



KIAN JOO CAN FACTORY BERHAD

(Incorporated in Malaysia)
(Co. Reg. No. 3186-P)

Condensed Consolidated Income Statements for the quarter ended 31 March 2006

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter	To Date	Corresponding Period
	31.3.2006	31.3.2005	31.3.2006	31.3.2005
	RM'000	RM'000	RM'000	RM'000
Revenue	147,761	164,317	147,761	164,317
Cost of sales	(122,742)	(136,782)	(122,742)	(136,782)
Gross profit	25,019	27,535	25,019	27,535
Other operating income	2,039	1,710	2,039	1,710
Operating expenses	(7,861)	(7,326)	(7,861)	(7,326)
Finance costs	(1,684)	(1,370)	(1,684)	(1,370)
Share of profit of associate	25	0	25	0
Profit Before Taxation	17,538	20,549	17,538	20,549
Taxation	(3,667)	(3,209)	(3,667)	(3,209)
Profit for the period	13,871	17,340	13,871	17,340
Attributable to :				
Equity holders of the parent	13,702	17,617	13,702	17,617
Minority interest	169	(277)	169	(277)
	13,871	17,340	13,871	17,340
Earnings per share attributable to equity holders of the parent:				
(a) Basic (sen)	7.55	9.91	7.55	9.91
(b) Diluted (sen)	7.50	9.82	7.50	9.82

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements

NOTE ON OPERATING EXPENSES:

Included in operating expenses is depreciation expense as follows: -

	10,017	9,134	10,017	9,134
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**Condensed Consolidated Balance Sheet
As at 31 March 2006**

	As at end of Current Quarter 31.3.2006 RM'000	As at preceding Year End 31.12.2005 RM'000
ASSETS		
Non-current assets		
Property, Plant & Equipment	418,831	419,956
Investment Properties	25,828	25,925
Intangible assets	164	218
Investments in associate	23,655	23,630
Deferred Tax Assets	7,383	6,980
	<u>475,860</u>	<u>476,709</u>
Current Assets		
Inventories	239,183	229,718
Trade receivables	142,685	154,072
Other receivables	21,953	20,078
Cash and bank balances	46,005	52,638
	<u>449,826</u>	<u>456,506</u>
TOTAL ASSETS	<u><u>925,686</u></u>	<u><u>933,215</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent -		
Share Capital	90,819	90,709
Share Premium	13,576	13,213
Other reserves	4,594	4,808
Retained earnings	510,068	496,366
	<u>619,057</u>	<u>605,097</u>
Minority Interest	<u>27,871</u>	<u>27,815</u>
Total equity	<u>646,928</u>	<u>632,912</u>
Non-current liabilities		
Retirement benefit obligation	21,442	21,031
Borrowings	103,561	104,854
Deferred Tax Liabilities	8,018	6,440
	<u>133,020</u>	<u>132,325</u>
Current Liabilities		
Retirement benefit obligation	2,207	1,916
Provisions for other liabilities	168	491
Borrowings	88,223	105,678
Trade payables	35,881	28,248
Other payables	20,573	31,160
Current tax payable	(1,315)	485
	<u>145,737</u>	<u>167,978</u>
Total liabilities	<u>278,757</u>	<u>300,303</u>
TOTAL EQUITY AND LIABILITIES	<u><u>925,686</u></u>	<u><u>933,215</u></u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2005 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 March 2006**

	Attributable to Equity Holders of the Parent					Total	Minority Interest	Total Equity
	Non-distributable		Distributable					
	Share Capital	Share Premium	Reserve on consolidation	Other Reserve	Retained Earnings			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2005	88,737	6,704	6,466	4,789	463,038	569,735	27,603	597,338
Foreign currency translation	0	0	0	(3) *	0	(3)	0	(3)
Profit for the period					17,617	17,617	(277)	17,340
Total recognised income and expense for the period	0	0	0	(3)	17,617	17,614	(277)	17,337
Issue of ordinary shares pursuant to ESOS	219	723	0	0	0	942	0	942
At 31 March 2005	88,956	7,427	6,466	4,786	480,655	588,290	27,326	615,616
At 1 January 2006 - As previously stated	90,709	13,213	6,466	4,809	489,900	605,097	27,815	632,912
Effects of adopting FRS 3	0	0	(6,466)	0	6,466	-	0	0
At 1 January 2006 (restated)	90,709	13,213	0	4,809	496,366	605,097	27,815	632,912
Foreign currency translation	0	0	0	(215) *	0	(215)	(113)	(327)
Profit for the period	0	0	0	0	13,702	13,702	169	13,871
Total recognised income and expense for the period	0	0	0	(215)	13,702	13,487	56	13,544
Issue of ordinary shares pursuant to ESOS	110	363	0	0	0	473	0	473
At 31 March 2006	90,819	13,576	0	4,594	510,068	619,057	27,871	646,928

* This represents loss not recognised in the income statement.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements



KIAN JOO CAN FACTORY BERHAD

(Incorporated in Malaysia)

(Co. Reg. No. 3186-P)

**Condensed Consolidated Cash Flow Statement
For the quarter ended 31 March 2006**

	Quarter ended 31.3.2006 RM'000	Quarter ended 31.3.2005 RM'000
Net cash generated from operating activities	18,887	14,717
Net cash used in investing activities	(9,288)	(62,319)
Net cash (used in) / generated from financing activities	(18,271)	61,740
Net (decrease) / increase in Cash and Cash Equivalents	(8,673)	14,137
Effect of Exchange Rate Changes	207	497
Cash and Cash Equivalents at 1 January	52,418	37,784
*Cash and Cash Equivalents at 31 December	<u>43,953</u>	<u>52,418</u>
*Cash and Cash Equivalents at 31 March 2006 comprised the following:		
Cash and bank balances	22,536	19,862
Short term deposits	23,469	32,776
Bank Overdraft (included with short term borrowing in Note 23)	(2,052)	(220)
	<u>43,953</u>	<u>52,418</u>

The Condensed Consolidated Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements

1. Basis of Preparation

The Interim Financial Statements are unaudited and have been prepared in accordance with the requirements of FRS 134 - "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2005.

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 2005, except for the adoption of the following new/revised Financial Reporting Standards ("FRS") issued by MASB that are effective for the Group's first FRS annual reporting date, 31 December 2006.

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sales and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investment in Associates
FRS 132	Financial Instruments : Disclosure and Presentation
FRS 133	Earnings per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of FRS 2, 5, 102, 108, 110, 121, 127, 132 and 133 does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the new/revised FRS are as follows:

1(a) FRS 3 : Business Combinations

Under FRS 3, negative goodwill which represents the excess in fair value of the net identifiable assets acquired over the cost of the acquisition, is now recognised immediately to the income statements. In accordance with the transitional provisions of FRS 3, the negative goodwill as at 1st January 2006 of RM6,466,000 was derecognised with a corresponding increase in retained profits.

1(b) FRS 101 : Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interest, share of net after tax results of associates and other disclosures. In the consolidated balance sheet, minority interest are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the net profit or loss for the period. A similar requirement is also applicable to the statement of the changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

1(c) FRS 116 : Property , Plant and Equipment

In accordance with FRS 116, the asset's residual values, useful lives and depreciation method will be assessed at each financial year end and adjusted if necessary. If the residual value of an asset increases to an amount equal to or greater than the asset's carrying value amount, the asset's depreciation charge is zero unless and until its residual value subsequently decreases to an amount below the asset's carrying amount.

1(d) FRS 138 : Intangible Assets.

Previously, software costs were included under property, plant and equipment. Under FRS 138, the Group changed the classification of computer software costs as intangible assets where the software is not an integral part of the related hardware and amortised the software cost over their useful lives.

1(e) FRS 140 : Investment Property

Investment property, comprising land and building is held for rental yield and is not occupied by the Group. The investment property using the cost model which is in accordance with the measurement of property, plant and equipment unless the investment property criteria to be classified as Assets Held for Sale in accordance with FRS 5. In accordance with FRS 140, investment property is and presented as a separate line item in non-current assets. Investment property is measured at depreciated cost less any impairment. In prior years, investment property was not separately classified and was presented as part of property, plant and equipment.

As at the date of this report, the Group has not applied the following new standards which have been issued by the Malaysian Accounting Standards Board but not yet effective.

- (a) FRS 117 Leases
- (b) FRS 139 Financial Instruments : Recognition and Measurement

The following comparative amounts have been restated due to the adoption of new and revised FRS:

	Previously Stated	FRS 138	FRS140	Restated
As 31 December 2005	RM'000	RM'000	RM'000	RM'000
Property Plant and Equipment	446099	-218	-25925	419956
Investment Properties	0	0	25925	25925
Intangible Assets	0	218	0	218

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 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows.

There were no other unusual items affecting assets, liabilities, equity, net income or cash flows during 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 March 2006 are as follows: -

	No. of Shares	RM
As at 1 January 2006 - Ordinary shares issued pursuant to ESOS	181,418,661 220,000	90,709,331 110,000
As at 31 March 2006	181,638,661	90,819,331

7 Dividends Paid

There were no dividends paid during the period under review.

8 Segmental Reporting

Segmental results for the period ended 31 March 2006 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
REVENUE									
External sales	67,576	49,561	21,427	3,926	5,241	30	147,761	-	147,761
Inter-segmental sales	1,120	1,194	326	368	-	-	3,008	(3,008)	-
	<u>68,696</u>	<u>50,755</u>	<u>21,752</u>	<u>4,295</u>	<u>5,241</u>	<u>29</u>	<u>150,769</u>	<u>(3,008)</u>	<u>147,761</u>
RESULTS									
Operating Profit	7,425	12,303	871	(765)	(847)	(20)	18,967	-	18,967
Interest Income	535	7	70	-	-	-	612	(381)	231
	<u>7,960</u>	<u>12,310</u>	<u>940</u>	<u>(765)</u>	<u>(847)</u>	<u>(20)</u>	<u>19,578</u>	<u>(381)</u>	<u>19,197</u>
Interest Expense	(1,140)	(585)	(339)	(0)	-	-	(2,065)	381	(1,684)
Share of profit of Associated Co	-	-	-	25	-	-	25	-	25
Profit before taxation	<u>6,820</u>	<u>11,724</u>	<u>601</u>	<u>(740)</u>	<u>(847)</u>	<u>(20)</u>	<u>17,538</u>	<u>-</u>	<u>17,538</u>
Taxation									(3,667)
Minority Interest									(169)
									<u>13,702</u>

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

There were changes in the composition of the Group during the period under review.

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 Capital Commitments

The amount of capital commitments as at 31st March 2006 is as follows;

	RM'000
Approved and contracted for	11,822
Share of capital commitments of associated company	-
	<u>11,822</u>

14 Related Party Transactions

	Financial Period to date 31.3.2006 RM'000
Sales to associated company	180
Management fees receivable from associated company	450
Rental receivable from associate company	548

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

(i) Nature of transaction	Identity of related party	Financial Period to date 31.3.2006 RM'000
Sales of trading inventories by a subsidiary company	Hercules Sdn Bhd ("Hercules")	52
Sales of trading inventories by a subsidiary company	Metal Closures & Seals Sdn Bhd ("Metal Closures")	116

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.

15 Review of Performance of the Company and its Principal Subsidiaries

For the financial period ended 31 March 2006, Group revenue declined 10.1% to RM147.761 million from RM164.317 million in the corresponding preceding period. Profit before tax was down 14.7% at RM17.538 million from RM20.549 million in the corresponding preceding period. The lower revenue was mainly due to the significant drop of 30.6% in revenue from the aluminium can division. The lower profit before tax for the period under review was mainly attributed to the lower revenue in the aluminium can division and losses from the contract pack and PET and plastic divisions.

16 Comparison with Preceding Quarter's Results

Group revenue for the current quarter under review was 7.5% lower at RM147.761 million as compared to the preceding quarter of RM159.690 million. Profit before tax for the current quarter under review was 25.5% higher at RM17.538 million as compared to RM13.974 million in the preceding quarter. The higher profit before tax was mainly due to improved margin from the general can division for the current quarter under review and the provision of RM1.5 million doubtful debts in the preceding quarter.

17 Current Year Prospects

The general business and trading environment for the first quarter of the year has been unusually slow. The Group expects year 2006 to be a challenging one with rising cost of raw materials and higher operating cost as a result of increase in petrol price and electricity tariff.

18 Variance from Forecast Profit and Profit Guarantee

This is not applicable to the Group.

19 Taxation

	Current Qtr RM'000	Year to date RM'000
Income Tax		
- current year	-2,473	-2,473
- under-provision in prior year	-18	-18
Deferred taxation	-1,175	-1,175
	-3,667	-3,667

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.

20 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.

21 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 March 2006

	At Cost RM'000	At Book Value RM'000	At Market Value RM'000
Quoted shares -	19,155	-	31,594

22 Status of Corporate Proposals

There were no corporate proposals announced which were pending completion.

23 Group Borrowings and Debt Securities

Total Group borrowings as at 31 March 2006 are as follows:-

	RM'000
Current	88,223
Non-current	103,561
	<u>191,783</u>

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

	VND '000 000
Current	41,645
Non-current	58,523
	<u>100,168</u>

All the Group borrowings are unsecured.

24 Off Balance Sheet Financial Instruments

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

25 Material Litigation

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

26 Dividend

The Directors do not recommend any dividend for the financial period under review.

27 Earnings per share

	Current Quarter 31.3.2006	Financial Year to Date 31.3.2006
Basic earnings per share		
Issued ordinary shares at beginning of period	181,418,661	181,418,661
Effect of ordinary shares issued during the period	220,000	110,533
Weighted average number of ordinary shares	<u>181,638,661</u>	<u>181,529,194</u>
Basic earnings per share (sen)	7.55	7.55
Diluted earnings per share		
Weighted average number of ordinary shares	181638661	181529194
Effect of Employee Share Option Scheme	1253102	1253102
Weighted average number of ordinary shares (diluted)	<u>182891763</u>	<u>182782296</u>
Diluted earnings per share (sen)	7.50	7.50

28 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 25 May 2006.

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