

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

Interim Financial Report
30 June 2008

Century Bond Bhd.

(Company No. 228669-V)

(Incorporated in Malaysia)

Condensed consolidated balance sheet at 30 June 2008 - unaudited

	Note	30.6.2008 RM'000	31.3.2008 RM'000
Assets			
Property, plant and equipment		46,150	45,509
Prepaid lease payments		5,108	5,174
Investment in quoted shares	B7	7	7
Goodwill		359	359
Total non-current assets		<u>51,624</u>	<u>51,049</u>
Inventories		49,159	53,372
Trade and other receivables		51,852	49,413
Tax recoverable		593	718
Cash and cash equivalents		14,042	21,622
Total current assets		<u>115,646</u>	<u>125,125</u>
Total assets		<u><u>167,270</u></u>	<u><u>176,174</u></u>
Equity			
Share capital		60,000	60,000
Reserves		35,460	32,740
Total equity attributable to shareholders of the Company		95,460	92,740
Minority interest		<u>2,537</u>	<u>2,303</u>
Total equity		<u>97,997</u>	<u>95,043</u>
Liabilities			
Loans and borrowings	B9	2,837	2,211
Deferred tax liabilities		5,663	5,663
Total non-current liabilities		<u>8,500</u>	<u>7,874</u>
Trade and other payables		29,266	28,222
Loans and borrowings	B9	29,778	44,485
Taxation		1,729	550
Total current liabilities		<u>60,773</u>	<u>73,257</u>
Total liabilities		<u>69,273</u>	<u>81,131</u>
Total equity and liabilities		<u><u>167,270</u></u>	<u><u>176,174</u></u>

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**Condensed consolidated income statement
for the period ended 30 June 2008 - unaudited**

	Note	Individual 3 months ended 30 June		Cumulative 3 months ended 30 June	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Revenue		47,571	38,824	47,571	38,824
Cost of sales		(39,779)	(32,405)	(39,779)	(32,405)
Gross profit		7,792	6,419	7,792	6,419
Other income		628	702	628	702
Distribution expenses		(2,355)	(2,095)	(2,355)	(2,095)
Administrative expenses		(1,700)	(1,589)	(1,700)	(1,589)
Other expenses		-	-	-	-
Results from operating activities		4,365	3,437	4,365	3,437
Finance costs		(615)	(627)	(615)	(627)
Profit before tax		3,750	2,810	3,750	2,810
Tax expense	B5	(993)	(552)	(993)	(552)
Profit for the period		<u>2,757</u>	<u>2,258</u>	<u>2,757</u>	<u>2,258</u>
Attributable to:					
Shareholders of the Company		2,637	2,176	2,637	2,176
Minority interest		120	82	120	82
Profit for the period		<u>2,757</u>	<u>2,258</u>	<u>2,757</u>	<u>2,258</u>
Basic earnings and diluted per ordinary share (sen)	B12	<u>2.20</u>	<u>1.81</u>	<u>2.20</u>	<u>1.81</u>

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Condensed consolidated statement of changes in equity for the period ended 30 June 2008 - unaudited

Note	← Non-distributable →			Distributable			
	Share capital RM'000	Revaluation reserve RM'000	Exchange fluctuation reserves RM'000	Retained earnings RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
<i>At 1 April 2008</i>	60,000	1,908	43	30,789	92,740	2,303	95,043
Exchange differences on translation of the financial statements of foreign subsidiaries	--	--	83	--	83	--	83
Profit for the period	--	--	--	2,637	2,637	120	2,757
Acquisition of minority interest	--	--	--	--	--	114	114
<i>At 30 June 2008</i>	<u>60,000</u>	<u>1,908</u>	<u>126</u>	<u>33,426</u>	<u>95,460</u>	<u>2,537</u>	<u>97,997</u>
<i>At 1 April 2007</i>	60,000	28	140	26,333	86,502	1,669	88,171
Exchange differences on translation of the financial statements of foreign subsidiaries	--	--	(28)	--	(28)	--	(28)
Profit for the period	--	--	--	2,176	2,176	82	2,258
<i>At 30 June 2007</i>	<u>60,000</u>	<u>28</u>	<u>112</u>	<u>28,509</u>	<u>88,650</u>	<u>1,751</u>	<u>90,401</u>

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**Condensed consolidated cash flow statement
for the period ended 30 June 2008 - unaudited**

	3 months ended 30 June	
	2008 RM'000	2007 RM'000
Cash flows from operating activities		
Profit before tax	3,750	2,810
Adjustments for non-cash flow:		
Non-cash items	1,336	1,154
Non-operating items	(804)	(461)
Operating profit before changes in working capital	<u>4,282</u>	<u>3,503</u>
Net change in current assets	1,847	(9,272)
Net change in current liabilities	1,116	2,192
Net Tax refunded/(paid)	309	(643)
Net cash from/(used in) operating activities	<u>7,554</u>	<u>(4,220)</u>
Cash flows from investing activities		
Other investments activities/ Net cash from/(used in) investing activities	<u>(1,681)</u>	<u>(285)</u>
Cash flows from/(used in) financing activities		
Proceeds from/(Payment for) bank borrowings	<u>(15,482)</u>	<u>8,616</u>
Net cash from/(used in) financing activities	<u>(15,482)</u>	<u>8,616</u>
Net (decrease)/increase in cash and cash equivalents	(9,609)	4,111
Cash and cash equivalents at beginning of period	<u>19,594</u>	<u>22,448</u>
Cash and cash equivalents at end of period	<u><u>9,985</u></u>	<u><u>26,559</u></u>

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

Cash and bank balances	9,002	9,107
Deposits with licensed banks	5,000	19,003
Bank overdrafts	(4,017)	(1,551)
	<u>9,985</u>	<u>26,559</u>

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(A) Notes to the interim financial report

A1. Basis of preparation

This interim financial statements are unaudited and have 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 statements in conformity with FRS 134, *Interim Financial Reporting* require 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 statements contain 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 2008 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 FRSSs.

A2. Changes in accounting policies

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 2009 on the basis of FRSSs currently in effect.

The following FRSSs have been issued and are effective for financial periods beginning on or after 1 July 2007 and are effective for the group's financial statements for the financial year ending 31 March 2009

FRSSs date	Effective
FRS 107, Cash Flow Statements	1 July 2007
FRS 112, Income Taxes	1 July 2007
FRS 118, Revenue	1 July 2007
Amendment to FRS 121, The effects of Changes in Foreign Exchange Rates – Net Investment in Foreign Operation	1 July 2007
FRS 134, Interim Financial Reporting	1 July 2007
FRS 137, Provisions, Contingent Liabilities and Contingent Assets	1 July 2007

The above FRSSs align the MASB's FRSSs with equivalent International Accounting Standards ("IASs") both in terms of form and content. The adoption of these standards will only impact the form and content of disclosures presented in the financial statements.

A2. Changes in accounting policies (continued)

The following amendment and IC Interpretations have been issued and are effective for the financial periods beginning on or after 1 July 2007 but are not relevant for the Group's financial statements.

FRS 111, Construction Contracts	1 July 2007
FRS 120, Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
FRS 139, Financial Instruments: Recognition and Measurement	Not effective yet
IC Interpretation 1, Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Interpretation 2, Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretation 5, Rights to Interest arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6, Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7, Applying the Restatement Approach under FRS 129, Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8, Scope of FRS 2	1 July 2007

The impact of applying FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemption given in FRS 139.103AB.

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

There were no dividends paid during the current quarter

A8. Segment information**(a) By Business Segments:**

	Revenue 3 months ended 30 June		Profit before tax 3 months ended 30 June	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Paper packaging	38,164	24,673	3,898	3,360
Plastic packaging	13,788	17,782	415	108
Contract manufacturing and packing	8,359	4,525	52	86
Investment and property holding	232	232	0	70
	<u>60,543</u>	<u>47,212</u>	<u>4,365</u>	<u>3,624</u>
Inter-segment elimination	<u>(12,972)</u>	<u>(8,388)</u>	<u>-</u>	<u>(187)</u>
	<u>47,571</u>	<u>38,824</u>	<u>4,365</u>	<u>3,437</u>
Finance costs	<u>--</u>	<u>--</u>	<u>(615)</u>	<u>(627)</u>
	<u><u>47,571</u></u>	<u><u>38,824</u></u>	<u><u>3,750</u></u>	<u><u>2,810</u></u>

(b) By geographical location:

	Revenue 3 months ended	
	2008 RM'000	2007 RM'000
Malaysia	38,245	37,479
Other Asian countries	9,326	1,345
	<u>47,571</u>	<u>38,824</u>

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 22 May 2008, Prestige Packages Sdn Bhd (PP) a wholly owned subsidiary of the Company has acquired the remaining 40% equity in Gemilang Packaging Sdn. Bhd. which PP does not own comprised of 40,000 ordinary shares of RM1.00 each from En Azmi Bin Zainal at a total purchase consideration of RM1.00 thereby making Gemilang Packaging Sdn Bhd a wholly-owned subsidiary of PP. On 6 June 2008, Gemilang Packaging Sdn Bhd changed its name to Panaromic Logistics Sdn Bhd.

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

	30 June 2008 RM'000	30 June 2007 RM'000
<i>Property, plant and equipment</i>		
Contracted but not provided for	<u>2,000</u>	<u>2,600</u>

A13. Material related party transactions

Significant related party transactions of the Group are as follows:

	3 months ended 30 June	
	2008 RM'000	2007 RM'000
Directors' remunerations	428	386
<i>Rental payable to certain Directors</i>	18	23
<i>Companies in which the spouse of an Executive Director of CBB has substantial financial interest</i>		
Purchases of printing block	156	189
Rental receivable	9	8
<i>Company in which a corporate shareholder of a subsidiary has substantial financial interest</i>		
Sale of paper bags	6,088	4,774
Rental payable	18	18

A14. 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 August 2008.

Part B

Additional Explanatory Notes Pursuant to
Appendix 9B of the Listing – Requirements of
Bursa Malaysia Securities Berhad
– First Quarter Ended 30 June 2008

B1. Review of performance

The Group's revenue for the current quarter is reported at RM47.571 million, which is RM8.747 million higher compared to the same corresponding quarter last year mainly due to the increased sales in our paper packaging division together with additional sales generated from our Indonesia plant which started operation in September 2007. Gross profit is reported at RM7.792 million in current quarter which increased by RM1.373 million compared to the same quarter last year of RM6.419 million as per reasons mentioned above.

B2. Variation of results against preceding quarter

The Group's current quarter profit before tax of RM3.750 million is RM0.428 higher compared to the profit before tax of RM3.322 million registered in the preceding quarter due to higher amount of allowance doubtful receivable and impairment loss on plant & equipment of a subsidiary in the preceding quarter.

B3. Current year prospects

The Group's core attention and focus will be in the paper packaging division which is the key driver of growth. Other avenues and opportunities will continue to be explored and identified while its contract manufacturing division will be nurtured.

The Group anticipates a very difficult and extremely challenging year ahead for its business but nevertheless believes that the Group will remain profitable. The escalating cost of raw materials, fuel and energy costs, labour costs and a weakened global economic environment affecting consumers sentiment does not augur well.

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.

B4. Profit forecast

Not applicable.

B5. Tax expense

	3 months ended 30 June		3 months ended 30 June	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Tax expense				
- Current year	993	552	993	552
- Over/(Under provision) in prior quarter	--	--	--	--
	993	552	993	552
Deferred tax (income)/expenses	--	--	--	--
	<u>993</u>	<u>552</u>	<u>993</u>	<u>552</u>

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B5. Tax expense (continued)

- * 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.

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.

As at the date of this quarterly report, 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.

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B9. Loans and borrowings

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

	30 June 2008 RM'000	31 March 2008 RM'000
Non-current		
- Secured	2,570	1,814
- Unsecured	267	397
	<u>2,837</u>	<u>2,211</u>
Current		
- Secured	14,428	19,622
- Unsecured	15,350	24,863
	<u>29,778</u>	<u>44,485</u>
Total borrowings	<u><u>32,615</u></u>	<u><u>46,696</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 22 August 2008 , being a date not earlier than 7 days from the date of the quarterly report.

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B12. Earnings per ordinary share

Basic and diluted earnings per ordinary share

Basic and diluted 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 30 June 2008
Profit for the period (RM'000)	2,757
Less: Amount attributable to minority interest (RM'000)	(120)
Profit for the period attributable to shareholders of the Company (RM'000)	<u>2,637</u>
Weighted average number of ordinary shares in issue ('000)	<u>120,000</u>
Basic and diluted earnings per share (sen)	<u><u>2.20</u></u>

There are no dilutive earnings per share during the period.

B13. 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 2008 in their report dated 14 July 2008.