

CAN-ONE BERHAD

(Company No. 638899-K)

Quarterly report on consolidated results for the First Quarter ended 31 March 2017. The figures have not been audited.

(Financial year ending 31 December 2017)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31/03/2017 RM'000	As at 31/12/2016 (Audited) RM'000
Non-current assets		
Property, plant and equipment	369,249	367,042
Intangible assets	471	543
Investment in associate	506,914	502,345
Goodwill on consolidation	1,408	1,408
Total non-current assets	878,042	871,338
Current assets		
Inventories	128,391	152,789
Trade and other receivables	319,710	276,729
Current tax assets	3,027	2,973
Cash and cash equivalents	63,557	82,706
Assets classified as held for sale	2,357	2,357
Total current assets	517,042	517,554
Total assets	1,395,084	1,388,892
Equity		
Share capital	96,077	96,077
Reserves	665,564	652,419
Total equity	761,641	748,496
Liabilities		
Loans and borrowings	205,146	218,214
Deferred tax liabilities	32,884	32,093
Total non-current liabilities	238,030	250,307
Loans and borrowings	271,062	257,272
Trade and other payables	122,055	130,252
Current tax payables	2,296	2,565
Total current liabilities	395,413	390,089
Total liabilities	633,443	640,396
Total equity and liabilities	1,395,084	1,388,892
	-	-
Net assets per share attributable to equity holders of the Company (Sen)	396.37	389.53

NOTE:

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

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(Company No. 638899-K)

Quarterly report on consolidated results for the First Quarter ended 31 March 2017. The figures have not been audited.

(Financial year ending 31 December 2017)

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Current quarter ended 31/03/2017 RM'000	Preceding year corresponding quarter ended 31/03/2016 RM'000	Current year-to-date ended 31/03/2017 RM'000	Preceding year-to-date ended 31/03/2016 RM'000
<i>Continuing Operations</i>				
Revenue	260,963	204,891	260,963	204,891
Cost of sales	(229,292)	(177,068)	(229,292)	(177,068)
Gross profit	31,671	27,823	31,671	27,823
Other income/(expenses)	(1,041)	(1,807)	(1,041)	(1,807)
Sales and distribution expenses	(4,063)	(2,084)	(4,063)	(2,084)
Administrative expenses	(7,461)	(6,434)	(7,461)	(6,434)
Profit from operations	19,106	17,498	19,106	17,498
Interest income	237	169	237	169
Finance costs	(5,448)	(5,522)	(5,448)	(5,522)
Net finance cost	(5,211)	(5,353)	(5,211)	(5,353)
Share of profit of equity-accounted	5,893	3,731	5,893	3,731
Profit before tax	19,788	15,876	19,788	15,876
Tax expense	(4,710)	(4,923)	(4,710)	(4,923)
Profit for the period	15,078	10,953	15,078	10,953

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

	Current quarter ended 31/03/2017 RM'000	Preceding year corresponding quarter ended 31/03/2016 RM'000	Current year-to-date ended 31/03/2017 RM'000	Preceding year-to-date ended 31/03/2016 RM'000
Profit for the period	15,078	10,953	15,078	10,953
Other comprehensive income				
- Foreign currency translation reserve for foreign operations	(257)	(1,946)	(257)	(1,946)
- Foreign currency translation differences for financial statements functional currency into Ringgit Malaysia	-	(18,352)	-	(18,352)
- Share of other comprehensive income/(loss) of associate	(1,324)	(4,305)	(1,324)	(4,305)
Total comprehensive income for the period	<u>13,497</u>	<u>(13,650)</u>	<u>13,497</u>	<u>(13,650)</u>
Profit attributable to :				
Equity holders of the Company	15,078	10,953	15,078	10,953
Non-controlling interest	-	-	-	-
	<u>15,078</u>	<u>10,953</u>	<u>15,078</u>	<u>10,953</u>
Total comprehensive income attributable to :				
Equity holders of the Company	13,497	(13,650)	13,497	(13,650)
Non-controlling interest	-	-	-	-
	<u>13,497</u>	<u>(13,650)</u>	<u>13,497</u>	<u>(13,650)</u>
Earnings per share				
Basic (Sen)	7.85	5.70	7.85	5.70
Diluted (Sen)	NA	NA	NA	NA

NOTE:

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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	Share premium RM'000	Other reserve RM'000	Foreign currency translation reserve RM'000	Retained profits RM'000	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
Current period ended 31 March 2017								
Balance at 1 January 2017	96,077	101,583	(75,441)	52,886	573,039	748,144	-	748,144
Comprehensive income for the period								
Profit for the period	-	-	-	-	15,078	15,078	-	15,078
Currency translation differences	-	-	-	(257)	-	(257)	-	(257)
Effect of change in functional currency of a subsidiary	-	-	-	(32,729)	32,729	-	-	-
Share of currency translation differences of associate	-	-	-	(1,324)	-	(1,324)	-	(1,324)
Transfer in accordance with Section 618(2) of the Companies Act 2016 (Note ¹)	101,583	(101,583)	-	-	-	-	-	-
Total comprehensive income for the period	101,583	(101,583)	-	(34,310)	47,807	13,497	-	13,497
Balance at 31 March 2017	197,660	-	(75,441)	18,576	620,846	761,641	-	761,641
Preceding year corresponding period ended 31 March 2016								
Balance at 1 January 2016	96,077	101,583	(75,441)	44,635	494,704	661,558	-	661,558
Comprehensive income for the period								
Profit for the period	-	-	-	-	10,953	10,953	-	10,953
Currency translation differences	-	-	-	(1,946)	-	(1,946)	-	(1,946)
Foreign currency translation differences for financial statements stated in functional currency into Ringgit Malaysia	-	-	-	(18,352)	-	(18,352)	-	(18,352)
Share of currency translation differences of associate	-	-	-	(4,305)	-	(4,305)	-	(4,305)
Total comprehensive income for the period	-	-	-	(24,603)	10,953	(13,650)	-	(13,650)
Balance at 31 March 2016	96,077	101,583	(75,441)	20,032	505,657	647,908	-	647,908

Note ¹

In accordance with Section 618 of Companies Act, 2016, any amount standing to the credit of the share premium account has become part of the Company's share capital. The Company has twenty-four months upon the commencement of Companies Act, 2016 on 31 January 2017 to utilise the credit.

NOTE:

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(Financial year ending 31 December 2017)

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current year-to-date ended 31/03/2017 RM'000	Preceding year-to-date ended 31/03/2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	19,788	15,876
Adjustments:		
Interest expense	5,448	5,522
Interest income	(237)	(169)
Impairment loss on receivables	(833)	-
Amortisation of intangible assets	72	43
Depreciation of property, plant and equipment	5,431	5,470
Unrealised (gain)/loss on forward exchange contracts	(5)	(1,018)
(Gain)/Loss on disposal of property, plant and equipment	(99)	(4)
Share of profit of equity-accounted investee, net of tax	(5,893)	(3,731)
Operating profit before changes in working capital	<u>23,672</u>	<u>21,989</u>
Inventories	24,356	29,985
Trade and other receivables	(42,508)	26,608
Trade and other payables	(7,998)	(11,247)
Cash generated from operations	<u>(2,478)</u>	<u>67,335</u>
Tax paid	(4,470)	(3,886)
Net cash from operating activities	<u>(6,948)</u>	<u>63,449</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	188	6
Acquisition of property, plant and equipment	(7,847)	(8,874)
Interest received	237	169
Net cash used in investing activities	<u>(7,422)</u>	<u>(8,699)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(5,448)	(5,522)
Net movement in borrowings	722	(41,001)
Pledged deposits for bank borrowings	(69)	(61)
Net cash flows generated from financing activities	<u>(4,795)</u>	<u>(46,584)</u>
Net increase in cash and cash equivalent	<u>(19,165)</u>	<u>8,166</u>
Effects of changes in foreign currency rates	(53)	(1,088)
Cash and cash equivalent brought forward	75,421	52,122
Cash and cash equivalent carried forward	<u><u>56,203</u></u>	<u><u>59,200</u></u>
Comprises :		
Cash and bank balances	52,703	57,700
Short term deposits with licensed banks (excluding deposits pledged)	3,500	1,500
	<u><u>56,203</u></u>	<u><u>59,200</u></u>

The above excluded short term deposits placed with a licensed bank of RM7,354,000 (2016 : RM7,110,000) pledged for bank borrowings.

NOTE:

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 2017

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 2016. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the financial position and performance of the Group since the financial year ended 31 December 2016.

Change in functional currency

The functional currency of a subsidiary has been changed from United States Dollar to Ringgit Malaysia ("RM") since 1 January 2017 to reflect the current and prospective economic substance of the underlying transactions and circumstances of the subsidiary as the subsidiary's sale and purchase transactions as well as its settlement of debts to suppliers and/or by customers are mainly denominated in RM.

Following the assessment, the effect of the change in functional currency to RM was applied prospectively in the subsidiary's financial statements. The subsidiary translated all opening balances into the new functional currency using the exchange rate at the beginning of the year.

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 2016.

The Group adopted (where applicable) the following accounting standards, amendments and interpretations which are applicable to the Group that have been issued by the Malaysian Accounting Standards Board ("MASB") effective from 1 January 2017.

Amendments to MFRS 12	Disclosure of interests in Other Entities (Annual Improvements to MFRS Standards 2014 - 2016 Cycle)
Amendments to MFRS 107	Statement of Cash Flows - Disclosure Initiative
Amendments to MFRS 112	Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses

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2. Significant Accounting Policies (cont'd)

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

MFRS 9	Financial Instruments (2014)
MFRS 15	Revenue from Contracts with Customers
Clarifications to MFRS 15	Revenue from Contracts with Customers
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014 - 2016 Cycle)**
Amendments to MFRS 2	Share-based Payment - Classification and Measurement of Share-based Payment Transactions**
Amendments to MFRS 4	Insurance Contracts - Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts**
Amendments to MFRS 128	Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014 - 2016 Cycle)
Amendments to MFRS 140	Investment Property - Transfers of Investment Property**

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

Amendments to MFRS 16	Leases
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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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** - Not applicable to the Group and the Company.

The Group and the Company plan to apply the abovementioned accounting standards, amendments and interpretations in the respective years where applicable.

The initial application of the abovementioned accounting standards, amendments or interpretations are not expected to have any material financial impacts to the Group and the Company other than MFRS 15, Revenue from Contracts with Customers, MFRS 9, Financial Instruments and MFRS 16, Leases, which the Group and the Company are currently assessing the financial impact that may arise from the adoption.

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3. Auditors' report

The auditors' report dated 17 March 2017 on the financial statements for the financial year ended 31 December 2016 was not subject to any audit qualification.

4. Seasonal or Cyclical Factors

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

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

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

6. Investment in associate

	At 31/03/2017	At 31/12/2016
	RM'000	RM'000
Share of net assets in associate	<u>506,914</u>	<u>502,345</u>
Market value	<u>438,395</u>	<u>428,165</u>

7. Changes in Estimates

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

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

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

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9. Dividend paid

There was no dividend paid during the quarter under review.

10. Segment information

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

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

Segment revenue and results for the financial period ended 31 March 2017 are as follows :

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EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS
FIRST QUARTER ENDED 31 MARCH 2017

10. Segment information (cont'd)

Year-to-date ended 31/03/2017

	General Cans	Food Products	International Trading	Others	Total	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External sales	108,410	168,829	24,634	231	302,104	(41,141)	260,963
Inter-segment sales	3,317	-	-	-	3,317	(3,317)	-
	<u>111,727</u>	<u>168,829</u>	<u>24,634</u>	<u>231</u>	<u>305,421</u>	<u>(44,458)</u>	<u>260,963</u>
Results							
Segment results	5,907	13,359	569	(1,615)	18,220	886	19,106
Interest income	406	131	-	148	685	(448)	237
Financial expenses	(1,506)	(1,224)	-	(3,166)	(5,896)	448	(5,448)
Share of profit after tax of associate	-	-	-	5,893	5,893	-	5,893
Profit/(Loss) before taxation	<u>4,807</u>	<u>12,266</u>	<u>569</u>	<u>1,260</u>	<u>18,902</u>	<u>886</u>	<u>19,788</u>
Assets							
Segment assets	450,282	466,300	25,055	533,978	1,475,615	(83,558)	1,392,057
Unallocated assets	-	-	-	-	3,027	-	3,027
Total assets	<u>450,282</u>	<u>466,300</u>	<u>25,055</u>	<u>533,978</u>	<u>1,478,642</u>	<u>(83,558)</u>	<u>1,395,084</u>

Preceding Year-to-date ended 31/03/2016

	General Cans	Food Products	International Trading	Others	Total	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External sales	84,530	133,232	14,754	226	232,742	(27,851)	204,891
Inter-segment sales	3,209	-	-	-	3,209	(3,209)	-
	<u>87,739</u>	<u>133,232</u>	<u>14,754</u>	<u>226</u>	<u>235,951</u>	<u>(31,060)</u>	<u>204,891</u>
Results							
Segment results	2,990	15,542	146	(1,558)	17,120	378	17,498
Interest income	259	62	-	141	462	(293)	169
Finance expenses	(1,532)	(716)	-	(3,567)	(5,815)	293	(5,522)
Share of profit after tax of associate	-	-	-	3,731	3,731	-	3,731
Profit/(Loss) before taxation	<u>1,717</u>	<u>14,888</u>	<u>146</u>	<u>(1,253)</u>	<u>15,498</u>	<u>378</u>	<u>15,876</u>
Assets							
Segment assets	422,340	409,712	16,318	485,863	1,334,233	(64,271)	1,269,962
Unallocated assets	-	-	-	-	793	-	793
Total assets	<u>422,340</u>	<u>409,712</u>	<u>16,318</u>	<u>485,863</u>	<u>1,335,026</u>	<u>-</u>	<u>1,270,755</u>

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11. Valuation of property, plant and equipment

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

12. Material subsequent events

As at 29 May 2017 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report), there were no material events subsequent to the end of the balance sheet date which may have an impact on the consolidated financial statements of the Group.

13. Changes in the Group composition

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

14. Changes in contingent liabilities or contingent assets

There were no contingent liabilities or assets for the Group as at 31 March 2017.

As at 29 May 2017 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report), no material contingent liabilities or contingent assets have arisen since the end of the financial period.

15. Capital commitment

As at 31 March 2017, the Group has the following capital commitment :

	RM'000
Approved and contracted for	<u><u>9,090</u></u>

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16. Related party disclosures

	Current Year-to-date 31/03/2017 RM'000
Sales to associated companies	<u>491</u>
Purchases from related party	104
Purchases from associated companies	<u>6,959</u>

17. Authorisation for issue

This interim financial report was authorised for issue by the Board of Directors ("Board") in accordance with a resolution of Directors passed at the Board Meeting held on 31 May 2017.

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EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS
FIRST QUARTER ENDED 31 MARCH 2017

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

1. Review of performance

(a) *Current quarter ended 31 March 2017 ("Q1, 2017") compared with previous corresponding quarter ended 31 March 2016 ("Q1, 2016")*

The Group's revenue increased from RM204.9 million in Q1, 2016 to RM261.0 million in Q1, 2017. Profit before taxation and profit after taxation increased from RM15.9 million and RM11.0 million in Q1, 2016 to RM19.8 million and RM15.1 million respectively in Q1, 2017.

General Cans division

The General Cans division generated total operating revenue of RM111.7 million in Q1, 2017, an increase of 27.3% from RM87.7 million in Q1, 2016. The increase was due mainly to higher demand for tin cans and jerry cans. In tandem, profit before taxation of the division for Q1, 2017 improved due to higher sales and better efficiency.

Food Products division

Revenue of Food Products division increased by 26.7% from RM133.2 million in Q1, 2016 to RM168.8 million in Q1, 2017. However, profit before taxation for Q1, 2017 dropped to RM12.3 million mainly due to demand in different product mix and higher sales and distribution expenses.

International Trading division

Revenue of International Trading division increased by RM9.9 million to RM24.6 million in Q1, 2017 mainly due to higher sales of dairy products.

Investment in associate

Associated company, Kian Joo Can Factory Berhad ("KJCF") contributed RM5.9 million net profit to the Group for Q1, 2017, an increase of RM2.2 million compared with Q1, 2016.

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2. Variation of results against immediate preceding quarter ended 31 December 2016 ("Q4, 2016")

The Group's revenue decreased from RM267.6 million in Q4, 2016 to RM261.0 million in Q1, 2017. Profit before taxation and profit after taxation decreased from RM31.1 million and RM24.8 million in Q4, 2016 to RM19.8 million and RM15.1 million in Q1, 2017 respectively.

General Cans division

Revenue of General Cans division decreased from RM122.1 million in Q4, 2016 to RM111.7 million in Q1, 2017 mainly due to lower sales in tin cans and jerry cans. Profit before taxation decreased by RM4.1 million compared to the immediate preceding quarter attributable mainly due to lower sales and higher material prices.

Food Products division

Revenue of Food Products division decreased by RM2.2 million to RM168.8 million in Q1, 2017 when compared to Q4, 2016. Profit before taxation was lower by RM3.8 million compared to Q4, 2016 mainly due to lower sales, product mix and higher sales and distribution expenses.

International Trading division

International Trading division's revenue decreased by RM4.5 million to RM24.6 million for Q1, 2017 when compared with Q4, 2016.

Investment in associate

Associated company, KJCF contributed RM5.9 million net profit to the Group for Q1, 2017, a decrease of RM2.6 million compared with Q4, 2016.

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3. Prospects

A moderate recovery is expected for the world economy for 2017, with Malaysia projecting a gross domestic product (GDP) growth of 4.3% to 4.8%. We are cautiously optimistic about the performance of the Group for year 2017 and the Management will strive to improve productivity and operational efficiency and to push for sales growth in both domestic and export markets.

4. Profit forecast/profit guarantee

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

5. Tax expense

	Current Quarter ended 31/03/2017 RM'000	Preceding year corresponding quarter ended 31/03/2016 RM'000	Current year-to-date ended 31/03/2017 RM'000	Preceding year-to-date ended 31/03/2016 RM'000
Current tax expense				
- Current year	3,814	4,498	3,814	4,498
- Prior year	-	(64)	-	(64)
Deferred tax expense	896	489	896	489
	4,710	4,923	4,710	4,923

The effective tax rate in the current quarter was comparable with Malaysian corporate tax rate of 24%. However, higher effective tax rate in the preceding year corresponding quarter was mainly due to certain expenses which were not tax deductible and losses in certain subsidiaries which could not be set-off against taxable profits.

6. Status of Corporate Proposals

There were no corporate proposals announced which have not been completed as at 29 May 2017 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

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7. Group borrowings and debts securities

Group borrowings as at 31 March 2017 are as follows :

	As at 31/03/2017 '000	As at 31/12/2016 '000
Borrowings denominated in RM		
Current		
Secured		
Finance leases	721	713
Term loans	47,140	41,227
Bankers acceptances	20,697	10,360
	<u>68,558</u>	<u>52,300</u>
Unsecured		
Bill receivables	4,594	5,329
Term loans	10,438	12,927
Bankers acceptances	139,789	70,879
Revolving credits	15,000	15,000
	<u>238,379</u>	<u>156,435</u>
Non-current		
Secured		
Finance leases	1,398	1,580
Term loans	166,374	178,159
	<u>167,772</u>	<u>179,739</u>
Unsecured		
Term loans	37,374	38,475
	<u>205,146</u>	<u>218,214</u>
Total borrowings in RM	<u>443,525</u>	<u>374,649</u>
Borrowings denominated in USD		
Current		
Secured		
Receivable financing	-	639
Foreign currencies trade loans	1,158	17,185
Unsecured		
Bill receivables	-	-
Foreign currencies trade loans	31,525	80,097
Revolving credits	-	2,916
Total borrowings in USD	<u>32,683</u>	<u>100,837</u>
Total Group borrowings	<u>476,208</u>	<u>475,486</u>

CAN-ONE BERHAD
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EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS
FIRST QUARTER ENDED 31 MARCH 2017

8. Retained Earnings

	As at 31/03/2017 RM'000	As at 31/12/2016 RM'000
Total retained earnings of Company		
- Realised	428,842	419,671
- Unrealised	14,083	(17,742)
	442,925	401,929
Total share of retained earnings in associate		
- Realised	227,799	226,436
- Unrealised	71,393	66,863
Add: Consolidated adjustments	(121,271)	(121,837)
Total Group retained earnings as per Consolidated Accounts	620,846	573,391

9. Profit before taxation

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

	Current Quarter ended 31/03/2017 RM'000	Preceding year corresponding quarter ended 31/03/2016 RM'000	Current year-to-date ended 31/03/2017 RM'000	Preceding year-to-date ended 31/03/2016 RM'000
Interest income	(237)	(169)	(237)	(169)
Other expenses/(income)	20	(859)	20	(859)
Interest expense	5,448	5,522	5,448	5,522
Depreciation and amortisation	5,503	5,513	5,503	5,513
(Gain)/Loss on disposal of plant and equipment	(99)	(4)	(99)	(4)
(Gain)/Loss on foreign exchange	1,028	4,181	1,028	4,181
(Gain)/Loss on derivative financial instruments	92	(1,511)	92	(1,511)

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

EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS
FIRST QUARTER ENDED 31 MARCH 2017

10. Changes in material litigation

There was no pending material litigation as at 29 May 2017 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

11. Dividend

No interim dividend has been proposed for the current quarter under review.

The first and final single-tier dividend of 4 sen per share amounting to RM7,686,120 in respect of the financial year ended 31 December 2016 which was approved by shareholders at the Company's Thirteenth Annual General Meeting on 27 April 2017, will be paid to shareholders on 21 July 2017.

12. Earnings per share

The basic earnings per share are computed as follows :

	Current Quarter ended 31/03/2017	Preceding year corresponding quarter ended 31/03/2016	Current year-to-date ended 31/03/2017	Preceding year-to-date ended 31/03/2016
Net profit attributable to shareholders of the company (RM'000)	15,078	10,953	15,078	10,953
Weighted average number of ordinary shares in issue ('000)	192,153	192,153	192,153	192,153
Basic Earnings per ordinary share (Sen)	<u>7.85</u>	<u>5.70</u>	<u>7.85</u>	<u>5.70</u>

Dated : 31 May 2017
Petaling Jaya,
Selangor Darul Ehsan