payments		5,174	4,866
Investment in quoted shares	B7	7	7
Goodwill		359	359
Total non-current assets		<u>51,049</u>	<u>45,526</u>
Inventories		53,372	31,443
Trade and other receivables		49,414	35,650
Tax recoverable		693	1,357
Cash and cash equivalents		21,622	23,121
Total current assets		<u>125,101</u>	<u>91,571</u>
Total assets		<u><u>176,150</u></u>	<u><u>137,097</u></u>
Equity			
Share capital		60,000	60,000
Reserves		32,715	26,502
Total equity attributable to shareholders of the Company		92,715	86,502
Minority interest		2,303	1,669
Total equity		<u>95,018</u>	<u>88,171</u>
Liabilities			
Loans and borrowings	B9	2,211	2,077
Deferred tax liabilities		5,663	4,933
Total non-current liabilities		<u>7,874</u>	<u>7,010</u>
Trade and other payables		28,222	18,348
Loans and borrowings	B9	44,485	23,386
Taxation		551	182
Total current liabilities		<u>73,258</u>	<u>41,916</u>
Total liabilities		<u>81,132</u>	<u>48,926</u>
Total equity and liabilities		<u><u>176,150</u></u>	<u><u>137,097</u></u>

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Condensed consolidated income statement for the period ended 31 March 2008 - unaudited

	Note	Individual 3 months ended 31 March		Cumulative 12 months ended 31 March	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Revenue		46,255	35,049	178,072	146,210
Cost of goods sold		(38,180)	(29,215)	(148,471)	(123,300)
Gross profit		8,075	5,834	29,601	22,910
Other income		695	563	3,151	2,750
Distribution expenses		(2,159)	(1,871)	(9,135)	(7,170)
Administrative expenses		(1,802)	(1,231)	(5,860)	(5,047)
Other expenses		(936)	--	(936)	(411)
Results from operating activities		3,873	3,295	16,821	13,032
Finance costs		(551)	(644)	(2,519)	(1,786)
Profit before tax		3,322	2,651	14,302	11,246
Tax (expense)/income	B5	(716)	237	(3,588)	(1,456)
Profit for the period		<u>2,606</u>	<u>2,888</u>	<u>10,714</u>	<u>9,790</u>
Attributable to:					
Shareholders of the Company		2,488	2,815	10,430	9,473
Minority interest		118	73	284	317
Profit for the period		<u>2,606</u>	<u>2,888</u>	<u>10,714</u>	<u>9,790</u>
Basic earnings and diluted per ordinary share (sen)	B12	<u>2.07</u>	<u>2.35</u>	<u>8.69</u>	<u>7.89</u>

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**Condensed consolidated statement of changes in equity
for the period ended 31 March 2008 - 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	140	26,334	86,502	1,669	88,171
Revaluation of properties, net of tax		--	1,880	--	--	1,880	--	1,880
Exchange differences on translation of the financial statements of foreign subsidiaries		--	--	(97)	--	(97)	--	(97)
Profit for the period		--	--	--	10,430	10,430	284	10,714
Dividends to shareholders	A7	--	--	--	(6,000)	(6,000)	--	(6,000)
Acquisition of minority interest		--	--	--	--	--	350	350
<i>At 31 March 2008</i>		60,000	1,908	43	30,764	92,715	2,303	95,018
<i>At 1 April 2006</i>		60,000	28	129	19,885	80,042	1,793	81,835
Exchange differences on translation of the financial statements of foreign subsidiaries		--	--	11	--	11	--	11
Profit for the period		--	--	--	9,473	9,473	317	9,790
Dividend paid to minority shareholders		--	--	--	--	--	(219)	(219)
Dividends to shareholders		--	--	--	(3,024)	(3,024)	--	(3,024)
Acquisition of interest from minority shareholders		--	--	--	--	--	(222)	(222)
<i>At 31 March 2007</i>		60,000	28	140	26,334	86,502	1,669	88,171

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Condensed consolidated cash flow statement for the period ended 31 March 2008 - unaudited

	12 months ended 31 March	
	2008 RM'000	2007 RM'000
Cash flows from operating activities		
Profit before tax	14,302	11,246
Adjustments for non-cash flow:		
Non-cash items	5,143	4,483
Non-operating items	2,171	793
Operating profit before changes in working capital	21,616	16,522
Net change in current assets	(35,751)	732
Net change in current liabilities	9,874	3,109
Tax paid	(2,155)	(2,556)
Net cash (used in)/from operating activities	<u>(6,416)</u>	<u>17,807</u>
Cash flows from investing activities		
Other investments activities/ Net cash used in investing activities	<u>(8,305)</u>	<u>(3,718)</u>
Cash flows from financing activities		
Dividend paid to shareholders	(6,000)	(3,024)
Proceeds from/(Payment for) bank borrowings	17,866	(3,374)
Net cash from/(used in) financing activities	<u>11,866</u>	<u>(6,398)</u>
Net (decrease)/increase in cash and cash equivalents	(2,855)	7,691
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>19,594</u></u>	<u><u>22,449</u></u>

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

Cash and bank balances	9,216	6,834
Deposits with licensed banks	12,366	16,248
Bank overdrafts	(1,988)	(633)
	<u>19,594</u>	<u>22,449</u>

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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 interim financial report of the Company has been prepared in accordance with the same accounting policies adopted in the 2007 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2008 annual financial statements. Details of these changes in accounting policies are set out in Note A2.

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.

A2. Changes in accounting policies (continued)

Summary of the effect of changes in accounting policies

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.

A3. 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.

A4. 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.

A5. Material changes in estimates

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

A6. Capital and reserves

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

A7. Dividends paid

Since the end of the previous financial year, the Company paid a final dividend of 10% or 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. The final dividend recommended by the Directors in respect of the year ended 31 March 2008 is 8% tax exempt per ordinary share totalling RM4,800,000.00.

A8. Segment information

	Revenue 12 months ended 31 March		Profit before tax 12 months ended 31 March	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Paper packaging	123,681	87,140	17,457	5,851
Plastic packaging	61,475	61,012	1,965	2,722
Contract manufacturing and packing	30,153	28,724	549	694
Investment and property holding	8,216	11,201	7,345	10,357
	223,525	188,077	27,316	19,624
Inter-segment elimination	(45,453)	(41,867)	(10,495)	(6,592)
	178,072	146,210		
Segment result	--	--	16,821	13,032
Finance costs	--	--	(2,519)	(1,786)
	178,072	146,210	14,302	11,246

A9. 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.

A10. Changes in composition of the Group

On 7 March 2008, Prestige Manila Venture Sdn. Bhd. ("PMV") (formerly known as Creative Chemicals Sdn. Bhd.), a wholly-owned subsidiary of Multiview Enterprises Sdn. Bhd., which in turn is a wholly-owned subsidiary of the Company had entered into a Joint Venture Agreement ("JVA") with Allantin Packaging Corporation ("APC"), a corporation duly organised and existing under the law of the Republic of Philippines to set up a joint venture company namely Philippine Cenbond Packaging, Inc ("PCPI") with PMV subscribing for up to 51% of its equity interest to carry on the business of paper bag manufacturing in the Philippines. PCPI was incorporated on 24 April 2008.

A11. Contingent assets and contingent liabilities

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

A12. Capital Commitments

	31 March 2008 RM'000	31 March 2007 RM'000
<i>Property, plant and equipment</i> Contracted but not provided for	2,000	--

A13. Material related party transactions

Significant related party transactions of the Group are as follows:

	12 months ended 31 March	
	2008 RM'000	2007 RM'000
Directors' remunerations	2,084	1,480
<i>Rental payable to certain Directors</i>	91	109
<i>Companies in which the spouse of an Executive Director of CBB has substantial financial interest</i>		
Purchases of printing block	739	662
Rental receivable	36	34
<i>Company in which a corporate shareholder of a subsidiary has substantial financial interest</i>		
Sale of paper bags	19,591	12,385
Rental payable	72	72

A14. 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	--

A15. 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 29 May 2008.

Part B

Additional Explanatory Notes Pursuant to
Appendix 9B of the Listing – Requirements of
Bursa Malaysia Securities Berhad
– Fourth Quarter Ended 31 March 2008

B1. Review of performance

The Group's revenue for the current quarter is reported at RM46.255 million, which is approximately RM11.206 million higher compared to the corresponding quarter last year due to increase in selling price of our paper packaging products together with additional sales generated from our Indonesian operation. Gross profit is reported at RM8.075 million in current quarter which increased by RM2.241 million compared to the same quarter last year of RM5.834 million mainly attributable to higher turnover achieved on our paper packaging products which mainly came from paper bags division.

B2. Variation of results against preceding quarter

The Group's current quarter profit before tax of RM3.322 million, which is RM1.041 million lower compared to the profit before tax of RM4.363 million registered in the preceding quarter due to allowance for doubtful receivables, obsolete inventories written off and impairment loss on plant and equipment of certain subsidiaries in the current quarter.

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 endeavour to maintain and generate positive earning in the coming year with the diligence and concerted efforts to be undertaken by the management and employees at all levels.

B4. Profit forecast

Not applicable.

B5. Tax expense/(income)

	3 months ended 31 March		12 months ended 31 March	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Tax expense				
- Current year	672	29	3,544	1,786
- (Over)/Under in prior quarter	(80)	(15)	(80)	53
	592	14	3,464	1,839
Deferred tax expense/(income)				
- Reversal and origination of temporary differences*	152	(251)	152	(307)
- Over in prior year	(28)	--	(28)	(76)
	124	(251)	124	(383)
	<u>716</u>	<u>(237)</u>	<u>3,588</u>	<u>1,456</u>

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 the current quarter.

* The corporate tax rate are at 26% for year of assessment 2008 and 25% for the subsequent years of assessment. 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 was no purchase or disposal of quoted securities for the current quarter under review.

B8. Status of corporate proposal announced

On 10 March 2008, the Company had announced that a Joint Venture Agreement between Prestige Manila Venture Sdn. Bhd. ("PMV") (formerly known as Creative Chemicals Sdn. Bhd.), a wholly-owned subsidiary and Allantin Packaging Corporation ("APC") had been entered on 7 March 2008 for the setting up of a joint venture company to be known as Philippine Cenbond Packaging, Inc ("PCPI") to carry on the business of paper bag manufacturing in the Philippines.

As at the date of this quarterly report, Phase One of the joint venture involving the incorporation of PCPI had been completed. PCPI was incorporated on 24 April 2008 in accordance with the Corporation Code of the Philippines and the Foreign Investment Act, 1991.

B8. Status of corporate proposal announced (continued)

Phase Two of the joint venture which involves the following is currently in the process of implementation:-

- a) PMV and APC respectively subscribing for additional share capital in PCPI in the proportion to their respective agreed shareholdings;
- b) The Machinery Purchase Agreement between PCPI and PMV taking effect; and
- c) The Contract of Lease for the lease of the factory building taking effect.

B9. Loans and borrowings

	31 March 2008 RM'000	31 March 2007 RM'000
Non-current		
- Secured	1,814	408
- Unsecured	397	1,669
	<u>2,211</u>	<u>2,077</u>
Current		
- Secured	19,622	10,267
- Unsecured	24,863	13,119
	<u>44,485</u>	<u>23,386</u>
Total borrowings	<u><u>46,696</u></u>	<u><u>25,463</u></u>

Borrowings denominated in foreign currency:

	RM'000 Equivalent	RM'000 Equivalent
U.S. Dollars	<u>16,126</u>	<u>3,704</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 24 May 2008, being a date not earlier than 7 days from the date of this quarterly report.

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

Basic earnings per ordinary share are 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 March 2008	12 months ended 31 March 2008
Profit for the period (RM'000)	2,606	10,714
Less: Amount attributable to minority interest (RM'000)	(118)	(284)
Profit for the period attributable to shareholders of the Company (RM'000)	<u>2,488</u>	<u>10,430</u>
Weighted average number of ordinary shares in issue ('000)	<u>120,000</u>	<u>120,000</u>
Basic earnings per share (sen)	<u>2.07</u>	<u>8.69</u>

Diluted earnings per ordinary share

There are no dilutive earnings per share during the period.