

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

Interim Financial Report
31 December 2008

Century Bond Bhd.

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

Condensed consolidated balance sheet at 31 December 2008 - unaudited

	Note	31.12.2008 RM'000	31.3.2008 RM'000
Assets			
Property, plant and equipment		44,273	45,509
Prepaid lease payments		4,974	5,174
Investment in quoted shares	B7	7	7
Goodwill		359	359
Total non-current assets		<u>49,613</u>	<u>51,049</u>
Inventories		34,795	53,372
Trade and other receivables		47,809	49,413
Tax recoverable		498	718
Cash and bank balances		33,361	21,622
Total current assets		<u>116,463</u>	<u>125,125</u>
Total assets		<u><u>166,076</u></u>	<u><u>176,174</u></u>
Equity			
Share capital		60,000	60,000
Reserves		36,243	32,740
Total equity attributable to shareholders of the Company		96,243	92,740
Minority interest		2,709	2,303
Total equity		<u>98,952</u>	<u>95,043</u>
Liabilities			
Loans and borrowings	B9	2,060	2,211
Deferred tax liabilities		5,803	5,663
Total non-current liabilities		<u>7,863</u>	<u>7,874</u>
Trade and other payables		29,775	28,222
Loans and borrowings	B9	28,003	44,485
Taxation		1,483	550
Total current liabilities		<u>59,261</u>	<u>73,257</u>
Total liabilities		<u>67,124</u>	<u>81,131</u>
Total equity and liabilities		<u><u>166,076</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.

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(Incorporated in Malaysia)

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

	Note	Individual 3 months ended 31 December		Cumulative 9 months ended 31 December	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Revenue		54,391	48,548	158,864	131,817
Cost of sales		(46,477)	(40,059)	(135,045)	(110,291)
Gross profit		7,914	8,489	23,819	21,526
Other income		350	498	1,308	2,456
Distribution expenses		(2,127)	(2,442)	(6,874)	(6,976)
Administrative expenses		(2,006)	(1,445)	(5,130)	(4,058)
Profit from operating activities		4,131	5,100	13,123	12,948
Finance costs		(499)	(737)	(1,599)	(1,968)
Profit before tax		3,632	4,363	11,524	10,980
Tax expense	B5	(1,070)	(1,108)	(3,376)	(2,872)
Profit for the period		<u>2,562</u>	<u>3,255</u>	<u>8,148</u>	<u>8,108</u>
Attributable to:					
Shareholders of the Company		2,489	3,232	7,856	7,942
Minority interest		73	23	292	166
Profit for the period		<u>2,562</u>	<u>3,255</u>	<u>8,148</u>	<u>8,108</u>
Basic earnings and diluted per ordinary share (sen)	B12	<u>2.07</u>	<u>2.69</u>	<u>6.55</u>	<u>6.62</u>

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.

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Condensed consolidated statement of changes in equity for the period ended 31 December 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
At 1 April 2008	60,000	1,908	43	30,789	92,740	2,303	95,043
Exchange differences on translation of the financial statements of foreign subsidiaries	--	--	447	--	447	--	447
Profit for the period	--	--	--	7,856	7,856	292	8,148
Acquisition of minority interest	--	--	--	--	--	114	114
Dividends to shareholders	--	--	--	(4,800)	(4,800)	--	(4,800)
At 31 December 2008	<u>60,000</u>	<u>1,908</u>	<u>490</u>	<u>33,845</u>	<u>96,243</u>	<u>2,709</u>	<u>98,952</u>
At 1 April 2007	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	--	--	--	(6,000)	(6,000)	--	(6,000)
At 31 December 2007	<u>60,000</u>	<u>103</u>	<u>174</u>	<u>28,275</u>	<u>88,552</u>	<u>1,835</u>	<u>90,387</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.

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

	9 months ended 31 December	
	2008	2007
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	11,524	10,980
Adjustments for non-cash flow:		
Non-cash items	4,172	3,661
Non-operating items	1,297	(2,107)
	<u>16,993</u>	<u>12,534</u>
Operating profit before changes in working capital	16,993	12,534
Net change in current assets	20,320	(29,905)
Net change in current liabilities	2,000	17,760
Net Tax refunded/(paid)	(2,083)	(1,900)
	<u>37,230</u>	<u>(1,511)</u>
Net cash from/(used in) operating activities	37,230	(1,511)
Cash flows from investing activities		
Other investments activities/ Net cash from/(used in) investing activities	<u>(2,459)</u>	<u>(5,207)</u>
Cash flows from/(used in) financing activities		
Dividend paid to shareholders	(4,800)	(6,000)
Proceeds from/(Payment for) bank borrowings	(18,128)	6,140
	<u>(22,928)</u>	<u>140</u>
Net cash from/(used in) financing activities	(22,928)	140
Net (decrease)/increase in cash and cash equivalents	11,843	(6,578)
Cash and cash equivalents at beginning of period	<u>19,594</u>	<u>22,449</u>
Cash and cash equivalents at end of period	<u><u>31,437</u></u>	<u><u>15,871</u></u>
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash and bank balances	23,856	5,797
Deposits with licensed banks	9,465	13,089
Bank overdrafts	(1,884)	(3,015)
	<u><u>31,437</u></u>	<u><u>15,871</u></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.

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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

Dividends of RM4.8 million was paid during the current quarter.

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

	Revenue 9 months ended 31 December		Profit before tax 9 months ended 31 December	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Paper packaging	118,127	86,999	10,915	10,863
Plastic packaging	42,776	48,327	1,785	2,213
Contract manufacturing and packing	24,846	22,058	313	(269)
Investment and property holding	735	695	110	141
	186,484	158,079	13,123	12,948
Inter-segment elimination	(27,620)	(26,262)	-	--
	158,864	131,817	13,123	12,948
Finance costs	--	--	(1,599)	(1,968)
	158,864	131,817	11,524	10,980

(b) By geographical location:

	Revenue 9 months ended 31 December	
	2008 RM'000	2007 RM'000
Malaysia	130,656	120,664
Other Asian countries	28,208	11,153
	158,864	131,817

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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

	31 December 2008 RM'000	31 December 2007 RM'000
<i>Property, plant and equipment</i> Contracted but not provided for	--	500
	<u> </u>	<u> </u>

A13. Material related party transactions

Significant related party transactions of the Group are as follows:

	9 months ended 31 December	
	2008	2007
	RM'000	RM'000
Directors' remunerations	1,284	1,158
<i>Rental payable to certain Directors</i>	55	68
<i>Companies in which the spouse of an Executive Director of CBB has substantial financial interest</i>		
Purchases of printing block	551	548
Rental receivable	27	27
<i>Company in which a corporate shareholder of a subsidiary has substantial financial interest</i>		
Sale of paper bags	17,940	13,820
Rental payable	54	54
Sales of paper bags to a subsidiary in which certain directors of subsidiary have substantial financial interest	4,604	--

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 26 February 2009.

Part B

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

B1. Review of performance

The Group's revenue for the current quarter is reported at RM54.391 million, which is RM5.843 million higher compared to the corresponding quarter of last financial year. The increase is mainly due to the increased sales in our paper packaging division. Gross profit is reported at RM7.914 million in current quarter representing a decrease of RM0.575 million compared to the same quarter in last financial year of RM8.489 million which is mainly due to higher raw material cost in current quarter.

B2. Variation of results against preceding quarter

The Group's current quarter profit before tax of RM3.632 million is RM0.510 million lower compared to the profit before tax of RM4.142 million registered in the preceding quarter mainly due to the higher raw material cost in current 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 time ahead for its business for the final quarter of the financial year but nevertheless believes that the Group will remain positive earning for the current financial year. 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 31 December		9 months ended 31 December	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Tax expense				
- Current year	1,070	1,108	3,235	2,872
- Over/(Under provision) in prior quarter	--	--	--	--
	1,070	1,108	3,235	2,872
Deferred tax expenses		--	141	--
	<u>1,070</u>	<u>1,108</u>	<u>3,376</u>	<u>2,872</u>

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:

- a) Certain portion of losses incurred by some subsidiaries are not allowable to set-off against the chargeable income of others.
- b) Certain expenses are not allowable for tax deduction.

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:

	31 December 2008 RM'000	31 March 2008 RM'000
Non-current		
- Secured	1,844	1,814
- Unsecured	216	397
	<u>2,060</u>	<u>2,211</u>
Current		
- Secured	15,366	19,622
- Unsecured	12,637	24,863
	<u>28,003</u>	<u>44,485</u>
Total borrowings	<u><u>30,063</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 February 2009 , 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.

	3 months ended 31 December 2008	9 months ended 31 December 2008
Profit for the period (RM'000)	2,562	8,148
Less: Amount attributable to minority interest (RM'000)	73	292
Profit for the period attributable to shareholders of the Company (RM'000)	<u>2,489</u>	<u>7,856</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>2.07</u>	<u>6.55</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.