



KIAN JOO CAN FACTORY BERHAD

(Incorporated in Malaysia)

(Co. Reg. No. 3186-P)

Condensed Consolidated Income Statements for the quarter ended 30 September 2006

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.9.2006 RM'000	Preceding Year Corresponding Quarter 30.9.2005 RM'000	Current Year To Date 30.9.2006 RM'000	Preceding Year Corresponding Period 30.9.2005 RM'000
Revenue	183,586	166,620	485,128	495,267
Cost of sales	(166,093)	(143,081)	(426,764)	(420,657)
Gross profit	17,493	23,539	58,365	74,610
Other operating income	4,097	3,397	8,090	6,963
Operating expenses	(7,993)	(7,643)	(24,492)	(22,657)
Finance costs	(2,378)	(1,664)	(6,417)	(5,026)
Share of profit of associate	266	1,238	(338)	1,730
Profit Before Taxation	11,485	18,867	35,208	55,620
Taxation	(3,535)	(4,070)	(10,192)	(10,088)
Profit for the period	7,950	14,797	25,016	45,532
Attributable to :				
Equity holders of the parent	7,507	14,639	24,015	45,760
Minority interest	443	158	1,001	(228)
	7,950	14,797	25,016	45,532
Earnings per share attributable to equity holders of the parent:				
(a) Basic (sen)	4.14	8.19	13.01	25.59
(b) Diluted (sen)	4.12	8.14	12.96	25.32

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: -

	9,911	9,848	29,900	28,284
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(Co. Reg. No. 3186-P)

Condensed Consolidated Balance Sheet As at 30 September 2006

	As at end of Current Quarter 30.09.2006 RM'000	As at preceding Year End 31.12.2005 RM'000
ASSETS		
Non-current assets		
Property, Plant & Equipment	409,310	419,956
Investment Properties	25,632	25,925
Intangible assets	339	218
Investments in associate	23,255	23,629
Deferred Tax Assets	7,535	6,980
	<u>466,071</u>	<u>476,708</u>
Current Assets		
Inventories	178,997	229,718
Trade receivables	180,881	154,072
Other receivables	36,460	20,079
Cash and bank balances	44,989	52,638
	<u>441,327</u>	<u>456,507</u>
TOTAL ASSETS	<u>907,398</u>	<u>933,215</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent -		
Share Capital	91,773	90,709
Share Premium	16,723	13,214
Other reserves	4,405	4,810
Retained earnings	502,030	496,366
	<u>614,931</u>	<u>605,099</u>
Minority Interest	28,587	27,815
Total equity	<u>643,518</u>	<u>632,914</u>
Non-current liabilities		
Retirement benefit obligation	21,399	21,031
Borrowings	103,646	104,854
Deferred Tax Liabilities	10,788	6,440
	<u>135,833</u>	<u>132,325</u>
Current Liabilities		
Retirement benefit obligation	2,453	1,916
Provisions for other liabilities	805	491
Borrowings	65,743	104,804
Trade payables	27,715	29,070
Other payables	30,849	31,210
Current tax payable	482	485
	<u>128,047</u>	<u>167,976</u>
Total liabilities	263,880	300,301
TOTAL EQUITY AND LIABILITIES	<u>907,398</u>	<u>933,215</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 30 September 2006

	← Attributable to Equity Holders of the Parent →					Minority Interest	Total Equity	
	← Non-distributable →		Distributable					
	Share Capital	Share Premium	Reserve on consolidation	Other Reserve	Retained Earnings			Total
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	456,572	563,268	27,603	590,871
Foreign currency translation	-	-	-	(64) *	-	(64)	(13)	(77)
Profit for the period					45,760	45,760	(228)	45,532
Dividends					(18,005)	(18,005)		(18,005)
Total recognised income and expense for the period	-	-	-	(64)	27,755	27,691	(241)	27,450
Issue of ordinary shares pursuant to ESOS	1,779	5,869	-	-	-	7,648	-	7,648
At 30 September 2005	90,515	12,573	6,466	4,725	484,327	598,607	27,362	625,969
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	-	-	(6,466)	-	6,466	-	-	-
At 1 January 2006 (restated)	90,709	13,213	-	4,809	496,366	605,097	27,815	632,912
Foreign currency translation				(404) *		(404)	(229)	(633)
Profit for the period	-	-	-	-	24,015	24,015	1,001	25,016
Dividends					(18,351)	(18,351)		(18,351)
Total recognised income and expense for the period	-	-	-	(404)	5,664	5,261	772	6,033
Issuance pursuant to ESOS	1,064	3,510	-	-	-	4,573	-	4,573
At 30 September 2006	91,773	16,723	-	4,405	502,030	614,931	28,587	643,518

* 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



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(Incorporated in Malaysia)

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Condensed Consolidated Cash Flow Statement For the quarter ended 30 September 2006

	Quarter ended 30.9.2006 RM'000	Quarter ended 30.9.2005 RM'000
Net cash generated from / (used in) operating activities	66,826	(4,203)
Net cash used in investing activities	(19,615)	(57,945)
Net cash (used in) / generated from financing activities	(54,005)	58,463
Net decrease in Cash and Cash Equivalents	(6,794)	(3,686)
Effect of Exchange Rate Changes	(637)	(89)
Cash and Cash Equivalents at 1 January	52,420	37,784
*Cash and Cash Equivalents at 30 September	<u>44,989</u>	<u>34,009</u>
*Cash and Cash Equivalents at 30 September 2006 comprised the following:		
Cash and bank balances	25,942	26,928
Short term deposits	19,048	9,520
Bank Overdraft (included with short term borrowing in Note 23)	0	(2,439)
	<u>44,989</u>	<u>34,009</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 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
	RM'000	RM'000	RM'000	RM'000
As 31 December 2005				
Property Plant and Equipment	446,099	-218	-25,925	419,956
Investment Properties	0	0	25,925	25,925
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

The details of the issued and paid-up capital of the Company as at 30 September 2006 are as follows: -

	No. of Shares	RM
As at 1 January 2006 - Ordinary shares issued pursuant to ESOS	181,418,661 2,127,000	90,709,331 1,063,500
As at 30 September 2006	183,545,661	91,772,831

7 Dividends Paid

For the financial period under review, a final tax exempt dividend of 10% (5 sen per share) for the financial year ended 31 December 2005 amounting to RM 9.173 million was paid on 14 July 2006 and an interim tax exempt dividend of 10% (5 sen per share) for the financial year ended 31 December 2006, amounting to RM 9.177 million was paid on 28 September 2006.

8 Segmental Reporting

Segmental results for the period ended 30 September 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	234,256	145,513	70,576	13,837	20,776	170	485,128	-	485,128
Inter-segmental sales	3,071	6,315	1,247	1,024	-	-	11,657	(11,657)	-
	237,327	151,828	71,823	14,862	20,776	170	496,785	(11,657)	485,128
RESULTS									
Operating Profit	4,342	34,693	3,631	(3,325)	(1,700)	3,487	41,128	-	41,128
Interest Income	2,597	16	188	-	-	-	2,801	(1,966)	835
	6,938	34,709	3,819	(3,325)	(1,700)	3,487	43,929	(1,966)	41,963
Interest Expense	(4,580)	(2,721)	(1,082)	(0)	-	-	(8,383)	1,966	(6,417)
Share of loss of Associated Co	-	-	-	(338)	-	-	(338)	-	(338)
Profit before taxation	2,359	31,988	2,737	(3,663)	(1,700)	3,487	35,208	-	35,208
Taxation									(10,192)
Minority Interest									(1,001)
									24,015

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 no 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 30 September 2006 is as follows:

	RM'000
Approved and contracted for	15,197
Share of capital commitments of associated company	297
	15,494

14 Related Party Transactions

	Financial Period to date 30.9.2006 <u>RM'000</u>
Sales to associated company	521
Management fees receivable from associated company	163
Rental receivable from associate company	913

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 30.9.2006 <u>RM'000</u>
Sales of trading inventories by a subsidiary company	Hercules Sdn Bhd ("Hercules")	94
Sales of trading inventories by a subsidiary company	Metal Closures & Seals Sdn Bhd ("Metal Closures")	212

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 30 September 2006, Group revenue declined 2% to RM485.128 million from RM495.267 million in the corresponding preceding period. Profit before tax was down 36.7% at RM35.208 million from RM55.620 million in the corresponding preceding period. The lower revenue was mainly due to the significant drop in revenue from the aluminium can division. The lower profit before tax for the period under review were mainly due to the lower revenue from the aluminium can division, lower profit contribution from general can division and losses from the contract packing and PET and plastic divisions.

16 Comparison with Preceding Quarter's Results

Group revenue for the current quarter under review was 19.4% higher at RM183.585 million as compared to the preceding quarter of RM153.782 million. Profit before tax for the current quarter under review was 85.7% higher at RM11.485 million as compared to RM6.186 million in the preceding quarter. The general can division incurred a loss before tax of RM3.549 million for the period under review as compared to RM0.911 million profit before tax in the preceding quarter mainly due to lower selling price and higher operating cost. Profit contribution from the aluminium can division was 16.7% higher at RM10.913 million as compare to RM9.351 million in the preceding quarter. Losses before tax for the PET and plastic division was reduced to RM0.375 million for the current quarter as compared to RM2.548 million in the preceding quarter. Gain on disposal of property amounting to RM3.190 million for the period under review also contributed to the higher profit before tax for the current quarter under review.

17 Current Year Prospects

The general business and trading environment for the year is expected to be slow and the Group expects year 2006 will be affected by rising cost of raw materials and higher operating cost.

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	(2,632)	(6,796)
- under-provision in prior year	26	(12)
- associated company	(37)	(37)
Deferred taxation	(892)	(3,347)
	<u>(3,535)</u>	<u>(10,192)</u>

The effective tax rate for the financial period under review is higher than the statutory tax rate due to certain expenses not tax allowable.

20 Profits on Sale of Unquoted Investments and/or Properties

There were no profits on sale of investment and/or properties during the current and financial year-to-date other than the disposal of a leasehold land and building by Great Asia Tin Cans Factory Co. Sdn. Bhd ("GATCF"), a 100% owned subsidiary of Metal-Pak (M) Sdn. Bhd. which in turn is a 100% owned subsidiary of Kian Joo. GATCF has on 22nd May 2006 entered into a sale and purchase agreement with Kentzu Steel Sdn. Bhd. for a total cash consideration of RM4.900 million and profit arising from the disposal is RM3.190 million.

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 30 September 2006

	At Cost	At Book Value	At Market Value
	RM'000	RM'000	RM'000
Quoted shares -	19,155	-	24,683

22 Status of Corporate Proposals

Date of Announcement	Subject	Status
8 September 2006	<p>a) Proposed increase in authorised share capital of Kian Joo from RM100,000,000 comprising 200,000,000 ordinary shares of RM0.50 each to RM500,000,000 comprising 1,000,000,000 ordinary shares of RM0.50 each;</p> <p>b) Proposed bonus issue of up to 37,122,532 Bonus Shares, to be credited as fully paid-up on the basis of one (1) Bonus Shares for every five (5) existing Kian Joo Shares held;</p> <p>c) Proposed share split involving the subdivision into two (2) Subdivided Shares for every one (1) Kian Joo Share held after the Proposed Bonus Issue; and</p> <p>d) Proposed amendment to the Memorandum and Articles of Association of Kian Joo.</p>	<p>An application has been submitted to the SC and Bursa Securities for the Proposed Shares Split.</p> <p>The approvals from SC and Bursa Securities were obtained vide their letters dated 31 October 2006 and 20 October 2006, respectively.</p> <p>Bursa Securities has vide its letter dated 16 November 2006 approved in-principle the listing and quotation of up to 37,122,532 new ordinary shares of RM0.50 each to be issued pursuant to the Proposed Bonus Issue.</p> <p>The EGM to vote on the resolutions will be held on 27 November 2006.</p>

23 Group Borrowings and Debt Securities

Total Group borrowings as at 30 September 2006 are as follows:-

	RM'000
Current	65,743
Non-current	103,646
	<u>169,389</u>

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

	VND '000 000
Current	35,909
Non-current	60,049
(NOTE - VND 4408 = RM1)	<u>95,958</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	Financial Year to Date
	<u>30.9.2006</u>	<u>30.9.2006</u>
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	76,000	3,128,133
Weighted average number of ordinary shares	<u>181,494,661</u>	<u>184,546,794</u>
Basic earnings per share (sen)	4.14	13.01
Diluted earnings per share		
Weighted average number of ordinary shares	181,494,661	184,546,794
Effect of Employee Share Option Scheme	527,391	785,452
Weighted average number of ordinary shares (diluted)	<u>182,022,052</u>	<u>185,332,247</u>
Diluted earnings per share (sen)	4.12	12.96

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 21 November 2006.

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