



KIAN JOO CAN FACTORY BERHAD

(Incorporated in Malaysia)
(Co. Reg. No. 003186-P)

Condensed Consolidated Statement of Comprehensive Income for the fourth quarter ended 31 December 2015 (The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2015 RM'000 Unaudited	Preceding Year Corresponding Quarter 31.12.2014 RM'000 Unaudited	Financial Year Ended 31.12.2015 RM'000 Unaudited	Financial Year Ended 31.12.2014 RM'000 Audited
	Note			
Revenue	460,336	352,722	1,601,893	1,334,784
Cost of sales	(399,409)	(292,096)	(1,356,208)	(1,119,814)
Gross profit	<u>60,927</u>	<u>60,626</u>	<u>245,685</u>	<u>214,970</u>
Other income	8,115	2,375	13,225	7,766
Operating expenses	(35,747)	(20,723)	(80,726)	(80,418)
Finance costs	(4,881)	(2,680)	(15,348)	(10,016)
Share of results of joint venture (net of tax)	60	(664)	(185)	11,727
Profit Before Taxation	19 <u>28,474</u>	<u>38,934</u>	<u>162,651</u>	<u>144,029</u>
Taxation	21 <u>(4,511)</u>	<u>(2,815)</u>	<u>(26,611)</u>	<u>(19,601)</u>
Profit for the period	<u>23,963</u>	<u>36,119</u>	<u>136,040</u>	<u>124,428</u>
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	(6,585)	13,394	32,878	10,441
Other comprehensive income for the period, net of tax	(6,585)	13,394	32,878	10,441
Total comprehensive income for the period	<u>17,378</u>	<u>49,513</u>	<u>168,918</u>	<u>134,869</u>
Profit attributable to:				
Owners of the company	23,479	35,681	131,314	120,910
Non-controlling interest	484	438	4,726	3,518
Profit for the period	<u>23,963</u>	<u>36,119</u>	<u>136,040</u>	<u>124,428</u>
Total comprehensive income attributable to:				
Owners of the company	17,671	45,852	156,171	129,208
Non-controlling interest	(293)	3,661	12,747	5,661
Total comprehensive income for the period	<u>17,378</u>	<u>49,513</u>	<u>168,918</u>	<u>134,869</u>
Earnings per share attributable to owners of the company:				
Basic (sen)				
Continuing operations	5.29	8.03	29.56	27.22
Discontinued operation	-	-	-	-
	<u>5.29</u>	<u>8.03</u>	<u>29.56</u>	<u>27.22</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 31 December 2015

		As at 31.12.2015 RM'000 Unaudited	As at 31.12.2014 RM'000 Audited
ASSETS			
Non-Current Assets			
Property, plant & equipment		913,789	830,106
Land use rights		68,851	20,718
Investment properties		22,991	23,833
Intangible assets		225	2,555
Investments in a joint venture		-	22,196
Other assets		101,894	61,613
Deferred tax assets		512	735
		<u>1,108,262</u>	<u>961,756</u>
Current Assets			
Inventories		324,341	307,715
Trade and other receivables		340,889	293,834
Other assets		9,989	15,420
Available-for-sale financial assets		10,011	-
Tax recoverable		10,734	8,204
Derivative financial instruments		15	-
Cash and bank balances and short term funds		198,890	123,409
		<u>894,869</u>	<u>748,582</u>
TOTAL ASSETS		<u>2,003,131</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		37,971	13,114
Retained earnings	22	1,145,314	1,014,000
		<u>1,295,071</u>	<u>1,138,900</u>
Non-Controlling Interest		80,410	67,663
Total Equity		<u>1,375,481</u>	<u>1,206,563</u>
Non-Current Liabilities			
Retirement benefit obligation		46,085	35,068
Borrowings	24	116,999	111,800
Deferred tax liabilities		28,427	21,155
Derivative financial instrument		11,245	5,968
		<u>202,756</u>	<u>173,991</u>
Current Liabilities			
Retirement benefit obligation		249	3,108
Provisions		68	43
Borrowings	24	232,132	183,029
Trade and other payables		183,777	140,638
Tax payable		1,949	1,409
Derivative financial instrument		6,719	1,557
		<u>424,894</u>	<u>329,784</u>
Total Liabilities		627,650	503,775
TOTAL EQUITY AND LIABILITIES		<u>2,003,131</u>	<u>1,710,338</u>
Net assets per share attributable to owners of the Company (RM)		<u>2.92</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



KIAN JOO CAN FACTORY BERHAD
(Incorporated in Malaysia)
(Co. Reg. No. 003186-P)

Condensed Consolidated Statement of Changes in Equity
For the year ended 31 December 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	Non-Controlling Total Interest 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 year	-	-	-	120,910	120,910	3,518	124,428
Currency translation differences	-	-	8,298	-	8,298	2,143	10,441
Total comprehensive income for the period	-	-	8,298	120,910	129,208	5,661	134,869
Dividends	-	-	-	(27,760)	(27,760)	-	(27,760)
Dividend paid to non-controlling interest	-	-	-	-	-	(2,034)	(2,034)
At 31 December 2014	111,042	744	13,114	1,014,000	1,138,900	67,663	1,206,563
At 1 January 2015	111,042	744	13,114	1,014,000	1,138,900	67,663	1,206,563
Profit for the period	-	-	-	131,314	131,314	4,726	136,040
Currency translation differences	-	-	24,857	-	24,857	8,021	32,878
Total comprehensive income for the period	-	-	24,857	131,314	156,171	12,747	168,918
At 31 December 2015	111,042	744	37,971	1,145,314	1,295,071	80,410	1,375,481

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 year ended 31 December 2015

	Year ended 31.12.2015 RM'000 Unaudited	Year ended 31.12.2014 RM'000 Audited
Net cash generated from/(used in) operating activities		
Receipts from customers	1,575,385	1,323,543
Payments to suppliers	(1,320,836)	(1,165,087)
	<hr/>	<hr/>
Cash generated from operations	254,549	158,456
Interest paid	(15,348)	(10,046)
Income tax paid	(21,271)	(20,421)
	<hr/>	<hr/>
	217,930	127,989
Net cash generated from/(used in) investing activities		
Acquisition of property, plant and equipment	(230,966)	(201,364)
Proceeds from disposal of property, plant and equipment	16,355	1,644
Dividends received from a joint venture/short term investment	12,000	10,000
Net change in short term funds	(49,634)	16,587
Interest received	2,302	1,603
	<hr/>	<hr/>
	(249,943)	(171,530)
Net cash generated from/(used in) financing activities		
Proceeds from term loans, bankers' acceptances and revolving credit	54,302	66,592
Dividends paid	-	(29,794)
	<hr/>	<hr/>
	54,302	36,798
Net decrease in Cash and Cash Equivalents	22,289	(6,743)
Effect of Exchange Rate Changes	3,558	356
Cash and Cash Equivalents at 1 January	95,444	101,831
	<hr/>	<hr/>
Cash and Cash Equivalents at 31 December	121,291	95,444
Cash and Cash Equivalents at 31 December comprised the following:		
Cash and bank balances	63,868	48,963
Deposits with licenced bank	57,423	46,481
	<hr/>	<hr/>
	121,291	95,444

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 31 December 2015 are as follows:

	Cans Division	Cartons Division	Contract Packing	Trading	Others	Total	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE								
External sales	1,017,079	446,648	81,143	56,206	817	1,601,893	-	1,601,893
Inter-segmental sales	93,198	5,097	-	-	1,131	99,426	(99,426)	-
Total revenue	1,110,277	451,745	81,143	56,206	1,948	1,701,319	(99,426)	1,601,893
RESULTS								
Segment results	140,832	15,883	7,081	1,148	(5,611)	159,333	5,627	164,960
Other income	21,734	418	303	24	2	22,481	(9,256)	13,225
	162,566	16,301	7,384	1,172	(5,609)	181,814	(3,629)	178,185
Finance costs	(13,027)	(4,605)	(527)	-	(905)	(19,064)	3,715	(15,349)
Share of loss of a joint venture	-	-	-	-	-	-	-	(185)
Profit/(Loss) before taxation	149,539	11,696	6,857	1,172	(6,514)	162,750	86	162,651
Taxation								(26,611)
Non-controlling interest								(4,726)
								131,314
ASSETS AND LIABILITIES								
Segment assets	1,762,785	405,551	55,569	80,084	86,835	2,390,824	(398,954)	1,991,870
Unallocated corporate assets	8,279	1,526	1,281	-	175	11,261		11,261
Consolidated total assets								2,003,131
Segment liabilities	477,619	206,878	32,654	93,036	74,358	884,545	(305,235)	579,310
Unallocated corporate liabilities	23,757	22,191	762	5	1,625	48,340		48,340
Consolidated total liabilities								627,650
OTHER INFORMATION								
Capital Expenditure	108,652	17,751	2,918	-	68,956	198,277	-	198,277
Depreciation and amortisation	46,914	16,738	2,390	-	682	66,724	(158)	66,566
Non-cash expenses other than depreciation	2,748	7,887	-	-	-	10,635	-	10,635

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 9 December 2015:

- (i) its wholly-owned subsidiary, KJ Can (Singapore) Pte Ltd incorporated a wholly owned subsidiary in the Republic of the Union of Myanmar known as Kianjoo Can (Myanmar) Company Limited ("KJCM"). KJCM's authorised share capital is USD16.0 million comprising 16.0 million ordinary shares of USD1.00 each. Its issued and paid-up capital shall be USD16.0 million comprising 16.0 million ordinary shares of USD1.00 each. The intended principal activity of KJCM is manufacturing of tin cans, aluminium cans, ends and contract packaging services.

Subsequent to balance sheet date, issued and paid up capital amounted to USD7,899,990 was allotted.

- (ii) its indirect subsidiary, BP Pak (Singapore) Pte Ltd incorporated a wholly-owned subsidiary in the Republic of the Union of Myanmar known as Boxpak (Myanmar) Company Limited ("BPM"). BPM's authorised share capital is USD8.0 million comprising 8.0 million ordinary shares of USD1.00 each. Its issued and paid-up capital shall be USD7.5 million comprising 7.5 million ordinary shares of USD1.00 each. The intended principal activity of BPM is manufacturing of paper, paper boxes, cartons and board printing services.

Subsequent to balance sheet date, issued and paid up capital amounted to USD5,983,665 was allotted.

There were no other changes to the Group's composition during the quarter 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 December 2015 is as follows:

	RM'000
Approved and contracted for	<u>136,420</u>

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 <u>31.12.2015</u> RM'000
Sales of trading inventories	Aik Joo Can Factory Sdn. Berhad ⁽ⁱ⁾ F & B Nutrition Sdn. Bhd. ⁽ⁱⁱ⁾ Canzo Sdn. Bhd. ⁽ⁱⁱⁱ⁾	2,122 17,957 186
Purchases of trading inventories	Aik Joo Can Factory Sdn. Berhad ⁽ⁱ⁾	1,275

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

Fourth Quarter Ended 31 December 2015 ("Q4, 2015") versus Fourth Quarter Ended 31 December 2014 ("Q4, 2014")

The Group recorded a total revenue of RM460.3 million in Q4, 2015, an increase from RM352.7 million in Q4, 2014. The Group's overall profit before taxation was lower in Q4, 2015 at RM28.5 million, compared to RM38.9 million in Q4, 2014.

The lower profit before taxation was due mainly to foreign currency exchange loss of RM8.2 million as compared to a gain of RM3.8 million in Q4, 2014, goodwill written off amounted to RM2.4 million and higher operating and finance costs.

(i) Cans Division

The Cans Division generated a total operating revenue of RM302.6 million in Q4, 2015, an increase from RM256.7 million in Q4, 2014. Profit before taxation of this division decreased by RM3.6 million in Q4, 2015 to RM32.1 million compared to RM25.7 million in Q4, 2014.

The increase in revenue was contributed by higher contribution from the Vietnam plant due to relative appreciation of VND against RM and increase in demand from customers. Profit before taxation decreased due to losses arising from foreign exchange, higher staff cost and provision made for slow moving inventories.

(ii) Cartons Division

Revenue from Cartons Division increased in Q4, 2015 to RM145.4 million, from RM88.3 million in Q4, 2014. Profit before taxation was lower at RM0.1 million in Q4, 2015, from RM2.4 million in Q4, 2014.

The increase in revenue was contributed by higher contribution from the Vietnam plants due to relative appreciation of VND against RM and increase in demand from existing and new customers. The increase in customers' order, especially in Vietnam. The reduction in profit was due mainly to goodwill written off in respect of a loss making subsidiary, foreign currency exchange loss and higher operating and finance costs.

(iii) Contract Packing Division

Revenue from Contract Packing Division in Q4, 2015 increased to RM24.6 million from RM17.5 million in Q4, 2014. This increase in revenue was mainly attributable to increased orders from new customers.

This division recorded a loss before taxation of RM0.5 million in Q4, 2015 as compared to a profit before taxation of RM2.1 million due to provision for stock loss made during the quarter and higher operating cost.

(iv) Trading Division

The Group's Trading Division commenced trading activities in Q3, 2015 and recorded a revenue of RM45.1 million and profit before taxation of RM0.7 million

(v) Other Income

Increase in other income was due mainly to gain on disposal of property during the quarter

(vi) Operating Expenses

Increase in operating expenses was due mainly to foreign currency exchange losses recorded during the quarter, higher staff cost and other operating expenses.

16. Operating Segments Review (cont'd)

Financial Year Ended 31 December 2015 ("FY2015") versus Financial Year Ended 31 December 2014 ("FY2014")

The Group registered an increase in revenue of RM267.1 million, from RM1,334.8 million in FY2014 to RM1,601.9 million in FY2015. Profit before taxation also improved in tandem by RM18.6 million, from RM144.0 million in FY2014 to RM162.7 million in FY2015.

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 RM35.3 million in FY2015 against RM1.6 million in FY2014.

The Group also recorded a loss on derivative financial instruments amounting to RM10.4 million in FY2015 as compared to RM2.8 million in FY2014. 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 RM139.0 million, from RM971.3 million in FY2014 to RM1,110.3 million in FY2015. 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.

Profit before taxation improved by RM31.2 million from RM118.45 in FY2014 to RM149.5 million in FY2015. The improvement in profit is contributed by foreign currency exchange gain and higher contribution from its Vietnam plant as a result of relative appreciation of VND against RM.

(ii) Cartons Division

Revenue for Cartons Division increased by RM108.7 million to RM451.7 million in FY2015 compared to RM343.0 million in FY2014. Profit before taxation also improved to RM11.7 million in FY2015 compared to RM10.5 million in FY2014.

The increase in revenue was mainly from the Division's Vietnam operations. Higher demand from its customers and the relative appreciation of VND against RM contributed to the increased revenue and profit. Goodwill amounted to RM2.4 million in respect of a loss making subsidiary was written off during the year.

(iii) Contract Packing Division

Revenue from Contract Packing Division improved from RM50.7 million in FY2014 to RM81.1 million in FY2015. Profit before taxation doubled to RM6.9 million in FY2015 compared to RM3.4 million in FY2014.

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.

(iv) Trading Division

The Group's Trading Division commenced trading activities in the third quarter of 2015 and recorded a revenue of RM56.1 million and profit before taxation of RM1.4 million.

(v) Other Income

Increase in other income was due mainly to gain on disposal of property during the year under review.

(vi) Operating Expenses

Increase in operating expenses was due mainly to higher staff cost and other operating expenses.

17. Material Change in Performance of Operating Segments of Current Quarter Ended 31 December 2015 ("Q4, 2015") Compared with immediate Preceding Quarter Ended 30 September 2015 ("Q3, 2015")

The Group recorded a revenue of RM491.1 million in Q4, 2015, a 21.6% increase from RM403.8 million in Q3, 2015. Profit before taxation however decreased from RM55.7 million in Q3, 2015 to RM27.9 million in Q4, 2015.

Higher revenue recorded in Q4, 2015 was due mainly to increase in demand from customers in the fast moving consumer goods segment for the pre-festive season production.

The higher profit in Q3, 2015 was due mainly to foreign currency exchange gain of RM35.06 million. In Q4, 2015, a foreign exchange loss of RM4.3 million was recorded.

(i) Cans Division

Revenue in Can Division improved from RM276.9 million in Q3, 2015 to RM302.6 million in Q4, 2015 due to pre-festive season sales.

Profit before taxation for Q4, 2015 was lower at RM32.1 million as compared to RM45.9 million in Q3, 2015. The profit in Q3, 2015 was higher due to foreign currency exchange gains as compared to foreign currency exchange loss recorded in Q4, 2015. The profit was also lower due to provision for slow moving inventories and additional staff cost recorded in Q4, 2015.

(ii) Cartons Division

Revenue in Carton Division improved from RM112.7 million in Q3, 2015 to RM145.4 million in Q4, 2015 due to pre-festive season sales. Profit before taxation however, reduced to RM0.1 million in Q4, 2015, from RM3.7 million in Q3, 2015. The reduction in profit was mainly due to goodwill written off amounted to RM2.4 million, higher operating expenses and lower foreign currency exchange gain.

(iii) Contract Packing Division

Revenue in Contract Packing Division improved from RM20.4 million in Q3, 2015 to RM24.6 million in Q4, 2015 due to pre-festive season sales. A loss before taxation of RM0.5 million was recorded as compared to profit of RM3.3 million in Q3, 2015. This was due mainly to provision made for stock loss during the quarter.

17. Material Change in Performance of Operating Segments of Current Quarter Ended 31 December 2015 ("Q4, 2015") Compared with immediate Preceding Quarter Ended 30 September 2015 ("Q3, 2015")

(iv) Trading Division

The Trading Division recorded an increase in revenue from RM11.0 million in Q3, 2015 to RM45.1 million in Q4, 2015 in its first full operating quarter. Profit before taxation improved from RM0.5 million in Q3, 2015 to RM0.7 million in Q4, 2015.

(v) Other Income

Increase in other income was due mainly to gain on disposal of property during the quarter.

(vi) Operating Expenses

Increase in operating expenses was due mainly to higher staff cost and other operating expenses. In Q4, 2015, a foreign currency exchange loss of RM8.2 million was recorded as compared to a gain of RM35.1 million in Q3, 2015.

18. Commentary on Prospects

The volatility in foreign currency exchange rate poses a challenge for the Group as some of the materials bought by the Group are denominated in US Dollar. The potential rise in interest rate and the hike in levy imposed on foreign workers in Malaysia has also increased the cost burden of the Group.

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.

Despite these challenges, the Group will constantly review its market position, explore new market potential and improve operational efficiency to remain resilient and profitable in 2016.

19. Profit Before Taxation

Included in profit before taxation are the following items:

	Current Year Quarter 31.12.2015 RM'000	Preceding Year Corresponding Quarter 31.12.2014 RM'000	Financial year ended 31.12.2015 RM'000	Financial year ended 31.12.2014 RM'000
Interest income	(586)	(490)	(2,302)	(1,603)
Other income including investment income	(74)	764	(388)	(4,627)
Interest expense	4,881	2,680	15,348	10,016
Depreciation and amortisation	17,904	16,928	66,566	50,308
Impairment in respect of receivables	(977)	-	(973)	(88)
Gain on disposal of property, plant and equipment	(6,571)	(166)	(6,640)	(1,536)
Non-current assets written off	140	20	489	311
Foreign exchange (gain)/loss	8,172	(3,753)	(35,271)	(1,617)
Goodwill written off	2,375	-	2,375	-
(Gain)/loss on derivatives	(1,638)	3,594	10,424	2,775
(Reversal of previous impairment)/ write-down/write-off of inventories	1,662	922	2,636	2,345

20. Variance from Forecast Profit and Profit Guarantee

No profit forecast or guarantee was issued by the Group.

21. Taxation

	Current Year Quarter 31.12.2015 RM'000	Preceding Year Corresponding Quarter 31.12.2014 RM'000	Financial year ended 31.12.2015 RM'000	Financial year ended 31.12.2014 RM'000
Group				
Income Tax				
- current year	2,044	(4,125)	19,605	14,490
- prior year	(514)	(1,298)	(523)	(378)
Deferred taxation	2,981	8,238	7,529	5,489
	<u>4,511</u>	<u>2,815</u>	<u>26,611</u>	<u>19,601</u>

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 31.12.2015 RM'000	As at 31.12.2014 RM'000
Total retained earnings of Group:		
- Realised	1,179,951	879,390
- Unrealised	(20,254)	86,505
	<u>1,159,697</u>	<u>965,895</u>
Add: Consolidated adjustments	(14,383)	48,105
Total Group retained earnings as per Consolidated Accounts	<u>1,145,314</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.

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.

KIAN JOO CAN FACTORY BERHAD (003186-P)
PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD

24. Group Borrowings and Debt Securities

Total Group borrowings are as follows:

	As at 31.12.2015 RM'000	As at 31.12.2014 RM'000
Current - unsecured		
- Trade facilities	193,465	149,024
- Term loans	38,667	34,005
	232,132	183,029
Non-current - unsecured		
- Term loans	116,999	111,800
	349,131	294,829

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

	As at 31.12.2015 RM'000	As at 31.12.2014 RM'000
Current - unsecured		
- Trade facilities denominated in USD	1,204	48,243
- Trade facilities denominated in VND	39,595	21,192
- Trade facilities denominated in Euro	-	12,853
- Term loan denominated in USD	2,838	2,307
- Term loan denominated in VND	35,076	650
Non-current - unsecured		
- Term loan denominated in USD	3,364	5,043
- Term loan denominated in VND	3,102	4,555
	85,179	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.

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. ("KJP") and KJ Can (Selangor) Sdn. Bhd. ("KJCS") as the 2nd and 3rd Defendants (collectively, with the Company, "the Defendants") respectively, with costs in the cause.

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

An appeal to the Court of Appeal was filed on 1 December 2015 against the Decision of the High Court. The appeal has been fixed for case management before the Registrar of the Court of Appeal on 28 January 2016.

A Stay Application was filed on 12 January 2016 to the Court of Appeal. This has been fixed for hearing on 20 January 2016.

25. Material Litigations (cont'd)

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

At the hearing on quantum of payments which was subsequently postponed from 5 January 2016 to 21 January 2016, the High Court granted the following relief to the Plaintiff:

- (i) A total sum of RM8,822,810.72 being the retirement gratuity, contractual bonus and arrears of salary as claimed by the Plaintiff until the age of 70 years old;
- (ii) Interest at 5% per annum on item (i) above from 21 January 2016 until full payment; and
- (iii) Cost of RM519,074.82 with interest at 5% per annum from 21 January 2016 until full payment.

All the other claims by the Plaintiff were disallowed.

The Court of Appeal has fixed the hearing for 25 May 2016.

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

26. Dividend

The Board has proposed a first and final single-tier tax exempt dividend of 2 Sen (2014: Nil) per share, totalling RM8.883 million (2014: Nil) for the financial year ended 31 December 2015 to be paid, subject to approval from the shareholders.

27. Earnings Per Share

	Current Year Quarter 31.12.2015	Preceding Year Corresponding Quarter 31.12.2014	Financial Period to date ended 31.12.2015	Preceding Year Financial Period to date ended 31.12.2014
Profit attributable to owners of the company (RM '000)	23,479	35,681	131,314	120,910
Weighted average number of ordinary shares	444,167,786	444,167,786	444,167,786	444,167,786
Basic earnings per share (sen)	5.29	8.03	29.56	27.22

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 23 February 2016.

Batu Caves, Selangor Darul Ehsan
 23 February 2016