



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 2013

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 30.09.2013 RM'000 Unaudited	Preceding Year Corresponding Quarter 30.09.2012 RM'000 Unaudited (Restated)	Current Year Quarter 30.09.2013 RM'000 Unaudited	Preceding Year Quarter 30.09.2012 RM'000 Unaudited (Restated)
Revenue		326,754	280,135	950,010	851,532
Cost of sales		(265,551)	(240,549)	(777,259)	(722,963)
Gross profit		61,203	39,586	172,751	128,569
Other income		2,640	971	5,527	3,571
Operating expenses		(20,060)	(10,716)	(50,008)	(37,284)
Finance costs		(1,732)	(943)	(3,794)	(3,080)
Share of profit/(loss) of associate (net of tax)		138	(535)	196	(1,343)
Gain on disposal of a subsidiary		-	7,949	-	7,949
Profit Before Taxation	19	42,189	36,312	124,672	98,382
Taxation	21	(8,774)	(5,658)	(25,352)	(18,907)
Profit for the period		33,415	30,654	99,320	79,475
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		1,759	(5,019)	6,342	(3,088)
Actuarial (loss)/gain recognised on defined benefit plan		(65)	(35)	(194)	(105)
Other comprehensive income for the period, net of tax		1,694	(5,054)	6,148	(3,193)
Total comprehensive income for the period		35,109	25,600	105,468	76,282
Profit attributable to:					
Owners of the company		31,930	28,194	94,535	73,869
Non-controlling interest		1,485	2,460	4,785	5,606
Profit for the period		33,415	30,654	99,320	79,475
Total comprehensive income attributable to:					
Owners of the company		33,590	24,361	99,188	71,425
Non-controlling interest		1,519	1,239	6,280	4,857
Total comprehensive income for the period		35,109	25,600	105,468	76,282
Earnings per share attributable to owners of the company:					
Basic (sen)					
Continuing operations		7.19	6.35	21.28	16.63
Discontinued operation		-	-	-	-
		7.19	6.35	21.28	16.63
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 2012 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 2013

	Note	As at 30.09.2013 RM'000 Unaudited	As at 31.12.2012 RM'000 Audited
ASSETS			
Non-Current Assets			
Property, plant & equipment		664,085	608,161
Land use rights		13,315	12,157
Investment properties		24,526	23,810
Intangible assets		172	137
Investments in associated company		21,152	22,710
Deferred tax assets		514	454
		723,764	667,429
Current Assets			
Inventories		302,368	286,655
Trade and other receivables		280,984	268,455
Tax recoverable		-	2,951
Cash and bank balances		136,703	133,683
		720,055	691,744
TOTAL ASSETS		1,443,819	1,359,173
EQUITY AND LIABILITIES			
Equity attributable to owners of the company			
Share capital		111,042	111,042
Share premium		744	744
Other reserves		3,256	(1,591)
Retained earnings	22	902,829	864,009
		1,017,871	974,204
Non-Controlling Interest			
Total Equity		1,081,120	1,033,207
Non-Current Liabilities			
Retirement benefit obligation		33,385	27,482
Borrowings	24	99,153	59,952
Deferred tax liabilities		17,883	18,429
		150,421	105,863
Current Liabilities			
Retirement benefit obligation		3,480	3,297
Provisions		67	48
Borrowings	24	99,787	122,354
Trade and other payables		97,017	94,071
Derivative financial instrument		4,395	333
Taxation		7,532	-
		212,278	220,103
Total Liabilities		362,699	325,966
TOTAL EQUITY AND LIABILITIES		1,443,819	1,359,173
Net assets per share attributable to owners of the Company (RM)		2.29	2.19

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 2013

	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 2012	111,042	744	(510)	798,871	910,147	64,545	974,692
Profit for the period	-	-	-	73,869	73,869	5,606	79,475
Currency translation differences	-	-	(2,339)	-	(2,339)	(749)	(3,088)
Actuarial gains/(losses) on defined benefit plans	-	-	-	(105)	(105)	-	(105)
Total comprehensive income for the period	-	-	(2,339)	73,764	71,425	4,857	76,282
Dividends	-	-	-	(55,520)	(55,520)	-	(55,520)
Dividend paid to non-controlling interest	-	-	-	-	-	(1,423)	(1,423)
Equity movement arising from disposal of investment in a subsidiary	-	-	1,411	-	1,411	(11,446)	(10,035)
Subscription of shares by non-controlling interest	-	-	-	-	-	602	602
At 30 September 2012	111,042	744	(2,849)	817,115	926,052	68,581	994,633
At 1 January 2013	111,042	744	(1,591)	864,009	974,204	59,003	1,033,207
Profit for the period	-	-	-	94,535	94,535	4,785	99,320
Currency translation differences	-	-	4,847	-	4,847	1,495	6,342
Actuarial gains/(losses) on defined benefit plans	-	-	-	(194)	(194)	-	(194)
Total comprehensive income for the period	-	-	4,847	94,341	99,188	6,280	105,468
Dividends	-	-	-	(55,521)	(55,521)	-	(55,521)
Dividend paid to non-controlling interest	-	-	-	-	-	(2,034)	(2,034)
Disposal of investment in subsidiary	-	-	-	-	-	-	-
At 30 September 2013	111,042	744	3,256	902,829	1,017,871	63,249	1,081,120

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 third quarter ended 30 September 2013

	30.09.2013	30.09.2012
	RM'000	RM'000
	Unaudited	Unaudited
Net cash generated from operating activities		
Receipts from customers	952,508	866,757
Payments to suppliers	(809,978)	(730,401)
	<hr/>	<hr/>
Cash generated from operations	142,530	136,356
Interest paid	(3,794)	(3,080)
Income tax paid	(16,063)	(18,269)
	<hr/>	<hr/>
	122,673	115,007
Net cash used in investing activities		
Acquisition of property, plant and equipment	(83,172)	(47,707)
Proceeds from disposal of property, plant and equipment	432	450
Dividends received from short term investment	217	-
Interest received	1,365	1,148
	<hr/>	<hr/>
	(81,158)	(46,109)
Net cash used in financing activities		
Proceeds from/(Repayment of) term loans, bankers' acceptances and revolving credit	15,660	(37,570)
Dividends paid	(57,554)	(55,521)
Advances to an associate	9	(1,744)
	<hr/>	<hr/>
	(41,885)	(94,835)
Net increase in Cash and Cash Equivalents	(370)	(25,937)
Effect of Exchange Rate Changes	3,390	(140)
Cash and Cash Equivalents at 1 January	133,683	92,917
	<hr/>	<hr/>
*Cash and Cash Equivalents at 30 September	136,703	66,840
	<hr/> <hr/>	<hr/> <hr/>
*Cash and Cash Equivalents at 30 September comprised the following:		
Cash and bank balances	70,435	36,915
Short term deposits	66,268	29,925
	<hr/>	<hr/>
	136,703	66,840
	<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 2012 and the accompanying explanatory notes attached to the interim financial statements

1. Basis of Preparations

The Interim Financial Statements 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.

This set of Interim Financial Statements have been prepared under the historical cost convention, except for certain financial instruments that were revalued to fair value in accordance with the Malaysian Financial Reporting Standards ("MFRS") 139: Financial Instruments: Recognition and Measurement.

This report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012. The explanatory notes attached to the condensed report 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 2012.

2. Significant Accounting Policies

2.1 Adoption of Standards, Amendments and IC Interpretations

The Group adopted the following Standards, Amendments and IC Interpretations:-

MFRS 3	:	Business Combinations
MFRS 10	:	Consolidated Financial Statements
MFRS 11	:	Joint Arrangements
MFRS 12	:	Disclosure of Interests in Other Entities
MFRS 13	:	Fair Value Measurement
MFRS 119	:	Employee Benefits (revised)
MFRS 127	:	Consolidated and Separate Financial Statements
MFRS 128	:	Investments in Associates and Joint Ventures
Amendments to MFRS 1	:	First Time Adoption of MFRS - Government Loans
Amendments to MFRS 7	:	Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10	:	Consolidated Financial Instruments: Transition Guidance
Amendments to MFRS 11	:	Joint Arrangements: Transition Guidance
Amendments to MFRS 12	:	Disclosure of Interests in Other Entities: Transition Guidance
Amendments to MFRS 101	:	Presentation of Items of Other Comprehensive Income
Annual Improvements to IC Interpretations and MFRSs 2009 - 2011 Cycle	:	

2. Significant Accounting Policies (cont'd.)

2.1 Adoption of Standards, Amendments and IC Interpretations (cont'd.)

The adoption of the above pronouncements did not have any impact on the financial statements of the Group, except for the following:

MFRS 119: Employee Benefits (revised)

The Group has adopted MFRS 119: Employee Benefits (revised) and applied this standard retrospectively during the current period.

As a result of MFRS 119: Employee Benefits adoption, actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the statement of financial position to reflect the full value of the plan deficit or surplus. The expected returns on plan assets of defined benefit plans are not recognised in profit or loss and instead, the interest on net defined benefit obligation (net of the plan assets) is recognised in profit or loss, calculated using the discount rate used to measure the net pension obligation or asset.

Effects From Adoption of MFRS 119: Employee Benefits (revised)

Condensed Consolidated Statement of Comprehensive Income

	As previously reported RM '000	Effects of adoption of MFRS 119 RM '000	Restated RM '000
<u>Period ended 30 September 2012</u>			
Staff costs	(84,123)	105	(84,018)
Profit before taxation	98,277	105	98,382
Profit for the period	79,370	105	79,475
Other comprehensive income			
- Foreign currency translation differences	(3,088)	-	(3,088)
- Actuarial gains/(losses) on defined benefit plans	-	(105)	(105)
Total comprehensive income	76,282	-	76,282
<u>Year ended 31 December 2012</u>			
Staff costs	(121,315)	139	(121,176)
Profit before taxation	143,716	139	143,855
Profit for the period	128,167	139	128,306
Other comprehensive income			
- Foreign currency translation differences	(3,276)	-	(3,276)
- Actuarial gains/(losses) on defined benefit plans	-	(139)	(139)
Total comprehensive income	124,891	-	124,891

2. Significant Accounting Policies (cont'd.)

2.2 Standards Issued But Not Yet Effective

Amendments to MFRS 9	: Mandatory Effective Date of MFRS 9 and Transition Disclosures
Amendments to MFRS 10	: Consolidated Financial Statements: Investment Entities
Amendments to MFRS 12	: Disclosure of Interests in Other Entities: Investment Entities
Amendments to MFRS 127	: Consolidated and Separate Financial Statements: Investment Entities
Amendments to MFRS 132	: Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any material effect to the financial statements of the Group upon their initial application.

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

The financial statements for the year ended 31 December 2012 were not subject to any audit qualification.

4. Seasonal or Cyclical Factors

The business operations of the Group were 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

As at 1 January 2013, the Group revised the estimated useful lives for Plant and Machinery from 10 years to 15 years, to better reflect the commercial reality of the usage of Plant and Machinery within the Group.

Whilst the change in estimated useful lives for Plant and Machinery reduces the yearly depreciation expense compared to the previous estimate, there is no material impact to the results for the quarter/year under review.

There were no other changes in estimates other than as disclosed above 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

A final tax exempt (single-tier) dividend of 10% and a special tax exempt (single-tier) dividend of 15% on 444,167,786 ordinary shares in respect of the financial year ended 31 December 2012, amounting to RM27.8 million was paid on 10 July 2013.

For the financial period under review, a 10% interim tax exempt (single-tier) dividend per ordinary share, amounting to RM11.1 million and a 15% special tax exempt (single-tier) dividend per ordinary share, amounting to RM16.7 million was paid on 25 September 2013.

9. Segmental Reporting

Segmental results for the period ended 30 September 2013 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	695,394	209,420	45,111	85	950,010	-	950,010
Inter-segmental sales	23,115	3,696	-	-	26,811	(26,811)	-
Total revenue	718,509	213,116	45,111	85	976,821	(26,811)	950,010

RESULTS

Segment results	106,762	12,943	3,255	(216)	122,744	-	122,744
Other income	7,086	708	100	-	7,894	(2,368)	5,526
	113,848	13,651	3,355	(216)	130,638	(2,368)	128,270
Finance costs	(4,635)	(924)	(603)	-	(6,162)	2,368	(3,794)
Share of profit of associated company	-	-	-	196	196	-	196
Profit/(loss) before taxation	109,213	12,727	2,752	(20)	124,672	-	124,672
Taxation							(25,352)
Non-controlling interest							(4,785)
							94,535

Cans Division	Cartons Division	Contract Packing	Others	Total	Elimination	Consolidated
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

ASSETS AND LIABILITIES

Segment assets	1,234,989	271,322	22,150	4,197	1,532,658	(89,353)	1,443,305
Unallocated corporate assets							514
Consolidated total assets							1,443,819
Segment liabilities	(223,271)	(110,800)	(3,175)	(37)	(337,283)	-	(337,283)
Unallocated corporate liabilities							(25,416)
Consolidated total liabilities							(362,699)

OTHER INFORMATION

Capital Expenditure	31,201	51,389	582	-	83,172	-	83,172
Depreciation and amortisation	24,938	4,985	1,500	101	31,524	-	31,524
Non-cash expenses other than depreciation	11,104	3,049	105	-	14,258	-	14,258

10. Valuation of Property, Plant and Equipment

The Group did not carry out any revaluation exercise during the period under review.

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

On 28 October 2013, a subsidiary of the Group, Box-Pak (Malaysia) Bhd. entered into an agreement to acquire 500,000 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of AMBM Packaging Distribution Sdn Bhd ("AMBM") at a total cash consideration of RM4,500,000. The acquisition is estimated to be completed by fourth quarter of 2013.

On 25 November 2013, the Company and its listed subsidiary, Box-Pak (Malaysia) Bhd. applied for suspension of trading of securities till 5:00 p.m., Thursday 28 November 2013 pending the release of a material announcement. Further announcement will be made in due course.

Apart from the above, there were no other material events subsequent to the end of the period under review up 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 end of the previous financial year.

14. Capital Commitments

The amount of capital commitments as at 30 September 2013 is as follows:-

	RM'000
Approved and contracted for	53,834

15. Related Party Transactions

	Financial Period to date 30.09.2013 RM'000
Sales to associated companies	328

15. Related Party Transactions (cont'd.)

Apart from the above, the Group has also entered into the following related party transactions : -

(a) Nature of transaction	Identity of related parties	Financial Period to date <u>30.09.2013</u> RM'000
Sales of trading inventories by subsidiary companies	Hercules Sdn. Bhd. ⁽ⁱ⁾	385
	Hercules Vietnam Co., Ltd ⁽ⁱⁱ⁾	410
	Aik Joo Can Factory Sdn. Bhd. ⁽ⁱⁱⁱ⁾	140
	F & B Nutrition Sdn. Bhd. ^(iv)	903
Purchases of trading inventories by subsidiary companies	Aik Joo Can Factory Sdn. Bhd.	107

Parties (i) and (ii) are deemed related to the Group by virtue of common directorship held by a former director of a subsidiary company, See Leong Chye @ Sze Leong Chye in these parties.

Parties (iii) and (iv) are deemed to be related to the Group by virtue of:

- (a) common directorship held by two directors of the Group, Yeoh Jin Hoe and Chee Khay Leong; and
- (b) being subsidiaries of Can-One Berhad, which is the holding company of Can-One International Sdn Bhd, a major shareholder of Kian Joo Can Factory Berhad.

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

3rd Quarter 2013 (3Q2013) versus 3rd Quarter 2012 (3Q2012)

The Group recorded a revenue of RM326.8 million in 3Q2013, an increase of 17% from RM280.1 million in 3Q2012. The Group's overall profit before taxation was higher by 16% in 3Q2013 at RM42.2 million, compared to RM36.3 million in 3Q2012.

(i) Cans Division

The Cans Division generated a total operating revenue of RM242.7 million in 3Q2013, an increase of 17% from RM206.7 million in 3Q2012. Profit before taxation of this division was 65% higher in 3Q2013 at RM36.7 million compared to RM22.2 million in 3Q2012. The increase in revenue experienced by the Cans Division was attributable to increased demand from customers in domestic and Vietnam operations and the increase in capacity for production of aluminium cans.

Profit before taxation improved significantly in 3Q2013 compared to 3Q2012, mainly due to increase in revenue, improvements in operating efficiency and capacity utilisation in the current quarter.

(ii) Cartons Division

Revenue from Cartons Division increased by 17% in 3Q2013 to RM76.5 million, from RM65.3 million in 3Q2012. Profit before tax was recorded at RM4.1 million in 3Q2013, a decrease of 41% from RM6.9 million in 3Q2012.

The increase in revenue in the current quarter compared to last year's corresponding quarter was mainly attributable to an increase in demand from existing customers in Vietnam. Profit before tax in 3Q2013 decreased due to higher labour costs from the implementation of minimum wage scheme in Malaysia, and an upward revision of minimum wages in Vietnam. The Division's Hanoi operation, which commenced trial run in the current quarter incurred a loss of RM1.8 million. Apart from this, derivatives loss of RM2.4 million was recognised in the current quarter.

(iii) Contract Packing Services Division

Revenue from Contract Packing Services Division in 3Q2013 decreased to RM15.3 million from RM16.2 million in 3Q2012. This slight drop in revenue was mainly attributable to decrease in orders from both domestic and export dry food industry customers.

Despite a slight decrease in revenue, the Division recorded a significant improvement in profit before tax in the current quarter, compared to 3Q2012. This was mainly due to lower operating expenses and improved operating efficiency in the current quarter, as well as the loss in Vietnam operation that was no longer included in the current quarter following its disposal in July 2012.

16. Operating Segments Review (cont'd.)***Financial Period Ended 30 September 2013 (9M2013) versus 30 September 2012 (9M2012)***

The Group recorded a revenue of RM950.0 million in 9M2013, an increase of 12% from RM851.5 million in 9M2012. The Group's overall profit before taxation improved by 27% to RM124.7 million in 9M2013 from RM98.4 million in 9M2012.

(i) Cans Division

The Cans Division generated a total operating revenue of RM718.5 million in 9M2013, an increase of 14% from RM629.9 million in 9M2012. Profit before taxation of this division was higher at RM109.2 million in 9M2013 compared to RM73.5 million in 9M2012.

The increase in revenue of the Cans Division in 9M2012 was mainly attributable to increase in production capacity for aluminium cans and increase in demand from chemicals, paints and aerosol sectors. The Division's Vietnam operation continues to be the major contributor to the Division's increase in revenue, with increased sales of dry food cans.

The improved profit before taxation in 9M2013 was mainly attributable to increased revenue and improvement in operating efficiency.

(ii) Cartons Division

Revenue from Cartons Division increased by 11% in 9M2013 to RM213.1 million, from RM191.9 million in 9M2012. 9M2013 profit before tax was at RM12.7 million, a decrease of 27% from RM17.5 million in 9M2012.

The increase in 9M2013 revenue compared to the same period last year was mainly due to strong demand from customers in footwear and food and beverage sectors in Vietnam. The decrease in profit before tax of 9M2013 compared to 9M2012 was mainly due to higher labour costs resulting from the implementation of minimum wage scheme in Malaysia and an upward revision of minimum wages in Vietnam, as well as a derivatives loss of RM3.0 million during the current period. The Division's Hanoi operation, which commenced trial run in August 2013 incurred a loss of RM2.2 million.

(iii) Contract Packing Services Division

Revenue from Contract Packing Services Division in 9M2013 was lower by 26% at RM45.1 million, compared to RM60.8 million in 9M2012. Despite a lower revenue, the Division achieved a profit before taxation of RM2.7 million in 9M2013 compared to RM1.0 million in 9M2012.

This was mainly attributable to the disposal of the Division's Vietnam operation in July 2012, which generated a revenue of RM0.9 million and a loss before taxation of RM2.6 million in 9M2012.

17. Material Change in Performance of Operating Segments of Current Quarter (3Q2013) Compared with immediate Preceding Quarter (2Q2013)

The Group recorded a revenue of RM326.8 million in 3Q2013, a marginal increase from RM322.6 million in 2Q2013, while profit before tax experienced a marginal decrease to RM42.2 million in 3Q2013, from RM44.0 million in 2Q2013.

(i) Cans Division

The total operating revenue generated by the Cans Division decreased slightly in 3Q2013 at RM242.7 million, compared to RM246.1 million in 2Q2013. Profit before tax was RM36.7 million in 3Q2013, a marginal decrease of 2% from RM37.6 million in 2Q2013.

The slight decrease in 3Q2013 revenue compared to 2Q2013 was mainly attributable to the bulk of the festive season orders for Hari Raya and Moon Cake Festival being recorded in 2Q2013. This was offset by the growth in sales in Vietnam operation for dry food cans.

The marginal decrease in profit before tax of this Division was in tandem with the decrease in revenue in 3Q2013.

(ii) Cartons Division

Revenue from Cartons Division increased by 10% in 3Q2013 to RM76.5 million, from RM69.7 million in 2Q2013. Profit before tax of this division decreased by 15% in 3Q2013 to RM4.1 million, from RM4.8 million in 2Q2013.

The increase in revenue in the current quarter is attributable to higher sales in 3Q2013 from foot wear sector and festive season orders. The decrease in profit before taxation in the current quarter was mainly attributable to a higher current quarter derivatives loss on cross-currency swap contracts compared to 2Q2013. The Division's Hanoi operation, which commenced trial run in the current quarter incurred a loss of RM1.8 million.

(iii) Contract Packing Services Division

Revenue from Contract Packing Services Division decreased to RM15.3 million in the current quarter, from RM17.0 million in 2Q2013. The decrease was mainly attributable to lower demand from dry food sector customers.

In the current quarter, the Division experienced a marginal decrease in profit before taxation at RM1.3 million, compared to a profit before taxation of RM1.4 million in 2Q2013. The slight decrease in profitability of this Division was due to lower revenue.

18. Commentary on Prospects

Despite some signs of recovery in 3rd Quarter of 2013, the global economic climate generally remains uncertain and challenging. Competition remains stiff in Malaysia and Vietnam, with room for growth in the existing markets being limited. Apart from taking measures to further streamline its operations, the Group is looking for opportunities to tap into new markets to maintain its growth.

The Ministry of International Trade and Industry ("MITI") had imposed an anti-dumping duty ranging from nil to 9.84% on tinplates imported from China and Korea. This recent development inevitably increases material costs and undermines the price competitiveness of tin cans manufactured locally.

The Group's expansion of the Cartons Division into Hanoi, Vietnam is progressing as planned, and the production plant began its commercial run in the third quarter of this year.

The Group is confident of delivering satisfactory results for the year, while carrying out its strategies to safeguard and grow its market share.

19. Profit Before Taxation

Included in profit before taxation are the following items:

	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	Corresponding
	30.09.2013	Quarter	30.09.2013	Year To Date
	RM'000	30.09.2012	RM'000	30.09.2012
		RM'000		RM'000
Interest income	(658)	(268)	(1,365)	(1,149)
Other income including				
investment income	(2,640)	(961)	(5,527)	(3,552)
Interest expense	1,732	943	3,794	3,080
Depreciation and amortisation	11,041	13,310	31,524	39,286
Impairment in respect of receivables	6	-	(18)	(6)
Impairment in respect of inventories	873	402	2,495	1,936
Gain on disposal of quoted or				
unquoted investments or properties	-	-	-	-
(Gain)/loss on disposal of property,				
plant and equipment	(200)	(281)	(201)	(304)
Impairment of assets	-	-	71	56
Foreign exchange (gain)/loss	(3,195)	354	(4,959)	(863)
(Gain)/loss on derivatives	2,226	(4,075)	3,998	(4,817)
(Reversal of previous impairment)/				
write-down of inventories	(286)	9,164	(2,583)	9,932

20. Variance from Forecast Profit and Profit Guarantee

No profit forecast or guarantee was issued by the Group.

21. Taxation

	Current Year Quarter 30.09.2013 RM'000	Preceding Year Corresponding Quarter 30.09.2012 RM'000	Current Year To Date 30.09.2013 RM'000	Preceding Year Corresponding Year To Date 30.09.2012 RM'000
Group				
Income Tax				
- current year	(8,689)	(5,397)	(25,603)	(18,081)
Deferred taxation	(85)	(261)	251	(826)
	<u>(8,774)</u>	<u>(5,658)</u>	<u>(25,352)</u>	<u>(18,907)</u>

The effective tax rate for the financial period under review was lower than the statutory tax rate due to availability of reinvestment allowance and other tax incentives in certain subsidiaries, and a lower tax rate in Vietnam.

22. Retained Earnings

	As at 30.09.2013 RM'000	As at 31.12.2012 RM'000
Total retained earnings of Group:		
- Realised	773,514	709,744
- Unrealised	87,122	88,579
	<u>860,636</u>	<u>798,323</u>
Add: Consolidated adjustments	42,193	65,686
Total Group retained earnings as per Consolidated Accounts	<u>902,829</u>	<u>864,009</u>

23. Status of Corporate Proposals

There are no corporate proposals announced but not completed as at the date of this report.

24. Group Borrowings and Debt Securities

Total Group borrowings as at 30 September 2013 are as follows:-

	As at 30.09.2013 RM'000	As at 31.12.2012 RM'000
Current - unsecured		
- Banker's acceptances	8,394	15,850
- Foreign loan import	58,025	42,258
- Trust receipts/bill discounts	4,057	7,977
- Revolving credit	15,000	40,000
- Term loans	14,311	16,269
	99,787	122,354
Non-current - unsecured		
- Term loans	99,153	59,952
	198,940	182,306

Details of borrowings which are denominated in foreign currencies are as follows: -

	As at 30.09.2013 RM'000	As at 31.12.2012 RM'000
Current - unsecured		
- Trust receipts/bill discounts (denominated in VND)	4,057	7,977
- Term loans (denominated in USD)	1,082	12,127
- Foreign loan import (denominated in USD)	58,025	42,258
	63,164	62,362
Non-current - unsecured		
- Term loans (denominated in USD)	6,823	41,038
	69,987	103,400

All the Group's borrowings are unsecured.

25. Material Litigation

On 10 January 2013, the Company received a Writ and Statement of Claim ("Claim") dated 7 January 2013 from the solicitor of Dato' See Teow Chuan ("Plaintiff"), the previous managing director of the Company. The Plaintiff's Claim is for the following:

- A) Judgement be entered against the Company ("Defendant") that the Defendant pays the Plaintiff:
- (I) the sum of RM6,528,057.90 or such sum as determined by the Kuala Lumpur High Court ("High Court"), being the retirement gratuity payable to the Plaintiff;
 - (II) interest at the rate of 8% per annum on the sum in prayer (A)(I) above from 19 June 2012 or such date as determined by the High Court until one day before the date of judgement;
 - (III) the sum of RM344,390.31 [ie. (RM60,501.00 x 5) + RM41,885.31] or such sum as determined by the High Court, being the salaries for January 2012 to May 2012, and for June 2012 up to the Plaintiff's retirement on 18 June 2012 payable to the Plaintiff;
 - (IV) interest at the rate of 8% per annum on the following sums the total of which is the sum in prayer (A)(III) above, or such sum as determined by the High Court, from the following respective date or such date as determined by the High Court until one day before the date of judgement:
 - (a) the sum of RM60,501.00, being the salary for January 2012, from 1 February 2012;
 - (b) the sum of RM60,501.00, being the salary for February 2012, from 1 March 2012;
 - (c) the sum of RM60,501.00, being the salary for March 2012, from 1 April 2012;
 - (d) the sum of RM60,501.00, being the salary for April 2012, from 1 May 2012;
 - (e) the sum of RM60,501.00, being the salary for May 2012, from 1 June 2012; and
 - (f) the sum of RM41,885.31, being the salary for June 2012 up to 18 June 2012, from 19 June 2012;
 - (V) the sum of RM56,870.94 or such sum as determined by the High Court, being the contractual bonus payable to the Plaintiff;
 - (VI) interest at the rate of 8% per annum on the sum in prayer (A)(V) above from 19 June 2012 or such date as determined by the High Court until one day before the date of judgement;
 - (VII) interest at the rate of 5% per annum on the judgement debt [ie. sums in prayers (A)(I) to (VI) above] from the date of judgement until the full realisation thereof;
- B) an Order that the Defendant makes contribution to the Plaintiff's account in the Employees' Provident Fund at the statutory rate of 12% of:
- (I) the sum of RM344,390.31 [ie. (RM60,501.00 X 5) + RM41,885.31] or such sum as determined by the High Court, being the salaries for January 2012 to May 2012, and for June 2012 up to the Plaintiff's retirement on 18 June 2012 payable to the Plaintiff;
 - (II) the sum of RM56,870.94 or such sum as determined by the High Court, being the contractual bonus payable to the Plaintiff;

25. Material Litigation (cont'd.)

- C) Judgement be entered against the Defendant that the Defendant pays the Plaintiff:
- (I) general damages in the sum as determined by the High Court;
 - (II) aggravated damages in the sum as determined by the High Court; and
 - (III) exemplary damages in the sum as determined by the High Court;
 - (IV) Interest at the rate of 8% per annum on the sum in prayers (C)(I) to (III) above from 19 June 2012 or such date as determined by the High Court until one day before the date of judgement;
 - (V) Interest at the rate of 5% per annum on the judgement sum [ie. sums in prayers (C)(I) to (IV) above] from the date of judgement until the full realisation thereof;
- D) a Declaration that the payment of the Plaintiff's retirement gratuity is not subject to Section 137 of the Companies Act, 1967 and the approval of the Defendants' shareholders;
- E) an Order that the costs of this action on a full indemnity basis be paid by the Defendant to the Plaintiff; and
- F) such further and/or other relief that the High Court may deem fit and just.

The High Court fixed the above for case management on 20 February 2013.

Subsequent to the case management on 20 February 2013, the High Court fixed 6 March 2013 and 20 March 2013 for further case management. On 20 March 2013, the High Court fixed the hearing of application by the Plaintiff for summary judgement on 24 April 2013. The High Court Judge ("Judge") was of the view that the issues to be decided are essentially questions of law and in this regard, directed the Defendant to file an application pursuant to Order 14A of the Rules of Court, 2012.

On 24 April 2013, the Judge heard the Plaintiff's application for summary judgment ("Enclosure 6") and the Defendant's application pursuant to Order 14A of the Rules of Court, 2012 ("Enclosure 9"). At the hearing, the Plaintiff and Defendant were directed to file their respective Reply Submissions and their applications were re-fixed for hearing on 20 May 2013.

On 20 May 2013, the hearing of the Plaintiff's Claim was re-fixed before a new court to hear the Plaintiff's application for summary judgement ("Enclosure 6") and the Defendant's application to have question of law heard on the Plaintiff's claim. On 24 June 2013, the Plaintiff's application for summary judgement ("Enclosure 6") and the Defendant's application pursuant to Order 14A of the Rules of Court, 2012 ("Enclosure 9") were fixed for decision on 31 July 2013 by the High Court judge.

On 31 July 2013, the High Court dismissed the Plaintiff's application for summary judgement ("Enclosure 6"), and further directed that the Defendant's application pursuant to Order 14A of the Rules of Court, 2012 ("Enclosure 9") be heard on 2 October 2013.

On 5 September 2013, the Plaintiff filed an application to amend the Statement of Claim ("Enclosure 21"). In this regard, the High Court has fixed Enclosure 21 for hearing on 27 September 2013. On 27 September 2013, the High Court fixed Enclosure 21 and Enclosure 9 for further mention on 30 September 2013.

KIAN JOO CAN FACTORY BERHAD (3186-P)
PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD

25. Material Litigation (cont'd.)

On 30 September 2013, Enclosure 21 was fixed for decision on 25 October 2013. Meanwhile, the hearing of Enclosure 9, which was fixed on 2 October 2013 was postponed to a date to be fixed pending the outcome of the aforesaid amendment application. On 28 October 2013, the High Court adjourned the decision on Enclosure 21 to 8 November 2013. On 8 November 2013, the High Court dismissed the Plaintiff's application to amend the Statement of Claim. The High Court further granted an order in terms of the Company's application that the case be determined by way of questions of law, and fixed the hearing on the questions of law for 15 January 2014.

Save for the above, there is no other pending material litigation against the Group for the financial period under review.

26. Dividend

The Board of Directors does not recommend any dividend for the financial quarter under review.

27. Earnings Per Share

	Current Quarter 30.09.2013	Preceding Year Corresponding Quarter 30.09.2012	Current Year To Date 30.09.2013	Preceding Year Corresponding Year To Date 30.09.2012
Profit attributable to owners of the company (RM '000)	31,930	28,194	94,535	73,869
Weighted average number of ordinary shares	444,167,786	444,167,786	444,167,786	444,167,786
Basic earnings per share (sen)	7.19	6.35	21.28	16.63

28. 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 26 November 2013.

Batu Caves, Selangor Darul Ehsan
 26 November 2013