



KIAN JOO CAN FACTORY BERHAD

(Incorporated in Malaysia)

(Co. Reg. No. 3186-P)

Condensed Consolidated Income Statements for the second quarter ended 30 June 2007

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.2007 RM'000	Preceding Year Corresponding Quarter 30.06.2006 RM'000 (Restated)	Current Year To Date 30.06.2007 RM'000	Preceding Year Corresponding Period 30.06.2006 RM'000 (Restated)
Continuing Operations				
Revenue	198,688	148,691	376,322	284,595
Cost of sales	(173,245)	(131,089)	(330,614)	(241,469)
Gross profit	25,443	17,602	45,708	43,126
Other operating income	1,590	1,954	4,258	3,993
Operating expenses	(9,358)	(8,468)	(20,234)	(16,069)
Finance costs	(2,532)	(2,355)	(4,831)	(4,039)
Share of loss of associate (net of tax)	(86)	(629)	(86)	(604)
Share of profit of jointly controlled entities (net of tax)	9	0	30	0
Profit Before Taxation	15,066	8,104	24,845	26,407
Taxation	(3,550)	(2,990)	(7,454)	(6,657)
Profit for the period from continuing operations	11,516	5,114	17,391	19,750
Discontinued Operations				
Profit/(Loss) for the period from a discontinued operation	1,021	(1,919)	877	(2,684)
Profit for the period	12,537	3,195	18,268	17,066
Attributable to :				
Equity holders of the parent	12,087	2,806	17,586	16,508
Minority interest	450	389	682	558
	12,537	3,195	18,268	17,066
Earnings per share attributable to equity holders of the parent:				
Basic (sen)				
Continuing operations	2.49	1.08 *	3.76	4.40 *
Discontinued operation	0.23	(0.44) *	0.20	(0.61) *
	2.72	0.64 *	3.96	3.79 *
Diluted (sen)				
Continuing operations	2.49	1.08 *	3.76	4.39 *
Discontinued operation	0.23	(0.44) *	0.20	(0.61) *
	2.72	0.64 *	3.96	3.78 *

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 amortisation	9,456	9,972	18,149	19,989
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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.



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Condensed Consolidated Balance Sheet As at 30 June 2007

	As at 30.06.2007 RM'000 unaudited	As at 31.12.2006 RM'000 audited
ASSETS		
Non-current Assets		
Property, plant & equipment	384,835	388,368
Investment properties	9,856	9,998
Prepaid land lease payments	43,700	44,158
Intangible assets	1,119	385
Investments in associated company	22,040	22,125
Investments in jointly controlled entity	355	146
Deferred tax assets	7,748	8,502
	<u>469,653</u>	<u>473,682</u>
Current Assets		
Inventories	217,065	191,943
Trade receivables	193,389	194,377
Other receivables	27,281	21,761
Cash and bank balances	80,450	79,732
	<u>518,185</u>	<u>487,813</u>
Non-current asset classified as held for sale	3,734	-
	<u>521,919</u>	<u>487,813</u>
TOTAL ASSETS	<u>991,572</u>	<u>961,495</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent -		
Share capital	111,042	110,862
Share premium	743	276
Other reserves	4,879	4,974
Retained earnings	513,554	507,071
	<u>630,218</u>	<u>623,183</u>
Minority interest	29,101	28,530
Total equity	<u>659,319</u>	<u>651,713</u>
Non-current liabilities		
Retirement benefit obligation	21,200	22,065
Borrowings	40,539	40,623
Deferred tax liabilities	15,071	12,035
	<u>76,810</u>	<u>74,723</u>
Current Liabilities		
Retirement benefit obligation	2,742	1,872
Provisions for other liabilities	485	416
Borrowings	183,945	162,347
Trade payables	33,369	40,560
Other payables	34,031	28,602
Current tax payable	871	1,262
	<u>255,443</u>	<u>235,059</u>
Total liabilities	332,253	309,782
TOTAL EQUITY AND LIABILITIES	<u>991,572</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

(Incorporated in Malaysia)

(Co. Reg. No. 3186-P)

Condensed Consolidated Statement of Changes in Equity For the second quarter ended 30 June 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		
At 1 January 2006	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	-	-	-
	<u>90,709</u>	<u>13,214</u>	<u>-</u>	<u>4,810</u>	<u>496,366</u>	<u>605,099</u>	<u>27,815</u>	<u>632,914</u>
Foreign currency translation	-	-	-	(186)	-	(186)	(164)	(350)
Profit for the period	-	-	-	-	16,508	16,508	558	17,066
Dividends	-	-	-	-	(9,173)	(9,173)	-	(9,173)
Total recognised income and expense for the period	-	-	-	(186)	7,335	7,149	394	7,543
Issue of ordinary shares pursuant to ESOS	1,026	3,384	-	-	-	4,410	-	4,410
At 30 June 2006	<u>91,735</u>	<u>16,598</u>	<u>-</u>	<u>4,624</u>	<u>503,701</u>	<u>616,658</u>	<u>28,209</u>	<u>644,867</u>
At 1 January 2007	110,862	276	-	4,974	507,071	623,183	28,530	651,713
Foreign currency translation	-	-	-	(95) *	-	(95)	(111)	(206)
Profit for the period	-	-	-	-	17,586	17,586	682	18,268
Dividends	-	-	-	-	(11,103)	(11,103)	-	(11,103)
Total recognised income and expense for the period	-	-	-	(95)	6,483	6,388	571	6,959
Issuance pursuant to ESOS	180	467	-	-	-	647	-	647
At 30 June 2007	<u>111,042</u>	<u>743</u>	<u>-</u>	<u>4,879</u>	<u>513,554</u>	<u>630,218</u>	<u>29,101</u>	<u>659,319</u>

* 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 2006 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 second quarter ended 30 June 2007

	30.06.2007	30.06.2006
	RM'000	RM'000
Net cash generated from operating activities	1,260	32,246
Net cash used in investing activities	(15,857)	(13,055)
Net cash generated from/(used in) financing activities	15,677	(21,157)
Net increase in /(decrease in) Cash and Cash Equivalents	1,080	(1,966)
Effect of Exchange Rate Changes	6	(314)
Cash and Cash Equivalents at 1 January	79,364	52,418
*Cash and Cash Equivalents at 30 June	<u>80,450</u>	<u>50,138</u>
 *Cash and Cash Equivalents at 30 June 2007 comprised the following:		
Cash and bank balances	25,158	21,680
Short term deposits	55,292	28,458
	<u>80,450</u>	<u>50,138</u>

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 at cost less accumulated depreciation. The leasehold land was 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 adopted as 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 :

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

1 (b) FRS 5: Non-Current Assets Held for Sale and Discontinued Operation

The Group has applied FRS 5 prospectively in accordance with its transitional provisions. FRS 5 requires a component of an entity to be classified as discontinued operation when the criteria to be classified as held for sale have been met or disposed of and such a component represents a separate major line of business or geographical area of operations and is part of a single co-ordinated major line of business or geographical area of operations.

An item is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Immediately before classification as held for sale, the carrying amount of the assets should be measured in accordance with the applicable FRSS. FRS 5 requires the non-current assets to be subject to impairment test and recovery of impairment loss.

As required by FRS 5, certain comparatives of the Group have been re-presented due to the current financial year's discontinued operations. The effect on the consolidated income statements for the quarter ended 30 June 2007 are set out in Note 12.

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 30 June 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	720,000	180,000
As at 30 June 2007	444,167,786	111,041,947

On 7 April 2007, the ESOS scheme which commenced on 8 April 2002 expired and the Board of Directors has no intention to establish a new ESOS.

7 Dividends Paid

Dividend paid on 29 June 2007 were declared on 6 June 2007, in respect of the year ended 31 December 2006 being final tax exempt dividend of 10%, on 444,167,786 ordinary shares, amounting to RM11.1 million.

8 Segmental Reporting

Segmental results for the period ended 30 June 2007 are as follows: -

	General Cans	Aluminium Cans	Corrugated Cartons	Pet Products	Contract Packing	Others	Continuing Operations	Discontinued Operation	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE										
External sales	172,005	140,522	52,914	-	10,821	60	376,322	1,684	-	378,006
Inter-segmental sales	1,373	18,131	1,664	-	285	-	21,453	5	(21,458)	-
	<u>173,378</u>	<u>158,653</u>	<u>54,578</u>	<u>-</u>	<u>11,106</u>	<u>60</u>	<u>397,775</u>	<u>1,689</u>	<u>(21,458)</u>	<u>378,006</u>
RESULTS										
Operating Profit	4,223	23,339	2,201	-	(1,120)	21	28,664	877	-	29,541
Interest Income	2,543	2	63	-	-	-	2,608	-	(1,540)	1,068
	<u>6,766</u>	<u>23,341</u>	<u>2,264</u>	<u>-</u>	<u>(1,120)</u>	<u>21</u>	<u>31,272</u>	<u>877</u>	<u>(1,540)</u>	<u>30,609</u>
Interest Expense	(3,289)	(2,379)	(703)	-	-	-	(6,371)	-	1,540	(4,831)
Share of gain of Associated Co	-	-	-	(86)	-	-	(86)	-	-	(86)
Share of gain of Jointly Controlled Entity	-	-	-	-	-	30	30	-	-	30
Profit before taxation	<u>3,477</u>	<u>20,962</u>	<u>1,561</u>	<u>(86)</u>	<u>(1,120)</u>	<u>51</u>	<u>24,845</u>	<u>877</u>	<u>-</u>	<u>25,722</u>
Taxation										(7,454)
Minority Interest										(682)
										<u>17,586</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 no changes in the composition of the Group during the period under review.

12 Discontinued Operation

On 1 April 2007, Multi-Pet Sdn Bhd ("MUP"), a 100% owned subsidiary of KJCF ceased operation and the Directors have decided to dispose of its property, plant and equipment. Hence, the property, plant and equipment has been reclassified as non-current asset held for sales

The revenue, results and cash flow of the subsidiary were as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30.06.2007 RM'000	30.06.2006 RM'000	30.06.2007 RM'000	30.06.2006 RM'000
Revenue	(28)	5,091	1,684	9,017
Profit/(Loss) before tax	1,021	(1,919)	877	(2,684)
Taxation	-	-	-	-
Profit/(Loss) for the period from a discontinued operation	<u>1,021</u>	<u>(1,919)</u>	<u>877</u>	<u>(2,684)</u>
Cash flow from operating activities	3,455	(2,659)	5,217	(2,363)
Cash flow from investing activities	3,045	(2,443)	3,416	(258)
Cash flow from financing activities	(6,499)	3,476	(9,202)	3,372

13 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.

14 Capital Commitments

The amount of capital commitments as at 30 June 2007 is as follows:-

	RM'000
Approved and contracted for	48,207
Share of capital commitments of associated company & jointly controlled entity	-
	<u>48,207</u>

15 Related Party Transactions

Financial
Period to date
30.06.2007
RM'000

Sales to associated company	244
Management fees receivable from associated company	-

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

Financial
Period to date
30.06.2007
RM'000

(a) Nature of transaction	Identity of related party	
Sales of trading inventories by a subsidiary company	(i) Hercules Sdn. Bhd. (ii) Hercules (Vietnam) Co Ltd. (iii) Metal Closures & Seals Sdn. Bhd.	232 48 46

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.

16 Changes in Previous Period Presentation

The following disclosure for the period ended 30 June 2006 has been restated to conform with the current period's presentation:

Period ended 30 June 2006

	Previously stated RM'000	Reclassified RM'000	Restated RM'000
Revenue	293,611	(9,016)	284,595
Cost of sales	(260,671)	19,202	(241,469)
Operating expenses	(16,499)	430	(16,069)
Profit before taxation	23,723	2,684	26,407
Loss for the period from a discontinued operation	-	(2,684)	(2,684)

17 Review of Performance of the Company and its Principal Subsidiaries

For the financial period ended 30 June 2007, Group revenue increased 32.2% to RM376.3 million from RM284.6 million in the preceding period. Profit before tax from continuing operation was lower at 5.9% from RM26.4 million to RM24.8 million. The lower profit before taxation was mainly due to higher raw material cost and loss from the two piece steel cans operation amounting to RM1.7 million. The Group registered a profit from discontinued operation of RM0.88 million from gain on disposal of property, plant and equipment.

18 Comparison with Preceding Quarter's Results

Group revenue for the current quarter under review increased 11.9% at RM198.7 million as compared to the preceding quarter of RM177.6 million. Profit before tax from continuing operation was 54.1% higher at RM15.1 million as compared to RM9.8 million in the preceding quarter. The higher profit is mainly due to increase in revenue and gain on disposal of property, plant and equipment amounting to RM1.3 million.

19 Current Year Prospects

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

20 Variance from Forecast Profit and Profit Guarantee

This is not applicable to the Group.

21 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.2007 RM'000	Preceding Year Corresponding Quarter 30.06.2006 RM'000	Current Year To Date 30.06.2007 RM'000	Preceding Year Corresponding Period 30.06.2006 RM'000
Continuing operations				
Income Tax				
- current year	(2,073)	(1,691)	(3,665)	(4,164)
- under-provision in prior year		(19)	-	(38)
Deferred taxation	(1,477)	(1,280)	(3,789)	(2,455)
	(3,550)	(2,990)	(7,454)	(6,657)
Discontinued operation	-	-	-	-

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

22 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.

23 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 June 2007

At Cost RM'000	At Book Value RM'000	At Market Value RM'000
19,155	-	32,581

Quoted shares -

24 Status of Corporate Proposals

There were no corporate proposals announced which were pending completion.

25 Group Borrowings and Debt Securities

Total Group borrowings as at 30 June 2007 are as follows:-

Current	183,945
Non-current	40,539
	<u>224,484</u>

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

Current	VND '000 000
Non-current	31,318
(NOTE - VND 4667 = RM1)	48,294
	<u>79,612</u>

All the Group borrowings are unsecured.

26 Off Balance Sheet Financial Instruments

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

27 Material Litigation

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

28 Dividend

For the financial period under review, the Board of Directors is pleased to declare an interim tax exempt dividend of 10%, amounting to RM11.1 million (2006: interim tax exempt dividend of 10%, amounting to RM9.2 million) payable on 24 September 2007 to shareholders whose names appear in the Record of Depositors on 7 September 2007.

A Depositor shall qualify for entitlement to the dividend only in respect of:

- Shares transferred to the Depositor's securities account before 4.00p.m. on 7 September 2007 in respect of transfers; and
- Shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

29 Earnings Per Share

	Current Quarter 30.06.2007 RM'000	Financial Year to Date 30.06.2007 RM'000
Profit/(Loss) attributable to ordinary equity holders of the parent:		
Continuing operation	11,066	16,709
Discontinued operation	-	-
	<u>11,066</u>	<u>16,709</u>

29 (a) Basic earnings per share

Issued ordinary shares at beginning of period	443,447,786	443,447,786
Effect of ordinary shares issued during the period	436,000	474,192
Weighted average number of ordinary shares	<u>443,883,786</u>	<u>443,921,978</u>

Basic (sen)

Continuing operations	2.49	3.76
Discontinued operation	0.23	0.20
	<u>2.72</u>	<u>3.96</u>

29 (b) Diluted earnings per share

Weighted average number of ordinary shares	443,883,786	443,921,978
Effect of Employee Share Option Scheme	353,732	396,071
Weighted average number of ordinary shares (diluted)	<u>444,237,518</u>	<u>444,318,049</u>

Diluted (sen)

Continuing operations	2.49	3.76
Discontinued operation	0.23	0.20
	<u>2.72</u>	<u>3.96</u>

30 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 22 August 2007.

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