

## CAN-ONE BERHAD

Registration No. 200401000396 (638899-K)

Quarterly report on consolidated results as at 30 June 2024. The figures have not been audited.  
(Financial year ending 31 December 2024)

### UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30/06/2024 RM'000	As at 31/12/2023 (Audited) RM'000
<b>Non-current assets</b>		
Property, plant and equipment	2,066,790	2,057,531
Right-of-use assets	529,581	537,405
Investment properties	79,108	81,246
Intangible assets	4,105	3,371
Deferred tax assets	148	3,104
Prepayments	30,365	25,137
<b>Total non-current assets</b>	<b>2,710,097</b>	<b>2,707,794</b>
<b>Current assets</b>		
Inventories	763,536	801,601
Trade and other receivables	569,951	567,174
Prepayments	24,264	10,272
Current tax assets	7,740	7,837
Derivative financial assets	1,643	1,482
Cash and cash equivalents	577,935	387,066
<b>Total current assets</b>	<b>1,945,069</b>	<b>1,775,432</b>
<b>Total assets</b>	<b>4,655,166</b>	<b>4,483,226</b>
<b>Equity</b>		
Share capital	197,660	197,660
Reserves	1,681,571	1,653,832
<b>Equity attributable to owners of the Company</b>	<b>1,879,231</b>	<b>1,851,492</b>
Non-controlling interests	77,478	81,676
<b>Total equity</b>	<b>1,956,709</b>	<b>1,933,168</b>
<b>Liabilities</b>		
Loans and borrowings	951,378	788,367
Lease liabilities	181,651	181,183
Retirement benefits obligations	77,294	76,134
Deferred tax liabilities	97,281	98,443
<b>Total non-current liabilities</b>	<b>1,307,604</b>	<b>1,144,127</b>
Trade and other payables	426,693	560,127
Loans and borrowings	917,810	779,188
Lease liabilities	14,403	13,367
Retirement benefits obligations and gratuity	7,240	17,914
Contract liabilities	9,416	28,687
Derivative financial liabilities	40	136
Current tax liabilities	15,251	6,512
<b>Total current liabilities</b>	<b>1,390,853</b>	<b>1,405,931</b>
<b>Total liabilities</b>	<b>2,698,457</b>	<b>2,550,058</b>
<b>Total equity and liabilities</b>	<b>4,655,166</b>	<b>4,483,226</b>
Net assets per share attributable to equity holders of the Company (Sen)	<b>977.99</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.

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(Financial year ending 31 December 2024)

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

	Individual quarter		+ / (-) %	Cumulative quarter		+ / (-) %
	3 months ended			6 months ended		
	30 June			30 June		
	2024	2023		2024	2023	
	RM'000	RM'000		RM'000	RM'000	
Revenue	<b>762,391</b>	705,445	8	<b>1,558,516</b>	1,466,065	6
Cost of sales	<b>(675,844)</b>	(631,925)		<b>(1,368,642)</b>	(1,315,511)	
Gross profit	<b>86,547</b>	73,520	18	<b>189,874</b>	150,554	26
Distribution expenses	<b>(6,223)</b>	(7,284)		<b>(13,468)</b>	(14,297)	
Admin expenses	<b>(41,728)</b>	(42,509)		<b>(82,072)</b>	(84,478)	
Other (expense)/income	<b>(3,419)</b>	12,938		<b>7,779</b>	13,044	
Profit from operations before impairment losses	<b>35,177</b>	36,665		<b>102,113</b>	64,823	
Net (impairment losses)/reversal of impairment losses on :						
- financial instruments	<b>(86)</b>	540		<b>(874)</b>	269	
Profit from operating activities	<b>35,091</b>	37,205	(6)	<b>101,239</b>	65,092	56
Interest income	<b>750</b>	540		<b>1,601</b>	1,007	
Interest expense	<b>(23,465)</b>	(19,403)		<b>(47,382)</b>	(37,802)	
Profit before tax	<b>12,376</b>	18,342	(33)	<b>55,458</b>	28,297	96
Tax expense	<b>(12,282)</b>	(6,769)		<b>(28,999)</b>	(11,085)	
Profit after tax	<b>94</b>	11,573	(99)	<b>26,459</b>	17,212	54

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(Financial year ending 31 December 2024)

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

	Individual quarter		+ / (-) %	Cumulative quarter		+ / (-) %
	3 months ended			6 months ended		
	30 June			30 June		
	2024	2023		2024	2023	
	RM'000	RM'000		RM'000	RM'000	
Profit after tax	94	11,573	(99)	26,459	17,212	54
Other comprehensive (expense)/income, net of tax						
Foreign currency translation differences of foreign operations	(5,600)	11,617		(3,084)	18,579	
Cash flow hedge	537	(4,552)		166	(3,942)	
Total comprehensive (expense)/ income for the period attributable to the Owners of the Company	(4,969)	18,638	(127)	23,541	31,849	(26)
Profit/(Loss) attributable to :						
Owners of the Company	3,123	13,743		28,797	21,794	
Non-controlling interests	(3,029)	(2,170)		(2,338)	(4,582)	
	94	11,573		26,459	17,212	
Total comprehensive (expense)/ income attributable to :						
Owners of the Company	(919)	19,357		27,739	34,548	
Non-controlling interests	(4,050)	(719)		(4,198)	(2,699)	
	(4,969)	18,638		23,541	31,849	
Basic earnings per ordinary share (Sen)	1.63	7.15		14.99	11.34	

#### NOTE :

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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 30 June 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/(Loss) for the period	-	-	-	28,797	28,797	(2,338)	26,459
Foreign currency translation differences of foreign operations	-	-	(1,224)	-	(1,224)	(1,860)	(3,084)
Cash flow hedge	-	166	-	-	166	-	166
Total comprehensive income/(expense) for the period	-	166	(1,224)	28,797	27,739	(4,198)	23,541
Balance at 30 June 2024	<u>197,660</u>	<u>1,548</u>	<u>25,276</u>	<u>1,654,747</u>	<u>1,879,231</u>	<u>77,478</u>	<u>1,956,709</u>
<b>Preceding year corresponding period ended 30 June 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	-	-	-	21,794	21,794	(4,582)	17,212
Foreign currency translation differences of foreign operations	-	-	16,697	-	16,697	1,882	18,579
Cash flow hedge	-	(3,942)	-	-	(3,942)	-	(3,942)
Total comprehensive (expense)/income for the period	-	(3,942)	16,697	21,794	34,549	(2,700)	31,849
Balance at 30 June 2023	<u>197,660</u>	<u>(3,706)</u>	<u>37,146</u>	<u>1,630,024</u>	<u>1,861,124</u>	<u>84,942</u>	<u>1,946,066</u>

#### NOTE :

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### UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended 30 June	
	2024 RM'000	2023 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	55,458	28,297
<b>Adjustments :</b>		
Amortisation and depreciation of assets	96,699	80,448
Gain on disposal of :		
- property, plant and equipment	(121)	(2,928)
- investment properties	(1,160)	-
Net (gain)/loss on termination and remeasurement of lease contracts	(6)	51
Interest expense	47,382	37,802
Interest income	(1,601)	(1,007)
Income distribution from money market placements with a non-financial institution	(449)	(823)
Net impairment losses/(reversal of impairment losses) on financial instruments	874	(269)
Retirement benefits obligations	3,391	3,385
Unrealised gain on derivative financial instruments	(91)	(1,307)
Unrealised gain on foreign exchange	(9,184)	-
Reversal of write-down of inventories	(942)	(1,182)
Write off in respect of :		
- property, plant and equipment	627	53
- inventories	13,501	17,280
Operating profit before changes in working capital	204,378	159,800
Changes in working capital		
Inventories	25,507	80,650
Trade and other receivables	13,477	18,560
Trade and other payables	(136,174)	(99,464)
Others	(33,265)	2,795
<b>Cash generated from operations</b>	73,923	162,341
Interest paid	(3,932)	(2,437)
Retirement benefits paid	(12,905)	(1,673)
Tax paid	(18,351)	(18,458)
Tax refund	-	276
<b>Net cash from operating activities</b>	38,735	140,049

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

	6 months ended 30 June	
	2024 RM'000	2023 RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of :		
- property, plant and equipment	631	3,117
- investment properties	2,500	-
Additions of :		
- property, plant and equipment	(77,421)	(183,958)
- intangible assets	(1,087)	(4,136)
Interest received	1,601	1,007
Income distribution from money market placements with a non-financial institution	449	823
<b>Net cash used in investing activities</b>	<b>(73,327)</b>	<b>(183,147)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of term loans	259,897	34,493
Repayment of term loans	(98,786)	(39,297)
Net movement in other borrowings and lease liabilities	123,438	22,634
Interest paid	(43,450)	(35,365)
<b>Net cash from/(used in) financing activities</b>	<b>241,099</b>	<b>(17,535)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>206,507</b>	<b>(60,633)</b>
Effect of exchange differences on cash and cash equivalents	(15,638)	(11,233)
Cash and cash equivalents brought forward	387,066	386,176
<b>Cash and cash equivalents carried forward</b>	<b>577,935</b>	<b>314,310</b>
	<b>As at 30/06/2024</b>	<b>As at 30/06/2023</b>
Comprises :		
Cash and bank balances	488,993	220,395
Short-term deposits with licensed banks	21,238	30,865
Money market placements with a non-financial institution	67,704	63,050
	<b>577,935</b>	<b>314,310</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 SECOND QUARTER ENDED 30 JUNE 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 1 January 2026***

- Amendments to MFRS 9 and MFRS 7, *The Classification and Measurement of Financial Instruments*

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### EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 2024

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

##### ***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2027***

- Amendments to MFRS 18, *Presentation and Disclosure in Financial Statements*
- Amendments to MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

##### ***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 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 and the financial period 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 the financial period under review.



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### EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 2024

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#### **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 the financial period under review.

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

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

#### **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 SECOND QUARTER ENDED 30 JUNE 2024

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

Segment revenue and results for current quarter 3 months ended 30 June 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	675,114	48,592	14,928	23,757	762,391	-	762,391
Inter-division revenue	29,861	-	19,929	1,132	50,922	(50,922)	-
	<b>704,975</b>	<b>48,592</b>	<b>34,857</b>	<b>24,889</b>	<b>813,313</b>	<b>(50,922)</b>	<b>762,391</b>
<b>Results</b>							
Segment results	27,166	(1,433)	778	8,560	35,071	20	35,091
Interest income	3,210	5	1,847	1,987	7,049	(6,299)	750
Interest expenses	(22,139)	(1,131)	(2,406)	(4,092)	(29,768)	6,303	(23,465)
Profit/(Loss) before tax	8,237	(2,559)	219	6,455	12,352	24	12,376
Depreciation and amortisation	45,549	1,555	54	998	48,156	(92)	48,064
Interest income	(3,210)	(5)	(1,847)	(1,987)	(7,049)	6,299	(750)
Interest expenses	22,139	1,131	2,406	4,092	29,768	(6,303)	23,465
Income distribution on money market placement with a non-financial institution	(206)	(1)	-	-	(207)	-	(207)
EBITDA	<b>72,509</b>	<b>121</b>	<b>832</b>	<b>9,558</b>	<b>83,020</b>	<b>(72)</b>	<b>82,948</b>

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### EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 2024

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

Segment revenue and results for the preceding year corresponding 3 months ended 30 June 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	630,990	40,920	33,502	33	705,445	-	705,445
Inter-segment revenue	40,060	-	20,433	17,382	77,875	(77,875)	-
	<u>671,050</u>	<u>40,920</u>	<u>53,935</u>	<u>17,415</u>	<u>783,320</u>	<u>(77,875)</u>	<u>705,445</u>
<b>Results</b>							
Segment results	38,797	3,450	131	11,165	53,543	(16,338)	37,205
Interest income	3,315	11	2,508	1,634	7,468	(6,928)	540
Interest expenses	(16,934)	(1,532)	(4,043)	(3,787)	(26,296)	6,893	(19,403)
Profit/(Loss) before tax	25,178	1,929	(1,404)	9,012	34,715	(16,373)	18,342
Depreciation and amortisation	39,461	1,426	49	373	41,309	110	41,419
Interest income	(3,315)	(11)	(2,508)	(1,634)	(7,468)	6,928	(540)
Interest expenses	16,934	1,532	4,043	3,787	26,296	(6,893)	19,403
Income distribution on money market placement with a non-financial institution	(420)	(14)	-	(65)	(499)	-	(499)
EBITDA	<u>77,838</u>	<u>4,862</u>	<u>180</u>	<u>11,473</u>	<u>94,353</u>	<u>(16,228)</u>	<u>78,125</u>

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## EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 2024

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

Segment revenue and results for current quarter 6 months ended 30 June 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	1,380,463	98,264	25,881	53,908	1,558,516	-	1,558,516
Inter-division revenue	54,994	-	29,536	2,264	86,794	(86,794)	-
	<b>1,435,457</b>	<b>98,264</b>	<b>55,417</b>	<b>56,172</b>	<b>1,645,310</b>	<b>(86,794)</b>	<b>1,558,516</b>
<b>Results</b>							
Segment results	80,372	80	694	20,104	101,250	(11)	101,239
Interest income	6,660	12	3,695	3,986	14,353	(12,752)	1,601
Interest expenses	(44,299)	(2,265)	(5,280)	(8,304)	(60,148)	12,766	(47,382)
Profit/(Loss) before tax	42,733	(2,173)	(891)	15,786	55,455	3	55,458
Depreciation and amortisation	91,635	3,091	109	2,003	96,838	(139)	96,699
Interest income	(6,660)	(12)	(3,695)	(3,986)	(14,353)	12,752	(1,601)
Interest expenses	44,299	2,265	5,280	8,304	60,148	(12,766)	47,382
Income distribution on money market placement with a non-financial institution	(447)	(2)	-	-	(449)	-	(449)
EBITDA	<b>171,560</b>	<b>3,169</b>	<b>803</b>	<b>22,107</b>	<b>197,639</b>	<b>(150)</b>	<b>197,489</b>
<b>As at 30 June 2024</b>							
<b>Assets</b>							
Segment assets	4,824,553	131,569	337,454	303,829	5,597,405	(950,127)	4,647,278
Unallocated assets	-	-	-	-	7,888	-	7,888
Total assets	<b>4,824,553</b>	<b>131,569</b>	<b>337,454</b>	<b>303,829</b>	<b>5,605,293</b>	<b>(950,127)</b>	<b>4,655,166</b>
<b>Liabilities</b>							
Segment liabilities	2,633,564	211,938	291,107	401,185	3,537,794	(951,869)	2,585,925
Unallocated liabilities	-	-	-	-	112,532	-	112,532
Total liabilities	<b>2,633,564</b>	<b>211,938</b>	<b>291,107</b>	<b>401,185</b>	<b>3,650,326</b>	<b>(951,869)</b>	<b>2,698,457</b>

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## EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 2024

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

Segment revenue and results for the preceding year corresponding 6 months ended 30 June 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	1,318,648	83,333	64,016	68	1,466,065	-	1,466,065
Inter-segment revenue	78,967	-	54,297	66,035	199,299	(199,299)	-
	<u>1,397,615</u>	<u>83,333</u>	<u>118,313</u>	<u>66,103</u>	<u>1,665,364</u>	<u>(199,299)</u>	<u>1,466,065</u>
<b>Results</b>							
Segment results	72,917	1,698	(869)	54,422	128,168	(63,076)	65,092
Interest income	6,217	28	4,870	2,770	13,885	(12,878)	1,007
Interest expenses	(33,118)	(2,979)	(7,179)	(7,442)	(50,718)	12,916	(37,802)
Profit/(Loss) before tax	46,016	(1,253)	(3,178)	49,750	91,335	(63,038)	28,297
Depreciation and amortisation	77,572	3,001	94	748	81,415	(967)	80,448
Interest income	(6,217)	(28)	(4,870)	(2,770)	(13,885)	12,878	(1,007)
Interest expenses	33,118	2,979	7,179	7,442	50,718	(12,916)	37,802
Income distribution on money market placement with a non-financial institution	(728)	(15)	-	(80)	(823)	-	(823)
EBITDA	<u>149,761</u>	<u>4,684</u>	<u>(775)</u>	<u>55,090</u>	<u>208,760</u>	<u>(64,043)</u>	<u>144,717</u>
<b>As at 30 June 2023</b>							
<b>Assets</b>							
Segment assets	4,317,604	127,206	472,167	339,407	5,256,384	(1,024,686)	4,231,698
Unallocated assets	-	-	-	-	9,302	-	9,302
Total assets	<u>4,317,604</u>	<u>127,206</u>	<u>472,167</u>	<u>339,407</u>	<u>5,265,686</u>	<u>(1,024,686)</u>	<u>4,241,000</u>
<b>Liabilities</b>							
Segment liabilities	2,091,886	210,372	420,764	492,965	3,215,987	(1,024,682)	2,191,305
Unallocated liabilities	-	-	-	-	103,629	-	103,629
Total liabilities	<u>2,091,886</u>	<u>210,372</u>	<u>420,764</u>	<u>492,965</u>	<u>3,319,616</u>	<u>(1,024,682)</u>	<u>2,294,934</u>

## CAN-ONE BERHAD

Registration No. 200401000396 (638899-K)

### EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 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 and the financial period under review.

#### 11. Material subsequent events

As at 19 August 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 and the financial period under review.

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

There were no contingent liabilities or assets for the Group as at 30 June 2024.

As at 19 August 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 30 June 2024, the Group has the following capital commitment :

	<b>RM'000</b>
Approved and contracted for	<u><u>35,140</u></u>

## **CAN-ONE BERHAD**

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### EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 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 and the financial period 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 22 August 2024.

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## CAN-ONE BERHAD

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### EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 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 30 June 2024 ("Q2, 2024") compared with 3 months ended 30 June 2023 ("Q2, 2023")**

The Group's net revenue has increased by RM56.9 million or 8.1% to RM762.4 million in Q2, 2024. Profit before tax of the Group decreased by RM6.0 million to RM12.4 million in Q2, 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 RM705.0 million in Q2, 2024, an increase of RM33.9 million compared to Q2, 2023, mainly due to higher sales volumes in Aluminium cans segment offset by lower sales volumes in General cans segment. Profit before tax of the division was lower by RM16.9 million to RM8.2 million in Q2, 2024 mainly due to the better gross profit set off by unfavourable foreign exchange movement and higher interest expenses.

##### Contract Manufacturing division

Revenue of the Contract Manufacturing division increased by RM7.7 million to RM48.6 million in Q2, 2024, which was mainly due to increase in sales volume. Loss before tax of the division increased by RM4.5 million from profit before tax of RM1.9 million to loss before tax of RM2.6 million in Q1, 2024 was mainly due to higher manufacturing expenses and a lower waiver of debts given by a related company.

##### Trading division

Trading division registered a decrease in revenue of RM19.1 million to RM34.9 million in Q2, 2024. Profit before tax of the division increased by RM1.6 million from loss before tax of RM1.4 million to profit before tax of RM0.2 million in Q2, 2024 which was mainly due to decrease in trading activities off set by decrease in interest expense.

##### 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 Q2, 2024, the property development activities recorded a share of revenue and profit before tax of RM23.7 million and RM9.8 million respectively.



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### EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 2024

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

##### ***(b) 6 months ended 30 June 2024 ("PTD Q2, 2024") compared with preceding year corresponding 6 months ended 30 June 2023 ("PTD Q2, 2023")***

The Group's net revenue has increased by RM92.5 million or 6.3% to RM1,558.5 million in PTD Q2, 2024. Profit before tax of the Group increased by RM27.1 million to RM55.5 million in PTD Q2, 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 RM1,435.5 million in PTD Q2, 2024, an increase of RM37.8 million compared to PTD Q2, 2023, mainly due to higher sales volumes in General cans and Cartons segments and higher average selling price in Aluminium cans segment. Profit before tax of the division was lower by RM3.3 million to RM42.7 million in PTD Q2, 2024 mainly due to the better gross profit set off by unfavourable foreign exchange movement and higher interest expenses.

##### Contract Manufacturing division

Revenue of the Contract Manufacturing division increased by RM14.9 million to RM98.3 million in PTD Q2, 2024, which was mainly due to increase in sales volume. Loss before tax of the division increased by RM0.9 million to RM2.2 million in PTD Q1, 2024 was mainly due to better gross profit set off by lower waiver of debts given by a related company.

##### Trading division

Trading division registered a decrease in revenue of RM62.9 million to RM55.4 million in PTD Q2, 2024. Loss before tax of the division decreased by RM2.3 million to RM0.9 million in PTD Q2, 2024 which was mainly due to better gross profit set off by decrease in interest expense.

##### 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 PTD Q2, 2024, the property development activities recorded a share of revenue and profit before tax of RM53.9 million and RM21.7 million respectively.

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### EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 2024

#### 2. Variation of results against immediate preceding 3 months ended 31 March 2024 ("Q1, 2024")

	Individual quarter		Changes RM'000
	3 months ended		
	30 June	31 March	
	2024	2024	
	RM'000	RM'000	
Revenue	762,391	796,125	(33,734)
Operating Profit	35,091	66,148	(31,057)
Profit Before Tax	12,376	43,082	(30,706)
Profit After Tax	94	26,365	(26,271)
Profit Attributable to Owners of the Company	3,123	25,674	(22,551)

The Group's net revenue decreased by RM33.7 million to RM762.4 million in Q2, 2024. Profit before tax of the Group decreased by RM30.7 million in Q2, 2024. This was mainly contributed by General Packaging division as explained below.

#### General Packaging division

Revenue of General Packaging division in Q2, 2024 was RM705.0 million, a decrease of RM25.5 million from Q1, 2024 mainly due to the decrease in demand for General cans segments. Profit before tax of the division decreased by RM26.3 million to RM8.2 million in Q2, 2024 was mainly due to the higher operating expenses incurred in the USA Aluminium can plant which commenced operations in December 2023 and unfavourable foreign exchange movement.

#### Contract Manufacturing division

Revenue of Contract Manufacturing division decreased by RM1.1 million to RM48.6 million in Q2, 2024 mainly due to the decrease in sales volume. Loss before tax increased by RM2.9 million to RM2.6 million mainly due to the higher manufacturing expense.

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### EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 2024

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#### 2. Variation of results against immediate preceding 3 months ended 31 March 2024 ("Q1, 2024") (Cont'd)

##### Trading division

Trading division registered an increase in revenue of RM14.3 million to RM34.9 million in Q2, 2024. Profit before tax of the division increased by RM1.3 million to RM0.2 million in Q2, 2024, which mainly arose from the increase in trading activities and lower interest expense.

##### Property development and investment holding division

In Q2, 2024, the property development activities in Kapar recorded a share of revenue and profit before tax of RM23.7 million and RM9.8 million respectively, whereby the share of revenue and profit before tax was lower by RM6.4 million and RM2.5 million respectively as compared to Q1, 2024.

#### 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  
SECOND QUARTER ENDED 30 JUNE 2024**5. Tax expense**

	Individual quarter		Cumulative quarter	
	3 months ended		6 months ended	
	30 June		30 June	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Current tax expense	13,117	5,442	27,218	12,251
Deferred tax (credit)/expense	(835)	1,327	1,781	(1,166)
	<b>12,282</b>	<b>6,769</b>	<b>28,999</b>	<b>11,085</b>

**6. Status of Corporate Proposal**

There was no corporate proposal announced as at 19 August 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 30 June 2024 are as follows :

	As at 30/06/2024 RM'000	As at 31/12/2023 RM'000
<b>Borrowings denominated in RM</b>		
<b>Current</b>		
Secured		
Hire purchase liabilities	612	743
Term loans	-	3,481
Lease liabilities	7,739	6,743
	<b>8,351</b>	10,967
Unsecured		
Term loans	26,110	33,325
Trade facilities	235,204	236,221
Revolving credits	206,416	163,970
	<b>467,730</b>	433,516
Total current/Balance carried forward	<b>476,081</b>	444,483

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EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS  
SECOND QUARTER ENDED 30 JUNE 2024**7. Group borrowings and debts securities (cont'd)**

	<b>As at 30/06/2024 RM'000</b>	<b>As at 31/12/2023 RM'000</b>
Total current/Balance brought forward	476,081	444,483
<b>Borrowings denominated in RM (Cont'd)</b>		
<b>Non-current</b>		
Secured		
Hire purchase liabilities	132	367
Term loans	287,870	352,721
Lease liabilities	6,425	8,530
	<u>294,427</u>	<u>361,618</u>
Unsecured		
Term loans	390,073	152,727
Total non-current	<u>684,500</u>	<u>514,345</u>
Total borrowings in RM	<u>1,160,581</u>	<u>958,828</u>
<b>Borrowings denominated in Singapore Dollar ("SGD")</b>		
<b>Current</b>		
Secured		
Lease liabilities	457	510
Total borrowings in SGD	<u>457</u>	<u>510</u>
<b>Borrowings denominated in Indonesian Rupiah ("IDR")</b>		
<b>Current</b>		
Secured		
Lease liabilities	705	711
	<u>705</u>	<u>711</u>
<b>Non-current</b>		
Secured		
Lease liabilities	810	1,209
	<u>810</u>	<u>1,209</u>
Total borrowings in IDR	<u>1,515</u>	<u>1,920</u>

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EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS  
SECOND QUARTER ENDED 30 JUNE 2024**7. Group borrowings and debts securities (cont'd)**

	As at 30/06/2024 RM'000	As at 31/12/2023 RM'000
<b>Borrowings denominated in Vietnam Dong ("VND")</b>		
<b>Current</b>		
Secured		
Lease liabilities	2,029	2,236
Unsecured		
Term loans	8,325	-
Trade facilities	149,216	136,766
	<u>159,570</u>	<u>139,002</u>
<b>Non-current</b>		
Secured		
Lease liabilities	700	761
	<u>700</u>	<u>761</u>
Total borrowings in VND	<u>160,270</u>	<u>139,763</u>
<b>Borrowings denominated in United State Dollar ("USD")</b>		
<b>Current</b>		
Secured		
Hire purchase liabilities	11,692	10,948
Lease liabilities	3,473	3,167
Unsecured		
Trade facilities	172,861	95,392
Revolving credits	84,883	78,030
Term loans	22,491	20,312
	<u>295,400</u>	<u>207,849</u>
<b>Non-current</b>		
Secured		
Hire purchase liabilities	119,130	122,162
Lease liabilities	173,716	170,683
Unsecured		
Term loans	154,173	160,390
	<u>447,019</u>	<u>453,235</u>
Total borrowings in USD	<u>742,419</u>	<u>661,084</u>
Total Group borrowings	<u>2,065,242</u>	<u>1,762,105</u>

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### EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 2024

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

The interest rates for the borrowings are as follows :

	<b>As at 30/06/2024</b>	<b>As at 31/12/2023</b>
Term loans - floating	<b>4.29% - 10.83%</b>	3.58% - 7.26%
Trade facilities	<b>3.00% - 5.99%</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 increased by RM303.1 million to RM2,065.2 million as at 30 June 2024, mainly due to increase in term loans, revolving credits and trade facilities set off by decrease in hire purchase liabilities and lease liabilities. During the financial period under review, the Group made term loans repayment amounting to RM98.8 million and new term loans drawdown amounted to RM259.9 million.

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

#### 8. Derivatives financial instruments

As at 30 June 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	23,009	1,548	-
<b>Non-hedging derivatives :</b>			
Foreign exchange contracts	32,482	95	40
		<u>1,643</u>	<u>40</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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EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS  
SECOND QUARTER ENDED 30 JUNE 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		6 months ended	
	30 June		30 June	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	<b>48,064</b>	41,419	<b>96,699</b>	80,448
Income distribution from money market placement with a non-financial institution	<b>(207)</b>	(499)	<b>(449)</b>	(823)
Gain on disposal of :				
- property, plant and equipment	<b>(44)</b>	(394)	<b>(121)</b>	(2,928)
- investment properties	<b>(1,160)</b>	-	<b>(1,160)</b>	-
Provision of retirement benefits and gratuity	<b>3,391</b>	1,818	<b>3,391</b>	3,385
Write off in respect of :				
- property, plant and equipment	<b>18</b>	-	<b>627</b>	53
- inventories	<b>7,209</b>	10,605	<b>13,501</b>	17,280
Loss/(Gain) on foreign currency exchange	<b>10,867</b>	(7,292)	<b>(2,390)</b>	(3,458)

**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**

No interim dividend has been declared for the financial period under review (2023 : Nil).



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EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS  
SECOND QUARTER ENDED 30 JUNE 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>6 months ended</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Profit attributable to Owners of the Company (RM'000)	<b>3,123</b>	13,743	<b>28,797</b>	21,794
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>1.63</b>	7.15	<b>14.99</b>	11.34

Dated : 22 August 2024  
Petaling Jaya,  
Selangor Darul Ehsan