



KIAN JOO CAN FACTORY BERHAD

(Incorporated in Malaysia)

(Co. Reg. No. 3186-P)

Condensed Consolidated Statement of Comprehensive Income for the second quarter ended 30 June 2010

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.2010 RM'000 Unaudited	Preceding Year Corresponding Quarter 30.06.2009 RM'000 Unaudited and not restated	Current Year To Date 30.06.2010 RM'000 Unaudited	Preceding Year Corresponding Period 30.06.2009 RM'000 Unaudited and not restated
Continuing Operations				
Revenue	237,130	203,284	453,870	390,761
Cost of sales	(192,749)	(177,940)	(368,716)	(339,092)
Gross profit	44,381	25,344	85,154	51,669
Other income	1,918	4,304	4,470	6,524
Operating expenses	(14,332)	(12,978)	(29,448)	(22,795)
Finance costs	(909)	(1,577)	(1,940)	(3,829)
Share of profit/(loss) of associate (net of tax)	486	(254)	486	(552)
Share of profit of jointly controlled entities (net of tax)	-	(80)	-	(113)
Profit Before Taxation	31,544	14,759	58,722	30,904
Taxation	(5,628)	(3,640)	(11,096)	(6,800)
Profit for the period	25,916	11,119	47,626	24,104
Other comprehensive (loss)/income, net of tax				
Foreign currency translation differences for foreign operations	(57)	(2,941)	(7,700)	961
Other comprehensive (loss)/income for the period, net of tax	(57)	(2,941)	(7,700)	961
Total comprehensive income for the period	25,859	8,178	39,926	25,065
Profit attributable to:				
Equity holders of the company	25,341	10,017	47,226	21,954
Minority interest	575	1,102	400	2,150
Profit for the period	25,916	11,119	47,626	24,104
Total comprehensive income attributable to:				
Equity holders of the company	25,332	8,201	41,776	22,461
Minority interest	527	(23)	(1,850)	2,604
Total comprehensive income for the period	25,859	8,178	39,926	25,065
Earnings per share attributable to equity holders of the company:				
Basic (sen)				
Continuing operations	5.71	2.26	10.63	4.94
Discontinued operation	-	-	-	-
	5.71	2.26	10.63	4.94
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 30 June 2010

	As at 30.06.2010 RM'000 Unaudited	As at 01.01.2010 RM'000 Unaudited and restated (see Note 2)	As at 31.12.2009 RM'000 Audited and not restated (see Note 2)
ASSETS			
Non-current Assets			
Property, plant & equipment	583,141	603,448	603,448
Prepaid lease payments	12,758	9,535	9,535
Investment properties	23,991	24,028	24,028
Intangible assets	360	419	419
Other investment	90	90	90
Investments in associated company	23,910	23,423	23,423
Deferred tax assets	5,850	6,223	6,223
	650,100	667,166	667,166
Current Assets			
Inventories	212,584	220,421	220,421
Trade and other receivables	210,900	221,823	221,823
Derivative financial instrument	-	2,870	-
Cash and bank balances	85,165	64,520	64,520
	508,649	509,634	506,764
	1,158,749	1,176,800	1,173,930
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the company			
Share capital	111,042	111,042	111,042
Share premium	744	744	744
Other reserves	100,749	106,198	106,198
Retained earnings	642,296	603,398	600,528
	854,831	821,382	818,512
Minority Interest	62,569	65,843	65,843
Total equity	917,400	887,225	884,355
Non-current liabilities			
Retirement benefit obligation	22,372	22,879	22,879
Borrowings	14,858	9,930	9,930
Deferred Tax Liabilities	21,939	21,307	21,307
	59,169	54,116	54,116
Current Liabilities			
Retirement benefit obligation	1,742	1,397	1,397
Provision for solid waste disposal	201	197	197
Borrowings	84,462	130,829	130,829
Trade and other payables	90,287	99,193	99,193
Derivative financial instrument	1,631	-	-
Taxation	3,857	3,843	3,843
	182,180	235,459	235,459
Total liabilities	241,349	289,575	289,575
TOTAL EQUITY AND LIABILITIES	1,158,749	1,176,800	1,173,930
Net assets per share attributable to equity holders of the Company (RM)	1.92	1.84	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 second quarter ended 30 June 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		
At 1 January 2009	111,042	744	5,309	573,959	691,054	52,297	743,351
Profit for the period	-	-	-	21,954	21,954	2,150	24,104
Other comprehensive income for the period	-	-	507	-	507	454	961
Total comprehensive income for the period	-	-	507	21,954	22,461	2,604	25,065
Dividends	-	-	-	(11,104)	(11,104)	-	(11,104)
Dividend payable to minority interest	-	-	-	-	-	(1,017)	(1,017)
At 30 June 2009	111,042	744	5,816	584,809	702,411	53,884	756,295
At 1 January 2010	111,042	744	106,199	600,527	818,512	65,843	884,355
Effects on adoption of FRS 139	-	-	-	2,870	2,870	-	2,870
At 1 January 2010 (Restated)	111,042	744	106,199	603,397	821,382	65,843	887,225
Profit for the year	-	-	-	47,226	47,226	400	47,626
Other comprehensive income for the period	-	-	(5,450)	-	(5,450)	(2,250)	(7,700)
Total comprehensive income for the period	-	-	(5,450)	47,226	41,776	(1,850)	39,926
Dividends	-	-	-	(8,328)	(8,328)	-	(8,328)
Dividend payable to minority interest	-	-	-	-	-	(1,423)	(1,423)
At 30 June 2010	111,042	744	100,749	642,295	854,830	62,570	917,400

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

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Condensed Consolidated Statement of Cash Flow For the second quarter ended 30 June 2010

	30.06.2010	30.06.2009
	RM'000	RM'000
	Unaudited	Unaudited
Net cash generated from operating activities	87,949	53,566
Net cash used in investing activities	(17,321)	(12,751)
Net cash used in financing activities	(49,257)	(44,362)
Net increase/(decrease) in Cash and Cash Equivalents	21,371	(3,547)
Effect of Exchange Rate Changes	(726)	(2,929)
Cash and Cash Equivalents at 1 January	64,520	52,566
*Cash and Cash Equivalents at 30 June	<u>85,165</u>	<u>46,090</u>
*Cash and Cash Equivalents at 30 June comprised the following:		
Cash and bank balances	41,194	45,232
Short term deposits	43,971	1,036
Bank Overdraft	-	(178)
	<u>85,165</u>	<u>46,090</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 7	: Financial Instruments: Disclosures
FRS 8	: Operating Segments
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 are expected to 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.

2 Significant Accounting Policies - Cont'd

(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.

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

	Income statement as previously reported RM '000	Effects of adopting FRS 101 RM '000	Statement of comprehensive income as restated RM '000
For the period ended 30 June 2009			
Profit for the period	24,104	-	24,104
Other comprehensive income	-	961	961
Total comprehensive income			<u>25,065</u>
Total comprehensive income attributable to:			
Owners of the company			22,461
Minority interest			2,604
Total comprehensive income			<u>25,065</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.

2 Significant Accounting Policies - Cont'd

(c) FRS 139: Financial Instruments - Recognition and Measurement - Cont'd

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

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

The Group does not apply hedge accounting.

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

A final dividend of 10% less 25% tax on 444,167,786 ordinary shares amounting to RM8.328 million in respect of financial year ended 31 December 2009 was paid on 18 May 2010.

9 Segmental Reporting

Segmental results for the period ended 30 June 2010 are as follows: -

	Cans Division	Cartons Division	Contract Packing	Others	Total	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE							
External sales	343,988	82,973	26,852	57	453,870	-	453,870
Inter-segmental sales	93,748	1,529	4	-	95,281	(95,281)	-
Total revenue	437,736	84,502	26,856	57	549,151	(95,281)	453,870
RESULTS							
Segment results	49,874	3,669	582	1,581	55,706	-	55,706
Other income	5,724	280	186	91	6,281	(1,811)	4,470
	55,598	3,949	768	1,672	61,987	(1,811)	60,176
Finance costs	(2,688)	(570)	(493)	-	(3,751)	1,811	(1,940)
Share of gain of Associated Co	-	-	-	486	486	-	486
Profit before taxation	52,910	3,379	275	2,158	58,722	-	58,722
Taxation							(11,096)
Minority interest							(400)
							47,226
ASSETS AND LIABILITIES							
Segment assets	1,037,579	171,947	53,795	9,557	1,272,878	(120,617)	1,152,261
Unallocated corporate assets	6,687	-	-	175	6,862	(374)	6,488
Consolidated total assets							1,158,749
Segment liabilities	(156,542)	(55,247)	(3,718)	(46)	(215,553)	-	(215,553)
Unallocated corporate liabilities	(16,305)	(7,690)	-	(1,801)	(25,796)	-	(25,796)
Consolidated total liabilities							(241,349)
OTHER INFORMATION							
Capital Expenditure	5,001	12,694	997	-	18,692	-	18,692
Depreciation and amortisation	17,960	2,270	2,340	112	22,682	-	22,682
Non-cash expenses other than depreciation	2,919	604	151	-	3,674	-	3,674

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 significant events subsequent to the end of the interim period to the date of this announcement 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 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 2010 is as follows:-

	RM'000
Approved and contracted for	12,840

15 Related Party Transactions

	Financial Period to date 30.06.2010 RM'000
Sales to associated company	124

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 30.06.2010 RM'000
Sales of trading inventories	(i) Hercules Sdn. Bhd.	307
by a subsidiary company	(ii) Hercules Vietnam Co Ltd	113

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.

16 Review of Performance of the Company and its Principal Subsidiaries

2nd Quarter 2010 versus 2nd Quarter 2009

The Group's revenue for 2nd Quarter 2010 of RM237 million outperformed the preceding year's corresponding quarter by 17%. The Group's profit before tax was higher by RM16.8 million at RM31.5 million, compared to the profit before tax of RM14.8 million in the preceding year's corresponding quarter. The better results were due to improved margin and production efficiency.

Financial period ended 30 June 2010 versus financial period ended 30 June 2009

For financial period ended 30 June 2010, the Group's revenue increased by 16% to RM453.9 million from RM390.8 million in the preceding year's corresponding period. Profit before tax was RM27.8 million higher at RM58.7 million, compared to the profit before tax of RM30.9 million in the preceding year's corresponding period.

The increase in revenue in the financial period ended 30 June 2010 was mainly attributable to the cans, cartons and contract packing divisions, which recorded an increase of 12%, 22% and 79% respectively, compared to the preceding year's corresponding period. The significant improvement in profit before taxation in the current financial period was mainly due to higher revenue and improved production efficiency, and also comparing with an exceptionally low margin in the preceding year's corresponding period. Margin for year 2009 was badly affected by the financial crisis, which resulted in a reduction of revenue, higher inventory costs and a downward pressure on selling prices.

17 Comparison with Preceding Quarter's Results

The Group's revenue for the current quarter under review improved by RM20.4 million or 9% to RM237.1 million from RM216.7 million in the preceding quarter ended 31 March 2010. The Group's profit before tax was higher by 16% at RM31.5 million compared to RM27.2 million in the preceding quarter. This improvement in profit before tax was mainly due to higher revenue recorded from the cans and cartons divisions.

18 Current Year Prospects

The Board expects the Group's performance for the current year to improve further.

19 Variance from Forecast Profit and Profit Guarantee

No profit forecast or guarantee was issued by the Group.

20 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter	To Date	Corresponding Period
	30.06.2010	30.06.2009	30.06.2010	30.06.2009
	RM'000	RM'000	RM'000	RM'000
Group - Income Tax				
- current year	(5,109)	(2,896)	(10,038)	(5,662)
- over/(under) provision in prior year	59	(82)	(53)	(82)
Deferred taxation	(578)	(662)	(1,005)	(1,056)
	(5,628)	(3,640)	(11,096)	(6,800)
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.

21 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. The disposal was subsequently completed upon receipt of final payment from the purchaser on 6 July 2010.

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

	At Cost	At Book Value	At Market Value
	RM'000	RM'000	RM'000
Quoted shares -	19,155	-	45,087

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 2010 are as follows:-

	RM'000
Current	84,462
Non-current	14,858
	<hr/> 99,320 <hr/>

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

	VND'000,000
Current	65,405
Non-current	84,245
	<hr/> 149,650 <hr/>

(NOTE: VND 5,674 = RM1)

All the Group's borrowings are unsecured.

25 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 30 June 2010 are as follows:-

Types of derivative	Notional amount RM'000	Fair value RM'000	Fair value net gain/(loss) RM'000
a. Materials forward contracts			
- less than 1 year	33,165	31,455	(1,710)
b. Forward exchange contracts			
- less than 1 year	16,955	17,034	79
	<hr/> 50,120	<hr/> 48,489	<hr/> (1,631) <hr/>

The above materials forward contracts were entered into by the Group to hedge the volatility of the purchase price of certain raw materials. Forward exchange contracts were entered into by the Group to minimise its exposure to foreign currency risks as a result of changes in fair value of its firm commitments due to fluctuations in the exchange rate.

Fair values of the above forward contracts are determined using market rates at the end of reporting period. The subsequent cumulative change in fair values of the firm commitments attributable to the hedged risk is recognised as an asset or liability with the corresponding gain or loss recognised in profit or loss.

The above foreign exchange contracts are subject to credit risk arising from possibility of default of the counterparty in meeting its contractual obligations where the Group has a gain in the contract. This risk, however, is minimal as the financial instruments were executed only with credit-worthy financial institutions in Malaysia that are governed by appropriate policies and procedures.

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 dividend of 10% single-tier exempt dividend per ordinary share, amounting to RM11.1 million (2009: interim tax exempt dividend of 10%, amounting to RM11.1 million) and a special dividend of 15% single-tier exempt dividend per ordinary share, amounting to RM16.7 million (2009: RM Nil). Both the interim and special dividends, totalling RM27.8 million will be paid on 27 September 2010 to shareholders whose name appear in the Record of Depositors on 8 September 2010.

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 8 September 2010 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	Financial Year to Date
	30.06.2010	30.06.2010
	RM'000	RM'000
<u>Profit attributable to ordinary equity holders of the company</u>	<u>25,341</u>	<u>47,226</u>
<u>Weighted average number of ordinary shares</u>	<u>444,167,786</u>	<u>444,167,786</u>
<u>Basic earnings per share (sen)</u>	<u>5.71</u>	<u>10.63</u>

29 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 18 August 2010.

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