

**CAN-ONE BERHAD**

Registration No. 200401000396 (638899-K)

Quarterly report on consolidated results as at 31 December 2020. The figures have not been audited.  
(Financial year ended 31 December 2020)

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 31/12/2020 RM'000	As at 31/12/2019 (Audited) RM'000
<b>Non-current assets</b>		
Property, plant and equipment	1,791,969	1,791,888
Right-of-use assets	440,232	449,576
Investment properties	117,035	113,702
Intangible assets	1,398	2,451
Other assets	17,192	8,807
Deferred tax assets	5,323	5,292
<b>Total non-current assets</b>	<b>2,373,149</b>	<b>2,371,716</b>
<b>Current assets</b>		
Inventories	555,507	604,721
Trade and other receivables	583,344	487,881
Other assets	21,970	7,842
Derivative financial assets	4,183	414
Current tax assets	12,669	14,005
Cash and cash equivalents	229,729	350,599
<b>Total current assets</b>	<b>1,407,402</b>	<b>1,465,462</b>
<b>Total assets</b>	<b>3,780,551</b>	<b>3,837,178</b>
<b>Equity</b>		
Share capital	197,660	197,660
Reserves	1,582,836	1,530,223
<b>Equity attributable to owners of the Company</b>	<b>1,780,496</b>	<b>1,727,883</b>
Non-controlling interests	143,520	140,865
<b>Total equity</b>	<b>1,924,016</b>	<b>1,868,748</b>
<b>Liabilities</b>		
Retirement benefits obligations	65,306	51,422
Deferred tax liabilities	101,220	102,147
Loans and borrowings	710,543	736,207
Lease liabilities	6,599	8,340
Derivative financial liabilities	6,017	5,370
<b>Total non-current liabilities</b>	<b>889,685</b>	<b>903,486</b>
Trade and other payables	361,915	393,749
Retirement benefits obligations	7,433	12,332
Derivative financial liabilities	6,077	2,675
Loans and borrowings	579,143	649,331
Lease liabilities	5,974	3,209
Current tax payables	6,308	3,648
<b>Total current liabilities</b>	<b>966,850</b>	<b>1,064,944</b>
<b>Total liabilities</b>	<b>1,856,535</b>	<b>1,968,430</b>
<b>Total equity and liabilities</b>	<b>3,780,551</b>	<b>3,837,178</b>
Net assets per share attributable to equity holders of the Company (Sen)	<b>926.60</b>	<b>899.22</b>

**NOTE :**

The condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

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Quarterly report on consolidated results for the Financial Year ended 31 December 2020. The figures have not been audited.

(Financial year ended 31 December 2020)

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**

	Individual quarter			Cumulative quarter		
	Current year Fourth quarter ended 31/12/2020 RM'000	Preceding year Fourth quarter ended 31/12/2019 RM'000	Changes %	Current year ended 31/12/2020 RM'000	Preceding year ended 31/12/2019 RM'000	Changes %
<b>Continuing Operations</b>						
Revenue	<b>662,583</b>	696,334	(5)	<b>2,530,126</b>	2,284,180	11
Cost of sales	<b>(571,721)</b>	(647,663)		<b>(2,313,467)</b>	(2,131,179)	
Gross profit	<b>90,862</b>	48,671	87	<b>216,659</b>	153,001	42
Other income/(expenses)	<b>2,831</b>	(65,105)		<b>4,105</b>	330,962	
Distribution and Admin expenses	<b>(37,196)</b>	(80,443)		<b>(161,363)</b>	(187,697)	
Profit/(Loss) from operations	<b>56,497</b>	(96,877)	158	<b>59,401</b>	296,266	(80)
Interest income	<b>1,939</b>	4,774		<b>7,755</b>	5,860	
Interest expense	<b>(12,557)</b>	(19,181)		<b>(55,156)</b>	(77,674)	
Net finance cost	<b>(10,618)</b>	(14,407)		<b>(47,401)</b>	(71,814)	
Share of loss of equity-accounted associate, net of tax	-	-		-	(3,402)	
Profit/(Loss) before tax	<b>45,879</b>	(111,284)	141	<b>12,000</b>	221,050	(95)
Tax expense	<b>(11,000)</b>	(2,189)		<b>(19,083)</b>	(7,385)	
Profit/(Loss) from continuing operations	<b>34,879</b>	(113,473)	131	<b>(7,083)</b>	213,665	(103)
<b>Discontinued Operation</b>						
Profit from discontinued operation, net of tax	-	673,491		<b>88,000</b>	725,671	
Profit for the year	<b>34,879</b>	560,018	(94)	<b>80,917</b>	939,336	(91)

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(Financial year ended 31 December 2020)

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

	Individual quarter			Cumulative quarter		
	Current year Fourth quarter ended 31/12/2020 RM'000	Preceding year Fourth quarter ended 31/12/2019 RM'000	Changes %	Current year ended 31/12/2020 RM'000	Preceding year ended 31/12/2019 RM'000	Changes %
Profit for the year	<b>34,879</b>	560,018	(94)	<b>80,917</b>	939,336	(91)
Other comprehensive (expense)/income, net of tax						
Foreign currency translation differences of foreign operations	<b>(9,864)</b>	(7,154)		<b>(7,457)</b>	1,197	
Past service cost on retirement benefits	<b>(6,709)</b>	-		<b>(6,709)</b>	-	
Cash flow hedge	<b>2,651</b>	(2,896)		<b>46</b>	(1,407)	
Share of other comprehensive expense of associate	-	-		-	(564)	
Total comprehensive income for the period attributable to the Owners of the Company	<b>20,957</b>	549,968	(96)	<b>66,797</b>	938,562	(93)
Profit/(Loss) attributable to :						
Owners of the Company						
- from continuing operations	<b>32,484</b>	(84,640)		<b>(11,582)</b>	(11,008)	
- from discontinued operation	-	673,491		<b>88,000</b>	725,671	
	<b>32,484</b>	588,851		<b>76,418</b>	714,663	
Non-controlling interests	<b>2,395</b>	(28,833)		<b>4,499</b>	224,673	
	<b>34,879</b>	560,018		<b>80,917</b>	939,336	
Total comprehensive income/ (expense) attributable to :						
Owners of the Company						
- from continuing operations	<b>20,360</b>	(93,460)		<b>(23,953)</b>	(11,713)	
- from discontinued operation	-	673,491		<b>88,000</b>	725,671	
	<b>20,360</b>	580,031		<b>64,047</b>	713,958	
Non-controlling interests	<b>597</b>	(30,063)		<b>2,750</b>	224,604	
	<b>20,957</b>	549,968		<b>66,797</b>	938,562	
Earnings per share						
Basic (Sen)	<b>16.91</b>	306.45		<b>39.77</b>	371.92	

**NOTE :**

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(Financial year ended 31 December 2020)

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<-----Attributable to Owners of the Company----->						
	<-----Non-Distributable----->			Distributable			
	Share capital RM'000	Other reserves RM'000	Foreign currency translation reserve RM'000	Retained profits RM'000	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
<b>Current year ended 31 December 2020</b>							
Balance at 1 January 2020	197,660	(897)	9,696	1,521,424	1,727,883	140,865	1,868,748
Profit for the year	-	-	-	76,418	76,418	4,499	80,917
Foreign currency translation differences of foreign operations	-	-	(6,022)	-	(6,022)	(1,435)	(7,457)
Past service cost on retirement benefits	-	(6,709)	-	-	(6,709)	-	(6,709)
Cash flow hedge	-	455	-	-	455	(409)	46
<b>Total comprehensive (expense)/income for the year</b>	-	(6,254)	(6,022)	76,418	64,142	2,655	66,797
Dividend paid	-	-	-	(11,529)	(11,529)	-	(11,529)
<b>Balance at 31 December 2020</b>	<u>197,660</u>	<u>(7,151)</u>	<u>3,674</u>	<u>1,586,313</u>	<u>1,780,496</u>	<u>143,520</u>	<u>1,924,016</u>
<b>Preceding year corresponding year ended 31 December 2019</b>							
Balance at 1 January 2019	197,660	-	9,504	623,607	830,771	-	830,771
Profit for the year	-	-	-	714,663	714,663	224,673	939,336
Foreign currency translation differences of foreign operations	-	-	756	-	756	441	1,197
Cash flow hedge	-	(897)	-	-	(897)	(510)	(1,407)
Share of other comprehensive expense of associate	-	-	(564)	-	(564)	-	(564)
<b>Total comprehensive (expense)/income for the year</b>	-	(897)	192	714,663	713,958	224,604	938,562
Dividend paid	-	-	-	(7,686)	(7,686)	-	(7,686)
Acquisition of a subsidiary	-	-	-	-	-	107,101	107,101
Acquisition of non-controlling interests	-	-	-	190,840	190,840	(190,840)	-
<b>Balance at 31 December 2019</b>	<u>197,660</u>	<u>(897)</u>	<u>9,696</u>	<u>1,521,424</u>	<u>1,727,883</u>	<u>140,865</u>	<u>1,868,748</u>

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(Financial year ended 31 December 2020)

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Current year ended 31/12/2020 RM'000	Preceding year ended 31/12/2019 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax from continuing operations	12,000	221,050
Profit before tax from discontinued operation	88,000	738,889
	<b>100,000</b>	<b>959,939</b>
<b>Adjustments :</b>		
Amortisation and depreciation of assets	135,306	120,666
Interest expense	55,156	82,161
Interest income	(7,755)	(6,118)
Income distribution on money market placement with a financial institution	(2,081)	(1,200)
Property, plant and equipment written off	459	2,473
Goodwill on consolidation written off	-	16
Impairment loss/(Reversal of impairment loss) on receivables, net	477	(4,538)
Impairment loss on property, plant and equipment	-	15,438
Unrealised loss/(gain) on derivatives financial instruments	281	(701)
Gain on disposal of property, plant and equipment	(2,759)	(411)
Cash flow hedge	46	(1,407)
Gain arising on acquisition of a subsidiary	-	(346,251)
Gain on disposal of subsidiaries	(88,000)	(671,763)
Loss/(Gain) on lease modification	142	(44)
Share of loss of equity-accounted associate, net of tax	-	3,402
Operating profit before changes in working capital	<b>191,272</b>	<b>151,662</b>
Inventories	49,214	(11,181)
Trade and other receivables	(95,606)	(16,704)
Trade and other payables	(34,839)	31,171
Others	(2,735)	49,711
<b>Cash generated from operations</b>	<b>107,306</b>	<b>204,659</b>
Tax paid	(16,008)	(15,589)
<b>Net cash generated from operating activities</b>	<b>91,298</b>	<b>189,070</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	4,442	2,283
Proceeds from disposal of subsidiaries, net of cash	88,000	864,849
Acquisition of subsidiaries, net of cash	-	(114,498)
Acquisition of non-controlling interests	-	(658,339)
Acquisition of property, plant and equipment	(144,302)	(164,942)
Acquisition of intangible assets	(578)	(2,584)
Acquisition of right-of-use assets	(2,844)	-
Acquisition of investment properties	(5,028)	(25,910)
Interest received	7,755	6,118
Income distribution on money market placement with a financial institution	2,081	1,200
<b>Net cash used in investing activities</b>	<b>(50,474)</b>	<b>(91,823)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(55,156)	(82,161)
Dividend paid	(11,529)	(7,686)
Net movement in borrowings and lease liabilities	(99,004)	236,389
<b>Net cash flows (used in)/generated from financing</b>	<b>(165,689)</b>	<b>146,542</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(124,865)</b>	<b>243,789</b>
Effect of exchange differences on cash and cash equivalents	3,995	(1,404)
Cash and cash equivalents brought forward	350,599	108,214
<b>Cash and cash equivalents carried forward</b>	<b>229,729</b>	<b>350,599</b>
Comprises :		
<b>Cash and bank balances</b>	137,368	124,035
<b>Short term deposits with licensed banks</b>	32,399	19,627
<b>Money market placement with financial institution</b>	59,962	206,937
	<b>229,729</b>	<b>350,599</b>

**NOTE :**

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## CAN-ONE BERHAD

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### EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS FOURTH QUARTER ENDED 31 DECEMBER 2020

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#### 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 2019 ("FY 2019"). 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 Can-One Berhad ("Can-One" or "the Company") group of companies ("Can-One Group" or "the Group") since FY 2019.

##### 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 2019 except for the following :

The Group adopted (where applicable) the following accounting standards, interpretations or amendments which are applicable to the Group that have been issued by the Malaysian Accounting Standards Board ("MASB") effective 1 January 2020 :

- Amendments to MFRS 3, *Business Combinations - Definition of Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments : Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures - Interest Rate Benchmark Reform*

The adoption of new standards do not have any material financial impact to the Group.

##### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021***

- MFRS 17, *Insurance Contracts*

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EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS  
FOURTH QUARTER ENDED 31 DECEMBER 2020

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**2. Significant Accounting Policies (cont'd)**

***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022***

- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*

***MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed***

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group plans to apply the abovementioned accounting standards, amendments and interpretations in the respective years when they become effective.

The Group does not plan to apply MFRS 17, *Insurance Contracts* that is effective for annual periods beginning on or after 1 January 2021 as it is not applicable to the Group.

The initial applications of the abovementioned accounting standards, interpretations or amendments are not expected to have any material financial impact on the Group.

**3. Auditors' report**

The auditors' report dated 14 May 2020 on the financial statements for the financial year ended 31 December 2019 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.

**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.

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**EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS  
FOURTH QUARTER ENDED 31 DECEMBER 2020**

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**6. Changes in estimates**

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

**7. Issuance, cancellations, repurchases and repayments of debt and equity securities**

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter and financial year under review.

**8. Dividend paid**

The following dividends were paid during the financial year :

	<b>Current year ended 31/12/2020 RM'000</b>
i) First and final single-tier dividend of 4 sen per share; and	7,686
ii) Special single-tier dividend of 2 sen per share	3,843
	<u>11,529</u>

**9. Segment information**

The Group organised its activities principally into 4 reportable business segments :

- a) Manufacture of metal and lithographed tin cans, plastic jerry cans, rigid packaging, aluminium cans and corrugated fibreboard cartons (collectively, "General Packaging");
- b) Manufacturing, packaging and distribution of carbonated and non-carbonated beverages, milk powder as well as edible oil products ("Contract Manufacturing");
- c) Trading; and
- d) Property and investment holding.



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**EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS  
FOURTH QUARTER ENDED 31 DECEMBER 2020**

**9. Segment information (cont'd)**

Segment revenue and results for the financial year ended 31 December 2020 are as follows :

	<b>General Packaging RM'000</b>	<b>Contract Manufacturing RM'000</b>	<b>Trading RM'000</b>	<b>Property and Investment Holding RM'000</b>	<b>Total RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>							
External sales	2,254,253	297,649	661,763	5,935	3,219,600	(689,474)	2,530,126
Inter-segment sales	207,685	367	-	-	208,052	(208,052)	-
	<b>2,461,938</b>	<b>298,016</b>	<b>661,763</b>	<b>5,935</b>	<b>3,427,652</b>	<b>(897,526)</b>	<b>2,530,126</b>
<b>Results</b>							
Segment results	94,507	(36,616)	2,422	1,362	61,675	(2,274)	59,401
Interest income	4,165	55	9,377	12,741	26,338	(18,583)	7,755
Financial expenses	(40,833)	(7,032)	(8,815)	(17,849)	(74,529)	19,373	(55,156)
Profit/(Loss) before tax from continuing operations	57,839	(43,593)	2,984	(3,746)	13,484	(1,484)	12,000
Profit from discontinued operation, net of tax	-	88,000	-	-	88,000	-	88,000
	<b>57,839</b>	<b>44,407</b>	<b>2,984</b>	<b>(3,746)</b>	<b>101,484</b>	<b>(1,484)</b>	<b>100,000</b>
<b>Assets</b>							
Segment assets	3,531,260	199,598	415,810	383,071	4,529,739	(767,180)	3,762,559
Unallocated assets	-	-	-	-	17,992	-	17,992
Total assets	<b>3,531,260</b>	<b>199,598</b>	<b>415,810</b>	<b>383,071</b>	<b>4,547,731</b>	<b>(767,180)</b>	<b>3,780,551</b>
<b>Liabilities</b>							
Segment liabilities	1,444,991	234,621	356,825	480,579	2,517,016	(768,009)	1,749,007
Unallocated liabilities	-	-	-	-	107,528	-	107,528
Total liabilities	<b>1,444,991</b>	<b>234,621</b>	<b>356,825</b>	<b>480,579</b>	<b>2,624,544</b>	<b>(768,009)</b>	<b>1,856,535</b>

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**EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS  
FOURTH QUARTER ENDED 31 DECEMBER 2020**

**9. Segment information (cont'd)**

Segment revenue and results for the preceding financial year ended 31 December 2019 are as follows :

	<b>General Packaging RM'000</b>	<b>Contract Manufacturing RM'000</b>	<b>Trading RM'000</b>	<b>Property and Investment Holding RM'000</b>	<b>Total RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>							
External sales	2,003,543	223,614	479,396	4,666	2,711,219	(427,039)	2,284,180
Inter-segment sales	163,212	-	-	29,800	193,012	(193,012)	-
	<u>2,166,755</u>	<u>223,614</u>	<u>479,396</u>	<u>34,466</u>	<u>2,904,231</u>	<u>(620,051)</u>	<u>2,284,180</u>
<b>Results</b>							
Segment results	21,271	(23,980)	5,530	(184,483)	(181,662)	477,928	296,266
Interest income	3,193	29	7,741	6,078	17,041	(11,181)	5,860
Finance expenses	(41,670)	(3,423)	(6,720)	(38,188)	(90,001)	12,327	(77,674)
Share of loss after tax of associate	-	-	-	(3,402)	(3,402)	-	(3,402)
(Loss)/Profit before tax from continuing operations	<u>(17,206)</u>	<u>(27,374)</u>	<u>6,551</u>	<u>(219,995)</u>	<u>(258,024)</u>	<u>479,074</u>	<u>221,050</u>
Profit from discontinued operation, net of tax	-	725,671	-	-	725,671	-	725,671
	<u>(17,206)</u>	<u>698,297</u>	<u>6,551</u>	<u>(219,995)</u>	<u>467,647</u>	<u>479,074</u>	<u>946,721</u>
<b>Assets</b>							
Segment assets	3,501,344	182,048	329,227	323,674	4,336,293	(518,412)	3,817,881
Unallocated assets	-	-	-	-	19,297	-	19,297
Total assets	<u>3,501,344</u>	<u>182,048</u>	<u>329,227</u>	<u>323,674</u>	<u>4,355,590</u>	<u>- 518,412</u>	<u>3,837,178</u>
<b>Liabilities</b>							
Segment liabilities	1,428,546	175,358	272,899	506,772	2,383,575	(520,940)	1,862,635
Unallocated liabilities	-	-	-	-	105,795	-	105,795
Total liabilities	<u>1,428,546</u>	<u>175,358</u>	<u>272,899</u>	<u>506,772</u>	<u>2,489,370</u>	<u>- 520,940</u>	<u>1,968,430</u>

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**10. Valuation of property, plant and equipment**

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

**11. Material subsequent events**

As at 22 February 2021 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report), there were no other material events subsequent to the end of the balance sheet date which may have an impact on the consolidated financial statements of the Group.

**12. Changes in the Group composition**

There were no changes in the Group composition as at 31 December 2020.

**13. Changes in contingent liabilities or contingent assets**

There were no contingent liabilities or assets for the Group as at 31 December 2020.

As at 22 February 2021 (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.

**14. Capital commitment**

As at 31 December 2020, the Group has the following capital commitment :

	<b>RM'000</b>
Approved and contracted for	<u>141,350</u>

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**15. Related party disclosures**

The Group has related party relationship with a company in which a Director has substantial financial interests ("related party").

The related party transactions have been entered into the normal course of business under trade terms. The significant related party transactions of the Group are as follows :

	<b>Current year ended 31/12/2020 RM'000</b>
Purchases of goods from a related party	<u><u>1,698</u></u>

**16. Authorisation for issue**

This interim financial report was authorised for issue by the Board of Directors ("Board") at the Board Meeting held on 25 February 2021.

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

##### 1. Review of performance

###### **(a) Fourth quarter ended 31 December 2020 ("Q4, 2020") compared with Fourth quarter ended 31 December 2019 ("Q4, 2019")**

The Group's revenue for Q4, 2020 decreased by RM33.8 million to RM662.6 million. However gross profit of the Group increased by RM42.2 million to RM90.9 million in Q4, 2020 mainly due to improved performance in General Packaging division owing to sales mix, increase in selling price, uptrend in London Metal Exchange ("LME") price, leaner operations and lower provisions.

The Group recorded a profit before tax of RM45.9 million in Q4, 2020 as opposed to a loss before tax of RM111.3 million in Q4, 2019. The loss before tax in Q4, 2019 was mainly due to high material consumption cost, adjustment downwards of gain arising from acquisition of Kian Joo Can Factory Berhad ("KJCF"), expenses incurred in disposal of subsidiaries and impairment losses and provisions.

##### Continuing operations

##### General Packaging division

Revenue of General Packaging division in Q4, 2020 increased by RM22.2 million to RM636.4 million in Q4, 2020. All segments shown an improvement in revenue with the major contributors being the General cans and Carton boxes segments. Profit before tax of RM49.0 million was recorded in Q4, 2020 by the division compared to loss before tax of RM3.9 million in Q4, 2019, mainly attributable to better performance in General cans and Aluminium cans segments. This was due to sales mix, revision of selling price, uptrend in LME price, leaner operations and lower provisions for impairment in Q4, 2020. Carton boxes segment's contribution eased slightly mainly due to lower average selling price and unfavourable foreign exchange (Vietnamese Dong ("VND") against MYR) in Vietnam operation.

##### Contract Manufacturing division

Revenue of Contract Manufacturing division dropped by RM49.0 million to RM29.3 million in Q4, 2020 mainly due to decrease in sales in Edible Oils segment as the management intended to cease the activity of edible oils packing. Loss before tax of the division was reduced by RM4.8 million to RM9.5 million in Q4, 2020 mainly due to impairment of machineries in Q4, 2019.

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**1. Review of performance (cont'd)**

***(a) Fourth quarter ended 31 December 2020 ("Q4, 2020") compared with Fourth quarter ended 31 December 2019 ("Q4, 2019") (cont'd)***

Trading division

Trading division registered a higher revenue of RM205.7 million in Q4, 2020, an increase of RM61.0 million compared with Q4, 2019 mainly due to higher third parties and intercompany trading activities. In tandem with higher revenue, profit before tax of the division grew by RM1.3 million to RM3.2 million in Q4, 2020.

Discontinued operation

Contract Manufacturing division - Dairy segment

The Group completed the disposal of its equity interests in Dairy segment on 15 October 2019 with the final disposal price determined on 17 August 2020 at RM1,000 million in accordance with the sales and purchase agreement.

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#### 1. Review of performance (cont'd)

##### **(b) Financial year ended 31 December 2020 ("FYE 2020") compared with Financial year ended 31 December 2019 ("FYE 2019")**

The Group recorded an increase in revenue of RM245.9 million to RM2,530.1 million in FYE 2020 mainly due to consolidation of a full 12-month revenue of KJCF group of companies ("KJCF Group") in FYE 2020 compared to 3 quarters and 14 days of post-acquisition revenue in FYE 2019. The Group's profit before tax decreased by RM209.1 million to RM12.0 million in FYE 2020, mainly due to recognition of gain arising from acquisition of KJCF offset against one time off expenses, interest cost to finance acquisition of KJCF, other provisions and impairments in FYE 2019.

##### Continuing operations

##### General Packaging division

Revenue of General Packaging division increased by RM250.7 million to RM2,254.3 million in FYE 2020, mainly due to consolidation of a full 12-month revenue of KJCF Group in FYE 2020 compared to 3 quarters and 14 days of post-acquisition revenue in FYE 2019. The division reported a profit before tax of RM57.8 million in FYE 2020 versus a loss before tax of RM17.2 million in FYE 2019 mainly attributable to improved performance from all segments of operations and lower provisions and impairments of inventories and machineries offset against higher Distribution and admin expenses.

##### Contract Manufacturing division

Revenue of Contract Manufacturing division increased by RM74.0 million to RM297.6 million in FYE 2020 mainly due to increase in Edible Oils segment's revenue. Despite the increase in revenue, loss before tax of the division widened by RM16.2 million to RM43.6 million in FYE 2020 mainly attributable to losses in both Edible Oils and Beverages segments. The production operation of Beverages segment is yet to be fully operational as new machineries were still being added.

##### Trading division

Revenue of Trading Division increased by RM182.4 million to RM661.8 million in FYE 2020 mainly attributable to higher trading activities among inter-companies and with third parties as well as consolidation of a full 12-month revenue of KJCF Group in FYE 2020 compared to 3 quarters and 14 days of post-acquisition revenue in FYE 2019. However, profit before tax of the division was lower by RM3.6 million to RM3.0 million in FYE 2020 mainly due to sales mix and higher other expenses.

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**1. Review of performance (cont'd)**

***(b) Financial year ended 31 December 2020 ("FYE 2020") compared with Financial year ended 31 December 2019 ("FYE 2019") (cont'd)***

Discontinued operation

Contract Manufacturing division - Dairy segment

The Group had completed the disposal of its equity interests in Dairy segment on 15 October 2019. The Company and the Buyer vide a letter dated 17 August 2020, agreed to the final disposal consideration of RM1,000 million. The gain of RM88 million arising from the difference between the final disposal consideration and the preliminary disposal consideration was accounted for in FYE 2020.

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	<b>Current year Fourth quarter ended 31/12/2020 RM'000</b>	<b>Current year Immediate Preceding quarter ended 30/09/2020 RM'000</b>	<b>Changes RM'000</b>
Revenue	<b>662,583</b>	654,073	8,510
Operating Profit	<b>56,497</b>	16,376	40,121
Profit Before Interest and Tax	<b>56,497</b>	16,376	40,121
Profit Before Tax from Continuing Operations	<b>45,879</b>	5,339	40,540
Profit from Continuing Operations	<b>34,879</b>	438	34,441
Profit from Discontinued Operations	-	88,000	(88,000)
Profit Attributable to Owners of the Company	<b>32,484</b>	85,825	(53,341)

The Group registered a revenue of RM662.6 million in the current quarter under review, an increase of RM8.5 million from the immediate preceding quarter, mainly attributable to higher sales recorded by the General Packaging division. Profit before tax increased by RM40.5 million to RM45.9 million mainly attributable to improved performance in General packaging division and favourable foreign exchange movement with lower distribution expenses from Contract manufacturing division.

General Packaging division

Compared with Q3, 2020, total revenue of the division increased by RM51.7 million to RM636.4 million in the current quarter under review with improvement in turnover in all segments. The division recorded profit before tax of RM49.0 million in Q4, 2020, an increase of RM29.2 million from the preceding quarter attributable to improved performance from operations in Q4, 2020 due to higher sales volume, sales mix, increase in selling price and leaner operations.

Contract Manufacturing division

Revenue of Contract Manufacturing division decreased by RM46.1 million to RM29.3 million in Q4, 2020, mainly due to lower revenue in its Edible Oils segment. Loss before tax of the division decreased by RM1.9 million to RM9.5 million in Q4, 2020.

Trading division

Revenue of Trading division increased by RM76.2 million to RM205.7 million in Q4, 2020 when compared to Q3, 2020. In tandem with higher sales and sales mix, its profit before tax improved by RM3.1 million to RM3.2 million in the current quarter under review.

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**3. Prospects**

The Group's operating environment for the financial year ending 31 December 2021 is expected to continue to be challenging with the ongoing COVID-19 pandemic, although vaccination has been rolled out by various countries and Malaysia in February 2021. Business operations and supply chain globally continue to be disrupted which caused logistical issues and rising raw material prices. The Management will continue to be vigilant to ensure strict compliance with Standard Operating Procedures issued by the relevant countries' Government to minimise disruption to our business operations.

The recent political upheaval in Myanmar casts some uncertainties over our operations in Myanmar. On 1 February 2021, Myanmar's military government declared a one-year state of emergency in Myanmar. At the date of this report, our plants in Myanmar have not been severely affected by the political situations in Myanmar. The Management will nevertheless constantly monitor the development closely.

The Board of Directors remains cautiously optimistic on the Group's business prospects, underpinned by the development of new export market opportunities, leaner operations and emphasis on operational efficiency to deliver sustainable growth and satisfactory results for the financial year ending 31 December 2021.

**4. Profit forecast/profit guarantee**

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

**5. Tax expense**

	<b>Current Year</b>	<b>Preceding Year</b>		
	<b>Fourth quarter ended 31/12/2020 RM'000</b>	<b>Fourth quarter ended 31/12/2019 RM'000</b>	<b>Current year ended 31/12/2020 RM'000</b>	<b>Preceding year ended 31/12/2019 RM'000</b>
Current tax expense	7,822	4,941	20,044	12,277
Deferred tax expense	3,178	(2,752)	(961)	(4,892)
	<u>11,000</u>	<u>2,189</u>	<u>19,083</u>	<u>7,385</u>

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#### 6. Status of Corporate Proposal

##### Proposed Kapar Acquisition

Bintang Seribu Sdn. Bhd. ("BSSB"), an indirect wholly-owned subsidiary of Can-One had on 13 July 2020 entered into 2 Sale and Purchase Agreements ("Former SPAs") with Golden Valley Industries Sdn. Bhd. ("GVI")("the Vendor"), a subsidiary of Klanggroup Holdings Sdn. Bhd., to acquire from GVI, vacant freehold lands i.e. Lot 4 (34.947 acres) and Lot 5 (32.975 acres) ("Said Lots") located at Jalan Akrob, Kapar, Klang, Selangor Darul Ehsan, free from encumbrances and with vacant possession and no buildings erected thereon, at a total cash consideration of RM103,554,411.10 ("Proposed Kapar Acquisition").

BSSB and the Vendor had on 29 December 2020 executed the Deed of Revocation and Rescission to revoke and rescind the Former SPAs. On the same day, TOGO Greenland Sdn Bhd (formerly known as TOGO Palm Oils & Fats Sdn Bhd) ("TGSB"), a wholly-owned subsidiary of Can-One, and the Vendor entered into 2 new Sale and Purchase agreements to acquire the Said Lots ("New SPAs") at the same total cash consideration, and upon the same principal terms and conditions as the Former SPAs, save and except for the Compliance Period under the New SPAs which now refers to the period of 7 months commencing from the date of the New SPAs, and Item 4 of the Conditions Precedent wherein TGSB has to now obtain a facility from a financial institution to fund the purchase of the Said Lots within 4 months commencing from the date of the New SPAs.

Pursuant to the Deed of Revocation and Rescission, BSSB and the Vendor further mutually and voluntarily agree and consent that the monies paid to and received by the Vendor pursuant to the Former SPAs (including but not limited to the deposit in the total amount of RM10,355,441.10) shall be transferred and applied as payment deemed made to and received by the Vendor towards the account of the New SPAs. As at 29 December 2020, BSSB had paid only 10% deposit to the Vendor.

The Proposed Kapar Acquisition is estimated to be completed within the third quarter of the financial year ending 31 December 2021.

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Group borrowings as at 31 December 2020 are as follows :

	<b>As at 31/12/2020 RM'000</b>	<b>As at 31/12/2019 RM'000</b>
<b>Borrowings denominated in RM</b>		
<b>Current</b>		
Secured		
Hire purchase liabilities	128	111
Term loans	1,116	1,726
Lease liabilities	5,974	3,209
	<u>7,218</u>	<u>5,046</u>
Unsecured		
Other trade facilities	30	494
Term loans	40,621	44,940
Bankers' acceptances	104,838	260,252
Revolving credits	73,000	97,300
	<u>225,707</u>	<u>408,032</u>
<b>Non-current</b>		
Secured		
Hire purchase liabilities	232	67
Term loans	389,533	390,649
Lease liabilities	6,599	8,340
	<u>396,364</u>	<u>399,056</u>
Unsecured		
Term loans	157,151	139,722
	<u>553,515</u>	<u>538,778</u>
Total borrowings in RM	<u><u>779,222</u></u>	<u><u>946,810</u></u>
<b>Borrowings denominated in VND</b>		
<b>Current</b>		
Unsecured		
Term loans	7,712	8,055
Foreign currencies trade loans	99,202	99,527
	<u>106,914</u>	<u>107,582</u>
<b>Non-current</b>		
Term loans	11,567	19,611
Total borrowings in VND	<u><u>118,481</u></u>	<u><u>127,193</u></u>

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**7. Group borrowings and debts securities (cont'd)**

	<b>As at 31/12/2020 RM'000</b>	<b>As at 31/12/2019 RM'000</b>
<b>Borrowings denominated in United States Dollar ("USD")</b>		
<b>Current</b>		
Unsecured		
Foreign currencies trade loans	144,840	28,326
Revolving credits	60,255	60,226
Term loans	47,401	48,374
	<hr/>	<hr/>
	252,496	136,926
<b>Non-current</b>		
Unsecured		
Term loans	152,060	186,158
	<hr/>	<hr/>
Total borrowings in USD	404,556	323,084
	<hr/>	<hr/>
Total Group borrowings	1,302,259	1,397,087

The interest rates for the borrowings are as follows :

	<b>As at 31/12/2020</b>	<b>As at 31/12/2019</b>
Term loans :		
- Floating	1.22% - 6.57%	2.90% - 7.20%
Trade facilities	0.62% - 5.57%	2.33% - 7.64%
Hire purchase liabilities	1.48% - 2.08%	2.08%
Revolving credits	2.95% - 3.40%	3.48% - 4.80%
Lease liabilities	<u>2.65% - 6.70%</u>	<u>2.65% - 6.70%</u>

Total borrowings decreased by RM94.8 million to RM1,302.3 million as at 31 December 2020. This was mainly attributable to decrease in bankers acceptances, revolving credits and term loan off set against increase in foreign currency trade loan. Lease liabilities increased by RM1.0 million. During the current year under review, the Group drawn down RM74.6 million of new term loans to part finance the capital expenditures and made repayment on term loans amounting to RM104.7 million as at 31 December 2020.

Certain amounts of the Group's borrowings denominated in USD were hedged.

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As at 31 December 2020, the Group had entered into :

- (i) forward foreign currency exchange contracts to hedge against USD/RM exchange rate fluctuations;
- (ii) commodity contracts to hedge pricing risk of aluminium; and
- (iii) interest rate swap contracts with a financial institution to hedge the interest rate exposure in respect of a long term loan denominated in USD.

The fair value of the derivatives were determined by using mark-to-market values at the end of the reporting date and changes in the fair value were recognised in the profit or loss statement as shown in Note 9.

Details of derivative financial instruments outstanding as at 31 December 2020 are set out below :

<b>Type of derivatives</b>	<b>Notional amount RM'000</b>	<b>Current assets RM'000</b>	<b>Current liabilities RM'000</b>	<b>Non-current liabilities RM'000</b>
<b>Hedging derivatives :</b>				
Commodity contracts				
- Less than 1 year	14,516	4,172	-	-
Interest swap contracts				
- Less than 1 year	47,401	-	4,814	-
- 1 year to 3 years	152,060	-	-	6,017
<b>Non-hedging derivatives :</b>				
Foreign exchange contracts				
- Less than 1 year	73,907	11	1,263	-
		<u>4,183</u>	<u>6,077</u>	<u>6,017</u>

Other than the above derivatives which were measured at fair value, the Group did not remeasure other financial assets and financial liabilities after initial recognition.

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**9. Profit for the period**

Profit for the period was stated after charging/(crediting) :

	Current Year		Preceding Year	
	Fourth quarter ended 31/12/2020 RM'000	Fourth quarter ended 31/12/2019 RM'000	Current year ended 31/12/2020 RM'000	Preceding year ended 31/12/2019 RM'000
Interest income	(1,939)	(4,757)	(7,755)	(6,118)
Interest expense	12,557	19,556	55,156	82,161
Depreciation and amortisation	33,737	41,412	135,306	120,666
Goodwill on consolidation written off	-	-	-	16
Impairment loss of receivables, net	(1,123)	(11,547)	477	(4,538)
Impairment loss of property, plant and equipment	-	15,438	-	15,438
Property, plant and equipment written off	(1,305)	1,704	459	2,473
Gain on disposal of property, plant and equipment	(2,526)	(631)	(2,759)	(411)
(Gain)/Loss on foreign currency exchange	(2,456)	(1,877)	136	(1,792)
Unrealised loss/(gain) on non-hedging derivatives	1,163	(788)	1,252	(404)
Gain on disposal of subsidiaries	-	(671,763)	(88,000)	(671,763)
Loss/(Gain) arising on acquisition of a subsidiary	-	49,617	-	(346,251)

**10. Changes in material litigation**

There was no material litigation nor pending material litigation against the Group since the end of the previous financial year up to the date of issue of this quarterly report.

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**11. Dividends**

The Board is recommending a first and final single-tier dividend of 4 sen per share amounting to RM7,686,120 in respect of the FYE 2020 (FYE 2019 : first and final single-tier dividend of 4 sen per share and special single-tier dividend of 2 sen per share). The aforesaid dividend is subject to approval by shareholders at the forthcoming Annual General Meeting of the Company.

**12. Earnings per share**

Basic earnings per share were computed as follows :

	<b>Current Year</b>	<b>Preceding Year</b>		
	<b>Fourth</b>	<b>Fourth</b>	<b>Current</b>	<b>Preceding</b>
	<b>quarter</b>	<b>quarter</b>	<b>year</b>	<b>year</b>
	<b>ended</b>	<b>ended</b>	<b>ended</b>	<b>ended</b>
	<b>31/12/2020</b>	<b>31/12/2019</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
From continuing operations (RM'000)	32,484	(84,640)	(11,582)	(11,008)
From discontinued operation (RM'000)	-	673,491	88,000	725,671
Profit attributable to owners of the Company (RM'000)	<u>32,484</u>	<u>588,851</u>	<u>76,418</u>	<u>714,663</u>
Weighted average number of ordinary shares in issue ('000)	192,153	192,153	192,153	192,153
Earnings/(Loss) from continuing operations (Sen)	16.91	(44.05)	(6.03)	(5.73)
Earnings from discontinued operation (Sen)	-	350.50	45.80	377.65
Basic earnings per ordinary share (Sen)	<u>16.91</u>	<u>306.45</u>	<u>39.77</u>	<u>371.92</u>

Dated : 25 February 2021  
Petaling Jaya,  
Selangor Darul Ehsan