



KIAN JOO CAN FACTORY BERHAD

(Incorporated in Malaysia)

(Co. Reg. No. 3186-P)

Condensed Consolidated Statement of Comprehensive Income for the third quarter ended 30 September 2010

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2010 RM'000 Unaudited	Preceding Year Corresponding Quarter 30.09.2009 RM'000 Unaudited and not restated	Current Year To Date 30.09.2010 RM'000 Unaudited	Preceding Year Corresponding Period 30.09.2009 RM'000 Unaudited and not restated
Continuing Operations				
Revenue	259,592	234,139	713,462	624,899
Cost of sales	(208,701)	(194,610)	(577,417)	(533,702)
Gross profit	50,891	39,529	136,045	91,197
Other income	2,216	(22)	6,686	6,502
Operating expenses	(12,166)	(12,058)	(41,614)	(34,852)
Finance costs	(1,082)	(1,365)	(3,022)	(5,194)
Share of profit/(loss) of associate (net of tax)	327	440	813	(112)
Share of profit of jointly controlled entities (net of tax)	-	11	-	(102)
Profit Before Taxation	40,186	26,535	98,908	57,439
Taxation	(7,495)	(4,003)	(18,591)	(10,803)
Profit for the period	32,691	22,532	80,317	46,636
Other comprehensive (loss)/income, net of tax				
Foreign currency translation differences for foreign operations	(8,681)	(1,715)	(16,381)	(754)
Other comprehensive (loss)/income for the period, net of tax	(8,681)	(1,715)	(16,381)	(754)
Total comprehensive income for the period	24,010	20,817	63,936	45,882
Profit attributable to:				
Equity holders of the company	31,634	20,481	78,860	42,435
Minority interest	1,057	2,051	1,457	4,201
Profit for the period	32,691	22,532	80,317	46,636
Total comprehensive income attributable to:				
Equity holders of the company	25,832	18,939	67,608	41,400
Minority interest	(1,822)	1,878	(3,672)	4,482
Total comprehensive income for the period	24,010	20,817	63,936	45,882
Earnings per share attributable to equity holders of the company:				
Basic (sen)				
Continuing operations	7.12	4.61	17.75	9.55
Discontinued operation	-	-	-	-
	7.12	4.61	17.75	9.55
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)

(Co. Reg. No. 3186-P)

Condensed Consolidated Statement of Financial Position As at 30 September 2010

	As at 30.09.2010 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	568,527	603,448	603,448
Prepaid lease payments	11,861	9,535	9,535
Investment properties	23,845	24,028	24,028
Intangible assets	392	419	419
Other investment	90	90	90
Investments in associated company	24,216	23,423	23,423
Deferred tax assets	5,850	6,223	6,223
	<u>634,781</u>	<u>667,166</u>	<u>667,166</u>
Current Assets			
Inventories	231,853	220,421	220,421
Trade and other receivables	218,009	221,823	221,823
Derivative financial instrument	1,117	2,870	-
Cash and bank balances	80,896	64,520	64,520
	<u>531,875</u>	<u>509,634</u>	<u>506,764</u>
TOTAL ASSETS	<u>1,166,656</u>	<u>1,176,800</u>	<u>1,173,930</u>
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	94,947	106,198	106,198
Retained earnings	646,168	603,398	600,528
	<u>852,901</u>	<u>821,382</u>	<u>818,512</u>
Minority Interest	<u>60,748</u>	<u>65,843</u>	<u>65,843</u>
Total equity	<u>913,649</u>	<u>887,225</u>	<u>884,355</u>
Non-current liabilities			
Retirement benefit obligation	22,580	22,879	22,879
Borrowings	17,381	9,930	9,930
Deferred tax liabilities	21,803	21,307	21,307
	<u>61,764</u>	<u>54,116</u>	<u>54,116</u>
Current Liabilities			
Retirement benefit obligation	1,555	1,397	1,397
Provision for solid waste disposal	186	197	197
Borrowings	94,870	130,829	130,829
Trade and other payables	91,097	99,193	99,193
Derivative financial instrument	-	-	-
Taxation	3,535	3,843	3,843
	<u>191,243</u>	<u>235,459</u>	<u>235,459</u>
Total liabilities	<u>253,007</u>	<u>289,575</u>	<u>289,575</u>
TOTAL EQUITY AND LIABILITIES	<u>1,166,656</u>	<u>1,176,800</u>	<u>1,173,930</u>
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 third quarter ended 30 September 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	-	-	-	42,435	42,435	4,201	46,636
Other comprehensive income for the period	-	-	(1,035)	-	(1,035)	281	(754)
Total comprehensive income for the period	-	-	(1,035)	42,435	41,400	4,482	45,882
Dividends	-	-	-	(22,208)	(22,208)	-	(22,208)
Dividend payable to minority interest	-	-	-	-	-	(1,017)	(1,017)
At 30 September 2009	111,042	744	4,274	594,186	710,246	55,762	766,008
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	-	-	-	78,860	78,860	1,457	80,317
Other comprehensive income for the period	-	-	(11,252)	-	(11,252)	(5,129)	(16,381)
Total comprehensive income for the period	-	-	(11,252)	78,860	67,608	(3,672)	63,936
Dividends	-	-	-	(36,089)	(36,089)	-	(36,089)
Dividend payable to minority interest	-	-	-	-	-	(1,423)	(1,423)
At 30 September 2010	111,042	744	94,947	646,168	852,901	60,748	913,649

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 third quarter ended 30 September 2010

	30.09.2010	30.09.2009
	RM'000	RM'000
	Unaudited	Unaudited and not restated
Net cash generated from operating activities	95,124	84,813
Net cash used in investing activities	(14,347)	(21,062)
Net cash used in financing activities	(62,391)	(73,947)
Net increase/(decrease) in Cash and Cash Equivalents	18,386	(10,196)
Effect of Exchange Rate Changes	(2,010)	(655)
Cash and Cash Equivalents at 1 January	64,520	52,566
*Cash and Cash Equivalents at 30 September	80,896	41,715
 *Cash and Cash Equivalents at 30 September comprised the following:		
Cash and bank balances	43,186	37,493
Short term deposits	37,710	4,222
Bank Overdraft	-	-
	80,896	41,715

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.

(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 30 September 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	46,636	-	46,636
Other comprehensive income	-	(754)	(754)
Total comprehensive income			<u>45,882</u>
Total comprehensive income attributable to:			
Owners of the company			41,400
Minority interest			4,482
Total comprehensive income			<u>45,882</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:

	Derivative Financial Instruments (Current Asset) RM '000	Retained Earnings RM '000
At 1 January 2010, as previously stated	-	600,527
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>603,397</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 year-to-date, except for the effects arising from the adoption of FRS 139 as disclosed in Note 2(c).

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 on the financial year-to-date results.

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

For the financial period under review, an interim single-tier exempt dividend of 10% on 444,167,786 ordinary shares amounting to RM11,104,195 (2.5 sen per share) and a special single-tier exempt dividend of 15% on 444,167,786 ordinary shares amounting to RM16,656,292 (3.75 sen per share) in respect of the current financial year ending 31 December 2010 was paid on 27 September 2010.

9 Segmental Reporting

Segmental results for the period ended 30 September 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	541,035	132,135	40,206	86	713,462	-	713,462
Inter-segmental sales	144,802	2,593	4	-	147,399	(147,399)	-
Total revenue	685,837	134,728	40,210	86	860,861	(147,399)	713,462
RESULTS							
Segment results	85,778	6,519	613	1,521	94,431	-	94,431
Other income	8,142	550	464	307	9,463	(2,777)	6,686
	93,920	7,069	1,077	1,828	103,894	(2,777)	101,117
Finance costs	(4,180)	(877)	(742)	-	(5,799)	2,777	(3,022)
Share of gain of Associated Co	-	-	-	813	813	-	813
Profit before taxation	89,740	6,192	335	2,641	98,908	-	98,908
Taxation							(18,591)
Minority interest							(1,457)
							78,860
ASSETS AND LIABILITIES							
Segment assets	1,046,761	174,967	49,500	9,276	1,280,504	(120,345)	1,160,159
Unallocated corporate assets	6,687	-	-	183	6,870	(373)	6,497
Consolidated total assets							1,166,656
Segment liabilities	(165,650)	(58,558)	(3,431)	(30)	(227,669)	-	(227,669)
Unallocated corporate liabilities	(16,468)	(7,069)	-	(1,801)	(25,338)	-	(25,338)
Consolidated total liabilities							(253,007)
OTHER INFORMATION							
Capital Expenditure	7,510	13,211	1,173	-	21,894	-	21,894
Depreciation and amortisation	27,356	3,847	3,525	168	34,897	-	34,897
Non-cash expenses other than depreciation	4,698	888	168	-	5,754	-	5,754

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 September 2010 is as follows:-

	RM'000
Approved and contracted for	8,923

15 Related Party Transactions

	Financial Period to date 30.09.2010 RM'000
Sales to associated company	211

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 30.09.2010 RM'000
Sales of trading inventories	(i) Hercules Sdn. Bhd.	505
by a subsidiary company	(ii) Hercules Vietnam Co Ltd	184

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

3rd Quarter 2010 versus 3rd Quarter 2009

The Group's revenue of RM259.6 million for 3rd Quarter 2010 outperformed the preceding year's corresponding quarter revenue of RM234.1 million by 11%. The Group's profit before tax was higher in 3rd Quarter 2010 at RM40.2 million, compared to RM26.5 million in the preceding year's corresponding quarter. The significant improvement seen in 3rd Quarter 2010 is the result of increased sales and a greater operational efficiency and management of costs in the cans division.

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

In the financial period ended 30 September 2010, the Group recorded a revenue of RM713.5 million, an increase of 14% from RM624.9 million in the preceding year's corresponding period. Profit before tax rose by RM41.5 million from RM57.4 million in the financial period ended 30 September 2009 to RM98.9 million in the same period of the current year.

The significant improvement in profit before taxation in the current financial period was mainly due to a higher growth in sales and improved production efficiency in the cans and contract packing divisions. This significant improvement in the Group's results compared to the preceding year was due to the 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 RM22.5 million or 9% to RM259.6 million from RM237.1 million in the preceding quarter ended 30 June 2010. The Group's profit before tax was higher by 27% at RM40.2 million compared to RM31.5 million in the preceding quarter. This improvement in profit before tax was mainly due to greater cost efficiencies and improved management of costs in the cans and contract packing divisions.

18 Current Year Prospects

The Board expects the Group's improved results to be sustained in the fourth quarter of the year.

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 Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30.09.2010 RM'000	30.09.2009 RM'000	30.09.2010 RM'000	30.09.2009 RM'000
Group				
Income Tax				
- current year	(7,336)	(4,201)	(17,374)	(9,863)
- over/(under) provision in prior year	(294)	(202)	(347)	(284)
Deferred taxation	135	400	(870)	(656)
	(7,495)	(4,003)	(18,591)	(10,803)

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 September 2010

	At Cost RM'000	At Book Value RM'000	At Market Value RM'000
Quoted shares -	19,155	-	42,125

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 September 2010 are as follows:-

	RM'000
Current	94,870
Non-current	17,381
	<hr/> 112,251

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

	VND'000,000
Current	50,546
Non-current	106,157
	<hr/> 156,703

(NOTE: VND 6,138 = 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 September 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	19,591	21,646	2,055
b. Forward exchange contracts			
- less than 1 year	38,282	37,344	(938)
	<hr/> 57,873	<hr/> 58,990	<hr/> 1,117

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

The Directors have not proposed any dividend for the 3rd Quarter of financial year ending 31 December 2010.

28 Earnings Per Share

	Current Quarter	Financial Year to Date
	30.09.2010	30.09.2010
	RM'000	RM'000
Profit attributable to ordinary equity holders of the company	31,634	78,860
Weighted average number of ordinary shares	444,167,786	444,167,786
Basic earnings per share (sen)	7.12	17.75

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 23 November 2010.

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