

**CAN-ONE BERHAD**

Registration No. 200401000396 (638899-K)

Quarterly report on consolidated results as at 31 December 2021. The figures have not been audited.  
(Financial year ended 31 December 2021)

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 31/12/2021 RM'000	As at 31/12/2020 (Audited) RM'000
<b>Non-current assets</b>		
Property, plant and equipment	1,568,010	1,791,969
Land held for property development	109,225	-
Right-of-use assets	400,368	440,232
Investment properties	109,476	117,035
Intangible assets	1,094	1,398
Contract assets	7,898	24,550
Deferred tax assets	2,228	5,323
<b>Total non-current assets</b>	<b>2,198,299</b>	<b>2,380,507</b>
<b>Current assets</b>		
Inventories	876,018	555,507
Trade and other receivables	626,169	585,905
Other assets	7,665	20,858
Prepayments	4,309	3,152
Derivative financial assets	843	4,183
Current tax assets	3,458	12,669
Cash and cash equivalents	248,336	229,729
<b>Total current assets</b>	<b>1,766,798</b>	<b>1,412,003</b>
<b>Total assets</b>	<b>3,965,097</b>	<b>3,792,510</b>
<b>Equity</b>		
Share capital	197,660	197,660
Reserves	1,536,722	1,582,742
<b>Equity attributable to owners of the Company</b>	<b>1,734,382</b>	<b>1,780,402</b>
Non-controlling interests	93,157	143,614
<b>Total equity</b>	<b>1,827,539</b>	<b>1,924,016</b>
<b>Liabilities</b>		
Loans and borrowings	657,567	710,543
Lease liabilities	6,237	6,599
Retirement benefits obligations	64,532	65,306
Derivative financial liabilities	3,896	6,017
Deferred tax liabilities	104,031	101,220
<b>Total non-current liabilities</b>	<b>836,263</b>	<b>889,685</b>
Loans and borrowings	812,454	579,143
Lease liabilities	5,837	5,974
Retirement benefits obligations	2,571	7,433
Trade and other payables	465,183	368,165
Contract liabilities	6,275	5,709
Derivative financial liabilities	1,022	6,077
Current tax payables	7,953	6,308
<b>Total current liabilities</b>	<b>1,301,295</b>	<b>978,809</b>
<b>Total liabilities</b>	<b>2,137,558</b>	<b>1,868,494</b>
<b>Total equity and liabilities</b>	<b>3,965,097</b>	<b>3,792,510</b>
Net assets per share attributable to equity holders of the Company (Sen)	<b>902.60</b>	<b>926.55</b>

**NOTE :**

The condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

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Registration No. 200401000396 (638899-K)

Quarterly report on consolidated results for the Financial Year ended 31 December 2021. The figures have not been audited.

(Financial year ended 31 December 2021)

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

	Individual quarter			Cumulative quarter		
	Current year Fourth Quarter ended 31/12/2021 RM'000	Preceding year Fourth Quarter ended 31/12/2020 RM'000	Changes %	Current year ended 31/12/2021 RM'000	Preceding year ended 31/12/2020 RM'000	Changes %
Revenue	763,790	662,583	15	2,692,713	2,530,126	6
Cost of sales	(697,915)	(571,721)		(2,336,843)	(2,313,467)	
Gross profit	65,875	90,862	(27)	355,870	216,659	64
Other income	8,612	4,253		26,547	23,304	
Other expenses	(214,576)	(1,422)		(242,858)	(19,199)	
Distribution and Admin expenses	(48,133)	(37,196)		(167,410)	(161,363)	
(Loss)/Profit from operations	(188,222)	56,497	(433)	(27,851)	59,401	(147)
Interest income	791	1,939		6,773	7,755	
Interest expenses	(11,544)	(12,557)		(46,169)	(55,156)	
Net interest expenses	(10,753)	(10,618)		(39,396)	(47,401)	
(Loss)/Profit before tax	(198,975)	45,879	(534)	(67,247)	12,000	(660)
Tax expenses	(17,671)	(11,000)		(39,100)	(19,083)	
(Loss)/Profit from continuing operations	(216,646)	34,879	(721)	(106,347)	(7,083)	(1,401)
<b>Discontinued Operation</b>						
Profit from discontinued operation, net of tax	-	-		-	88,000	
(Loss)/Profit for the period	(216,646)	34,879	(721)	(106,347)	80,917	(231)

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(Financial year ended 31 December 2021)

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

	Individual quarter			Cumulative quarter		
	Current year Fourth Quarter ended 31/12/2021 RM'000	Preceding year Fourth Quarter ended 31/12/2020 RM'000	Changes %	Current year ended 31/12/2021 RM'000	Preceding year ended 31/12/2020 RM'000	Changes %
(Loss)/Profit for the period	<b>(216,646)</b>	34,879	(721)	<b>(106,347)</b>	80,917	(231)
Other comprehensive (expense)/income, net of tax						
Foreign currency translation differences of foreign operations	<b>(2,176)</b>	(9,863)		<b>15,448</b>	(7,457)	
Past service cost on retirement benefits	-	(6,709)		-	(6,709)	
Cash flow hedge	<b>(654)</b>	2,651		<b>2,108</b>	46	
Total comprehensive (expense)/ income for the period attributable to the Owners of the Company	<b>(219,476)</b>	20,958	(1,147)	<b>(88,791)</b>	66,797	- 233
(Loss)/Profit attributable to :						
Owners of the Company						
- from continuing operations	<b>(165,962)</b>	32,484		<b>(51,493)</b>	(11,582)	
- from discontinued operation	-	-		-	88,000	
	<b>(165,962)</b>	32,484		<b>(51,493)</b>	76,418	
Non-controlling interests	<b>(50,684)</b>	2,395		<b>(54,854)</b>	4,499	
	<b>(216,646)</b>	34,879		<b>(106,347)</b>	80,917	
Total comprehensive income/ (expense) attributable to :						
Owners of the Company						
- from continuing operations	<b>(168,770)</b>	20,361		<b>(38,334)</b>	(23,953)	
- from discontinued operation	-	-		-	88,000	
	<b>(168,770)</b>	20,361		<b>(38,334)</b>	64,047	
Non-controlling interests	<b>(50,706)</b>	597		<b>(50,457)</b>	2,750	
	<b>(219,476)</b>	20,958		<b>(88,791)</b>	66,797	
Basic (loss)/earnings per ordinary share (Sen)	<b>(86.37)</b>	16.91		<b>(26.80)</b>	39.77	

**NOTE :**

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(Financial year ended 31 December 2021)

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<-----Attributable to Owners of the Company----->						
	<--Non-Distributable-->			Distributable			
	Share capital RM'000	Cash flow hedge reserve RM'000	Foreign currency translation reserve RM'000	Retained profits RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
<b>Financial year ended 31 December 2021</b>							
Balance at 1 January 2021	197,660	(442)	3,674	1,579,510	1,780,402	143,614	1,924,016
Loss for the year	-	-	-	(51,493)	(51,493)	(54,854)	(106,347)
Foreign currency translation differences of foreign operations	-	-	11,798	-	11,798	3,650	15,448
Cash flow hedge	-	1,361	-	-	1,361	747	2,108
Total comprehensive income/(expense) for the year	-	1,361	11,798	(51,493)	(38,334)	(50,457)	(88,791)
Dividend paid	-	-	-	(7,686)	(7,686)	-	(7,686)
Balance at 31 December 2021	<u>197,660</u>	<u>919</u>	<u>15,472</u>	<u>1,520,331</u>	<u>1,734,382</u>	<u>93,157</u>	<u>1,827,539</u>
<b>Financial 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)
Remeasurement of defined retirement benefits	-	-	-	(6,803)	(6,803)	94	(6,709)
Cash flow hedge	-	455	-	-	455	(409)	46
Total comprehensive (expense)/income for the year	-	455	(6,022)	69,615	64,048	2,749	66,797
Dividend paid	-	-	-	(11,529)	(11,529)	-	(11,529)
Balance at 31 December 2020	<u>197,660</u>	<u>(442)</u>	<u>3,674</u>	<u>1,579,510</u>	<u>1,780,402</u>	<u>143,614</u>	<u>1,924,016</u>

**NOTE :**

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(Financial year ended 31 December 2021)

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Current year 31/12/2021 RM'000</b>	Preceding year 31/12/2020 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax from continued operations	<b>(67,247)</b>	12,000
Profit before tax from discontinued operation	-	88,000
	<b>(67,247)</b>	100,000
<b>Adjustments :</b>		
Amortisation and depreciation of assets	<b>150,059</b>	135,295
Interest expense	<b>46,169</b>	55,156
Interest income	<b>(6,773)</b>	(7,755)
Income distribution on money market placement with a financial institution	<b>(1,140)</b>	(2,081)
Property, plant and equipment written off	<b>109</b>	459
Impairment loss on receivables, net	<b>2,442</b>	477
Impairment loss on property, plant and equipment	<b>207,982</b>	-
Impairment loss on right-of-use assets	<b>34,479</b>	-
Unrealised (gain)/loss on derivatives financial instruments	<b>(1,864)</b>	326
Gain on disposal of property, plant and equipment	<b>(3,359)</b>	(2,759)
Gain on disposal of subsidiaries	-	(88,000)
Gain on lease modification	<b>(1,985)</b>	(850)
Operating profit before changes in working capital	<b>358,872</b>	190,268
Inventories	<b>(320,511)</b>	49,214
Trade and other receivables	<b>(42,693)</b>	(11,114)
Trade and other payables	<b>97,021</b>	(23,066)
Others	<b>37,599</b>	(11,217)
<b>Cash generated from operations</b>	<b>130,288</b>	194,085
Tax paid	<b>(22,496)</b>	(16,008)
<b>Net cash generated from operating activities</b>	<b>107,792</b>	178,077
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	<b>21,354</b>	4,442
Acquisition of property, plant and equipment	<b>(121,370)</b>	(144,109)
Acquisition of land held for property development	<b>(109,225)</b>	-
Acquisition of intangible assets	<b>(1,178)</b>	(543)
Acquisition of right-of-use assets	-	(2,844)
Acquisition of investment properties	-	(5,028)
Interest received	<b>6,773</b>	7,755
Income distribution on money market placement with a financial institution	<b>1,140</b>	2,081
<b>Net cash used in investing activities</b>	<b>(202,506)</b>	(138,246)

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**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)**

	<b>Current year</b> <b>12 months ended</b> <b>31/12/2021</b> <b>RM'000</b>	<b>Preceding year</b> <b>12 months ended</b> <b>31/12/2020</b> <b>RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	<b>(46,169)</b>	(55,156)
Dividend paid	<b>(7,686)</b>	(11,529)
Drawdown of term loans	<b>138,519</b>	74,575
Repayment of term loans	<b>(196,600)</b>	(104,666)
Net movement in other borrowings and lease liabilities	<b>234,169</b>	(67,920)
<b>Net cash flows generated from/(used in) financing activities</b>	<b>122,233</b>	(164,696)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>27,519</b>	(124,865)
Effect of exchange differences on cash and cash equivalents	<b>(8,912)</b>	3,995
Cash and cash equivalents brought forward	<b>229,729</b>	350,599
<b>Cash and cash equivalents carried forward</b>	<b>248,336</b>	229,729
Comprises :		
Cash and bank balances	<b>187,789</b>	137,368
Short term deposits with licensed banks	<b>5,937</b>	32,399
Money market placement with financial institution	<b>54,610</b>	59,962
	<b>248,336</b>	229,729

**NOTE :**

The condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

## CAN-ONE BERHAD

Registration No. 200401000396 (638899-K)

### EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS FOURTH QUARTER ENDED 31 DECEMBER 2021

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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 2020 ("FY 2020"). 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 2020.

##### 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 2020 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 2021 :

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases - Interest Rate Benchmark Reform - Phase 2*
- Amendment to MFRS 16, *Leases - Covid-19-Related Rent Concessions beyond 30 June 2021*

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

## CAN-ONE BERHAD

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### EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS FOURTH QUARTER ENDED 31 DECEMBER 2021

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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 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 3, *Business Combinations - Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment - Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018-2020)*

##### ***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023***

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates)*

##### ***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* and Amendments to MFRS 17, *Insurance Contracts* that is effective for annual periods beginning on or after 1 January 2023 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.



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### **EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS FOURTH QUARTER ENDED 31 DECEMBER 2021**

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#### **3. Auditors' report**

The auditors' report dated 15 April 2021 on the financial statements for the financial year ended 31 December 2020 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 and financial year under review.

#### **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**

A first and final single-tier dividend of 4 sen per share for the financial year ended 31 December 2020 was paid on 30 July 2021.

#### **9. Segment information**

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

- a) Manufacture of metal and lithographed tin cans, plastic cans, aluminium cans and corrugated fibreboard cartons (collectively, "General Packaging");
- b) Manufacturing, packaging and distribution of carbonated and non-carbonated beverages 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 2021**

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

Segment revenue and results for the financial year ended 31 December 2021 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 revenue	2,132,156	89,734	470,685	138	2,692,713	-	2,692,713
Inter-division revenue	430,040	732	596,715	46,913	1,074,400	(1,074,400)	-
	<u>2,562,196</u>	<u>90,466</u>	<u>1,067,400</u>	<u>47,051</u>	<u>3,767,113</u>	<u>(1,074,400)</u>	<u>2,692,713</u>
<b>Results</b>							
Segment results	64,457	(84,465)	12,606	22,333	14,931	(42,782)	(27,851)
Interest income	2,906	10	7,635	8,745	19,296	(12,523)	6,773
Interest expenses	(30,116)	(6,502)	(8,420)	(13,927)	(58,965)	12,796	(46,169)
Profit/(Loss) before tax	<u>37,247</u>	<u>(90,957)</u>	<u>11,821</u>	<u>17,151</u>	<u>(24,738)</u>	<u>(42,509)</u>	<u>(67,247)</u>
Depreciation and amortisation	143,938	8,942	164	2,219	155,263	(5,204)	150,059
Interest income	(2,906)	(10)	(7,635)	(8,745)	(19,296)	12,523	(6,773)
Interest expenses	30,116	6,502	8,420	13,927	58,965	(12,796)	46,169
Investment income	(918)	(25)	(95)	(102)	(1,140)	-	(1,140)
EBITDA	<u>207,477</u>	<u>(75,548)</u>	<u>12,675</u>	<u>24,450</u>	<u>169,054</u>	<u>(47,986)</u>	<u>121,068</u>
Impairment loss on property, plant and equipment	148,211	59,771	-	-	207,982	-	207,982
Adjusted EBITDA	<u>355,688</u>	<u>(15,777)</u>	<u>12,675</u>	<u>24,450</u>	<u>377,036</u>	<u>(47,986)</u>	<u>329,050</u>
<b>Assets</b>							
Segment assets	3,691,520	253,142	612,311	200,363	4,757,336	(797,925)	3,959,411
Unallocated assets	-	-	-	-	5,686	-	5,686
Total assets	<u>3,691,520</u>	<u>253,142</u>	<u>612,311</u>	<u>200,363</u>	<u>4,763,022</u>	<u>(797,925)</u>	<u>3,965,097</u>
<b>Liabilities</b>							
Segment liabilities	1,599,260	357,207	540,368	326,892	2,823,727	(798,153)	2,025,574
Unallocated liabilities	-	-	-	-	111,984	-	111,984
Total liabilities	<u>1,599,260</u>	<u>357,207</u>	<u>540,368</u>	<u>326,892</u>	<u>2,935,711</u>	<u>- 798,153</u>	<u>2,137,558</u>

The Earnings before interest, taxes, depreciation and amortisation ("EBITDA") of RM121.1 million would improved to RM329.1 million had the impairment loss on property, plant and equipment been taken into consideration.

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**EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS  
FOURTH QUARTER ENDED 31 DECEMBER 2021**

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

Segment revenue and results for the preceding 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 revenue	2,084,574	185,543	259,872	137	2,530,126	-	2,530,126
Inter-segment revenue	166,578	112,106	401,891	23,565	704,140	(704,140)	-
	<u>2,251,152</u>	<u>297,649</u>	<u>661,763</u>	<u>23,702</u>	<u>3,234,266</u>	<u>(704,140)</u>	<u>2,530,126</u>
<b>Results</b>							
Segment results	94,260	(36,616)	2,422	(15,923)	44,143	15,258	59,401
Interest income	2,827	55	9,377	12,740	24,999	(17,244)	7,755
Interest expenses	(39,009)	(7,032)	(8,815)	(17,848)	(72,704)	17,548	(55,156)
Profit/(Loss) before tax from continuing operations	58,078	(43,593)	2,984	(21,031)	(3,562)	15,562	12,000
Profit from discontinued operation	-	-	-	88,000	88,000	-	88,000
Profit/(Loss) before tax	58,078	(43,593)	2,984	66,969	84,438	15,562	100,000
Depreciation and amortisation	130,708	7,821	157	1,655	140,341	(5,043)	135,298
Interest income	(2,827)	(55)	(9,377)	(12,740)	(24,999)	17,244	(7,755)
Interest expenses	39,009	7,032	8,815	17,848	72,704	(17,548)	55,156
Investment income	(1,346)	(80)	(20)	(635)	(2,081)	-	(2,081)
EBITDA	<u>223,622</u>	<u>(28,875)</u>	<u>2,559</u>	<u>73,097</u>	<u>270,403</u>	<u>10,215</u>	<u>280,618</u>
<b>Assets</b>							
Segment assets	3,472,494	202,973	415,810	356,474	4,447,751	(673,233)	3,774,518
Unallocated assets	-	-	-	-	17,992	-	17,992
Total assets	<u>3,472,494</u>	<u>202,973</u>	<u>415,810</u>	<u>356,474</u>	<u>4,465,743</u>	<u>(673,233)</u>	<u>3,792,510</u>
<b>Liabilities</b>							
Segment liabilities	1,385,773	237,996	356,825	477,079	2,457,673	(696,707)	1,760,966
Unallocated liabilities	-	-	-	-	107,528	-	107,528
Total liabilities	<u>1,385,773</u>	<u>237,996</u>	<u>356,825</u>	<u>477,079</u>	<u>2,565,201</u>	<u>(696,707)</u>	<u>1,868,494</u>

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

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

**11. Material subsequent events**

As at 21 February 2022 (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.

**12. Changes in the Group composition**

There were no changes in the Group composition as at 31 December 2021.

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

There were no contingent liabilities or assets for the Group as at 31 December 2021.

As at 21 February 2022 (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 2021, the Group has the following capital commitment :

	<b>RM'000</b>
Approved and contracted for	<u><u>40,382</u></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 31/12/2021 RM'000</b>
Purchases of goods from a related party	<u><u>2,279</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 24 February 2022.

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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 2021 ("Q4, 2021") compared with Fourth quarter ended 31 December 2020 ("Q4, 2020")**

The Group's net revenue for Q4, 2021 increased by RM101.2 million or 15.3% to RM763.8 million. Loss before tax reported by the Group was RM199.0 million in Q4, 2021 mainly due to the following:

- Inventories written down of RM26.9 million; and
- Impairment of property, plant and equipment and right-of-use assets of RM214.0 million.

Continuing operations

General Packaging division

General Packaging division generated total revenue of RM731.3 million in Q4, 2021, an increase of RM95.2 million compared to Q4, 2020, mainly due to revision of selling price in tandem with increase in material prices and changes in sales mix.

The division, however, registered loss before tax of RM104.3 million as opposed to profit before tax of RM49.3 million. This was mainly due to the following:

- Inventories written down of RM26.1 million; and
- Impairment loss on property, plant and equipment and right-of-use assets of RM136.8 million.

Contract Manufacturing division

Revenue of the Contract Manufacturing division decreased by RM0.5 million to RM28.9 million in Q4, 2021. The division, registered a higher loss before tax of RM69.8 million in Q4, 2021 compared to RM9.5 million in Q4, 2020 mainly due to impairment loss on property, plant and equipment of RM59.8 million.

Trading division

Trading division registered an increase in revenue of RM28.2 million to RM233.8 million in Q4, 2021. The division recorded a loss before tax of RM4.9 million in Q4, 2021 as opposed to profit before tax of RM3.2 million in Q4, 2020. The loss is mainly due to impairment of certain trade receivables of RM2.7 million and changes in sales mix.

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

**(b) Financial year ended 31 December 2021 ("FYE 2021") compared with Financial year ended 31 December 2020 ("FYE 2020")**

The Group recorded an increase in revenue of RM162.6 million to RM2,692.7 million in FYE 2021 mainly due to increase in revenue recorded in all divisions except for Contract manufacturing division. The Group recorded loss before tax of RM67.2 million in FYE 2021 compared to profit before tax of RM12.0 million in FYE 2020 mainly due to the following:

- Inventories written down of RM29.1 million in FYE 2021
- Impairment loss on property, plant and equipment and right-of-use assets of RM242.5 million.

EBITDA of the Group was RM121.1 million. The EBITDA would improved to RM329.1 million had the impairment loss on property, plant and equipment been taken into consideration.

General Packaging division

Revenue of General Packaging division increased by RM0.3 million to RM2,562.2 million in FYE 2021. All segments shown as improvement in revenue. The division reported decrease in profit before tax by RM20.8 million to RM37.2 million in FYE 2021. This was mainly due to the following:

- Inventories written down of RM28.3 million in FYE 2021;
- Impairment loss on property, plant and equipment and right-of-use assets of RM165.2 million; and
- These are offset by higher gross profit margin earned due to changes in sales mix and revision of selling price.

Contract Manufacturing division

Revenue of Contract Manufacturing division decreased by RM207.2 million to RM90.5 million in FYE 2021 due to cessation of Edible oil business in Q1, 2021. Loss before tax of the division, however, was higher by RM47.4 million to RM91.0 million in FYE 2021. This was mainly attributable to impairment loss made on property, plant and equipment of RM59.8 million.

Trading division

Trading division registered a higher revenue of RM1,067.4 million in FYE 2021, a growth of RM405.6 million. Hence, the division registered a higher profit before tax of RM11.8 million as compared to profit loss before tax of RM3.0 million in FYE 2020 mainly due to increased sales volume and higher average selling prices.

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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EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS  
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	<b>Current year Fourth Quarter ended 31/12/2021 RM'000</b>	<b>Immediate Preceding Quarter ended 30/09/2021 RM'000</b>	<b>Changes RM'000</b>
Revenue	<b>763,790</b>	598,018	165,772
Operating (Loss)/Profit	<b>(188,222)</b>	46,277	(234,499)
(Loss)/Profit Before Interest and Tax	<b>(188,222)</b>	46,277	(234,499)
(Loss)/Profit Before Tax	<b>(198,975)</b>	35,548	(234,523)
(Loss)/Profit After Tax	<b>(216,646)</b>	25,483	(242,129)
(Loss)/Profit Attributable to Owners of the Company	<b><u>(165,962)</u></b>	<u>30,868</u>	<u>(196,830)</u>

The Group registered an increase of RM165.8 million in revenue. Despite the increase in revenue, the Group recorded a loss before tax of RM199.0 million as compared to profit before tax of RM0.1 million in Q3, 2021. Impairment loss made on property, plant and equipment and right-of-use assets of RM214.0 million and inventories written down of RM26.9 million had contributed to the loss before tax.

General Packaging division

The division registered an increase of RM160.2 million in revenue in Q4, 2021 from the immediate preceding quarter. Loss before tax of RM104.3 million was recorded in Q4, 2021 as opposed to profit before tax of RM38.7 million in Q3, 2021. This was mainly due to the impairment loss of property, plant and equipment and right-of-use assets of RM136.8 million and inventories written down of RM26.1 million recorded in Q4, 2021.

Contract Manufacturing division

Revenue of Contract Manufacturing division increased by RM7.9 million to RM28.9 million in Q4, 2021. Loss before tax of the division increased by RM62.3 million to RM69.8 million in Q4, 2021. This was mainly attributable to impairment loss on property, plant and equipment of RM59.8 million.

Trading division

Revenue of Trading division decreased by RM36.5 million to RM233.8 million in Q4, 2021 mainly due to slow down in export volume due to elevated freight costs. The division recorded a loss before tax of RM4.9 million in Q4, 2021 as opposed to profit before tax of RM5.8 million in Q3, 2021. This was mainly due to changes in sales mix and impairment loss of certain receivables of RM2.7 million recorded in the current quarter.



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**EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS  
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Despite the lifting of operational restrictions due to regulatory compliance of Covid-19 standard operating procedures for manufacturers both in Malaysia as well as overseas operations, the Group's operating environment for the financial year ending 31 December 2022 is expected to remain challenging with :

- i) escalating cost of raw materials;
- ii) elevated freight rates;
- iii) volatility in foreign currency exchange rates, mainly the United States Dollar; and
- iv) uncertainties arising from the Omicron variant of Covid-19.

In order to manage these challenges, the management will continue to review its marketing strategies whilst improving on production efficiencies and in managing its operation costs.

The current political situation in Myanmar that started on 1 February 2021 had resulted in a state of emergency declared in Myanmar. This had raised some cause for concern on the business environment in Myanmar. Nevertheless, the Myanmar plants have been able to continue their operations.

Barring any unforeseen circumstances, the Board anticipates the results of the Group for the financial year ending 31 December 2022 to be challenging.

**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</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>31/12/2021</b>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax expense	13,208	7,822	33,183	20,044
Deferred tax expense/(credit)	4,463	3,178	5,917	(961)
	<u>17,671</u>	<u>11,000</u>	<u>39,100</u>	<u>19,083</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. On 10 December 2021, TGSB took delivery of vacant possession of the Said Lots, marking the completion of the Proposed Kapar Acquisition.

Except as disclosed above, there were no corporate proposal announced which have not been completed as at 21 February 2022 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

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EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS  
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Group borrowings as at 31 December 2021 are as follows :

	<b>As at 31/12/2021 RM'000</b>	<b>As at 31/12/2020 RM'000</b>
<b>Borrowings denominated in RM</b>		
<b>Current</b>		
Secured		
Hire purchase liabilities	139	128
Term loans	426	1,116
Lease liabilities	5,837	5,974
	<u>6,402</u>	<u>7,218</u>
Unsecured		
Term loans	45,595	40,621
Bankers' acceptances	146,905	104,838
Revolving credits	100,500	73,000
Other trade facilities	196	30
	<u>299,598</u>	<u>225,707</u>
<b>Non-current</b>		
Secured		
Hire purchase liabilities	297	232
Term loans	379,306	389,533
Lease liabilities	6,237	6,599
	<u>385,840</u>	<u>396,364</u>
Unsecured		
Term loans	129,822	157,151
	<u>515,662</u>	<u>553,515</u>
Total borrowings in RM	<u><u>815,260</u></u>	<u><u>779,222</u></u>

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	<b>As at 31/12/2021 RM'000</b>	<b>As at 31/12/2020 RM'000</b>
<b>Borrowings denominated in Vietnam Dong ("VND")</b>		
<b>Current</b>		
Unsecured		
Term loans	8,066	7,712
Foreign currencies trade loans	118,315	99,202
	<u>126,381</u>	<u>106,914</u>
<b>Non-current</b>		
Term loans	4,033	11,567
Total borrowings in VND	<u>130,414</u>	<u>118,481</u>
<b>Borrowings denominated in United State Dollar ("USD")</b>		
<b>Current</b>		
Unsecured		
Foreign currencies trade loans	267,987	144,840
Revolving credits	87,465	60,255
Term loans	36,860	47,401
	<u>392,312</u>	<u>252,496</u>
<b>Non-current</b>		
Unsecured		
Term loans	144,109	152,060
Total borrowings in USD	<u>536,421</u>	<u>404,556</u>
Total Group borrowings	<u>1,482,095</u>	<u>1,302,259</u>

The interest rates for the borrowings are as follows :

	<b>As at 31/12/2021</b>	<b>As at 31/12/2020</b>
Term loans :		
- Floating	1.16% - 4.85%	1.22% - 6.57%
Trade facilities	0.71% - 5.81%	0.62% - 5.57%
Hire purchase liabilities	1.48% - 2.08%	1.48% - 2.08%
Revolving credits	0.94% - 3.50%	2.95% - 3.40%
Lease liabilities	<u>2.65% - 6.70%</u>	<u>2.65% - 6.70%</u>

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Total loans and borrowings including lease liabilities increased by RM179.8 million to RM1,482.1 million as at 31 December 2021 to finance working capital. During the financial year, the Group draw down RM138.5 million of new term loans to part finance the capital expenditures and had also made repayment on term loans amounting to RM196.6 million.

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

**8. Derivatives financial instruments**

As at 31 December 2021, 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 2021 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	17,352	843	-	-
Interest swap contracts				
- Less than 1 year	36,861	-	996	-
- 1 year to 3 years	144,109	-	-	3,896
<b>Non-hedging derivatives :</b>				
Foreign exchange contracts				
- Less than 1 year	4,532	-	26	-
		<u>843</u>	<u>1,022</u>	<u>3,896</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. (Loss)/Profit for the current quarter and financial year**

(Loss)/Profit for the current quarter and financial year was stated after charging/(crediting) :

	<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>31/12/2021</b>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	(791)	(1,939)	(6,773)	(7,755)
Interest expense	11,544	12,557	46,169	55,156
Depreciation and amortisation	45,446	33,726	150,059	135,295
Impairment loss of receivables, net	3,038	(1,123)	2,442	477
Impairment loss of property, plant and equipment, net	194,564	-	207,982	-
Impairment loss of right-of-use assets	34,479	-	34,479	-
Property, plant and equipment written off	51	(1,305)	109	459
Gain/(Loss) on disposal of property, plant and equipment	422	(2,526)	(3,359)	(2,759)
(Gain)/Loss on foreign currency exchange	(1,213)	(2,456)	6,171	136
Fair value loss/(gain) on non-hedging derivatives financial instruments	28	114	(1,864)	440
Gain on disposal of subsidiaries	-	-	-	(88,000)

**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 2021 (FYE 2020 : first and final single-tier dividend of 4 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 Fourth Quarter ended 31/12/2021</b>	<b>Preceding Year Fourth Quarter ended 31/12/2020</b>	<b>Current year ended 31/12/2021</b>	<b>Preceding year ended 31/12/2020</b>
From continuing operations (RM'000)	(165,962)	32,484	(51,493)	(11,582)
From discontinued operation (RM'000)	-	-	-	88,000
(Loss)/Profit attributable to Owners of the Company (RM'000)	<u>(165,962)</u>	<u>32,484</u>	<u>(51,493)</u>	<u>76,418</u>
Weighted average number of ordinary shares in issue ('000)	192,153	192,153	192,153	192,153
(Loss)/Earnings from continuing operations	(86.37)	16.91	(26.80)	(6.03)
Earnings from discontinued operation (Sen)	-	-	-	45.80
Basic (loss)/earnings per ordinary share (Sen)	<u>(86.37)</u>	<u>16.91</u>	<u>(26.80)</u>	<u>39.77</u>

Dated : 24 February 2022  
Petaling Jaya,  
Selangor Darul Ehsan