

CAN-ONE BERHAD

(Company No. 638899-K)

Quarterly report on consolidated results for the Fourth Quarter ended 31 December 2016. The figures have not been audited.

(Financial year ended 31 December 2016)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31/12/2016 RM'000	As at 31/12/2015 (Audited) RM'000
Non-current assets		
Property, plant and equipment	367,042	366,181
Intangible assets	543	356
Investment in associate	502,345	461,136
Goodwill on consolidation	1,408	1,408
Total non-current assets	871,338	829,081
Current assets		
Inventories	152,789	138,770
Trade and other receivables	276,732	308,537
Current tax assets	2,973	1,135
Cash and cash equivalents	82,706	59,171
Assets classified as held for sale	2,357	-
Total current assets	517,557	507,613
Total assets	1,388,895	1,336,694
Equity		
Share capital	96,077	96,077
Reserves	652,419	565,481
Total equity	748,496	661,558
Liabilities		
Loans and borrowings	218,214	260,471
Deferred tax liabilities	32,093	25,443
Total non-current liabilities	250,307	285,914
Loans and borrowings	257,272	282,182
Trade and other payables	130,255	105,629
Current tax payables	2,565	1,411
Total current liabilities	390,092	389,222
Total liabilities	640,399	675,136
Total equity and liabilities	1,388,895	1,336,694
	-	-
Net assets per share attributable to equity holders of the Company (Sen)	389.53	344.29

NOTE:

The condensed interim financial statements 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.

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Quarterly report on consolidated results for the Fourth Quarter ended 31 December 2016. The figures have not been audited.

(Financial year ended 31 December 2016)

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Current quarter ended 31/12/2016 RM'000	Preceding year corresponding quarter ended 31/12/2015 RM'000	Current year-to-date ended 31/12/2016 RM'000	Preceding year-to-date ended 31/12/2015 RM'000
<i>Continuing Operations</i>				
Revenue	267,644	236,260	928,178	886,473
Cost of sales	(227,326)	(207,574)	(802,767)	(768,785)
Gross profit	40,318	28,686	125,411	117,688
Other income/(expenses)	(2,840)	(6,558)	(996)	(8,323)
Sales and distribution expenses	(2,803)	(2,754)	(10,954)	(9,435)
Administrative expenses	(7,422)	(6,738)	(28,005)	(25,866)
Profit from operations	27,253	12,636	85,456	74,064
Interest income	161	157	668	668
Finance costs	(4,870)	(5,439)	(20,754)	(20,997)
Net finance cost	(4,709)	(5,282)	(20,086)	(20,329)
Share of profit of equity-accounted	8,514	7,044	41,616	41,794
Profit before tax	31,058	14,398	106,986	95,529
Tax expense	(6,274)	(3,240)	(20,613)	(14,498)
Profit for the period	24,784	11,158	86,373	81,031

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UNAUDITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME (cont'd)

	Current quarter ended 31/12/2016 RM'000	Preceding year corresponding quarter ended 31/12/2015 RM'000	Current year-to-date ended 31/12/2016 RM'000	Preceding year-to-date ended 31/12/2015 RM'000
Profit for the period	24,784	11,158	86,373	81,031
Other comprehensive income				
- Foreign currency translation reserve for foreign operations	1,802	(468)	1,123	3,914
- Foreign currency translation differences for financial statements functional currency into Ringgit Malaysia	9,341	28,116	4,613	28,116
- Share of other comprehensive income/(loss) of associate	3,812	(1,914)	2,515	8,178
Total comprehensive income for the period	39,739	36,892	94,624	121,239
Profit attributable to :				
Equity holders of the Company	24,784	11,158	86,373	77,327
Non-controlling interest	-	-	-	3,704
	24,784	11,158	86,373	81,031
Total comprehensive income attributable to :				
Equity holders of the Company	39,739	36,892	94,624	115,684
Non-controlling interest	-	-	-	5,555
	39,739	36,892	94,624	121,239
Earnings per share				
Basic (Sen)	12.90	5.81	44.95	44.34
Diluted (Sen)	NA	NA	NA	NA

NOTE:

The condensed interim financial statements 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.

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(Financial year ended 31 December 2016)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<----- Attributable to Owners of the Company ----->							
	<----- Non-Distributable ----->				Distributable			
	Share capital	Share premium	Other reserve	Foreign currency translation reserve	Retained profits	Total	Non-controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current period ended 31 December 2016								
Balance at 1 January 2016	96,077	101,583	(75,441)	44,635	494,704	661,558	-	661,558
Comprehensive income for the period								
Profit for the period	-	-	-	-	86,373	86,373	-	86,373
Dividend paid	-	-	-	-	(7,686)	(7,686)	-	(7,686)
Currency translation differences	-	-	-	1,123	-	1,123	-	1,123
Foreign currency translation differences for financial statements stated in functional currency into Ringgit Malaysia	-	-	-	4,613	-	4,613	-	4,613
Share of currency translation differences of associate	-	-	-	2,515	-	2,515	-	2,515
Total comprehensive income for the period	-	-	-	8,251	78,687	86,938	-	86,938
Balance at 31 December 2016	<u>96,077</u>	<u>101,583</u>	<u>(75,441)</u>	<u>52,886</u>	<u>573,391</u>	<u>748,496</u>	<u>-</u>	<u>748,496</u>
Preceding year corresponding period ended 31 December 2015								
Balance at 1 January 2015	76,200	8,560	-	6,278	429,768	520,806	29,133	549,939
Comprehensive income for the period								
Profit for the period	-	-	-	-	77,327	77,327	3,704	81,031
Dividend Paid	-	-	-	-	(7,620)	(7,620)	-	(7,620)
Dividend paid to minority shareholder	-	-	-	-	-	-	(2,000)	(2,000)
Issue of ordinary shares	19,877	93,023	-	-	-	112,900	-	112,900
Acquisition of remaining shares in existing subsidiary from minority shareholders	-	-	(75,441)	-	(4,771)	(80,212)	(32,688)	(112,900)
Currency translation differences	-	-	-	3,914	-	3,914	-	3,914
Foreign currency translation differences for financial statements stated in functional currency into Ringgit Malaysia	-	-	-	26,265	-	26,265	1,851	28,116
Share of currency translation differences of associate	-	-	-	8,178	-	8,178	-	8,178
Total comprehensive income for the period	<u>19,877</u>	<u>93,023</u>	<u>(75,441)</u>	<u>38,357</u>	<u>64,936</u>	<u>140,752</u>	<u>(29,133)</u>	<u>111,619</u>
Balance at 31 December 2015	<u>96,077</u>	<u>101,583</u>	<u>(75,441)</u>	<u>44,635</u>	<u>494,704</u>	<u>661,558</u>	<u>-</u>	<u>661,558</u>

NOTE:

The condensed interim financial statements 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.

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(Financial year ended 31 December 2016)

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current year-to-date ended 31/12/2016 RM'000	Preceding year-to-date ended 31/12/2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	106,986	95,529
Adjustments:		
Interest expense	20,754	20,997
Interest income	(668)	(668)
Property, plant and equipment written off	17	3,788
Impairment loss on property, plant and equipment	779	-
Impairment loss on receivables	1,203	-
Amortisation of intangible assets	193	162
Depreciation of property, plant and equipment	22,597	20,219
Unrealised (gain)/loss on forward exchange contracts	98	(1)
(Gain)/Loss on disposal of property, plant and equipment	310	(285)
Share of profit of equity-accounted investee, net of tax	(41,616)	(41,794)
Operating profit before changes in working capital	<u>110,653</u>	<u>97,947</u>
Inventories	(11,486)	(12,189)
Trade and other receivables	32,057	(14,523)
Trade and other payables	23,745	(26,196)
Cash generated from operations	<u>154,969</u>	<u>45,039</u>
Tax paid	(21,905)	(17,877)
Net cash from operating activities	<u>133,064</u>	<u>27,162</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	93	357
Acquisition of intangible assets	(367)	(465)
Acquisition of property, plant and equipment	(18,985)	(59,790)
Dividend received	2,923	-
Interest received	668	668
Net cash used in investing activities	<u>(15,668)</u>	<u>(59,230)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(20,754)	(20,997)
Dividend paid	(7,686)	(7,620)
Dividend paid to minority shareholder	-	(2,000)
Net movement in borrowings	(67,700)	14,404
Pledged deposits for bank borrowings	(235)	(222)
Net cash flows generated from financing activities	<u>(96,375)</u>	<u>(16,435)</u>
Net increase in cash and cash equivalent	<u>21,021</u>	<u>(48,503)</u>
Effects of changes in foreign currency rates	2,278	1,299
Cash and cash equivalent brought forward	52,122	99,326
Cash and cash equivalent carried forward	<u><u>75,421</u></u>	<u><u>52,122</u></u>
Comprises :		
Cash and bank balances	67,839	41,622
Short term deposits with licensed banks (excluding deposits pledged)	7,582	10,500
	<u><u>75,421</u></u>	<u><u>52,122</u></u>

The above excluded short term deposits placed with a licensed bank of RM7,285,000 (2015 : RM7,049,000) pledged for bank borrowings.

NOTE:

The condensed interim financial statements 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.

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EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS
FOURTH QUARTER ENDED 31 DECEMBER 2016

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparations

The Interim Financial Statements are unaudited and have been prepared in compliance with the requirements of MFRS 134 - Interim Financial Reporting and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

These interim financial statements include only condensed financial statements and should be read in conjunction with the annual financial statements for the financial year ended 31 December 2015. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the financial position and performance of the Group since the financial year ended 31 December 2015.

2. Significant Accounting Policies

The accounting policies adopted for this interim report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2015.

The Group adopted (where applicable) the following accounting standards, amendments and interpretations which are applicable to the Group that have been issued by the Malaysian Accounting Standards Board ("MASB") effective from 1 January 2016.

MFRS 14	Regulatory Deferral Accounts (Currently not applicable to the Group)
Amendments to MFRS 5	Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012 - 2014 Cycle)
Amendments to MFRS 7	Financial Instruments : Disclosures (Annual Improvements 2012 - 2014 Cycle)
Amendments to MFRS 10	Consolidated Financial Statements, MFRS 12, Disclosure of Interests in Other Entities and MFRS 128, Investments in Associates and Joint Ventures - Investment Entities : Applying the Consolidation Exception
Amendments to MFRS 11	Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations (Currently not applicable to the Group)
Amendments to MFRS 101	Presentation of Financial Statements - Disclosure Initiative
Amendments to MFRS 116	Property, Plant and Equipment and MFRS 138, Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation

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2. Significant Accounting Policies (cont'd)

Amendments to MFRS 116	Property, Plant and Equipment and MFRS 141, Agriculture : Bearer Plants
Amendments to MFRS 119	Employee Benefits (Annual Improvements 2012 - 2014 Cycle)
Amendments to MFRS 127	Separate Financial Statements - Equity Method in Separate Financial Statements
Amendments to MFRS 134	Interim Financial Reporting (Annual Improvements 2012 - 2014 Cycle)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

MFRS 9	Financial Instruments (2014)
MFRS 15	Revenue from Contracts with Customers

MFRSs, Interpretations and amendments effective from a date yet to be confirmed

Amendments to MFRS 10	Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Venture - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The Group and the Company plan to apply the abovementioned accounting standards, amendments and interpretations where applicable.

The initial application of the abovementioned accounting standards, amendments and interpretations are not expected to have any material financial impacts to the Group and the Company other than MFRS 15 and MFRS 9, which the Group and the Company are currently assessing the financial impact that may arise from the adoption.

3. Auditors' report

The auditors' report dated 16 March 2016 on the financial statements for the financial year ended 31 December 2015 was not subject to any audit qualification.

4. Seasonal or Cyclical Factors

The operations of the Group are not subject to seasonal or cyclical fluctuations except that certain products are subject to seasonal demand where higher sales will be recorded a few months before major festive seasons such as Ramadan and Chinese New Year but lower sales in the first quarter of every financial year.

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5. Unusual Items due to their nature, size or incidence

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual because of their nature, size or incidence during the current quarter under review.

6. Investment in associate

	At 31/12/2016 RM'000	At 31/12/2015 RM'000
Share of net assets in associate	<u>502,345</u>	<u>461,136</u>
Market value	<u>428,165</u>	<u>482,234</u>

7. Changes in Estimates

There were no major changes in estimates of amounts which may have a material effect on the current quarter under review.

8. Issues, repurchases and repayments of debt and equity securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, share held as treasury shares and resale of treasury shares during the current quarter under review.

9. Dividend paid

There was no dividend paid during the quarter under review.

10. Segment information

The Group organised its activities principally into 3 reportable business segments :

- a) Manufacture of tin cans, plastic jerry cans, flexi packaging and rigid packaging (collectively, "General Cans");
- b) Manufacture of food products ("Food Products"); and
- c) International Trading.

Segment revenue and results for the financial period ended 31 December 2016 are as follows :

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FOURTH QUARTER ENDED 31 DECEMBER 2016

10. Segment information (cont'd)

Year-to-date ended 31/12/2016

	General Cans	Food Products	International Trading	Others	Total	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External sales	308,912	574,038	45,228	-	928,178	-	928,178
Inter-segment sales	91,954	43,459	27,161	-	162,574	(162,574)	-
	<u>400,866</u>	<u>617,497</u>	<u>72,389</u>	<u>-</u>	<u>1,090,752</u>	<u>(162,574)</u>	<u>928,178</u>
Results							
Segment results	19,545	66,618	1,049	(1,756)	85,456	-	85,456
Interest income	278	155	-	235	668	-	668
Financial expenses	(4,300)	(3,001)	(4)	(13,449)	(20,754)	-	(20,754)
Share of profit after tax of associate	-	-	-	41,616	41,616	-	41,616
Profit/(Loss) before taxation	<u>15,523</u>	<u>63,772</u>	<u>1,045</u>	<u>26,646</u>	<u>106,986</u>	<u>-</u>	<u>106,986</u>
Assets							
Segment assets	416,277	463,103	24,858	511,090	1,415,328	(29,406)	1,385,922
Unallocated assets	-	-	-	-	2,973	-	2,973
Total assets	<u>416,277</u>	<u>463,103</u>	<u>24,858</u>	<u>511,090</u>	<u>1,418,301</u>	<u>(29,406)</u>	<u>1,388,895</u>

Preceding Year-to-date ended 31/12/2015

	General Cans	Food Products	International Trading	Others	Total	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External sales	320,456	532,980	33,037	-	886,473	-	886,473
Inter-segment sales	83,771	31,989	95,113	-	210,873	(210,873)	-
	<u>404,227</u>	<u>564,969</u>	<u>128,150</u>	<u>-</u>	<u>1,097,346</u>	<u>(210,873)</u>	<u>886,473</u>
Results							
Segment results	14,497	59,020	2,805	(2,258)	74,064	-	74,064
Interest income	269	177	-	222	668	-	668
Finance expenses	(4,668)	(2,119)	-	(14,210)	(20,997)	-	(20,997)
Share of profit after tax of associate	-	-	-	41,794	41,794	-	41,794
Profit/(Loss) before taxation	<u>10,098</u>	<u>57,078</u>	<u>2,805</u>	<u>25,548</u>	<u>95,529</u>	<u>-</u>	<u>95,529</u>
Assets							
Segment assets	416,024	462,896	25,361	469,560	1,373,841	(38,282)	1,335,559
Unallocated assets	-	-	-	-	1,135	-	1,135
Total assets	<u>416,024</u>	<u>462,896</u>	<u>25,361</u>	<u>469,560</u>	<u>1,374,976</u>	<u>-</u>	<u>1,336,694</u>

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11. Valuation of property, plant and equipment

The Group did not carry out any revaluation exercise during the quarter under review.

12. Material subsequent events

As at 24 February 2017 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report), there were no material events subsequent to the end of the balance sheet date which may have an impact on the consolidated financial statements of the Group.

13. Changes in the Group composition

There were no changes in the Group composition during the quarter under review.

14. Changes in contingent liabilities or contingent assets

There were no contingent liabilities or assets for the Group as at 31 December 2016.

As at 24 February 2017 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report), no material contingent liabilities or contingent assets have arisen since the end of the financial period.

15. Capital commitment

As at 31 December 2016, the Group has the following capital commitment :

	RM'000
Approved and contracted for	<u><u>10,885</u></u>

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16. Related party disclosures

	Current Year-to-date 31/12/2016 RM'000
Sales to associated companies	<u>1,729</u>
Purchases from associated companies	<u>18,164</u>

17. Authorisation for issue

This interim financial report was authorised for issue by the Board of Directors ("Board") in accordance with a resolution of Directors passed at the Board Meeting held on 28 February 2017.

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EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS
FOURTH QUARTER ENDED 31 DECEMBER 2016

PART B: REQUIREMENTS OF MAIN MARKET LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD

1. Review of performance

(a) *Current quarter ended 31 December 2016 ("Q4, 2016") compared with previous corresponding quarter ended 31 December 2015 ("Q4, 2015")*

The Group's revenue increased from RM236.3 million in Q4, 2015 to RM267.6 million in Q4, 2016. Profit before taxation and profit after taxation increased from RM14.4 million and RM11.2 million in Q4, 2015 to RM31.1 million and RM24.8 million respectively in Q4, 2016.

General Cans division

The General Cans division generated total operating revenue of RM122.1 million in Q4, 2016, an increase of 10.7% from RM110.3 million in Q4, 2015. The increase was due mainly to higher demand for tin cans. In tandem, profit before taxation of the division for Q4, 2016 improved due to higher sales and better efficiency.

Food Products division

Revenue of Food Products division increased by 15.9% from RM147.5 million in Q4, 2015 to RM171.0 million in Q4, 2016. Profit before taxation for Q4, 2016 improved to RM16.1 million for the current quarter mainly due to higher sales and production efficiency.

International Trading division

Revenue of International Trading division decreased by RM14.0 million in Q4, 2016 mainly due to lower inter-company sales.

Investment in associate

Associated company, Kian Joo Can Factory Berhad ("KJCF") contributed RM8.5 million net profit to the Group for Q4, 2016, an increase of RM1.5 million compared with Q4, 2015.

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1. Review of performance (cont'd.)

(b) *Current financial year ended 31 December 2016 ("FYE 2016") compared with previous financial year ended 31 December 2015 ("FYE 2015")*

The Group's revenue increased from RM886.5 million in FYE 2015 to RM928.2 million in FYE 2016. Profit before taxation and profit after taxation increased from RM95.5 million and RM81.0 million in FYE 2015 to RM107.0 million and RM86.4 million respectively in FYE 2016.

General Cans division

The Revenue of General Cans division for FYE 2016 was RM400.9 million, a decrease of RM3.4 million compared to last year, mainly due to lower demand for jerry cans offsetted by increase in sales of tin cans and rigid packaging. Profit before taxation for FYE 2016 of RM15.5 million was higher than FYE 2015 by RM5.4 million mainly due to production efficiencies and product mix.

Food Products division

Revenue of Food Products division increased by 9.3% to RM617.5 million for FYE 2016 compared to FYE 2015 mainly due to higher sales as a result of increase in production capacity. Profit before tax increased by RM6.7 million to RM63.8 million compared to last year mainly due to higher sales and foreign currency remeasurement gain.

International Trading division

Revenue from International Trading division decreased from RM128.2 million in FYE 2015 to RM72.4 million in FYE 2016 mainly due to lower inter-company sales.

Investment in associate

Associated company, KJCF contributed RM41.6 million net profit to the Group for FYE 2016 compared to RM41.8 million in FYE 2015.

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2. Variation of results against immediate preceding quarter ended 30 September 2016 ("Q3, 2016")

The Group's revenue increased from RM213.6 million in Q3, 2016 to RM267.6 million in Q4, 2016. Profit before taxation and profit after taxation increased from RM27.5 million and RM23.6 million in Q3, 2016 to RM31.1 million and RM24.8 million in Q4, 2016 respectively.

General Cans division

Revenue of General Cans division increased from RM94.2 million in Q3, 2016 to RM122.1 million in Q4, 2016 mainly due to higher sales in tin cans and jerry cans. Profit before taxation increased by RM6.7 million compared to the immediate preceding quarter attributable mainly to higher sales, product mix and better operation efficiency.

Food Products division

Revenue of Food Products division increased by RM27.9 million to RM171.0 million in Q4, 2016 when compared to Q3, 2016 mainly due to higher sales in sweetened condensed creamer. Profit before taxation was higher at RM16.6 million compared to Q3, 2016. The improvement in profit before taxation was mainly due to higher sales.

International Trading division

International Trading division's revenue increased by RM16.0 million to RM29.2 million for Q4, 2016 when compared with Q3, 2016.

Investment in associate

Associated company, KJCF contributed RM8.5 million net profit to the Group for Q4, 2016, a decrease of RM8.1 million compared with Q3, 2016.

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3. Prospects

In view of the unpredictable business environment, upward trend of material cost and weaker Ringgit Malaysia, the management will continue to strive to improve productivity and operational efficiency to bring down cost and to explore opportunities and new market for our products. The management of the Group is optimistic in managing the challenges and continue to deliver growth and satisfactory results to the Group.

4. Profit forecast/profit guarantee

The Group did not publish any profit forecast nor provide any profit guarantee.

5. Tax expense

	Current Quarter ended 31/12/2016 RM'000	Preceding year corresponding quarter ended 31/12/2015 RM'000	FYE 31/12/2016 RM'000	FYE 31/12/2015 RM'000
Current tax expense				
- Current year	6,663	7,640	23,127	17,730
- Prior year	(12)	(682)	(1,908)	1,073
Deferred tax expense	(377)	(3,718)	(606)	(4,305)
	<u>6,274</u>	<u>3,240</u>	<u>20,613</u>	<u>14,498</u>

The effective tax rate of the Group was lower than the enacted statutory tax rate due to share of results from associate which has been accounted net of tax.

6. Status of Corporate Proposals

There were no corporate proposals announced which have not been completed as at 24 February 2017 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

CAN-ONE BERHAD
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EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS
FOURTH QUARTER ENDED 31 DECEMBER 2016

7. Group borrowings and debts securities

Group borrowings as at 31 December 2016 are as follows :

	As at 31/12/2016 '000	As at 31/12/2015 '000
Borrowings denominated in RM		
Current		
Secured		
Finance leases	713	765
Term loans	41,227	43,589
Bankers acceptances	10,360	4,577
	<u>52,300</u>	<u>48,931</u>
Unsecured		
Bill receivables	5,329	9,998
Term loans	12,927	14,746
Bankers acceptances	70,879	67,893
Revolving credits	15,000	11,000
	<u>156,435</u>	<u>152,568</u>
Non-current		
Secured		
Finance leases	1,580	1,800
Term loans	178,159	214,361
	<u>179,739</u>	<u>216,161</u>
Unsecured		
Term loans	38,475	44,310
	<u>218,214</u>	<u>260,471</u>
Total borrowings in RM	<u><u>374,649</u></u>	<u><u>413,039</u></u>
Borrowings denominated in USD		
Current		
Secured		
Receivable financing	639	56,342
Foreign currencies trade loans	17,185	7,818
Unsecured		
Bill receivables	-	4,418
Foreign currencies trade loans	80,097	61,036
Revolving credits	2,916	-
Total borrowings in USD	<u><u>100,837</u></u>	<u><u>129,614</u></u>
Total Group borrowings	<u><u>475,486</u></u>	<u><u>542,653</u></u>

CAN-ONE BERHAD
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EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS
FOURTH QUARTER ENDED 31 DECEMBER 2016

8. Retained Earnings

	As at 31/12/2016 RM'000	As at 31/12/2015 RM'000
Total retained earnings of Company		
- Realised	419,671	389,381
- Unrealised	(17,742)	(17,857)
	<u>401,929</u>	<u>371,524</u>
Total share of retained earnings in associate		
- Realised	194,359	182,344
- Unrealised	98,940	69,340
Add: Consolidated adjustments	(121,837)	(128,504)
Total Group retained earnings as per Consolidated Accounts	<u><u>573,391</u></u>	<u><u>494,704</u></u>

9. Profit before taxation

The profit before taxation is stated after charging/(crediting) :

	Current Quarter ended 31/12/2016 RM'000	Preceding year corresponding quarter ended 31/12/2015 RM'000	FYE 31/12/2016 RM'000	FYE 31/12/2015 RM'000
Interest income	(161)	(157)	(668)	(668)
Other expenses/(income)	1,237	1,009	(672)	980
Interest expense	4,870	5,439	20,754	20,997
Depreciation and amortisation	5,872	6,090	22,790	20,381
Property, plant and equipment written off	(9)	-	17	-
Impairment loss of property, plant and equipment	235	3,788	779	3,788
(Gain)/Loss on disposal of plant and equipment	316	(14)	310	(285)
(Gain)/Loss on foreign exchange	885	348	464	3,841
(Gain)/Loss on derivative financial instruments	171	1,427	98	(1)

CAN-ONE BERHAD
(Company No. 638899-K)

EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS
FOURTH QUARTER ENDED 31 DECEMBER 2016

10. Changes in material litigation

There was no pending material litigation as at 24 February 2017 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

11. Dividend

The Directors are recommending a first and final single-tier dividend of 4 sen per share amounting to RM7,686,120.00 in respect of the financial year ended 31 December 2016 (2015 : 4 sen), subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company.

12. Earnings per share

The basic earnings per share are computed as follows :

	Current Quarter ended 31/12/2016	Preceding year corresponding quarter ended 31/12/2015	FYE 31/12/2016	FYE 31/12/2015
Net profit attributable to shareholders of the company (RM'000)	24,784	11,158	86,373	77,327
Weighted average number of ordinary shares in issue ('000)				
Issued ordinary shares at 1 January	192,153	152,400	192,153	152,400
Effect of ordinary shares issued	-	39,753	-	22,000
Weighted average number of ordinary shares at 31 December	<u>192,153</u>	<u>192,153</u>	<u>192,153</u>	<u>174,400</u>
Basic Earnings per ordinary share (Sen)	<u>12.90</u>	<u>5.81</u>	<u>44.95</u>	<u>44.34</u>

Dated : 28 February 2017
Petaling Jaya,
Selangor Darul Ehsan