



## KIAN JOO CAN FACTORY BERHAD

(Incorporated in Malaysia)

(Co. Reg. No. 3186-P)

### Condensed Consolidated Income Statements for the fourth quarter ended 31 December 2006

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2006 RM'000	Preceding Year Corresponding Quarter 31.12.2005 RM'000	Current Year To Date 31.12.2006 RM'000	Preceding Year Corresponding Period 31.12.2005 RM'000
Revenue	171,859	159,690	656,987	654,957
Cost of sales	(146,225)	(139,832)	(572,989)	(560,489)
Gross profit	25,633	19,858	83,998	94,468
Other operating income	395	4,384	8,485	11,347
Operating expenses	(14,921)	(9,567)	(39,413)	(32,224)
Finance costs	(1,845)	(1,862)	(8,262)	(6,888)
Share of (loss)/profit of associate	(1,352)	1,161	(1,690)	2,891
Profit Before Taxation	7,910	13,974	43,118	69,594
Taxation	(2,925)	(7,907)	(13,117)	(17,995)
Profit for the period	4,984	6,067	30,001	51,599
Attributable to :				
Equity holders of the parent	5,137	5,573	29,152	51,333
Minority interest	(152)	494	849	266
	4,985	6,067	30,001	51,599
Earnings per share attributable to equity holders of the parent:				
(a) Basic (sen)	1.18	1.42	6.64	11.92
(b) Diluted (sen)	1.17	1.41	6.62	11.81

**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:-**

Depreciation and amortization	10,601	13,074	40,501	41,358
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**KIAN JOO CAN FACTORY BERHAD**

(Incorporated in Malaysia)

(Co. Reg. No. 3186-P)

**Condensed Consolidated Balance Sheet  
As at 31 December 2006**

	As at 31.12.2006 RM'000 unaudited	As at 31.12.2005 RM'000 audited (restated)
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant & Equipment	417,134	419,144
Investment Properties	25,466	26,676
Intangible assets	349	279
Investments in associate	21,959	23,629
Deferred Tax Assets	8,502	6,980
	<u>473,410</u>	<u>476,708</u>
<b>Current Assets</b>		
Inventories	191,943	229,718
Trade receivables	194,653	154,072
Other receivables	21,631	20,079
Cash and bank balances	79,870	52,638
	<u>488,097</u>	<u>456,507</u>
<b>TOTAL ASSETS</b>	<u><u>961,507</u></u>	<u><u>933,215</u></u>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to equity holders of the parent -		
Share Capital	110,862	90,709
Share Premium	275	13,214
Other reserves	5,226	4,810
Retained earnings	507,306	496,366
	<u>623,669</u>	<u>605,099</u>
<b>Minority Interest</b>	28,516	27,815
<b>Total equity</b>	<u>652,185</u>	<u>632,914</u>
<b>Non-current liabilities</b>		
Retirement benefit obligation	20,390	21,031
Borrowings	130,605	104,854
Deferred Tax Liabilities	12,035	6,440
	<u>163,030</u>	<u>132,325</u>
<b>Current Liabilities</b>		
Retirement benefit obligation	3,546	1,916
Provisions for other liabilities	455	491
Borrowings	72,365	104,804
Trade payables	39,706	29,070
Other payables	29,285	31,210
Current tax payable	935	485
	<u>146,292</u>	<u>167,976</u>
<b>Total liabilities</b>	309,322	300,301
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>961,507</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

(Incorporated in Malaysia)

(Co. Reg. No. 3186-P)

### Condensed Consolidated Statement of Changes in Equity For the fourth quarter ended 31 December 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		
<b>At 1 January 2005</b>	88,737	6,704	6,466	4,789	456,572	563,268	27,603	590,871
Foreign currency translation	-	-	-	21 *	-	21	(54)	(33)
Profit for the period					51,333	51,333	266	51,599
Dividends					(18,005)	(18,005)		(18,005)
Total recognized income and expense for the period	-	-	-	21	33,328	33,349	212	33,561
Issue of ordinary shares pursuant to ESOS	1,972	6,510	-	-	-	8,482	-	8,482
<b>At 31 December 2005</b>	<b>90,709</b>	<b>13,214</b>	<b>6,466</b>	<b>4,810</b>	<b>489,900</b>	<b>605,099</b>	<b>27,815</b>	<b>632,914</b>
<b>At 1 January 2006 -</b> As previously stated	90,709	13,214	6,466	4,810	489,900	605,099	27,815	632,914
Effects of adopting FRS 3	-	-	(6,466)	-	6,466	-	-	-
<b>At 1 January 2006 (restated)</b>	<b>90,709</b>	<b>13,214</b>	<b>-</b>	<b>4,810</b>	<b>496,366</b>	<b>605,099</b>	<b>27,815</b>	<b>632,914</b>
Foreign currency translation				288 *		288	(185)	103
Profit for the period	-	-	-	-	29,152	29,152	849	30,001
Dividends					(18,351)	(18,351)		(18,351)
Revaluation reserve				128		128	38	166
Revaluation reserve crystallized					138	138		138
Total recognized income and expense for the period	-	-	-	416	10,940	11,356	701	12,057
Issuance pursuant to ESOS	20,153	-	-	-	-	20,153	-	20,153
Bonus issue		(12,939)				(12,939)		(12,939)
<b>At 31 December 2006</b>	<b>110,862</b>	<b>275</b>	<b>-</b>	<b>5,226</b>	<b>507,306</b>	<b>623,669</b>	<b>28,516</b>	<b>652,185</b>

\* This represents loss not recognized 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 fourth quarter ended 31 December 2006

	<b>31.12.2006</b>	<b>31.12.2005</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash generated from operating activities	76,936	14,712
Net cash used in investing activities	(39,840)	(62,319)
Net cash (used in) / generated from financing activities	(11,442)	61,744
<b>Net decrease in Cash and Cash Equivalents</b>	<u>25,654</u>	<u>14,137</u>
Effect of Exchange Rate Changes	1,430	497
Cash and Cash Equivalents at 1 January	52,418	37,784
*Cash and Cash Equivalents at 31 December	<u><u>79,502</u></u>	<u><u>52,418</u></u>
 *Cash and Cash Equivalents at 31 December 2006 comprised the following:		
Cash and bank balances	34,624	19,862
Short term deposits	45,246	32,776
Bank Overdraft (included with short term borrowing in Note 23)	(368)	(220)
	<u><u>79,502</u></u>	<u><u>52,418</u></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 recognized 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 derecognized 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 recognized 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 amortized 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 adopted the following FRS which have effective dates as follows:

FRS	Effective for financial periods beginning on or after
FRS 117 Leases	1 October 2006
FRS 139 Financial Instruments: Recognition and Measurement	Effective date deferred

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

	Previously Stated RM'000	FRS 138 RM'000	FRS140 RM'000	Restated RM'000
As 31 December 2005				
Property Plant and Equipment	446,099	-279	-26,676	419,144
Investment Properties	0	0	26,676	26,676
Intangible Assets	0	279	0	279

**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**

During the current quarter under review, the Company completed the Proposed Bonus Issue and Share Split of its ordinary shares on the basis of one (1) Bonus Shares for every five (5) existing Kian Joo Shares, and subdivision into two (2) Subdivided Shares for every one (1) Kian Joo Shares held after the Proposed Bonus Issue. Resulting from the completion of Bonus Issue and Share Split, the issued and paid up capital of RM 110,315,196.50 comprising of 441,260,786 ordinary shares of RM0.25 each was granted listing and quotation on 27 December 2006.

The details of the issued and paid-up capital of the Company as at 31 December 2006 are as follows: -

	Par Value (RM)	No. of shares	RM
As at 1 January 2006	0.50	181,418,661	90,709,331
Ordinary shares issued pursuant to ESOS (prior to the completion of Bonus Issue and Share Split)		2,440,000	1,220,000
Total number of shares in issue prior to completion of Bonus Issue and Share Split		183,858,661	91,929,331
Issued pursuant to the:-			
Bonus Issue	0.50	36,771,732	18,385,866
Enlarged issued and paid up ordinary share of RM0.50 each		220,630,393	110,315,197
Resultant share capital pursuant to Share Split	0.25	441,260,786	110,315,197
Ordinary shares issued pursuant to ESOS		2,187,000	546,750
As at 31 December 2006	0.25	443,447,786	110,861,947

Other than the above, there were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the current financial year-to-date.

**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 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 31 December 2006 are as follows: -

	General Cans	Aluminum 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	314,063	212,604	97,011	18,566	14,497	245	656,987	-	656,987
Inter-segmental sales	2,341	9,563	1,533	1,012	-	-	14,449	(14,449)	-
	<u>316,404</u>	<u>222,167</u>	<u>98,544</u>	<u>19,579</u>	<u>14,497</u>	<u>245</u>	<u>671,436</u>	<u>(14,449)</u>	<u>656,987</u>
<b>RESULTS</b>									
Operating Profit	3,419	48,110	3,734	(3,837)	(3,100)	3,509	51,835	-	51,835
Interest Income	3,919	16	235	-	-	-	4,171	(2,936)	1,235
	<u>7,338</u>	<u>48,126</u>	<u>3,969</u>	<u>(3,837)</u>	<u>(3,100)</u>	<u>3,509</u>	<u>56,006</u>	<u>(2,936)</u>	<u>53,070</u>
Interest Expense	(6,040)	(3,693)	(1,466)	(0)	-	-	(11,198)	2,936	(8,262)
Share of loss of Associated Co	-	-	-	(1,523)	-	(166)	(1,690)	-	(1,690)
Profit before taxation	<u>1,298</u>	<u>44,434</u>	<u>2,503</u>	<u>(5,360)</u>	<u>(3,100)</u>	<u>3,343</u>	<u>43,118</u>	<u>-</u>	<u>43,118</u>
Taxation									(13,116)
Minority Interest									(849)
									<u>29,153</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

As approved in the Company's EGM held on 27 November 2006 and with the approvals from the relevant authorities, where applicable, the following changes were effected during the current quarter under review and as at this reporting date:

- a) Increased in the authorized share capital of the Company 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;
- b) A 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;
- c) A share split involving the subdivision into two (2) Subdivided Shares for every one (1) Kian Joo Share held after the Proposed Bonus

The entire issued and paid up shares capital comprising 441,260,786 ordinary shares of RM0.25 each after the Bonus Issue and Share Split have been granted listing and quotation on 27 December 2006.

Other than the above, 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 31 December 2006 is as follows:-

	RM'000
Approved and contracted for	36,880
Share of capital commitments of associated company	0
	<u>36,880</u>

### 14 Related Party Transactions

	Financial Period to date <u>31.12.2006</u> RM'000
Sales to associated company	722
Management fees receivable from associated company	0
Rental receivable from associated company	913
	<u>          </u>

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 <u>31.12.2006</u> RM'000
Sales of trading inventories by a subsidiary company	Hercules Group of Companies ("Hercules")	416
Sales of trading inventories by a subsidiary company	Metal Closures & Seals Sdn Bhd ("Metal Closures")	251

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 December 2006, Group revenue increased marginally to RM656.9 million from RM654.9 million in the preceding year. Profit before tax was down 38% at RM43.1 million from RM69.6 million in the preceding year. The lower profit before tax for the year under review was mainly due to higher cost of raw materials and operating cost. The corrugated cartons division registered an improvement of 24.6% in revenue from RM79.3 million to RM97.0 million and profit before tax has increased approximately 66.7% to RM2.5 million from RM1.5 million.

### 16 Comparison with Preceding Quarter's Results

Group revenue for the current quarter under review was 6.4% lower at RM171.9 million as compared to the preceding quarter of RM183.6 million. Profit before tax for the current quarter under review was 31.1% lower at RM7.9 million as compared to RM11.5 million mainly due to losses from the Contract Pack and PET and Plastic divisions.

### 17 Current Year Prospects

Barring unforeseen circumstances, the Board expects the performance for the Group to improve.

### 18 Variance from Forecast Profit and Profit Guarantee

This is not applicable to the Group.

**19 Taxation**

Income Tax  
- current year  
- under-provision in prior year  
- associated company  
Deferred taxation

Current Qtr RM'000	Year to date RM'000
(2,636)	(9,432)
239	227
55	18
(583)	(3,930)
(2,925)	(13,117)

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 RM3.045 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 31 December 2006

Quoted shares -

At Cost RM'000	At Book Value RM'000	At Market Value RM'000
19,155	-	27,315

**22 Status of Corporate Proposals**

Date of Announcement	Subject	Status
8 September 2006	<p>a) Proposed increase in authorized 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>The shareholders of Kian Joo have approved the resolutions in relation to the Proposals on 27 November 2006.</p> <p>The entire issued and paid-up share capital comprising 441,260,786 of RM0.25 each after the Bonus Issue and Share Split have been granted listing and quotation on 27 December 2006.</p>

**23 Group Borrowings and Debt Securities**

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

	<b>RM'000</b>
Current	72,365
Non-current	130,605
	<u>202,970</u>

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

	<b>VND '000 000</b>
Current	47,316
Non-current	48,308
(NOTE - VND 4555 = RM1)	<u>95,624</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 are recommending a final tax-exempt dividend of 10% (2.5 sen per share), amounting to RM11.806 million, subject to approval by shareholders at the forthcoming Annual General Meeting of the Company.



**27 Earnings per share**

	Current Quarter 31.12.2006	Financial Year to Date 31.12.2006
<b>Basic earnings per share</b>		
Issued ordinary shares at beginning of period	435,404,786	435,404,786
Effect of ordinary shares issued during the period	773,524	3,333,046
Weighted average number of ordinary shares	<u>436,178,310</u>	<u>438,737,832</u>
Basic earnings per share (sen)	1.18	6.64
<b>Diluted earnings per share</b>		
Weighted average number of ordinary shares	436,178,310	438,737,832
Effect of Employee Share Option Scheme	1,281,708	1,801,723
Weighted average number of ordinary shares (diluted)	<u>437,460,018</u>	<u>440,539,555</u>
Diluted earnings per share (sen)	1.17	6.62

**28 Authorization for Issue**

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 28 February 2007.

BY ORDER OF THE BOARD,  
Chia Kwok Why  
Secretary.  
Batu Caves, Selangor Darul Ehsan.  
28 February 2007