



KIAN JOO CAN FACTORY BERHAD

(Incorporated in Malaysia)

(Co. Reg. No. 3186-P)

Condensed Consolidated Statement of Comprehensive Income for the second quarter ended 30 June 2015

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year	Preceding Year	Current Year	Preceding Year
		Quarter	Corresponding	Quarter	Quarter
		30.06.2015	30.06.2014	30.06.2015	30.06.2014
		RM'000	RM'000	RM'000	RM'000
		Unaudited	Unaudited	Unaudited	Unaudited
Revenue		391,801	333,338	737,731	650,439
Cost of sales		(325,263)	(278,747)	(621,623)	(546,157)
Gross profit		<u>66,538</u>	<u>54,591</u>	<u>116,108</u>	<u>104,282</u>
Other income		3,337	1,653	5,004	3,716
Operating expenses		(24,094)	(16,467)	(36,253)	(44,507)
Finance costs		(3,400)	(2,423)	(6,628)	(4,327)
Share of (loss)/profit of joint venture (net of tax)		52	(378)	235	(806)
Profit Before Taxation	19	<u>42,433</u>	<u>36,976</u>	<u>78,466</u>	<u>58,358</u>
Taxation	21	(5,326)	(8,644)	(11,912)	(9,998)
Profit for the period		<u>37,107</u>	<u>28,332</u>	<u>66,554</u>	<u>48,360</u>
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		(3,585)	(5,943)	7,614	(7,356)
Actuarial loss recognised on defined benefit plan		-	-	-	-
Other comprehensive income for the period, net of tax		<u>(3,585)</u>	<u>(5,943)</u>	<u>7,614</u>	<u>(7,356)</u>
Total comprehensive income for the period		<u>33,522</u>	<u>22,389</u>	<u>74,168</u>	<u>41,004</u>
Profit attributable to:					
Owners of the company		35,279	27,569	63,587	47,395
Non-controlling interest		1,828	763	2,967	965
Profit for the period		<u>37,107</u>	<u>28,332</u>	<u>66,554</u>	<u>48,360</u>
Total comprehensive income attributable to:					
Owners of the company		33,827	23,222	71,385	41,953
Non-controlling interest		(305)	(833)	2,783	(949)
Total comprehensive income for the period		<u>33,522</u>	<u>22,389</u>	<u>74,168</u>	<u>41,004</u>
Earnings per share attributable to owners of the company:					
Basic (sen)					
Continuing operations		7.95	6.21	14.32	10.67
Discontinued operation		-	-	-	-
		<u>7.95</u>	<u>6.21</u>	<u>14.32</u>	<u>10.67</u>
Diluted (sen)					
Continuing operations		-	-	-	-
Discontinued operation		-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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 30 June 2015

Note	As at 30.06.2015 RM'000 Unaudited	As at 31.12.2014 RM'000 Audited
ASSETS		
Non-Current Assets		
	875,295	830,106
	62,180	20,718
	27,170	23,833
	2,516	2,555
	10,431	22,196
	-	61,613
	-	735
	<u>977,592</u>	<u>961,756</u>
Current Assets		
	328,498	307,715
	319,636	293,834
	-	15,420
	7,439	8,204
	121,260	123,409
	<u>776,833</u>	<u>748,582</u>
	<u>1,754,425</u>	<u>1,710,338</u>
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity attributable to owners of the company		
	111,042	111,042
	744	744
	20,912	13,114
22	<u>1,077,587</u>	<u>1,014,000</u>
	1,210,285	1,138,900
Non-Controlling Interest		
	70,446	67,663
	<u>1,280,731</u>	<u>1,206,563</u>
Non-Current Liabilities		
	39,235	35,068
24	145,503	111,800
	21,935	21,155
	9,858	5,968
	<u>216,531</u>	<u>173,991</u>
Current Liabilities		
	490	3,108
	265	43
24	126,878	183,029
	126,806	140,638
	259	1,409
	2,465	1,557
	<u>257,163</u>	<u>329,784</u>
	<u>473,694</u>	<u>503,775</u>
	<u>1,754,425</u>	<u>1,710,338</u>
TOTAL EQUITY AND LIABILITIES		
Net assets per share attributable to owners of the Company (RM)		
	2.72	2.56

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 period ended 30 June 2015

	Attributable to Owners of the Company						Non-Controlling Interest	Total Equity
	Non-distributable			Distributable				
	Share Capital	Share Premium	Other Reserve	Retained Earnings	Total			
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	-	-	-	47,395	47,395	965	48,360	
Currency translation differences	-	-	(5,442)	-	(5,442)	(1,914)	(7,356)	
Total comprehensive income for the period	-	-	(5,442)	47,395	41,953	(949)	41,004	
Dividends	-	-	-	(27,760)	(27,760)	-	(27,760)	
Dividend paid to non-controlling interest	-	-	-	-	-	(2,034)	(2,034)	
At 30 June 2014	111,042	744	(626)	940,485	1,051,645	61,053	1,112,698	
At 1 January 2015	111,042	744	13,114	1,014,000	1,138,900	67,663	1,206,563	
Profit for the period	-	-	-	63,587	63,587	2,967	66,554	
Currency translation differences	-	-	7,798	-	7,798	(184)	7,614	
Total comprehensive income for the period	-	-	7,798	63,587	71,385	2,783	74,168	
At 30 June 2015	111,042	744	20,912	1,077,587	1,210,285	70,446	1,280,731	

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)

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**Condensed Consolidated Statement of Cash Flows
For the period ended 30 June 2015**

	30.06.2015	30.06.2014
	RM'000	RM'000
	Unaudited	Unaudited
Net cash generated from/(used in) operating activities		
Receipts from customers	710,725	647,451
Payments to suppliers	(647,890)	(580,822)
	<hr/>	<hr/>
Cash generated from operations	62,835	66,629
Interest paid	(6,628)	(4,327)
Income tax paid	(13,062)	(10,787)
	<hr/>	<hr/>
	43,145	51,515
Net cash generated from/(used in) investing activities		
Acquisition of property, plant and equipment	(33,583)	(78,422)
Proceeds from disposal of property, plant and equipment	-	1,157
Dividends received from a joint venture/short term investment	12,186	459
Redemption of/(investment in) other investment	3,024	(12,548)
Interest received	1,075	988
	<hr/>	<hr/>
	(17,298)	(88,366)
Net cash generated from/(used in) financing activities		
Proceeds from term loans, bankers' acceptances and revolving credit	(22,448)	34,261
Dividends paid	-	(29,794)
Receipts/(advances) to a joint venture	-	70
	<hr/>	<hr/>
	(22,448)	4,537
Net decrease in Cash and Cash Equivalents	3,399	(32,314)
Effect of Exchange Rate Changes	(2,524)	(331)
Cash and Cash Equivalents at 1 January	95,444	113,731
	<hr/>	<hr/>
Cash and Cash Equivalents at 30 June	96,319	81,086
	<hr/>	<hr/>
Cash and Cash Equivalents at 30 June comprised the following:		
Cash and bank balances	96,319	81,086
Short term funds	24,941	45,200
	<hr/>	<hr/>
	121,260	126,286
	<hr/>	<hr/>
Cash and Cash Equivalents at 1 January comprised the following:		
Cash and bank balances	95,444	113,731
Short term funds	27,965	32,652
	<hr/>	<hr/>
	123,409	146,383
	<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 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

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

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.

9. Segmental Reporting

Segmental results for the period ended 30 June 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	510,128	191,154	36,148	301	737,731	-	737,731
Inter-segmental sales	20,654	2,499	-	487	23,640	(23,640)	-
Total revenue	530,782	193,653	36,148	788	761,371	(23,640)	737,731

9. Segmental Reporting (cont'd)

	Cans Division	Cartons Division	Contract Packing	Others	Total	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
RESULTS							
Segment results	71,369	9,639	4,074	(5,228)	79,854	-	79,854
Other income	5,608	57	205	-	5,870	(866)	5,004
	76,977	9,696	4,279	(5,228)	85,724	(866)	84,858
Finance costs	(5,505)	(1,719)	(269)	-	(7,493)	866	(6,627)
Share of profit of a joint venture	-	-	-	-	-	-	235
Profit/(loss) before taxation	71,472	7,977	4,010	(5,228)	78,231	-	78,466
Taxation							(11,912)
Non-controlling interest							(2,967)
							63,587
ASSETS AND LIABILITIES							
Segment assets	1,448,427	323,159	41,279	84,594	1,897,459	(163,279)	1,734,180
Unallocated corporate assets							20,245
Consolidated total assets							1,754,425
Segment liabilities	(335,929)	(162,564)	(20,417)	(95,912)	(614,822)	163,321	(451,501)
Unallocated corporate liabilities							(22,194)
Consolidated total liabilities							(473,694)
OTHER INFORMATION							
Capital Expenditure	37,730	6,161	2,325	64,400	110,616	-	110,616
Depreciation and amortisation	20,716	7,802	1,264	103	29,885	-	29,885
Non-cash expenses other than depreciation	1,803	(553)	(63)	4,226	5,413	-	5,413

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

On 19 June 2015, the Group announced:

- (i) the incorporation of a new indirect subsidiary in Republic of Singapore known as BP Pak (Singapore) Pte Ltd ("BPS") on 15 June 2015.

BPS is a wholly-owned subsidiary of Box-Pak (Malaysia) Bhd and has an issued and paid-up share capital of SGD2.00 comprising two (2) ordinary shares of SGD1.00 each. The principal activity of BPS is investment holding. It has yet to commence operations.

- (ii) the incorporation of a new wholly-owned subsidiary company in Malaysia known as Kian Joo Manufacturing Sdn Bhd ("KJMSB").

The authorised share capital of KJMSB is RM400,000 comprising of 400,000 shares of RM1.00 each, while its issued and paid-up capital is RM2.00 comprising 2 shares of RM1.00 each. The principal activities of KJMSB are the manufacture and trading of lithographed tin cans and other metal cans. It has yet to commence operations.

There were no other 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 June 2015 is as follows:

	RM'000
Approved and contracted for	14,230

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 30.06.2015 RM'000
Sales of trading inventories	Aik Joo Can Factory Sdn. Berhad ⁽ⁱ⁾	1,422
	F & B Nutrition Sdn. Bhd. ⁽ⁱⁱ⁾	1,977
	Canzo Sdn. Bhd. ⁽ⁱⁱⁱ⁾	34
Purchases of trading inventories	Aik Joo Can Factory Sdn. Berhad ⁽ⁱ⁾	652

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

Second Quarter 2015 (Q2, 2015) versus Second Quarter 2014 (Q2, 2014)

The Group recorded a total revenue of RM391.8 million in Q2, 2015, an increase from RM333.3 million in Q2, 2014. The Group's overall profit before taxation was higher in Q2, 2015 at RM42.4 million, compared to RM37.0 million in Q2, 2014.

(i) Cans Division

The Cans Division generated a total operating revenue of RM284.1 million in Q2, 2015, an increase from RM242.9 million in Q2, 2014. Profit before taxation of this division increased by RM1.4 million in Q2, 2015 to RM36.4 million compared to RM34.9 million in Q2, 2014.

The increase in revenue was mainly due to increased demand from the existing customers and new customers secured in Q2, 2015. The increase in revenue was also contributed by higher contribution from Vietnam plants due to relative appreciation of Vietnam Dong ("VND") against Ringgit Malaysia ("RM"). Profit before taxation increased in tandem with the increase in revenue.

(ii) Cartons Division

Revenue from Cartons Division increased in Q2, 2015 to RM100.5 million, from RM87.2 million in Q2, 2014. Profit before taxation was higher at RM4.7 million in Q2, 2015, from RM2.1 million in Q2, 2014.

The increase in revenue was mainly from the Division's Vietnam operations, which experienced increase in demand from customers. The relative appreciation of VND against RM also contributed to the increase. Profit before taxation was higher in Q2, 2015 compared to Q2, 2014 from the increased sales, and reduced loss from its plant in Hanoi.

(iii) Contract Packing Division

Revenue from Contract Packing Division in Q2, 2015 increased to RM21.1 million from RM11.1 million in Q2, 2014. This increase in revenue was mainly attributable to orders from new customers in beverages packing segment.

The Division recorded a profit before taxation in the current quarter of RM2.9 million, compared to a profit of RM0.4 million in Q2, 2014. This increase in profit was mainly attributable to increased sales experienced by this Division and improved sales margin as a result of economies of scale.

Financial Period Ended 30 June 2015 ("YTD 2015") versus Financial Period Ended 30 June 2014 ("YTD 2014")

The Group registered an increase in revenue of RM87.3 million, from RM650.4 million in YTD 2014 to RM737.7 million in YTD 2015. Profit before taxation also improved in tandem by RM20.1 million, from RM58.4 million in YTD 2014 to RM78.5 million in YTD 2015.

(i) Cans Division

The Cans division reported an increase in revenue of RM53.8 million, from RM477.0 million in YTD 2014 to RM530.8 million in YTD 2015. The increase in sales was contributed by increase in sales of general can and aluminium cans, following increase in demand from its existing and new customers.

The increase in revenue was also contributed by the relative appreciation of VND against RM. The improvement in profit before taxation was due mainly to the increase in sales.

(ii) Cartons Division

Revenue for Carton division increased to RM193.7 million in YTD 2015 compared to RM166.2 million in YTD 2014. Profit before taxation also improved to RM8.0 million in YTD 2015 compared to RM2.8 million in YTD 2014.

The increase in Q2, YTD 2015 revenue was mainly from the Division's Vietnam operations, which experienced increase in demand from customers. The relative appreciation of Vietnam Dong against Ringgit Malaysia also contributed to the increase. Profit before taxation was higher due to the increased sales, and reduced loss from its plant in Hanoi.

(iii) Contract Packing Division

Revenue from Contract Packing Division improved from RM21.0 million in YTD 2014 to RM36.1 million in YTD 2015. Profit before taxation improved to RM4.0 million in YTD 2015 compared to RM42,000 in YTD 2014.

The increase in revenue and profit was mainly due to demands from new customers secured and increase in sales to the existing customers.

17. Material Change in Performance of Operating Segments of Current Quarter (Q2, 2015) Compared with immediate Preceding Quarter (Q1, 2015)

The Group recorded a revenue of RM391.8 million in Q2, 2015, an increase from RM345.9 million in Q1, 2015. Profit before taxation also increased from RM36.0 million in Q1, 2015 to RM42.4 million in Q2, 2015.

(i) Cans Division

The Can Division recorded an increase in revenue from RM246.7 million in Q1, 2015 to RM284.1 million in Q2, 2015. The increase was contributed by increase in sales of tin cans and aluminium cans.

Profit before taxation also improved slightly from RM35.1 million to RM36.4 million due to the increase in sales, off-set by additional depreciation of new machinery commissioned this quarter.

(ii) Cartons Division

Revenue from Carton Division improved from RM93.2 million in Q1, 2015 to RM100.5 million in Q2, 2015 due to increase in demand from customers in Vietnam. Profit before taxation also improved from RM3.2 million in Q1, 2015 to RM4.7 million in Q2, 2015 as a results of the increased sales.

(iii) Contract Packing Division

Revenue from Contract Packing Division improved to RM21.1 million in the current quarter, from RM15.0 million in Q1, 2015. The decrease was mainly attributable to the increase in revenue in the beverage packing segment.

As a result of the increase in sales and economies of scale, the profit before taxation increased from RM1.1 million in Q1, 2015 to RM2.9 million in Q2, 2015.

18. Commentary on Prospects

The strengthening of US Dollar against regional currencies in 2015 poses a challenge for the Group as some of the materials bought by the Group are denominated in US Dollar. Since the end of the previous financial year, Ringgit Malaysia has devalued more than 10% against the US Dollar.

Competition in the packaging industry in Malaysia and Vietnam has remained stiff and in order to maintain its market share, the Group will need to constantly review its price structure.

Furthermore, the implementation of Goods and Services Tax in Malaysia in 2015 have an adverse cash flow impact to the Group.

Despite these challenges, the Group will constantly review its market position and operational efficiency and continue to remain resilient and profitable in 2015.

19. Profit Before Taxation

Included in profit before taxation are the following items:

	Current Year Quarter 30.06.2015 RM'000	Preceding Year Corresponding Quarter 30.06.2014 RM'000	Financial Period to date ended 30.06.2015 RM'000	Preceding Year Financial Period to date ended 30.06.2014 RM'000
Interest income	(593)	(404)	(1,075)	(807)
Other income including investment inco	1,481	(1,653)	(186)	(3,716)
Interest expense	3,400	2,423	6,628	4,327
Depreciation and amortisation	17,582	10,411	29,885	21,794
Impairment in respect of receivables	(3)	(69)	-	(105)
Gain on disposal of property, plant and equipment	-	(577)	(12)	(1,093)
Foreign exchange (gain)/loss	(2,211)	2,660	(8,387)	3,694
(Gain)/loss on derivatives	208	(600)	2,868	(1,018)
(Reversal of previous impairment)/ write-down/write-off of inventories	-	(520)	1,201	872

20. Variance from Forecast Profit and Profit Guarantee

No profit forecast or guarantee was issued by the Group.

21. Taxation

	Current Year Quarter 30.06.2015 RM'000	Preceding Year Corresponding Quarter 30.06.2014 RM'000	Financial Period to date ended 30.06.2015 RM'000	Preceding Year Financial Period to date ended 30.06.2014 RM'000
Group				
Income Tax				
- current year	(5,168)	(8,646)	(10,388)	(12,848)
- prior year	(9)	(8)	(9)	(13)
Deferred taxation	(149)	10	(1,515)	2,863
	(5,326)	(8,644)	(11,912)	(9,998)

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 30.06.2015 RM'000	As at 31.12.2014 RM'000
Total retained earnings of Group:		
- Realised	944,492	879,390
- Unrealised	84,990	86,505
	1,029,482	965,895
Add: Consolidated adjustments	48,105	48,105
Total Group retained earnings as per Consolidated Accounts	1,077,587	1,014,000

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.

23. Status of Corporate Proposals (cont'd)

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 30.06.2015 RM'000	As at 31.12.2014 RM'000
Current - unsecured		
- Trade facilities	99,109	149,024
- Term loans	27,769	34,005
	126,878	183,029
Non-current - unsecured		
- Term loans	145,503	111,800
	272,381	294,829

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

	As at 30.06.2015 RM'000	As at 31.12.2014 RM'000
Current - unsecured		
- Trade facilities (denominated in USD)	34,219	48,243
- Trade facilities (denominated in EUR)	-	12,853
- Trade facilities (denominated in VND)	8,386	21,192
- Term loans (denominated in USD)	592	2,307
- Term loans (denominated in VND)	689	650
	43,886	85,245
Non-current - unsecured		
- Term loans (denominated in USD)	20,500	5,043
- Term loans (denominated in VND)	8,332	4,555
	72,718	94,843

All the Group's borrowings are unsecured.

25. Material Litigations

(I) Claim by a former 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, a former 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")

In summary, the Plaintiff claimed the following:

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 received a Notice of Appeal from the Plaintiff's solicitors made to the Court of Appeal. The appeal pertains to the decision of the High Court delivered on 14 November 2014, which allowed the striking out applications by the Company ("Appeal"). The Court of Appeal fixed the above matter for hearing on 10 April 2015.

On 10 April 2015, the Court of Appeal fixed the Appeal for continued hearing on 29 May 2015. At the hearing on 29 May 2015, the Court of Appeal fixed the matter for decision on 1 June 2015.

On 1 June 2015, the Court of Appeal dismissed the Appeal and awarded costs of RM20,000 to the Company.

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 and fixed the next case management on 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.

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.

25. Material Litigations (cont'd)

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

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.

The above case was fixed for continued trial on 14 and 15 May 2015, 19 May 2015 and 22 June 2015, 6 and 7 July 2015, 10 July 2015 and 27 to 29 July 2015, 10 August 2015, 13 August 2015 and 21 August 2015.

On 10 August 2015, the High Court vacated the trial dates of 13 August 2015 and 21 August 2015 and fixed the above matter for clarification/decision on 29 October 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 Year Quarter 30.06.2015	Preceding Year Corresponding Quarter 30.06.2014	Preceding Year Financial Period to date ended 30.06.2015	Preceding Year Financial Period to date ended 30.06.2014
Profit attributable to owners of the company (RM '000)	35,279	27,569	63,587	47,395
Weighted average number of ordinary shares	444,167,786	444,167,786	444,167,786	444,167,786
Basic earnings per share (sen)	7.95	6.21	14.32	10.67

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 18 August 2015.

Batu Caves, Selangor Darul Ehsan
18 August 2015