



KIAN JOO CAN FACTORY BERHAD

(Incorporated in Malaysia)

(Co. Reg. No. 3186-P)

Condensed Consolidated Income Statements for the second quarter ended 30 June 2008

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30.06.2008 RM'000	30.06.2007 RM'000	30.06.2008 RM'000	30.06.2007 RM'000
Continuing Operations				
Revenue	204,723	198,688	402,726	376,322
Cost of sales	(166,072)	(173,245)	(333,232)	(330,614)
Gross profit	38,651	25,443	69,494	45,708
Other income	1,739	1,590	4,532	4,258
Operating expenses	(10,941)	(9,358)	(22,428)	(20,234)
Finance costs	(2,340)	(2,532)	(4,339)	(4,831)
Share of loss of associate (net of tax)	-	(86)	-	(86)
Share of (loss)/profit of jointly controlled entities (net of tax)	(4)	9	(22)	30
Profit Before Taxation	27,105	15,066	47,237	24,845
Taxation	(4,905)	(3,550)	(9,556)	(7,454)
Profit for the period from continuing operations	22,200	11,516	37,681	17,391
Discontinued Operations				
(Loss)/profit for the period from a discontinued operation	(150)	1,021	(167)	877
Profit for the period	22,050	12,537	37,514	18,268
Attributable to :				
Equity holders of the parent	21,222	12,087	35,773	17,586
Minority interest	828	450	1,741	682
	22,050	12,537	37,514	18,268
Earnings per share attributable to equity holders of the parent:				
Basic (sen)				
Continuing operations	4.81	2.49	8.09	3.76
Discontinued operation	(0.03)	0.23	(0.04)	0.20
	4.78	2.72	8.05	3.96
Diluted (sen)				
Continuing operations	-	2.49	-	3.76
Discontinued operation	-	0.23	-	0.20
	-	2.72	-	3.96

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements

NOTE:-

Depreciation and amortisation	9,106	9,456	17,871	18,149
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The comparative figures have been reclassified to conform with current year's presentation as reflected in Notes 16 of Explanatory Notes Pursuant to FRS 134.

As at 31 December 2007, the Employees' Share Option Scheme has lapsed and there are no other dilutive effects on shares. As such, no calculation was made on diluted earnings per share for the financial period under review.



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Condensed Consolidated Balance Sheet As at 30 June 2008

	As at 30.06.2008 RM'000 unaudited	As at 31.12.2007 RM'000 audited
ASSETS		
Non-current Assets		
Property, Plant & Equipment	407,042	394,409
Prepaid land lease payments	43,967	42,854
Investment Properties	9,649	9,740
Intangible assets	683	1,331
Investments in associated company	23,027	23,027
Investments in jointly controlled entity	712	636
Deferred Tax Assets	5,474	6,362
	490,554	478,359
Current Assets		
Inventories	211,793	198,335
Trade and other receivables	245,530	211,944
Cash and bank balances	51,535	45,832
	508,858	456,111
Non-current asset classified as held for sale	2,770	2,770
	511,628	458,881
TOTAL ASSETS	1,002,182	937,240
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent -		
Share Capital	111,042	111,042
Share Premium	744	744
Other reserves	4,222	4,520
Retained earnings	554,679	530,010
	670,687	646,316
Minority Interest	43,436	30,046
Total equity	714,123	676,362
Non-current liabilities		
Retirement benefit obligation	22,574	22,832
Borrowings	36,590	26,764
Deferred Tax Liabilities	19,344	15,494
	78,508	65,090
Current Liabilities		
Retirement benefit obligation	1,415	2,549
Provisions for other liabilities	215	218
Borrowings	121,225	126,367
Trade and other payables	86,393	66,173
Current tax payable	303	481
	209,551	195,788
Total liabilities	288,059	260,878
TOTAL EQUITY AND LIABILITIES	1,002,182	937,240
Net assets per share attributable to equity holders of the Company (RM)	1.51	1.46

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial



KIAN JOO CAN FACTORY BERHAD

(Incorporated in Malaysia)

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Condensed Consolidated Statement of Changes in Equity For the second quarter ended 30 June 2008

	Attributable to Equity Holders of the Parent					Minority Interest	Total Equity
	Non-distributable			Distributable			
	Share Capital	Share Premium	Other Reserve	Retained Earnings	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
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
Total recognised income and expense for the period	-	-	(95)	17,586	17,491	571	18,062
Dividends				(11,103)	(11,103)		(11,103)
Issuance pursuant to ESOS	180	467	-	-	647	-	647
At 30 June 2007	111,042	743	4,879	513,554	630,218	29,101	659,319
At 1 January 2008	111,042	744	4,520	530,010	646,316	30,046	676,362
Foreign currency translation	-	-	(298) *	-	(298)	(251)	(549)
Profit for the period	-	-	-	35,773	35,773	1,741	37,514
Total recognised income and expense for the period	-	-	(298)	35,773	35,475	1,490	36,965
Dividends				(11,104)	(11,104)		(11,104)
Dividend payable to minority shareholders						(1,179)	(1,179)
Investment in subsidiary company	-	-	-	-	-	13,079	13,079
At 30 June 2008	111,042	744	4,222	554,679	670,687	43,436	714,123

* 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 2007 and the accompanying explanatory notes attached to the interim financial statements



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Condensed Consolidated Cash Flow Statement For the second quarter ended 30 June 2008

	30.06.2008 RM'000	30.06.2007 RM'000
Net cash generated from operating activities	17,935	1,260
Net cash used in investing activities	(29,608)	(15,857)
Net cash generated from financing activities	17,552	15,677
Net increase in Cash and Cash Equivalents	5,879	1,080
Effect of Exchange Rate Changes	(117)	6
Cash and Cash Equivalents at 1 January	45,773	79,364
*Cash and Cash Equivalents at 30 June	51,535	80,450
 *Cash and Cash Equivalents at 30 June comprised the following:		
Cash and bank balances	19,569	25,158
Short term deposits	31,966	55,292
	51,535	80,450

The Condensed Consolidated Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 2007.

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 2007 except for the adoption of the following revised Financial Reporting Standards ("FRS") effective for the financial period beginning on 1 January 2008

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities

The adoption of the above FRSs does not have any significant financial impact to the Group.

2 Qualification of Audit Report of the Preceding Annual Financial Statement

There were no qualification on audit report of the preceding annual 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.

7 Dividends Paid

A final tax exempt dividend of 10% on 444,167,786 ordinary shares amounting to RM11.1 million in respect of financial year ended 31 December 2007 was paid on 18 July 2008.

8 Segmental Reporting

Segmental results for the period ended 30 June 2008 are as follows:

	Cans Division	Cartons Division	Contract Packing	Others	Continuing Operation	Discontinued Operation	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE								
External sales	316,332	72,018	14,316	60	402,726	-	-	402,726
Inter-segmental sales	11,730	1,775	-	-	13,505	-	(13,505)	-
	<u>328,062</u>	<u>73,793</u>	<u>14,316</u>	<u>60</u>	<u>416,231</u>	<u>-</u>	<u>(13,505)</u>	<u>402,726</u>
RESULTS								
Operating Profit	46,882	4,511	(647)	40	50,786	(167)	-	50,619
Interest Income	1,712	103	263	-	2,078	-	(1,266)	812
	<u>48,594</u>	<u>4,614</u>	<u>(384)</u>	<u>40</u>	<u>52,864</u>	<u>(167)</u>	<u>(1,266)</u>	<u>51,431</u>
Interest Expense	(4,699)	(906)	-	-	(5,605)	-	1,266	(4,339)
Share of gain of Associated Co	-	-	-	-	-	-	-	-
Share of loss of Jointly Controlled Entity	-	-	-	(22)	(22)	-	-	(22)
Profit before taxation	<u>43,895</u>	<u>3,708</u>	<u>(384)</u>	<u>18</u>	<u>47,237</u>	<u>(167)</u>	<u>-</u>	<u>47,070</u>
Taxation								(9,556)
Minority Interest								(1,741)
								<u>35,773</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	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter	To Date	Corresponding Period
	30.06.2008	30.06.2007	30.06.2008	30.06.2007
	RM'000	RM'000	RM'000	RM'000
Revenue	-	(28)	-	1,684
Loss /(Profit) before tax	(150)	1,021	(167)	877
Taxation	-	-	-	-
Loss /(Profit) for the period from a discontinued operator	(150)	1,021	(167)	877
Cash flow generated from operating activities	16	3,455	749	5,217
Cash flow generated from investing activities	68	3,045	83	3,416
Cash flow used in financing activities	(83)	(6,499)	(831)	(9,202)

13 Changes in Contingent Liabilities or Contingent Asset:

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 2008 is as follows:-

	RM'000
Approved and contracted for	20,213
Share of capital commitments of associated company & jointly controlled entity	-
	<u>20,213</u>

15 Related Party Transactions

	Financial Period to date 30.06.2008 RM'000
Sales to associated company	165
Management fees receivable from associated company	373

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

(a) Nature of transaction	Identity of related party	Financial Period to date 30.06.2008 RM'000
Sales of trading inventories by a subsidiary company	(i) Hercules Sdn. Bhd. (ii) Hercules (Vietnam) Co Ltd. (iii) Metal Closures & Seals Sdn. Bhd.	147 80 52

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 Review of Performance of the Company and its Principal Subsidiaries:

For the financial period ended 30 June 2008, Group revenue increased by 7.0% to RM402.7 million from RM376.3 million in the preceding period. Profit before tax from continuing operation improved significantly to RM47.2 million as compared to the profit before tax of RM24.8 million in the preceding period. The higher profit before taxation was mainly attributable to the increase in revenue, improvement from the cans division as a results of higher export sales and improved operational productivity and efficiency and higher contribution from the operations in Vietnam.

17 Comparison with Preceding Quarter's Results

Group revenue for the current quarter under review increased 3.4% to RM204.7 million as compared to the preceding quarter of RM198.0 million. Profit before tax from continuing operation was 34.6% higher at RM27.1 million as compared to RM20.1 million in the preceding quarter. The higher profit before tax was mainly attributable to higher contribution from the cans division.

18 Current Year Prospects

The Board is optimistic of achieving better results in 2008.

19 Variance from Forecast Profit and Profit Guarantee

This is not applicable to the Group.

20 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.2008 RM'000	Preceding Year Corresponding Quarter 30.06.2007 RM'000	Current Year To Date 30.06.2008 RM'000	Preceding Year Corresponding Period 30.06.2007 RM'000
Continuing operations				
Income Tax				
- current year	(2,665)	(2,073)	(4,816)	(3,665)
- under provision in prior year	(3)	-	(3)	-
Deferred taxation	(2,237)	(1,477)	(4,737)	(3,789)
	<u>(4,905)</u>	<u>(3,550)</u>	<u>(9,556)</u>	<u>(7,454)</u>
Discontinued operation	-	-	-	-

The effective tax rate for the financial period under review is lower than the statutory tax rate due to utilisation of capital allowances and tax losses and tax exempt income from subsidiaries in Vietnam.

21 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.

22 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 2008

Quoted shares -

	At Cost RM'000	At Book Value RM'000	At Market Value RM'000
	19,155	-	26,986

23 Status of Corporate Proposals

There were no corporate proposals announced which were pending completion.

24 Group Borrowings and Debt Securities

Total Group borrowings as at 30 June 2008 are as follows:-

Current	RM'000
Non-current	121,225
	36,590
	<u>157,815</u>

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

Current	VND '000 000
Non-current	53,102
	83,660
(NOTE - VND 5057 = RM1)	<u>136,762</u>

All the Group borrowings are unsecured.

25 Off Balance Sheet Financial Instruments

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

26 Material Litigation

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

27 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 (2007: interim tax exempt dividend of 10%, amounting to RM11.1 million). To commemorate the Group's 50th anniversary, the Board is declaring a special tax exempt dividend of 15%, amounting to RM16.7 million. Both special and interim dividend amounting to RM27.8 million will be paid on 24 September 2008 to shareholders whose name appear in the Record of Depositors on 12 September 2008.

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

a) Shares transferred to the Depositor's securities account before 4.00pm on 12 September 2008 in respect of transfer; and

b) Shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

28 Earnings Per Share

	Current Quarter 30.06.2008	Financial Year to Date 30.06.2008
	RM'000	RM'000
Profit/(Loss) attributable to ordinary equity holders of the parent:		
Continuing operation	21,372	35,940
Discontinued operation	(150)	(167)
	<u>21,222</u>	<u>35,773</u>
Weighted average number of ordinary shares	444,167,786	444,167,786
Basic earnings per share (sen)		
Continuing operations	4.81	8.09
Discontinued operation	(0.03)	(0.04)
	<u>4.78</u>	<u>8.05</u>

As at 31 December 2007, the Employees' Share Option Scheme has lapsed and there are no other dilutive effects on shares. As such, no calculation was made on diluted earnings per share for the financial period under review.

29 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the director: on 28 August 2008.

BY ORDER OF THE BOARD,
Chia Kwok Why
Secretary,
Batu Caves, Selangor Darul Ehsan.
28 August 2008.