

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

**Interim Financial Report**  
**30 September 2008**

# Century Bond Bhd.

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

## Condensed consolidated balance sheet at 30 September 2008 - unaudited

	Note	30.9.2008 RM'000	31.3.2008 RM'000
<b>Assets</b>			
Property, plant and equipment		45,408	45,509
Prepaid lease payments		5,041	5,174
Investment in quoted shares	B7	7	7
Goodwill		359	359
<b>Total non-current assets</b>		<u>50,815</u>	<u>51,049</u>
Inventories		39,521	53,372
Trade and other receivables		53,191	49,413
Tax recoverable		545	718
Cash and cash equivalents		28,704	21,622
<b>Total current assets</b>		<u>121,961</u>	<u>125,125</u>
<b>Total assets</b>		<u><u>172,776</u></u>	<u><u>176,174</u></u>
<b>Equity</b>			
Share capital		60,000	60,000
Reserves		38,507	32,740
<b>Total equity attributable to shareholders of the Company</b>		98,507	92,740
<b>Minority interest</b>		2,635	2,303
<b>Total equity</b>		<u>101,142</u>	<u>95,043</u>
<b>Liabilities</b>			
Loans and borrowings	B9	2,984	2,211
Deferred tax liabilities		5,804	5,663
<b>Total non-current liabilities</b>		<u>8,788</u>	<u>7,874</u>
Trade and other payables		31,729	28,222
Loans and borrowings	B9	28,894	44,485
Taxation		2,223	550
<b>Total current liabilities</b>		<u>62,846</u>	<u>73,257</u>
<b>Total liabilities</b>		<u>71,634</u>	<u>81,131</u>
<b>Total equity and liabilities</b>		<u><u>172,776</u></u>	<u><u>176,174</u></u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2008 and the accompanying 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 30 September 2008 - unaudited

	Note	Individual 3 months ended 30 September		Cumulative 6 months ended 30 September	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Revenue		56,902	44,445	104,473	83,269
Cost of sales		(48,789)	(37,827)	(88,568)	(70,232)
<b>Gross profit</b>		8,113	6,618	15,905	13,037
Other income		329	1,256	957	1,958
Distribution expenses		(2,392)	(2,439)	(4,747)	(4,534)
Administrative expenses		(1,423)	(1,025)	(3,123)	(2,613)
<b>Profit from operating activities</b>		4,627	4,410	8,992	7,848
Finance costs		(485)	(604)	(1,100)	(1,231)
<b>Profit before tax</b>		4,142	3,806	7,892	6,617
Tax expense	B5	(1,314)	(1,212)	(2,307)	(1,764)
<b>Profit for the period</b>		2,828	2,594	5,585	4,853
<b>Attributable to:</b>					
Shareholders of the Company		2,730	2,534	5,367	4,710
Minority interest		98	60	218	143
<b>Profit for the period</b>		2,828	2,594	5,585	4,853
Basic earnings and diluted per ordinary share (sen)	B12	2.28	2.11	4.47	3.93

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 March 2008 and the accompanying 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 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
<b>At 1 April 2008</b>	60,000	1,908	43	30,789	92,740	2,303	95,043
Exchange differences on translation of the financial statements of foreign subsidiaries	--	--	400	--	400	--	400
Profit for the period	--	--	--	5,367	5,367	218	5,585
Acquisition of minority interest	--	--	--	--	--	114	114
<b>At 30 September 2008</b>	<u>60,000</u>	<u>1,908</u>	<u>443</u>	<u>36,156</u>	<u>98,507</u>	<u>2,635</u>	<u>101,142</u>
<b>At 1 April 2007</b>	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	--	--	(4)	--	(4)	--	(4)
Profit for the period	--	--	--	4,710	4,710	143	4,853
Dividends to shareholders	--	--	--	(6,000)	(6,000)	--	(6,000)
<b>At 30 September 2007</b>	<u>60,000</u>	<u>103</u>	<u>137</u>	<u>25,043</u>	<u>85,283</u>	<u>1,812</u>	<u>87,095</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 2008 and the accompanying notes attached to the interim financial statements.

# Century Bond Bhd.

(Company No. 228669-V)

(Incorporated in Malaysia)

## Condensed consolidated cash flow statement for the period ended 30 September 2008 - unaudited

	<b>6 months ended 30 September</b>	
	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	7,892	6,617
Adjustments for non-cash flow:		
Non-cash items	2,823	2,346
Non-operating items	798	736
	<u>11,513</u>	<u>9,699</u>
<b>Operating profit before changes in working capital</b>	11,513	9,699
Net change in current assets	10,212	(10,439)
Net change in current liabilities	3,636	2,830
Net Tax refunded/(paid)	(322)	(1,142)
	<u>25,039</u>	<u>948</u>
<b>Net cash from/(used in) operating activities</b>	25,039	948
<b>Cash flows from investing activities</b>		
Other investments activities/ <b>Net cash from/(used in) investing activities</b>	<u>(2,038)</u>	<u>(3,335)</u>
<b>Cash flows from/(used in) financing activities</b>		
Dividend paid to shareholders	--	(6,000)
Proceeds from/(Payment for) bank borrowings	(17,455)	4,371
	<u>(17,455)</u>	<u>(1,629)</u>
<b>Net cash from/(used in) financing activities</b>	(17,455)	(1,629)
<b>Net (decrease)/increase in cash and cash equivalents</b>	5,546	(4,016)
<b>Cash and cash equivalents at beginning of period</b>	<u>19,594</u>	<u>22,450</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>25,140</u></u>	<u><u>18,434</u></u>
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash and bank balances	16,845	7,230
Deposits with licensed banks	11,819	12,894
Bank overdrafts	(3,524)	(1,690)
	<u>25,140</u>	<u>18,434</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2008 and the accompanying notes attached to the interim financial statements.

# Century Bond Bhd.

(Company No. 228669-V)

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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 FRSS.

### A2. Changes in accounting policies

The accounting policies and presentations adopted by the Group for these interim condensed financial statements are consistent with those of the most recent audited financial statements for the financial year ended 31 March 2008.

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 FRSS currently in effect.

The following FRSS 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

FRSS	Effective date
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 FRSS align the MASB's FRSS 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
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 Economics	1 July 2007
IC Interpretation 8, Scope of FRS 2	1 July 2007
FRS 139, Financial Instruments: Recognition and Measurement	

The effective date of FRS 139 is deferred to 1 January 2010. 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 6 months ended 30 September		Profit before tax 6 months ended 30 September	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Paper packaging	79,510	51,610	7,927	7,054
Plastic packaging	31,151	32,627	981	851
Contract manufacturing and packing	16,902	14,467	66	(107)
Investment and property holding	463	463	18	50
	128,026	99,167	8,992	7,848
Inter-segment elimination	(23,553)	(15,898)	-	--
	104,473	83,269	8,992	7,848
Finance costs	--	--	(1,100)	(1,231)
	104,473	83,269	7,892	6,617

**(b) By geographical location:**

	Revenue 6 months ended 30 September	
	2008 RM'000	2007 RM'000
Malaysia	86,051	79,974
Other Asian countries	18,422	3,295
	104,473	83,269



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### **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**

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

### **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**

	<b>30 September 2008 RM'000</b>	<b>30 September 2007 RM'000</b>
<i>Property, plant and equipment</i> Contracted but not provided for	--	1,000
	<u>          </u>	<u>          </u>

### A13. Material related party transactions

Significant related party transactions of the Group are as follows:

	<b>6 months ended</b>	
	<b>30 September</b>	
	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Directors' remunerations	856	772
<i>Rental payable to certain Directors</i>	37	46
<i>Companies in which the spouse of an Executive Director of CBB has substantial financial interest</i>		
Purchases of printing block	404	383
Rental receivable	18	18
<i>Company in which a corporate shareholder of a subsidiary has substantial financial interest</i>		
Sale of paper bags	12,504	9,009
Rental payable	36	36
Sales of paper bags to a subsidiary in which certain directors of subsidiary have substantial financial interest	3,084	--

### 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 27 November 2008.

## **Part B**

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

## B1. Review of performance

The Group's revenue for the current quarter is reported at RM56.902 million, which is RM12.457 million higher compared to the corresponding quarter of last financial year. The increase is mainly due to the increased sales in our local paper packaging division couple with the additional sales contributed from our Indonesia and Singapore plants. Gross profit is reported at RM8.113 million in current quarter representing an increase of RM1.495 million compared to the same quarter in last financial year of RM6.618 million which is attributed to the same reasons mentioned above.

## B2. Variation of results against preceding quarter

The Group's current quarter profit before tax of RM4.142 million is RM0.392 million higher compared to the profit before tax of RM3.750 million registered in the preceding quarter mainly due to the increased sales in our paper packaging division.

## 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 time ahead for its business for the remaining periods to the end of the financial year but nevertheless believes that the Group will remain profitable. The uncertainties in 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 strive to maintain and generate positive earning in the current financial year.

## B4. Profit forecast

Not applicable.

## B5. Tax expense

	3 months ended 30 September		6 months ended 30 September	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Tax expense				
- Current year	1,173	984	2,166	1,650
- Over/(Under provision) in prior quarter	--	114	--	--
	1,173	1,098	2,166	1,650
Deferred tax expenses	141	114	141	114
	<u>1,314</u>	<u>1,212</u>	<u>2,307</u>	<u>1,764</u>

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## **B5. Tax expense (continued)**

The effective tax rate of the group for the quarter under review is higher than the statutory rate of 25%, this is mainly due to losses generated by certain subsidiaries are not allowable to set-off against the chargeable income of others.

## **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.

## B9. Loans and borrowings

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

	<b>30 September 2008 RM'000</b>	<b>31 March 2008 RM'000</b>
<b>Non-current</b>		
- Secured	2,612	1,814
- Unsecured	372	397
	<u>2,984</u>	<u>2,211</u>
<b>Current</b>		
- Secured	12,472	19,622
- Unsecured	16,422	24,863
	<u>28,894</u>	<u>44,485</u>
Total borrowings	<u><u>31,878</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 21 November 2008 , being a date not earlier than 7 days from the date of the quarterly report.

## 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.

	<b>3 months ended 30 September 2008</b>	<b>6 months ended 30 September 2008</b>
Profit for the period (RM'000)	2,730	5,367
Less: Amount attributable to minority interest (RM'000)	98	218
Profit for the period attributable to shareholders of the Company (RM'000)	<u>2,828</u>	<u>5,585</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>2.28</u>	<u>4.47</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.