

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

Interim Financial Report
30 September 2009

Century Bond Bhd.

(Company No. 228669-V)

(Incorporated in Malaysia)

Condensed consolidated balance sheet at 30 September 2009 - unaudited

	Note	30.09.2009 RM'000	31.3.2009 RM'000
Assets			
Property, plant and equipment		40,175	43,286
Prepaid lease payments		4,788	4,942
Investment in quoted shares	B7	7	7
Goodwill		342	342
Total non-current assets		<u>45,312</u>	<u>48,577</u>
Inventories		18,344	21,406
Trade and other receivables		50,206	43,485
Tax recoverable		372	504
Cash and bank balances		58,708	42,350
Total current assets		<u>127,630</u>	<u>107,745</u>
Total assets		<u><u>172,942</u></u>	<u><u>156,322</u></u>
Equity			
Share capital		60,000	60,000
Reserves		48,051	42,128
Total equity attributable to shareholders of the Company		108,051	102,128
Minority interest		3,133	3,853
Total equity		<u>111,184</u>	<u>105,981</u>
Liabilities			
Loans and borrowings	B9	1,121	1,474
Deferred tax liabilities		6,392	7,044
Total non-current liabilities		<u>7,513</u>	<u>8,518</u>
Trade and other payables		29,551	23,000
Loans and borrowings	B9	21,040	17,688
Taxation		3,654	1,135
Total current liabilities		<u>54,245</u>	<u>41,823</u>
Total liabilities		<u>61,758</u>	<u>50,341</u>
Total equity and liabilities		<u><u>172,942</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)

(Incorporated in Malaysia)

Condensed consolidated income statement for the period ended 30 September 2009 - unaudited

	Note	Individual 3 months ended 30 September		Cumulative 6 months ended 30 September	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revenue		43,683	56,902	86,673	104,473
Cost of sales		(35,148)	(48,789)	(69,241)	(88,568)
Gross profit		8,535	8,113	17,432	15,905
Other income		2,682	329	2,902	957
Distribution expenses		(2,007)	(2,392)	(4,062)	(4,747)
Administrative expenses		(2,227)	(1,423)	(4,315)	(3,123)
Other expense		(1,957)	--	(3,140)	--
Profit from operating activities		5,026	4,627	8,817	8,992
Finance costs		(141)	(485)	(221)	(1,100)
Profit before tax		4,885	4,142	8,596	7,892
Tax expense	B5	(1,776)	(1,314)	(2,750)	(2,307)
Profit for the period		<u>3,109</u>	<u>2,828</u>	<u>5,846</u>	<u>5,585</u>
Attributable to:					
Shareholders of the Company		3,903	2,730	6,566	5,367
Minority interest		(794)	98	(720)	218
Profit for the period		<u>3,109</u>	<u>2,828</u>	<u>5,846</u>	<u>5,585</u>
Basic earnings and diluted per ordinary share (sen)	B12	<u>3.25</u>	<u>2.28</u>	<u>5.47</u>	<u>4.47</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.

Century Bond Bhd.

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Condensed consolidated statement of changes in equity for the period ended 30 September 2009 – 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 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	--	--	(643)	--	(643)	--	(643)
Profit after tax for the financial year	--	--	--	6,566	6,566	(720)	5,846
<i>At 30 September 2009</i>	<u>60,000</u>	<u>1,867</u>	<u>1,508</u>	<u>44,676</u>	<u>108,051</u>	<u>3,133</u>	<u>111,184</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	--	--	400	--	400	--	400
Profit after tax for the financial year	--	--	--	5,367	5,367	218	5,585
Acquisition of minority interest	--	--	--	--	--	114	114
<i>At 30 September 2008</i>	<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>

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 September 2009 - unaudited

	6 months ended 30 September	
	2009 RM'000	2008 RM'000
Cash flows from operating activities		
Profit before tax	8,596	7,892
Adjustments for non-cash flow:		
Non-cash items	1,145	2,823
Non-operating items	1,645	798
Operating profit before changes in working capital	11,386	11,513
Net change in current assets	(2,202)	10,212
Net change in current liabilities	6,299	3,636
Net tax paid	(751)	(322)
Net cash from operating activities	14,732	25,039
Cash flows from investing activities		
Other investments activities		
Net cash used in investing activities	(1,352)	(2,038)
Cash flows used in financing activities		
Proceeds from/(Payment for) bank borrowings	1,919	(17,455)
Net cash used in financing activities	1,919	(17,455)
Net increase in cash and cash equivalents	15,299	5,546
Cash and cash equivalents at beginning of period	41,702	19,594
Cash and cash equivalents at end of period	57,001	25,140

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

Cash and bank balances	33,006	16,845
Deposits with licensed banks	25,662	11,819
Bank overdrafts	(1,667)	(3,524)
	57,001	25,140

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:- (Contd)

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

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS101 (Revised 2009)	Presentation of Financial Statements
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 adoption of FRS 101 (Revised 2009) will only impact the form and content of the presentation of the Group's financial statements in the next financial year. There will be no financial impact on the financial statements upon the adoption of this standard.

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
Amendments to FRS 7, FRS132, FRS 139 and IC Interpretation 9	Improvements to Accounting for Financial Instruments
Amendments to FRSs	Annual Improvements to FRSs (2009)

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

The possible impacts of amendments to FRS 7, FRS 132, FRS 139 and IC Interpretation 9 on the financial statements upon their initial applications are not disclosed by virtue of the exemptions given in these standards.

The Annual Improvements to FRSs (2009) is expected to have no material impact on the financial statements of the Group upon their initial application.

A2. Changes in accounting policies (continued)

- (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. 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 6 months ended 30 September		Profit before tax 6 months ended 30 September	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Paper packaging	77,962	79,510	6,313	7,927
Plastic packaging	14,120	31,151	1,561	981
Contract manufacturing and packing	14,555	16,902	857	66
Investment and property holding	535	463	86	18
	<u>107,172</u>	<u>128,026</u>	<u>8,817</u>	<u>8,992</u>
Inter-segment elimination	<u>(20,499)</u>	<u>(23,553)</u>	<u>--</u>	<u>--</u>
	86,673	104,473	8,817	8,992
Finance costs	<u>--</u>	<u>--</u>	<u>(221)</u>	<u>(1,100)</u>
	<u><u>86,673</u></u>	<u><u>104,473</u></u>	<u><u>8,596</u></u>	<u><u>7,892</u></u>

(b) By geographical locations:

	Revenue 6 months ended 30 September	
	2009 RM'000	2008 RM'000
Malaysia	69,850	86,051
Other Asian countries	<u>16,823</u>	<u>18,422</u>
	<u><u>86,673</u></u>	<u><u>104,473</u></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

There were no capital commitments since the last annual balance sheet date.

A13. Material related party transactions

Significant related party transactions of the Group are as follows:

	6 months ended 30 September	
	2009	2008
	RM'000	RM'000
Directors' remuneration	789	856
<i>Rental paid/payable to certain Directors</i>	37	37
<i>Companies in which the spouse of an Executive Director/major shareholder of CBB has substantial financial interest</i>		
Purchases of printing block	325	404
Rental received/receivable	18	18
<i>Company in which a corporate shareholder of a subsidiary has substantial financial interest</i>		
Sale of paper bags	10,617	12,504
Rental paid/payable	36	36
Sales to a subsidiary in which certain directors of the subsidiary have substantial financial interest	4,213	3,084
<i>Company in which persons connected to Directors/major shareholders of CBB has substantial financial interest</i>		
Transport and forwarding charges paid/payable	511	--

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 30 November 2009.

Part B

Additional Explanatory Notes Pursuant to
Appendix 9B of the Listing ó Requirements of
Bursa Malaysia Securities Berhad
ó Second Quarter Ended 30 September 2009

B1. Review of performance

The Group's revenue for the current quarter is reported at RM43.683 million, which is RM13.219 million lower compared to the corresponding quarter of last financial year. The decrease is mainly due to the decrease in sales of certain product line in our plastic packaging division which does not contribute much to the Group's profit margin. Gross profit is reported at RM8.535 million in current quarter representing an increase of RM0.422 million compared to the same quarter in last financial year of RM8.113 million which is mainly due to lower cost of raw materials in our paper packaging division.

B2. Variation of results against preceding quarter

The Group's current quarter profit before tax of RM4.885 million is RM1.173 million higher compared to the profit before tax of RM3.712 million registered in the preceding quarter mainly due to higher profit margin registered in our paper packaging division in the current quarter.

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 September		Cumulative 6 months ended 30 September	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Current tax				
- Current year	2,076	1,173	3,401	2,166
- Over/(Under provision) in prior quarter	--	--	--	--
	2,076	1,173	3,401	2,166
Deferred tax (assets) / liabilities	(300)	141	(651)	141
	<u>1,776</u>	<u>1,314</u>	<u>2,750</u>	<u>2,307</u>

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 September 2009 RM'000	31 March 2009 RM'000
Non-current		
- Secured	996	1,295
- Unsecured	125	179
	<u>1,121</u>	<u>1,474</u>
Current		
- Secured	13,363	12,122
- Unsecured	7,677	5,566
	<u>21,040</u>	<u>17,688</u>
Total borrowings	<u><u>22,161</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 November 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 September 2009	6 months ended 30 September 2009
Profit for the period (RMø000)	3,109	5,846
Add: Loss shared by minority interest (RMø000)	794	720
Profit for the period attributable to shareholders of the Company (RMø000)	<u>3,903</u>	<u>6,566</u>
Weighted average number of ordinary shares in issue (-ø000)	<u>120,000</u>	<u>120,000</u>
Basic and diluted earnings per share (sen)	<u>3.25</u>	<u>5.47</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 2009 in their report dated 29 July 2009.