

## 1. CORPORATE DIRECTORY

### BOARD OF DIRECTORS

<b>Name</b>	<b>Address</b>	<b>Profession/ Occupation</b>	<b>Nationality</b>
William Maurice Samson <i>Independent Non-Executive Chairman</i>	30, Jalan 1/80B Bangsar Ria 59100 Kuala Lumpur	Director	Malaysian
Yeoh Jin Hoe <i>Managing Director</i>	13-10 Sucasa Apartment 222, Jalan Ampang 50450 Kuala Lumpur	Managing Director	Malaysian
Chee Khay Leong <i>Executive Director / Chief Operating Officer</i>	15, Jalan SS 14/5C 47500 Subang Jaya Selangor Darul Ehsan	Executive Director / Chief Operating Officer	Malaysian
Yeoh Jin Beng <i>Non-Independent Non-Executive Director</i>	18, Lorong Rahim Kajai 1 Taman Tun Dr. Ismail 60000 Kuala Lumpur	Director	Malaysian
Yusof Annuar Bin Yaacob <i>Non-Independent Non-Executive Director</i>	18, Jalan Bunga Melati 2/2 40000 Shah Alam Selangor Darul Ehsan	Director	Malaysian
Razmi Bin Alias <i>Non-Independent Non-Executive Director</i>	2, Jalan Puncak Setiawangsa 3 Taman Setiawangsa 54200 Kuala Lumpur	Director	Malaysian
See Ewe Lin <i>Independent Non-Executive Director</i>	37, Jalan Bunga Telang Fettes Park 11200 Penang	Director	Malaysian

### AUDIT COMMITTEE

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
William Maurice Samson	Chairman	Independent Non-Executive Chairman
See Ewe Lin	Member	Independent Non-Executive Director
Yusof Annuar Bin Yaacob	Member	Non-Independent Non-Executive Director

**1. CORPORATE DIRECTORY**

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- COMPANY SECRETARY** : Tan Bee Keng (MAICSA 0856474)  
9, Lorong PJU 3/23A  
Sunway Damansara  
47810 Petaling Jaya  
Selangor
- REGISTERED OFFICE** : Lot 2244, Jalan Rajawali, Batu 9  
Kampung Kebun Baru  
42500 Telok Panglima Garang  
Kuala Langat, Selangor Darul Ehsan  
Tel: (03) 3122 1988  
e-mail: [ajctpg@aikjoo.com.my](mailto:ajctpg@aikjoo.com.my)  
website: [www.canone.com.my](http://www.canone.com.my)
- HEAD / MANAGEMENT OFFICE** : Lot 2244, Jalan Rajawali, Batu 9  
Kampung Kebun Baru  
42500 Telok Panglima Garang  
Kuala Langat, Selangor Darul Ehsan  
Tel: (03) 3122 1988  
e-mail: [ajctpg@aikjoo.com.my](mailto:ajctpg@aikjoo.com.my)
- ADVISER, MANAGING UNDERWRITER, UNDERWRITER AND PLACEMENT AGENT** : Southern Investment Bank Berhad (169955-T)  
16<sup>th</sup> Floor Wisma Genting  
28 Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel: (03) 2059 4188
- PRINCIPAL BANKERS** : Bumiputera-Commerce Bank Berhad (13491-P)  
Penang Branch  
8th Floor, Bangunan KWSP  
Lot 3009, Off Lebuah Tenggiri 2  
Bandar Seberang Jaya  
13700 Seberang Jaya  
Penang  
Tel: (04) 397 8033
- HSBC Bank Malaysia Berhad (127776-V)  
17-23, Jalan Sultan  
46200 Petaling Jaya  
Selangor  
Tel: (03) 2050 7676
- RHB Bank Berhad (6171-M)  
Tower Two & Three, RHB Centre  
Jalan Tun Razak  
50400 Kuala Lumpur  
Tel: (03) 9278 8888

## 1. CORPORATE DIRECTORY

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- ISSUING HOUSE** : Malaysian Issuing House Sdn Bhd (258345-X)  
27<sup>th</sup> Floor Menara Multi-Purpose  
Capital Square  
8 Jalan Munshi Abdullah  
50100 Kuala Lumpur  
Tel: (03) 2693 2075
- REGISTRAR** : PFA Registration Services Sdn Bhd (19234-W)  
1301, Level 13, Uptown 1  
No. 1 Jalan SS 21/58  
Damansara Uptown  
47400 Petaling Jaya  
Selangor Darul Ehsan  
Tel: (03) 7725 4888  
e-mail: [regn@pfa.com.my](mailto:regn@pfa.com.my)
- AUDITORS AND REPORTING ACCOUNTANTS** : KPMG  
Chartered Accountants  
1st Floor, Wisma Penang Garden  
42, Jalan Sultan Ahmad Shah  
10050 Penang, Malaysia  
Tel: (04) 227 2288
- SOLICITOR FOR THE IPO** : Sarbjit & Co  
33, Level 7  
The Boulevard, Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur  
Tel: (03) 2283 1178
- INDEPENDENT MARKET RESEARCHER** : Frost & Sullivan (M) Sdn Bhd (522293-W)  
Suite E-08-15, Block E  
Plaza Mont' Kiara  
2, Jalan Kiara, Mont' Kiara  
50480 Kuala Lumpur  
Tel: (03) 6204 5800

## 1. CORPORATE DIRECTORY

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- UNDERWRITERS** : Southern Investment Bank Berhad (169955-T)  
16<sup>th</sup> Floor Wisma Genting  
28 Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel: 03-20594188
- RHB Sakura Merchant Bankers Berhad (19663-P)  
Level 9, Tower Three, RHB Centre  
Jalan Tun Razak  
50400 Kuala Lumpur  
Tel: (03) 9287 3888
- VALUER** : Rahim & Co. Chartered Surveyors Sdn Bhd (69437-W)  
Level 17, Menara Uni Asia  
1008 Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel: (03) 2691 9922
- LISTING SOUGHT** : Main Board of Bursa Securities

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## 2. INFORMATION SUMMARY

**This information summary is a summary of the information about the Can-One Group in the Prospectus. It does not contain all the information that may be important to you. You should read and understand the full text of this Prospectus before you decide to invest in this IPO.**

### 2.1 History and Business

Can-One was incorporated in Malaysia under the Act on 7 January 2004 as a public company under the name Can-One Group Berhad. On 21 January 2004 it assumed its present name. The Can-One Group comprises Can-One, as the investment holding company, and three (3) wholly-owned subsidiaries, namely, Aik Joo, Ajcan and Canzo. The principal activities of the subsidiaries are set out below:

Name	Date and Place of Incorporation	Effective Equity Interest (%)	Issued and Paid-up Share Capital	Principal Activities
Aik Joo	1 November 1957, Malaysia	100.0	RM10,000,000	Manufacturing of metal and lithographed cans, and jerry cans.
Ajcan	25 January 1983, Malaysia	100.0	RM200,000	Property letting and property investment
Canzo	9 October 2003, Malaysia	100.0	RM2	Manufacturing and trading of jerry cans and related products

The Can-One Group is principally involved in the manufacture of tin cans and jerry cans which are mainly used as packaging materials for edible oil, cereal, milk powder, biscuit, coffee powder, motor oils, chemicals and paint. The Group's customers are mainly in the food industry producing products such as edible oils, cereal products, dried food such as biscuit, milk powder and coffee powder whilst others are in the industrial sector with products such as motor oils, lubricants, paints and chemicals.

The main subsidiary, Aik Joo has been involved in the manufacture of lithographed general line tin cans for more than forty (40) years. It started as a small can manufacturer in early 1960's, supplying small quantity of cans such as plain biscuit cans and kerosene cans which mainly cater for retail businesses.

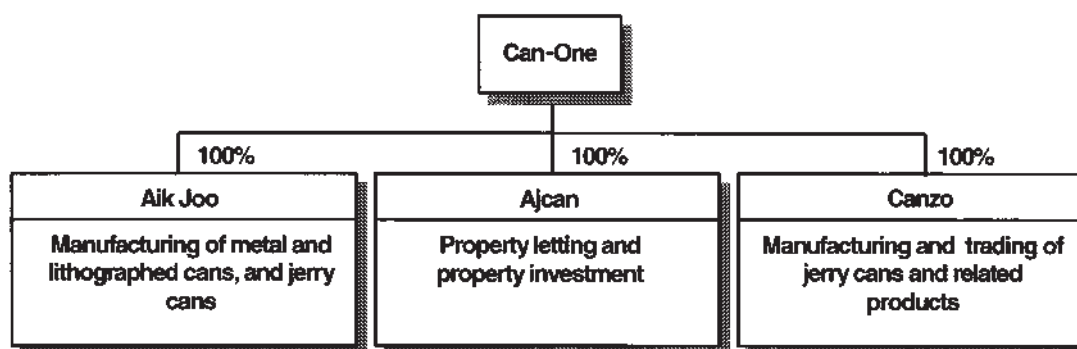
Aik Joo acquired its first factory in Mak Mandin, Butterworth in 1968. Since then, the business of Aik Joo has grown to a bigger scale, and in 1993 and 1994 it expanded operations to the central and southern regions of Peninsular Malaysia. Aik Joo's second factory at Pandamaran, Klang, which commenced operations in 1993, is mainly used to cater to the demands of its customers in the central region. In 1994, Aik Joo expanded its operations to Pasir Gudang, Johor. In 2000, its factory in Teluk Panglima Garang, Klang commenced operations. All of the above factories except the Pandamaran factory have a full range of machinery required to produce tin cans.

In addition to supplying tin cans to the domestic market, Aik Joo also ventured into the overseas market by exporting its edible oil tin cans to Vietnam, Singapore, Cambodia and paint cans to New Zealand. In 2003, Aik Joo increased its product range to the manufacture of jerry cans to complement the tin can business.

Further information on the history and business of the Can-One Group is set out in Section 5 of this Prospectus.

## 2. INFORMATION SUMMARY

The corporate structure of the Can-One Group is set out below:



### 2.2 Promoters, Substantial Shareholders, Directors, Key Management and Key Technical Personnel

#### 2.2.1 Promoters

The direct and indirect interests of the Promoters in Can-One after the IPO will be as follows:

Name	Designation	Direct		Indirect	
		No. of Can-One Shares	%	No. of Can-One Shares	%
Yeoh Jin Hoe	Promoter/ Managing Director	300,000 <sup>(1)</sup>	0.20	70,100,881 <sup>(2)</sup>	46.00
Gan Kam Lan	Promoter	-	-	70,100,881 <sup>(2)</sup>	46.00
Eller Axis	Promoter	70,100,881	46.00	-	-

**Notes:**

- (1) Assuming he subscribed for all his entitlement under the Share Allocation Scheme (but excluding any ESOS allocation).
- (2) Deemed interested by virtue of his/her substantial shareholdings in Eller Axis pursuant to Section 6A of the Act.

#### 2.2.2 Substantial Shareholders

The direct and indirect interests of the substantial shareholders in Can-One after the IPO will be as follows:

Name	Designation/ Principal activities	Direct		Indirect	
		No. of Can-One Shares	%	No. of Can-One Shares	%
Eller Axis	Investment holding	70,100,881	46.00	-	-
Iska Tenaga	Investment holding	26,771,119	17.57	-	-
Yeoh Jin Hoe	Promoter/Managing Director	300,000 <sup>(1)</sup>	0.20	70,100,881 <sup>(2)</sup>	46.00
Gan Kam Lan	Promoter	-	-	70,100,881 <sup>(2)</sup>	46.00
Razmi Bin Alias	Non-Independent Non-Executive Director	300,000 <sup>(1)</sup>	0.20	26,771,119 <sup>(3)</sup>	17.57
Faisal Sabri Bin Abd Khalid	Shareholder	-	-	26,771,119 <sup>(3)</sup>	17.57

## 2. INFORMATION SUMMARY

### Notes:

- (1) Assuming he subscribed for all his entitlement under the Share Allocation Scheme (but excluding any ESOS allocation).
- (2) Deemed interested by virtue of his/her substantial shareholdings in Eller Axis pursuant to Section 6A of the Act.
- (3) Deemed interested by virtue of his substantial shareholdings in Iska Tenaga pursuant to Section 6A of the Act.

### 2.2.3 Directors

The direct and indirect interests of the Directors in Can-One after the IPO will be as follows:

Name	Designation	Nationality	Direct		Indirect	
			No. of Can-One Shares	%	No. of Can-One Shares	%
William Maurice Samson	Independent Non-Executive Chairman	Malaysian	300,000 <sup>(2)</sup>	0.20	-	-
Yeoh Jin Hoe <sup>(1)</sup>	Promoter/ Managing Director	Malaysian	300,000 <sup>(2)</sup>	0.20	70,100,881 <sup>(3)</sup>	46.00
Chee Khay Leong	Executive Director / Chief Operating Officer	Malaysian	300,000 <sup>(2)</sup>	0.20	-	-
Yeoh Jin Beng <sup>(1)</sup>	Non-Independent Non-Executive Director	Malaysian	300,000 <sup>(2)</sup>	0.20	-	-
Yusof Annuar Bin Yaacob	Non-Independent Non-Executive Director	Malaysian	300,000 <sup>(2)</sup>	0.20	-	-
Razmi Bin Alias	Non-Independent Non-Executive Director	Malaysian	300,000 <sup>(2)</sup>	0.20	26,771,119 <sup>(4)</sup>	17.57
See Ewe Lin	Independent Non-Executive Director	Malaysian	300,000 <sup>(2)</sup>	0.20	-	-

### Notes:

- (1) Yeoh Jin Hoe and Yeoh Jin Beng are brothers.
- (2) Assuming he subscribed for all his entitlement under the Share Allocation Scheme (but excluding any ESOS allocation).
- (3) Deemed interested by virtue of his substantial shareholdings in Eller Axis pursuant to Section 6A of the Act.
- (4) Deemed interested by virtue of his substantial shareholdings in Iska Tenaga pursuant to Section 6A of the Act.

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## 2. INFORMATION SUMMARY

### 2.2.4 Key Management Personnel

The direct and indirect interests of the key management personnel in the Can-One Group after the IPO will be as follows:

Name	Designation	Direct		Indirect	
		No. of Can-One Shares	%	No. of Can-One Shares	%
Yeoh Jin Hoe	Promoter/Managing Director	300,000 <sup>(1)</sup>	0.20	70,100,881 <sup>(2)</sup>	46.00
Chee Khay Leong	Executive Director/Chief Operating Officer	300,000 <sup>(1)</sup>	0.20	-	-
Tan Bee Keng	Group Company Secretary	150,000 <sup>(1)</sup>	0.10	-	-
Tan Beng Wah	General Manager - Finance and Administration	150,000 <sup>(1)</sup>	0.10	-	-
Chong Yue Chin	General Manager – Sales and Marketing	150,000 <sup>(1)</sup>	0.10	-	-
Moy Weng Tat	Branch Manager – Pandamaran	100,000 <sup>(1)</sup>	0.07	-	-
Ng Kim Tong	Branch Manager / Quality Control Manager – Teluk Panglima Garang	100,000 <sup>(1)</sup>	0.07	-	-
Chong Yap Foe	Branch Manager – Pasir Gudang	100,000 <sup>(1)</sup>	0.07	-	-
Lim Phaik Ean	Administration Manager	100,000 <sup>(1)</sup>	0.07	-	-

**Notes:**

- (1) Assuming he subscribed for all his entitlement under the Share Allocation Scheme (but excluding any ESOS allocation).
- (2) Deemed interested by virtue of his substantial shareholdings in Eller Axis pursuant to Section 6A of the Act.

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## 2. INFORMATION SUMMARY

### 2.2.5 Key Technical Personnel

The direct and indirect interests of the key technical personnel in Can-One after the IPO will be as follows:

Name	Designation	Direct		Indirect	
		No. of Can-One Shares	%	No. of Can-One Shares	%
Wong Woo @ Wong Koon Nam	Chief Electrical Engineer	100,000 <sup>(1)</sup>	0.07	-	-
Lok Boon Seng	Chief Mechanical Engineer	100,000 <sup>(1)</sup>	0.07	-	-
Ng Yeow Fatt	Technical Manager – Printing and Projects	100,000 <sup>(1)</sup>	0.07	-	-
P'ng Yew Khoon	Head of Printing - Mak Mandin Branch	100,000 <sup>(1)</sup>	0.07	-	-
Devdass A/L Sebastian	Head of Production and Technical	100,000 <sup>(1)</sup>	0.07	-	-
Abu Talib Bin Abdul Rahim	Head of Production and Maintenance – Pasir Gudang	100,000 <sup>(1)</sup>	0.07	-	-

**Note:**

(1) Assuming he subscribed for all his entitlement under the Share Allocation Scheme (but excluding any ESOS allocation).

Further information on the Promoters, Substantial Shareholders, Directors, Key Management and Key Technical Personnel is set out in Section 6 of this Prospectus.

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## 2. INFORMATION SUMMARY

### 2.3 Historical Financial Information

The table below has been extracted from the Accountants' Report in Section 11 of this Prospectus and should be read in conjunction with the notes set out in Section 10.1 and Section 11 of this Prospectus.

The summarised proforma consolidated results of the Can-One Group for the past five (5) financial years ended 31 December 2000 to 2004 have been prepared for illustrative purposes assuming that Can-One Group had been in existence throughout the years under review:

	← Audited →				
	Proforma for FYE				
	2000	2001	2002	2003	2004
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	70,907	79,513	67,024	75,184	123,160
<b>Profit before depreciation and interest</b>	14,783	15,413	13,542	15,505	20,521
<b>Depreciation</b>	(2,838)	(2,902)	(3,052)	(3,042)	(3,949)
<b>Interest expense</b>	(253)	(576)	(536)	(407)	(2,168)
<b>PBT</b>	11,692	11,935	9,954	12,056	14,404
<b>Taxation</b>	(1,962)	(1,740)	(2,273)	(1,630)	(2,191)
<b>PAT</b>	9,730	10,195	7,681	10,426	12,213
<b>Number of Shares in issue<sup>(1)</sup> ('000)</b>	130,400	130,400	130,400	130,400	130,400
<b>EPS (sen)</b>					
<b>Gross</b>	8.97	9.15	7.63	9.25	11.05
<b>Net</b>	7.46	7.82	5.89	8.00	9.37

**Notes:**

- (1) Based on the number of shares to be issued for the Acquisition of Aik Joo and including subscribers' shares in Can-One.

There were no extraordinary or exceptional items for all the financial years under review.

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## 2. INFORMATION SUMMARY

### 2.4 Proforma Consolidated Balance Sheets as at 31 December 2004

The proforma consolidated balance sheets of the Can-One Group as set out below is extracted from the proforma consolidated balance sheets as at 31 December 2004 as disclosed in Section 10.11 of this Prospectus. The proforma consolidated balance sheets of Can-One Group as at 31 December 2004 have been prepared for illustrative purposes only assuming Can-One Group had been in existence on that date. The proforma consolidated balance sheets should be read in conjunction with the notes as disclosed in Section 10.11 of this Prospectus.

	Audited as at 31 December 2004 RM'000	Proforma (I) RM'000	Proforma (II) RM'000	Proforma (III) RM'000
PROPERTY, PLANT AND EQUIPMENT	4	56,966	67,066	67,066
OTHER INVESTMENT	-	4,016	4,016	4,016
<b>CURRENT ASSETS</b>				
Inventories	-	47,740	47,740	47,740
Trade and other receivables	7	40,074	40,074	40,074
Tax recoverable	-	2	2	2
Cash and cash equivalents	1	17,130	26,630	49,490
	<b>8</b>	<b>104,946</b>	<b>114,446</b>	<b>137,306</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	23	9,220	9,220	9,220
Borrowings	-	25,020	25,020	25,020
Taxation	-	565	565	565
	<b>23</b>	<b>34,805</b>	<b>34,805</b>	<b>34,805</b>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>	<b>(15)</b>	<b>70,141</b>	<b>79,641</b>	<b>102,501</b>
	<b>(11)</b>	<b>131,123</b>	<b>150,723</b>	<b>173,583</b>
Financed by: -				
SHARE CAPITAL	-*	65,200	76,200	87,630
SHARE PREMIUM	-	-	8,600	20,030
RETAINED PROFITS	(11)	12,365	12,365	12,365
<b>SHAREHOLDERS' FUND</b>	<b>(11)</b>	<b>77,565</b>	<b>97,165</b>	<b>120,025</b>
<b>BORROWINGS</b>	<b>-</b>	<b>47,314</b>	<b>47,314</b>	<b>47,314</b>
<b>DEFERRED TAX LIABILITIES</b>	<b>-</b>	<b>6,244</b>	<b>6,244</b>	<b>6,244</b>
	<b>(11)</b>	<b>131,123</b>	<b>150,723</b>	<b>173,583</b>
Number of shares in issue ('000)	-*	130,400	152,400	175,260
Net tangible (liabilities)/assets per ordinary share (RM)	(5,500)	0.59	0.64	0.68

**Note:**

\* Denotes RM2

## 2. INFORMATION SUMMARY

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The following transactions are assumed to have been effected as at 31 December 2004:

### (I) Proforma I

Proforma I incorporates the following:

Acquisitions by Can-One as follows:

- (i) Acquisition of the entire issued and paid up share capital of Aik Joo comprising 10,000,000 ordinary shares of RM1.00 each for a total purchase consideration of RM65,344,522 satisfied by way of issuance of 130,399,996 Can-One Shares credited as fully paid up at an issue price of approximately RM0.50 per Can-One Share.

The total purchase consideration was arrived at on a willing buyer-willing seller basis based on the adjusted consolidated NTA of Aik Joo as at 31 December 2003 after incorporating the revaluation surplus net of deferred tax amounting to RM264,265.

The acquisition will result in an enlarged issued and paid-up share capital of RM65,200,000 comprising 130,400,000 ordinary shares of RM0.50 each.

The acquisition is accounted for using the merger method of accounting as the transaction falls under internal group restructuring and accordingly, it meets the relevant criterias for merger method of accounting as set out in Malaysian Accounting Standards Board's Standard No. 21 – Business Combinations. The merger deficit of RM55,200,000 arising from the exchange of shares is adjusted against capital reserve first and the balance against retained profits.

- (ii) Acquisition of the entire issued and paid up share capital of Ajcan comprising 200,000 ordinary shares of RM1.00 each for a total cash purchase consideration of RM1,050,409 from Aik Joo. The total purchase consideration of RM1,050,409 was arrived at on a willing buyer-willing seller basis based on the NTA of Ajcan as at 31 December 2003.

- (iii) Acquisition of the entire issued and paid up share capital of Canzo comprising 2 ordinary shares of RM1.00 each for a total cash purchase consideration of RM2.00. The total purchase consideration of RM2.00 was arrived at on a willing buyer-willing seller basis based on the paid-up share capital of Canzo.

The acquisition is accounted for using the acquisition method of accounting as the purchase consideration is satisfied by way of cash. Negative goodwill arising on acquisition is recognised immediately in the income statement.

Intercompany balances have been eliminated in arriving at the Proforma Consolidated Balance Sheets.

### (II) Proforma II

Proforma II incorporates Proforma I and the following:

- (i) Public issue of 22,000,000 new Can-One Shares of RM0.50 per share at an issue price of RM1.00 per ordinary share.
- (ii) Estimated share issue expenses of RM2,400,000 will be set off against share premium account.

## **2. INFORMATION SUMMARY**

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- (iii) Proposed utilisation of gross proceeds of RM22,000,000 as set out in Section 2.10

### **(III) Proforma III**

Proforma III incorporates Proforma I, II and the exercise of 22,860,000 options under the ESOS, being 15% of the enlarged share capital, at an assumed exercise price of RM1 per ordinary share.

### **2.5 Audit Qualification in the Audited Accounts for the past five (5) financial years**

There were no audit qualifications recorded in the audited accounts of the Can-One Group for the past five (5) FYE 2004.

### **2.6 Summary of Material Risk Factors**

An investment in the IPO Shares of Can-One is likely to involve risk specific to investments in entities engaged in the manufacturing of tin cans and jerry cans. Applicants should carefully consider the material risks factors that may affect the Can-One Group and the industry in which it operates, as well as other information set forth in this Prospectus. Some of the material risk factors that should be considered include, but are not limited to the following:

#### **2.6.1 Company Risks**

- (i) Controlling Shareholders
- (ii) Dependence on Directors and Key Management Personnel
- (iii) Operational Risks
- (iv) Foreign Currency Risks
- (v) Borrowing Risks

#### **2.6.2 Business Risks**

- (i) Competition from Industry Players
- (ii) Competition from Substitute Products
- (iii) Increase in Raw Material Prices
- (iv) Dependence on Major Suppliers
- (v) Dependence on Other Industries
- (vi) Seasonal Fluctuations in Demand
- (vii) Political, Economic and Regulatory Considerations

#### **2.6.3 Other Risks**

- (i) Investment
- (ii) No Prior Market for Can-One Shares
- (iii) Failure or Delay of the Flotation Exercise
- (iv) Delay in Admission and Trading of Can-One Shares
- (v) Consolidated Profit and Dividend Forecast
- (vi) Forward-looking statements

Please refer to Section 4 "Risk Factors" of this Prospectus for further information on the abovementioned material risk factors which should be considered by prospective investors. We advise investors to carefully consider these material risk factors, together with the other information contained in this Prospectus before applying for the IPO Shares.

## 2. INFORMATION SUMMARY

### 2.7 Consolidated Profit and Dividend Forecast

#### 2.7.1 Profit Forecast

	<b>Forecast for FYE 2005 RM'000</b>
Revenue	175,035
Consolidated PBT and before negative goodwill	18,588
Negative goodwill recognised	132
Consolidated PBT but after negative goodwill	18,720
Less: Taxation	(3,500)
Consolidated PAT	15,220
Weighted average number of shares in issue	139,567
Net EPS before negative goodwill (sen) <sup>1</sup>	10.81
Net EPS after negative goodwill (sen) <sup>1</sup>	10.91
Net PE Multiple before negative goodwill based on the issue price of RM1.00 per Can-One Share (times) <sup>1</sup>	9.25
Net PE Multiple after negative goodwill based on the issue price of RM1.00 per Can-One Share (times) <sup>1</sup>	9.17

**Notes:**

1 Based on the weighted average number of Can-One Shares after the IPO but before exercise of ESOS Options, assuming completion of the IPO by end of July 2005.

Further notes and assumptions on the profit forecast are set out in Section 10.6 of this Prospectus.

#### 2.7.2 Dividend Forecast

	<b>Forecast for FYE 2005</b>
Tax-exempt dividend per Can-One Share (sen)	1.50
Tax-exempt dividend yield based on the issue price of RM1.00 per Can-One Share (%)	1.50
Tax-exempt dividend cover (times)	6.60

Further information on the dividend forecast and policy is set out in Section 10.10 of this Prospectus.

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## 2. INFORMATION SUMMARY

### 2.8 Principal Statistics Relating to the IPO

#### 2.8.1 Share Capital

<b>Authorised</b>	<b>RM</b>
200,000,000 ordinary shares of RM0.50 each	<u>100,000,000</u>
<b>Issued and fully paid-up after the Acquisitions as at the date of this Prospectus</b>	
130,400,000 ordinary shares of RM0.50 each	65,200,000
<b>To be issued pursuant to the Public Issue</b>	
22,000,000 ordinary shares of RM0.50 each	11,000,000
Enlarged issued and paid-up share capital	<u>76,200,000</u>
To be issued pursuant to ESOS	<u>11,430,000</u>
<b>Fully enlarged issued and paid-up share capital after the Public Issue and exercise of ESOS Options</b>	<b><u>87,630,000</u></b>
<b>To be offered pursuant to the Offer for Sale</b>	
33,528,000 ordinary shares of RM0.50 each	<u>16,764,000</u>
<b>2.8.2 Issue Price Per Can-One Share</b>	<b>RM1.00</b>

#### 2.8.3 Classes of Can-One Shares and Rights

There is only one (1) class of shares in the Company, being ordinary shares of RM0.50 each, all of which rank pari passu with one another. The IPO Shares, upon allotment and issue, will rank pari passu in all respect with the existing issued and paid-up ordinary shares of the Company, including voting rights and rights to all dividends and other distributions that may be declared subsequent to the date of allotment of the said IPO Shares.

Subject to any special rights attaching to any shares which may be issued by the Company in the future, the holders of ordinary shares in the Company shall, in proportion to the amount paid-up on the shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends and other distributions and in respect of any surplus in the event of liquidation of the Company.

At any general meeting of the Company, each shareholder shall be entitled to vote in person or by proxy or by attorney or by other duly authorised representative, and, on a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have one vote, and, on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each ordinary share held. A proxy may but need not be a member of the Company.

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## 2. INFORMATION SUMMARY

### 2.9 Proforma Consolidated NTA as at 31 December 2004

	NTA RM'000	NTA per share RM
Proforma Consolidated NTA after Subdivision of Shares and Acquisitions	77,565	0.59
Proforma Consolidated NTA after Subdivision of Shares, Acquisitions, IPO and proposed utilisation of proceeds from the Public Issue	97,165	0.64
Proforma Consolidated NTA after Subdivision of Shares, Acquisitions, IPO, proposed utilisation of proceeds from the Public Issue and exercise of ESOS Options at an assumed price of RM1 per Can-One Share	120,025	0.68

### 2.10 Utilisation of Proceeds of the Public Issue

The Public Issue is expected to raise total gross proceeds of approximately RM22.00 million which will be utilised for the following purposes:

Utilisation	RM	Timeframe for utilisation of proceeds
Acquisition of land and construction of new factory	7,000,000	Within twelve (12) months from the listing date
Acquisition of production machinery	3,100,000	Within twelve (12) months from the listing date
Estimated share issue expenses	2,400,000	Within three (3) months from the listing date
Working capital	9,500,000	Within twelve (12) months from the listing date
<b>TOTAL</b>	<b>22,000,000</b>	

Further information on the utilisation of the Public Issue proceeds are disclosed in Section 3.8 of this Prospectus.

### 2.11 Working Capital, Borrowings, Material Litigation/Arbitration, Material Commitments and Contingent Liabilities

#### 2.11.1 Working Capital

The Board of Directors of Can-One is of the opinion that after taking into account the Group's cashflow position, the banking facilities available and the allocation of RM9.5 million for working capital arising from the Group's gross proceeds from the Public Issue, the Group will have adequate working capital for a period of twelve (12) months from the date of this Prospectus.



## 2. INFORMATION SUMMARY

### 2.11.2 Borrowings

As at the Latest Practicable Date, the total bank borrowings of the Group amounted to approximately RM52.76 million. These borrowings are as follows:

	Payable within twelve (12) months RM	Payable after twelve (12) months RM	Total outstanding RM
Term loan for the financing of extension of factory in Pasir Gudang and purchase of machinery	353,076	1,472,989	1,826,065
Term loan for the financing of purchase of machinery	1,059,216	660,376	1,719,592
Term loan for the financing of purchase of machinery	-	7,262,808	7,262,808
Term loan for the financing of acquisition of land and factory building in Mak Mandin	276,000	1,342,048	1,618,048
Term loan for the financing of upgrading of Mak Mandin factory	56,760	279,206	335,966
Term loan for the financing of purchase of fixed assets and machinery, and working capital	-	40,000,000	40,000,000
<b>Total</b>	<b>1,745,052</b>	<b>51,017,427</b>	<b>52,762,479</b>

As at the Latest Practicable Date, the Group has no foreign currency borrowings. There has not been any default on payments of either interest and/or principal sums in respect of any borrowings throughout the past one (1) financial year and the subsequent financial period thereof, immediately preceding the date of this Prospectus.

### 2.11.3 Material Litigation/Arbitration

As at the Latest Practicable Date, neither the Company nor its subsidiaries are engaged in any material litigation, either as plaintiff or defendant, or material arbitration proceeding, which has a material effect on the business or financial position of the Company or its subsidiaries and the Board of Can-One does not know of any proceeding pending or threatened or of any facts likely to give rise to any proceeding which might materially affect the business or financial position of the Company or its subsidiaries.

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**2. INFORMATION SUMMARY**

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**2.11.4 Material Commitments**

Save as disclosed below, as at 9 June 2005, the Can-One Group does not have any material commitment that would have a material impact on the profit or net assets of the Group:

	<b>Amount</b>
	<b>RM'000</b>
<b>Approved and contracted for:</b>	
• Machinery	970
<b>Approved and not contracted for:</b>	
• Land	3,732
<b>Total</b>	<b>4,702</b>

**2.11.5 Contingent Liabilities**

As at the Latest Practicable Date, the Can-One Group does not have any material contingent liability that upon materialisation would have a material impact on the profit or net assets of the Group.

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### 3. INFORMATION ON THE IPO

This Prospectus is dated 30 June 2005. A copy of this Prospectus has been registered with the SC and lodged with the ROC who takes no responsibility for its contents.

The SC has approved the issue, offer and invitation in respect of the IPO on 6 April 2005 and the approval shall not be taken to indicate that the SC recommends the IPO.

The SC shall not be liable for any non-disclosure on the part of Can-One and takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

On 27 July 2004, Bursa Securities has approved in principle the following:

- (i) admission to the Official List and the listing and quotation of the entire enlarged issued and paid-up share capital of Can-One of RM76,200,000 comprising 152,400,000 Can-One Shares on the Main Board of Bursa Securities on a "Ready" basis pursuant to the Rules of the Bursa Securities or such variations to the enlarged issued and paid-up capital as may be imposed by the SC; and
- (ii) listing of such number of new additional Can-One Shares representing up to 15% of the issued and paid-up share capital of the Company to be issued pursuant to the exercise of Options under the ESOS.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, Bursa Securities has prescribed Can-One Shares as a prescribed security. In consequence thereof, the shares offered through this Prospectus will be deposited directly with the Bursa Depository and any dealings in these shares will be carried out in accordance with the aforesaid Act and the Rules of Bursa Depository.

Only an applicant who has a CDS account can make an application by way of an Application Form. The applicant should state his / her CDS account number in the space provided in the Application Form and he/she shall be deemed to have authorised Bursa Depository to disclose information pertaining to the CDS account to MIH or the Company. Where an applicant does not presently have a CDS account, he / she should open a CDS account at an ADA prior to making an application for the IPO Shares. If an applicant fails to state his/her CDS account number, MIH under the instruction of the Company will reject the Application. In the case of an application by way of Electronic Share Application through a Participating Financial Institution's ATM, only an applicant who is an individual and has a CDS account can make an Electronic Share Application through a Participating Financial Institution's ATM, and the applicant shall furnish his / her CDS account number to the participating financial institution by way of keying in his / her CDS account number if the instructions on the ATM screen at which he / she enters his / her Electronic Share Application through a Participating Financial Institution's ATM requires him / her to do so. A corporation or institution cannot apply for the IPO Shares by way of Electronic Share Application through a Participating Financial Institution's ATM.

No person is authorised to give any information or to make any representation not contained herein in connection with the IPO and if given or made, such information or representation must not be relied upon as having been authorised by Can-One. Neither the delivery of this Prospectus nor any issue made in connection with this Prospectus shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of Can-One or the Group since the date hereof.

### 3. INFORMATION ON THE IPO

The distribution of this Prospectus and the sale of the IPO Shares in other jurisdiction may be restricted by law. Persons who may come into possession of this Prospectus are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and may not be used for the purpose of an invitation of an offer to buy or offer to sell any of the IPO Shares in any jurisdiction in which such invitation or offer is not authorised or lawful or to any persons to whom it is unlawful to make such an invitation or offer.

**If you are in any doubt about this Prospectus, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.**

#### 3.1 Opening and Closing of the Application Lists

The Application Lists will open at 10.00 a.m. on 30 June 2005 and will remain open until 5.00 p.m. on 18 July 2005 or for such further period or periods as the Directors, Promoters and Offeror of Can-One together with the Managing Director in their absolute discretion may decide.

#### 3.2 Critical Dates in respect of the IPO

Opening Date of the Public Issue/Offer for Sale	30 June 2005
Closing Date of the Public Issue/Offer for Sale	*18 July 2005
Tentative Balloting Date	22 July 2005
Tentative Allotment Date	28 July 2005
Tentative Listing Date	29 July 2005

**Note:**

\* The application for the Public Issue and Offer for Sale will open from 10.00 a.m. on 30 June 2005 to 5.00 p.m. on 18 July 2005 or such further date as the Board of Directors, Promoters, the Offeror and Managing Underwriter in their absolute discretion may decide. Should the closing date of the application be extended, the tentative dates for the balloting, allotment, despatch of Notice of Allotment, and listing of and quotation for the entire issued and paid-up share capital of Can-One on the Main Board of Bursa Securities would be extended accordingly.

Any changes in the closing date of the application for the Public Issue and Offer for Sale will be notified to the public via advertisements in one (1) widely circulated Bahasa Malaysia newspaper and English newspaper. Late applications will not be accepted.

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### 3. INFORMATION ON THE IPO

#### 3.3 Purposes of the IPO

The purposes of the IPO are as follows:

- (i) To obtain the listing of and quotation for the entire enlarged issued and paid-up share capital of Can-One on the Main Board of Bursa Securities;
- (ii) To provide an opportunity for the public and eligible Directors, employees and business associates of the Can-One Group to participate directly in the equity and continuing growth of the Group;
- (iii) To enable Can-One to gain access to the capital market for funds to finance the future expansion and growth of the Group;
- (iv) To provide additional funds to meet the Group's working capital requirements; and
- (v) To enable Can-One to meet the National Development Policy requirements on 30% Bumiputera shareholding in Can-One upon its Listing.

#### 3.4 Number and Class of Can-One Shares

<b>Authorised</b>	<b>RM</b>
200,000,000 ordinary shares of RM0.50 each	<u>100,000,000</u>
<b>Issued and fully paid-up after the Acquisitions as at the date of this prospectus</b>	
130,400,000 ordinary shares of RM0.50 each	65,200,000
<b>To be issued pursuant to the Public Issue</b>	
22,000,000 ordinary shares of RM0.50 each	11,000,000
Enlarged issued and paid-up share capital	<u>76,200,000</u>
To be issued pursuant to ESOS	<u>11,430,000</u>
<b>Fully enlarged issued and paid-up share capital after the Public Issue and exercise of ESOS Options</b>	<b><u>87,630,000</u></b>
<b>To be offered pursuant to the Offer for Sale</b>	
33,528,000 ordinary shares of RM0.50 each	<u>16,764,000</u>

The Public Issue/Offer Price of RM1.00 per Can-One Share is payable in full upon application.

There is only one (1) class of shares in the Company being ordinary shares of RM0.50 each, all of which rank pari passu with one another. The IPO Shares, upon allotment and issue, will rank pari passu in all respect with the existing issued and paid-up ordinary shares of the Company, including voting rights and rights to all dividends and other distributions that may be declared subsequent to the date of allotment of the said IPO Shares.

Subject to any special rights attaching to any shares which may be issued by the Company in the future, the holders of ordinary shares in the Company shall, in proportion to the amount paid-up on the shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends and other distributions and in respect of any surplus in the event of liquidation of the Company.

### 3. INFORMATION ON THE IPO

At any general meeting of the Company, each shareholder shall be entitled to vote in person or by proxy or by attorney or by other duly authorised representative, and, on a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have one vote, and, on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each ordinary share held. A proxy may but need not be a member of the Company.

#### 3.5 Details of the IPO

The IPO shall be subject to the terms and conditions of this Prospectus and, upon acceptance, the IPO Shares will be allocated in the following manner:

##### (i) Public Issue

- (a) 6,000,000 Public Issue Shares representing 3.94% of the enlarged share capital of Can-One but before the exercise of any ESOS Options will be made available for application by the eligible Directors, eligible employees and business associates of the Can-One Group pursuant to the Share Allocation Scheme.

Information on the Share Allocation Scheme is set out in Section 3.5.1 of this Prospectus.

- (b) 7,620,000 Public Issue Shares representing 5.00% of the enlarged share capital of Can-One but before the exercise of any ESOS Options will be made available for application by the public, of which at least 30% is to be set aside strictly for Bumiputera investors; and
- (c) 8,380,000 Public Issue Shares representing 5.50% of the enlarged share capital of Can-One but before the exercise of any ESOS Options will be placed with identified investors by the Placement Agent.

##### (ii) Offer for Sale

- (a) 14,478,000 Offer Shares representing 9.50% of the enlarged share capital of Can-One but before the exercise of any ESOS Options will be placed to investors by the Placement Agent; and
- (b) 19,050,000 Offer Shares representing 12.50% of the enlarged share capital of Can-One but before the exercise of any ESOS Options will be placed with the Bumiputera investors who are approved by the MITI.

Any Public Issue Shares not subscribed for under the Share Allocation Scheme in respect of Section 3.5 (i)(a) above will be made available for application by the public under Section 3.5 (i)(b) and/or the Placement under Section 3.5(i)(c) if the balloting and/or Placement is over-subscribed.

Any Offer Shares not placed out in respect of Section 3.5 (ii)(a) above will be made available for application by the public under Section 3.5 (i)(b) if the application is over-subscribed and vice-versa.

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### 3. INFORMATION ON THE IPO

The IPO Shares in respect of Section 3.5 (i)(c) and Section 3.5 (ii)(b) above will not be underwritten. On 28 June 2005, RHB Sakura Merchant Bankers Berhad had entered into an underwriting agreement with the Offeror to underwrite up to 7,000,000 Offer Shares arising from the Placement in Section 3.5 (ii)(a) above at an underwriting commission of 1% of the value of the shares underwritten. The Public Issue Shares in respect of Section 3.5 (i)(a) and (b) above have been underwritten by SIBB and RHB Sakura Merchant Bankers Berhad at an underwriting commission of 1% of the value of the shares underwritten. Please refer to Section 3.10 of this prospectus for further information on the underwriting of the Public Issue Shares.

#### 3.5.1 Information on the Share Allocation Scheme

A brief description of the criteria of allocation of the Can-One Shares taking into consideration of, amongst others, designation, as approved by the Board of Can-One on 29 April 2005 to the eligible Directors, eligible employees and business associates of the Can-One Group, is as follows:

**(i) Eligible Directors**

The Board of Can-One, which consists of seven (7) Directors, will be entitled to 300,000 Can-One Shares per Director pursuant to the Share Allocation Scheme.

**(iii) Eligible employees**

2,961,000 Can-One Shares will be allocated to 356 eligible employees as follows:

Rank	No. of persons	No. of Can-One Shares allocated to each eligible employees
General Managers/Group Company Secretary	3	150,000
Managers	11	100,000
Executive	8	30,000
Officers	5	20,000
Senior Clerk	14	10,000
Supervisors	26	10,000
Production Line Leaders	31	5,000
Workers/Clerical staff	258	2,000

**(iii) Business associates**

939,000 Can-One Shares of the total 6,000,000 Can-One Shares available under the Share Allocation Scheme will be allocated to 28 business associates of the Group.

However, the above Can-One Shares allocated pursuant to the Share Allocation Scheme is subject to the eligible Directors and eligible employees and business associates subscribing to their respective allocations.

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### 3. INFORMATION ON THE IPO

#### 3.6 Basis of Arriving at the Public Issue/Offer Price

The Public Issue/Offer Price was determined and agreed upon by the Company and SIBB as the Adviser and Managing Underwriter based on various factors after taking into account the following:

- (i) The Group's operating history and financials as outlined in Section 5.1.1 and Section 10.1 of this Prospectus respectively;
- (ii) The prospects of the industry in which the Group operates as outlined in Section 5.6.3 of this Prospectus;
- (iii) The forecast net PE multiple of approximately 9.17 times based on the forecast consolidated net EPS of Can-One of approximately RM0.11 for the FYE 2005 and the weighted average number of Can-One Shares before exercise of ESOS Options;
- (iv) The proforma consolidated NTA per share of Can-One of RM0.64 as at 31 December 2004 after the Acquisitions, IPO and proposed utilisation of proceeds from the Public Issue; and
- (v) The forecast tax-exempt dividend of 1.50 sen or tax-exempt net dividend yield of approximately 1.5% for the FYE 2005 based on the Public Issue/Offer Price.

Shareholders should note that the market price of Can-One Shares upon Listing on Bursa Securities is subject to the vagaries of market forces and other uncertainties which may affect the price of Can-One Shares being traded.

#### 3.7 Minimum Shareholding and Subscription Rate

Can-One is required to have, upon listing, at least 25% of the total number of Can-One Shares for which Listing is sought in the hands of a minimum of 1,000 public shareholders holding not less than 100 Can-One Shares each in order to satisfy the objectives of the IPO. There is no minimum subscription rate for the Public Issue.

#### 3.8 Utilisation of Proceeds of the IPO

##### 3.8.1 Proceeds of the Public Issue

The Public Issue is expected to raise total gross proceeds of approximately RM22.00 million which is expected to be utilised within twelve (12) months from the date of Listing for the following purposes:

Utilisation	Note	RM	Timeframe for utilisation of proceeds
Acquisition of land and construction of new factory	(i)	7,000,000	Within twelve (12) months from the listing date
Acquisition of production machinery	(ii)	3,100,000	Within twelve (12) months from the listing date
Estimated share issue expenses	(iii)	2,400,000	Within three (3) months from the listing date
Working capital	(iv)	9,500,000	Within twelve (12) months from the listing date
<b>TOTAL</b>		<u>22,000,000</u>	



### 3. INFORMATION ON THE IPO

Brief information on the utilisation of the gross proceeds is as follows:

**(i) Acquisition of land and construction of new factory**

The Group intends to allocate RM3.7 million to acquire a piece of sixty (60)-year industrial leasehold land in Pasir Gudang Industrial Park, Johor (Land). Pursuant to the proposed acquisition of the Land, the Group intends to construct a new factory on the Land to complement its existing manufacturing facilities. The construction of the proposed new factory is estimated to cost about RM3.3 million and it is expected to be completed within twelve (12) months from the listing date. Six (6) units of blow moulding machines for jerry cans and two (2) automated lock-seam biscuits production lines will be installed in the proposed new factory. These machines are expected to produce 3,504,000 jerry cans on a 24-hour shift and 5,000,000 tin cans on a 9-hour shift per year at full capacity.

On 27 October 2004, Aik Joo has accepted the offer to purchase the Land. The acquisition of the Land and construction of the new factory is expected to be completed within twelve (12) months from the Listing Date.

As at the Latest Practicable Date, the Group has not entered into any agreement with the vendor of the Land, Johor Corporation.

**(ii) Acquisition of production machinery**

The Group intends to allocate RM3.1 million to purchase automated machinery for the new factory as follows:

<b>Machinery</b>	<b>Estimated Cost RM</b>
4 units of blow moulding machines for jerry cans	1,700,000
2 units of automatic presses for round cans	600,000
1 unit of automatic welder	500,000
1 unit of automatic duplex slitter	300,000
<b>Total</b>	<b>3,100,000</b>

**(iii) Estimated share issue expenses**

The Company shall bear all expenses such as brokerage and underwriting commission, registration fee relating to the IPO Shares together with all other expenses and fees incidental to the listing of and quotation for the entire issued and paid-up capital of Can-One on the Main Board of Bursa Securities which is estimated at approximately RM2.4 million. Any excess not expended will be utilised for working capital purposes.

### 3. INFORMATION ON THE IPO

The estimated share issue expenses are tabulated below:

Items	Estimated cost RM
Professional fees	900,000
Authorities' perusal fees	200,000
Issuing house's fee and disbursements	150,000
Advertisement, printing and related costs	500,000
Underwriting commission, placement fees and brokerage	300,000
Miscellaneous and contingencies	350,000
<b>Total</b>	<b>2,400,000</b>

#### (iv) Working Capital

The amount of approximately RM9.5 million will be set aside for the working capital requirements of the Can-One Group including payment of creditors, salaries, purchase of raw materials/stock and operating expenses.

The amount of RM7.0 million and RM3.1 million from the Public Issue proceeds will be allocated for the proposed acquisition of the Land and construction of a new factory, and purchase of automated machinery respectively, which are expected to increase the production capacity and improve production efficiency of the Can-One Group. The Public Issue will also raise an additional RM9.5 million for working capital requirements which is expected to strengthen the liquidity and cash flow position of the Group.

#### 3.8.2 Proceeds from the Offer for Sale

The gross proceeds from the Offer for Sale of approximately RM33.53 million shall accrue to the Offeror and no part of the proceeds from the Offer for Sale is receivable by Can-One. The Offeror shall bear all expenses such as placement fees, brokerage, share transfer fees relating to the Offer Shares estimated at approximately RM300,000.

#### 3.9 Brokerage Fee, Underwriting Commission and Placement Fee

Brokerage commission is payable by the Company in respect of the Public Issue Shares at the rate of 1% of the Public Issue Price in respect of successful applications bearing the stamp of SIBB, member companies of Bursa Securities, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIH.

The underwriters, namely SIBB and RHB Sakura Merchant Bankers Berhad, have conditionally agreed to underwrite 10,370,000 Can-One Shares pursuant to the Public Issue which are available for application by the eligible Directors, eligible employees and business associates of the Can-One Group and the public. Underwriting commission is payable by the Company at the rate of 1% of the value of the shares underwritten. Based on the Underwriting Agreement, SIBB, the Managing Underwriter, agrees to underwrite, at the request of the Company, up to 3,250,000 of the new Can-One Shares to be issued pursuant to the Share Allocation Scheme at an underwriting commission of 1% of the value of the shares underwritten.

In addition, RHB Sakura Merchant Bankers Berhad had entered into an underwriting agreement with the Offeror to underwrite up to 7,000,000 Offer Shares arising from the Placement by the Offeror at an underwriting commission of 1% of the value of the shares underwritten. A Placement fee is payable by the Company and the Offeror in respect of the Can-One Shares placed by the Placement Agent pursuant to the Public Issue and Offer for Sale at the rate of up to 1% of the value of the shares placed out.

### 3. INFORMATION ON THE IPO

#### 3.10 Salient Terms and the Provisions of the Underwriting Agreement

The extract of the salient terms of the Underwriting Agreement, including force majeure clauses which may allow SIBB and RHB Sakura Merchant Bankers Berhad (collectively referred to as the Underwriters) to withdraw from obligations under the Underwriting Agreement after the opening of Application for the Public Issue and Offer for Sale is set out below:

- In consideration of the underwriting commission which is hereby agreed to be paid to the Underwriters by the Company, and in reliance upon each of the representations, warranties and undertakings by the Company, the Underwriters agree to severally but not jointly underwrite 10,370,000 Can-One Shares to be issued pursuant to the Public Issue at an underwriting commission of 1% of the value of the underwritten shares upon the terms and subject to the conditions of Underwriting Agreement.
- In the event 3,250,000 Can-One Shares to be issued pursuant to the Share Allocation Scheme are not applied for by the eligible directors, employees and business associates of the Can-One Group, such shares shall be made available for application by public investors. In this connection, SIBB has agreed to underwrite such shares at an underwriting commission of 1% of the value of the underwritten shares upon the terms and subject to the conditions of Underwriting Agreement.
- In consideration of the underwriting commission which is hereby agreed to be paid to RHB Sakura Merchant Bankers Berhad by the Offeror, and in reliance upon each of the representations, warranties and undertakings by the Offeror, RHB Sakura Merchant Bankers Berhad agrees to underwrite 7,000,000 Offer Shares issued pursuant to the Offer for Sale at an underwriting commission of 1% of the value of the underwritten shares upon the terms and subject to the conditions of Underwriting Agreement.
- Some of the conditions precedent to the Underwriting Agreement are as follows:
  - (a) the registration of the Prospectus with the SC and lodgement of the Prospectus with the ROC;
  - (b) the issuance of the Prospectus within three (3) months from the date of Underwriting Agreement or such other period as may be agreed by the parties in writing;
  - (c) there not having been, on or prior to the closing date, any adverse and material change or any development reasonably likely to involve a prospective adverse, material and sustained change in the condition (financial or otherwise) of the Company from that set forth in the Prospectus which is material in the context of the IPO, nor the occurrence of any event rendering untrue or incorrect to an extent which is material as aforesaid any representations or warranties;
  - (d) the Company meeting the public spread requirement as stipulated in the Listing Requirements of Bursa Securities;
  - (e) the Public Issue and the Offer for Share are not prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia, including the SC and Bursa Securities;
  - (f) all necessary approvals and consents required in relation to the IPO including but not limited to governmental approvals having been obtained and are in full force and effect until the closing date; and

### 3. INFORMATION ON THE IPO

- (g) listing of and quotation for the entire enlarged issued and paid-up share capital of the Company being granted by Bursa Securities.
- The Underwriters will be entitled terminate the Underwriting Agreement if the conditions precedent set out above are not complied by the closing date.
- In the event that at any time prior to the closing date, the Underwriters or any of them have notice of:
  - (a) any material breach of the undertakings or obligations in this Underwriting Agreement by the Company and the Offeror; or
  - (b) any change rendering any of the warranties or representations in the Underwriting Agreement inaccurate in a material respect,the Underwriters or any of them will be entitled to terminate the Underwriting Agreement by notice to the Company and the Offeror.
- In the event that at any time after the closing date, the Company fails to meet the public spread requirement as stipulated in the Listing Requirements of Bursa Securities, the Underwriters or any of them will be entitled to terminate the Underwriting Agreement by notice to the Company and the Offeror.
- It will be an event of force majeure if in the reasonable opinion of any Underwriter:
  - (a) the success of the IPO is seriously jeopardised by the coming into force of any laws or Governmental regulations or directives which seriously affect or will seriously affect the business of the Company and its subsidiaries;
  - (b) there is a change in national or international monetary, financial, political or economic conditions or exchange control or currency exchange rates that would prejudice materially the success of the offering of the shares underwritten and their distribution or sale (whether in the primary market or in respect of dealings in the secondary market); or
  - (c) the success of the IPO is seriously jeopardised by the Kuala Lumpur Composite Index falling below 750 points and remaining below 750 points for three (3) consecutive Market Days at any time between the effective date of the Underwriting Agreement and the closing date.

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## 4. RISK FACTORS

Applicants for the IPO Shares should carefully consider the following material risk factors (which may not be exhaustive) in addition to the other information contained elsewhere in this Prospectus, before applying for the IPO Shares.

### 4.1 Company Risks

#### 4.1.1 Controlling Shareholders

Upon completion of the IPO, 97,472,000 Can-One Shares representing approximately 63.97% equity interest in Can-One will be held directly by the following shareholders (Controlling Shareholders):

Name	Direct		Indirect	
	No. of Can-One Shares	%	No. of Can-One Shares	%
Eller Axis	70,100,881	46.00	-	-
Iska Tenaga	26,771,119	17.57	-	-
Yeoh Jin Hoe	<sup>(1)</sup> 300,000	0.20	<sup>(2)</sup> 70,100,881	46.00
Gan Kam Lan	-	-	<sup>(2)</sup> 70,100,881	46.00
Razmi Bin Alias	<sup>(1)</sup> 300,000	0.20	<sup>(3)</sup> 26,771,119	17.57
Faisal Sabri Bin Abd Khalid	-	-	<sup>(3)</sup> 26,771,119	17.57
<b>Total</b>	<b>97,472,000</b>	<b>63.97</b>	-	-

**Notes:**

- (1) Assuming he subscribed for all his entitlement under the Share Allocation Scheme (but excluding any ESOS allocation).
- (2) Deemed interested by virtue of his/her substantial shareholdings in Eller Axis pursuant to Section 6A of the Act.
- (3) Deemed interested by virtue of his substantial shareholdings in Iska Tenaga pursuant to Section 6A of the Act.

These Controlling Shareholders will be able to exercise the voting rights attached to their shares in respect of matters requiring shareholders' approval including the constitution of the Board of Can-One, the direction and future operation of the Group which include decisions on acquisitions or disposals, business opportunities, declaration of dividends and issuance of additional shares or other securities. In view of the size of their shareholdings, the Controlling Shareholders may be in a position to determine the outcome of matters requiring shareholders' approval, except for matters that involve the interests of the Controlling Shareholders or where they are required to abstain from voting by law and/or by the relevant authorities.

#### 4.1.2 Dependence on Directors and Key Management Personnel

The Can-One Group believes that its continued success will depend to a significant extent upon the skills, experiences, abilities and the continued efforts of its existing Directors and members of its senior management. The loss of any of the Group's Directors or members of its senior management could adversely affect the Group's ability to compete in the tin cans manufacturing industry.

As an added assurance for the continuity of management, Yeoh Jin Hoe, the Managing Director, Chee Khay Leong, the Executive Director/Chief Operating Officer, together with the two (2) general managers and three (3) branch managers have given irrevocable undertakings that they would remain active in the management of Aik Joo for a period of at least three (3) years from the date of the Listing.

## 4. RISK FACTORS

Additionally, the turnover rate of key management staff has been low historically. The Group has made continuous efforts to bring in young and qualified professionals to support the senior management team with the objective of grooming them to gradually take over from the senior members to ensure a smooth transition in the management team.

The Group also strives to attract and retain skilled personnel to support its business operations by giving due recognition to the contributions made by the personnel, providing remuneration and benefit packages that commensurate with performance as well as relevant training and courses for both personal and professional/technical development.

### 4.1.3 Operational Risks

As a manufacturing set-up, the Can-One Group faces certain operational risks such as disruptions to its production lines resulting from the termination of rental agreement on the rented factory currently being occupied, fire, power failure, security or system disruptions, insurance or other emergencies. The Can-One Group seeks to limit the above operational risks through the implementation of the following plans and risk management practices:

- (i) apart from its operations in the Pandamaran factory which is rented, the Group operates from its own factories. The Group is currently renting factory space as a result of space constraints in its own factories. The Group has acquired a factory land and building adjacent to its existing factory in Mak Mandin to address the space constraint problems. It will continue to look for suitable land and building for future expansion, if required.  
  
In the immediate term, the risk of termination of rental agreement on the rented factory is mitigated as the Group ensures prompt payment of monthly rental and adheres to all the terms and conditions as stipulated in the rental agreement;
- (ii) the Group's factories are equipped with basic fire fighting equipment such as fire extinguishers and hose reels. Employees are also trained on the use of these equipments as well as basic fire fighting techniques. In addition, the Group has purchased fire insurance coverage on its properties, plants and equipment;
- (iii) to cope with power failure, the Group has maintained five (5) factories, four (4) of which are at different locations. These factories serve as back-up manufacturing facilities for each other to mitigate the risk of losing production capability due to power failure or in the event of emergency;
- (iv) the Group's ability to continuously produce tin can for its customer may be affected if there is any security/system disruption to its production machines. In this respect, the Group maintains its factories at three (3) different states and at five (5) locations to enable it to minimise such risk. Additionally, each of the factories has at least a trained technical personnel on standby to attend to machines that break down. The Group has a mix of tin can production lines and jerry can production lines in each factory to spread the risk of over-reliance on a single factory;
- (v) the property, plant and equipment of the Group, in the opinion of the Board of Can-One, are adequately insured to preserve the value invested in its property, plant and equipment, as they form a substantial amount of assets of the Group; and
- (vi) the Group ensures that it has sufficient resources to cope with unexpected emergencies at any one time, such as storage of adequate stocks used in production, cash liquidity to meet liabilities due and close relationships with business associates to assist one another. The management of the Group also holds regular meetings and discussions to identify and mitigate any likely foreseeable problems in its business operations.

## **4. RISK FACTORS**

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Although the Board of Can-One has taken reasonable steps to mitigate the operational risks as described above, there can be no assurance that the above measures taken will be adequate in the event of an emergency and that it will not have a material adverse effect on the Group's business.

### **4.1.4 Foreign currency risks**

The Group operates its business internationally which exposes itself to foreign currency exchange risk, mainly from the fluctuations of the Singapore Dollar (SGD) and the Euro. The Group's exposures to the foreign currency risk are mitigated in the following manners:

- (i) The Group's foreign currency sales and purchases provide a partial natural hedge against the fluctuations in foreign currency exchange rates;
- (ii) The Group maintains part of its cash and bank balances in foreign currency accounts in Euro to meet its future obligations in foreign currencies; and
- (iii) Whenever required, the Group enters into foreign currency forward contracts to hedge against the residual foreign currency exposure not covered under (i) and (ii) above.

### **4.1.5 Borrowing risks**

The Group is exposed to interest rate fluctuation risks arising from its borrowings. In order to finance the operations and business activities, the Aik Joo has obtained several credit facilities and entered into financing agreements with various financial institutions. As these agreements usually contain, inter-alia, certain covenants restricting the operating and financing activities of the companies, Aik Joo is required to obtain prior consents from the financial institutions in the event that any of its acts falls within the ambit or scope of such covenants. Any breach of such covenants may prompt the financial institutions to terminate the relevant credit facilities and/or enforce any securities granted in relation to that credit facility.

The Board of Can-One acknowledges such covenants and has taken measures to ensure that such covenants are adhered to. Further, to mitigate the risk of interest rate fluctuations, the Group maintains a variety of credit facilities with both fixed and floating interest rates and with both long term and short term tenure.

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## 4. RISK FACTORS

### 4.2 Business Risks

#### 4.2.1 Competition from Industry Players

##### *Tin Cans*

According to the Independent Market Research Report, there are approximately 25-30 players in the tin can manufacturing industry in Malaysia whereby the competition in the tin cans manufacturing industry can be placed in the following three (3) main categories:

Type of competition	Main market player
Large, Diversified	<ul style="list-style-type: none"> <li>• Kian Joo Can Factory Berhad</li> <li>• Aik Joo</li> <li>• Johore Tin Berhad</li> </ul>
Medium, Specialised	Eng Leong Tin Can Manufacturing Sdn Bhd
Backyard industries	Small manufacturers in general

*(Source: Independent Market Research Report)*

Kian Joo Can Factory Berhad and Johore Tin Berhad are listed on the Main Board and Second Board of Bursa Securities respectively. Based on the Independent Market Research Report which was prepared for inclusion in this Prospectus, Aik Joo is perceived to be the top three (3) largest market players together with Kian Joo Can Factory Berhad and Johore Tin Berhad due to the large quantities of tin cans produced and yearly consumption of tin plates in the range of thousands of tonnes.

The Board of Can-One is of the view that the Group's performance and growth have not been materially affected by competition and the main players in the market generally have developed their respective niche market segments. Whilst no assurance can be given that the Group will be able to maintain its existing market share in the future, the Board of Can-One is confident that the Group will be able to withstand any direct competition as the Group has, over the years, established itself in the tin cans manufacturing market with a diverse portfolio of customers.

The critical competitive factors that may result in customers changing tin cans suppliers are primarily the pricing, quality and services provided. Hence, the Group has and will continuously emphasise these areas by minimising production costs, achieving cost efficiencies, enforcing strict quality control, and seeking regular feedback from customers to meet their expectation.

To demonstrate Aik Joo's commitment towards quality, Aik Joo has in 2002 embarked on an ISO 9001 project and its Teluk Panglima Garang Branch had achieved ISO 9001:2000 status from BM Trada Certification Ltd. in 2002. The Group plans to engage in ISO projects for all its other factories in the foreseeable future.

The management of Can-One Group also believes in building and maintaining customers' satisfaction to build a long lasting business relationship. Hence, senior management and customer support officers frequently visit their customers to understand customers' needs and address those needs.



## 4. RISK FACTORS

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### ***Jerry Cans***

The jerry cans manufacturing industry in Malaysia is dominated by four (4) main players, namely Ralco Plastic Sdn Bhd, Mapo Industries Sdn Bhd, United Plastics Sdn Bhd and Aik Joo. The remainder of the market is made up of smaller players (*Source: Independent Market Research Report*). The limited number of large players in the Malaysian jerry cans market may lead to greater ability by existing large players to compete with new or smaller players through price cutting strategies.

Aik Joo is expected to mitigate the competition from existing large jerry can market players in the following manner:

- (i) Offering alternate packaging material to its existing tin can customers and to secure jerry can sales from existing customers who are currently sourcing jerry cans from other suppliers, thus retaining and gaining greater access to its customers; and
- (ii) Installing eighteen (18) production lines for its jerry cans in Mak Mandin, Teluk Panglima Garang and Pasir Gudang to meet the increased demand of its customers in different parts of the country.

### **4.2.2 Competition from Substitute Products**

The Group faces threats from alternative packaging materials, namely, composite cans for dried food products, plastic containers such as polyethylene terephthalate bottles. However, the choice of packaging is very much dependent on the performance properties required to protect the contents within and certain alternative packaging materials may not be entirely appropriate for certain products. There are also other considerations in determining the choice of packaging materials such as price, cost of transport and storage of the packaged products, and relevant aesthetic appeal of the competing materials.

Tin cans generally preserve food well and are convenient for handling and storage as they can be easily stacked on shelves in supermarkets or retail outlets. Environmental considerations on the recycling ability of tin cans also play a role in encouraging the continuous use of tin cans as opposed to other non-environmental friendly packaging materials.

### **4.2.3 Increase in Raw Material Prices**

Tin plate is the basic raw material in which tin cans are produced. Tin plates are basically steel plates coated with tin. In terms of weight, approximately 99.95% of tin plate is made up of steel, which is known as tin mill black plate (TMBP). TMBP is mainly imported from Japan in the form of cold rolled steel coils by Perusahaan Sadur Timah Malaysia Berhad (Perstim). As a steel product, prices of TMBP fluctuate according to the world tinplates and tin prices. The cost of tinplate sheet constitutes about 80% - 85% of the production cost of each can. The major raw material for jerry cans is high-density polyethylene (HDPE) resin, which makes up about 85% of the production cost of each jerry can. HDPE is extremely versatile as it is flexible, strong, light, stable and easily processed.

*(Source: Independent Market Research Report)*

Hence, increase tinplates prices and resin prices may affect the Group's profit margins. While minor fluctuations in raw material cost would be absorbed by the Group, significant increases in the price of raw material would, as an industry norm, to a certain extent, be passed to the customers. However, there is no assurance that significant increases in tinplate prices could be passed on to customers. The Group has tinplates and resin buffer stocks of up to approximately three (3) months and one (1) month respectively to help mitigate the effects from volatile price swings and short-term increases in prices.

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## **4. RISK FACTORS**

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### **4.2.4 Dependence on Major Suppliers**

Tin plates are the main raw material used in the production of tin cans. Based on the Independent Market Research Report, tin cans manufacturers mainly purchase tin plates locally from Perstima due to the imposition of a 15% duty on imported tin plates.

To reduce dependency on Perstima, the Group maintains a buffer tin plate stocks enough to cater for three (3) months production needs. The Group also sources for tin plates from overseas suppliers such as Singapore, South Korea and the United States.

The Group sources resin from its four (4) key suppliers, namely Chevron Phillips Singapore Chemicals Pte. Ltd., Sumikeng (Malaysia) Sdn Bhd, Commercial Plastic Industry Sdn Bhd and Polyethelene (M) Sdn Bhd. The Group maintains enough buffer resin stocks to cater for one (1) month's production needs.

Other raw materials such as printing ink, lining compound, lacquer and copper wire are easily available. Therefore, the possibility of the non-availability of raw materials resulting in the disruption to the Group's production is considered to be remote.

### **4.2.5 Dependence on Other Industries**

The market for tin cans is highly dependent on the production level of its key-end users, namely edible oils, processed foods (pineapples, canned fish, sweetened condensed milk), dry foods (milk powder, cereals, biscuits), beverages, and industrial products (paints and coatings, motor oils and lubricants). The higher the demand for the products of its key-end users, the greater the general demand for tin cans.

Can-One's niche market is currently in the edible oil market, which has a relatively stable demand all year round. Therefore, the Group does not foresee any adverse impact on the Group in the event there is a sharp decrease in the demand for edible oil.

### **4.2.6 Seasonal fluctuations in demand**

Products such as tin cans for cereal and biscuit products are subject to seasonal demand, which coincides with the festive periods such as Deepavali, Hari Raya Puasa, Christmas and Chinese New Year. Contributions from these product segments amount to approximately 9.7% and 4.6% of the total revenue for the FYE 2004 respectively. Usually demand will increase a few months before the major festive seasons such as Ramadhan and Chinese New Year. However, the seasonal fluctuation is not expected to pose a significant risk on the business of the Group as it has the capacity to cater to the increase in demand of tin cans.

### **4.2.7 Political, Economic and Regulatory Considerations**

Adverse developments in the political, economic and regulatory conditions in Malaysia and other countries could materially and adversely affect the financial prospects of the Group. Political and economic uncertainties include, but are not limited to, risks of war, expropriation, dispossession, nationalisation, renegotiation or nullification of existing contracts, fluctuations in interest rates, methods of taxation and currency exchange controls.

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## 4. RISK FACTORS

The tin cans and jerry cans manufacturing industry is anticipated to grow in line with the population and global economic growth, and higher levels of disposable income. A decline in the general economy or uncertainties in the future prospects of the economy would, however, affect consumer spending and the overall demand in the tin cans manufacturing industry and consequentially, affect the Group's financial performance. Any effect, however, is mitigated by the Group's diverse and wide customer base. The Group's customers are mainly in the consumer markets, manufacturing and processing edible products such as biscuits, edible oil and ghee, cereal and other dried foods, coffee and milk powder, as well as in the paint and chemical markets. Whilst there is more volatility in the demand for paints and chemicals, the food sector is generally resilient and is the major contributor to the revenue and profits of the Group.

### 4.3 Other Risks

#### 4.3.1 Investment

There can be no assurance that an active market of Can-One Shares will develop upon its listing on the Main Board of Bursa Securities. Moreover, share prices are subject to the vagaries of market forces and external events, none of which can be predicted with certainty. Although the Board of Can-One anticipates that they will declare a tax-exempt dividend for the forecast FYE 2005, this is not an indication that the Company will declare or continue to declare tax-exempt dividends in the ensuing financial years.

#### 4.3.2 No Prior Market for Can-One Shares

Prior to this IPO, there has been no public market for Can-One Shares. Consequently, there can be no assurance that an active market for Can-One Shares will develop upon its listing on the Main Board of Bursa Securities or if developed, that such market can be sustained. The Public Issue/Offer Price has been determined after taking into consideration a number of factors including, but not limited to, the Group's financial and operating history and condition, the prospects of the industry in which the Group operates, the earnings potential, the proforma consolidated NTA of the Company and the potential tax-exempt dividend yield. The prices for Can-One Shares after the IPO may bear no relationship to the Public Issue/Offer price.

There can be no assurance that the Public Issue/Offer Price will correspond to the price at which Can-One Shares will trade on the Main Board of Bursa Securities upon or subsequent to its Listing.

#### 4.3.3 Failure or Delay of the Flotation Exercise

The Flotation Exercise is also exposed to the risk that it may fail or be delayed should the following events occur:

- (i) The identified placees for the Placement do not subscribe for their respective portion of the IPO Shares allocated to them;
- (ii) The eligible Directors, employees and business associates of the Can-One Group do not subscribe for the portion of IPO Shares allocated to them; and
- (iii) The Company is unable to meet the public shareholding spread requirements of having at least 25% of the issued and paid-up capital of the Company held by a minimum number of 1,000 public shareholders holding not less than 100 Can-One Shares each, upon completion of the IPO and at the point of Listing.

## **4. RISK FACTORS**

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### **4.3.4 Delay in Admission and Trading of Can-One Shares**

Delays in the admission and the commencement of trading in shares on Bursa Securities may occur. Generally, it is expected that there will not be a delay from the application of the IPO Shares and the subsequent trading of Can-One Shares as indicated by the timetable set out on page (i) of this Prospectus.

In the event that admission and the commencement of trading on the Main Board of Bursa Securities are delayed or do not occur, investors may not be able to recover monies paid within a short period of time or at all in respect of the IPO Shares subscribed for after they have been allocated to the investors' respective CDS Accounts under the Bursa Depository, which would occur at least three (3) clear market days prior to the anticipated date for Can-One's admission to the Official List of Bursa Securities.

In order for the Company to return monies to investors in respect of IPO Shares following their allocation into their CDS Accounts under the Bursa Depository, a reduction of the Company's capital would be necessary. This would require a special resolution of the Company and the approval of the courts in Malaysia. Hence, there can be no assurance that monies can be recovered within a short period of time or at all. If Bursa Securities does not admit the IPO Shares onto Bursa Securities, the market for the IPO Shares will be illiquid and it may not be possible to trade the IPO Shares. This may also have a material adverse effect to the value of the IPO Shares.

Save as disclosed in Sections 4.1 to 4.2 above and apart from the normal commercial risks, the Board of Can-One is not aware of any other specific factors or events which are likely to arise or which the Group is vulnerable to as of the date of this Prospectus.

### **4.3.5 Consolidated Profit and Dividend Forecast**

This Prospectus contains consolidated profit and dividend forecasts of the Can-One Group for the FYE 2005 which is based on a set of bases and assumptions that are subject to uncertainties and contingencies. Due to the uncertainties of consolidated profit and dividend forecasts, and because events and circumstances may not occur as expected, there can be no assurance that the consolidated profit and dividend forecasts contained herein will be realised and the actual result may be materially different from that shown. Investors will be deemed to have read and understood the assumptions and uncertainties underlying the profit forecast that are contained herein.

### **4.3.6 Forward-looking statements**

Certain statements in this Prospectus are based on historical data which may not be reflective of the future results, and others are forward-looking in nature which are subject to uncertainties and contingencies.

All forward-looking statements are based on estimates and assumptions made by the Board of Can-One and although believed to be reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements.

Such factors include, inter alia, general economic and business conditions, competition, the impact of new laws and regulations affecting the Can-One Group and the industry and changes in operating costs. In light of these uncertainties, the inclusion of forward-looking statements in this Prospectus should not be regarded as a representation or warranty by the Company or its advisers that the plans and objectives of the Can-One Group will be achieved.