

## KIAN JOO CAN FACTORY BERHAD

(Incorporated in Malaysia)

(Co. Reg. No. 003186-P)

### Condensed Consolidated Statement of Comprehensive Income for the third quarter ended 30 September 2015

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 30.09.2015 RM'000 Unaudited	Preceding Year Corresponding Quarter 30.09.2014 RM'000 Unaudited	Current Year Quarter Ended 30.09.2015 RM'000 Unaudited	Preceding Year Quarter Ended 30.09.2014 RM'000 Unaudited
Revenue		403,826	331,623	1,141,557	982,062
Cost of sales		(335,176)	(281,561)	(956,799)	(827,718)
Gross profit		68,650	50,062	184,758	154,344
Other income		106	1,675	5,110	5,391
Operating expenses		(8,726)	(15,188)	(44,979)	(59,695)
Finance costs		(3,839)	(3,009)	(10,467)	(7,336)
Share of results of joint venture (net of tax)		(480)	13,197	(245)	12,391
Profit Before Taxation	19	55,711	46,737	134,177	105,095
Taxation	21	(10,188)	(6,788)	(22,100)	(16,786)
<b>Profit for the period</b>		45,523	39,949	112,077	88,309
<b>Other comprehensive income, net of tax</b>					
Foreign currency translation differences for foreign operations		31,849	4,403	39,463	(2,953)
<b>Other comprehensive income for the period, net of tax</b>		31,849	4,403	39,463	(2,953)
<b>Total comprehensive income for the period</b>		77,372	44,352	151,540	85,356
Profit attributable to:					
Owners of the company		44,248	37,834	107,835	85,229
Non-controlling interest		1,275	2,115	4,242	3,080
<b>Profit for the period</b>		45,523	39,949	112,077	88,309
Total comprehensive income attributable to:					
Owners of the company		67,115	41,403	138,500	83,356
Non-controlling interest		10,257	2,949	13,040	2,000
<b>Total comprehensive income for the period</b>		77,372	44,352	151,540	85,356
Earnings per share attributable to owners of the company:					
Basic (sen)					
Continuing operations		9.96	8.52	24.28	19.19
Discontinued operation		-	-	-	-
		9.96	8.52	24.28	19.19

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 September 2015**

	Note	As at 30.09.2015 RM'000 Unaudited	As at 31.12.2014 RM'000 Audited
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant & equipment		904,388	830,106
Land use rights		64,894	20,718
Investment properties		27,033	23,833
Intangible assets		2,519	2,555
Investments in a joint venture		9,951	22,196
Other assets		45,200	61,613
Deferred tax assets		-	735
		<u>1,053,985</u>	<u>961,756</u>
<b>Current Assets</b>			
Inventories		313,866	307,715
Trade and other receivables		321,079	293,834
Other assets		25,775	15,420
Tax recoverable		5,376	8,204
Derivative financial instruments		1,184	-
Cash and bank balances and short term funds		173,267	123,409
		<u>840,547</u>	<u>748,582</u>
		<u>1,894,532</u>	<u>1,710,338</u>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to owners of the company			
Share capital		111,042	111,042
Share premium		744	744
Other reserves		43,779	13,114
Retained earnings	22	<u>1,121,835</u>	<u>1,014,000</u>
		1,277,400	1,138,900
<b>Non-Controlling Interest</b>			
		<u>80,703</u>	<u>67,663</u>
<b>Total Equity</b>		<u>1,358,103</u>	<u>1,206,563</u>
<b>Non-Current Liabilities</b>			
Retirement benefit obligation		37,932	35,068
Borrowings	24	114,332	111,800
Deferred tax liabilities		24,896	21,155
Derivative financial instrument		14,054	5,968
		<u>191,214</u>	<u>173,991</u>
<b>Current Liabilities</b>			
Retirement benefit obligation		2,787	3,108
Provisions		135	43
Borrowings	24	191,440	183,029
Trade and other payables		143,773	140,638
Tax payable		364	1,409
Derivative financial instrument		6,716	1,557
		<u>345,215</u>	<u>329,784</u>
<b>Total Liabilities</b>		536,429	503,775
		<u>1,894,532</u>	<u>1,710,338</u>
<b>TOTAL EQUITY AND LIABILITIES</b>			
Net assets per share attributable to owners of the Company (RM)			
		<u>2.88</u>	<u>2.56</u>

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 2



**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 September 2015**

	Attributable to Owners of the Company						Total Equity RM'000
	Non-distributable			Distributable			
	Share Capital RM'000	Share Premium RM'000	Other Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-Controlling Interest RM'000	
<b>At 1 January 2014</b>	111,042	744	4,816	920,850	1,037,452	64,036	1,101,488
Profit for the period	-	-	-	85,229	85,229	3,080	88,309
Currency translation differences	-	-	(1,873)	-	(1,873)	(1,080)	(2,953)
Total comprehensive income for the period	-	-	(1,873)	85,229	83,356	2,000	85,356
Dividends	-	-	-	(27,760)	(27,760)	-	(27,760)
Dividend paid to non-controlling interest	-	-	-	-	-	(2,034)	(2,034)
<b>At 30 September 2014</b>	<b>111,042</b>	<b>744</b>	<b>2,943</b>	<b>978,319</b>	<b>1,093,048</b>	<b>64,002</b>	<b>1,157,050</b>
<b>At 1 January 2015</b>	111,042	744	13,114	1,014,000	1,138,900	67,663	1,206,563
Profit for the period	-	-	-	107,835	107,835	4,242	112,077
Currency translation differences	-	-	30,665	-	30,665	8,798	39,463
Total comprehensive income for the period	-	-	30,665	107,835	138,500	13,040	151,540
<b>At 30 September 2015</b>	<b>111,042</b>	<b>744</b>	<b>43,779</b>	<b>1,121,835</b>	<b>1,277,400</b>	<b>80,703</b>	<b>1,358,103</b>

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 September 2015**

	<b>9 months ended 30.09.2015 RM'000 Unaudited</b>	<b>9 months ended 30.09.2014 RM'000 Unaudited</b>
<b>Net cash generated from/(used in) operating activities</b>		
Receipts from customers	1,114,312	647,451
Payments to suppliers	(944,572)	(580,822)
	<hr/>	<hr/>
Cash generated from operations	169,740	66,629
Interest paid	(10,467)	(4,327)
Income tax paid	(23,145)	(10,787)
	<hr/>	<hr/>
	136,128	51,515
<b>Net cash generated from/(used in) investing activities</b>		
Acquisition of property, plant and equipment	(119,505)	(78,422)
Proceeds from disposal of property, plant and equipment	791	1,157
Dividends received from a joint venture/short term investment	12,000	459
Redemption of/(investment in) other investment	(96,929)	(12,548)
Income from other investment	314	-
Interest received	1,717	988
	<hr/>	<hr/>
	(201,612)	(88,366)
<b>Net cash generated from/(used in) financing activities</b>		
Proceeds from term loans, bankers' acceptances and revolving credit	10,943	34,261
Dividends paid	-	(29,794)
Receipts/(advances) to a joint venture	-	70
	<hr/>	<hr/>
	10,943	4,537
Net decrease in Cash and Cash Equivalents	(54,541)	(32,314)
Effect of Exchange Rate Changes	7,470	(331)
Cash and Cash Equivalents at 1 January	95,444	113,731
	<hr/>	<hr/>
Cash and Cash Equivalents at 30 September	48,373	81,086
Cash and Cash Equivalents at 30 September comprised the following:		
Cash and bank balances	48,373	81,086
Short term funds	124,894	45,200
	<hr/>	<hr/>
	173,267	126,286

**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.

## 9. Segmental Reporting

Segmental information for the period ended 30 September 2015 are as follows:

	<b>Cans Division</b>	<b>Cartons Division</b>	<b>Contract Packing</b>	<b>Trading</b>	<b>Others</b>	<b>Total</b>	<b>Elimination</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>REVENUE</b>								
External sales	769,687	302,511	56,562	11,001	1,796	1,141,557	-	1,141,557
Inter-segmental sales	37,998	3,806	-	-	803	42,607	(42,607)	-
<b>Total revenue</b>	<b>807,685</b>	<b>306,317</b>	<b>56,562</b>	<b>11,001</b>	<b>2,599</b>	<b>1,184,164</b>	<b>(42,607)</b>	<b>1,141,557</b>
<b>RESULTS</b>								
Segment results	120,100	14,277	7,430	515	(2,443)	139,879	-	139,879
Other income	6,100	163	283	-	-	6,546	(1,536)	5,010
	126,200	14,440	7,713	515	(2,443)	146,425	(1,536)	144,889
Finance costs	(8,785)	(2,818)	(400)	-	-	(12,003)	1,536	(10,467)
Share of loss of a joint venture	-	-	-	-	-	-	-	(245)
Profit/(Loss) before taxation	117,415	11,622	7,313	515	(2,443)	134,422	-	134,177
Taxation								(22,100)
Non-controlling interest								(4,242)
								107,835
<b>ASSETS AND LIABILITIES</b>								
Segment assets	1,665,752	380,214	47,558	12,144	92,497	2,198,165	(312,568)	1,885,597
Unallocated corporate assets								8,935
<b>Consolidated total assets</b>								<b>1,894,532</b>
Segment liabilities	(400,972)	(179,265)	(23,625)	(28,700)	(79,456)	(712,018)	221,618	(490,400)
Unallocated corporate liabilities								(46,030)
<b>Consolidated total liabilities</b>								<b>(536,429)</b>
<b>OTHER INFORMATION</b>								
Capital Expenditure	80,141	10,543	4,709	-	24,112	119,505	-	119,505
Depreciation and amortisation	33,018	13,149	1,780	-	715	48,662	-	48,662
Non-cash expenses other than depreciation	2,019	10,183	-	-	-	12,202	-	12,202

## 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 30 September 2015 is as follows:

	<b>RM'000</b>
Approved and contracted for	208,528

**15. Related Party Transactions**

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

Nature of transaction	Identity of related parties	<b>Financial Period to date 30.09.2015 RM'000</b>
Sales of trading inventories	Aik Joo Can Factory Sdn. Berhad <sup>(i)</sup> F & B Nutrition Sdn. Bhd. <sup>(ii)</sup> Canzo Sdn. Bhd. <sup>(iii)</sup>	1,654 12,670 42
Purchases of trading inventories	Aik Joo Can Factory Sdn. Berhad <sup>(i)</sup>	734

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 the Company.

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

### *Third Quarter Ended 30 September 2015 ("Q3, 2015") versus Third Quarter Ended 30 September 2014 ("Q3, 2014")*

The Group recorded a total revenue of RM403.8 million in Q3, 2015, an increase from RM331.6 million in Q3, 2014. The Group's overall profit before taxation was higher in Q3, 2015 at RM55.7 million, compared to RM46.7 million in Q3, 2014.

Improvement in the Group's results was due mainly to the relative appreciation of Vietnam Dong ("VND") and US Dollar ("USD") against Ringgit Malaysia ("RM"). The Group recorded a foreign exchange gain of RM35.1 million in Q3, 2015, on remeasurement of its monetary assets denominated in USD.

The Group also recorded a loss on derivative financial instruments amounting to RM9.19 million in Q3, 2015 as compared to RM0.20 million in Q3, 2014. These derivative financial instruments were cross currency swap contracts, forward hedging of aluminium and forward contract on USD used to manage risks associated with the Group's business.

#### *(i) Cans Division*

The Cans Division generated a total operating revenue of RM276.9 million in Q3, 2015, an increase from RM237.7 million in Q3, 2014. Profit before taxation of this division increased by RM19.1 million in Q3, 2015 to RM45.9 million compared to RM27.3 million in Q3, 2014.

The increase in revenue was contributed by higher contribution from the Vietnam plant due to relative appreciation of VND against RM. Profit before taxation increased due to gains arising from foreign exchange and increase in revenue.

#### *(ii) Cartons Division*

Revenue from Cartons Division increased in Q3, 2015 to RM112.7 million, from RM88.5 million in Q3, 2014. Profit before taxation was lower at RM3.7 million in Q3, 2015, from RM5.3 million in Q3, 2014.

The increase in revenue was contributed by the increase in customers' order, especially in Vietnam. The reduction in profit was due mainly to foreign currency exchange loss in respect of loan denominated in USD taken by the Company's indirect subsidiary in Vietnam.

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

Revenue from Contract Packing Division in Q3, 2015 increased to RM20.4 million from RM12.3 million in Q3, 2014. This increase in revenue was mainly attributable to orders from new customers in beverages packing segment.

In tandem with the improvement in revenue, this Division recorded a higher profit before taxation at RM3.3 million in Q3, 2015 as compared to RM1.7 million in Q3, 2014.

#### *(iv) Trading Division*

The Group's Trading Division commenced trading activities in Q3, 2015.

### *Financial Period Ended 30 September 2015 ("YTD 2015") versus Financial Period Ended 30 September 2014 ("YTD 2014")*

The Group registered an increase in revenue of RM159.5 million, from RM982.1 million in YTD 2014 to RM1,141.6 million in YTD 2015. Profit before taxation also improved in tandem by RM29.1 million, from RM105.1 million in YTD 2014 to RM134.2 million in YTD 2015.

Improvement in the Group's results was due mainly to the relative appreciation of VND and USD against RM. The Group recorded a foreign exchange gain amounting to RM43.4 million in YTD 2015, on remeasurement of its monetary assets denominated in USD.



**16. Operating Segments Review (cont'd)**

The Group also recorded a loss on derivative financial instruments amounting to RM12.1 million in YTD 2015 as compared to a gain of RM0.8 million in YTD 2014. These derivative financial instruments were cross currency swap contracts, forward hedging of aluminium and forward contract on USD used to manage risks associated with the Group's business.

**(i) Cans Division**

The Cans Division reported an increase in revenue of RM93.1 million, from RM714.6 million in YTD 2014 to RM807.7 million in YTD 2015. The increase in sales was contributed by increase in demand from its existing and new customers for general cans and aluminium cans, as well as the relative appreciation of VND against RM.

The improvement in profit before taxation from RM83.2 million in YTD 2014 to RM117.4 million in YTD 2015 was due mainly to the increase in sales and foreign currency exchange gain.

**(ii) Cartons Division**

Revenue for Cartons Division increased to RM306.3 million in YTD 2015 compared to RM254.7 million in YTD 2014. Profit before taxation also improved to RM11.6 million in YTD 2015 compared to RM8.5 million in YTD 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 due to the increased sales.

**(iii) Contract Packing Division**

Revenue from Contract Packing Division improved from RM33.2 million in YTD 2014 to RM56.6 million in YTD 2015. Profit before taxation improved to RM7.3 million in YTD 2015 compared to RM1.5 million in YTD 2014.

The increase in revenue and profit was contributed by the beverage packing segment 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 Ended 30 September 2015 ("Q3, 2015") Compared with immediate Preceding Quarter Ended 30 June 2015 ("Q2, 2015")**

The Group recorded a revenue of RM403.8 million in Q3, 2015, a slight increase from RM391.8 million in Q2, 2015. Profit before taxation also increased from RM42.4 million in Q2, 2015 to RM55.7 million in Q3, 2015.

**(i) Cans Division**

The Cans Division recorded a slight decline in revenue from RM284.1 million in Q2, 2015 to RM276.9 million in Q3, 2015. This was due mainly to the drop in revenue for general cans.

Profit before taxation however, improved from RM36.4 million in Q2, 2015 to RM45.9 million in Q3, 2015 due mainly to foreign currency exchange gain.

**(ii) Cartons Division**

Revenue from Cartons Division improved from RM100.5 million in Q2, 2015 to RM112.7 million in Q3, 2015 due to increase in demand from customers in Vietnam in preparation of the coming festival season. Profit before taxation however, declined from RM4.7 million to RM3.7 million due to loss on foreign currency exchange on loan denominated in USD.

**(iii) Contract Packing Division**

Revenue and profit before taxation of the Contract Packing Division for Q3, 2015 are comparable to those of Q2, 2015.

## 18. Commentary on Prospects

The strengthening of USD against regional currencies in 2015 poses a challenge for the Group as some of the materials bought by the Group are denominated in USD. Since the end of the previous financial year, RM and VND had devalued by more than 20% and 5% respectively against the USD.

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:

	<b>Current Year Quarter 30.09.2015 RM'000</b>	<b>Preceding Year Corresponding Quarter 30.09.2014 RM'000</b>	<b>Financial Period to date ended 30.09.2015 RM'000</b>	<b>Preceding Year Financial Period to date ended 30.09.2014 RM'000</b>
Interest income	(641)	(306)	(1,716)	(1,113)
Other income including investment income	(128)	(1,675)	(314)	(5,391)
Interest expense	3,839	3,009	10,467	7,336
Depreciation and amortisation	18,777	11,586	48,662	33,380
Impairment in respect of receivables	4	17	4	(88)
Gain on disposal of property, plant and equipment	(57)	(277)	(69)	(1,370)
Non-current assets written off	349	291	349	291
Foreign exchange (gain)/loss	(35,056)	(1,558)	(43,443)	2,136
(Gain)/loss on derivatives	9,194	199	12,062	(819)
(Reversal of previous impairment)/ write-down/write-off of inventories	(227)	551	974	1,423

## 20. Variance from Forecast Profit and Profit Guarantee

No profit forecast or guarantee was issued by the Group.

## 21. Taxation

	Current Year Quarter 30.09.2015 RM'000	Preceding Year Corresponding Quarter 30.09.2014 RM'000	Financial Period to date ended 30.09.2015 RM'000	Preceding Year Financial Period to date ended 30.09.2014 RM'000
Group				
Income Tax				
- current year	7,173	5,767	17,561	18,615
- prior year	(18)	907	(9)	920
Deferred taxation	3,033	114	4,548	(2,749)
	10,188	6,788	22,100	16,786

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

## 22. Retained Earnings

	As at 30.09.2015 RM'000	As at 31.12.2014 RM'000
Total retained earnings of Group:		
- Realised	1,089,875	879,390
- Unrealised	45,667	86,505
	1,135,542	965,895
Add: Consolidated adjustments	(13,707)	48,105
Total Group retained earnings as per Consolidated Accounts	1,121,835	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 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. On 21 September 2015, the deadline was extended further to 23 March 2016.

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. On 7 October 2015, the deadline was further extended to 31 March 2016.

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:

	<b>As at 30.09.2015 RM'000</b>	<b>As at 31.12.2014 RM'000</b>
Current - unsecured		
- Trade facilities	144,040	149,024
- Term loans	47,400	34,005
	191,440	183,029
Non-current - unsecured		
- Term loans	114,332	111,800
	305,772	294,829

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

	<b>As at 30.09.2015 RM'000</b>	<b>As at 31.12.2014 RM'000</b>
Current - unsecured		
- Trade facilities denominated in USD	28,212	48,243
- Trade facilities denominated in VND	15,116	21,192
- Trade facilities denominated in Euro	-	12,853
- Term loan denominated in USD	335	2,307
- Term loan denominated in VND	392	650
Non-current - unsecured		
- Term loan denominated in USD	1,826	5,043
- Term loan denominated in VND	9,466	4,555
	55,347	94,843

All the Group's borrowings are unsecured.

## 25. Material Litigations

### 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 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 Kuala Lumpur High Court ("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)

### 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. This was subsequently postponed to 4 November 2015.

On 4 November 2015, the High Court ruled in favour of the Plaintiff and fixed 5 January 2016 to decide on the quantum of payment.

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 30.09.2015	Preceding Year Corresponding Quarter 30.09.2014	Financial Period to date ended 30.09.2015	Preceding Year Financial Period to date ended 30.09.2014
Profit attributable to owners of the company (RM '000)	44,248	37,834	107,835	85,229
Weighted average number of ordinary shares	444,167,786	444,167,786	444,167,786	444,167,786
<b>Basic earnings per share (sen)</b>	<b>9.96</b>	<b>8.52</b>	<b>24.28</b>	<b>19.19</b>

## 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 November 2015.

Batu Caves, Selangor Darul Ehsan  
 18 November 2015