

CAN-ONE BERHAD

Incorporated in Malaysia
Registration No. 200401000396 (638899-K)
("Can-One" or "the Company")

SUMMARY OF KEY MATTERS DISCUSSED AT THE SEVENTEENTH ANNUAL GENERAL MEETING ("17TH AGM") OF CAN-ONE CONDUCTED FULLY VIRTUAL ON THE ONLINE MEETING PLATFORM PROVIDED BY TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN. BHD. VIA THE TIHH ONLINE WEBSITE AT [HTTPS://TIHH.ONLINE](https://tihh.online) ON TUESDAY, 29 JUNE 2021 AT 10.00 A.M.

Pursuant to Paragraph 9.21(2)(b) of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("MMLR"), a listed issuer must publish a summary of key matter matters discussed at the annual general meeting, as soon as practicable after the conclusion of the annual general meeting.

All the ordinary resolutions that were tabled at the 17th AGM of Can-One were voted by way of poll in accordance with Paragraph 8.29A(1) of the MMLR via Remote Participation and Voting ("RPV") facilities at <https://tihh.online> and were duly approved by the shareholders and proxies. The shareholders also received the Audited Financial Statements of Box-Pak group of companies and of Can-One for the financial year ended 31 December 2020 along with the Reports of the Directors and Auditors thereon.

The following results of the vote by poll at the 17th AGM of Can-One were broadcasted on the screen:

17TH AGM	Voted in favour		Voted against		Total votes casted	
	No. of shares	%	No. of shares	%	No. of shares	%
ORDINARY BUSINESS						
Ordinary Resolution 1 To declare a first and final single-tier dividend of 4 sen per share respect of the financial year ended 31 December 2020.	139,346,479	99.9952	6,714	0.0048	139,353,193	100.0000
Ordinary Resolution 2 To re-elect Director, Yeoh Jin Hoe who retires pursuant to Clause 82 of the Company's Constitution.	131,675,979	99.8699	171,514	0.1301	131,847,493	100.0000
Ordinary Resolution 3 To re-elect Director, Chee Khay Leong who retires pursuant to Clause 82 of the Company's Constitution.	137,127,479	99.8750	171,614	0.1250	137,299,093	100.0000
Ordinary Resolution 4 To re-elect Director, Razmi Bin Alias who retires pursuant to Clause 82 of the Company's Constitution.	138,952,173	99.7122	401,020	0.2878	139,353,193	100.0000

17TH AGM	Voted in favour		Voted against		Total votes casted	
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ORDINARY BUSINESS (cont'd)						
Ordinary Resolution 5 To approve the payment of Directors' Fees amounting to RM1,047,000 to Directors of the Company and its subsidiaries (excluding Box-Pak (Malaysia) Bhd. and its subsidiaries) for the financial year ended 31 December 2020.	129,236,068	99.6858	407,325	0.3142	129,643,393	100.0000
Ordinary Resolution 6 To approve the payment of benefits of up to RM300,000 to the Non-Executive Directors of the Company and its subsidiaries (excluding Box-Pak (Malaysia) Bhd. and its subsidiaries) for the financial year ending 31 December 2021.	129,246,673	99.6940	396,720	0.3060	129,643,393	100.0000
Ordinary Resolution 7 To re-appoint KPMG PLT, Chartered Accountants, as Auditors of the Company to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix the remuneration of the Auditors.	139,342,873	99.9926	10,320	0.0074	139,353,193	100.0000
SPECIAL BUSINESS						
Ordinary Resolution 8 Continuation of office of Razmi Bin Alias as an Independent Non-Executive Director.	139,167,873	99.8670	185,320	0.1330	139,353,193	100.0000
Ordinary Resolution 9 Proposed authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.	138,913,673	99.6846	439,520	0.3154	139,353,193	100.0000
Ordinary Resolution 10 Proposed renewal of authority for the Company to purchase its own shares.	139,183,379	99.8781	169,814	0.1219	139,353,193	100.0000
Ordinary Resolution 11 Proposed renewal of mandate for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature.	20,392,773	98.1149	391,820	1.8851	20,784,593	100.0000

The following questions were received via the Query Box at <https://tiih.online> before and during the 17th AGM of the Company, and were duly answered by the Chairman; Group Managing Director, Marc Francis Yeoh Min Chang; Executive Director, Chee Khay Leong and Group Chief Financial Officer, Khoo Kay Leong:

Question 1 : The acquisition of RM40 million shares from the second larger shareholder by Eller Axis Sdn Bhd at a transacted value of RM2.50 per share lately (below market price) created some confusion about the valuation of the Company.

The Company has Net Tangible Asset (“NTA”) of RM9.00 per share where the second larger shareholder is willing to sell it at RM2.50 per share. That created concern and guessing from shareholders.

Does Can-One Berhad (“Can-One”) has any plan to delist the Company in future, since the share price valuation is far below the NTA?

Answer 1 : The Net Asset per share of Can-One is RM9.27. RM2.50 per share is the price as agreed in the Shares Sale Agreement entered into between Eller Axis Sdn Bhd (“the Offerer”) and Genkho Candoz Sdn Bhd. Accordingly, pursuant to Capital Markets and Services Act, 2007 and the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia, the Offeror is obliged to extend the same offer to all shareholders of Can-One.

The Offeror has no plan to delist Can-One. Kindly refer page 5 of the Independent Advice Circular to shareholders dated 4 June 2021 wherein it is stated that the Offeror intends to maintain the listing status of Can-One.

Question 2 : (a) What was the profit or loss before tax recorded by the Myanmar division for the financial year (“FY”) 2019 (“FY2019”) and FY2020?

(b) What were the key factors that drove the significant gross margin improvement reported for the Fourth Quarter of 2020 and the First Quarter of 2021? Was it driven by low cost inventory?

(c) What is the Group’s growth plan for the next 5 to 10 years?

Answer 2 : (a) Our Myanmar division recorded a loss before tax of RM22.8 million and RM23.3 million for FY2019 and FY2020 respectively.

(b) The gross margin improvement reported in both consecutive quarters namely, Fourth Quarter of 2020 and First Quarter of 2021 was mainly contributed by the General Packaging division which recorded higher sales volume, better sales mix, increase in operational efficiencies and leaner operations.

(c) The Group’s plans are:

(i) to consolidate the operations of General Cans segment in Malaysia to improve overall operational effectiveness and efficiencies.

(ii) to develop and grow the export market for the Aluminium Cans segment and the Contract Manufacturing division particularly, its beverage segments.

- (iii) to expand the market share of Carton Boxes segment and diversify into new markets.
- (iv) to continue to invest and grow the businesses in Myanmar.
- (v) to explore merger and acquisition opportunities and to invest in new overseas plant.

Question 3 : For the General Packaging division in Malaysia, how much of the FY2020 revenue was derived from export market?

Answer 3 : Total exports from the General Packaging division, Malaysia amounted to RM300 million in FY2020.

Question 4 : Please consider giving e-voucher to participating shareholders in view of the amount of hassle and cost for registration to attend the Meeting.

Answer 4 : There have been multiple requests for e-vouchers at this Meeting. We request for your understanding that the global pandemic situation has posed a lot of challenges for the Group, and in view of the regulatory requirement to hold meetings virtually, it is difficult for us to arrange e-vouchers for this Meeting during this period. Nevertheless, let us see what the Company can do for next year's Annual General Meeting.

Question 5 : (1) What is the Company's future outlook? How is the impact of Full Movement Control Order ("FMCO") on the Company?
(2) How much is the cost saving for this virtual AGM as compared to the physical one?

Answer 5 ÷ (1) Currently, the Group continues to face heightened challenges to its growth. Competition is stiff due to price pressures in the industries which the Group operates. There are shortages of certain raw materials due to disruption in the global supply chain, resulting in hikes in cost of material in line with global trend. Volatility in foreign exchange rates is also of concern to the Group and on top of that, the ongoing current political upheaval in Myanmar has tampered the growth of our business there. Nevertheless, barring unforeseen circumstances, we anticipate the Group's outlook to be positive. We expect growth as we continue to monitor the situations to address all the challenges and to strive to deliver satisfactory results for 2021.
(2) There is a cost saving of about RM6,000 in holding a physical AGM compared to a virtual AGM.

Question 6 : Will there be any corporate exercise to improve the market liquidity?

Answer 6 : Currently, there is none. However, the Directors will consider this suggestion.

Question 7 : (1) Does the Company has any dividend policy?

(2) Do Directors receive any allowance for attending this AGM?

Answer 7 : (1) The Company does not have a formal dividend policy. The Company pays dividend based on the capabilities of the financials of the Group.

(2) Yes, the Directors will receive allowance for attending this AGM.

Question 8 : How much will the political instability in Myanmar impact the Company's operation? The business there has been losing since the commencement of operation.

Answer 8 : Our Myanmar entities have resumed operation like before. Yes, the Myanmar entities have been reporting losses since their commencement of operation in 2019 and a loss of RM5.8 million was registered in the First Quarter of 2021.

Question 9 : (1) What is the Company's dividend policy, if there is one? The current dividend yield is less than bank fixed deposit interest, so is there any justification in investing in Can-One. Can you elaborate more?

(2) The net book value of Can-One is about RM9.00, that gives a price by volume of 0.3. Can you enlighten shareholders what are the likely factors casting negative perception on poor valuation of Can-One shares?

Answer 9 : (1) As mentioned earlier, the Company does not has a formal dividend policy.

(2) We do not know the reason attributing to the negative perception nor why the price of Can-One shares do not increase. The Group is reporting growth, hence it is left to shareholders to attribute the right value to the shares.

Question 10 : When will shareholders get to enjoy decent dividends instead of 4 sen per share?

Answer 10 : The Company currently conserves cash for investment and growth. Nevertheless, the Board will consider paying higher dividend depending on its performance in the future.

Question 11 : Who are the major beverage clienteles of Can-One?

Answer 11 : Can-One's major beverage clienteles are Coca-Cola, Etika, F&N and Nestle.

Question 12 : Will any impairment loss be incurred from the Myanmar entities since the country had declared a state of emergency?

Answer 12 : We are of the view that impairment is not necessary at this juncture is because the operation in Myanmar is still running albeit at a lower pace compared to before, and we expect the current year's situation to improve. We will evaluate again whether there is necessity for impairment next year.

Question 13 : How would milk tea or boba drink culture affect canned drink business?

Answer 13 : The milk tea or boba drink culture does not affect the can drink business because such drinks are short shelf life products while canned drinks are long shelf-life products. They are 2 different market segments.

Question 14 : When can the Company turn the Contract Manufacturing division from loss to earning?

Answer 14 : The Contract Manufacturing division is currently going through the investment phase. We are spending capex to improve the division's capabilities and to be able to produce a wider range of products. However, the current MCO and Covid-19 pandemic have delayed our capex process. Nonetheless, we expect the Contract Manufacturing division to turnaround next year.

Question 15 : During the current FMCO, are the manufacturing plants in Malaysia running at 60% capacity?

Answer 15 : Currently, our manufacturing plants are operating at 60% capacity, strictly following the guidelines and standard operating procedures of the Government.

Question 16 : Following the disposal of your creamer business, what is your plan for the RM1.0 billion cash that your received so far?

Answer 16 : The cash proceeds we received so far has been used to pare down our borrowings as stated in the Circular to shareholders.

Question 17 : Any plan of the Company to increase the value of the Company? The Company's share price is depressed compared to its enterprise value of RM9.77? Will the Company increases its dividend policy?

Answer 17 : We are working very hard amidst all the challenging conditions.

We will work to see how to increase the valuation of the Company so that the shareholders can get the best return out of their investment in the Company.

Question 18 : Who is Can-One's major competitor in Malaysia?

Answer 18 : Our major competitors in Malaysia is Crown Beverage Cans Malaysia Sdn Bhd and Johore Tin Berhad.

Question 19 : What would be the projected or conservative profit margin if the Contract Manufacturing division starts to make profit?

Answer 19 : The conservative profit margin for the Contract Manufacturing division would be 8 to 10 per centum.

The 17th AGM of the Company concluded and closed at 11.30 a.m.