



## KIAN JOO CAN FACTORY BERHAD

(Incorporated in Malaysia)

(Co. Reg. No. 3186-P)

### Condensed Consolidated Income Statements for the first quarter ended 31 March 2007

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter  31.03.2007 RM'000	Preceding Year Corresponding Quarter  31.03.2006 RM'000	Current Year To Date  31.03.2007 RM'000	Preceding Year Corresponding Period  31.03.2006 RM'000
Revenue	179,346	147,761	179,346	147,761
Cost of sales	(159,178)	(122,742)	(159,178)	(122,742)
Gross profit	20,168	25,019	20,168	25,019
Other operating income	4,042	2,039	4,042	2,039
Operating expenses	(10,973)	(7,861)	(10,973)	(7,861)
Finance costs	(2,299)	(1,684)	(2,299)	(1,684)
Share of profit of associate (net of tax)	0	25	0	25
Share of profit of jointly controlled entities (net of tax)	21	0	21	0
Profit Before Taxation	10,959	17,538	10,959	17,538
Taxation	(3,904)	(3,667)	(3,904)	(3,667)
Profit for the period	7,055	13,871	7,055	13,871
Attributable to :				
Equity holders of the parent	6,823	13,702	6,823	13,702
Minority interest	232	169	232	169
	7,055	13,871	7,055	13,871
Earnings per share attributable to equity holders of the parent:				
(a) Basic (sen)	1.54	3.15 *	1.54	3.15 *
(b) Diluted (sen)	1.54	3.13 *	1.54	3.13 *

**The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements**

NOTE:-

Depreciation and amortization	8,693	10,017	8,693	10,017
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\* Computed based on the number of share capital which were adjusted for the proportionate change in the number as if the bonus shares and share split were issued on 1 January 2006.



**KIAN JOO CAN FACTORY BERHAD**

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**Condensed Consolidated Balance Sheet  
As at 31 March 2007**

	<b>As at 31.03.2007 RM'000 unaudited</b>	<b>As at 31.12.2006 RM'000 audited</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant & Equipment	388,878	388,368
Investment Properties	9,934	9,998
Prepaid land lease payments	44,012	44,158
Intangible assets	1,179	385
Investments in associated company	22,125	22,125
Investments in jointly controlled entity	474	146
Deferred Tax Assets	7,599	8,502
	<u>474,201</u>	<u>473,682</u>
<b>Current Assets</b>		
Inventories	222,338	191,943
Trade receivables	192,532	194,377
Other receivables	28,147	21,761
Cash and bank balances	84,203	79,732
	<u>527,220</u>	<u>487,813</u>
<b>TOTAL ASSETS</b>	<u>1,001,421</u>	<u>961,495</u>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to equity holders of the parent -		
Share Capital	110,933	110,862
Share Premium	460	276
Other reserves	4,892	4,974
Retained earnings	513,894	507,071
	<u>630,179</u>	<u>623,183</u>
<b>Minority Interest</b>	28,664	28,530
<b>Total equity</b>	<u>658,843</u>	<u>651,713</u>
<b>Non-current liabilities</b>		
Retirement benefit obligation	22,432	22,065
Borrowings	40,028	40,623
Deferred Tax Liabilities	13,445	12,035
	<u>75,905</u>	<u>74,723</u>
<b>Current Liabilities</b>		
Retirement benefit obligation	2,204	1,872
Provisions for other liabilities	431	416
Borrowings	198,847	162,347
Trade payables	37,509	40,560
Other payables	26,738	28,602
Current tax payable	944	1,262
	<u>266,673</u>	<u>235,059</u>
<b>Total liabilities</b>	342,578	309,782
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,001,421</u>	<u>961,495</u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements



## KIAN JOO CAN FACTORY BERHAD

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(Co. Reg. No. 3186-P)

### Condensed Consolidated Statement of Changes in Equity For the first quarter ended 31 March 2007

	← 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 2006</b>	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	-	-	-
	90,709	13,214	-	4,810	496,366	605,099	27,815	632,914
Foreign currency translation	-	-	-	(215)	-	(215)	(113)	(328)
Profit for the period	-	-	-	-	13,702	13,702	169	13,871
Total recognized income and expense for the period	-	-	-	(215)	13,702	13,487	56	13,543
Issue of ordinary shares pursuant to ESOS	110	363	-	-	-	473	-	473
<b>At 31 March 2006</b>	90,819	13,577	-	4,595	510,068	619,059	27,871	646,930
<b>At 1 January 2007</b>	110,862	276	-	4,974	507,071	623,183	28,530	651,713
Foreign currency translation	-	-	-	(82) *	-	(82)	(98)	(180)
Profit for the period	-	-	-	-	6,823	6,823	232	7,055
Total recognized income and expense for the period	-	-	-	(82)	6,823	6,741	134	6,875
Issuance pursuant to ESOS	71	184	-	-	-	255	-	255
<b>At 31 March 2007</b>	110,933	460	-	4,892	513,894	630,179	28,664	658,843

\* 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 2006 and the accompanying explanatory notes attached to the interim financial statements**



## KIAN JOO CAN FACTORY BERHAD

(Incorporated in Malaysia)

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### Condensed Consolidated Cash Flow Statement For the first quarter ended 31 March 2007

	31.03.2007 RM'000	31.03.2006 RM'000
Net cash (used in)/generated from operating activities	(20,010)	18,887
Net cash used in investing activities	(11,264)	(9,288)
Net cash generated from/(used in) financing activities	36,292	(18,271)
<b>Net increase in /(decrease in) Cash and Cash Equivalents</b>	5,018	(8,672)
Effect of Exchange Rate Changes	(179)	207
Cash and Cash Equivalents at 1 January	79,364	52,418
*Cash and Cash Equivalents at 31 March	84,203	43,953
*Cash and Cash Equivalents at 31 March 2007 comprised the following:		
Cash and bank balances	30,402	22,536
Short term deposits	53,801	23,469
Bank Overdraft (included with short term borrowing in Note 23)	0	(2,052)
	84,203	43,953

**The Condensed Consolidated Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2006 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 the 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 2006.

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 2006, except for the adoption of revised FRS 117 Leases. The adoption does not have significant financial impact on the Group.

**1 (a) FRS 117: Leases**

The adoption of the revised FRS 117 has resulted in retrospective change in the accounting policy relating to the classification of leasehold land prior to 1 January 2007, leasehold land was classified as property, plant and equipment and was stated as cost less accumulated depreciation. The leasehold land were revalued in periods prior to 1998 on the basis that the revaluation carried out then, was a one off isolated event and not intended to be an adoption of a revaluation policy in place of historical cost.

Upon the adoption of the revised FRS 117 at 1 January 2007, the unamortised carrying amount of RM 44,158 million is reclassified from property, plant and equipment to prepaid lease payments as allowed by the transitional provisions of the revised FRS 117.

The following comparative amounts have been restated due to the adoption :

Balance Sheet as at 31 December 2006	As previously reported	
	As restated RM'000	RM'000
Prepaid land lease payments	44,158	0
Property, plant and equipment	388,368	432,526

**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, cancellation, 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 31 March 2007 are as follows: -

	No. of shares	RM
As at 1 January 2007	443,447,786	110,861,947
Ordinary shares issued pursuant to ESOS	284,000	71,000
As at 31 March 2007	443,731,786	110,932,947

**7 Dividends Paid**

There were no dividend paid during the period under review.

**8 Segmental Reporting**

Segmental results for the period ended 31 March 2007 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	82,431	63,651	25,735	1,711	5,788	30	179,346	-	179,346
Inter-segmental sales	790	4,283	640	6	128	-	5,847	(5,847)	-
	83,221	67,934	26,375	1,717	5,916	30	185,193	(5,847)	179,346
<b>RESULTS</b>									
Operating Profit	322	10,614	932	1,180	(261)	11	12,798	-	12,798
Interest Income	1,178	0	41	-	-	-	1,219	(780)	439
	1,500	10,614	973	1,180	(261)	11	14,017	(780)	13,237
Interest Expense	(1,492)	(1,168)	(419)	-	-	-	(3,079)	780	(2,299)
Share of gain of Associated Co	-	-	-	-	-	-	-	-	-
Share of gain of Jointly Controlled Entity	-	-	-	-	-	21	21	-	21
Profit before taxation	8	9,446	554	1,180	(261)	32	10,959	-	10,959
Taxation									(3,904)
Minority Interest									(232)
									6,823

**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 31 March 2007 is as follows:-

	RM'000
Approved and contracted for	22,676
Share of capital commitments of associated company & jointly controlled entity	0
	<u>22,676</u>

**14 Related Party Transactions**

	Financial Period to date 31.03.2007 <u>RM'000</u>
Sales to associated company	137
Management fees receivable from associated company	-

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

(a) Nature of transaction	Identity of related party	Financial Period to date 31.03.2007 <u>RM'000</u>
Sales of trading inventories by a subsidiary company	(i) Hercules Sdn. Bhd. (ii) Hercules (Vietnam) Co Ltd. (iii) Metal Closures & Seals Sdn. Bhd.	151 17 30

The parties are deemed related to the Group by virtue of common directorship held by See Leong Chye @ Sze Leong Chye in these parties 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 2007, Group revenue increased approximately 21% to RM179.3 million from RM148.7 million in the preceding period. Profit before tax was down 38% at RM10.9 million from RM17.5 million in the preceding period. The lower profit before tax for the period under review was mainly due to higher cost of raw materials and operating cost.

**16 Comparison with Preceding Quarter's Results**

Group revenue for the current quarter under review was marginally lower at RM179.3 million as compared to the preceding quarter of RM180.9 million. Profit before tax for the current quarter under review was 38.7% higher at RM10.9 million as compared to RM7.9 million mainly due to improvement in profit before taxation in corrugated carton division and gain on disposal of machinery amounting to RM1.3 million for the period under review.

**17 Current Year Prospects**

Being 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**

	Current Qtr RM'000	Year to date RM'000
Income Tax		
- current year	(1,592)	(1,592)
- under-provision in prior year	0	0
- associated company	0	0
Deferred taxation	(2,312)	(2,312)
	<u>(3,904)</u>	<u>(3,904)</u>

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

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

There were no profits on sale of investment and/or properties during 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 2007

	At Cost	At Book Value	At Market Value
	RM'000	RM'000	RM'000
Quoted shares -	19,155	-	29,619

**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 2007 are as follows:-

	<b>RM'000</b>
Current	198,847
Non-current	40,028
	<u>238,875</u>

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

	<b>VND '000 000</b>
Current	36,071
Non-current	45,451
	<u>81,522</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
	31.03.2007	31.03.2007
<b>Basic earnings per share</b>		
Issued ordinary shares at beginning of period	443,447,786	443,447,786
Effect of ordinary shares issued during the period	284,000	69,159
Weighted average number of ordinary shares	<u>443,731,786</u>	<u>443,516,945</u>
Basic earnings per share (sen)	1.54	1.54
<b>Diluted earnings per share</b>		
Weighted average number of ordinary shares	443,731,786	443,516,945
Effect of Employee Share Option Scheme	328,905	328,905
Weighted average number of ordinary shares (diluted)	<u>444,060,691</u>	<u>443,845,850</u>
Diluted earnings per share (sen)	1.54	1.54

**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 23 May 2007.

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