



KIAN JOO CAN FACTORY BERHAD

(Incorporated in Malaysia)

(Co. Reg. No. 3186-P)

Condensed Consolidated Statement of Comprehensive Income for the fourth quarter ended 31 December 2011

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2011 RM'000 Unaudited	Preceding Year Corresponding Quarter 31.12.2010 RM'000 Audited	Current Year To Date 31.12.2011 RM'000 Unaudited	Preceding Year Corresponding Period 31.12.2010 RM'000 Audited
Continuing Operations				
Revenue	292,497	279,209	1,086,037	992,671
Cost of sales	(242,256)	(227,602)	(878,468)	(805,019)
Gross profit	50,241	51,607	207,569	187,652
Other income	1,623	2,000	11,462	8,686
Operating expenses	(24,869)	(18,547)	(75,057)	(60,161)
Finance costs	(825)	(1,232)	(4,471)	(4,254)
Share of profit/(loss) of associate (net of tax)	37	170	(11)	983
Profit Before Taxation	26,207	33,998	139,492	132,906
Taxation	(9,092)	(9,273)	(28,988)	(27,864)
Profit for the period	17,115	24,725	110,504	105,042
Other comprehensive loss, net of tax				
Foreign currency translation differences for foreign operations	(194)	(978)	(7,083)	(17,359)
Other comprehensive loss for the period, net of tax	(194)	(978)	(7,083)	(17,359)
Total comprehensive income for the period	16,921	23,747	103,421	87,683
Profit attributable to:				
Owners of the company	15,052	23,107	104,803	101,967
Non-controlling interest	2,063	1,618	5,701	3,075
Profit for the period	17,115	24,725	110,504	105,042
Total comprehensive income attributable to:				
Owners of the company	15,295	22,134	99,814	89,742
Non-controlling interest	1,626	1,613	3,607	(2,059)
Total comprehensive income for the period	16,921	23,747	103,421	87,683
Earnings per share attributable to owners of the company:				
Basic (sen)				
Continuing operations	3.39	5.21	23.60	22.96
Discontinued operation	-	-	-	-
	3.39	5.21	23.60	22.96
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 2010 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 December 2011

	As at 31.12.2011 RM'000 Unaudited	As at 31.12.2010 RM'000 Audited
ASSETS		
Non-Current Assets		
Property, plant & equipment	632,067	568,694
Land use rights	12,110	7,752
Investment properties	23,190	23,519
Intangible assets	246	266
Other investment	90	90
Investments in associated company	24,362	24,406
Deferred tax assets	31	3,522
	692,096	628,249
Current Assets		
Inventories	278,873	230,669
Trade and other receivables	262,626	245,223
Cash and bank balances	92,917	92,087
	634,416	567,979
TOTAL ASSETS	1,326,512	1,196,228
EQUITY AND LIABILITIES		
Equity attributable to owners of the company		
Share capital	111,042	111,042
Share premium	744	744
Other reserves	83,925	88,914
Retained earnings	715,196	671,466
	910,907	872,166
Non-Controlling Interest	64,545	62,361
Total Equity	975,452	934,527
Non-Current Liabilities		
Retirement benefit obligation	23,637	22,876
Borrowings	71,522	10,725
Deferred Tax Liabilities	20,980	19,391
	116,139	52,992
Current Liabilities		
Retirement benefit obligation	1,081	1,725
Provision for solid waste disposal	103	151
Borrowings	122,694	103,707
Trade and other payables	103,893	98,790
Derivative financial instrument	4,107	8
Taxation	3,043	4,328
	234,921	208,709
Total Liabilities	351,060	261,701
TOTAL EQUITY AND LIABILITIES	1,326,512	1,196,228
Net assets per share attributable to owners of the Company (RM)	2.05	1.96

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 fourth quarter ended 31 December 2011

	Attributable to Owners of the Company						Total Equity RM'000
	Non-distributable			Distributable		Non-Controlling 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 2010	111,042	744	106,199	600,527	818,512	65,843	884,355
Profit for the period	-	-	-	101,967	101,967	3,075	105,042
Currency translation differences	-	-	(12,225)	-	(12,225)	(5,134)	(17,359)
Disposal of revalued property	-	-	(5,060)	5,060	-	-	-
Total comprehensive income for the period	-	-	(17,285)	107,027	89,742	(2,059)	87,683
Dividends	-	-	-	(36,088)	(36,088)	-	(36,088)
Dividend payable to non-controlling interest	-	-	-	-	-	(1,423)	(1,423)
At 31 December 2010	111,042	744	88,914	671,466	872,166	62,361	934,527
At 1 January 2011	111,042	744	88,914	671,466	872,166	62,361	934,527
Profit for the period	-	-	-	104,803	104,803	5,701	110,504
Currency translation differences	-	-	(4,989)	-	(4,989)	(2,094)	(7,083)
Total comprehensive income for the period	-	-	(4,989)	104,803	99,814	3,607	103,421
Dividends	-	-	-	(61,073)	(61,073)	-	(61,073)
Dividend payable to non-controlling interest	-	-	-	-	-	(1,423)	(1,423)
At 31 December 2011	111,042	744	83,925	715,196	910,907	64,545	975,452

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 Flows For the fourth quarter ended 31 December 2011

	31.12.2011 RM'000 Unaudited	31.12.2010 RM'000 Audited
Net cash generated from operating activities		
Receipts from customers	1,085,003	967,885
Payments to suppliers	(960,684)	(823,874)
Cash generated from operations	124,319	144,011
Interest paid	(4,471)	(4,254)
Income tax paid	(26,847)	(24,889)
	<u>93,001</u>	<u>114,868</u>
Net cash used in investing activities		
Acquisition of property, plant and equipment	(119,244)	(31,873)
Acquisition of intangible assets	-	(198)
Acquisition of land use rights	-	(9)
Proceeds from disposal of property, plant and equipment	4,453	7,714
Interest received	2,313	1,659
	<u>(112,478)</u>	<u>(22,707)</u>
Net cash used in financing activities		
Proceeds from bankers' acceptances	91,871	-
Repayment of term loans, bankers' acceptances and revolving credit	(8,509)	(27,712)
Repayment of hire purchase and lease obligations	(98)	(176)
Dividends paid	(62,496)	(37,511)
Advances to an associate	2,350	418
	<u>23,118</u>	<u>(64,981)</u>
Net increase in Cash and Cash Equivalents	3,641	27,180
Effect of Exchange Rate Changes	(1,250)	(1,174)
Cash and Cash Equivalents at 1 January	90,526	64,520
*Cash and Cash Equivalents at 31 December	<u>92,917</u>	<u>90,526</u>

*Cash and Cash Equivalents at 31 December comprised the following:

Cash and bank balances	37,817	33,677
Short term deposits	55,100	58,410
Bank Overdraft	-	(1,561)
	<u>92,917</u>	<u>90,526</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 2010.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2010.

2 Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations with effect from 1 January 2011.

FRSs, Amendments to FRSs and IC Interpretations Adopted by the Group on 1 January 2011

FRS 1	: First-time Adoption of Financial Reporting Standards
FRS 3	: Business Combinations (Revised)
Amendments to FRS 1	: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	: Additional Exemptions for First-time Adopters
Amendments to FRS 5	: Non-Current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	: Improving Disclosures about Financial Instruments
Amendments to FRS 127	: Consolidated and Separate Financial Statements
Amendments to FRS 132	: Financial Instruments: Presentation
Amendments to FRS 138	: Intangible Assets
Improvement to FRSs (2010)	
IC Interpretation 4	: Determining whether an Arrangement Contains a Lease
IC Interpretation 16	: Hedges of a net investment in a Foreign Operation
IC Interpretation 17	: Distributions of Non-cash Assets to Owners
IC Interpretation 18	: Transfers of Assets from Customers
Amendments to IC Interpretation 9	: Reassessment of Embedded Derivatives

IC Interpretation 12 Service Concession Agreements will also be effective for annual periods beginning on or after 1 July 2010. This IC Interpretation is, however, not applicable to the Group.

Adoption of 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, other than for the application of FRS 7, which will affect the 2011 annual financial statements.

2 Significant Accounting Policies (cont'd)

FRSs, IC Interpretations and Amendments to IC Interpretation issued but not yet effective

At the date of authorisation of these interim financial statements, the following FRSs, Amendments to FRSs and Interpretations were issued but not yet effective and have not been applied by the Group:

FRSs, IC Interpretation and Amendments to IC Interpretation	Effective for annual periods beginning on or after
FRS 124 : Related Party Disclosures	1 January 2012
IC Interpretation 19 : Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC : Prepayments of a Minimum Funding Interpretation 14 Requirement	1 July 2011

IC Interpretation 15 Agreements for the Construction of Real Estate will also be effective for annual periods beginning on or after 1 January 2012. This IC Interpretation is, however, not applicable to the Group.

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 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

There were no dividends paid during the period under review.

9 Segmental Reporting

Segmental results for the period ended 31 December 2011 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	774,657	244,572	66,694	114	1,086,037	-	1,086,037
Inter-segmental sales	232,630	4,125	-	-	236,755	(236,755)	-
Total revenue	1,007,287	248,697	66,694	114	1,322,792	(236,755)	1,086,037
RESULTS							
Segment results	113,677	18,250	1,099	(514)	132,512	-	132,512
Other income	14,450	779	568	129	15,926	(4,464)	11,462
	128,127	19,029	1,667	(385)	148,438	(4,464)	143,974
Finance costs	(6,416)	(1,446)	(1,073)	-	(8,935)	4,464	(4,471)
Share of gain of Associated Co	-	-	-	(11)	(11)	-	(11)
Profit before taxation	121,711	17,583	594	(396)	139,492	-	139,492
Taxation							(28,988)
Non-controlling interest							(5,701)
							104,803
ASSETS AND LIABILITIES							
Segment assets	1,186,213	195,696	52,500	9,024	1,443,433	(120,224)	1,323,209
Unallocated corporate assets							3,303
Consolidated total assets							1,326,512
Segment liabilities	(254,839)	(67,279)	(4,867)	(52)	(327,037)	-	(327,037)
Unallocated corporate liabilities							(24,023)
Consolidated total liabilities							(351,060)
OTHER INFORMATION							
Capital Expenditure	106,143	10,567	2,535	-	119,245	-	119,245
Depreciation and amortisation	38,071	5,898	4,545	42	48,556	-	48,556
Non-cash expenses other than depreciation	12,865	1,268	379	-	14,512	-	14,512

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 period under review to the date of this announcement that are not disclosed in the quarterly financial statements.

12 Changes in the Composition of the Group

On 26 July 2011, Box-Pak (Malaysia) Berhad, a 54.83% owned subsidiary of the Group, announced the incorporation of a wholly owned new subsidiary known as Box-Pak (Hanoi) Co. Ltd., wholly owned by Box-Pak (Vietnam) Co. Ltd., with the charter capital at USD3 million. The principal activities of Box-Pak (Hanoi) Co. Ltd. are that of manufacturing, distribution of paper boxes, cartons, general paper and board printing. As at the date of authorisation for issue of this report, Box-Pak (Hanoi) Co. Ltd. has yet to commence operations.

There were no changes in the composition of the Group during the period under review, save as disclosed above.

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 31 December 2011 is as follows:-

	RM'000
Approved and contracted for	19,749

15 Related Party Transactions

	Financial Period to date 31.12.2011 RM'000
Sales to associated company	167

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 31.12.2011 RM'000
Sales of trading inventories by a subsidiary company	(i) Hercules Sdn. Bhd. (ii) Hercules Vietnam Co Ltd	622 380



15 Related Party Transactions (cont'd)

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.



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**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD**

16 Review of Performance of the Company and its Principal Subsidiaries

4th Quarter 2011 (4Q2011) versus 4th Quarter 2010 (4Q2010)

The Group's revenue of RM292.5 million in 4Q2011 outperformed the preceding year's corresponding quarter revenue of RM279.2 million by 5%. The Group's overall profit before tax was lower by 23% in 4Q2011 at RM26.2 million, compared to RM34.0 million in 4Q2010.

Revenue from **Cans Division** increased by 3% to RM207.1 million in 4Q11 from RM201.2 million in 4Q2010. However, profit before tax was 25% lower at RM20.8 million, compared to RM27.9 million in last year's corresponding quarter. This was mainly due to increases in commodity derivatives contract losses in 4Q2011, and an increase in raw material costs in year 2011.

Revenue from **Cartons Division** increased by 16% in 4Q2011 to RM69.6 million, from RM59.9 million in the corresponding quarter last year. The profit before tax of this division increased by 4% from RM5.6 million in 4Q2010 to RM5.8 million in the current quarter. The improved revenue and profit before tax in this division were mainly attributable to the expanded capacity and growing demand of cartons in Vietnam.

Revenue from **Contract Packing Division** decreased by 13% from RM18.1 million in 4Q2010 to RM15.8 million in the current quarter. The division recorded a profit before tax of RM0.05 million in 4Q2011 due to lower domestic and export sales.

Financial Year Ended 31 December 2011 (FYE2011) versus Financial Year Ended 31 December 2010 (FYE2010)

For FYE2011, the Group recorded a revenue of RM1,086.0 million, an increase of 9% from RM992.7 million in FYE2010. Profit before tax increased by 5% from RM132.9 million in FYE2010 to RM139.5 million in FYE2011.

Revenue from **Cans Division** increased by 4% to RM774.6 million in FYE2011 from RM742.3 million in FYE2010. This increase in revenue, which contributed to an improvement in production and operating efficiency, resulted in an overall increase in profit before tax of 3%, from RM117.7 million in FYE2010 to RM121.7 million in FYE2011.

Revenue from **Cartons Division** increased by 27% from RM192.0 million in FYE2010 to RM244.6 million in FYE2011, mainly from the operations in Vietnam. The increase in sales volume enabled production efficiency to improve, which resulted in a significant increase in profit before tax of 49%, from RM11.8 million in FYE2010 to RM17.6 million in FYE2011.

Revenue from **Contract Packing Division** increased by 14% from RM58.3 million in FYE2010 to RM66.7 million in FYE2011. However, profit before taxation was marginal at RM0.6 million, due to a loss of RM3.3 million incurred from the Division's operation in Vietnam.



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**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD**

17 Comparison with Preceding Quarter's Results

Group revenue for the current quarter under review increased by RM16.0 million or 6% to RM292.5 million, from RM276.4 million in the preceding quarter ended 30 September 2011. However, the Group's profit before tax was 27% lower at RM26.2 million compared to RM35.7 million in the preceding quarter. This was mainly due to higher material costs and the accrual of staff performance incentives in the current quarter.

18 Commentary On Prospects

The Group managed to achieve satisfactory results in year 2011, despite volatility in the global economy throughout the year.

For year 2012, the Group will continue to focus on its core business and strive to maintain its market share and improve its performance.

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 31.12.2011 RM'000	Preceding Year Corresponding Quarter 31.12.2010 RM'000	Current Year To Date 31.12.2011 RM'000	Preceding Year To Date 31.12.2010 RM'000
Group				
Income Tax				
- current year	(4,760)	(9,024)	(23,928)	(26,398)
- over/(under) provision in prior year	113	(334)	57	(681)
Deferred taxation	(4,445)	85	(5,117)	(785)
	(9,092)	(9,273)	(28,988)	(27,864)

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.



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PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA
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21 Retained Earnings

	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
Total retained earnings of Group:		
- Realised	627,080	581,080
- Unrealised	3,198	785
Total share of retained earnings from associated company:		
- Realised	14,362	14,406
- Unrealised	-	-
	<hr/> 644,640	<hr/> 596,271
Add: Consolidated adjustments	70,556	75,195
Total Group retained earnings as per Consolidated Accounts	<hr/> 715,196	<hr/> 671,466

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 31 December 2011:

	At Cost RM'000	At Book Value RM'000	At Market Value RM'000
Quoted shares -	19,155	-	76,680

24 Status of Corporate Proposals

On 25 February 2011, the Company has via its adviser, HwangDBS Investment Bank Berhad ("HwangDBS"), announced that it proposed to implement the following:

- (i) a bonus issue of 222,083,893 new ordinary shares of RM0.25 each in the Company ("KJCF Shares") ("Bonus Shares"), to be credited as fully paid up, on the basis of one (1) Bonus Share for every two (2) KJCF Shares held ("Proposed Bonus Issue"); and



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24 Status of Corporate Proposals (cont'd)

- (ii) a renounceable rights issue of 166,562,919 five (5)-year warrants 2011/2016 ("Warrants") on the basis of one (1) Warrant for every four (4) KJCF Shares held after the Proposed Bonus Issue at an issue price of RM0.01 per Warrant ("Proposed Rights Issue").

On 11 April 2011, HwangDBS, on behalf of the Board of Directors of the Company, made the following applications:

- (i) additional listing application for the Bonus Shares in respect of the Proposed Bonus Issue to Bursa Malaysia Securities Berhad ("Bursa Securities");
- (ii) initial listing application for the listing of the Warrants in respect of the Proposed Rights Issue and the additional listing application for the listing of additional KJCF Shares to be issued pursuant to the exercise of the Warrants to Bursa Securities; and
- (iii) application to Bank Negara Malaysia ("BNM") in respect of the Proposed Rights Issue pursuant to the Exchange Control Regulations.

BNM has, via its letter dated 18 April 2011, approved the Company's application for the issuance of Warrants to non-resident shareholders of the Company pursuant to the Proposed Rights Issue. The approval from BNM is not subject to any condition.

On 18 May 2011, the Company announced that Bursa Securities has requested for a court confirmation that:

- (i) the orders by the Court of Appeal dated 25 August 2010 and the Federal Court dated 21 February 2011 ("Orders"), in relation to a litigation involving Can-One International Sdn Bhd ("CISB"), Kian Joo Holdings Sdn Bhd (in liquidation) and others, do not bind the Company; and
- (ii) the Company is allowed to proceed with the Proposed Bonus Issue and Proposed Rights Issue.

On 20 May 2011, the Company was served with a Statement of Claim and Writ of Summons by CISB ("Suit") to, among other things:

- (i) claim that the Proposed Bonus Issue and Proposed Rights Issue are allegedly in breach of the Orders;
- (ii) claim that the Proposed Bonus Issue and Proposed Rights Issue are allegedly null and void; and
- (iii) seek an injunction to restrain the Company from proceeding with the Proposed Bonus Issue and Proposed Rights Issue.

At the hearing of the Suit on 4 July 2011, the Kuala Lumpur High Court dismissed CISB's injunction with costs, while the Company's application to strike out the Suit has been allowed with costs.

On 8 July 2011, the Company was served with Notices of Appeal by CISB to the Court of Appeal against the decisions of the Kuala Lumpur High Court given on 4 July 2011.

24 Status of Corporate Proposals (cont'd)

On 3 August 2011, the Company filed Notices of Motion for orders that:

- (i) CISB's appeals be struck out;
- (ii) costs of the motions be paid by CISB; and
- (iii) such other order or relief as the Court deems fit.

On 18 August 2011, CISB served two (2) Notices of Motion on the Company's solicitors to move the Court of Appeal for, inter-alia, orders that:

- (i) the Notices of Motion dated 3 August 2011 filed by the Company be struck out. The Notices of Motion filed by the Company is to strike out the two (2) appeals by CISB to the Court of Appeal appealing against the decisions of the High Court granted on 4 July 2011, which had, inter-alia, dismissed CISB's injunction application and had allowed the Company's applications to strike out the Suit;
- (ii) the Judgement(s) of the High Court dated 4 July 2011 to dismiss CISB's injunction application and to allow the Company's applications to strike out the Suit be stayed pending the hearing of CISB's appeal(s) against the Judgement(s);
- (iii) until the hearing of CISB's appeal, the Company be restrained from, inter-alia, acting, implementing or continuing to act or implement, including convening any directors' or any general meeting of the Company, taking, continuing and directing any steps or actions with a view of passing, effecting or enforcing any decisions or resolutions, whether incidental to the Proposed Bonus Issue and the Proposed Rights Issue or any other corporate exercise, including declaring any benefits or dividends or causing any dispositions, which have the effect of diluting the share capital or assets of KJCF;
- (iv) that the costs of the Notices of Motion filed by CISB be borne by the Company; and
- (v) that there be such further and/or other directions or orders as may be deemed necessary.

At the hearing on 24 August 2011 for the Notices of Motions filed by the Company, the Court of Appeal ordered the following:

- (i) CISB's Notices of Motion to strike out the Notices of Motion dated 3 August 2011, filed by the Company to strike out the two (2) appeals by CISB to the Court of Appeal appealing against the judgements of the High Court as delivered on 4 July 2011 were allowed;
- (ii) CISB's applications to stay the judgement(s) of the High Court dated 4 July 2011 dismissing CISB's injunction application and allowing KJCF's applications to strike out the Suit pending the hearing of CISB's appeal(s) against the aforesaid judgement(s) were dismissed; and
- (iii) CISB's applications for an injunction that KJCF be restrained from, inter-alia, acting, implementing or continuing to act or implement, including convening any directors' or any general meeting of the Company, taking, continuing and directing any steps or actions with a view of passing, effecting or enforcing any decisions or resolutions, whether incidental to the Proposed Bonus Issue and the Proposed Rights Issue or any other corporate exercise, including declaring any benefits or dividends or causing any dispositions, which have the effect of diluting the share capital or assets of KJCF were dismissed.



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24 Status of Corporate Proposals (cont'd)

At the hearing on 8 November 2011 for CISB's appeals against the decisions of the Kuala Lumpur High Court given on 4 July 2011, the Court of Appeal decided as follows:

- (i) CISB's appeal against the striking out of the Suit by the High Court as delivered on 4 July 2011 was allowed, as the court held that there were triable issues; and
- (ii) CISB's appeal against the High Court's dismissal of their application for injunction against the Company was dismissed.

Subsequently, the Federal Court has fixed 15 March 2012 to hear CISB's application for leave to appeal against the Court of Appeal's decision given on 8 November 2011 to dismiss CISB's application for an injunction against the Company.

In summary, the Suit remains and will proceed in due course to trial, while the injunction sought by CISB to restrain the Company from proceeding with the Proposed Bonus Issue and Proposed Rights Issue has not been granted.

As at the date of authorisation for issue of this report, the applications to Bursa Securities are still pending approval.

Save as disclosed above, there are no other corporate proposals announced but not completed as at the reporting date.

25 Group Borrowings and Debt Securities

Total Group borrowings as at 31 December 2011 are as follows:-

	RM'000
Current	122,694
Non-current	71,522
	<hr/>
	194,216

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

	VND'000,000
Current	112,367
Non-current	71,812
	<hr/>
	184,179

(NOTE: VND 6,569 = RM1)

All the Group's borrowings are unsecured.

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26 Financial Instruments

Details of the outstanding derivative financial instruments as at 31 December 2011 are as follows:-

Type of derivative	Notional amount RM'000	Fair value RM'000	Fair value net gain/(loss) RM'000
Commodity derivative contracts			
- less than 1 year	41,683	37,102	(4,581)
Forward exchange contracts			
- less than 1 year	17,323	17,797	474
	<u>59,006</u>	<u>54,899</u>	<u>(4,107)</u>

Commodity derivative contracts were entered into by the Group to hedge against aluminium price movements for purchases of aluminium contracted by the Group. 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 derivative 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

The above commodity derivative contracts and 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.

There were no other off balance sheet financial instruments as at the reporting date other than as disclosed.

27 Material Litigation

There was no pending litigation against the Group for the financial period under review, save as disclosed in Note 24.

28 Dividend

The Directors are recommending a final tax exempt (single-tier) dividend of 10% (2.50 sen per share) and a special tax exempt (single-tier) dividend of 15% (3.75 sen per share) on 444,167,786 ordinary shares in respect of the current financial year ended 31 December 2011, subject to approval by shareholders at the forthcoming Annual General Meeting of the Company.



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29 Earnings Per Share

	Current Quarter 31.12.2011	Financial Year to Date 31.12.2011
Profit attributable to owners of the company (RM '000)	15,051	104,802
Weighted average number of ordinary shares	444,167,786	444,167,786
Basic earnings per share (sen)	3.39	23.60

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 29 February 2012.

BY ORDER OF THE BOARD,
Chia Kwok Why
Secretary
Batu Caves, Selangor Darul Ehsan
29 February 2012