



## KIAN JOO CAN FACTORY BERHAD

(Incorporated in Malaysia)

(Co. Reg. No. 003186-P)

### Condensed Consolidated Statement of Comprehensive Income for the first quarter ended 31 March 2016

(The figures have not been audited)

	Note	CUMULATIVE QUARTER	
		Current year Quarter Ended 31.03.2016 RM'000	Preceding year Quarter Ended 31.03.2015 RM'000
		Unaudited	Unaudited
Revenue		428,071	345,930
Cost of sales		(363,943)	(296,360)
Gross profit		64,128	49,570
Other income		8,015	1,667
Operating expenses		(48,412)	(12,159)
Finance costs		(4,807)	(3,228)
Share of results of joint venture (net of tax)		-	183
Profit Before Taxation	19	18,924	36,033
Taxation	21	(6,436)	(6,586)
<b>Profit for the period</b>		12,488	29,447
<b>Other comprehensive (expense)/income, net of tax</b>			
Foreign currency translation differences for foreign operations		(14,160)	11,199
<b>Other comprehensive (expense)/income for the period, net of tax</b>		(14,160)	11,199
<b>Total comprehensive (expense)/income for the period</b>		(1,672)	40,646
Profit attributable to:			
Owners of the company		11,868	28,308
Non-controlling interest		620	1,139
<b>Profit for the period</b>		12,488	29,447
Total comprehensive (expense)/income attributable to:			
Owners of the company		(1,218)	37,558
Non-controlling interest		(454)	3,088
<b>Total comprehensive (expense)/income for the period</b>		(1,672)	40,646
Earnings per share attributable to owners of the company:			
Basic (sen)			
Continuing operations		<b>2.67</b>	<b>6.37</b>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements

## KIAN JOO CAN FACTORY BERHAD

(Incorporated in Malaysia)

(Co. Reg. No. 003186-P)

### Condensed Consolidated Statement of Financial Position

As at 31 March 2016

	Note	As at 31.03.2016 RM'000 Unaudited	As at 31.12.2015 RM'000 Audited
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant & equipment		918,628	913,789
Land use rights		123,017	68,851
Investment properties		22,870	22,991
Intangible assets		188	225
Deferred tax assets		512	512
Other assets		87,908	101,894
		1,153,123	1,108,262
<b>Current Assets</b>			
Inventories		338,450	324,341
Trade and other receivables		349,665	369,440
Other assets		4,754	9,989
Tax recoverable		13,544	10,734
Derivative financial instruments		-	15
Cash and bank balances and short term funds		169,961	198,890
		876,374	913,409
Non-current assets held for distribution		5,011	10,011
		881,385	923,420
<b>TOTAL ASSETS</b>		2,034,508	2,031,682
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to owners of the company			
Share capital		111,042	111,042
Share premium		744	744
Other reserves		24,885	37,971
Retained earnings	22	1,157,182	1,145,314
		1,293,853	1,295,071
<b>Non-Controlling Interest</b>			
		79,956	80,410
<b>Total Equity</b>		1,373,809	1,375,481
<b>Non-Current Liabilities</b>			
Retirement benefit obligation		37,270	46,085
Loans and borrowings	23	115,449	116,845
Deferred tax liabilities		29,047	28,427
Derivative financial instrument		7,478	11,245
		189,244	202,602
<b>Current Liabilities</b>			
Retirement benefit obligation		673	249
Provisions		148	68
Loans and borrowings	23	277,126	260,837
Trade and other payables		185,309	183,777
Tax payable		2,905	1,949
Derivative financial instrument		5,294	6,719
		471,455	453,599
<b>Total Liabilities</b>		660,699	656,201
<b>TOTAL EQUITY AND LIABILITIES</b>		2,034,508	2,031,682
Net assets per share attributable to owners of the Company (RM)		2.91	2.92

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 March 2016**

	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 2015</b>	111,042	744	13,114	1,014,000	1,138,900	67,663	1,206,563
Profit for the year	-	-	-	28,308	28,308	1,139	29,447
Currency translation differences	-	-	9,250	-	9,250	1,949	11,199
Total comprehensive income for the period	-	-	9,250	28,308	37,558	3,088	40,646
<b>At 31 March 2015</b>	<b>111,042</b>	<b>744</b>	<b>22,364</b>	<b>1,042,308</b>	<b>1,176,458</b>	<b>70,751</b>	<b>1,247,209</b>
<b>At 1 January 2016</b>	111,042	744	37,971	1,145,314	1,295,071	80,410	1,375,481
Profit for the period	-	-	-	11,868	11,868	620	12,488
Currency translation differences	-	-	(13,086)	-	(13,086)	(1,074)	(14,160)
Total comprehensive (expense)/income for the period	-	-	(13,086)	11,868	(1,218)	(454)	(1,672)
<b>At 31 March 2016</b>	<b>111,042</b>	<b>744</b>	<b>24,885</b>	<b>1,157,182</b>	<b>1,293,853</b>	<b>79,956</b>	<b>1,373,809</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 2015 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 March 2016**

	<b>Current year Quarter Ended RM'000 Unaudited</b>	<b>Preceding year Quarter Ended RM'000 Unaudited</b>
<b>Net cash generated from operating activities</b>		
Receipts from customers	456,452	382,621
Payments to suppliers	(402,202)	(342,191)
	<hr/>	<hr/>
Cash generated from operations	54,250	40,430
Interest paid	(4,807)	(3,186)
Income tax paid	(7,573)	(5,326)
	<hr/>	<hr/>
	41,870	31,918
<b>Net cash used in investing activities</b>		
Acquisition of property, plant and equipment	(90,328)	(36,401)
Proceeds from disposal of property, plant and equipment	108	210
Dividends received from a joint venture/short term investment	5,000	12,000
Net change in short term funds	(72,650)	21,826
Interest received	567	496
	<hr/>	<hr/>
	(157,303)	(1,869)
<b>Net cash generated from/(used in) financing activities</b>		
Drawdown/(repayment) from term loans, bankers' acceptances and revolving credit	33,953	(26,647)
	<hr/>	<hr/>
	33,953	(26,647)
Net (decrease)/increase in Cash and Cash Equivalents	(81,480)	3,402
Effect of Exchange Rate Changes	(20,099)	(1,124)
Cash and Cash Equivalents at 1 January	176,307	95,444
	<hr/>	<hr/>
Cash and Cash Equivalents at 31 March	74,728	97,722
Cash and Cash Equivalents at 31 March comprised the following:		
Cash and bank balances	66,730	44,733
Deposits with licenced bank	7,998	52,989
Short-term funds	95,233	6,278
	<hr/>	<hr/>
Cash and bank balances and short term funds	169,961	104,000
Less: Short-term funds	(95,233)	(6,278)
	<hr/>	<hr/>
Cash and cash equivalents at 31 March	74,728	97,722

**The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 2015. 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 2015.

## **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 2015.

### **2.1 Adoption of Standards, Amendments and IC Interpretations**

The accounting policies adopted are consistent with those of previous financial year except for the adoption of the following new and amended MFRSs and IC Interpretation mandatory for financial periods beginning on or after 1 January

- 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 116 and MFRS 141: Agriculture: Bearer Plants
- Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations
- 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 14: Regulatory Deferral Accounts

The adoption of the above standards and interpretation did not have any material effect on the financial performance or position of the Group.

### **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:

- 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 2015 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 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 March 2016 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	233,804	119,355	17,222	57,438	252	428,071	-	428,071
Inter-segmental sales	62,505	1,064	2,761	19,720	328	86,378	(86,378)	-
<b>Total revenue</b>	<b>296,309</b>	<b>120,419</b>	<b>19,983</b>	<b>77,158</b>	<b>580</b>	<b>514,449</b>	<b>(86,378)</b>	<b>428,071</b>
<b>RESULTS</b>								
Segment results	14,562	(2,424)	279	1,617	297	14,331	1,385	15,716
Other income	3,167	6,490	1,117	232	2	11,008	(2,993)	8,015
	17,729	4,066	1,396	1,849	299	25,339	(1,608)	23,731
Finance costs	(4,334)	(1,712)	(116)	-	(253)	(6,415)	1,608	(4,807)
Profit before taxation	13,395	2,354	1,280	1,849	46	18,924	-	18,924
Taxation								(6,436)
Non-controlling interest								(620)
								<b>11,868</b>
<b>ASSETS AND LIABILITIES</b>								
Segment assets	1,823,105	402,753	53,577	183,898	30,813	2,494,146	(473,694)	2,020,452
Unallocated corporate assets	9,712	1,570	2,577	-	197	14,056	-	14,056
<b>Consolidated total assets</b>								<b>2,034,508</b>
Segment liabilities	544,948	210,402	30,678	195,237	14,934	996,199	(380,224)	615,975
Unallocated corporate liabilities	24,733	17,627	762	5	1,597	44,724	-	44,724
<b>Consolidated total liabilities</b>								<b>660,699</b>
<b>OTHER INFORMATION</b>								
Capital Expenditure	15,317	34,263	7,808	4	32,936	90,328	-	90,328
Depreciation and amortisation	12,114	4,014	647	1	190	16,966	-	16,966
Non-cash expenses other than depreciation	20,536	4,622	-	73	-	25,231	-	25,231

## 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 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 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 March 2016 is as follows:

	<b>RM'000</b>
Approved and contracted for	<b>78,720</b>

**15. Related Party Transactions**

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

<b>Nature of transaction</b>	<b>Identity of related parties</b>	<b>Current year Quarter Ended 31.03.2016 RM'000</b>
Sales of trading inventories	Aik Joo Can Factory Sdn. Berhad <sup>(i)</sup>	187
	F & B Nutrition Sdn. Bhd. <sup>(ii)</sup>	3,561
	Canzo Sdn. Bhd. <sup>(iii)</sup>	11
Purchases of trading inventories	Aik Joo Can Factory Sdn. Berhad <sup>(i)</sup>	142

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

### *First Quarter Ended 31 March 2016 ("Q1, 2016") versus First Quarter Ended 31 March 2015 ("Q1, 2015")*

The Group recorded a total revenue of RM428.1 million in Q1, 2016, an increase from RM345.9 million in Q1, 2015. The Group's overall profit before taxation was lower in Q1, 2016 at RM18.9 million, compared to RM36.0 million in Q1, 2015.

The lower profit before taxation was mainly due to foreign currency exchange loss of RM25.2 million as compared to a gain of RM6.2 million in Q1, 2015. Due to the strengthening of Ringgit Malaysia ("RM") against United States Dollar ("USD") during the quarter, the Group recorded a foreign currency exchange loss of RM25.2 million of which RM22.3 million is unrealised, when it translates foreign currency monetary assets (including deposits placed for purchase of machinery and USD reserved for investment in Myanmar) into RM as at 31 March 2016.

#### *(i) Cans Division*

The Cans Division generated a total operating revenue of RM296.3 million in Q1, 2016, an increase from RM246.7 million in Q1, 2015. Profit before taxation of this division decreased by RM21.7 million in Q1, 2016 to RM13.4 million compared to RM35.1 million in Q1, 2015.

The increase in revenue was contributed by the increase in demand from customers and increase in production capacity of aluminium cans. Profit before taxation decreased due to foreign currency exchange loss and higher operating cost.

#### *(ii) Cartons Division*

Revenue from Cartons Division increased in Q1, 2016 to RM120.4 million, from RM93.2 million in Q1, 2015. This division recorded a profit before taxation of RM2.4 million in Q1, 2016 as compared to a profit before taxation of RM3.2 million in Q1, 2015.

The increase in revenue was contributed by higher contribution from the Vietnam plants due to relative appreciation of Vietnam Dong ("VND") against RM and increase in demand from customers. The reduction in profit was due mainly to foreign currency exchange loss and higher operating and finance costs.

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

Revenue from Contract Packing Division in Q1, 2016 increased to RM20.0 million from RM15.0 million in Q1, 2015. This increase in revenue was attributable mainly to increased demand from customers.

Profit before taxation of this division increased by RM0.1 million in Q1, 2016 to RM1.3 million compared to RM1.1 million in Q1, 2015.

#### *(iv) Trading Division*

The Group's Trading Division which commenced trading activities in Q3, 2015 and recorded a revenue of RM77.2 million and profit before taxation of RM1.8 million in Q1, 2016.

#### *(v) Operating Expenses*

Increase in operating expenses was due mainly to foreign currency exchange losses recorded during the quarter.



**17. Material Change in Performance of Operating Segments of Current Quarter Ended 31 March 2016 ("Q1, 2016") Compared with immediate Preceding Quarter Ended 31 December 2015 ("Q4, 2015")**

The Group recorded a revenue of RM428.1 million in Q1, 2016, a 7.0% decrease from RM460.3 million in Q4, 2015. Profit before taxation decreased from RM28.5 million in Q4, 2015 to RM18.9 million in Q1, 2016.

Lower revenue recorded in Q1, 2016 was due mainly to shut down during the New Year and Chinese New Year celebrations.

The lower profit was due mainly to higher foreign currency exchange loss of RM25.2 million in Q1, 2016 as compared to RM8.2 million in Q4, 2015.

**(i) Cans Division**

Revenue of Cans Division decreased from RM367.1 million in Q4, 2015 to RM296.3 million in Q1, 2016 due to lower sales after festive season.

Profit before taxation for Q1, 2016 was lower at RM13.4 million as compared to RM30.24 million in Q4, 2015. The profit in Q1, 2016 was lower due to higher foreign currency exchange loss in Q1, 2016.

**(ii) Cartons Division**

Revenue of Cartons Division decreased from RM145.4 million in Q4, 2015 to RM120.4 million in Q1, 2016 due to slower sales post festival period. A profit before taxation of RM2.4 million was recorded as compared to profit of RM0.01 million in Q4, 2015. Profit in Q4, 2015 was lower due to a one-off write off of goodwill amounted to RM2.4 million.

**(iii) Contract Packing Division**

Revenue in Contract Packing Division declined from RM24.6 million in Q4, 2015 to RM20.0 million in Q1, 2016 due to slower sales to customers post festival period. A profit before taxation of RM1.3 million was recorded as compared to profit of RM0.5 million in Q4, 2015. Profit was lower in Q4, 2015 due to a one-off provision made for stocks.

**(iv) Trading Division**

The Trading Division recorded an increase in revenue from RM45.1 million in Q4, 2015 to RM77.2 million in Q1, 2016. Profit before taxation improved from RM0.7 million in Q4, 2015 to RM1.8 million in Q1, 2016 in tandem with improvement in revenue.

**(vi) Operating Expenses**

Increase in operating expenses was due mainly to foreign currency exchange loss, higher staff cost and other operating expenses.

## 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 USD. In addition, the Group maintains a high balance of monetary assets in USD in conjunction with its expansion plan, where it is exposed to foreign currency fluctuation. The potential rise in interest rate and the hike in minimum wages in Malaysia will also increase 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 Ended 31.03.2016 RM'000	Preceding year Quarter Ended 31.03.2015 RM'000
Interest income	(567)	(496)
Other income including investment income	(2,354)	(1,667)
Interest expense	4,807	3,186
Depreciation and amortisation	16,966	12,303
Impairment in respect of receivables	-	3
Loss/(Gain) on disposal of property, plant and equipment	87	(12)
Write off of property, plant and equipment	1	-
Foreign exchange loss/(gain)	25,231	(6,176)
(Gain)/loss on derivatives	(5,095)	2,660
(Reversal of previous impairment)/ write-down/write-off of inventories	271	1,201

## 20. Variance from Forecast Profit and Profit Guarantee

No profit forecast or guarantee was issued by the Group.

## 21. Taxation

	Current year Quarter Ended 31.03.2016 RM'000	Preceding year Quarter Ended 31.03.2015 RM'000
Group		
Income Tax		
- current year	(5,775)	(5,220)
Deferred taxation	(661)	(1,366)

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 31.03.2016 RM'000	As at 31.12.2015 RM'000
Total retained earnings of Group:		
- Realised	1,237,325	1,179,216
- Unrealised	(66,538)	(19,519)
	1,170,787	1,159,697
Add: Consolidated adjustments	(13,605)	(14,383)
Total Group retained earnings as per Consolidated Accounts	1,157,182	1,145,314

## 23. Group Borrowings and Debt Securities

Total Group borrowings are as follows:

	As at 31.03.2016 RM'000	As at 31.12.2015 RM'000
Current - unsecured		
- Trade facilities	182,123	207,016
- Revolving credit	65,000	15,000
- Term loans	30,003	38,821
	277,126	260,837
Non-current - unsecured		
- Term loans	115,449	116,845
	392,575	377,682

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

	As at 31.03.2016 RM'000	As at 31.12.2015 RM'000
Current - unsecured		
- Trade facilities denominated in USD	2,003	1,204
- Trade facilities denominated in VND	40,610	39,595
- Term loan denominated in USD	1,041	2,838
- Term loan denominated in VND	630	907
Non-current - unsecured		
- Term loan denominated in USD	4,108	3,364
- Term loan denominated in VND	2,732	2,948
	51,124	50,856

All the Group's borrowings are unsecured.

**24. Status of Corporate Proposals**

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

On 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 15 April 2016, the Company announced that both Kian Joo and Aspire have mutually agreed to terminate the BSA and its ancillary agreements.

**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.

## 25. Material Litigations (cont'd)

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

On 31 October 2014, the High Court allowed STK to amend his Writ of Summons and Statement of Claim to add 2 wholly-owned subsidiaries, Kian Joo Packaging Sdn. Bhd. ("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.

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

## 27. Earnings Per Share

	Current year Quarter Ended 31.03.2016	Preceding year Quarter Ended 31.03.2015
Profit attributable to owners of the company (RM '000)	11,868	28,308
Weighted average number of ordinary shares	444,167,786	444,167,786
<b>Basic earnings per share (sen)</b>	<b>2.67</b>	<b>6.37</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 May 2016.

Batu Caves, Selangor Darul Ehsan  
18 May 2016