

## CAN-ONE BERHAD

Registration No. 200401000396 (638899-K)

Quarterly report on consolidated results as at 31 March 2024. The figures have not been audited.  
(Financial year ending 31 December 2024)

### UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31/03/2024 RM'000	As at 31/12/2023 (Audited) RM'000
<b>Non-current assets</b>		
Property, plant and equipment	2,080,573	2,057,531
Right-of-use assets	537,187	537,405
Investment properties	80,842	81,246
Intangible assets	4,179	3,371
Deferred tax assets	120	3,104
Prepayments	29,930	25,137
<b>Total non-current assets</b>	<b>2,732,831</b>	<b>2,707,794</b>
<b>Current assets</b>		
Inventories	750,061	801,601
Trade and other receivables	586,806	567,174
Prepayments	28,125	10,272
Current tax assets	6,445	7,837
Derivative financial assets	1,040	1,482
Cash and cash equivalents	325,451	387,066
<b>Total current assets</b>	<b>1,697,928</b>	<b>1,775,432</b>
<b>Total assets</b>	<b>4,430,759</b>	<b>4,483,226</b>
<b>Equity</b>		
Share capital	197,660	197,660
Reserves	1,682,490	1,653,832
<b>Equity attributable to owners of the Company</b>	<b>1,880,150</b>	<b>1,851,492</b>
Non-controlling interests	81,528	81,676
<b>Total equity</b>	<b>1,961,678</b>	<b>1,933,168</b>
<b>Liabilities</b>		
Loans and borrowings	756,604	788,367
Lease liabilities	183,151	181,183
Retirement benefits obligations	76,259	76,134
Deferred tax liabilities	98,073	98,443
<b>Total non-current liabilities</b>	<b>1,114,087</b>	<b>1,144,127</b>
Trade and other payables	497,215	560,127
Loans and borrowings	791,883	779,188
Lease liabilities	14,542	13,367
Retirement benefits obligations and gratuity	17,412	17,914
Contract liabilities	23,348	28,687
Derivative financial liabilities	9	136
Current tax liabilities	10,585	6,512
<b>Total current liabilities</b>	<b>1,354,994</b>	<b>1,405,931</b>
<b>Total liabilities</b>	<b>2,469,081</b>	<b>2,550,058</b>
<b>Total equity and liabilities</b>	<b>4,430,759</b>	<b>4,483,226</b>
Net assets per share attributable to equity holders of the Company (Sen)	<b>978.47</b>	<b>963.55</b>

#### NOTE :

The condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

## CAN-ONE BERHAD

Registration No. 200401000396 (638899-K)

Quarterly report on consolidated results for First Quarter ended 31 March 2024. The figures have not been audited.

(Financial year ending 31 December 2024)

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

	Individual quarter			Cumulative quarter		
	3 months ended		+ / (-) %	3 months ended		+ / (-) %
	2024	2023		2024	2023	
	RM'000	RM'000		RM'000	RM'000	
Revenue	796,125	760,620	5	796,125	760,620	5
Cost of sales	(692,798)	(683,586)		(692,798)	(683,586)	
Gross profit	103,327	77,034	34	103,327	77,034	34
Distribution expenses	(7,245)	(7,013)		(7,245)	(7,013)	
Admin expenses	(40,344)	(41,969)		(40,344)	(41,969)	
Other income	11,198	106		11,198	106	
Profit from operations before impairment losses	66,936	28,158		66,936	28,158	
Impairment losses on : - financial instruments	(788)	(271)		(788)	(271)	
Profit from operating activities	66,148	27,887	137	66,148	27,887	137
Interest income	851	467		851	467	
Interest expense	(23,917)	(18,399)		(23,917)	(18,399)	
Profit before tax	43,082	9,955	333	43,082	9,955	333
Tax expense	(16,717)	(4,316)		(16,717)	(4,316)	
Profit after tax	26,365	5,639	368	26,365	5,639	368

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

	Individual quarter			Cumulative quarter		
	3 months ended		+ / (-) %	3 months ended		+ / (-) %
	2024	2023		2024	2023	
	RM'000	RM'000		RM'000	RM'000	
Profit after tax	26,365	5,639	368	26,365	5,639	368
Other comprehensive (expense)/income, net of tax						
Foreign currency translation differences of foreign operations	2,516	6,962		2,516	6,962	
Cash flow hedge	(371)	610		(371)	610	
Total comprehensive income for the period attributable to the Owners of the Company	28,510	13,211	116	28,510	13,211	116
Profit/(Loss) attributable to :						
Owners of the Company	25,674	8,051		25,674	8,051	
Non-controlling interests	691	(2,412)		691	(2,412)	
	26,365	5,639		26,365	5,639	
Total comprehensive income/ (expense) attributable to :						
Owners of the Company	28,658	15,191		28,658	15,191	
Non-controlling interests	(148)	(1,980)		(148)	(1,980)	
	28,510	13,211		28,510	13,211	
Basic earnings per ordinary share (Sen)	13.36	4.19		13.36	4.19	

#### NOTE :

The condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

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### 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 earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
<b>Current period ended 31 March 2024</b>							
Balance at 1 January 2024	197,660	1,382	26,500	1,625,950	1,851,492	81,676	1,933,168
Profit for the period	-	-	-	25,674	25,674	691	26,365
Foreign currency translation differences of foreign operations	-	-	3,355	-	3,355	(839)	2,516
Remeasurement of defined retirement benefits	-	-	-	-	-	-	-
Cash flow hedge	-	(371)	-	-	(371)	-	(371)
Total comprehensive income/(expense) for the period	-	(371)	3,355	25,674	28,658	(148)	28,510
Balance at 31 March 2024	<u>197,660</u>	<u>1,011</u>	<u>29,855</u>	<u>1,651,624</u>	<u>1,880,150</u>	<u>81,528</u>	<u>1,961,678</u>
<b>Preceding year corresponding period ended 31 March 2023</b>							
Balance at 1 January 2023	197,660	236	20,449	1,608,230	1,826,575	87,642	1,914,217
Profit/(Loss) for the period	-	-	-	8,051	8,051	(2,412)	5,639
Foreign currency translation differences of foreign operations	-	-	6,529	-	6,529	433	6,962
Cash flow hedge	-	610	-	-	610	-	610
Total comprehensive income/(expense) for the period	-	610	6,529	8,051	15,190	(1,979)	13,211
Balance at 31 March 2023	<u>197,660</u>	<u>846</u>	<u>26,978</u>	<u>1,616,281</u>	<u>1,841,765</u>	<u>85,663</u>	<u>1,927,428</u>

#### NOTE :

The condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

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(Financial year ending 31 December 2024)

### UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended 31 March	
	2024	2023
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	43,082	9,955
<b>Adjustments :</b>		
Amortisation and depreciation of assets	48,635	39,029
Gain on disposal of property, plant and equipment	(77)	(2,534)
Net loss/(gain) on termination and remeasurement of lease contracts	2	(10)
Interest expense	23,917	18,399
Interest income	(851)	(467)
Income distribution from money market placements with a non-financial institution	(242)	(324)
Impairment losses on financial instruments	788	271
Retirement benefits obligations	1,422	1,567
Unrealised gain on derivative financial instruments	(56)	(785)
Unrealised (gain)/loss on foreign exchange	(10,214)	2,577
(Reversal of write-down)/Write down of inventories	(2,538)	41
Write off in respect of :		
- property, plant and equipment	609	53
- inventories	6,292	6,675
Operating profit before changes in working capital	110,769	74,447
Changes in working capital		
Inventories	47,786	57,837
Trade and other receivables	(2,644)	6,572
Trade and other payables	(64,592)	(49,319)
Others	(23,192)	(8,020)
<b>Cash generated from operations</b>	68,127	81,517
Interest paid	(1,978)	(120)
Retirement benefits paid	(1,798)	(1,064)
Tax paid	(8,824)	(10,597)
Tax refund	146	276
<b>Net cash from operating activities</b>	55,673	70,012

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

	3 months ended 31 March	
	2024	2023
	RM'000	RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	276	2,613
Additions of :		
- property, plant and equipment	(46,071)	(73,084)
- intangible assets	(944)	(441)
Interest received	851	467
Income distribution from money market placements with a non-financial institution	242	324
<b>Net cash used in investing activities</b>	<b>(45,633)</b>	<b>(70,121)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of term loans	10,176	5,695
Repayment of term loans	(53,274)	(18,013)
Net movement in other borrowings and lease liabilities	9,285	(49,143)
Interest paid	(21,939)	(18,279)
<b>Net cash used in financing activities</b>	<b>(55,752)</b>	<b>(79,740)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(45,712)</b>	<b>(79,849)</b>
Effect of exchange differences on cash and cash equivalents	(15,903)	(864)
Cash and cash equivalents brought forward	387,066	386,176
<b>Cash and cash equivalents carried forward</b>	<b>325,451</b>	<b>305,463</b>
	<b>As at 31/03/2024</b>	<b>As at 31/03/2023</b>
Comprises :		
Cash and bank balances	222,422	217,646
Short-term deposits with licensed banks	14,304	11,730
Money market placements with a non-financial institution	88,725	76,087
	<b>325,451</b>	<b>305,463</b>

#### NOTE :

The condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

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## EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS FIRST QUARTER ENDED 31 MARCH 2024

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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 2023 ("FYE 2023"). 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 FYE 2023.

#### 2. Significant Accounting Policies

The accounting policies adopted for this interim report are consistent with those adopted in the audited financial statements for the FYE 2023 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 2024 :

- Amendments to MFRS 16, *Leases - Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements - Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements*

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

#### ***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025***

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability*

#### ***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*

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### EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS FIRST QUARTER ENDED 31 MARCH 2024

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

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

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

The auditors' report dated 3 April 2024 in respect of the financial statements for the FYE 2023 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 the major festive seasons such as Chinese New Year and Ramadan.

#### **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. Changes in estimates**

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

#### **8. Dividend paid**

There was no dividend paid during the current quarter under review.



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### EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS FIRST QUARTER ENDED 31 MARCH 2024

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#### **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 ("Contract Manufacturing");
- c) Trading; and
- d) Property development and investment holding.

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## EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS FIRST QUARTER ENDED 31 MARCH 2024

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

Segment revenue and results for current quarter 3 months ended 31 March 2024 are as follows :

	General Packaging RM'000	Contract Manufacturing RM'000	Trading RM'000	Property Development and Investment Holding RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
<b>Revenue</b>							
External revenue	705,349	49,672	10,953	30,151	796,125	-	796,125
Inter-division revenue	25,133	-	9,607	1,132	35,872	(35,872)	-
	<b>730,482</b>	<b>49,672</b>	<b>20,560</b>	<b>31,283</b>	<b>831,997</b>	<b>(35,872)</b>	<b>796,125</b>
<b>Results</b>							
Segment results	53,206	1,513	(84)	11,544	66,179	(31)	66,148
Interest income	3,450	7	1,848	1,999	7,304	(6,453)	851
Interest expenses	(22,160)	(1,134)	(2,874)	(4,212)	(30,380)	6,463	(23,917)
Profit/(Loss) before tax	<b>34,496</b>	<b>386</b>	<b>(1,110)</b>	<b>9,331</b>	<b>43,103</b>	<b>(21)</b>	<b>43,082</b>
Depreciation and amortisation	46,086	1,536	55	1,005	48,682	(47)	48,635
Interest income	(3,450)	(7)	(1,848)	(1,999)	(7,304)	6,453	(851)
Interest expenses	22,160	1,134	2,874	4,212	30,380	(6,463)	23,917
Income distribution on money market placement with a non-financial institution	(241)	(1)	-	-	(242)	-	(242)
EBITDA	<b>99,051</b>	<b>3,048</b>	<b>(29)</b>	<b>12,549</b>	<b>114,619</b>	<b>(78)</b>	<b>114,541</b>
<b>Assets</b>							
Segment assets	4,578,940	139,351	339,995	321,411	5,379,697	(955,503)	4,424,194
Unallocated assets	-	-	-	-	6,565	-	6,565
Total assets	<b>4,578,940</b>	<b>139,351</b>	<b>339,995</b>	<b>321,411</b>	<b>5,386,262</b>	<b>(955,503)</b>	<b>4,430,759</b>
<b>Liabilities</b>							
Segment liabilities	2,382,030	217,148	293,675	424,788	3,317,641	(957,218)	2,360,423
Unallocated liabilities	-	-	-	-	108,658	-	108,658
Total liabilities	<b>2,382,030</b>	<b>217,148</b>	<b>293,675</b>	<b>424,788</b>	<b>3,426,299</b>	<b>(957,218)</b>	<b>2,469,081</b>

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## EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS FIRST QUARTER ENDED 31 MARCH 2024

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

Segment revenue and results for the preceding year corresponding 3 months ended 31 March 2023 are as follows :

	General Packaging RM'000	Contract Manufacturing RM'000	Trading RM'000	Property Development and Investment Holding RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
<b>Revenue</b>							
External revenue	687,658	42,413	30,514	35	760,620	-	760,620
Inter-segment revenue	38,907	-	33,864	48,653	121,424	(121,424)	-
	<u>726,565</u>	<u>42,413</u>	<u>64,378</u>	<u>48,688</u>	<u>882,044</u>	<u>(121,424)</u>	<u>760,620</u>
<b>Results</b>							
Segment results	34,120	(1,752)	(1,000)	43,257	74,625	(46,738)	27,887
Interest income	2,902	17	2,362	1,136	6,417	(5,950)	467
Interest expenses	(16,184)	(1,447)	(3,136)	(3,655)	(24,422)	6,023	(18,399)
Profit/(Loss) before tax	20,838	(3,182)	(1,774)	40,738	56,620	(46,665)	9,955
Depreciation and amortisation	38,111	1,575	45	375	40,106	(1,077)	39,029
Interest income	(2,902)	(17)	(2,362)	(1,136)	(6,417)	5,950	(467)
Interest expenses	16,184	1,447	3,136	3,655	24,422	(6,023)	18,399
Income distribution on money market placement with a non-financial institution	(308)	(1)	-	(15)	(324)	-	(324)
EBITDA	<u>71,923</u>	<u>(178)</u>	<u>(955)</u>	<u>43,617</u>	<u>114,407</u>	<u>(47,815)</u>	<u>66,592</u>
<b>Assets</b>							
Segment assets	4,210,312	156,761	441,828	321,085	5,129,986	(966,251)	4,163,735
Unallocated assets	-	-	-	-	6,709	-	6,709
Total assets	<u>4,210,312</u>	<u>156,761</u>	<u>441,828</u>	<u>321,085</u>	<u>5,136,695</u>	<u>(966,251)</u>	<u>4,170,444</u>
<b>Liabilities</b>							
Segment liabilities	1,994,281	241,854	390,906	480,281	3,107,322	(966,363)	2,140,959
Unallocated liabilities	-	-	-	-	102,057	-	102,057
Total liabilities	<u>1,994,281</u>	<u>241,854</u>	<u>390,906</u>	<u>480,281</u>	<u>3,209,379</u>	<u>(966,363)</u>	<u>2,243,016</u>

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### EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS FIRST QUARTER ENDED 31 MARCH 2024

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

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

#### **11. Material subsequent events**

As at 20 May 2024 (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 reporting date which may have an impact on the interim financial statements of the Group.

#### **12. Changes in the Group composition**

There was no significant change in the composition of the Group during the current quarter under review.

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

There were no contingent liabilities or assets for the Group as at 31 March 2024.

As at 20 May 2024 (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 March 2024, the Group has the following capital commitment :

	<b>RM'000</b>
Approved and contracted for	<u><u>54,294</u></u>

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### EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS FIRST QUARTER ENDED 31 MARCH 2024

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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"). During the current quarter under review, there was no significant related party transaction recorded.

#### **16. Authorisation for issue**

This interim financial report was authorised for issue by the Board of Directors ("Board") at the Board Meeting held on 23 May 2024.

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### EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS FIRST QUARTER ENDED 31 MARCH 2024

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

##### 1. Review of performance

##### **(a) 3 months ended 31 March 2024 ("Q1, 2024") compared with 3 months ended 31 March 2023 ("Q1, 2023")**

The Group's net revenue has increased by RM35.5 million or 4.7% to RM796.1 million in Q1, 2024. Profit before tax of the Group increased by RM33.1 million to RM43.1 million in Q1, 2024. This was mainly attributable from General Packaging division and property development activities in Kapar as explained below.

##### General Packaging division

General Packaging division generated total revenue of RM730.5 million in Q1, 2024, an increase of RM3.9 million compared to Q1, 2023, mainly due to higher sales volumes in General cans segment offset by lower sales volumes in Aluminium cans segment. Profit before tax of the division was higher by RM13.7 million to RM34.5 million in Q1, 2024 mainly due to the better gross profit and favourable foreign exchange movement set off by higher interest expenses.

##### Contract Manufacturing division

Revenue of the Contract Manufacturing division increased by RM7.3 million to RM49.7 million in Q1, 2024, which was mainly due to increase in sales volume. Having looked at the history of the investment phase and production lines upgrade in prior years, this is the first quarter of the division achieved gross profit amounted to RM3.1 million. Consequently, the loss before tax of the division improved by RM3.6 million to a profit before tax of RM0.4 million in Q1, 2024.

##### Trading division

Trading division registered a decrease in revenue of RM43.8 million to RM20.6 million in Q1, 2024. Loss before tax of the division decreased by RM0.7 million to RM1.1 million in Q1, 2024 which was mainly due to reversal of impairment losses on financial instruments in Q1, 2024 from recovery of the long overdue balances compared to the impairment loss on financial instruments in Q1, 2023.

##### Property development and investment holding division

Property development has commenced to recognise a share of revenue and profit before tax from its property development activities in Kapar since Q4, 2023. In Q1, 2024, the property development activities recorded a share of revenue and profit before tax of RM30.1 million and RM12.3 million respectively.

## CAN-ONE BERHAD

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### EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS FIRST QUARTER ENDED 31 MARCH 2024

#### 2. Variation of results against immediate preceding 3 months ended 31 December 2023 ("Q4, 2023")

	Individual quarter		Changes RM'000
	3 months ended		
	31 March 2024 RM'000	31 December 2023 RM'000	
Revenue	796,125	859,283	(63,158)
Operating Profit	66,148	43,837	22,311
Profit Before Tax	43,082	31,905	11,177
Profit After Tax	26,365	35,067	(8,702)
Profit Attributable to Owners of the Company	25,674	34,719	(9,045)

The Group's net revenue decreased by RM63.2 million to RM796.1 million in Q1, 2024. Profit before tax of the Group increased by RM11.2 million in Q1, 2024. This was mainly attributable from :

- i) General Packaging division as explained below;
- ii) higher admin expenses in Trading division in Q4, 2023 as explained below;
- iii) reversal of impairment loss on property, plant and equipment in Contract Manufacturing division in Q4, 2023; and
- iv) reversal of provision on reorganisation expenses and bonus and gain from subsidiaries struck off/deregistered recorded in Q4, 2023.

#### General Packaging division

Revenue of General Packaging division in Q1, 2024 was RM730.5 million, a decrease of RM41.5 million from Q4, 2023 mainly due to the decrease in demand of all segments. Profit before tax of the division, however, improved by RM29.9 million to RM34.5 million in Q1, 2024 was mainly due to the lower operating expenses incurred in the USA Aluminium can plant which commenced operations in December 2023 and favourable foreign exchange movement partially offset by lower gain on disposal of property, plant and equipment as compared to Q4, 2023.

#### Contract Manufacturing division

Revenue of Contract Manufacturing division increased by RM3.1 million to RM49.7 million in Q1, 2024 mainly due to the increase in sales volume. Hence, gross profit improved by RM3.2 million from gross loss in Q4, 2023. Profit before tax, however, was lower by RM7.1 million to RM0.4 million mainly due to the waiver of debts given by a related company as well as the reversal of impairment loss on property, plant and equipment recorded in Q4, 2023.

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### EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS FIRST QUARTER ENDED 31 MARCH 2024

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#### 2. Variation of results against immediate preceding 3 months ended 31 December 2023 ("Q4, 2023") (Cont'd)

##### Trading division

Trading division registered a decrease in revenue of RM54.1 million to RM20.6 million in Q1, 2024. Loss before tax of the division, however, decreased by RM1.5 million to RM1.1 million in Q1, 2024, which mainly arose from the decrease in trading activities.

##### Property development and investment holding division

In Q1, 2024, the property development activities in Kapar recorded a share of revenue and profit before tax of RM30.1 million and RM12.3 million respectively, whereby the share of revenue and profit before tax was lower by RM4.5 million and RM1.7 million respectively as compared to Q4, 2023.

#### 3. Prospects

The operating environment of the Group is expected to be influenced by volatility in foreign currency exchange rates, cumulative inflationary effects in raw materials and other input costs such as labour, transportation, and energy costs, challenging macroeconomics conditions in certain markets, escalation of geopolitical conflicts with the risks of sea trade disruptions and shipping delays, uncertainty amid an election year in a large number of countries, rising protectionism, an elevated interest rate environment that increases working capital costs for businesses as well as cautious spending by consumers. There is also heightened awareness and compliance related to climate-related risk mitigation actions that businesses are adopting. Global economists are forecasting slower consumption rather than a recession in light of moderate global trade growth.

The new aluminium can plant in USA has commenced its operations in December 2023. As a greenfield project, it is only expected to contribute positive results to the Group in 3 to 5 years time.

The Board is cautiously optimistic about business prospects of the Group as the Group continues to explore new market opportunities with an emphasis on operational efficiency to deliver sustainable growth and satisfactory performance for the current financial year.

#### 4. Profit forecast/profit guarantee

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



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EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS  
FIRST QUARTER ENDED 31 MARCH 2024**5. Tax expense**

	Individual quarter		Cumulative quarter	
	3 months ended		3 months ended	
	31 March		31 March	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Current tax expense	14,101	6,809	14,101	6,809
Deferred tax expense/(credit)	2,616	(2,493)	2,616	(2,493)
	<b>16,717</b>	<b>4,316</b>	<b>16,717</b>	<b>4,316</b>

**6. Status of Corporate Proposal**

There was no corporate proposal announced as at 20 May 2024 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

**7. Group borrowings and debts securities**

Group borrowings as at 31 March 2024 are as follows :

	As at 31/03/2024 RM'000	As at 31/12/2023 RM'000
<b>Borrowings denominated in RM</b>		
<b>Current</b>		
Secured		
Hire purchase liabilities	734	743
Term loans	-	3,481
Lease liabilities	7,671	6,743
	<b>8,405</b>	<b>10,967</b>
Unsecured		
Term loans	28,410	33,325
Trade facilities	270,821	236,221
Revolving credits	133,759	163,970
	<b>441,395</b>	<b>444,483</b>

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EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS  
FIRST QUARTER ENDED 31 MARCH 2024**7. Group borrowings and debts securities (cont'd)**

	<b>As at 31/03/2024 RM'000</b>	<b>As at 31/12/2023 RM'000</b>
<b>Borrowings denominated in RM (Cont'd)</b>		
<b>Non-current</b>		
Secured		
Hire purchase liabilities	194	367
Term loans	319,559	352,721
Lease liabilities	6,916	8,530
	<u>326,669</u>	<u>361,618</u>
Unsecured		
Term loans	146,314	152,727
	<u>472,983</u>	<u>514,345</u>
Total borrowings in RM	<u><u>914,378</u></u>	<u><u>958,828</u></u>
<b>Borrowings denominated in Singapore Dollar ("SGD")</b>		
<b>Current</b>		
Secured		
Lease liabilities	492	510
Total borrowings in SGD	<u>492</u>	<u>510</u>
<b>Borrowings denominated in Indonesian Rupiah ("IDR")</b>		
<b>Current</b>		
Secured		
Lease liabilities	720	711
	<u>720</u>	<u>711</u>
<b>Non-current</b>		
Secured		
Lease liabilities	1,025	1,209
	<u>1,025</u>	<u>1,209</u>
Total borrowings in IDR	<u><u>1,745</u></u>	<u><u>1,920</u></u>

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EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS  
FIRST QUARTER ENDED 31 MARCH 2024**7. Group borrowings and debts securities (cont'd)**

	As at 31/03/2024 RM'000	As at 31/12/2023 RM'000
<b>Borrowings denominated in Vietnam Dong ("VND")</b>		
<b>Current</b>		
Secured		
Lease liabilities	2,295	2,236
Unsecured		
Trade facilities	138,698	136,766
	<u>140,993</u>	<u>139,002</u>
<b>Non-current</b>		
Secured		
Lease liabilities	544	761
Unsecured		
Term loans	8,550	-
	<u>9,094</u>	<u>761</u>
Total borrowings in VND	<u>150,087</u>	<u>139,763</u>
<b>Borrowings denominated in United State Dollar ("USD")</b>		
<b>Current</b>		
Secured		
Hire purchase liabilities	11,475	10,948
Lease liabilities	3,364	3,167
Unsecured		
Trade facilities	100,703	95,392
Revolving credits	84,733	78,030
Term loans	22,550	20,312
	<u>222,825</u>	<u>207,849</u>
<b>Non-current</b>		
Secured		
Hire purchase liabilities	122,426	122,162
Lease liabilities	174,666	170,683
Unsecured		
Term loans	159,561	160,390
	<u>456,653</u>	<u>453,235</u>
Total borrowings in USD	<u>679,478</u>	<u>661,084</u>
Total Group borrowings	<u>1,746,180</u>	<u>1,762,105</u>

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### EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS FIRST QUARTER ENDED 31 MARCH 2024

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

The interest rates for the borrowings are as follows :

	<b>As at 31/03/2024</b>	<b>As at 31/12/2023</b>
Term loans - floating	<b>3.98% - 10.83%</b>	3.58% - 7.26%
Trade facilities	<b>3.00% - 6.39%</b>	2.80% - 7.26%
Hire purchase liabilities	<b>1.48% - 7.60%</b>	1.48% - 7.60%
Revolving credits	<b>3.76% - 7.32%</b>	3.82% - 7.34%
Lease liabilities	<b>1.16% - 4.55%</b>	1.16% - 7.36%

Total loans and borrowings including lease liabilities decreased by RM15.9 million to RM1,746.2 million as at 31 March 2024, mainly due to decrease in term loans and revolving credits set off by increase in trade facilities. During the financial period under review, the Group made term loans repayment amounting to RM53.3 million and drawn down new term loans amounting to RM10.2 million.

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

#### 8. Derivatives financial instruments

As at 31 March 2024, the Group had entered into :

- (i) forward foreign currency exchange contracts to hedge against USD/RM exchange rate fluctuations; and
- (ii) commodity contracts to hedge pricing risk of aluminium.

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 statement of profit or loss and other comprehensive income.

<b>Type of derivatives</b>	<b>Notional amount RM'000</b>	<b>Current assets RM'000</b>	<b>Current liabilities RM'000</b>
<b>Hedging derivatives :</b>			
Commodity contracts	36,579	1,011	-
<b>Non-hedging derivatives :</b>			
Foreign exchange contracts	25,650	29	9
		<u>1,040</u>	<u>9</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.

**CAN-ONE BERHAD**

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EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS  
FIRST QUARTER ENDED 31 MARCH 2024**9. Profit for the current quarter and financial period-to-date**

Profit for the current quarter and financial period-to-date was stated after charging/(crediting) :

	Individual quarter		Cumulative quarter	
	3 months ended		3 months ended	
	31 March		31 March	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	48,635	39,029	48,635	39,029
Income distribution from money market placement with a non-financial institution	(242)	(324)	(242)	(324)
Gain on disposal of property, plant and equipment	(77)	(2,534)	(77)	(2,534)
Write off in respect of :				
- property, plant and equipment	609	53	609	53
- inventories	6,292	6,675	6,292	6,675
Gain on foreign currency exchange	(13,257)	3,834	(13,257)	3,834

**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.

**11. Dividend**

The Board of Directors of Can-One had on 22 February 2024 recommended a first and final single-tier dividend of 4 sen per share amounting to RM7,686,120 in respect of the FYE 2023 (FYE 2022 : first and final single-tier dividend of 4 sen per share), subject to the approval by shareholders at the forthcoming Annual General Meeting of the Company.

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EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS  
FIRST QUARTER ENDED 31 MARCH 2024**12. Earnings per share**

Basic earnings per share were computed as follows :

	<b>Individual quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31 March</b>		<b>31 March</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Profit attributable to Owners of the Company (RM'000)	<b>25,674</b>	8,051	<b>25,674</b>	8,051
Weighted average number of ordinary shares in issue ('000)	<b>192,153</b>	192,153	<b>192,153</b>	192,153
Basic earnings per ordinary share (sen)	<b>13.36</b>	4.19	<b>13.36</b>	4.19

Dated : 23 May 2024  
Petaling Jaya,  
Selangor Darul Ehsan