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 2016
(The figures have not been audited)

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Note	**Current Quarter Ended 30.09.2016 RM'000 Unaudited**	**Preceding Quarter Ended 30.09.2015 RM'000 Unaudited**	**Current Year-To-Date 30.09.2016 RM'000 Unaudited**	**Preceding Year-To-Date 30.09.2015 RM'000 Unaudited**
Revenue		421,457	403,826	1,288,403	1,141,557
Cost of sales		(353,316)	(335,176)	(1,090,829)	(956,799)
Gross profit		68,141	68,650	197,574	184,758
Other income		2,187	106	17,615	5,110
Operating expenses		(8,813)	(8,726)	(80,451)	(44,979)
Finance costs		(5,307)	(3,839)	(15,143)	(10,467)
Share of results of joint venture (net of tax)		-	(480)	-	(245)
Profit Before Taxation	19	56,208	55,711	119,595	134,177
Taxation	21	(3,876)	(10,188)	(14,942)	(22,100)
Profit for the period		52,332	45,523	104,653	112,077
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		12,747	31,849	(5,569)	39,463
Other comprehensive income for the period, net of tax		12,747	31,849	(5,569)	39,463
Total comprehensive income for the period		65,079	77,372	99,084	151,540
Profit attributable to:					
Owners of the company		50,841	44,248	102,203	107,835
Non-controlling interest		1,491	1,275	2,450	4,242
Profit for the period		52,332	45,523	104,653	112,077
Total comprehensive income attributable to:					
Owners of the company		61,765	67,115	98,262	138,500
Non-controlling interest		3,314	10,257	822	13,040
Total comprehensive income for the period		65,079	77,372	99,084	151,540
Earnings per share attributable to owners of the company:					
Basic (sen)					
Continuing operations		11.45	9.96	23.01	24.28
Discontinued operation		-	-	-	-
		11.45	**9.96**	**23.01**	**24.28**

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 30 September 2016

	Note	As at 30.09.2016 RM'000 Unaudited	As at 31.12.2015 RM'000 Audited
ASSETS			
Non-Current Assets			
Property, plant & equipment		970,070	913,789
Land use rights		125,793	68,851
Investment properties		22,627	22,991
Intangible assets		660	225
Other assets		115,399	101,894
Deferred tax assets		361	512
		1,234,910	1,108,262
Current Assets			
Inventories		378,220	324,341
Trade and other receivables		361,906	369,440
Other assets		2,965	9,989
Tax recoverable		18,329	10,734
Derivative financial instruments		5,304	15
Cash and bank balances and short term funds		211,235	198,890
		977,959	913,409
Non-current assets held for distribution		5,011	10,011
		982,970	923,420
TOTAL ASSETS		2,217,880	2,031,682
EQUITY AND LIABILITIES			
Equity attributable to owners of the company			
Share capital		111,042	111,042
Share premium		744	744
Other reserves		34,030	37,971
Retained earnings	23	1,238,633	1,145,314
		1,384,449	1,295,071
Non-Controlling Interest		81,232	80,410
Total Equity		1,465,681	1,375,481
Non-Current Liabilities			
Retirement benefit obligation		48,379	46,085
Borrowings	24	143,996	116,845
Deferred tax liabilities		26,095	28,427
Derivative financial instrument		6,982	11,245
		225,452	202,602
Current Liabilities			
Retirement benefit obligation		1,029	249
Provisions		133	68
Borrowings	24	314,393	260,837
Trade and other payables		203,289	183,777
Tax payable		4,095	1,949
Derivative financial instrument		3,808	6,719
		526,747	453,599
Total Liabilities		752,199	656,201
TOTAL EQUITY AND LIABILITIES		2,217,880	2,031,682
Net assets per share attributable to owners of the Company (RM)		3.12	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 third quarter ended 30 September 2016

	Attributable to Owners of the Company						
	Non-distributable			Distributable			
	Share Capital	Share Premium	Other Reserve	Retained Earnings	Total	Non-Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2015	111,042	744	13,114	1,014,000	1,138,900	67,663	1,206,563
Profit for the year	-	-	-	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
As at 30 September 2015	111,042	744	43,779	1,121,835	1,277,400	80,703	1,358,103
As at 1 January 2016	111,042	744	37,971	1,145,314	1,295,071	80,410	1,375,481
Profit for the period	-	-	-	102,203	102,203	2,450	104,653
Currency translation differences	-	-	(3,941)	-	(3,941)	(1,628)	(5,569)
Total comprehensive (expense)/ income for the period	-	-	(3,941)	102,203	98,262	822	99,084
Dividends	-	-	-	(8,884)	(8,884)	-	(8,884)
As at 30 September 2016	111,042	744	34,030	1,238,633	1,384,449	81,232	1,465,681

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 third quarter ended 30 September 2016

	Current Year-To-Date 30.09.2016 RM'000 Unaudited	Preceding Year-To-Date 30.09.2015 RM'000 Unaudited
Net cash generated from operating activities		
Receipts from customers	1,311,965	1,114,312
Payments to suppliers	(1,155,954)	(944,572)
Cash generated from operations	156,011	169,740
Interest paid	(15,143)	(10,467)
Income tax paid	(22,537)	(23,145)
	118,331	136,128
Net cash generated used in investing activities		
Acquisition of non-current assets	(183,600)	(119,505)
Proceeds from disposal of property, plant and equipment	503	791
Dividends received from a joint venture	5,000	12,000
Net changes in short term funds	(42,198)	(96,929)
Income from other investment	188	314
Interest received	1,399	1,717
	(218,708)	(201,612)
Net cash generated from financing activities		
Net proceeds from term loans, bankers' acceptances and revolving credit	80,793	10,943
Dividends paid	(8,884)	-
	71,909	10,943
Net decrease in Cash and Cash Equivalents	(28,468)	(54,541)
Effect of Exchange Rate Changes	(1,385)	7,470
Cash and Cash Equivalents at 1 January	176,307	95,444
Cash and Cash Equivalents at 30 September	146,454	48,373
Cash and Cash Equivalents at 30 September comprised the following:		
Cash and bank balances	72,039	48,373
Deposits with licenced bank	74,415	-
Short-term funds	64,781	124,894
Cash and bank balances and short term funds	211,235	173,267
Less: Short-term funds	(64,781)	(124,894)
Cash and Cash Equivalents at 30 September	146,454	48,373

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 comply 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 2016:

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 thes 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 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 a material effect on 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, repurchase, resale and repayment 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 2016 are as follows:

	Cans Division RM'000	Cartons Division RM'000	Contract Packing RM'000	Trading RM'000	Others RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
REVENUE								
External sales	682,722	363,395	46,105	195,423	758	1,288,403	-	1,288,403
Inter-segmental sales	201,282	3,822	11,909	139,606	1,042	357,661	(357,661)	-
Total revenue	884,004	367,217	58,014	335,029	1,800	1,646,064	(357,661)	1,288,403
RESULTS								
Segment results	96,979	4,335	904	9,571	906	112,695	4,428	117,123
Other income	25,880	5,669	643	301	187	32,680	(15,065)	17,615
	122,859	10,004	1,547	9,872	1,093	145,375	(10,637)	134,738
Finance costs	(13,781)	(5,841)	(321)	(91)	(747)	(20,781)	5,638	(15,143)
Profit before taxation								119,595
Taxation								(14,942)
Non-controlling interest								(2,450)
								102,203
ASSETS AND LIABILITIES								
Segment assets	1,965,715	454,898	68,045	206,533	88,490	2,783,681	(589,795)	2,193,886
Unallocated corporate assets	16,714	2,089	4,791	-	400	23,994	-	23,994
Consolidated total assets								2,217,880
Segment liabilities	608,573	263,015	47,446	140,318	71,753	1,131,105	(419,886)	711,219
Unallocated corporate liabilitie	22,445	14,854	935	1,147	1,599	40,980		40,980
Consolidated total liabilities								752,199
OTHER INFORMATION								
Capital Expenditure	56,545	79,758	14,821	16	32,460	183,600	-	183,600
Depreciation and amortisation	37,064	12,888	2,198	5	583	52,738	-	52,738
Non-cash expenses other than depreciation	11,835	5,040	-	-	64	16,939	-	16,939

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

Except for those in Note 12 and Note 22, there were no material events subsequent to the end of the period under review up to the date of this announcement that have not been disclosed in this quarterly financial statements.

12. Changes in the Composition of the Group

On 20 July 2016, the Company's wholly-owned subsidiary, KJ Can (Singapore) Pte Ltd incorporated a wholly-owned subsidiary in Singapore known as KJ TOGO PTE LTD ("KJ TOGO") with an issued and paid-up share capital of USD1.00 comprising one (1) ordinary share. The intended principal activity of KJ TOGO is investment holding.

On 11 November 2016, KJ TOGO incorporated a wholly-owned subsidiary in Malaysia known as KJ TOGO (MALAYSIA) SDN BHD ("KJTGM") with an authorised share capital of RM400,000 comprising 400,000 ordinary shares of RM1.00 each, and an issued and paid-up share capital of RM2.00 comprising two (2) ordinary shares of RM1.00 each. The intended principal activity of KJTGM is the manufacturing and distribution of aluminium cans and bottles.

Other than the above, 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 30 September 2016 is as follows:

	RM'000
Approved and contracted for	49,383

15. Related Party Transactions

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

Nature of transaction	**Identity of related parties**	**Current Year-To-Date 30.09.2016 RM'000**
Sales of trading inventories	Aik Joo Can Factory Sdn. Berhad (i)	2,038
	F & B Nutrition Sdn. Bhd. (ii)	10,730
	Canzo Sdn. Bhd. (iii)	23
Purchases of trading inventories	Aik Joo Can Factory Sdn. Berhad (i)	1,062
	F & B Nutrition Sdn. Bhd. (ii)	157

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 2016 ("Q3, 2016") versus Third Quarter Ended 30 September 2015 ("Q3, 2015")

The Group recorded a total revenue of RM421.5 million in Q3, 2016, an increase from RM403.8 million in Q3, 2015. The Group's overall profit before taxation was slightly higher in Q3, 2016 at RM56.2 million, compared to RM55.7 million in Q3, 2015.

(i) Cans Division

The Cans Division generated a total operating revenue of RM286.4 million in Q3, 2016, an increase from RM276.9 million in Q3, 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 of this division increased by RM5.7 million in Q3, 2016 to RM51.6 million compared to RM45.9 million in Q3, 2015 in tandem with the increase in revenue.

(ii) Cartons Division

Revenue from Cartons Division increased in Q3, 2016 to RM123.7 million, from RM112.7 million in Q3, 2015. This division recorded a profit before taxation of RM0.7 million in Q3, 2016 as compared to a profit before taxation of RM3.3 million in Q3, 2015.

The increase in revenue was contributed by higher contribution from the Vietnam plants due to increase in demand from customers. The reduction in profit was due mainly to higher paper cost, higher operating cost , finance cost and foreign currency exchange loss.

(iii) Contract Packing Division

Revenue from Contract Packing Division in Q3, 2016 decreased to RM17.6 million from RM20.4 million in Q3, 2015. This decrease in revenue was attributable mainly to decreased demand from customers in the milk powder packing segment.

During the quarter under review, this division recorded a loss before taxation of RM0.6 million compared to a profit before taxation of RM3.3 million in Q3, 2015 due to lower revenue, higher material and maintenance costs.

(iv) Trading Division

The Trading Division which commenced trading activities in Q3, 2015, recorded a revenue of RM135.1 million and profit before taxation of RM4.4 million in Q3, 2016.

(v) Operating Expenses

Increase in operating expenses was due mainly to lower foreign currency exchange gain of RM6.6 million recorded during the quarter under review as compared to a higher foreign currency exchange gain of RM35.1 million recorded in Q3, 2015.

16. Operating Segments Review (cont'd)

Year-to-date ended 30 September 2016 ("YTD 2016") versus Year-to-date ended 30 September 2015 ("YTD 2015")

The Group registered an increase in revenue of RM146.8 million, from RM1,141.6 million in YTD 2015 to RM1,288.4 million in YTD 2016. However, profit before taxation reduced by RM14.6 million, from RM134.2 million in YTD 2015 to RM119.6 million in YTD 2016.

Lower profit before taxation was recorded due to foreign currency exchange losses, higher operating and finance costs, especially during the first 6 months of the financial period.

The Group also recorded an unrealised gain on from hedging activities amounting to RM12.5 million in YTD 2016 as compared to a loss of RM12.1 million in YTD 2015.

(i) Cans Division

The Cans Division reported an increase in revenue of RM76.3 million, from RM807.7 million in YTD 2015 to RM884.0 million in YTD 2016. This was attributable to increase in demand from its existing customers for general cans and aluminium cans in Malaysia.

Profit before taxation declined by RM13.3 million from RM117.4 million in YTD 2015 to RM104.1 million in YTD 2016 due to foreign currency exchange losses, higher operating and finance costs.

(ii) Cartons Division

Revenue of Cartons Division improved from RM306.3 million in YTD 2015 to RM367.2 million in YTD 2016. The increase in revenue was contributed by higher contribution from the Vietnam plants due to increase in demand from customers.

Profit before taxation declined by RM7.4 million from RM11.6 million in YTD 2015 to RM4.2 million in YTD 2016. The reduction in profit of this division was due mainly to foreign currency exchange loss and higher operating and finance costs.

(iii) Contract Packing Division

Revenue of Contract Packing Division improved from RM56.6 million in YTD 2015 to RM58.0 million in YTD 2016 due to increase in demand from customers in beverage packing section. This division recorded a profit before taxation of RM1.2 million in YTD 2016 as compared to a profit before taxation of RM7.3 million in YTD 2015. The reduction in profit was due mainly to lower sales in dairy packing section, higher material and maintenance costs.

(iv) Trading Division

The Trading Division which commenced trading activities in Q3, 2015, recorded a revenue of RM335.0 million and profit before taxation of RM9.8 million in YTD 2016.

(vi) Operating Expenses

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

17. Material Change in Performance of Operating Segments of Q3, 2016 compared with immediate preceding quarter ended 30 June 2016 ("Q2, 2016")

The Group recorded a revenue of RM421.5 million in Q3, 2016, a 4.0% reduction from RM438.9 million in Q2, 2016. Profit before taxation increased from RM44.5 million in Q2, 2016 to RM56.2 million in Q3, 2016.

The higher profit in Q3, 2016 was due mainly to improvement in margin in the can division.

(i) Cans Division

Revenue in Can Division dropped from RM301.3 million in Q2, 2016 to RM286.4 million in Q3, 2016 due to decrease in demand from customers.

However, profit before taxation for Q3, 2016 was higher at RM51.6 million as compared to RM39.1 million in Q2, 2016. The improvement was contributed by improvement in profit margin and favourable foreign currency gains during the quarter.

(ii) Cartons Division

Revenue of Cartons Division increased slightly from RM123.1 million in Q2, 2016 to RM123.7 million in Q3, 2016 due to stronger demand from customers. A profit before taxation of RM0.7 million was recorded as compared to a profit of RM1.1 million in Q2, 2016. Profit in Q3, 2016 was lower was due mainly to foreign currency exchange loss and higher operating and finance costs.

(iii) Contract Packing Division

Revenue in Contract Packing Division decreased from RM20.5 million in Q2, 2016 to RM17.6 million in Q3, 2016 due to weaker demand for milk powder packing section. A loss before taxation of RM0.6 million was recorded as compared to profit of RM0.5 million in Q2, 2016 due to higher material, maintenance and finance costs.

(iv) Trading Division

The revenue of Trading Division increased from RM122.8 million in Q2, 2016 to RM135.0 million in Q3, 2016, mainly due to the increase in trading activities. A profit before taxation of RM4.4 million was recorded as compared to profit of RM3.6 million in Q2, 2016.

(vi) Operating Expenses

The decrease in operating expenses was due mainly to higher foreign currency exchange gain of RM6.6 million as compared to a lower foreign exchange gain of RM4.5 million recorded in Q2, 2016.

18. Commentary on Prospects

The volatility in foreign currency exchange rate poses a challenge for the Group due to exposure arising from its overseas operations and material cost which are denominated in United States Dollar ("USD"). The rise in minimum wage which took effect from 1 July 2016, has increased operating cost.

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 for the remaining part of 2016.

19. Profit Before Taxation

Included in profit before taxation are the following items:

	Current Quarter Ended 30.09.2016 RM'000	Preceding Quarter Ended 30.09.2015 RM'000	Current Year-To-Date 30.09.2016 RM'000	Preceding Year-To-Date 30.09.2015 RM'000
Interest income	(468)	(641)	(1,399)	(1,716)
(Other income including investment income)/other expense	(1,036)	(128)	(2,637)	(314)
Interest expense	5,307	3,839	15,143	10,467
Depreciation and amortisation	18,636	18,777	52,738	48,662
Impairment in respect of receivables	-	4	-	4
Gain on disposal of property, plant and equipment	(132)	(57)	(289)	(69)
Write off of property, plant and equipment	29	349	30	349
Foreign exchange (gain)/loss	(6,627)	(35,056)	14,084	(43,443)
(Gain)/loss on derivatives	(2,718)	9,194	(12,475)	12,062
(Reversal of previous impairment)/ write-down/write-off of inventories	710	(227)	(945)	974

20. Variance from Forecast Profit and shortfall in Profit Guarantee

No profit forecast or guarantee was issued by the Group.

21. Taxation

	Current Quarter Ended 30.09.2016 RM'000	Preceding Quarter Ended 30.09.2015 RM'000	Current Year-To-Date 30.09.2016 RM'000	Preceding Year-To-Date 30.09.2015 RM'000
Group				
Income Tax				
- current year	(8,234)	(7,173)	(18,649)	(17,561)
- prior year	1,576	18	1,576	9
Deferred taxation	2,782	(3,033)	2,131	(4,548)
	(3,876)	(10,188)	(14,942)	(22,100)

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. Status of Corporate Proposals

A (I) Proposed renounceable rights issue of new ordinary shares of RM1.00 each in subsidiary company, Box-Pak (Malaysia) Bhd. ("Box-Pak") ("Right Shares") together with free detachable warrants ("Warrants") to raise gross proceeds of up to RM120.0 million ("Proposed Rights Issue with Warrants");

(II) Proposed authority to allot and issue such number of shares in Box-Pak, representing up to 10% of the issued and paid-up capital of Box-Pak in accordance with Section 132D of the Companies Act, 1965;

(III) Proposed increase in the authorised share capital of Box-Pak from RM70,000,000 comprising 70,000,000 ordinary shares of RM1.00 each ("Box-Pak Shares") to RM600,000,000 comprising 600,000,000 Box-Pak Shares; and

(IV) Proposed amendments to Box-Pak's Memorandum and Articles of Association.

(collectively referred to as the "Proposals")

22. Status of Corporate Proposals (cont'd)

On 16 August 2016, Box-Pak announced the Proposals.

On 13 October 2016, an application for the following has been submitted to Bursa Malaysia Securities Berhad ("Bursa Securities"):

(i) Admission of the Warrants to the Official List of Bursa Securities;

(ii) Listing of and quotation for up to 60,023,490 Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants on the Main Market of Bursa Securities;

(iii) Listing of and quotation for up to 15,005,872 Warrants to be issued pursuant to the Proposed Rights Issue with Warrants on the Main Market of Bursa Securities; and

(iv) Listing of and quotation for up to 15,005,872 new Box-Pak Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities.

On 9 November 2016, Bursa Securities granted approval on the Proposals subject to the following conditions:

(i) BoxPak and AmInvestment Bank Berhad ("AmInvestment Bank"), its principal adviser for the Proposed Rights Issue with Warrants must fully comply with the relevant provisions under the Main Market Listing Requirements ("MMLR") pertaining to the implementation of the Proposed Rights Issue with Warrants;

(ii) the admission and listing and quotation of the Warrants and the new Box-Pak Shares to be issued pursuant to the Proposed Rights Issue with Warrants must take place upon achieving full compliance of the public shareholding spread requirements as prescribed under Paragraph 8.02 of the MMLR;

(iii) BoxPak and AmInvestment Bank to inform Bursa Securities upon the completion of the Proposed Rights Issue with Warrants;

(iv) AmInvestment Bank to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Rights Issue with Warrants is completed; and

(v) Box-Pak to furnish Bursa Securities on a quarterly basis a summary of total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detail computation of listing fees payable.

The above Proposals are subject to the approval of Box-Pak's shareholders at a general meeting to be convened.

B Memorandum of Understanding ("MOU") between the Company and Togo (Hong Kong) Industries Limited ("THKIL"), collectively referred to as ("Parties")

On 23 September 2016, the Company entered into a MOU with THKIL. The salient terms of MOU are as follows:

(i) THKIL is desirous of investing 30% in the equity of KJ TOGO PTE. LTD (a company incorporated in Singapore and wholly-owned by the Company), which will be the joint venture company used by the Parties for the manufacture and distribution of different types of aluminium bottles for beverages in some Asian countries using advanced technology which THKIL holds the license ("Technology");

(ii) The MOU does not create any legal binding obligations between the Parties, nor impose liability on either party to the other;

(iii) The terms of the agreement reached between the Parties shall be reflected only in a definitive agreement to be executed by the Parties; and

(iv) The Parties are bound by duty of confidentiality with respect to information disclosed during the course of negotiation between the Parties.

The MOU is not expected to have any material effect on the earnings per share, net assets per share, gearing, share capital and substantial shareholders' shareholding of the Company for the financial year ending 31 December 2016. Should the above joint-venture materialized, it is expected to contribute positively to the future earnings of the Group.

Save as disclosed above, there were no other corporate proposals announced as at the date of issue of this quarterly report.

23. Retained Earnings

	As at 30.09.2016 RM'000	As at 31.12.2015 RM'000
Total retained earnings of Group:		
- Realised	1,188,813	1,179,216
- Unrealised	69,734	(19,519)
	1,258,547	1,159,697
Add: Consolidated adjustments	(19,914)	(14,383)
Total Group retained earnings as per Consolidated Accounts	1,238,633	1,145,314

24. Group Borrowings and Debt Securities

Total Group borrowings are as follows:

	As at 30.09.2016 RM'000	As at 31.12.2015 RM'000
Current - unsecured		
- Trade facilities	197,787	207,016
- Revolving credit	55,000	15,000
- Term loans	61,606	38,821
	314,393	260,837
Non-current - unsecured		
- Term loans	143,996	116,845
	458,389	377,682

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

	As at 30.09.2016 RM'000	As at 31.12.2015 RM'000
Current - unsecured		
- Trade facilities denominated in USD	3,901	1,204
- Trade facilities denominated in VND	44,870	39,595
- Term loan denominated in USD	24,902	2,838
- Term loan denominated in VND	221	907
Non-current - unsecured		
- Term loan denominated in USD	21,374	3,364
- Term loan denominated in VND	36,475	2,948
	131,743	50,856

All the Group's borrowings were 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

(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 was 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. It was 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.

On 29 September 2016, the Court of Appeal heard arguments from counsel of all parties, and reserved its decision for a date to be fixed.

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

26. Dividend

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

27. Earnings Per Share

	Current Quarter Ended 30.09.2016	Preceding Quarter Ended 30.09.2015	Current Year-To-Date 30.09.2016	Preceding Year-To-Date 30.09.2015
Profit attributable to owners of the company (RM '000)	50,841	44,248	102,203	107,835
Weighted average number of ordinary shares	444,167,786	444,167,786	444,167,786	444,167,786
Basic earnings per share (sen)	11.45	9.96	23.01	24.28

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 16 November 2016.

Batu Caves, Selangor Darul Ehsan
16 November 2016