



**KIAN JOO CAN FACTORY BERHAD**

(Incorporated in Malaysia)

(Co. Reg. No. 3186-P)

**Condensed Consolidated Income Statements for the quarter ended 31 December 2005**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2005 RM'000	Preceding Year Corresponding Quarter 31.12.2004 RM'000	Current Year To Date 31.12.2005 RM'000	Preceding Year Corresponding Period 31.12.2004 RM'000
Revenue	159,222	149,179	654,489	575,684
Operating Expenses	-149,021	-137,851	-592,336	-524,742
Other Operating Income	4,314	2,752	10,654	8,031
Profit from Operations	14,515	14,080	72,807	58,973
Interest expense	-1,883	-1,537	-6,908	-5,560
Interest income	230	262	853	1,510
Share of profit of Associated Company	806	745	2,536	1,587
Profit Before Taxation	13,668	13,550	69,288	56,510
Taxation	-8,441	1,365	-18,529	-7,392
Profit after Taxation	5,227	14,915	50,759	49,118
Minority Interest	-515	334	-287	668
Net Profit for the period	4,712	15,249	50,472	49,786
Earnings per share: -				
(a) Basic (sen)	2.65	8.60	28.13	28.15
(b) Fully diluted (sen)	2.63	8.49	27.86	27.76

**The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004 and the accompanying explanatory notes attached to the interim financial statements.**

NOTE ON OPERATING EXPENSES:

Included in operating expenses is depreciation expense as follows: -

	13,074	11,729	41,358	39,153
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**Condensed Consolidated Balance Sheet  
As at 31 December 2005**

	As at end of Current Quarter 31.12.2005 RM'000	As at preceding Year End 31.12.2004 RM'000
Property, Plant & Equipment	446,099	421,511
Investments in Associated Company	22,742	20,900
Other Investment	0	0
Deferred Tax Assets	4,950	14,797
Current Assets		
Inventories	230,712	154,851
Trade receivables	154,311	155,700
Amount due from associated company	1,660	2,518
Other receivables	18,197	13,302
Cash & Cash Equivalents	52,638	40,302
	<u>457,519</u>	<u>366,673</u>
Current Liabilities		
Trade payables	28,221	37,341
Other payables	30,971	21,764
Provisions	3,795	3,522
Borrowings	75,678	78,636
Taxation	485	1,488
	<u>139,150</u>	<u>142,751</u>
Net Current Assets	318,369	223,922
	<u>792,160</u>	<u>681,130</u>
Financed By: -		
Share Capital	90,709	88,737
Reserves	507,060	468,065
Shareholders' Fund	<u>597,769</u>	<u>556,802</u>
Minority Interest	27,836	27,602
Reserve on consolidation	6,466	6,466
Provisions	20,826	22,453
Long Term Liabilities		
Borrowings	134,854	62,643
Deferred Tax Liabilities	4,409	5,164
	<u>792,160</u>	<u>681,130</u>
Net assets per share (RM)	3.27	3.05

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004 and the accompanying explanatory notes attached to the interim financial statements.



**KIAN JOO CAN FACTORY BERHAD**

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**Condensed Consolidated Statement of Changes in Equity  
For the quarter ended 31 December 2005**

	Non-distributable reserves					Distributable	Total
	Share Capital	Share Premium	Revaluation Reserve	Capital Reserve	Exchange Reserve	Retained Profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2005 -	88,737	6,704	509	4,480	-200	456,572	556,802
Profit for the year	-	-	-	-	-	50,471	50,471
Dividends	-	-	-	-	-	-18,005	-18,005
Issuance pursuant to ESOS	1,973	6,509	-	-	-	-	8,482
Currency translation difference	-	-	-	-	19 *	-	19
Balance as at 31 December 2005 -	<u>90,710</u>	<u>13,213</u>	<u>509</u>	<u>4,480</u>	<u>-181</u>	<u>489,038</u>	<u>597,769</u>
Balance as at 1 January 2004 -	87,878	3,871	455	4,480	-173	424,508	521,019
Profit for the year	-	-	-	-	-	49,786	49,786
Dividends	-	-	-	-	-	-17,722	-17,722
Issuance pursuant to ESOS	859	2,833	-	-	-	-	3,692
Dilution arising of a subsidiary company issue of shares pursuant to ESOS	-	-	54	-	-	-	54
Currency translation difference	-	-	-	-	-27 *	-	-27
Balance as at 31 December 2004 -	<u>88,737</u>	<u>6,704</u>	<u>509</u>	<u>4,480</u>	<u>-200</u>	<u>456,572</u>	<u>556,802</u>

\* This represents losses not recognised in the income statement.

**The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004 and the accompanying explanatory notes attached to the interim financial statements.**



**KIAN JOO CAN FACTORY BERHAD**

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**Condensed Consolidated Cash Flow Statement  
For the quarter ended 31 December 2005**

	Quarter ended 31.12.2005 RM'000	Quarter ended 31.12.2004 RM'000
Net cash generated from operating activities	19,785	46,033
Net cash (used in) investing activities	-67,142	-50,580
Net cash generated from/(used in) financing activities	62,386	-5,350
<b>Net decrease in Cash and Cash Equivalents</b>	<b>15,029</b>	<b>-9,897</b>
Effect of Exchange Rate Changes	-37	-72
Cash and Cash Equivalents at 1 January	37,427	47,720
*Cash and Cash Equivalents at 30 September	<u>52,418</u>	<u>37,751</u>
*Cash and Cash Equivalents at 31 December 2005 comprised the following:		
Cash and bank balances	19,861	14,724
Short term deposits	32,776	25,545
Bank Overdraft (included with short term borrowing in Note 22)	-220	-2,518
	<u>52,418</u>	<u>37,751</u>

**The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004 and the accompanying explanatory notes attached to the interim financial statements.**



**1 Accounting Policies and Methods of Computation**

The interim financial report is unaudited and has been prepared in accordance with FRS 134 "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2004.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2004.

**2 Qualification of audit report of the preceding annual financial statements**

There were no qualification on audit report of the preceding financial statements.

**3 Seasonal or Cyclical Factors**

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

**4 Extraordinary Items**

There were no extraordinary items for the financial period under review.

**5 Changes in estimates**

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years that have a material effect in the current financial period.

**6 Issuance, cancellations, repurchases, resale and repayments of debt and equity securities**

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial period under review.

The details of the issued and paid-up capital of the Company as at 31 December 2005 are as follows: -

As at 1 January 2005 -  
 Ordinary shares issued pursuant to ESOS

No. of Shares	RM
177,473,661	88,736,831
3,945,000	1,972,500
<b>181,418,661</b>	<b>90,709,331</b>

As at 31 December 2005

**7 Dividends Paid**

For the financial year under review, a final tax exempt dividend of 10% (5 sen per share) for the financial year ended 31 December 2004 amounting to RM8.953 million was paid on 8 July 2005 and an interim tax exempt dividend of 10% (5 sen per share) for the financial year ended 31 December 2005, amounting to RM9.051 million was paid on 28 September 2005.

**8 Segmental Reporting**

Segmental results for the period ended 31 December 2005 are as follows: -

	General Cans	Aluminium Cans	Corrugated Cartons	Pet Products	Contract Packing	Others	TOTAL	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>									
External sales	279,769	267,918	76,561	19,256	10,865	121	654,489	-	654,489
Inter-segmental sales	3,128	1,068	2,708	1,532	-	516	8,953	(8,953)	-
	<b>282,897</b>	<b>268,986</b>	<b>79,269</b>	<b>20,788</b>	<b>10,865</b>	<b>637</b>	<b>663,442</b>	<b>(8,953)</b>	<b>654,489</b>
<b>RESULTS</b>									
Operating Profit	6,373	64,192	2,106	(4,182)	(3,427)	107	65,169	7,640	72,809
Interest Income	3,590	3	304	-	-	-	3,897	(3,045)	852
	<b>9,963</b>	<b>64,196</b>	<b>2,410</b>	<b>(4,182)</b>	<b>(3,427)</b>	<b>107</b>	<b>69,065</b>	<b>4,595</b>	<b>73,660</b>
Interest Expense	(4,929)	(4,163)	(861)	(1)	-	-	(9,953)	3,045	(6,908)
Share of profit of Associated Co	-	-	-	2,536	-	-	2,536	-	2,536
Profit before taxation	<b>5,034</b>	<b>60,033</b>	<b>1,550</b>	<b>(1,647)</b>	<b>(3,427)</b>	<b>107</b>	<b>61,648</b>	<b>7,640</b>	<b>69,288</b>
Taxation									(18,529)
Minority Interest									(287)
									<b>50,472</b>

**9 Valuation of property, plant and equipment**

There were no amendments in the valuation of property, plant and equipment since the last annual financial statements.

**10 Material events subsequent to the end of the interim period**

There are no material events subsequent to the end of the period under review that have not been reflected in the quarterly financial statements.

**11 Changes in the Composition of the Group**

The company on the 8 November 2005 announced the incorporation of a newly joint venture company, KJO Systems Sdn Bhd ("KJO") on the 26 October 2005 with an authorised share capital of RM5 million. KJO is 50%/50% joint venture between the company and Omnitech International, Inc ("OI"), a leader in can technologies and engineering services located in Golden, Colorado USA.

## 12 Changes in contingent liabilities or contingent assets

There were no material changes in contingent liabilities or contingent assets since the last annual balance sheet date.

## 13 Related Party Transactions

	Financial Period to date 31.12.2005 RM'000
Sales to associated company	864
Management fees receivable from associated company	1,573
Rental receivable from associate company	2,191

Apart from the above, the Group also entered into the following related party transactions :-

(i) <u>Nature of transaction</u>	<u>Identity of related party</u>	Financial Period to date 31.12.2005 RM'000
Sales of trading inventories by a subsidiary company	Hercules Sdn Bhd ("Hercules")	141
Sales of trading inventories by a subsidiary company	Metal Closures & Seals Sdn Bhd ("Metal Closures")	309

The parties are deemed related to the Group by virtue of common directorship held by See Leong Chye @ Sze Leong Chye in Hercules, Metal Closures and a subsidiary company.

The above transactions were entered into in the normal course of business on terms that the Directors consider comparable to those had the transactions been entered into with third parties.

## 14 Review of Performance of the Company and its Principal Subsidiaries

For the financial year ended 31 December 2005, Group revenue improved 13.7% to RM654.489 million from RM575.684 million in the corresponding preceding year. Profit before tax improved 22.6% to RM69.288 million from RM56.510 million in the corresponding preceding year. The improved revenue was the result of continued positive growth generated from all divisions. The improved profit before tax for the year was mainly contributed by the aluminium can division and improved results from the corrugated carton division. Loss from the PET and plastic divisions was lower at RM1.647 million as compared to loss of RM4.197 million in the preceding year.

Kian Joo Canpack (Shah Alam) Sdn Bhd and Kian Joo Canpack Sdn Bhd, under the contract pack division, incurred loss before tax of RM3.427 million for the year under review.

## 15 Comparison with Preceding Quarter's Results

Group revenue for the current quarter under review was 4.4% lower at RM159.222 million as compared to the preceding quarter of RM166.620 million. Profit before tax for the current quarter under review was 27.6% lower at RM13.668 million as compared to RM18.866 million in the preceding quarter. The lower profit before tax was mainly due to lower revenue from the general cans division, higher material cost and provision of doubtful debts of RM1.5 million during the period under review.

## 16 Current Year Prospects

The Group will continue to focus efforts on growth, both in the domestic and regional markets, to improve performance for year 2006.

## 17 Variance from Forecast Profit and Profit Guarantee

This is not applicable to the Group.

## 18 Taxation

	Current Qtr RM'000	Year to date RM'000
Income Tax		
- current year	608	-8,972
- under-provision in prior year	43	12
- associated company	-217	-694
Deferred taxation	-8,875	-8,875
	-8,441	-18,529

The effective tax rate for the financial period under review is lower than the statutory tax rate due to certain tax incentive being claimed for tax purposes and utilisation of unabsorbed tax losses by certain subsidiary companies.

**19 Profits on Sale of Unquoted Investments and /or Properties**

There were no profits on sale of investments and/or properties for the financial period under review.

**20 Purchase or Disposal of Quoted Securities**

(a) There were no purchase or disposal of quoted securities for the financial period under review.

(b) Investment in quoted shares as at 31 December 2005

	At Cost	At Book Value	At Market Value
	RM'000	RM'000	RM'000
Quoted shares -	19,155	-	37,847

**21 Status of Corporate Proposals**

There were no corporate proposals announced which were pending completion.

**22 Group Borrowings and Debt Securities**

Total Group borrowings as at 31 December 2005 are as follows:-

	RM'000
Current	75,678
Non-current	134,854
	210,531

The detail of borrowings which are denominated in Vietnam Dong are as follows: -

	VND '000 000
Current	39,439
Non-current	62,455
(NOTE - VND 4204 = RM1)	101,893

All the Group borrowings are unsecured.

**23 Off Balance Sheet Financial Instruments**

The Group has not entered into any contract for financial instruments with off Balance Sheet risks.

**24 Material Litigation**

There was no pending litigation against the Group for the financial period under review.

**25 Dividend**

The Directors are recommending a final tax-exempt dividend of 10% (5 sen per share), amounting to RM9.071 million, subject to approval by shareholders at the forthcoming Annual General Meeting of the Company.

**26 Earnings per share**

	Current Quarter	Financial Year to Date
	31.12.2005	31.12.2005
<b>Basic earnings per share</b>		
Issued ordinary shares at beginning of period	177,473,661	177,473,661
Effect of ordinary shares issued during the period	388,000	1,938,510
Weighted average number of ordinary shares	177,861,661	179,412,171
Basic earnings per share (sen)	2.65	28.13
<b>Diluted earnings per share</b>		
Weighted average number of ordinary shares	177,861,661	179,412,171
Effect of Employee Share Option Scheme	1,190,842	1,744,960
Weighted average number of ordinary shares (diluted)	179,052,503	181,157,130
Diluted earnings per share (sen)	2.63	27.86

**27 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 February 2006.

BY ORDER OF THE BOARD,  
Chia Kwok Why  
Secretary,  
Batu Caves, Selangor Darul Ehsan.  
28 February 2006