



**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 2012**

(The figures have not been audited)

		<b>Quarter Ended 31.03.2012 RM'000 Unaudited</b>	<b>Quarter Ended 31.03.2011 RM'000 Unaudited</b>
<b>Continuing Operations</b>			
Revenue		266,771	255,306
Cost of sales		(224,378)	(203,484)
Gross profit		<u>42,393</u>	<u>51,822</u>
Other income		4,793	3,194
Operating expenses		(12,212)	(15,051)
Finance costs		(1,128)	(1,162)
Share of loss of associate (net of tax)		(262)	(247)
Profit Before Taxation	19	<u>33,584</u>	<u>38,556</u>
Taxation	21	(5,218)	(7,220)
<b>Profit for the period</b>		<u><b>28,366</b></u>	<u><b>31,336</b></u>
<b>Other comprehensive loss, net of tax</b>			
Foreign currency translation differences for foreign operations		(3,848)	(11,712)
Non-controlling interest portion of issued share capital in subsidiary		602	-
<b>Other comprehensive loss for the period, net of tax</b>		<u>(3,246)</u>	<u>(11,712)</u>
<b>Total comprehensive income for the period</b>		<u><b>25,120</b></u>	<u><b>19,624</b></u>
Profit attributable to:			
Owners of the company		27,172	30,697
Non-controlling interest		1,194	639
<b>Profit for the period</b>		<u><b>28,366</b></u>	<u><b>31,336</b></u>
Total comprehensive income attributable to:			
Owners of the company		24,316	22,353
Non-controlling interest		804	(2,729)
<b>Total comprehensive income for the period</b>		<u><b>25,120</b></u>	<u><b>19,624</b></u>
Earnings per share attributable to owners of the company:			
Basic (sen)			
Continuing operations	29	6.12	6.91
Discontinued operation		-	-
		<u><b>6.12</b></u>	<u><b>6.91</b></u>
Diluted (sen)			
Continuing operations		-	-
Discontinued operation		-	-
		<u><b>-</b></u>	<u><b>-</b></u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 2012

	Note	As at 31.03.2012 RM'000 Unaudited	As at 31.12.2011 RM'000 Audited (restated)	As at 01.01.2011 RM'000 Audited (restated)
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, plant & equipment		639,902	632,077	568,694
Land use rights		13,168	12,289	7,752
Investment properties		23,061	23,010	23,519
Intangible assets		183	246	266
Other investment		90	90	90
Investments in associated company		24,099	24,362	24,406
Deferred tax assets		32	32	3,522
		<u>700,535</u>	<u>692,106</u>	<u>628,249</u>
<b>Current Assets</b>				
Inventories		287,230	278,933	230,669
Trade and other receivables		250,092	259,026	245,223
Cash and bank balances		76,594	92,917	92,087
		<u>613,916</u>	<u>630,876</u>	<u>567,979</u>
<b>TOTAL ASSETS</b>		<u>1,314,451</u>	<u>1,322,982</u>	<u>1,196,228</u>
<b>EQUITY AND LIABILITIES</b>				
Equity attributable to owners of the company				
Share capital		111,042	111,042	111,042
Share premium		744	744	744
Other reserves		(20,683)	(17,827)	(12,837)
Retained earnings	22	843,360	816,188	773,217
		<u>934,463</u>	<u>910,147</u>	<u>872,166</u>
<b>Non-Controlling Interest</b>		65,349	64,545	62,361
<b>Total Equity</b>		<u>999,812</u>	<u>974,692</u>	<u>934,527</u>
<b>Non-Current Liabilities</b>				
Retirement benefit obligation		23,736	22,827	22,876
Borrowings	25	69,222	63,152	10,725
Deferred Tax Liabilities		20,970	20,988	19,391
		<u>113,928</u>	<u>106,967</u>	<u>52,992</u>
<b>Current Liabilities</b>				
Retirement benefit obligation		1,508	1,891	1,725
Provision for solid waste disposal		112	103	151
Borrowings	25	110,794	131,064	103,707
Trade and other payables		84,942	101,152	98,790
Derivative financial instrument		474	4,107	8
Taxation		2,881	3,006	4,328
		<u>200,711</u>	<u>241,323</u>	<u>208,709</u>
<b>Total Liabilities</b>		<u>314,639</u>	<u>348,290</u>	<u>261,701</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,314,451</u>	<u>1,322,982</u>	<u>1,196,228</u>
Net assets per share attributable to owners of the Company (RM)		2.10	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 2011 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 2012

	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		
<b>At 1 January 2011 (restated)</b>	111,042	744	(12,837)	773,217	872,166	62,361	934,527
Profit for the period	-	-	-	30,697	30,697	639	31,336
Currency translation differences	-	-	(8,344)	-	(8,344)	(3,368)	(11,712)
Total comprehensive income for the period	-	-	(8,344)	30,697	22,353	(2,729)	19,624
<b>At 31 March 2011 (restated)</b>	111,042	744	(21,181)	803,914	894,519	59,632	954,151
<b>At 1 January 2012 (restated)</b>	111,042	744	(17,827)	816,188	910,147	64,545	974,692
Profit for the period	-	-	-	27,172	27,172	1,194	28,366
Currency translation differences	-	-	(2,856)	-	(2,856)	(992)	(3,848)
Issuance of share capital by non-controlling interest	-	-	-	-	-	602	602
Total comprehensive income for the period	-	-	(2,856)	27,172	24,316	804	25,120
<b>At 31 March 2012</b>	111,042	744	(20,683)	843,360	934,463	65,349	999,812

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 first quarter ended 31 March 2012

	31.03.2012 RM'000 Unaudited	31.03.2011 RM'000 Unaudited
<b>Net cash generated from operating activities</b>		
Receipts from customers	281,117	269,994
Payments to suppliers	(253,757)	(239,678)
	<hr/>	<hr/>
Cash generated from operations	27,360	30,316
Interest paid	(1,128)	(1,162)
Income tax paid	(5,913)	(7,100)
Income tax refunded	-	38
	<hr/>	<hr/>
	20,319	22,092
<b>Net cash used in investing activities</b>		
Acquisition of property, plant and equipment	(23,381)	(26,919)
Acquisition of intangible assets	-	-
Acquisition of land use rights	-	-
Proceeds from disposal of property, plant and equipment	23	1,719
Interest received	447	639
	<hr/>	<hr/>
	(22,911)	(24,561)
<b>Net cash used in financing activities</b>		
Proceeds from bankers' acceptances	9,123	10,770
Repayment of term loans, bankers' acceptances and revolving credit	(22,412)	(5,388)
Repayment of hire purchase and lease obligations	-	(43)
Dividends paid	-	-
Advances to an associate	(271)	619
	<hr/>	<hr/>
	(13,560)	5,958
Net increase in Cash and Cash Equivalents	(16,152)	3,489
Effect of Exchange Rate Changes	(771)	(995)
Cash and Cash Equivalents at 1 January	92,917	90,526
	<hr/>	<hr/>
*Cash and Cash Equivalents at 31 March	76,594	93,020
	<hr/> <hr/>	<hr/> <hr/>
 *Cash and Cash Equivalents at 31 March comprised the following:		
Cash and bank balances	32,761	46,371
Short term deposits	43,833	46,649
	<hr/>	<hr/>
	76,594	93,020
	<hr/> <hr/>	<hr/> <hr/>

**The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements**

## **1 First-time adoption of Malaysian Financial Reporting Standards ("MFRS")**

This condensed consolidated interim financial statements (Condensed Report) are unaudited and have been prepared in accordance with MFRS 134: Interim Financial Reporting, and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The date of transition to the MFRS framework is 1 January 2011. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1. The impact of the transition from FRS to MFRS is described in Note 2.1 below.

These explanatory notes attached to the condensed 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 2011.

## **2 Significant Accounting Policies**

### **2.1 Application of MFRS 1**

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing this Condensed Report are consistent with those of the audited financial statements for the year ended 31 December 2011, except as discussed below:

#### **(a) Property, plant and equipment**

The Group has previously adopted the MASB Approved Accounting Standard IAS 16 (Revised) Property, Plant and Equipment, and all items of property, plant equipment were initially recorded at cost. Subsequent to recognition, plant and equipment were measured at cost less accumulated depreciation and accumulated impairment losses. Freehold land, leasehold land and buildings were measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation.

Upon transition to MFRS, the Group has elected to measure all its property, plant and equipment using the cost model under MFRS 116 Property, Plant and Equipment. At the date of transition to MFRS, the Group elected to regard the revalued amounts of freehold land and buildings and leasehold land and buildings as at 31 December 2009 as deemed cost at the date of transition, as these amounts were broadly comparable to fair value at that date. The revaluation surplus of RM101,750,657 (31 March 2011: RM101,750,657; 31 December 2011: RM101,750,657) was transferred to retained earnings on date of transition to MFRS.

## 2 Significant Accounting Policies (cont'd.)

### 2.1 Application of MFRS 1 (cont'd.)

#### (b) Land use rights

The Group's treatment of land use rights, which were stated at cost under FRS is consistent with that of MFRS. Subsequent to the transition to MFRS, the land use rights will continue to be amortised over its lease terms.

#### (c) Foreign currency translation reserve

Under FRS, the Group recognised translation differences on foreign operations in a separate component of equity. This treatment of translation differences under FRS is consistent with the requirement of MFRS.

#### (d) Estimates

The estimates at 1 January 2011 and at 31 December 2011 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group to present these amounts in accordance with MFRS reflect conditions at 1 January 2011, the date of transition to MFRS and as of 31 December 2011.

The reconciliations of equity for comparative periods and at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:

#### As at 1 January 2011:

Equity	FRS as at 01.01.2011 RM '000	Reclassification RM '000	MFRS as at 01.01.2011 RM '000
Other reserves, comprising:			
- Asset revaluation reserve	101,751	(101,751)	-
- Foreign currency translation reserve	(17,317)	-	(17,317)
- Capital reserve	4,480	-	4,480
Other reserves, total	88,914	(101,751)	(12,837)
Retained earnings	671,466	101,751	773,217

## 2 Significant Accounting Policies (cont'd.)

### 2.1 Application of MFRS 1 (cont'd.)

#### As at 31 March 2011:

Equity	FRS as at 31.03.2011 RM '000	Reclassification RM '000	MFRS as at 31.03.2011 RM '000
Other reserves, comprising:			
- Asset revaluation reserve	101,751	(101,751)	-
- Foreign currency translation reserve	(25,661)	-	(25,661)
- Capital reserve	4,480	-	4,480
Other reserves, total	80,570	(101,751)	(21,181)
Retained earnings	702,163	101,751	803,914

#### As at 31 December 2011:

Equity	FRS as at 31.12.2011 RM '000	Reclassification RM '000	MFRS as at 31.12.2011 RM '000
Other reserves, comprising:			
- Asset revaluation reserve	101,751	(101,751)	-
- Foreign currency translation reserve	(22,307)	-	(22,307)
- Capital reserve	4,480	-	4,480
Other reserves, total	83,924	(101,751)	(17,827)
Retained earnings	714,437	101,751	816,188

### 2.2 MFRSs, Amendments to MFRS and IC Interpretation Issued But Not Yet Effective

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation 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
Amendments to MFRS 101 : Presentation of Items of Other Comprehensive Income	1 July 2012
MFRS 9 : Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2013
MFRS 10 : Consolidated Financial Statements	1 January 2013
MFRS 11 : Joint Arrangements	1 January 2013
MFRS 12 : Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 : Fair Value Measurement	1 January 2013

## 2 Significant Accounting Policies (cont'd.)

### 2.2 MFRSs, Amendments to MFRS and IC Interpretation Issued But Not Yet Effective (cont'd.)

FRSs, IC Interpretation and Amendments to IC Interpretation	Effective for annual periods beginning on or after
MFRS 119 : Employee Benefits	1 January 2013
MFRS 127 : Separate Financial Statements	1 January 2013
MFRS 128 : Investment in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7 : Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 132 : Offsetting Financial Assets and Financial Liabilities	1 January 2014

## 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 March 2012 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	192,356	58,355	16,030	30	266,771	-	266,771
Inter-segmental sales	53,654	1,002	-	-	54,656	(54,656)	-
<b>Total revenue</b>	<b>246,010</b>	<b>59,357</b>	<b>16,030</b>	<b>30</b>	<b>321,427</b>	<b>(54,656)</b>	<b>266,771</b>
<b>RESULTS</b>							
Segment results	25,759	4,484	(6)	(57)	30,180	-	30,180
Other income	5,624	188	84	-	5,896	(1,103)	4,793
	31,383	4,672	78	(57)	36,076	(1,103)	34,973
Finance costs	(1,651)	(330)	(249)	-	(2,230)	1,103	(1,127)
Share of loss of Associated Co.	-	-	-	(262)	(262)	-	(262)
<b>Profit before taxation</b>	<b>29,732</b>	<b>4,342</b>	<b>(171)</b>	<b>(319)</b>	<b>33,584</b>	<b>-</b>	<b>33,584</b>
Taxation							(5,218)
Non-controlling interest							(1,194)
							<b>27,172</b>

	<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>ASSETS AND LIABILITIES</b>							
Segment assets	1,180,903	190,106	52,795	4,259	1,428,063	(116,757)	1,311,306
Unallocated corporate assets							3,145
<b>Consolidated total assets</b>							<b>1,314,451</b>
Segment liabilities	(228,734)	(60,753)	(1,229)	(65)	(290,781)	(6)	(290,787)
Unallocated corporate liabilities							(23,852)
<b>Consolidated total liabilities</b>							<b>(314,639)</b>
<b>OTHER INFORMATION</b>							
Capital Expenditure	17,722	5,046	613	-	23,381	-	23,381
Depreciation and amortisation	9,407	1,510	1,133	31	12,081	-	12,081
Non-cash expenses other than depreciation	(5,343)	(463)	(68)	-	(5,874)	-	(5,874)

## 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

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 31 March 2012 is as follows:-

	<b>RM'000</b>
Approved and contracted for	7,969

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### 15 Related Party Transactions

	<b>Financial Period to date 31.03.2012 RM'000</b>
Sales to associated company	37

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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 Period to date 31.03.2012 RM'000</b>
Sales of trading inventories by a subsidiary company	(i) Hercules Sdn. Bhd. (ii) Hercules Vietnam Co Ltd	147 82

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**KIAN JOO CAN FACTORY BERHAD (3186-P)**  
**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

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**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.

## **16 Operating Segments Review**

### ***1st Quarter 2012 (1Q2012) versus 1st Quarter 2011 (1Q2011)***

The Group recorded a revenue of RM266.8 million in 1Q2012, an increase of 5% from RM255.3 million in 1Q2011. The Group's overall profit before tax was lower by 13% in 1Q2012 at RM33.6 million, compared to RM38.6 million in 1Q2011.

#### ***(i) Cans Division***

The Cans Division generated a total operating revenue of RM192.4 million in 1Q2012, an increase of 7% from RM180.3 million in 1Q2011. Profit before tax of this division was lower in 1Q2012 at RM29.7 million compared to RM35.7 million in 1Q2011.

The increase in revenue of RM12.1 million from Cans Division was mainly attributable to the increase in export sales, which accounted for 90% of the total increase in sales in 1Q2012 as compared to the corresponding period last year.

The profit before tax was lower by RM6.0 million, mainly attributable to lower margins due to selling price revisions.

#### ***(ii) Cartons Division***

Revenue from Cartons Division increased by 7% in 1Q2012 to RM58.4 million, from RM54.4 million in 1Q2011. The profit before tax was recorded at RM4.3 million in 1Q2012, an increase of 87% from RM2.3 million in 1Q2011.

The increase in revenue in the current quarter compared to last year's corresponding quarter was mainly contributed by revenue growth in the Vietnam operation. The higher profit before tax in 1Q2012 compared to the same quarter last year was mainly due to the devaluation of Vietnam Dong in 1Q2011 that resulted in a high foreign exchange loss in that quarter.

#### ***(iii) Contract Packing Services Division***

Revenue from Contract Packing Services Division in 1Q2012 was lower by 22% at RM16.0 million, compared to RM20.6 million in 1Q2011. The division recorded a loss before tax of RM0.2 million in the current quarter, compared to a profit before tax of RM0.7 million in 1Q2011.

The decline in 1Q2012 revenue was mainly attributable to a decrease in export sales compared to last year's corresponding quarter, while the loss before tax for the current quarter was due to higher operating costs and lower margins.



KIAN JOO CAN FACTORY BERHAD (3186-P)

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

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**17 Material Change In Performance of Operating Segments of Current Quarter (1Q2012) Compared With Preceding Quarter (4Q2011)**

In 1Q2012, the Group recorded a revenue of RM266.8 million, a decrease of 9% from RM292.5 million in 4Q2011, while profit before tax increased by 28% from RM26.2 million in 4Q2011 to RM33.6 million in 1Q2012.

**(i) Cans Division**

The total operating revenue generated by the Cans Division was RM192.4 million in 1Q2012, 7% lower from RM207.1 million in 4Q2011. Profit before tax was RM29.7 million in 1Q2012, an increase of 43% from RM20.8 million in 4Q2011.

The decrease of RM14.7 million in revenue generated by the Cans Division in the current quarter was mainly due to lower local and exports sales compared to the preceding quarter and a downwards revision of selling prices as a result of lower raw material price.

Profit before tax increased RM8.9 million in the current quarter, benefitting from gains in derivative contracts and foreign exchange gains from a foreign term loan.

**(ii) Cartons Division**

Revenue from Cartons Division decreased by 16% in 1Q2012 to RM58.4 million, from RM69.6 million in 4Q2011. The profit before tax of this division decreased by 26% from RM5.8 million in 4Q2011 to RM4.3 million in 1Q2012.

The decrease in revenue in the current quarter compared to 4Q2011 was mainly due to lower revenue recorded in the Vietnam operation for the same period. Revenue in 4Q2011 was higher compared to the current quarter due to festive season sales. The lower in revenue resulted in lower profit before tax in the current quarter compared to the preceding quarter.

**(iii) Contract Packing Services Division**

Revenue from Contract Packing Services Division increased marginally from RM15.8 million in 4Q2011 to RM16.0 million in 1Q2012. This division recorded a loss before tax of RM0.2 million in the current quarter, compared to a profit before tax of RM0.1 million in 4Q2011. This was mainly due to losses in the Vietnam operations.

**18 Commentary On Prospects**

The Group will continue with its efforts to develop its regional market in the 2012 financial year.

The Board expects the Group's overall performance for year 2012 to be satisfactory.

## 19 Profit Before Taxation

Included in the profit before taxation are the following items:

	Current Year Quarter 31.03.2012 RM'000	Preceding Year Corresponding Quarter 31.03.2011 RM'000
Interest income	(448)	(644)
Other income including investment income	(4,793)	(3,194)
Interest expense	1,128	1,162
Depreciation and amortisation	12,081	11,525
Provision for and write off of receivables	(6)	-
Provision for and write off of inventories	406	1,031
(Gain)/loss on disposal of quoted or unquoted investments or properties	-	-
(Gain)/loss on disposal of property, plant and equipment	(23)	(1,616)
Impairment of assets	56	-
Foreign exchange (gain)/loss	(1,946)	2,168
(Gain)/loss on derivatives	(3,129)	(698)
Write-down of inventories	(808)	392

## 20 Variance from Forecast Profit and Profit Guarantee

No profit forecast or guarantee was issued by the Group.

## 21 Taxation

	Current Year Quarter 31.03.2012 RM'000	Preceding Year Corresponding Quarter 31.03.2011 RM'000
Group		
Income Tax		
- current year	(5,227)	(6,639)
Deferred taxation	9	(581)
	(5,218)	(7,220)

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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**22 Retained Earnings**

	<b>As at 31.03.2012 RM'000</b>	<b>As at 31.12.2011 RM'000 (restated)</b>
Total retained earnings of Group:		
- Realised	654,173	643,033
- Unrealised	105,745	102,614
	759,918	745,647
Add: Consolidated adjustments	83,442	70,541
Total Group retained earnings as per Consolidated Accounts	843,360	816,188

**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 2012:

	<b>At Cost RM'000</b>	<b>At Book Value RM'000</b>	<b>At Market Value RM'000</b>
Quoted shares -	19,155	-	71,744

**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
- (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");



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**24 Status of Corporate Proposals (cont'd.)**

- (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.

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.



#### **24 Status of Corporate Proposals (cont'd.)**

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.

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:



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**24 Status of Corporate Proposals (cont'd.)**

- (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 10 May 2012 for further case management of 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. Meanwhile, the Suit has been fixed for further mention on 16 May 2012 by the High Court.

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 March 2012 are as follows:-

	<b>RM'000</b>
Current	110,794
Non-current	69,222
	<hr/>
	180,015
	<hr/>

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

	<b>VND'000,000</b>
Current	92,648
Non-current	71,816
	<hr/>
	164,464
	<hr/>

(NOTE: VND 6,790 = RM1)

All the Group's borrowings are unsecured.



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**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA  
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## 26 Financial Instruments

Details of the outstanding derivative financial instruments as at 31 March 2012 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	24,734	24,260	(474)

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

Fair values of the above derivative contracts were 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 commodity derivative 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 save as disclosed above.

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



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**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA  
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**29 Earnings Per Share**

	<b>Current Quarter 31.03.2012</b>	<b>Financial Year to Date 31.03.2012</b>
Profit attributable to owners of the company (RM '000)	27,172	27,172
Weighted average number of ordinary shares	444,167,786	444,167,786
<b>Basic earnings per share (sen)</b>	<b>6.12</b>	<b>6.12</b>

**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 17 May 2012.

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