



## KIAN JOO CAN FACTORY BERHAD

(Incorporated in Malaysia)

(Co. Reg. No. 3186-P)

### Condensed Consolidated Statement of Comprehensive Income for the first quarter ended 31 March 2010

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.03.2010 RM'000 unaudited	Preceding Year Corresponding Quarter 31.03.2009 RM'000 unaudited	Current Year To Date 31.03.2010 RM'000 unaudited	Preceding Year Corresponding Period 31.03.2009 RM'000 unaudited
<b>Continuing Operations</b>				
Revenue	216,740	187,477	216,740	187,477
Cost of sales	(175,967)	(161,152)	(175,967)	(161,152)
Gross profit	40,773	26,325	40,773	26,325
Other income	2,552	2,215	2,552	2,215
Operating expenses	(15,116)	(9,809)	(15,116)	(9,809)
Finance costs	(1,031)	(2,252)	(1,031)	(2,252)
Share of loss of associate (net of tax)	-	(298)	-	(298)
Share of profit of jointly controlled entities (net of tax)	-	(33)	-	(33)
Profit Before Taxation	27,178	16,148	27,178	16,148
Taxation	(5,468)	(3,160)	(5,468)	(3,160)
Profit for the period from continuing operations	21,710	12,988	21,710	12,988
Loss for the period from a discontinued operation	-	(3)	-	(3)
<b>Profit for the period</b>	<b>21,710</b>	<b>12,985</b>	<b>21,710</b>	<b>12,985</b>
<b>Other comprehensive (loss)/income, net of tax</b>				
Foreign currency translation differences for foreign operations	(7,643)	3,902	(7,643)	3,902
<b>Other comprehensive (loss)/income for the period, net of tax</b>	<b>(7,643)</b>	<b>3,902</b>	<b>(7,643)</b>	<b>3,902</b>
<b>Total comprehensive income for the period</b>	<b>14,067</b>	<b>16,887</b>	<b>14,067</b>	<b>16,887</b>
Profit attributable to:				
Equity holders of the company	21,885	11,937	21,885	11,937
Minority interest	(175)	1,048	(175)	1,048
<b>Profit for the period</b>	<b>21,710</b>	<b>12,985</b>	<b>21,710</b>	<b>12,985</b>
Total comprehensive income attributable to:				
Equity holders of the company	16,444	14,260	16,444	14,260
Minority interest	(2,377)	2,627	(2,377)	2,627
<b>Total comprehensive income for the period</b>	<b>14,067</b>	<b>16,887</b>	<b>14,067</b>	<b>16,887</b>
Earnings per share attributable to equity holders of the company:				
Basic (sen)				
Continuing operations	4.93	2.69	4.93	2.69
Discontinued operation	-	-	-	-
	<b>4.93</b>	<b>2.69</b>	<b>4.93</b>	<b>2.69</b>
Diluted (sen)				
Continuing operations	-	-	-	-
Discontinued operation	-	-	-	-
	-	-	-	-

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 Statement of Financial Position As at 31 March 2010

	<b>As at 31.03.2010 RM'000 unaudited</b>	<b>As at 31.12.2009 RM'000 audited</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant & equipment	588,070	603,448
Prepaid lease payments	8,972	9,535
Investment properties	23,967	24,028
Intangible assets	377	419
Other investment	90	90
Investments in associated company	23,423	23,423
Deferred tax assets	5,850	6,223
	650,749	667,166
<b>Current Assets</b>		
Inventories	213,997	220,421
Trade and other receivables	217,868	221,823
Derivative financial instrument	2,396	-
Cash and bank balances	84,160	64,520
	518,421	506,764
	1,169,170	1,173,930
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to equity holders of the company		
Share capital	111,042	111,042
Share premium	744	744
Other reserves	100,757	106,198
Retained earnings	625,283	600,528
	837,826	818,512
<b>Minority Interest</b>	63,466	65,843
<b>Total equity</b>	901,292	884,355
<b>Non-current liabilities</b>		
Retirement benefit obligation	22,191	22,879
Borrowings	13,489	9,930
Deferred Tax Liabilities	21,361	21,307
	57,041	54,116
<b>Current Liabilities</b>		
Retirement benefit obligation	1,940	1,397
Provision for solid waste disposal	81	197
Borrowings	97,198	130,829
Trade and other payables	107,429	99,193
Taxation	4,189	3,843
	210,837	235,459
<b>Total liabilities</b>	267,878	289,575
	1,169,170	1,173,930
	1,169,170	1,173,930
Net assets per share attributable to equity holders of the Company (RM)	1.88	1.84

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 first quarter ended 31 March 2010

	Attributable to Equity Holders of the Company						Total Equity RM'000
	Non-distributable			Distributable		Minority Interest RM'000	
	Share Capital RM'000	Share Premium RM'000	Other Reserve RM'000	Retained Earnings RM'000	Total RM'000		
<b>At 1 January 2009</b>	111,042	744	5,309	573,959	691,054	52,297	743,351
Profit for the period	-	-	-	11,937	11,937	1,048	12,985
Other comprehensive income for the period	-	-	2,323	-	2,323	1,579	3,902
Total comprehensive income for the period	-	-	2,323	11,937	14,260	2,627	16,887
Dividends	-	-	-	-	-	-	-
Dividend payable to minority interest	-	-	-	-	-	-	-
<b>At 31 March 2009</b>	<b>111,042</b>	<b>744</b>	<b>7,632</b>	<b>585,895</b>	<b>705,313</b>	<b>54,924</b>	<b>760,238</b>
<b>At 1 January 2010</b>	111,042	744	106,198	600,528	818,512	65,843	884,355
Effects on adoption of FRS 139	-	-	-	2,870	2,870	-	2,870
<b>At 1 January 2010 (Restated)</b>	<b>111,042</b>	<b>744</b>	<b>106,198</b>	<b>603,398</b>	<b>821,382</b>	<b>65,843</b>	<b>887,225</b>
Profit for the year	-	-	-	21,885	21,885	(175)	21,710
Other comprehensive loss for the period	-	-	(5,441)	-	(5,441)	(2,202)	(7,643)
Total comprehensive (loss)/income for the period	-	-	(5,441)	21,885	16,444	(2,377)	14,067
Dividends	-	-	-	-	-	-	-
Dividend payable to minority interest	-	-	-	-	-	-	-
<b>At 31 March 2010</b>	<b>111,042</b>	<b>744</b>	<b>100,757</b>	<b>625,283</b>	<b>837,826</b>	<b>63,466</b>	<b>901,292</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 Cash Flow For the first quarter ended 31 March 2010

	<b>31.03.2010</b>	<b>31.03.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>unaudited</b>	<b>unaudited</b>
Net cash generated from operating activities	57,039	18,766
Net cash used in investing activities	(8,116)	(12,678)
Net cash used in financing activities	(28,360)	(9,577)
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>	<b>20,563</b>	<b>(3,489)</b>
Effect of Exchange Rate Changes	(923)	163
Cash and Cash Equivalents at 1 January	64,520	52,566
*Cash and Cash Equivalents at 31 March	<u>84,160</u>	<u>49,240</u>
*Cash and Cash Equivalents at 31 March comprised the following:		
Cash and bank balances	28,973	41,137
Short term deposits	55,187	8,103
	<u>84,160</u>	<u>49,240</u>

The Condensed Consolidated Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 Main Market 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 2009.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2009.

## 2 Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2009, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations with effect from 1 January 2010.

### **FRSs, Amendments to FRSs and Interpretations Adopted by the Group on 1 January 2010**

FRS 8	: Operating Segments
FRS 7	: Financial Instruments: Disclosures
FRS 101	: Presentation of Financial Statements (revised)
FRS 123	: Borrowing Costs
FRS 139	: Financial Instruments: Recognition and Measurement
Amendments to FRS 1	: First-time Adoption of Financial Reporting Standards
Amendments to FRS 7	: Financial Instruments: Disclosures
Amendments to FRS 127	: Consolidated and Separate Financial Statements
Amendments to FRS 132	: Financial Instruments: Presentation
Amendments to FRS 139	: Financial Instruments: Recognition and Measurement
Amendments to FRSs 'Improvements to FRSs (2009)'	
IC Interpretation 9	: Reassessment of Embedded Derivatives
IC Interpretation 10	: Interim Financial Reporting and Impairment

The above new FRSs, Amendments to FRSs and Interpretations have no significant changes in the accounting policies and presentation of the financial statements of the Group upon their initial application, other than for the application of FRS 8, FRS 101 and FRS 139.

#### **(a) FRS 8: Operating Segments**

FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes. As a result, the Group's segmental reporting had been presented based on the internal reporting to the chief operating decision maker, who makes decisions on the allocation of resources and assess the performance of the reportable segments. This standard does not have any impact on the financial position and results of the Group.

#### **(b) FRS 101: Presentation of Financial Statements**

FRS 101 separates owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. Comparative information, with exception of the requirements under FRS 139, had been re-presented to conform with the revised standard. This standard does not have any impact on the financial position and results of the Group.

## (b) FRS 101: Presentation of Financial Statements - Cont'd

The effects on the comparatives to the Group on adoption of FRS 101 are as follows:

For the period ended 31 March 2009	Income statement as previously reported RM '000	Effects of adopting FRS 101 RM '000	Statement of comprehensive income as restated RM '000
Profit for the period	12,985	-	12,985
Other comprehensive income	-	3,902	3,902
Total comprehensive income			<u>16,887</u>
Total comprehensive income attributable to:			
Owners of the company			14,260
Minority interest			2,627
Total comprehensive income			<u>16,887</u>

## (c) FRS 139: Financial Instruments - Recognition and Measurement

Prior to the adoption of FRS 139, financial derivatives were recognised on their settlement dates. Outstanding derivatives at the reporting date were not recognised. With the adoption of FRS 139, all financial assets and financial liabilities, including derivatives are recognised at contract dates when, and only when the Company or any of its subsidiaries becomes a party to the contractual provisions of the instruments.

The measurement bases applied to the financial assets and financial liabilities in the prior financial year are changed to conform to the measurement standards of the FRS 139 in the current quarter. At initial recognition, all financial assets and financial liabilities are measured at their fair value.

In accordance with FRS 139, the recognition, derecognition and measurement are applied prospectively from 1 January 2010. The effects of the remeasurement on 1 January 2010 of the financial assets and financial liabilities brought forward from the previous financial year are adjusted to the opening retained earnings as disclosed in the statement of changes in equity.

The adoption of the above new policy has the following effects:

	Retained Earnings RM '000
At 1 January 2010, as previously stated	600,528
Adjustments arising from adoption of FRS 139:	
- Recognition of derivatives previously not recognised	2,870
As at 1 January 2010, as restated	<u>603,398</u>

## 3 Qualification of Audit Report of the Preceding Annual Financial Statements

There was no qualification on audit report of the preceding annual financial statements.

## 4 Seasonal or Cyclical Factors

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

## 5 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.

## 6 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.

## 7 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.

## 8 Dividends Paid

There were no dividends paid during the period under review.

## 9 Segmental Reporting

Segmental results for the period ended 31 March 2010 are as follows: -

	<b>Cans Division</b>	<b>Cartons Division</b>	<b>Contract Packing</b>	<b>Others</b>	<b>Total</b>	<b>Elimination</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>REVENUE</b>							
External sales	165,086	38,460	13,165	29	216,740	-	216,740
Inter-segmental sales	44,732	622	-	-	45,354	(45,354)	-
<b>Total revenue</b>	<b>209,818</b>	<b>39,082</b>	<b>13,165</b>	<b>29</b>	<b>262,094</b>	<b>(45,354)</b>	<b>216,740</b>
<b>RESULTS</b>							
Segment results	24,456	688	562	(10)	25,696	(39)	25,657
Other income	3,145	152	88	48	3,433	(881)	2,552
	27,601	840	650	38	29,129	(920)	28,209
Finance costs	(1,405)	(268)	(239)	-	(1,912)	881	(1,031)
Share of gain of Associated Co	-	-	-	-	-	-	-
<b>Profit before taxation</b>	<b>26,196</b>	<b>572</b>	<b>411</b>	<b>38</b>	<b>27,217</b>	<b>(39)</b>	<b>27,178</b>
Taxation							(5,468)
Minority interest							175
							<b>21,885</b>
<b>ASSETS AND LIABILITIES</b>							
Segment assets	1,050,189	166,578	54,187	9,501	1,280,455	(120,993)	1,159,462
Unallocated corporate assets	9,083	866	-	133	10,082	(374)	9,708
<b>Consolidated total assets</b>							<b>1,169,170</b>
Segment liabilities	(185,963)	(51,969)	(4,329)	(67)	(242,328)	-	(242,328)
Unallocated corporate liabilities	(15,327)	(8,421)	-	(1,802)	(25,550)	-	(25,550)
<b>Consolidated total liabilities</b>							<b>(267,878)</b>
<b>OTHER INFORMATION</b>							
Capital Expenditure	2,142	6,546	359	-	9,047	-	9,047
Depreciation and amortisation	8,891	1,074	1,158	56	11,179	-	11,179
Non-cash expenses other than depreciation	2,098	552	59	-	2,709	-	2,709

## 10 Valuation of Property, Plant and Equipment

There were no changes to the valuation of property, plant and equipment from the previous annual financial statements.

## 11 Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of the period under review that are not disclosed in the quarterly financial statements.

## 12 Changes in the Composition of the Group

There were no changes in the composition of the Group during the period under review.

## 13 Discontinued Operation

On 1 April 2007, Multi-Pet Sdn Bhd ("MUP"), a 100% owned subsidiary of KJCF ceased operation and in the year ended 31 December 2008 the company's assets were fully impaired.

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
	31.03.2010 RM'000	31.03.2009 RM'000	31.03.2010 RM'000	31.03.2009 RM'000
Revenue	-	-	-	-
Loss before tax	-	(3)	-	(3)
Taxation	-	-	-	-
Loss for the period from discontinued operation	-	(3)	-	(3)
Cash flow generated	-	(1)	-	(1)
Cash flow generated from investing activities	-	-	-	-
Cash flow used in financing activities	-	1	-	1

## 14 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.

## 15 Capital Commitments

The amount of capital commitments as at 31 March 2010 is as follows:-

	RM'000
Approved and contracted for	7,344
Share of capital commitments of associated company	-
	<u>7,344</u>



## 16 Related Party Transactions

**Financial**  
**Period to date**  
**31.03.2010**  

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**RM'000**

Sales to associated company	45
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Apart from the above, the Group has also entered into the following related party transactions : -

(a) Nature of transaction	Identity of related party	<b>Financial</b> <b>Period to date</b> <b>31.03.2010</b> <hr/> <b>RM'000</b>
Sales of trading inventories	(i) Hercules Sdn. Bhd.	145
by a subsidiary company	(ii) Hercules Vietnam Co Ltd	55

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 transactions entered into with third parties.

## 17 Review of Performance of the Company and its Principal Subsidiaries

For the financial period ended 31 March 2010, the Group's revenue increased 15% to RM216.7 million from RM187.5 million in the previous year's corresponding quarter. Profit before tax from continuing operation was higher by RM11.1 million or 69% at RM27.2 million as compared to the profit before tax of RM16.1 million in the previous year's corresponding quarter. The improved profit before taxation was mainly due to the increase in revenue from the cans division, resulting in better production efficiency.

## 18 Comparison with Preceding Quarter's Results

The Group's revenue for the current quarter under review was lower by RM33.9 million or 14% to RM216.7 million from RM250.7 million in the preceding quarter ended 31 December 2009. However, profit before tax from continuing operations was higher by 145% at RM27.2 million compared to RM11.1 million in the preceding quarter. The increase in profit before tax was mainly due to the absence of loss on revaluation of properties under property, plant and equipment amounting to RM14.4 million, which was recognised in the preceding quarter.

## 19 Current Year Prospects

The Board expects the performance of the Group for year 2010 to further improve. The Group will continue to focus on developing its business in high-growth markets, such as in Vietnam.

## 20 Variance from Forecast Profit and Profit Guarantee

No profit forecast or guarantee was issued by the Group.

## 21 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31.03.2010 RM'000	31.03.2009 RM'000	31.03.2010 RM'000	31.03.2009 RM'000
Group				
Income Tax				
- current year	(4,929)	(2,766)	(4,929)	(2,766)
- (Under)/ over provision in prior year	(112)	-	(112)	-
Deferred taxation	(427)	(394)	(427)	(394)
	(5,468)	(3,160)	(5,468)	(3,160)
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 subsidiary companies.

## 22 Profits on Sale of Unquoted Investments and /or Properties

On 1 March 2010, the Group entered into a sales and purchase agreement with MWE Properties Sdn. Bhd. to dispose off a piece of freehold vacant land for a cash consideration of RM6.2 million. As at 31 March 2010, RM0.62 million was received and the said agreement is still pending completion.

Save as disclosed above, there were no significant sales of unquoted investments 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 31 March 2010

	At Cost RM'000	At Book Value RM'000	At Market Value RM'000
Quoted shares -	19,155	-	49,036

## 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 31 March 2010 are as follows:-

	RM'000
Current	97,198
Non-current	13,489
	110,687

## 25 Group Borrowings and Debt Securities - Cont'd

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

	VND'000,000
Current	50,758
Non-current	76,138
	<u>126,896</u>

(NOTE - VND 5,668 = RM1)

All the Group's borrowings are unsecured.

## 26 Financial Instruments

The relevant accounting policies and the effects of the adoption of new accounting policies are disclosed in Note 2 Significant Accounting Policies. There were no other off balance sheet financial instruments as at the reporting date other than as disclosed.

The details of the outstanding derivative financial instruments as at 31 March 2010 are as follows:-

Type of derivative	Notional amount RM'000	Fair value RM'000	Fair value net gain/(loss) RM'000
Materials forward contract	12,173	14,569	<u>2,396</u>

## 27 Material Litigation

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

## 28 Dividend

The Directors do not recommend any dividend for the financial period under review.

## 29 Earnings Per Share

	Current Quarter 31.03.2010 RM'000	Financial Year to Date 31.03.2010 RM'000
Profit attributable to ordinary equity holders of the company	21,886	21,886
Weighted average number of ordinary shares	444,167,786	444,167,786
<b>Basic earnings per share (sen)</b>	<u>4.93</u>	<u>4.93</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 19 May 2010.

BY ORDER OF THE BOARD,  
Chia Kwok Why  
Secretary  
Batu Caves, Selangor Darul Ehsan  
20 May 2010