



KIAN JOO CAN FACTORY BERHAD

(Incorporated in Malaysia)

(Co. Reg. No. 003186-P)

Condensed Consolidated Statement of Comprehensive Income for the First Quarter ended 31 March 2015

(The figures have not been audited)

	Note	CUMULATIVE QUARTER	
		Current Year Ended 31.03.2015 RM'000 Unaudited	Preceding Year Ended 31.03.2014 RM'000 Unaudited
Revenue		345,930	317,101
Cost of sales		(296,360)	(267,410)
Gross profit		49,570	49,691
Other income		1,667	2,063
Operating expenses		(12,159)	(28,040)
Finance costs		(3,228)	(1,904)
Share of profit/(loss) of joint venture (net of tax)		183	(428)
Profit Before Taxation	19	36,033	21,382
Taxation	21	(6,586)	(1,354)
Profit for the period		29,447	20,028
Other comprehensive income, net of tax			
Foreign currency translation differences for foreign operations		11,199	(1,413)
Actuarial loss recognised on defined benefit plan		-	-
Other comprehensive income for the period, net of tax		11,199	(1,413)
Total comprehensive income for the period		40,646	18,615
Profit attributable to:			
Owners of the company		28,308	19,826
Non-controlling interest		1,139	202
Profit for the period		29,447	20,028
Total comprehensive income attributable to:			
Owners of the company		37,558	18,731
Non-controlling interest		3,088	(116)
Total comprehensive income for the period		40,646	18,615
Earnings per share attributable to owners of the company:			
Basic (sen)			
Continuing operations		6.37	4.46
Discontinued operation		-	-
		6.37	4.46

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements



KIAN JOO CAN FACTORY BERHAD

(Incorporated in Malaysia)

(Co. Reg. No. 003186-P)

Condensed Consolidated Statement of Financial Position As at 31 March 2015

	Note	As at 31.03.2015 RM'000 Unaudited	As at 31.12.2014 RM'000 Audited
ASSETS			
Non-Current Assets			
Property, plant & equipment		880,206	830,106
Land use rights		62,263	20,718
Investment properties		23,871	23,833
Intangible assets		2,538	2,555
Investments in a joint venture		10,380	22,196
Other assets		15,434	61,613
Deferred tax assets		724	735
		<u>995,416</u>	<u>961,756</u>
Current Assets			
Inventories		325,707	307,715
Trade and other receivables		256,231	293,834
Other assets		5,754	15,420
Tax recoverable		8,743	8,204
Cash and bank balances and short term funds		104,000	123,409
		<u>700,435</u>	<u>748,582</u>
TOTAL ASSETS		<u>1,695,851</u>	<u>1,710,338</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the company			
Share capital		111,042	111,042
Share premium		744	744
Other reserves		22,364	13,114
Retained earnings	22	<u>1,042,308</u>	<u>1,014,000</u>
		1,176,458	1,138,900
Non-Controlling Interest			
Total Equity		<u>1,247,209</u>	<u>1,206,563</u>
Non-Current Liabilities			
Retirement benefit obligation		36,949	35,068
Borrowings	24	129,778	111,800
Deferred tax liabilities		22,727	21,155
Derivative financial instrument		8,147	5,968
		<u>197,601</u>	<u>173,991</u>
Current Liabilities			
Retirement benefit obligation		1,797	3,108
Provisions		261	43
Borrowings	24	140,193	183,029
Trade and other payables		104,806	140,638
Tax payable		1,950	1,409
Derivative financial instrument		2,034	1,557
		<u>251,041</u>	<u>329,784</u>
Total Liabilities		448,642	503,775
TOTAL EQUITY AND LIABILITIES		<u>1,695,851</u>	<u>1,710,338</u>
Net assets per share attributable to owners of the Company (RM)		2.65	2.34

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements



KIAN JOO CAN FACTORY BERHAD

(Incorporated in Malaysia)

(Co. Reg. No. 003186-P)

Condensed Consolidated Statement of Changes in Equity For the first quarter ended 31 March 2015

	Attributable to Owners of the Company						Non-Controlling Interest	Total Equity	
	Non-distributable			Distributable		Total			
	Share Capital	Share Premium	Other Reserve	Retained Earnings	Total				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
At 1 January 2014	111,042	744	4,816	920,850	1,037,452	64,036	1,101,488		
Profit for the period	-	-	-	19,826	19,826	202	20,028		
Currency translation differences	-	-	(1,095)	-	(1,095)	(318)	(1,413)		
Total comprehensive income for the period	-	-	(1,095)	19,826	18,731	(116)	18,615		
At 31 March 2014	111,042	744	3,721	940,676	1,056,183	63,920	1,120,103		
At 1 January 2015	111,042	744	13,114	1,014,000	1,138,900	67,663	1,206,563		
Profit for the period	-	-	-	28,308	28,308	1,139	29,447		
Currency translation differences	-	-	9,250	-	9,250	1,949	11,199		
Total comprehensive income for the period	-	-	9,250	28,308	37,558	3,088	40,646		
At 31 March 2015	111,042	744	22,364	1,042,308	1,176,458	70,751	1,247,209		

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements



KIAN JOO CAN FACTORY BERHAD

(Incorporated in Malaysia)

(Co. Reg. No. 003186-P)

Condensed Consolidated Statement of Cash Flows For the first quarter ended 31 March 2015

	31.03.2015 RM'000 Unaudited	31.03.2014 RM'000 Unaudited (restated)
Net cash generated from/(used in) operating activities		
Receipts from customers	382,621	338,038
Payments to suppliers	(342,191)	(336,879)
	40,430	1,159
Cash generated from operations	40,430	1,159
Interest paid	(3,186)	(1,904)
Income tax paid	(5,326)	(7,124)
	31,918	(7,869)
Net cash generated from/(used in) investing activities		
Acquisition of property, plant and equipment	(36,401)	(11,432)
Proceeds from disposal of property, plant and equipment	210	580
Dividends received from a joint venture	12,000	205
Redemption of/(investment in) other investment	21,826	2,513
Interest received	496	550
	(1,869)	(7,584)
Net cash generated from/(used in) financing activities		
Proceeds from term loans, bankers' acceptances and revolving credit	(26,647)	4,212
Receipts/(advances) to a joint venture	-	29
	(26,647)	4,241
Net decrease in Cash and Cash Equivalents	3,402	(11,212)
Effect of Exchange Rate Changes	(1,124)	(250)
Cash and Cash Equivalents at 1 January (Note A)	95,444	113,731
* Cash and Cash Equivalents at 31 March (Note B)	97,722	102,269
 * Cash and Cash Equivalents at 31 March comprised the following:		
Cash and bank balances	44,733	32,709
Short term deposits	52,989	69,560
	97,722	102,269

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements



KIAN JOO CAN FACTORY BERHAD

(Incorporated in Malaysia)

(Co. Reg. No. 003186-P)

Condensed Consolidated Statement of Cash Flows

For the first quarter ended 31 March 2015 (cont'd)

Note A	As at 31.12.2014 RM'000 Audited	As at 31.12.2013 RM'000 Audited (restated)
Analysis of cash and cash equivalents as at 1 January 2015/2014:		
Cash at banks and on hand	48,963	47,692
Deposits with licensed banks	46,481	66,039
Short-term funds	27,965	32,652
Cash and bank balances and short term funds	123,409	146,383
Less: Short-term funds	(27,965)	(32,652)
Cash and cash equivalents as at 1 January 2015/2014	95,444	113,731

Note B	As at 31.03.2015 RM'000 Unaudited	As at 31.03.2014 RM'000 Unaudited (restated)
Analysis of cash and cash equivalents as at 31 March 2015:		
Cash at banks and on hand	44,733	32,709
Deposits with licensed banks	52,989	69,560
Short-term funds	6,278	30,139
Cash and bank balances and short term funds	104,000	132,408
Less: Short-term funds	(6,278)	(30,139)
Cash and cash equivalents as at 31 March 2015	97,722	102,269

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, 1965 in Malaysia, and complies with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014. 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 2014.

2. Significant Accounting Policies

The accounting policies adopted in the preparation of this report are consistent with those followed in the preparation of the Group's audited financial statements for the financial year ended 31 December 2014.

2.1 Adoption of Standards, Amendments and IC Interpretations

There were no changes to the Accounting Standards adopted by the Group since the previous report for the year ended 31 December 2014.

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

As at the date of authorisation of this report, the following Standard, Amendments and Annual Improvements to Standards were issued but not yet effective and have not been adopted by the Group:

- Annual Improvements to MFRSs 2012 - 2014 Cycle
- Amendments to MFRS 116 and MFRS 138:
 - Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to MFRS 127: Equity Method in Separate Financial Statements
- Amendments to MFRS 101: Disclosure Initiatives
- Amendments to MFRS 10, MFRS 12 and MFRS 128:
 - Investment Entities Applying the Consolidation Exception
- MFRS 15: Revenue from Contracts with Customers
- MFRS 9: Financial Instruments

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 2014 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

There were no changes in estimates that had any material effect to the financial statements in the period under review.

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.

KIAN JOO CAN FACTORY BERHAD (003186-P)
PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

9. Segmental Reporting

Segmental results for the period ended 31 March 2015 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	238,934	91,960	15,002	34	345,930	-	345,930
Inter-segmental sales	7,736	1,208	-	-	8,944	(8,944)	-
Total revenue	246,670	93,168	15,002	34	354,874	(8,944)	345,930

RESULTS

Segment results	35,788	4,115	966	(3,458)	37,411	-	37,411
Other income	1,931	78	83	-	2,092	(425)	1,667
	37,719	4,193	1,049	(3,458)	39,503	(425)	39,078
Finance costs	(2,574)	(945)	(134)	-	(3,653)	425	(3,228)
Share of profit of a joint venture	-	-	-	183	183	-	183
Profit/(loss) before taxation	35,145	3,248	915	(3,276)	36,033	-	36,033
Taxation							(6,586)
Non-controlling interest							(1,139)
							28,308

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	1,367,563	310,143	28,022	77,486	1,783,214	(96,830)	1,686,384
Unallocated corporate assets							9,467
Consolidated total assets							1,695,851
Segment liabilities	(283,175)	(136,928)	(3,276)	(586)	(423,965)	-	(423,965)
Unallocated corporate liabilities							(24,677)
Consolidated total liabilities							(448,642)

OTHER INFORMATION

Capital Expenditure	10,376	2,693	1,836	21,496	36,401	-	36,401
Depreciation and amortisation	8,791	2,882	579	51	12,303	-	12,303
Non-cash expenses other than depreciation	2,135	2,684	148	3,534	8,501	-	8,501

10. Valuation of Property, Plant and Equipment

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

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

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 31 March 2015 is as follows:

	RM'000
Approved and contracted for	18,467

15. Related Party Transactions

The Group has also entered into the following related party transactions : -

Nature of transaction	Identity of related parties	Financial Period to date 31.03.2015 <u>RM'000</u>
Sales of trading inventories by subsidiary companies	Aik Joo Can Factory Sdn. Berhad ⁽ⁱ⁾ F & B Nutrition Sdn. Bhd. ⁽ⁱⁱ⁾ Canzo Sdn. Bhd. ⁽ⁱⁱⁱ⁾	699 2,805 23
Purchases of trading inventories by subsidiary companies	Aik Joo Can Factory Sdn. Berhad ⁽ⁱ⁾	367

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

- (a) common directorship held by a director of the Group, Yeoh Jin Hoe; 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 considered comparable to transactions entered into with third parties.

16. Operating Segments Review

1st Quarter 2015 (1Q2015) versus 1st Quarter 2014 (1Q2014)

The Group recorded a total revenue of RM345.9 million in 1Q2015, an increase from RM317.1 million in 1Q2014. The Group's overall profit before taxation was higher in 1Q2015 at RM36.0 million, compared to RM21.4 million in 1Q2014.

(i) Cans Division

The Cans Division generated a total operating revenue of RM246.7 million in 1Q2015, an increase from RM234.1 million in 1Q2014. Profit before taxation of this division increased by RM13.6 million in 1Q2015 to RM35.1 million compared to RM21.5 million in 1Q2014.

The increase in revenue was mainly contributed by the Division's domestic operations, while the Vietnam operation experienced a slight decrease in sales. The increase in profit before taxation was in tandem with higher revenue in the current quarter. Apart from this, the Division recorded gains in unrealised foreign currency exchange of RM5.3 million compared to an unrealised loss of RM0.4 million in 1Q2014.

(ii) Cartons Division

Revenue from Cartons Division increased in 1Q2015 to RM93.2 million, from RM79.0 million in 1Q2014. Profit before taxation was higher at RM9.0 million in 1Q2015, from RM7.1 million in 1Q2014.

The increase in 1Q2015 revenue was mainly from the Division's Vietnam operations, which experienced increase in sales. Profit before taxation was higher in 1Q2015 compared to 1Q2014 from the increased sales, and reduced loss from its plant in Hanoi.

(iii) Contract Packing Division

Revenue from Contract Packing Division in 1Q2015 increased to RM15.0 million from RM9.9 million in 1Q2014. This increase in revenue was mainly attributable to increases of orders in both beverages packing and milk powder packing segments.

The Division recorded a profit before taxation in the current quarter of RM1.1 million, compared to a loss of RM0.4 million in 1Q2014. This increase in profit was mainly attributable to increased sales experienced by this Division.

17. Material Change in Performance of Operating Segments of Current Quarter (1Q2015) Compared with immediate Preceding Quarter (4Q2014)

The Group recorded a revenue of RM345.9 million in 1Q2015, a decrease from RM352.7 million in 4Q2014, while profit before tax was at RM36.0 million in 1Q2015, a decrease from RM38.9 million in 4Q2014.

(i) Cans Division

The Cans Division recorded an operating revenue of RM246.7 million in 1Q2015, a decrease from RM256.7 million in 4Q2014. The decrease in the current quarter was mainly due to festive season orders being accounted for in the 4Q2014 sales

Profit before taxation increased in 1Q2015 to RM35.1 million, from RM27.5 million in 4Q2014, mainly attributable to higher unrealised foreign currency exchange gains in the current quarter.

(ii) Cartons Division

Revenue from Cartons Division increased in 1Q2015 to RM93.2 million, from RM88.3 million in 4Q2014. Profit before taxation of this division increased in 1Q2015 to RM3.2 million, from RM2.4 million in 4Q2014.

Profit before taxation of this division increased in the current quarter mainly due to reduced loss in its plant in Hanoi.

(iii) Contract Packing Division

Revenue from Contract Packing Division decreased to RM15.0 million in the current quarter, from RM17.5 million in 4Q2014. The decrease was mainly attributable to the beverage packing segment.

In the current quarter, the Division's profit before taxation decreased to RM1.1 million, from RM2.1 million in the immediate preceding quarter, due to lower sales.

18. Commentary on Prospects

The Group's operations in Malaysia and Vietnam are anticipated to remain challenging due to stiff competition from players of the packaging industry. The Group also faces challenges in managing its rising operating costs, and interest rates, apart from the increased volatility in foreign exchange rates, which poses a risk to the Group's profitability.

The implementation of Goods and Services Tax in Malaysia is expected to have an adverse cash flow impact to the Group.

For the year 2015, the Group will continue exploring and taking measures to streamline its domestic and regional operations. Notwithstanding the above challenges, the Board is of the opinion that the Group will remain profitable for the financial year 2015.

19. Profit Before Taxation

Included in profit before taxation are the following items:

	Current Year	Preceding Year
	Quarter	Corresponding
	31.03.2015	Quarter
	RM'000	31.03.2014
		RM'000
Interest income	(482)	(403)
Other income including investment income	(1,667)	(2,063)
Interest expense	3,228	1,904
Depreciation and amortisation	12,303	11,383
Impairment in respect of receivables	3	(36)
Gain on disposal of quoted or unquoted investments or properties	-	-
Gain on disposal of property, plant and equipment	(12)	(516)
Impairment of assets	-	-
Non-current assets written off	-	-
Foreign exchange (gain)/loss	(6,176)	1,034
(Gain)/loss on derivatives	2,660	(418)
(Reversal of previous impairment)/ write-down/write-off of inventories	1,201	1,392

20. Variance from Forecast Profit and Profit Guarantee

No profit forecast or guarantee was issued by the Group.

21. Taxation

	Current Year Quarter 31.03.2015 RM'000	Preceding Year Corresponding Quarter 31.03.2014 RM'000
Group		
Income Tax		
- current year	(5,220)	(4,202)
- prior year	-	(5)
Deferred taxation	(1,366)	2,853
	<u>(6,586)</u>	<u>(1,354)</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 31.03.2015 RM'000	As at 31.12.2014 RM'000
Total retained earnings of Group:		
- Realised	915,642	879,390
- Unrealised	91,562	86,505
	<u>1,007,204</u>	<u>965,895</u>
Add: Consolidated adjustments	35,104	48,105
Total Group retained earnings as per Consolidated Accounts	<u>1,042,308</u>	<u>1,014,000</u>

23. Status of Corporate Proposals

On 26 November 2013, the Company received a letter of offer from Aspire Insight Sdn Bhd ("Aspire") to acquire the entire business and undertaking including all assets and liabilities of the Company ("Offer") for a cash consideration of approximately RM1.466 billion. On 10 December 2013, the Company, via its adviser, MIDF Amanah Investment Bank Berhad ("Adviser") announced that Aspire agreed to the Company's request for an extension of time until 20 January 2014 to consider their Offer. On 10 January 2014, Board of Directors of the Company, via its Adviser announced that it has deliberated and agreed to accept Aspire's Offer.

On 29 January 2014, the Company received a letter of request for an extension of time from Aspire for the completion of the ongoing due diligence exercise and the signing of the definitive agreement in relation to the Offer. In response, the Company agreed on the extension of time from 31 January 2014 to 14 March 2014. On 13 March 2014, the parties agreed to further extend the timeline to 31 March 2014.

On 24 March 2014, the Company, via its Adviser, announced that it has entered into a conditional Business Sale Agreement ("BSA"), Properties Sale Agreements and Assets Sale Agreement with Aspire ("Proposed Disposal"). Upon completion of the Proposed Disposal, the Company will undertake a capital reduction and repayment exercise to return the cash proceeds arising from the said Proposed Disposal to all entitled shareholders via a proposed distribution of proceeds in cash at not less than RM3.30 per ordinary share of RM0.25 each in the Company ("Proposed Proceeds Distribution").

On 7 May 2014, the Company, its subsidiary, Box-Pak (Malaysia) Bhd ("Box-Pak") and 5 others were served with a Writ of Summons and Statement of Claims dated 6 May 2014 by an Executive Director of the Company, who was also the former Managing Director of Box-Pak, Dato' See Teow Guan in relation to the Proposed Disposal. Details of the Writ of Summons and Statement of Claims are set out in Note 25.

On 29 May 2014, the Company, via its Adviser, announced that Bursa Malaysia Securities Berhad ("Bursa Securities") had vide its letter dated 27 May 2014 approved the extension of time for the Company to submit the draft Circular to Shareholders in relation to the Proposed Disposal and Proposed Proceeds Distribution (collectively, "Proposals") from 24 May 2014 until 23 August 2014. Vide a letter dated 22 August 2014, Bursa Securities granted the Company a further extension of time to submit the draft Circular to Shareholders in relation to the Proposals from 23 August 2014 to 23 November 2014.

Pursuant to a letter dated 28 August 2014, the Company and Aspire agreed to extend the date on which all conditions precedent to the BSA should be fulfilled from 23 September 2014 to 23 March 2015. Subsequently, the Company and Aspire agreed to further extend the deadline from 23 March 2015 to 23 September 2015.

Bursa Securities vide its letter dated 26 November 2014 approved a further extension of time for the Company to submit the draft Circular to shareholders from 24 November 2014 to 31 March 2015. Subsequently, Bursa Securities vide its letter dated 6 April 2015 approved a further extension on the 31 March 2015 deadline to 30 September 2015.

The Proposals are subject to the approval by relevant authorities and shareholders of the Company and written confirmation from Aspire on whether the due diligence is satisfactory.

Apart from the above, there were no other corporate proposals announced but not completed as at the date of this report.

24. Group Borrowings and Debt Securities

Total Group borrowings are as follows:

	As at 31.03.2015 RM'000	As at 31.12.2014 RM'000
Current - unsecured		
- Trade facilities	103,452	149,024
- Term loans	36,741	34,005
	<u>140,193</u>	<u>183,029</u>
Non-current - unsecured		
- Term loans	129,778	111,800
	<u>269,971</u>	<u>294,829</u>

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

	As at 31.03.2015 RM'000	As at 31.12.2014 RM'000
Current - unsecured		
- Trade facilities (denominated in USD)	26,855	48,243
- Trade facilities (denominated in EUR)	-	12,853
- Trade facilities (denominated in VND)	6,867	21,192
- Term loans (denominated in USD)	2,148	2,307
- Term loans (denominated in VND)	688	650
	<u>36,558</u>	<u>85,245</u>
Non-current - unsecured		
- Term loans (denominated in USD)	5,049	5,043
- Term loans (denominated in VND)	8,305	4,555
	<u>49,912</u>	<u>94,843</u>

All the Group's borrowings are unsecured.

25. Material Litigations

(I) Claim by an Executive Director, Dato' See Teow Guan in relation to the Offer from Aspire

In relation to the Offer from Aspire as detailed in Note 23, an Executive Director of the Company, Dato' See Teow Guan ("Plaintiff"), acting in a personal capacity and in a representative capacity on behalf and for the benefit of the Company, had on 7 May 2014, served a Writ of Summons and Statement of Claim to the following Defendants:

1. Yeoh Jin Hoe, Group Managing Director of the Company ("YJH")
2. Chee Khay Leong, Chief Operating Officer cum Executive Director of the Company ("CKL")
3. Aspire
4. Can-One Berhad ("Can-One")
5. Can-One International Sdn Bhd ("Can-One International")
6. Kian Joo Can Factory Berhad ("KJCF")
7. Box-Pak (Malaysia) Bhd, listed subsidiary of the Company ("Box-Pak")

(collectively referred to as "the Defendants")

The Plaintiff's claims are as follows:

A declaration that the letter of offer dated 26 November 2013 from Aspire to KJCF to acquire the entire business and undertaking including all of the assets and liabilities of KJCF ("Aspire Bid") is deemed a related party transaction by virtue of the interest in the proposed disposal of the entire assets and liabilities of KJCF to Aspire ("Proposed Disposal") of the following:-

- (a) Can-One International, as a major shareholder of KJCF with an interest, direct or indirect, in Aspire;
- (b) YJH, as a director of KJCF with an interest, direct or indirect, in Aspire;
- (c) Aspire, as a person connected to Can-One and/or Can-One International within the meaning under the Main Market Listing Requirements ("Listing Requirements"); and
- (d) Aspire, as a person connected with YJH within the meaning under the Listing Requirements.

On 17 June 2014, the Plaintiff filed an application for injunctive relief, among others, that the Company be restrained until the trial of the action from calling any shareholders meeting in respect of the offer made by Aspire.

On 14 November 2014, the Company and all the other defendants have successfully applied to the Kuala Lumpur High Court ("the High Court") to strike out the Plaintiff's claims.

On 1 December 2014, the Company's solicitors were served with a Notice of Appeal made by the Plaintiff's (hereafter "the Appellant") solicitors to the Court of Appeal. The Notice of Appeal pertains to the abovementioned decision of the High Court delivered on 14 November 2014, which allowed the striking out applications by KJCF. The Court of Appeal subsequently fixed the above matter for hearing on 10 April 2015.

On 10 April 2015, the Court of Appeal fixed the appeals for continued hearing on 29 May 2015.

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

25. Material Litigations (cont'd)

(II) Claim by a former Director, See Teow Koon for reinstatement as Executive Director

The Company had on 14 August 2014, received a sealed Writ of Summons and Statement of Claim ("STK Claim") from Messrs V. Siva and Partners, the solicitors acting for former Director, See Teow Koon ("STK").

Details of the STK Claim are as follows:

- (i) A declaration that STK is entitled to work as the Executive Director of the Company until he attains the age of 70 years as ordered by the Court of Appeal Order dated 4 October 2006;
- (ii) A declaration that the removal of STK as the Executive Director of the Company is unlawful, null and void;
- (iii) An order that the Company forthwith restore STK to his position as an Executive Director of the Company without any loss of salaries, perks and benefits;
- (iv) Further or alternatively, the Company be ordered to pay to STK all salaries, perks and benefits including retirement benefits under the Kian Joo Group of Companies Terms and Conditions of Employment for Executive Director, that is due to STK upon STK attaining 70 years of age on 14 June 2019 in the sum of RM12,601,469.55 as particularised in paragraphs 42(i) to (v) of the Statement of Claim;
- (v) A declaration that the Company pay the statutory contributions to STK's Employees' Provident Fund account in respect of the sums that is due and payable as stated in paragraphs 42(ii), (iii) and (iv) of the Statement of Claim;
- (vi) Loss of contractual benefits being inter-alia payment for the benefit of having a Mercedes Benz S300 luxury sedan with a full time paid personal driver;
- (vii) Interest thereon at the rate of 8% per annum on all the judgment sums awarded by the High Court from 16 April 2014 and/or from the date of filing this action in Court until the date of full and final settlement;
- (viii) General damages suffered by the Plaintiff to be assessed by the Deputy Registrar;
- (ix) An order that the costs of this action on a full indemnity basis be paid by the Company to STK; and
- (x) Such further or any other reliefs as the High Court shall deem fit and proper to grant.

The STK Claim arose for case management on 27 August 2014. At a further case management on 18 September 2014, the High Court gave STK until 2 October 2014 to file his reply to the Company's defence. The next case management was fixed for 20 October 2014 for parties to comply with the pre-trial directions of court. At the case management on 20 October 2014, the High Court fixed the next case management on 31 October 2014.

25. Material Litigations (cont'd)

(II) Claim by a former Director, See Teow Koon for reinstatement as Executive Director (cont'd)

On 31 October 2014, the High Court allowed STK to amend his Writ of Summons and Statement of Claim to add 2 wholly-owned subsidiaries, Kian Joo Packaging Sdn. Bhd. and KJ Can (Selangor) Sdn. Bhd. as the 2nd and 3rd Defendants (collectively, with the Company, "the Defendants") respectively, with costs in the cause. The next case management was fixed for 5 December 2014 pending the service of the amended Writ of Summons and Statement of Claim on the parties and the filing and service of the necessary pleadings.

On 5 December 2014, the High Court fixed the next case management for 19 December 2014 and the matter for trial on 20, 21, 22 and 23 April 2015. On 19 December 2014, the High Court fixed the next case management for 26 January 2015, and subsequently, a further case management was fixed for 13 March 2015. On 13 March 2015, the High Court fixed the Defendants' application under Order 33 of the Rules of Court 2012 for hearing on 14 April 2015.

On 14 April 2015, the Defendants' application under Order 33 of the Rules of Court 2012 was heard and disallowed by the High Court. The trial dates of 20 to 23 April 2015 in respect of the above case were maintained.

During the trial on 23 April 2015, the above case was tentatively fixed for continued trial on 14 and 15 May 2015, 19 May 2015, 22 June 2015, 6 and 7 July 2015, 10 July 2015 and 27 to 29 July 2015.

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

26. Dividend

The Board does not recommend any dividend for the financial period under review.

27. Earnings Per Share

	Current Quarter 31.03.2015	Preceding Year Corresponding Quarter 31.03.2014
Profit attributable to owners of the company (RM '000)	28,308	19,826
Weighted average number of ordinary shares	444,167,786	444,167,786
Basic earnings per share (sen)	6.37	4.46

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 passed on 20 May 2015.

Batu Caves, Selangor Darul Ehsan
20 May 2015