

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

Interim Financial Report
30 June 2009

Century Bond Bhd.

(Company No. 228669-V)

(Incorporated in Malaysia)

Condensed consolidated balance sheet at 30 June 2009 - unaudited

	Note	30.06.2009 RM'000	31.3.2009 RM'000
Assets			
Property, plant and equipment		42,095	43,286
Prepaid lease payments		4,853	4,942
Investment in quoted shares	B7	7	7
Goodwill		342	342
Total non-current assets		<u>47,297</u>	<u>48,577</u>
Inventories		15,689	21,406
Trade and other receivables		52,735	43,485
Tax recoverable		454	504
Cash and bank balances		47,495	42,350
Total current assets		<u>116,373</u>	<u>107,745</u>
Total assets		<u><u>163,670</u></u>	<u><u>156,322</u></u>
Equity			
Share capital		60,000	60,000
Reserves		44,082	42,128
Total equity attributable to shareholders of the Company		104,082	102,128
Minority interest		<u>3,926</u>	<u>3,853</u>
Total equity		<u>108,008</u>	<u>105,981</u>
Liabilities			
Loans and borrowings	B9	1,300	1,474
Deferred tax liabilities		6,694	7,044
Total non-current liabilities		<u>7,994</u>	<u>8,518</u>
Trade and other payables		33,564	23,000
Loans and borrowings	B9	12,227	17,688
Taxation		1,877	1,135
Total current liabilities		<u>47,668</u>	<u>41,823</u>
Total liabilities		<u>55,662</u>	<u>50,341</u>
Total equity and liabilities		<u><u>163,670</u></u>	<u><u>156,322</u></u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2009 and the accompanying notes attached to the interim financial statements.

Century Bond Bhd.

(Company No. 228669-V)
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Condensed consolidated income statement for the period ended 30 June 2009 - unaudited

	Note	Individual 3 months ended 30 June		Cumulative 3 months ended 30 June	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revenue		42,990	47,571	42,990	47,571
Cost of sales		(34,093)	(39,779)	(34,093)	(39,779)
Gross profit		8,897	7,792	8,897	7,792
Other income		433	628	433	628
Distribution expenses		(1,902)	(2,355)	(1,902)	(2,355)
Administrative expenses		(2,239)	(1,700)	(2,239)	(1,700)
Other expense		(1,398)	--	(1,398)	--
Profit from operating activities		3,791	4,365	3,791	4,365
Finance costs		(79)	(615)	(79)	(615)
Profit before tax		3,712	3,750	3,712	3,750
Tax expense	B5	(976)	(993)	(976)	(993)
Profit for the period		<u>2,736</u>	<u>2,757</u>	<u>2,736</u>	<u>2,757</u>
Attributable to:					
Shareholders of the Company		2,662	2,637	2,662	2,637
Minority interest		74	120	74	120
Profit for the period		<u>2,736</u>	<u>2,757</u>	<u>2,736</u>	<u>2,757</u>
Basic earnings and diluted per ordinary share (sen)	B12	<u>2.22</u>	<u>2.20</u>	<u>2.22</u>	<u>2.20</u>

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 March 2009 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 30 June 2009 – unaudited

Note	← Non-distributable →			Distributable		Minority interest RM'000	Total equity RM'000
	Share capital RM'000	Revaluation reserve RM'000	Exchange fluctuation reserves RM'000	Retained earnings RM'000	Total RM'000		
<i>At 1 April 2009</i>	60,000	1,867	2,151	38,110	102,128	3,853	105,981
Translation differences relating to financial statements of foreign subsidiaries	--	--	(708)	--	(708)	--	(708)
Profit after tax for the financial year	--	--	--	2,662	2,662	73	2,735
<i>At 30 June 2009</i>	<u>60,000</u>	<u>1,867</u>	<u>1,443</u>	<u>40,772</u>	<u>104,082</u>	<u>3,926</u>	<u>108,008</u>
<i>At 1 April 2008</i>	60,000	1,908	43	30,789	92,740	2,303	95,043
Translation differences relating to financial statements of foreign subsidiaries	--	--	83	--	83	--	83
Profit after tax for the financial year	--	--	--	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>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2009 and the accompanying notes attached to the interim financial statements.

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**Condensed consolidated cash flow statement
for the period ended 30 June 2009 - unaudited**

	3 months ended 30 June	
	2009 RM'000	2008 RM'000
Cash flows from operating activities		
Profit before tax	3,712	3,750
Adjustments for non-cash flow:		
Non-cash items	1,797	1,336
Non-operating items	29	(804)
	<u>5,538</u>	<u>4,282</u>
Operating profit before changes in working capital	5,538	4,282
Net change in current assets	(3,393)	1,847
Net change in current liabilities	8,656	1,116
Net Tax refunded/(paid)	(533)	309
	<u>10,268</u>	<u>7,554</u>
Net cash from/(used in) operating activities	10,268	7,554
Cash flows from investing activities		
Other investments activities		
Net cash from/(used in) investing activities	<u>(442)</u>	<u>(1,681)</u>
Cash flows from/(used in) financing activities		
Proceeds from/(Payment for) bank borrowings	<u>(4,782)</u>	<u>(15,482)</u>
Net cash from/(used in) financing activities	<u>(4,782)</u>	<u>(15,482)</u>
Net (decrease)/increase in cash and cash equivalents	5,044	(9,609)
Cash and cash equivalents at beginning of period	<u>41,702</u>	<u>19,594</u>
Cash and cash equivalents at end of period	<u><u>46,746</u></u>	<u><u>9,985</u></u>

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

Cash and bank balances	21,793	9,002
Deposits with licensed banks	25,662	5,000
Bank overdrafts	<u>(709)</u>	<u>(4,017)</u>
	<u><u>46,746</u></u>	<u><u>9,985</u></u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2009 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 2009 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 2009.

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 2010 on the basis of FRSS currently in effect.

The Group has not adopted the following FRSS and IC Interpretations that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group:-

- (i) FRS issued and effective for financial periods beginning on or after 1 July 2009:-

FRS 8 Operating Segments

FRS 8 replaces FRS 114₂₀₀₄ Segment Reporting and requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The adoption of this standard only impacts the form and content of disclosures presented in the financial statements of the Group. This FRS is expected to have no material impact on the financial statements of the Group upon its initial application.

A2. Changes in accounting policies (continued)

The Group has not adopted the following FRSs and IC Interpretations that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group:- (Cont'd)

- (ii) FRSs issued and effective for financial periods beginning on or after 1 January 2010:-

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement

FRS 4 is not relevant to the Company's operations. The possible impacts of applying FRS 7 and FRS 139 on the financial statements upon their initial application are not disclosed by virtue of the exemptions given in these standards.

The possible impacts of FRS 123 on the financial statements upon its initial application are not disclosed as the existing accounting policies of the Group are consistent with the requirements under this new standard.

- (iii) Amendments issued and effective for financial periods beginning on or after 1 January 2010:-

Amendments to FRS 1 and FRS 127	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendment to FRS 2	Vesting Conditions and Cancellations

Amendment to FRS 2 is not relevant to the Company's operations.

- (iv) IC Interpretations issued and effective for financial periods beginning on or after 1 January 2010:-

IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2: Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The above IC Interpretations are not relevant to the Group's operations except for IC Interpretation 10 and IC Interpretation 11. IC Interpretation 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and financial assets carried at cost to be reversed at a subsequent balance sheet date. This interpretation is expected to have no material impact on the financial statements of the Group upon its initial application.

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 dividend 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	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Paper packaging	38,730	38,164	2,867	3,898
Plastic packaging	5,778	13,788	627	415
Contract manufacturing and packing	6,784	8,359	241	52
Investment and property holding	268	232	56	--
	51,560	60,543	3,791	4,365
Inter-segment elimination	(8,570)	(12,972)	--	--
	42,990	47,571	3,791	4,365
Finance costs	--	--	(79)	(615)
	42,990	47,571	3,712	3,750

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A8. Segment information (continued)

(b) By geographical locations:

	Revenue 3 months ended 30 June	
	2009 RM'000	2008 RM'000
Malaysia	34,617	38,245
Other Asian countries	<u>8,373</u>	<u>9,326</u>
	<u>42,990</u>	<u>47,571</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

There were no changes in the composition of the group during the current quarter.

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 2009 RM'000	30 June 2008 RM'000
<i>Property, plant and equipment</i> Contracted but not provided for	<u>--</u>	<u>2,000</u>

A13. Material related party transactions

Significant related party transactions of the Group are as follows:

	3 months ended 30 June	
	2009 RM'000	2008 RM'000
Directors' remuneration	394	428
<i>Rental paid/payable to certain Directors</i>	18	18
<i>Companies in which the spouse of an Executive Director/major shareholder of CBB has substantial financial interest</i>		
Purchases of printing block	190	156
Rental received/receivable	9	9
<i>Company in which a corporate shareholder of a subsidiary has substantial financial interest</i>		
Sale of paper bags	5,652	6,088
Rental paid/payable	18	18
Sales to a subsidiary in which certain directors of the subsidiary have substantial financial interest	1,756	--
<i>Company in which persons connected to Directors/major shareholders of CBB has substantial financial interest</i>		
Transport and forwarding charges paid/payable	221	--

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 28 August 2009.

Part B

Additional Explanatory Notes Pursuant to
Appendix 9B of the Listing – Requirements of
Bursa Malaysia Securities Berhad
– First Quarter Ended 30 June 2009

B1. Review of performance

The Group's revenue for the current quarter is reported at RM42.990 million, which is RM4.581 million lower compared to the corresponding quarter of last financial year. The decrease is mainly due to the decrease in selling price of our paper packaging division. Gross profit is reported at RM8.897 million in current quarter representing an increase of RM1.105 million compared to the same quarter in last financial year of RM7.792 million which is mainly due to lower cost of raw materials in current quarter.

B2. Variation of results against preceding quarter

The Group's current quarter profit before tax of RM3.712 million is RM2.348 million lower compared to the profit before tax of RM6.060 million registered in the preceding quarter mainly due to the unrealised loss on foreign exchange in respect of trade receivables.

B3. 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 current financial year. Amid the uncertainties in the current weaken global environment, weak consumer confidence and sentiment, the Group is bracing itself to weather this difficult period.

The Group is optimistic that based on the measures and concerted efforts undertaken by the management and employees at all levels, the Group will strive to remain profitable in the current financial year.

B4. Profit forecast

Not applicable.

B5. Tax expense

	3 months ended 30 June		Cumulative 3 months ended 30 June	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Current tax				
- Current year	1,326	993	1,326	993
- Over/(Under provision) in prior quarter	--	--	--	--
	1,326	993	1,326	993
Deferred tax (credit)	(350)	--	(350)	--
	<u>976</u>	<u>993</u>	<u>976</u>	<u>993</u>

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B6. Unquoted investments and properties

There were no material profits/loss on sale of unquoted investments or properties.

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

There were no outstanding corporate proposal announced for the current quarter under review.

B9. Loans and borrowings

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

	30 June 2009 RM'000	31 March 2009 RM'000
Non-current		
- Secured	1,145	1,295
- Unsecured	155	179
	<u>1,300</u>	<u>1,474</u>
Current		
- Secured	8,855	12,122
- Unsecured	3,372	5,566
	<u>12,227</u>	<u>17,688</u>
Total borrowings	<u><u>13,527</u></u>	<u><u>19,162</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 24 August 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 30 June 2009
Profit for the period (RM'000)	2,736
Less: Amount attributable to minority interest (RM'000)	<u>74</u>
Profit for the period attributable to shareholders of the Company (RM'000)	<u>2,662</u>
Weighted average number of ordinary shares in issue ('000)	<u>120,000</u>
Basic and diluted earnings per share (sen)	<u><u>2.22</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 2009 in their report dated 29 July 2009.