CAN-ONE BERHAD
(638899-K)

annual report 2008

Contents

the can company

Difficult times are part of Life.
Facing the challenges that come with it
Brings out the best in us.

And so it is with us at Can-One Berhad.
With steely determination,
courage and perseverance
We will weather the storm
And come out all the better
And stronger for it.

Corporate Information

BOARD OF DIRECTORS

William Maurice Samson
Independent Non-Executive Chairman

Yeoh Jin Hoe
Managing Director

See Ewe Lin
Independent Non-Executive Director

Chee Khay Leong
Executive Director cum Chief Operating Officer

Yeoh Jin Beng
Non-Independent Non-Executive Director

Ooi Teik Huat
Executive Director

Razmi Bin Alias
Non-Independent Non-Executive Director

AUDIT COMMITTEE

William Maurice Samson
Independent Non-Executive Chairman

See Ewe Lin
Independent Non-Executive Director

Razmi Bin Alias
Non-Independent Non-Executive Director

COMPANY SECRETARY

Tan Bee Keng
MAICSA 0856474

AUDITORS

KPMG
Chartered Accountants
1st Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang, Malaysia
Telephone No.: 604-227 2288
Fax No. : 604-227 1888
Email : infopg@kpmg.com.my

PRINCIPAL PLACE OF BUSINESS

Lot 2244, Jalan Rajawali
Batu 9, Kampung Kebun Baru
42500 Telok Panglima Garang
Kuala Langat
Selangor Darul Ehsan, Malaysia
Telephone No.: 603-3122 1988
Fax No. : 603-3122 2188
Email : ajctpg@aikjoo.com.my

REGISTERED AND CORPORATE OFFICE

2B-4, Level 4
Jalan SS 6/6, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Telephone No.: 603-7804 8590
Fax No. : 603-7880 1605
Email : can1@canone.com.my

SHARE REGISTRARS

PFA Registration Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur, Malaysia
Telephone No.: 603-2264 3883
Fax No. : 603-2282 1886
Email : is.enquiry@my.tricorglobal.com

PRINCIPAL BANKERS

Bank Kerjasama Rakyat Malaysia Berhad
HSBC Bank Malaysia Berhad

STOCK EXCHANGE LISTING

Main Board
Bursa Malaysia Securities Berhad
Stock Name : CANONE
Stock Code : 5105
Sector : Industrial Products

Corporate Structure

CAN-ONE BERHAD
(638899-K)

100% Aik Joo Can Factory Sdn Bhd
Manufacture of metal and lithographed cans, and plastic jerry cans

100% Ajcan Sdn Bhd
Property letting and property investment

100% Canzo Sdn Bhd
Manufacture and trading of plastic jerry cans and related products

100% Newmarq Land Sdn Bhd
Investment holding

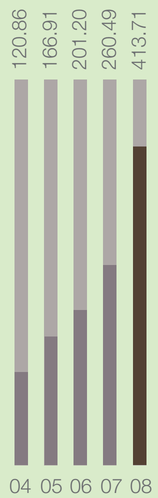
100% Sanjung Nuri Sdn Bhd
Property investment

100% Can-One International Sdn Bhd
Investment holding

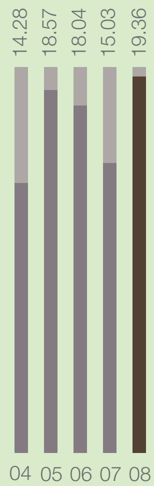
100% Amber Alliance Sdn Bhd
Investment holding

80% F & B Nutrition Sdn Bhd
Manufacture, packaging and distribution of dairy and non-dairy products

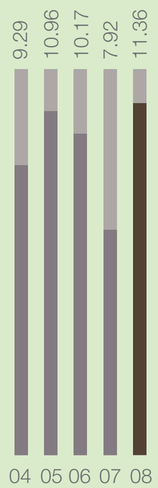
Group Financial Highlights



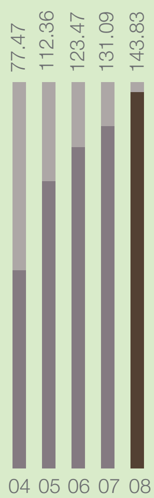
Turnover
RM'Million



Profit
Before taxation
RM'Million



Earnings
Per Share
Sen



Net Assets
RM'Million

	2004*	2005	2006	2007	2008
Turnover (RM'Million)	120.86	166.91	201.20	260.49	**413.71**
Profit before taxation (RM'Million)	14.28	18.57	18.04	15.03	**19.36**
Profit after taxation (RM'Million)	12.12	15.33	15.84	12.11	**17.45**
Net Assets (RM'Million)	77.47	112.36	123.47	131.09	**143.83**
Earnings per share (sen)	9.29[†]	10.96[†]	10.17	7.92	**11.36**

* Presented on a proforma basis on the assumption that the Group is already in existence in this financial year.

† Presented on a proforma basis on the assumption that 130,399,996 shares issued to acquire Aik Joo Can Factory Sdn Bhd have been in issue throughout these financial years.

Profile Of Directors

William Maurice Samson

William Maurice Samson, a Malaysian, age 83, is the Independent Non-Executive Chairman of Can-One Berhad ("Can-One" or "the Company"). He joined the Board of Directors ("Board") of Can-One on 8 April 2005 and was appointed as Chairman of the Board on 29 April 2005. He is also the appointed Senior Independent Director to whom concerns may be conveyed.

A member of the British Institute of Management (United Kingdom), Institute of Management (Malaysia) and a Fellow of the Institute of Directors (London), William Maurice Samson has extensive experience in management, marketing, insurance, finance and also shipping. He was with Sandilands Buttery & Company Ltd for twenty-five years since 1955 holding various senior management positions, the last being its Managing Director. Upon his retirement in 1980, he started his own trading company in which he is still actively involved.

Yeoh Jin Hoe

Yeoh Jin Hoe, a Malaysian, age 62, is the Managing Director of Can-One. Since his appointment to the Board of Can-One on 8 April 2005, he has been responsible for the development of the corporate goals and objectives of Can-One Group and the setting of strategies to achieve them.

He has extensive experience in manufacturing and trading, having been the founder / co-founder of following companies:-

(i) The Kaiserkorp Sdn Bhd group of companies ("Kaiserkorp Group") which are principally involved in the manufacture and distribution of the "KingKoil" brand of mattresses in Malaysia;

(ii) The Agrow (Malaysia) Sdn Bhd group of companies which distribute sanitary wares, ironmongery, locks and builders' hardware; and

(iii) The Ibufood Corporation Sdn Bhd group of companies which are involved in the manufacture and distribution of instant noodles and other fast moving food products.

He is also a major shareholder of Can-One and the brother of Yeoh Jin Beng, a Director and shareholder of the Company.

Chee Khay Leong

Chee Khay Leong, a Malaysian, age 48, was appointed as Executive Director cum Chief Operating Officer of Can-One on 8 April 2005. Being primarily responsible for the implementation of the Group's operational strategies and policies, he also oversees the operation and marketing of the Group.

He has extensive experience in business development, sales, marketing and general management, having been one of the earliest staff members of Aik Joo Can Factory Sdn Bhd, a wholly-owned subsidiary of Can-One, since 1977.

Ooi Teik Huat

Ooi Teik Huat, a Malaysian, age 39, was appointed to the Board of Can-One as Executive Director on 30 August 2005. Being a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants, he is primarily responsible for the financial management of the Group.

He has significant experience in finance and accounting having his own consultancy and secretarial company prior to joining Can-One. He also worked for KPMG, Penang for eight years.

He is also an Independent Non-Executive Director of JMR Conglomeration Bhd which is listed on the Second Board of Bursa Malaysia Securities Berhad.

profile of directors

Razmi Bin Alias

Razmi Bin Alias, a Malaysian, age 52, is a Non-Independent Non-Executive Director of Can-One. He was appointed to the Board on 8 April 2005. He holds a Diploma in Business Studies from Universiti Teknologi Mara, Malaysia, a Degree in Business Administration from Western Michigan University, United States of America ("USA") and a Masters in Business Administration from Central Michigan University, Michigan, USA.

He has extensive experience in finance and corporate functions having held senior management positions in a local financial institution for fifteen years before he ventured into his own financial consultancy business. His business venture has expanded to include poultry farming, trading, transport, logistics, property and investment holding.

He is also an Independent, Non-Executive Director of Wellcall Holdings Berhad which is listed on the Main Board of Bursa Malaysia Securities Berhad.

Yeoh Jin Beng

Yeoh Jin Beng, a Malaysian, age 57, is a Non-Independent Non-Executive Director of Can-One. He was appointed to the Board of Can-One on 8 April 2005.

He has extensive experience in manufacturing and trading. Previously, working for an international pharmaceutical company dealing in pharmaceutical and other specialty medical products, he left to jointly form the Kaiserkorp Group which manufactures and distributes "KingKoil" and other branded mattresses in Malaysia.

Presently, he is involved in the manufacture and distribution of instant noodles and other fast moving food products.

He is the brother of Yeoh Jin Hoe, the Managing Director and a major shareholder of Can-One.

See Ewe Lin

See Ewe Lin, a Malaysian, age 54, is an Independent Non-Executive Director of Can-One. He was appointed to the Board on 8 April 2005. He holds a degree in Law (LLB) (Honours) from West London University (formerly known as Ealing College) United Kingdom.

After passing the Local Certificate of Legal Practice in University Malaya in 1986, he practiced law at Messrs Lim Cheng Poh, Lim & Rahim for four years. He left in 1991 to join Messrs Ooi Lee & Company as partner, where he still practices.

Details of membership in Board Committees

Directors	Audit Committee	Remuneration Committee	Nominating Committee
William Maurice Samson	Chairman	Chairman	Chairman
See Ewe Lin	Member	Member	Member
Razmi Bin Alias	Member	Member	Member
Yeoh Jin Beng	-	-	-
Yeoh Jin Hoe	-	-	-
Chee Khay Leong	-	-	-
Ooi Teik Huat	-	-	-

- None of the Directors has had any conviction for offences within the past ten years other than traffic offences.
- None of the Directors has any conflict of interest with the Company.
- Yeoh Jin Hoe, the Managing Director and a major shareholder of the Company, is the brother of Yeoh Jin Beng. Save for the aforesaid Directors, none of the Directors has any family relationship with any Director and/or major shareholders of the Company.

Chairman's Statement

> DEAR SHAREHOLDERS
>
> ON BEHALF OF THE BOARD OF DIRECTORS, I HAVE PLEASURE IN PRESENTING THE **ANNUAL REPORT** AND **AUDITED FINANCIAL STATEMENTS** OF CAN-ONE BERHAD FOR THE FINANCIAL YEAR ENDED **31 DECEMBER 2008**

Operations and Financial Review

In 2008, the Group achieved a very encouraging turnover of RM413.7 million with a pre-tax profit of RM19.4 million. These figures represent an improvement of 58.8% and 28.8% respectively when compared with the previous year's performance of RM260.5 million turnover and a pre-tax profit of RM15.0 million.

The extremely encouraging improvement in turnover and pre-tax profit was recorded despite the fact that the industry was facing exceptionally high material costs and shortage of key raw materials required by the Group.

Profit after taxation and minority interest also improved from RM12.1 million to RM17.3 million, representing an increase of 43.4%.

Growth for the year under review is due mainly to the increased demand for the Group's products coupled with adjustments in selling prices to come in line with increases in material costs.

chairman's statement

Dividend

The Board has proposed a first and final tax exempt dividend of 6% (3.00 sen per share), totalling RM4,572,000 for the financial year ended 31 December 2008 to be approved by the shareholders at the forthcoming Annual General Meeting.

The Industry - Trends and Developments

The Group experienced a strong demand from all business segments towards the latter part of 2008 and this trend is expected to continue through 2009.

The escalating prices for iron ore and crude oil in the global market and currency exchange fluctuations of the Malaysian Ringgit vis-à-vis US Dollar have contributed to increasing operating costs. The Group however expects the situation to improve somewhat in 2009 where costs of raw materials are expected to ease.

Prospects

With the recent financial turmoil affecting the global economy, the Management will continue exercising prudence in its approach to managing its business operations. Can-One is cautiously optimistic that the Group will be able to achieve satisfactory results in 2009.

Production capacity for its food division had quadrupled in late 2008/early 2009 and is expected to contribute positively to the future results of the Group in 2009.

You may have learnt through our official announcement and the media that Can-One had in March 2009 entered into a Shares Sale Agreement to acquire 146,131,500 ordinary shares of RM0.25 each, representing 32.9% equity interest in Kian Joo Can Factory Berhad ("KJCF"), a company listed on the Main Board of Bursa Malaysia Securities Berhad at a total cash consideration of RM241,116,975 ("Proposed Acquisition").

Upon completion of the Proposed Acquisition, the Group expects KJCF to contribute positively to the results of the Group.

chairman's statement

Corporate Social Responsibility

The Group will continue to be a responsible corporate citizen and play an important role in society.

The Group is committed to continuously modernize its machinery and equipment to ensure that they are environmentally friendly.

Priority will also be given to Malaysians in filling any vacancy within the Group.

In respect of development of human resource capital, the Group will continue to provide opportunities to undergraduates from various universities and colleges to undergo industrial training with us. We will also continuously provide appropriate training for our workers and staff to hone their skills.

Appreciation

On behalf of the Board, I wish to thank all shareholders, customers, suppliers, bankers, business associates and regulatory authorities for their continued and strong support and confidence in the Group.

I would also like to express our sincere appreciation to the Management and staff for delivering another outstanding performance in 2008. Their loyalty, dedication and commitment has and will continue to ensure the success of the Group.

Last but not least, I would like to commend and thank my fellow Board Members for their active participation in the Board and for their wise counsel.

"Success Comes in Cans"

William Maurice Samson
Chairman
21 April 2009

Statement On Corporate Governance

The Board of Directors is pleased to report on the manner in which the Principles and Best Practices of Corporate Governance are applied and the extent of compliance therewith as set out in the Malaysian Code on Corporate Governance ("the Code") pursuant to Paragraph 15.26 of the Listing Requirements of Bursa Malaysia Securities Berhad throughout the financial year ended 31 December 2008.

The Board of Directors of Can-One Berhad is committed to ensuring that the appropriate standards of corporate governance are practiced throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the financial performance of the Group and the Company.

A. DIRECTORS

Role of the Board

The Company is headed by a Board of Directors ("the Board") which leads the Company. The Board explicitly assumes the following specific responsibilities:-

- Reviewing and adopting strategy plans for the Group;
- Overseeing the conduct of the Group's businesses to evaluate whether the businesses are being properly managed;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Reviewing the adequacy and effectiveness of the Group's internal control system and management information system including systems for compliance with applicable laws, standards, regulations, rules and guidelines;
- Determining succession plans for senior management; and
- Developing and implementing an appropriate investor relations programme or shareholders' communication policy for the Company.

Board Composition and Balance

At the date of this Annual Report, the Board has seven members comprising a Managing Director, two Executive Directors and four Non-Executive Directors. Two of the Non-Executive Directors (including the Chairman) are Independent. Together the Directors have wide ranging business, financial and legal experience. A brief description of the background of each Director is set out on pages 5 to 6 of this Annual Report.

There is a clear distinction between the role of the Chairman, the Managing Director and the Executive Directors to ensure balance of power and authority. The Chairman is responsible for the effective running and conduct of the Board whilst the Managing Director has overall responsibility for the development of the Group's broad strategies and plans to meet such strategies. The Executive Directors take charge of the overall management and operations of the Group.

The Independent Directors fulfill an independent pivotal role in corporate accountability. They provide unbiased and independent views, advice and judgment in ensuring that the strategies proposed by the management are fully discussed and examined taking into account the long term interest of not only the Group but also of all parties affected by the Group's activities. William Maurice Samson, the Independent Non-Executive Chairman, assumes the role of Senior Independent Non-Executive Director.

The Board is satisfied that the current Board composition fairly represents the interest of shareholders other than the significant shareholder.

Board Meetings

The Board meets at least five times a year with additional meetings convened when necessary. During the financial year ended 31 December 2008, the Board held five meetings which were fully attended by all its members.

Supply of Information

All scheduled Board meetings held during the financial year were preceded with a formal agenda issued by the Company Secretary in consultation with the Managing Director and the Executive Directors. The agenda for each meeting was also accompanied by the minutes of preceding meetings of the Board and Board Committees, reports on the Group's financial performance, industry trends, and relevant proposal papers (if any). During Board meetings, the management provides further details on each matter or supplementary information, where necessary.

Senior management staff as well as advisers and professionals appointed to act for the Company on corporate proposals to be undertaken by the Company are invited to attend Board meetings to furnish the Board with their views and explanations on relevant agenda items tabled to the Board and to provide clarification on issues that may be raised by any Director.

All information within the Group are accessible to the Directors in furtherance of their duties as Directors. All Directors also have access to the advice and services of the Company Secretary and may seek external independent professional advice at the Company's expense, should the need arise, in furtherance of their duties.

statement on corporate governance

Board Committees

The Board has delegated specific responsibilities to three Board Committees, namely the Audit Committee, Nominating Committee and Remuneration Committee, all of which have their written terms of reference, to assist the Board in discharging its duties and responsibilities. These Committees examine specific issues and report to the Board with their recommendations. The ultimate responsibility for decision making lies with the Board.

The Audit Committee, Nominating Committee and Remuneration Committee comprise two Independent Non-Executive Directors and a Non-Independent Non-Executive Director, as follows:-

- William Maurice Samson – Chairman
  (Independent)
- See Ewe Lin – Member
  (Independent)
- Razmi Bin Alias – Member
  (Non-Independent)

The terms of reference and a summary of the activities of the Audit Committee for the financial year ended 31 December 2008 are set out on pages 14 to 16 of this Annual Report.

The Nominating Committee is responsible for making recommendations to the Board for any appointments to the Board and Board Committee. In making these recommendations, the Nominating Committee reviews the required mix of skills and experience and other qualities, including core competencies, which the Directors should bring to the Board.

The Remuneration Committee's main responsibility is to make recommendations to the Board on the framework of the Directors' remuneration as well as the remuneration packages for all Directors. It is, nevertheless, the ultimate responsibility of the entire Board to approve the remuneration of these Directors.

Appointments and Re-election of Directors

The Company has in place a formal procedure for the appointment of new Directors. All new nominees to the Board are first reviewed and considered by the Nominating Committee before the proposed appointment is recommended to the Board for approval.

The Company's Articles of Association provide that all Directors shall retire from office once at least in each two years but shall be eligible for re-election. The Articles also provide that all newly appointed Directors shall hold office until the next Annual General Meeting ("AGM") after their appointment and shall be eligible for re-election.

Pursuant to Section 129(6) of the Companies Act, 1965, Directors who are of the age of seventy and above shall vacate office at every AGM and shall be eligible for re-appointment to hold office until the next AGM.

Directors' Training and Education

The Company provides opportunities for ongoing education on board processes and best practices as well as updates on relevant new laws and regulations. Directors also have the opportunity to visit the Group's factories and meet with management to keep abreast of new developments in the Group's business operations.

During the financial year ended 31 December 2008, the Directors attended and participated in programmes and forums relating to risk management and governance as well as current changes to laws and regulations.

Directors' Remuneration

The Remuneration Committee is entrusted with the role of recommending suitable policies in respect of salary packages for the Managing Director and Executive Directors. The current salary packages comprise a combination of basic salary and a variable performance incentive. There has been no change in the remuneration policies and practices during the financial year under review.

The remuneration of the Non-Executive Directors is based on a standard fee as approved by the Company's shareholders. All Directors are paid a meeting allowance for attendance at each Board and Board Committee meetings.

Details of the remuneration of the Directors categorised into appropriate components for the financial year ended 31 December 2008 are as follows :-

Category	Managing Director/ Executive Directors RM	Non-Executive Directors RM
Fees	-	144,000
Salaries and other emoluments	1,414,000	-
Benefits-in-kind*	23,900	-
Total	1,437,900	144,000

Notes

** Benefits-in-kind include motor vehicle.*

statement on corporate governance

The number of Directors whose total remuneration falls within the following bands are:-

Remuneration Range	Number of Directors
Executive Directors	
RM200,001 – RM250,000	1
RM250,001 – RM550,000	-
RM550,001 – RM600,000	1
RM600,001 – RM650,000	1
Non-Executive Directors	
Less than RM50,000	4

B. SHAREHOLDERS

Communication with Shareholders and Investors

The Company recognises the importance of communications with its shareholders. It achieves this via communication channels such as announcements through Bursa Malaysia Securities Berhad, circulars, press releases, Annual Reports as well as through its Annual General Meetings. Through such channels, the Company is able to provide an overview of the Group's performance operation and disclose material information.

The Annual Report contains all the necessary disclosures and other relevant information about the Group so that the shareholders can obtain a good understanding about the Group and its operations. Shareholders are also provided with timely information through circulars regarding any corporate developments that may impact shareholders' value.

The Annual General Meeting

At each Annual General Meeting, the Board encourages shareholders to participate in the question and answer session. The Managing Director, Executive Directors, and where appropriate, the Chairman of the Board, are available to respond to shareholders' queries during the Meeting.

C. ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the quarterly and annual financial statements to shareholders and investors, the Board aims to present a balanced, clear and meaningful assessment of the Group's financial position, performance and prospects. The Audit Committee assists in reviewing the information disclosed to ensure accuracy and adequacy.

The Directors' Responsibility Statement in respect of the preparation of the audited annual financial statements of the Group and of the Company is set out on page 18 of this Annual Report.

Internal Control

The Board acknowledges its responsibilities for the Group's system of internal control covering not only financial controls but also operational and compliance controls as well as risk management. The internal control system involves each business and key management from each business. It should be noted that the system can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The Group engages an external independent firm of professionals to provide the Audit Committee and the Board independent and objective reports on the Group's management, records, accounting policies and controls. The scope of its internal audit function includes evaluation of the processes by which risks are identified, assessed and managed and assurance that controls which are implemented are appropriate and can effectively address acceptable risk exposures. The internal audit also ensures that recommendations to improve controls are followed through by the management.

The Statement on Internal Control set out on page 17 provides an overview of the Group's state of internal control.

Relationship with the External Auditors

The Board has established formal and transparent arrangements to maintain an objective and professional relationship with the Company's External Auditors, Messrs KPMG. Messrs KPMG report to the shareholders of the Company on their opinion which is included as part of the Group's financial reports with respect to their audit on each year's statutory financial statements.

The role of the Audit Committee in relation to the External Auditors is described in the Audit Committee's Report set out on pages 14 to 16 of this Annual Report. The External Auditors, Messrs KPMG, also highlight to the Audit Committee and the Board on matters that require the Board's attention. Going forward, the Audit Committee will hold at least two meetings a year with the External Auditors as promoted by the Amended Code on Corporate Governance and the amended Chapter 15 of the Listing Requirements of Bursa Malaysia Securities Berhad.

This Statement on Corporate Governance is made in accordance with a resolution of the Board dated 21 April 2009.

Other Information

SHARE BUYBACKS

During the financial year ended 31 December 2008, there were no share buybacks by the Company.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

The Company's Employees' Share Option Scheme was established in conjunction with the Company's listing on the Main Board of Bursa Malaysia Securities Berhad on 29 July 2005. However, as at 31 December 2008, the Company has not granted any option.

No warrants or convertible securities were issued by the Company and/or exercised during the financial year ended 31 December 2008.

AMERICAN DEPOSITORY RECEIPT ("ADR") OR GLOBAL DEPOSITORY RECEIPT ("GDR") PROGRAMME

The Company did not sponsor any ADR or GDR programme during the financial year ended 31 December 2008.

IMPOSITION OF SANCTIONS/PENALTIES

There were no public sanctions and/or penalties imposed on the Company and its subsidiary companies, Directors or management by the relevant regulatory bodies during the financial year ended 31 December 2008.

NON-AUDIT FEES

The Company did not pay any non-audit fee to the External Auditors or any firm affiliated to the External Auditors during the financial year ended 31 December 2008.

PROFIT GUARANTEES

During the financial year ended 31 December 2008, there was no shortfall in profit guarantees received by the Company.

MATERIAL CONTRACTS

There were no material contracts (not being contracts entered into the ordinary course of business) entered into by the Company and/or its subsidiaries involving Directors' and major shareholders' interests which subsisted at the end of the financial year ended 31 December 2008 or, if not then subsisting, were entered into since the end of the previous financial year.

REVALUATION POLICY

The revaluation policy on landed properties of the Group in respect of the financial year ended 31 December 2008 is as disclosed in the notes to the financial statements.

Audit Committee's Report

COMPOSITION

The Audit Committee comprises the following:-

Members

William Maurice Samson
(Chairman/Independent Non-Executive Chairman)

See Ewe Lin
(Member/Independent Non-Executive Director)

Razmi Bin Alias
(Member/Non-Independent Non-Executive Director)

Secretary

Tan Bee Keng

TERMS OF REFERENCE

1. Membership

1.1 The Audit Committee shall be appointed by the Board of Directors from amongst its members (excluding alternate directors) which shall fulfill the following requirements:-

(a) the Audit Committee must be composed of no fewer than three members;

(b) a majority of the Audit Committee must be Independent Directors;

(c) all members of the Audit Committee must be Non-Executive Directors; and

(d) at least one member of the Audit Committee:-

(i) must be a member of the Malaysian Institute of Accountants ("MIA"); or

(ii) if he is not a member of the MIA, he must have at least three years' working experience and:-

(aa) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or

(bb) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or

(iii) if he is not a member of the MIA, he must have:-

(aa) a degree/masters/doctorate in accounting or finance and at least three years' post qualification experience in accounting or finance; or

(bb) at least seven years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation; or

(iv) fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

1.2 In the event of any vacancy arising in the Audit Committee resulting in non-compliance in its composition, such vacancy must be filled within three months.

1.3 The term of office and performance of the Audit Committee and each of its members must be reviewed by the Board of Directors at least once every two years.

2. Chairman

2.1 The members of the Audit Committee shall elect a Chairman from amongst their number who must be an Independent Director.

3. Secretary

3.1 The Company Secretary(s) of the Company shall be the Secretary(s) of the Audit Committee.

4. Meetings

4.1 Meetings shall be held not less than four times a year, although additional meeting may be called at any time at the discretion of the Chairman of the Audit Committee. An agenda shall be sent to all members of the Audit Committee and any person who may be required/invited to attend. All meetings to review the quarterly results and annual financial statements, shall be held prior to such quarterly results and annual financial statements being presented to the Board of Directors for approval.

4.2 A quorum in respect of a meeting of the Audit Committee shall not be less than two members, the majority of whom must be Independent Directors.

4.3 Notwithstanding paragraph 4.1 above, any member of the Audit Committee, the External Auditors or the Internal Auditors may request and the Chairman of the Audit Committee shall convene a meeting of the Committee to consider the matters brought to its attention.

audit committee's report

4.4 Other Directors and employees may attend any particular Audit Committee meeting only at the invitation of the Audit Committee, specific to the relevant meeting.

4.5 The Audit Committee may establish any regulations from time to time to govern its administration.

5. Authority

5.1 All employees are directed to cooperate with any request by the Audit Committee and the Audit Committee shall:-

(a) have authority to investigate any matter within its Terms of Reference;

(b) have the resources which are required to perform its duties;

(c) have full and unrestricted access to any information pertaining to the Company and the Group;

(d) have direct communication channels with the External Auditors and person(s) carrying out the internal audit function or activity (if any);

(e) be able to obtain independent external professional or other advice; and

(f) be able to convene meetings with the External Auditors, the Internal Auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

6. Duties and Responsibilities

6.1 The Audit Committee is responsible to the Board of Directors for the following in its role to ensure proper management of assets, liabilities, revenue and expenses of the Company and the Group and compliance with statutory obligations:-

(a) to discuss and review with the External Auditors the audit plan before the audit commences;

(b) to review with the External Auditors their evaluation of the system of internal controls;

(c) to review with the External Auditors the audit report and to discuss problems and reservations arising from the interim and final audits, management letter and management's response and any matter the External Auditors may wish to discuss (in the absence of management where necessary);

(d) to review the assistance given by the Company's employees to the External Auditors;

e) to review the audit fee of the External Auditors;

(f) to review the quarterly results and year-end financial statements prior to the approval of the Board of the Directors, focusing particularly on:-

(i) changes in or implementation of major accounting policies and practices;

(ii) significant adjustment arising from the audit;

(iii) significant and unusual events;

(iv) the going concern assumption; and

(v) compliance with accounting standards and other legal requirements.

(g) to review any letter of resignation from the External Auditors of the Company or the Group;

(h) to review whether there is any reason (supported by grounds) to believe that the Company's External Auditors are not suitable for re-appointment;

(i) to recommend to the Board of Directors the nomination of a person or persons as External Auditors;

(j) to do the following, in relation to the internal audit function:-

(i) review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;

(ii) review the internal audit programme, processes and results of the internal audit process or investigation and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;

(iii) review any appraisal or assessment of the performance of members of the internal audit function;

(iv) approve any appointment or termination of senior staff members of the internal audit function; and

audit committee's report

(v) take cognizance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

(k) to consider any related-party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management's integrity;

(l) to consider the major findings of internal investigations and management's response;

(m) to report and make recommendations to the Board of Directors on any appropriate issues and findings in the course of performing its duties;

(n) to promptly report to Bursa Malaysia Securities Berhad ("Bursa Malaysia") on any matter reported by it to the Board of Directors which has not been satisfactorily resolved resulting in a breach of Bursa Malaysia's Listing Requirements; and

(o) to carry out any other function that may be mutually agreed upon by the Audit Committee and the Board of Directors which would be beneficial to the Company and ensure the effective discharge of the Audit Committee's duties and responsibilities.

7. Minutes

7.1 The Audit Committee shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated.

7.2 Minutes of each meeting shall be distributed to all attendees at the meetings and members of the Audit Committee.

7.3 The Secretary(s) shall circulate the minutes of the Audit Committee meetings to all members of the Board of Directors. A summary of significant matters and resolutions will be reported to the Board of Directors by the Audit Committee.

7.4 The books containing the minutes of proceedings of any meeting of the Audit Committee shall be kept by the Company at the registered office of the Company, and shall be open to the inspection of any member of the Audit Committee and the Board of Directors.

NUMBER OF MEETINGS AND ATTENDANCE

During the financial year ended 31 December 2008 ("FYE 2008"), the Audit Committee conducted five meetings which were attended by all its members.

SUMMARY OF ACTIVITIES

The main activities undertaken by the Audit Committee in discharging their responsibility during the FYE 2008 were as follows:-

(i) Reviewed and approved the audit plan for the FYE 2008 for the Group presented by the Internal Auditors;

(ii) Discussed on updates of new developments on Financial Reporting Standards issued by the Malaysian Accounting Standards Board;

(iii) Reviewed the quarterly unaudited financial reports and year-end financial statements of the Company and of the Group before recommendation to the Board of Directors for consideration and approval;

(iv) Reviewed the quarterly internal audit reports regarding significant risk areas and internal control matters coming to their attention and discussed the findings with senior management to ensure that appropriate and timely measures have been taken to improve on the internal control system;

(v) Reviewed and discussed the observations and recommendations made by the External Auditors and management's response thereto from the External Auditors' evaluation of the system of internal control and annual audit;

(vi) Reviewed the Audit Committee's Report and Statement on Internal Control for inclusion in the 2008 Annual Report; and

(vii) Evaluated the performance of the External Auditors and made recommendation to the Board of Directors for their re-appointment and remuneration.

INTERNAL AUDIT FUNCTION

The Company engages an external independent firm of professionals to assist the Audit Committee in evaluating the adequacy, integrity and effectiveness of the Group's overall internal control system. Their scope of function covers all units and operations of the significant subsidiaries of the Group.

For details of the Internal Audit function, please refer to the Statement on Internal Control.

Statement On Internal Control

The Board is pleased to present the Statement on Internal Control, which accords to the "Statement on Internal Control – Guidance for Directors of Public Listed Companies" and outlines the key elements of internal control system within the Group during the financial year under review.

BOARD'S RESPONSIBILITY

The Board is responsible to ensure that an adequate and effective internal control system is in place to manage the Group's operations. The internal control system of the Group has been designed to achieve the following objectives:

1. Safeguarding shareholders' interest and the Group's assets;
2. Identifying and managing operational and financial risks affecting the Group;
3. Achieving operational objectives; and
4. Complying with statutory and regulatory requirements.

Whilst the system of internal control is designed to enhance the achievement of the Group's objectives, it should be appreciated that it can only provide reasonable but not absolute assurance against material errors and irregularities, as it is not designed to totally eliminate risks.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board, in consultation with the Executive Directors who are running the active subsidiaries, confirms that there was an ongoing process throughout the financial year under review to identify, evaluate and manage principal risks associated to the businesses of the Group.

The Executive Directors reviewed the key business risks affecting the Group's businesses with the key management staff to formulate business strategies and plans to address those risks. The resulted business strategies and business plans were discussed at the Board level on a regular basis.

The Group's internal control system which has been designed with the aim of managing key principal risks, to which the Group is exposed, contains the following features:

1. The Board is briefed on the financial performance of the Group and the future business plan of the Group on a quarterly basis.
2. There is a well defined management structure with clear line of responsibilities and reporting structure.
3. Proper segregation of key responsibilities.
4. Internal control procedures are well documented and all staff members are properly briefed.
5. Regular meetings are held between the Executive Directors, the branch managers and departmental heads to discuss corporate, operational, financial and key management issues.
6. The Internal Auditors review the internal control system within the Group and report their findings independently to the Audit Committee on a quarterly basis.

INTERNAL AUDIT FUNCTION

The Group has outsourced the internal audit function to an independent firm of professionals – Messrs Tan Yen Yeow & Company. The total cost incurred in respect of internal audit for the financial year ended 31 December 2008 amounted to RM25,169. The internal audit function reports independently and directly to the Audit Committee.

The Audit Committee reviews and approves the internal audit plan on an annual basis. The internal audit plan is designed to evaluate and assess the existing internal controls and to identify controls and areas that need improvements. The Internal Auditors carry out independent review on internal control and activities within the Group according to the internal audit plan. They then report their key findings, recommendations and progress of areas audited at the quarterly Audit Committee meetings.

During the year under review, there has been no significant weakness in the internal control system which has resulted in material losses, uncertainties or contingencies that would require disclosure in this Annual Report.

Directors' Responsibility Statement

The Directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cash flows and changes in equity of the Group and of the Company for the financial year then ended.

The Directors consider that, in preparing the financial statements for the financial year ended 31 December 2008 as set on pages 25 to 64 of this Annual Report, the Group has used appropriate accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent. The Directors also consider that all applicable Financial Reporting Standards have been followed and confirm that the financial statements have been prepared on going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965 and the applicable Financial Reporting Standards in Malaysia.

The Auditors' responsibilities are stated in their Report to the shareholders of the Company.

Financial Statements

Directors' Report

for the year ended 31 December 2008

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2008.

Principal activities

The Company is principally engaged as an investment holding company. The principal activities of its subsidiaries are disclosed in Note 5 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

Results

	Group RM	Company RM
Profit attributable to:		
Shareholders of the Company	17,314,512	8,463,425
Minority interest	134,235	-
	17,448,747	8,463,425

Reserves and provisions

There were no material transfers to or from reserves and provisions during the year under review except as disclosed in the financial statements.

Dividends

Since the end of the previous financial year, the Company paid a first and final tax exempt dividend of 6% (3.00 sen per share), totalling RM4,572,000 for the financial year ended 31 December 2007 on 31 July 2008.

The Board of Directors has proposed a first and final tax exempt dividend of 6% (3.00 sen per share), totalling RM4,572,000 for the financial year ended 31 December 2008, subject to shareholders' approval at the forthcoming annual general meeting.

Directors of the Company

Directors who served since the date of the last report are :

William Maurice Samson
Yeoh Jin Hoe
Yeoh Jin Beng
Chee Khay Leong
Razmi Bin Alias
See Ewe Lin
Ooi Teik Huat

directors' report

for the year ended 31 December 2008

Directors' interests

The interests and deemed interests in the ordinary shares of the Company and of its related companies (other than wholly-owned subsidiaries) of those who were Directors at year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows :

	Ordinary shares of RM0.50 each					
	Direct Interest			Indirect Interest		
	Balance at 1.1.2008	Bought/ (Sold)	Balance at 31.12.2008	Balance at 1.1.2008	Bought/ (Sold)	Balance at 31.12.2008
The Company						
William Maurice Samson	80,000	-	80,000	-	-	-
Yeoh Jin Hoe	300,000	-	300,000	55,100,881	-	55,100,881
Yeoh Jin Beng	300,000	-	300,000	-	-	-
Chee Khay Leong	300,100	-	300,100	-	-	-
Razmi Bin Alias	-	-	-	8,021,119	(850,000)	7,171,119
See Ewe Lin	300,100	-	300,100	-	-	-
Ooi Teik Huat	150,000	-	150,000	-	-	-

By virtue of his interests of more than 15% in the shares of the Company, Mr Yeoh Jin Hoe is also deemed to have interests in the shares of all its subsidiaries to the extent the Company has an interest.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements of the Company and its related companies) by reason of a contract made by the Company or a related company with the Director or with a firm in which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Other statutory information

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) all current assets have been stated at the lower of cost and net realisable value.

directors' report

for the year ended 31 December 2008

Other statutory information (Cont'd)

At the date of this report, the Directors are not aware of any circumstances :

i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist :

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; or

ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 31 December 2008 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Subsequent events

The subsequent events are disclosed in Note 30 to the financial statements.

Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Yeoh Jin Hoe

Chee Khay Leong

Selangor
Date : 21 April 2009

Statement By Directors

pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 25 to 64 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 December 2008 and of their financial performance and cash flows for the year ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors :

Yeoh Jin Hoe

Chee Khay Leong

Selangor Darul Ehsan
Date : 21 April 2009

Statutory Declaration

pursuant to Section 169(16) of the Companies Act, 1965

I, Ooi Teik Huat, the Director primarily responsible for the financial management of Can-One Berhad, do solemnly and sincerely declare that the financial statements set out on pages 25 to 64 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at Petaling Jaya in the State of Selangor Darul Ehsan on 21 April 2009.

Ooi Teik Huat

Before me :

M. Khandimaddi
No: B106
Commissioner for Oaths
Petaling Jaya
Selangor Darul Ehsan

Independent Auditors' Report

to the members of Can-One Berhad

Report on the Financial Statements

We have audited the financial statements of Can-One Berhad, which comprise the balance sheets as at 31 December 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 25 to 64.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2008 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following :

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
AF 0758
Chartered Accountants

Ng Swee Weng
1414/03/10 (J/PH)
Chartered Accountant

Date : 21 April 2009
Penang

Consolidated Balance Sheet

at 31 December 2008

	Note	2008 RM	2007 RM
Assets			
Property, plant and equipment	3	**149,363,191**	122,626,251
Prepaid lease payments	4	**13,840,726**	10,416,556
Other investments	6	**4,016,600**	4,016,600
Goodwill on consolidation	7	**1,712,325**	1,712,325
Total non-current assets		**168,932,842**	138,771,732
Inventories	8	**115,443,561**	91,202,361
Receivables, deposits and prepayments	9	**99,053,685**	84,054,732
Current tax assets		**972,055**	696,709
Cash and cash equivalents	10	**22,411,639**	7,189,541
Total current assets		**237,880,940**	183,143,343
Total assets		**406,813,782**	321,915,075
Equity			
Share capital	11	**76,200,000**	76,200,000
Reserves	12	**67,631,204**	54,888,692
Total equity attributable to equity holders of the Company		**143,831,204**	131,088,692
Minority interest		**3,152,089**	2,017,854
Total equity		**146,983,293**	133,106,546
Liabilities			
Borrowings	13	**44,588,573**	75,355,728
Deferred tax liabilities	14	**12,782,713**	11,493,490
Total non-current liabilities		**57,371,286**	86,849,218
Payables and accruals	15	**43,407,864**	19,138,323
Borrowings	13	**159,051,339**	82,820,988
Total current liabilities		**202,459,203**	101,959,311
Total liabilities		**259,830,489**	188,808,529
Total equity and liabilities		**406,813,782**	321,915,075

The notes on pages 34 to 64 are an integral part of these financial statements.

Consolidated Income Statement

for the year ended 31 December 2008

	Note	2008 RM	2007 RM
Continuing operations			
Revenue	16	**413,705,032**	260,494,671
Cost of sales		**(367,346,963)**	(225,008,013)
Gross profit		**46,358,069**	35,486,658
Administrative expenses		**(9,611,096)**	(8,992,218)
Selling and distribution expenses		**(6,066,261)**	(2,290,817)
Other operating expenses		**(1,565,560)**	(325,802)
		(17,242,917)	(11,608,837)
Results from operating activities		**29,115,152**	23,877,821
Interest income		**294,763**	133,188
Finance costs	17	**(10,049,826)**	(8,983,283)
Profit before tax	18	**19,360,089**	15,027,726
Tax expense	21	**(1,911,342)**	(2,922,063)
Profit for the year		**17,448,747**	12,105,663
Attributable to :			
Equity holders of the Company		**17,314,512**	12,073,736
Minority interest		**134,235**	31,927
Profit for the year		**17,448,747**	12,105,663
Basic earnings per ordinary share - sen	22	**11.36**	7.92
Dividends per ordinary share (Gross) - sen	23	**3.00**	3.00

The notes on pages 34 to 64 are an integral part of these financial statements.

Consolidated Statement Of Changes In Equity

for the year ended 31 December 2008

	<— Available to the equity holders of the Company —>					
	<– Non-distributatble –>		Distributable			
	Share capital RM	**Share premium RM**	**Retained earnings RM**	**Total RM**	**Minority interest RM**	**Total equity RM**
At 1 January 2007	76,200,000	8,560,451	38,704,585	123,465,036	1,985,927	125,450,963
Profit for the year	-	-	12,073,736	12,073,736	31,927	12,105,663
Dividends	-	-	(4,450,080)	(4,450,080)	-	(4,450,080)
At 31 December 2007	76,200,000	8,560,451	46,328,241	131,088,692	2,017,854	133,106,546
Profit for the year	-	-	17,314,512	17,314,512	134,235	17,448,747
Shares issued to minority shareholders	-	-	-	-	1,000,000	1,000,000
Dividends (Note 23)	-	-	(4,572,000)	(4,572,000)	-	(4,572,000)
At 31 December 2008	**76,200,000**	**8,560,451**	**59,070,753**	**143,831,204**	**3,152,089**	**146,983,293**

The notes on pages 34 to 64 are an integral part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 31 December 2008

	Note	2008 RM	2007 RM
Cash flows from operating activities			
Profit before tax		**19,360,089**	15,027,726
Adjustments for :			
Depreciation of property, plant and equipment	3	**9,088,356**	8,413,523
Amortisation of prepaid lease payments	4	**184,460**	170,254
Gain on disposal of plant and equipment	18	**(10,232)**	(10,209)
Interest expense	17	**9,788,355**	8,766,103
Dividend income	18	**(1,200)**	(1,200)
Interest income	18	**(294,763)**	(133,188)
Operating profit before changes in working capital		**38,115,065**	32,233,009
Changes in working capital :			
Inventories		**(24,241,200)**	(1,061,404)
Receivables, deposits and prepayments		**(14,998,953)**	(26,766,313)
Payables and accruals		**24,269,541**	(3,081,511)
Cash generated from operations		**23,144,453**	1,323,781
Tax paid		**(897,153)**	(554,088)
Net cash generated from operating activities		**22,247,300**	769,693
Cash flows from investing activities			
Dividend received		**888**	876
Proceeds from disposal of plant and equipment		**84,000**	14,800
Purchase of property, plant and equipment	A	**(33,113,064)**	(17,069,502)
Increase in prepaid lease payments	4	**(3,608,630)**	-
Shares issued to minority shareholders		**1,000,000**	-
Interest received		**294,763**	133,188
Net cash used in investing activities		**(35,342,043)**	(16,920,638)

consolidated cash flow statement

for the year ended 31 December 2008

	Note	2008 RM	2007 RM
Cash flows from financing activities			
Drawdown of term loans		**15,983,212**	35,046,699
Repayment of term loans		**(5,214,626)**	(25,603,545)
Dividend paid		**(4,572,000)**	(4,450,080)
Revolving credits		**(6,000,000)**	3,500,000
Bankers acceptances		**14,964,598**	16,882,582
Foreign currency trade loans		**24,641,147**	-
Repayment of finance lease liabilities		**(1,697,135)**	(775,476)
Interest paid		**(9,788,355)**	(8,766,103)
Net cash generated from financing activities		**28,316,841**	15,834,077
Net increase/(decrease) in cash and cash equivalents		**15,222,098**	(316,868)
Cash and cash equivalents at 1 January		**7,189,541**	7,506,409
Cash and cash equivalents at 31 December	B	**22,411,639**	7,189,541

NOTE

A. *Purchase of property, plant and equipment*

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM35,899,064 (2007 : RM21,725,288) of which RM2,786,000 (2007 : RM4,655,786) was acquired by means of finance lease. The balance of RM33,113,064 (2007 : RM17,069,502) was made by cash payments.

B. *Cash and cash equivalents*

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts :

	Note	2008 RM	2007 RM
Cash and bank balances	10	**22,411,639**	4,989,541
Short term deposit with a licensed bank	10	**-**	2,200,000
		22,411,639	7,189,541

The notes on pages 34 to 64 are an integral part of these financial statements.

Balance Sheet
at 31 December 2008

	Note	2008 RM	2007 RM
Assets			
Property, plant and equipment	3	**2,631**	2,897
Investment in subsidiaries	5	**67,586,011**	67,486,013
Total non-current assets		**67,588,642**	67,488,910
Receivables, deposits and prepayments	9	**31,619,148**	28,306,955
Current tax assets		**488,496**	55,545
Cash and cash equivalents	10	**79,027**	67,271
Total current assets		**32,186,671**	28,429,771
Total assets		**99,775,313**	95,918,681
Equity			
Share capital	11	**76,200,000**	76,200,000
Reserves	12	**23,405,816**	19,514,391
Total equity		**99,605,816**	95,714,391
Current liabilities			
Payable and accruals	15	**169,497**	204,290
Total liabilities		**169,497**	204,290
Total equity and liabilities		**99,775,313**	95,918,681

The notes on pages 34 to 64 are an integral part of these financial statements.

Income Statement
for the year ended 31 December 2008

	Note	2008 RM	2007 RM
Continuing operations			
Revenue	16	**10,000,000**	13,600,000
Administrative expenses		**(673,565)**	(631,799)
Results from operating activities		**9,326,435**	12,968,201
Interest income		**4,083**	-
Finance costs	17	**(44)**	(145)
Profit before tax	18	**9,330,474**	12,968,056
Tax expense	21	**(867,049)**	(2,376,000)
Profit for the year		**8,463,425**	10,592,056
Dividends per ordinary share (Gross) - sen	23	**3.00**	3.00

The notes on pages 34 to 64 are an integral part of these financial statements.

Statement Of Changes In Equity

for the year ended 31 December 2008

	<— Non-distributatble —>		Distributable	
	Share capital RM	Share premium RM	Retained earnings RM	Total equity RM
At 1 January 2007	76,200,000	8,560,451	4,811,964	89,572,415
Profit for the year	-	-	10,592,056	10,592,056
Dividends	-	-	(4,450,080)	(4,450,080)
At 31 December 2007	76,200,000	8,560,451	10,953,940	95,714,391
Profit for the year	-	-	8,463,425	8,463,425
Dividends (Note 23)	-	-	(4,572,000)	(4,572,000)
At 31 December 2008	**76,200,000**	**8,560,451**	**14,845,365**	**99,605,816**

The notes on pages 34 to 64 are an integral part of these financial statements.

Cash Flow Statement

for the year ended 31 December 2008

	Note	2008 RM	2007 RM
Cash flows from operating activities			
Profit before tax		**9,330,474**	12,968,056
Adjustments for :			
Depreciation	3	**266**	322
Dividend income	18	**(10,000,000)**	(13,600,000)
Interest income	18	**(4,083)**	-
Operating loss before changes in working capital		**(673,343)**	(631,622)
Changes in working capital :			
Receivables, deposits and prepayments		**(3,312,193)**	(6,078,173)
Payables and accruals		**(34,793)**	(37,266)
Cash used in operations		**(4,020,329)**	(6,747,061)
Dividend received		**8,700,000**	11,224,000
Net cash generated from operating activities		**4,679,671**	4,476,939
Cash flows from investing activities			
Interest income		**4,083**	-
Investment in a subsidiary		**(99,998)**	-
Net cash used in investing activities		**(95,915)**	-
Cash flows from financing activities			
Dividends paid	23	**(4,572,000)**	(4,450,080)
Net cash used in financing activities		**(4,572,000)**	(4,450,080)
Net increase in cash and cash equivalents		**11,756**	26,859
Cash and cash equivalents at 1 January		**67,271**	40,412
Cash and cash equivalents at 31 December	10	**79,027**	67,271

The notes on pages 34 to 64 are an integral part of these financial statements.

Notes To The Financial Statements

Can-One Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Board of Bursa Malaysia Securities Berhad. The addresses of the registered office and principal place of business of the Company are as follows :

Registered office

2B-4 Level 4
Jalan SS 6/6
Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan

Principal place of business

Lot 2244, Jalan Rajawali
Batu 9, Kampung Kebun Baru
42500 Telok Panglima Garang
Kuala Langat
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the year ended 31 December 2008 comprise the Company and its subsidiaries (together referred to as the Group). The financial statements of the Company as at and for the year ended 31 December 2008 do not include other entities.

The Company is principally engaged as an investment holding company. The principal activities of its subsidiaries are disclosed in Note 5 to the financial statements.

The financial statements were approved by the Board of Directors on 21 April 2009.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards (FRS), accounting principles generally accepted and the Companies Act, 1965 in Malaysia.

The Group and the Company have not applied the following accounting standards (including its consequential amendments) and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective :

FRSs/Interpretations	Effective date
FRS 4, Insurance Contracts	1 January 2010
FRS 7, Financial Instruments: Disclosures	1 January 2010
FRS 8, Operating Segments	1 July 2009
FRS 139, Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9, Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10, Interim Financial Reporting and Impairment	1 January 2010

The Group and the Company plan to apply the abovementioned FRSs/Interpretations from the annual period beginning 1 January 2010 except for FRS 4 and IC Interpretation 9 which are not applicable to the Group and the Company.

notes to the financial statements

1. **Basis of preparation (Cont'd)**

(a) Statement of compliance (Cont'd)

The impact of applying FRS 7 and FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemptions given in the respective FRSs. Other than the implications as discussed below, the initial application of the above standards (and its consequential amendments) and interpretations is not expected to have any material impact on the financial statements of the Group and the Company.

FRS 8, *Operating Segments*

FRS 8 will become effective for financial statements for the year ending 31 December 2010. FRS 8, which replaces FRS 114, Segment Reporting, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance. Currently, the Group presents segment information in respect of its business segments (see note 24). The adoption of FRS 8 will not have any significant impact on the financial statements of the Group other than expanded disclosure requirements, if any.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2 to the financial statements.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

2. **Significant accounting policies**

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated using the purchase method of accounting except for Aik Joo Can Factory Sdn. Bhd. which was consolidated using the pooling-of-interests method of accounting.

notes to the financial statements

2. Significant accounting policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiaries (Cont'd)

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Under the pooling-of-interests method of accounting, the results of entities or businesses under common control are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. The assets and liabilities acquired were recognised at the carrying amounts recognised previously in the Group's controlling shareholder's consolidated financial statements. The difference between the cost of acquisition and the nominal value of the shares acquired together with the share premium are taken to merger reserve (or adjusted against any suitable reserve in the case of debit differences). The other components of equity of the acquired entities are added to the same components within Group equity.

Investments in subsidiaries are stated in the Company's balance sheet at cost less any impairment losses, unless the investment is classified as held for sale.

(ii) Changes in Group composition

Where a subsidiary issues new equity shares to minority interest for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in income statements.

When a group purchases a subsidiary's equity shares from minority interest for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interest in the subsidiary is accounted for as a purchase of equity interest for which the acquisition method of accounting is applied.

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(iv) Minority interest

Minority interest at the balance sheet date, being the portion of the net identifiable assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet and statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Minority interest in the results of the Group is presented on the face of consolidated income statement as an allocation of the total profit or loss for the year between minority interest and the equity shareholders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

notes to the financial statements

2. Significant accounting policies (Cont'd)

(b) Goodwill

Goodwill arises on business combinations and is measured at cost less any accumulated impairment losses.

For acquisitions prior to 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

For business acquisitions beginning from 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in income statement.

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost/valuation less accumulated depreciation and accumulated impairment losses.

The Group revalues its property comprising land and building every 5 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

Surpluses arising from revaluation are dealt with in the revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is charged to the income statements.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour and, for qualifying assets, borrowing costs are capitalised in accordance with the Group's accounting policy. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other operating expenses" respectively in the income statements. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of those parts that are replaced is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statements as incurred.

notes to the financial statements

2. Significant accounting policies (Cont'd)

(c) Property, plant and equipment (Cont'd)

(iii) Depreciation

Depreciation is recognised in the income statements on a reducing balance basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The depreciation rates for the current and comparative periods are as follows:

	%
Buildings	2
Plant and machinery	5 – 20
Furniture, fittings and office equipment	10 – 20
Motor vehicles	20

Depreciation methods, useful lives and residual values are reassessed at the balance sheet date.

(d) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company assume substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(ii) Operating lease

Leases, where the Group does not assume substantially all the risks and rewards of the ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the Group's balance sheet. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as prepaid lease payments, except for leasehold land classified as investment property.

Certain leasehold land were revalued in 2004 and the Group has retained the unamortised revalued amount as the surrogate carrying amount of prepaid lease payments in accordance with the transitional provision in FRS 117.67A when it first adopted FRS 117, Leases in 2006.

Payments made under operating leases are recognised in the income statements on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

notes to the financial statements

2. Significant accounting policies (Cont'd)

(e) Impairment of assets

The carrying amounts of assets except for financial assets, goodwill and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill that has indefinite useful lives, recoverable amount is estimated usually at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount unless the asset is carried at a revalued amount, in which case the impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses are recognised in the income statements. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to the income statements in the year in which the reversals are recognised, unless it reverses an impairment loss on a revalued asset, in which case it is credited directly to revaluation surplus. Where an impairment loss on the same revalued asset was previously recognised in the income statements, a reversal of that impairment loss is also recognised in the income statements.

(f) Investments in debt and equity securities

Investments in debt and equity securities are recognised initially at fair value plus attributable transaction costs.

Subsequent to initial recognition,

(i) Investment in non-current equity securities other than investments in subsidiaries, are stated at cost less allowance for diminution in value,

(ii) Investment in non-current debt securities are stated at amortised cost using the effective interest method less allowance for diminution in value.

Where in the opinion of the Directors, there is a decline other than temporary in the value of non-current equity securities and non-current debt securities other than investment in subsidiaries, the allowance for diminution in value is recognised as an expense in the financial year in which the decline is identified.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statements.

notes to the financial statements

2. Significant accounting policies (Cont'd)

(f) Investments in debt and equity securities (Cont'd)

All investments in debt and equity securities are accounted for using settlement date accounting. Settlement date accounting refers to:

(i) the recognition of an asset on the day it is received by the entity, and

(ii) the derecognition on an asset and recognition of any gain or loss on disposal on the date it is delivered.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

In the case of work-in-progress and manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The fair value of inventory acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(h) Receivables

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

(i) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(j) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

(k) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that the outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(l) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

notes to the financial statements

2. Significant accounting policies (Cont'd)

(m) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences:

(i) the initial recognition of goodwill
(ii) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss).

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance are treated as tax base of assets and are recognised as a reduction of tax expense as and when they are utilised.

(n) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of group entities at exchange rates at the dates of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies are translated at exchange rates at the dates of the transactions except for those measured at fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statement.

(o) Revenue recognition

(i) Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

notes to the financial statements

2. Significant accounting policies (Cont'd)

(p) Loans and borrowings

Loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statements over the period of the loans and borrowings using the effective interest method.

(q) Interest income and borrowing costs

Interest income is recognised as it accrues, using the effective interest method.

All borrowing costs are recognised in the income statement using the effective interest method, in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

(r) Employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contribution to the Employee's Provident Fund is charged to the income statements in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(s) Share issue expenses

Incremental costs directly attributable to issue of shares are recognised as a deduction from equity.

(t) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

(u) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment) which is subject to risks and rewards that are different from those other segments.

notes to the financial statements

3. Property, plant and equipment

	At 1 January 2008 RM	Additions RM	Reclassification RM	Disposal RM	At 31 December 2008 RM
2008					
Group					
Cost/Valuation					
At valuation					
Leasehold building	5,480,000	-	-	-	5,480,000
Freehold land	2,107,212	-	-	-	2,107,212
Freehold building	8,692,788	-	-	-	8,692,788
At cost					
Leasehold building	17,612,312	3,135,173	-	-	20,747,485
Freehold land	5,092,420	3,784,400	-	-	8,876,820
Freehold building	8,163,993	335,674	83,514	-	8,583,181
Plant and machinery	116,352,024	11,286,588	6,132,700	-	133,771,312
Furniture, fittings and office equipment	3,533,877	456,464	15,738	-	4,006,079
Motor vehicles	5,599,235	1,258,307	-	(290,643)	6,566,899
Capital expenditure-in-progress	1,749,372	15,642,458	(6,231,952)	-	11,159,878
	174,383,233	35,899,064	-	(290,643)	209,991,654

	At 1 January 2008 RM	Charge for the year RM	Disposal RM	At 31 December 2008 RM
2008				
Group				
Accumulated depreciation				
At valuation				
Leasehold building	353,758	74,256	-	428,014
Freehold building	533,521	111,347	-	644,868
At cost				
Leasehold building	622,664	288,772	-	911,436
Freehold building	196,049	179,812	-	375,861
Plant and machinery	44,729,861	7,598,190	-	52,328,051
Furniture, fittings and office equipment	1,846,269	233,341	-	2,079,610
Motor vehicles	3,474,860	602,638	(216,875)	3,860,623
	51,756,982	9,088,356	(216,875)	60,628,463

notes to the financial statements

3. Property, plant and equipment (Cont'd)

	At 1 January 2007 RM	Additions RM	Disposal RM	At 31 December 2007 RM
2007				
Group				
Cost/Valuation				
At valuation				
Leasehold building	5,480,000	-	-	5,480,000
Freehold land	2,107,212	-	-	2,107,212
Freehold building	8,692,788	-	-	8,692,788
At cost				
Leasehold building	16,795,688	816,624	-	17,612,312
Freehold land	5,092,420	-	-	5,092,420
Freehold building	8,128,793	35,200	-	8,163,993
Plant and machinery	97,286,889	19,065,135	-	116,352,024
Furniture, fittings and office equipment	3,013,091	520,786	-	3,533,877
Motor vehicles	5,457,435	216,560	(74,760)	5,599,235
Capital expenditure-in-progress	678,389	1,070,983	-	1,749,372
	152,732,705	21,725,288	(74,760)	174,383,233

	At 1 January 2007 RM	Charge for the year RM	Disposal RM	At 31 December 2007 RM
2007				
Group				
Accumulated depreciation				
At valuation				
Leasehold building	279,704	74,054	-	353,758
Freehold building	416,051	117,470	-	533,521
At cost				
Leasehold building	392,714	229,950	-	622,664
Freehold building	29,502	166,547	-	196,049
Plant and machinery	37,762,705	6,967,156	-	44,729,861
Furniture, fittings and office equipment	1,515,283	330,986	-	1,846,269
Motor vehicles	3,017,669	527,360	(70,169)	3,474,860
	43,413,628	8,413,523	(70,169)	51,756,982

notes to the financial statements

3. Property, plant and equipment (Cont'd)

	Carrying amounts At 31 December 2008 RM	Carrying amounts At 31 December 2007 RM
At valuation		
Leasehold building	**5,051,986**	5,126,242
Freehold land	**2,107,212**	2,107,212
Freehold building	**8,047,920**	8,159,267
At cost		
Leasehold building	**19,836,049**	16,989,648
Freehold land	**8,876,820**	5,092,420
Freehold building	**8,207,320**	7,967,944
Plant and machinery	**81,443,261**	71,622,163
Furniture, fittings and office equipment	**1,926,469**	1,687,608
Motor vehicles	**2,706,276**	2,124,375
Capital expenditure-in-progress	**11,159,878**	1,749,372
	149,363,191	122,626,251

Included in property, plant and equipment of the Group is an amount of RM962,089 (2007 : RM966,254) representing the carrying amount of buildings erected on land belonging to third parties.

The carrying amount of plant and equipment acquired under finance lease arrangement are as follows :

	2008 RM	2007 RM
Plant and machinery	**6,081,029**	5,101,614
Motor vehicles	**1,067,663**	938,166
	7,148,692	6,039,780

The revalued properties of the Group was revalued in 2004 by independent professional qualified valuers using an open market value method.

notes to the financial statements

3. Property, plant and equipment (Cont'd)

Subsequent additions are shown at cost while deletions are at valuation or cost, as appropriate.

Had the land and buildings been carried under the cost model, their carrying amounts would have been included in the financial statements at the end of the year are as follows :

	Cost RM	Accumulated depreciation RM	Carrying amount RM
2008			
Freehold land	**1,249,274**	**-**	**1,249,274**
Freehold building	**9,204,466**	**1,207,886**	**7,996,580**
Leasehold building	**4,186,422**	**810,917**	**3,375,505**
	14,640,162	**2,018,803**	**12,621,359**
2007			
Freehold land	1,249,274	-	1,249,274
Freehold building	9,204,466	1,023,797	8,180,669
Leasehold building	4,186,422	754,344	3,432,078
	14,640,162	1,778,141	12,862,021

Freehold land and building with a total carrying amount of RM9,809,427 (2007 : RM9,878,220) is pledged for banking facilities granted to the Group.

	At 1 January 2008 RM	Additions RM	Disposal RM	At 31 December 2008 RM
Company				
2008				
At cost				
Furniture, fittings and office equipment	**4,100**	**-**	**-**	**4,100**

	At 1 January 2008 RM	Charge for the year RM	Disposal RM	At 31 December 2008 RM
Accumulated depreciation				
Furniture, fittings and office equipment	**1,203**	**266**	**-**	**1,469**

notes to the financial statements

3. Property, plant and equipment (Cont'd)

	At 1 January 2007 RM	Additions RM	Disposal RM	At 31 December 2007 RM
Company				
2007				
At cost				
Furniture, fittings and office equipment	4,100	-	-	4,100

	At 1 January 2007 RM	Charge for the year RM	Disposal RM	At 31 December 2007 RM
Accumulated depreciation				
Furniture, fittings and office equipment	881	322	-	1,203

	At 31 December 2008 RM	At 31 December 2007 RM
Carrying amount		
Furniture, fittings and office equipment	**2,631**	2,897

4. Prepaid lease payments - Group

	Unexpired lease period less than 50 years	Unexpired lease period more than 50 years

notes to the financial statements

4. Prepaid lease payments - Group (Cont'd)

	Unexpired lease period less than 50 years At cost RM	Unexpired lease period more than 50 years At cost RM	Total RM
Carrying amount			
At 1 January 2007	1,382,388	9,204,422	10,586,810
At 31 December 2007/ At 1 January 2008	1,343,184	9,073,372	10,416,556
At 31 December 2008	**2,720,680**	**11,120,046**	**13,840,726**

The Group has retained the unamortised revalued amount as the surrogate carrying amount of prepaid lease payments in accordance with the transitional provision in FRS 117.

5. Investment in subsidiaries - Company

	2008 RM	2007 RM
Unquoted shares, at cost	**67,586,011**	67,486,013

Details of the subsidiaries, all of which are incorporated in Malaysia are as follows :

Name of Company	Percentage of Equity Held 2008 %	2007 %	Principal Activity
Aik Joo Can Factory Sdn. Bhd.	**100**	100	Manufacture of lithographed tin cans and plastic jerry cans
Ajcan Sdn. Bhd.	**100**	100	Letting of landed property and property investment
Canzo Sdn. Bhd.	**100**	100	Manufacture and trading of plastic jerry cans
Newmarq Land Sdn. Bhd.	**100**	100	Investment holding
Sanjung Nuri Sdn. Bhd.	**100**	100	Property investment
Can-One International Sdn. Bhd.	**100**	100	Investment holding
Amber Alliance Sdn. Bhd.	**100**	100	Investment holding
Subsidiary of Amber Alliance Sdn. Bhd.			
F & B Nutrition Sdn. Bhd.	**80**	80	Manufacture of dairy and non-dairy products

notes to the financial statements

6. Other investments – Group

	2008 RM	2007 RM
Unquoted bonds	**4,000,000**	4,000,000
Quoted shares in Malaysia, at cost	**16,600**	16,600
	4,016,600	4,016,600
Market value on quoted shares	**31,000**	37,000

7. Goodwill on consolidation – Group

	2008 RM	2007 RM
At cost		
At 1 January/31 December	**1,712,325**	1,712,325

The above goodwill acquired is in respect of the Group's acquisition of the subsidiaries.

(a) Key sources of estimation uncertainty

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units ("CGU") to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from cash-generating unit and also to apply a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's goodwill as at 31 December 2008 was approximately RM1,712,000 (2007 : RM1,712,000).

(b) Recoverable amount based on value in use

The recoverable amount of a CGU is determined based on value in use calculations based on the following key assumptions :

(i) Cash flows are projected based on the financial budgets approved by the Directors.

(ii) Discount rate used for cash flows discounting purposes are the management's estimate of average cost of capital required in the respective segments. The discount rate applied for cash flow projections is at 5% to 10%.

(iii) Profit margins are projected based on the industry trends, historical profit margin achieved or predetermined profit margin for can industry.

With regard to the assessment of value in use and fair value less costs to sell, management believes that no reasonably possible change in any of the above key assumptions would cause the recoverable amounts of the unit to be materially below its carrying amounts.

notes to the financial statements

8. Inventories - Group

	2008 RM	2007 RM
At cost		
Raw materials	**71,882,735**	36,894,775
Work-in-progress	**35,126,898**	45,313,313
Manufactured inventories	**8,433,928**	8,994,273
	115,443,561	91,202,361

9. Receivables, deposits and prepayments

	Note	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Trade					
Trade receivables	9.1	**90,526,622**	81,929,673	**-**	-
Less: Allowance for doubtful debts		**(1,070,521)**	(1,070,521)	**-**	-
		89,456,101	80,859,152	**-**	-
Non-trade					
Amount due from subsidiaries	9.2	**-**	-	**31,619,148**	28,300,455
Other receivables		**23,805**	108,185	**-**	-
Deposits	9.3	**6,765,501**	1,859,565	**-**	-
Prepayments		**2,808,278**	1,227,830	**-**	6,500
		9,597,584	3,195,580	**31,619,148**	28,306,955
		99,053,685	84,054,732	**31,619,148**	28,306,955

9.1 Analysis of foreign currency exposure for significant receivables

Significant receivables outstanding at year end that are not in the functional currencies of the Group entities are as follows :

Functional currency	Foreign Currency	2008 RM	2007 RM
RM	USD	**9,573,768**	2,652,079
RM	Euro	**-**	18,236
RM	SGD	**3,233,756**	914,162

9.2 Amount due from subsidiaries

The non-trade receivables due from subsidiaries are unsecured, interest free and repayable on demand.

notes to the financial statements

9. Receivables, deposits and prepayments (Cont'd)

9.3 Deposits

This included a refundable earnest deposit of RM5,000,000 (2007: RM Nil) paid by the Group when the Group participated in a tender exercise to acquire an investment in quoted shares.

10. Cash and cash equivalents

	Group		Company	
	2008 RM	**2007 RM**	**2008 RM**	**2007 RM**
Cash and bank balances	**22,411,639**	4,989,541	**79,027**	67,271
Short term deposit with a licensed bank	**-**	2,200,000	**-**	-
	22,411,639	7,189,541	**79,027**	67,271

Cash and bank balances denominated in currencies other than functional currency comprises RM2,563,495 (2007: RM263,077) denominated in US Dollar.

11. Share capital – Group/Company

	2008 No. of shares	**2007 No. of shares**	**2008 RM**	**2007 RM**
Ordinary shares of RM0.50 each				
Authorised	**200,000,000**	200,000,000	**100,000,000**	100,000,000
Issued and fully paid	**152,400,000**	152,400,000	**76,200,000**	76,200,000

12. Reserves

	Group		Company	
	2008 RM	**2007 RM**	**2008 RM**	**2007 RM**
Non-distributable share premium	**8,560,451**	8,560,451	**8,560,451**	8,560,451
Distributable retained profits	**59,070,753**	46,328,241	**14,845,365**	10,953,940
	67,631,204	54,888,692	**23,405,816**	19,514,391

notes to the financial statements

13. Borrowings - Group

	2008 RM	2007 RM
Current		
Secured		
Term loans	**1,911,601**	808,244
Bankers' acceptance	**9,637,613**	9,921,000
Foreign currency trade loans	**9,320,747**	-
Finance lease liabilities	**1,547,329**	1,358,726
	22,417,290	12,087,970
Unsecured		
Term loans	**45,896,082**	4,563,436
Revolving credit	**7,000,000**	13,000,000
Foreign currency trade loans	**15,320,400**	-
Bankers' acceptances	**68,417,567**	53,169,582
	159,051,339	82,820,988
Non-current		
Secured		
Term loans	**12,206,564**	5,871,068
Finance lease liabilities	**5,051,765**	4,151,503
	17,258,329	10,022,571
Unsecured		
Term loans	**27,330,244**	65,333,157
	44,588,573	75,355,728

The secured borrowings are secured against a legal charge over the freehold land and building of a subsidiary and corporate guarantee from the Company.

The secured term loans bear interest at 0.50% to 0.75% (2007 : 0.75% to 2.00%) above the bankers' prevailing base lending rates while the unsecured term loans bear interest at rates ranging 4.10% to 6.75% (2007 : 4.90% to 7.50%).

The foreign currency trade loans which are denominated in US Dollars are subject to interest rates ranging from 3.80% to 5.35% (2007: Nil) per annum. The bankers' acceptances and revolving credit are subject to interest rates ranging from 2.30% to 4.78% (2007 : 4.43% to 6.80%) and 4.41% to 4.90% (2007 : 4.92%) per annum respectively. The finance leases are subject to a fixed interest rate of 2.16% to 3.85% (2007 : 2.88% to 3.85%) per annum.

notes to the financial statements

13. Borrowings – Group (Cont'd)

2008	Maturity	Total carrying RM	Under 1 year RM	1-2 years RM	2-5 years RM	Over 5 Years RM
Secured term loans	**2014-2015**	**14,118,165**	**1,911,601**	**2,346,555**	**8,209,795**	**1,650,214**
Unsecured term loans	**2009-2016**	**73,226,326**	**45,896,082**	**6,671,768**	**16,276,476**	**4,382,000**
Finance lease liabilities	**2009-2015**	**6,599,094**	**1,547,329**	**1,403,263**	**3,606,878**	**41,624**
Unsecured revolving credits	**2009**	**7,000,000**	**7,000,000**	**-**	**-**	**-**
Foreign currency trade loans (USD)						
- Secured	**2009**	**9,320,747**	**9,320,747**	**-**	**-**	**-**
- Unsecured	**2009**	**15,320,400**	**15,320,400**	**-**	**-**	**-**
Bankers acceptances						
- Secured	**2009**	**9,637,613**	**9,637,613**	**-**	**-**	**-**
- Unsecured	**2009**	**68,417,567**	**68,417,567**	**-**	**-**	**-**
2007						
Secured term loans	2014	6,679,312	808,244	874,654	3,067,794	1,928,620
Unsecured term loans	2009-2015	69,896,593	4,563,436	45,402,435	16,114,479	3,816,243
Finance lease liabilities	2008-2013	5,510,229	1,358,726	1,009,075	2,495,553	646,875
Unsecured revolving credits	2008	13,000,000	13,000,000	-	-	-
Bankers acceptances						
- Secured	2008	9,921,000	9,921,000	-	-	-
- Unsecured	2008	53,169,582	53,169,582	-	-	-

Finance lease liabilities are payable as follows :

	2008 Payments RM	2008 Interest RM	2008 Principal RM	2007 Payments RM	2007 Interest RM	2007 Principal RM
Less than 1 year	**1,868,739**	**321,410**	**1,547,329**	1,635,194	276,468	1,358,726
Between 1 and 5 years	**5,520,088**	**509,947**	**5,010,141**	4,018,811	514,183	3,504,628
More than 5 years	**42,621**	**997**	**41,624**	661,396	14,521	646,875
	7,431,448	**832,354**	**6,599,094**	6,315,401	805,172	5,510,229

14. Deferred tax liabilities - Group

	2008 RM	2007 RM
At 1 January	**11,493,490**	9,400,544
Recognised in the income statement	**1,289,223**	2,092,946
At 31 December	**12,782,713**	11,493,490

notes to the financial statements

14. Deferred tax liabilities - Group (Cont'd)

The recognised deferred tax liabilities are as follows :

	At 1 January 2007 RM	Recognised in income statement RM	At 31 December 2007 RM	Recognised in income statement RM	At 31 December 2008 RM
Property, plant and equipment (including prepaid lease payments)					
- Capital allowance	8,438,808	2,092,946	10,531,754	**407,011**	**10,938,765**
- Revaluation	1,451,736	-	1,451,736	**352,612**	**1,804,348**
Provisions	(532,000)	-	(532,000)	**529,600**	**(2,400)**
Others	42,000	-	42,000	**-**	**42,000**
	9,400,544	2,092,946	11,493,490	**1,289,223**	**12,782,713**

15. Payables and accruals

	Note	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Trade					
Trade payables	15.1	**30,901,985**	9,837,698	**-**	-
Non-trade					
Other payables		**10,632,442**	7,129,617	**39,492**	39,492
Accrued expenses		**1,873,437**	2,171,008	**130,005**	164,798
		43,407,864	19,138,323	**169,497**	204,290

15.1 Analysis of foreign currency exposure for significant payables

Significant payables outstanding at year end that are not in the functional currencies of the Group entities are as follows :

Functional currency	Foreign currency	2008 RM	2007 RM
RM	USD	**8,175,306**	-

16. Revenue

Revenue for the Group represents the invoiced value of goods sold less discounts and returns.

Revenue for the Company represents dividend income.

notes to the financial statements

17. Finance costs

	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Interest payable				
Bank overdrafts	**1,327**	40,109	**-**	-
Term loans	**6,018,818**	6,160,577	**-**	-
Other short term borrowings	**3,416,210**	2,407,155	**-**	-
Finance lease liabilities	**352,000**	158,262	**-**	-
	9,788,355	8,766,103	**-**	-
Bank charges	**261,471**	217,180	**44**	145
	10,049,826	8,983,283	**44**	145

18. Profit before tax

	Note	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
After charging :					
Amortisation of prepaid lease payments	4	**184,460**	170,254	**-**	-
Auditors' remuneration:					
Auditors of the Company					
- current year		**62,900**	38,000	**17,000**	18,000
- prior years		**10,100**	-	**(1,000)**	-
Other auditors		**-**	10,000	**-**	-
Bad debts written off		**1,862,179**	-	**-**	-
Depreciation	3	**9,088,356**	8,413,523	**266**	322
Directors' emoluments					
Directors of the Company					
- Fees		**144,000**	144,000	**144,000**	144,000
- Others		**1,414,000**	1,373,530	**258,720**	256,890
Loss on foreign exchange - realised		**1,674,462**	344,966	**-**	-
Rental of land and building		**60,000**	139,400	**-**	-
And crediting :					
Dividend income					
(Gross)					
- subsidiary		**-**	-	**10,000,000**	13,600,000
- quoted shares		**1,200**	1,200	**-**	-
Interest income		**294,763**	133,188	**4,083**	-
Gain on disposal of plant and equipment		**10,232**	10,209	**-**	-

notes to the financial statements

19. Key management personnel compensation

The key management personnel include certain Directors of the Company and their compensation is as follows :

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Directors				
- Remuneration	**1,414,000**	1,373,530	**258,720**	256,890
- Benefit-in-kind	**23,900**	23,900	**-**	-
Other				
- Remuneration	**316,960**	303,520	**-**	-
- Benefit-in-kind	**13,000**	13,000	**-**	-
	1,767,860	1,713,950	**258,720**	256,890

Other key management personnel comprises persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly.

20. Employee information

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Staff costs	**22,135,465**	17,576,893	**120,453**	375,200

Staff costs of the Group and of the Company include contributions to the Employees' Provident Fund and other defined contribution plans of RM1,122,150 (2007 : RM1,038,279) and RM38,796 (2007 : RM30,309) respectively.

21. Tax expense

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Current tax expense				
- current year	**907,091**	829,117	**1,152,000**	2,376,000
- prior years	**(284,972)**	-	**(284,951)**	-
	622,119	829,117	**867,049**	2,376,000
Deferred tax expense				
- current year	**1,760,038**	1,753,948	**-**	-
- effect of change in tax rate	**(392,961)**	(339,052)	**-**	-
- prior years	**(77,854)**	678,050	**-**	-
	1,289,223	2,092,946	**-**	-
	1,911,342	2,922,063	**867,049**	2,376,000

notes to the financial statements

21. Tax expense (Cont'd)

Reconciliation of effective tax expense

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Profit before tax	**19,360,089**	15,027,726	**9,330,474**	12,968,056
Income tax using Malaysian tax rate of 26% (2007: 27%)	**5,033,623**	4,057,480	**2,425,923**	3,501,375
Non-deductible expenses	**396,956**	469,072	**26,077**	170,625
Non-taxable gains	**-**	-	**(1,300,000)**	(1,296,000)
Tax incentives	**(2,757,092)**	(1,835,105)	**-**	-
Effect of change in tax rate *	**(392,961)**	(339,052)	**-**	-
Effect of lower tax rate **	**(4,276)**	(4,932)	**-**	-
Other items	**(2,082)**	(103,450)	**-**	-
	2,274,168	2,244,013	**1,152,000**	2,376,000
Under provision in prior years	**(362,826)**	678,050	**(284,951)**	-
Tax expense	**1,911,342**	2,922,063	**867,049**	2,376,000

* The corporate tax rates are at 26% for year of assessment 2008 and 25% for the subsequent years of assessment. Consequently deferred tax assets and liabilities are measured using these tax rates.

** With effect from year of assessment 2004, companies with paid-up capital of RM2.5 million and below at the beginning of the basis period for a year of assessment are subject to corporate tax at 20% on chargeable income up to RM500,000.

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and exempt income to frank/distribute approximately RM7,808,000 and RM856,000 respectively from its retained profits at 31 December 2008 if paid out as dividends.

The Finance Act 2007 introduced a single tier company income tax system with effect from year of assessment 2008. As such, the Section 108 tax credit as at 31 December 2008 will be available to the Company until such time the credit is fully utilised or upon expiry of the six-year transitional period on 31 December 2013, whichever is earlier.

The unutilised reinvestment allowance amounted to RM10.7 million (2007 : RM8.6 million) as at 31 December 2008 will be available to the Group to utilise against future profit of the Group.

22. Earnings per ordinary share

The calculation of basic earnings per ordinary share was based on the Group's net profit attributable to the equity holders of RM17,314,512 (2007 : RM12,073,736) and on the weighted average number of ordinary shares outstanding during the year of 152,400,000 (2007 : 152,400,000).

notes to the financial statements

23. Dividends

A first and final tax exempt dividend of 6%, totalling RM4,572,000 proposed for the financial year ended 31 December 2007 and approved by shareholders in the annual general meeting was paid on 31 July 2008. Accordingly, this amount has been appropriated from the retained profits in this financial year.

A first and final tax exempt dividend of 6%, totalling RM4,572,000 for the financial year ended 31 December 2008 has been proposed for shareholders' approval at the forthcoming annual general meeting. These financial statements do not reflect the above dividend which will be accounted for as an appropriation of retained profits in the financial ending 31 December 2009 when approved by the shareholders.

The gross dividends per ordinary share as disclosed in the Income Statements takes into account the proposed first and final tax exempt dividend of 6% for the financial year ended 31 December 2008.

24. Segment reporting

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly investments (other than investment property) and related revenue, loans and borrowings and related expenses, corporate assets and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and other intangible assets other than goodwill.

Inter-segment pricing is determined on an arm's length basis.

Business segments

The Group operates mainly in two business segments:-

(i) General cans – manufacture and distribution of lithographed tin cans and plastic jerry cans

(ii) Food products – manufacture and distribution of food products

	General cans RM'000	Food products RM'000	Others RM'000	Total RM'000	Eliminations RM'000	Group RM'000
31 December 2008						
Revenue						
External sales	319,638	94,067	-	413,705		413,705
Inter-segments sales	23,095	-	10,060	33,155	(33,155)	-
Total revenue	342,733	94,067	10,060	446,860		413,705
Segment results	27,297	2,511	9,307	39,615	(10,000)	29,115
Interest income						295
Finance cost						(10,050)
Taxation						(1,911)
Profit for the year						17,449

notes to the financial statements

24. Segment reporting (Cont'd)

	General cans RM'000	Food products RM'000	Others RM'000	Total RM'000	Eliminations RM'000	Group RM'000
31 December 2008						
Segment assets	**302,445**	**91,204**	**12,193**	**405,842**	**-**	**405,842**
Unallocated assets						**972**
						406,814
Segment liabilities	**200,002**	**46,864**	**181**	**247,047**	**-**	**247,047**
Unallocated liabilities						**12,783**
						259,830
Capital expenditure	**18,715**	**20,793**	**-**	**39,508**	**-**	**39,508**
Depreciation	**7,583**	**1,505**	**-**	**9,088**	**-**	**9,088**
Amortisation	**181**	**-**	**-**	**181**	**-**	**181**
31 December 2007						
Revenue						
External sales	192,367	68,128	-	260,495	-	260,495
Inter-segments sales	14,897	-	13,600	28,497	(28,497)	-
Total revenue	207,264	68,128	13,600	288,992		260,495
Segment results	23,199	1,329	12,950	37,478	(13,600)	23,878
Interest income						133
Finance cost						(8,983)
Taxation						(2,922)
Profit for the year						12,106

notes to the financial statements

24. Segment reporting (Cont'd)

	General cans RM'000	Food products RM'000	Others RM'000	Total RM'000	Eliminations RM'000	Group RM'000
31 December 2007						
Segment assets	252,860	61,170	7,188	321,218	-	321,218
Unallocated assets						697
						321,915
Segment liabilities	147,778	29,320	218	177,316	-	177,316
Unallocated liabilities						11,493
						188,809
Capital expenditure	18,740	2,985	-	21,725	-	21,725
Depreciation	7,123	1,290	-	8,413	-	8,413
Amortisation	170	-	-	170	-	170

Geographical segments

The Group's business segment operates principally in Malaysia and accordingly, no geographical segments assets information is presented.

25. Related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include certain Directors and certain members of senior management of the Group.

The significant related party transactions of the Group and of the Company, other than key management personnel compensation, are as follows :

	Company 2008 RM'000	Company 2007 RM'000
Dividend income from a subsidiary	**10,000**	13,600

Non-trade balances with subsidiaries are disclosed in Note 9 to the financial statements.

notes to the financial statements

26. Capital commitments - Group

	2008 RM'000	2007 RM'000
Property, plant and equipment		
Contracted but not provided for	**20,080**	1,365

27. Contingent liabilities - Company

The Company has provided corporate guarantees amounting to RM304,840,000 (2007 : RM303,500,000) to secure banking facilities granted to its subsidiaries, Aik Joo Can Factory Sdn. Bhd. and F&B Nutrition Sdn. Bhd. As at 31 December 2008, the amount of facilities utilised amounted to RM157,040,816 (2007 : RM112,666,487).

28. Operating leases - Group

Total future minimum lease payments under non-cancellable operating leases are as follows :

	2008 RM	2007 RM
Less than 1 year	**60,000**	60,000
Between 1 and 5 years	**40,000**	100,000
	100,000	160,000

29. Financial instruments

Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks including foreign currency, credit, market and interest rate risks arising in the normal course of the Group's and of the Company's businesses.

The Directors monitor the Group's financial position closely with the objective to minimise potential adverse effects on the financial performance of the Group. The Directors review and agree policies for managing each of these risks and they are summarised below :

a) **Foreign currency risk**

The Group operates its business internationally which exposes it to foreign currency risk, mainly from the fluctuations of United States Dollar ("USD") and Singapore Dollar ("SGD").

The Group's exposures to foreign currency risk is mitigated in the following manners :

i) The Group maintains part of its cash and bank balances in foreign currency accounts in USD to meet future obligations in foreign currencies;

ii) Whenever required, the Group enters into foreign currency forward contracts to hedge against the residual foreign currency exposure not covered under (i) above.

notes to the financial statements

29. Financial instruments (Cont'd)

b) Credit risk

The Group is exposed to credit risk primarily through its receivables. The Group manages its credit risk by applying informal credit control procedures to review and monitor the financial strength and viability of its customers.

It is the Group's policy to maintain a large customer base. Exposure to single customer exceeding 5% of total assets of the Group is avoided unless it is vital for achieving Group's business objectives and the customer is of good credit standing. Accounts for such customers are cautiously reviewed on a regular basis.

At balance sheet date, there were no significant concentrations of credit risk other than amount due from subsidiaries. The maximum exposure to credit risk is represented by the carrying amounts of receivables.

c) Market risk

The Group's principal exposure to market risk arises mainly from the fluctuation in market price of its long term investment. The management monitors the performance of its investment closely to ensure its interest is preserved.

d) Interest rate risk

The Group is exposed to interest rate risk through its borrowings and placement of its excess funds in short term deposits.

It is the Group's policy not to place excess funds for a term exceeding 12 months to maintain its flexibility to respond against changes in interest rates.

The Group also maintains a variety of credit facilities at both fixed and floating interest rates to minimise the exposure to interest rate fluctuations.

Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the period in which they reprice or mature, whichever is earlier.

	Effective interest rate per annum %	Total RM	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	Above 5 years RM
Group								
2008								
Financial liabilities								
Secured term loans	6.45-6.70	14,118,165	14,118,165	-	-	-	-	-
Unsecured term loans								
- Fixed rate	5.40-6.75	50,971,867	41,496,563	1,588,711	1,686,609	1,789,563	1,901,060	2,509,361
- Floating rate	4.10-7.20	22,254,458	22,254,458	-	-	-	-	-
Revolving credit	4.41-4.90	7,000,000	7,000,000	-	-	-	-	-
Bankers' acceptances	3.44-5.55	78,055,180	78,055,180	-	-	-	-	-
Foreign currency trade loans	3.80-5.35	24,641,147	24,641,147	-	-	-	-	-
Finance lease liabilities	2.64-8.44	6,599,094	1,547,329	1,403,263	1,350,717	1,382,178	873,983	41,624

notes to the financial statements

29. Financial instruments (Cont'd)

	Effective interest rate per annum %	Total RM	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	Above 5 years RM
Group								
2007								
Financial asset								
Short term deposits with licensed banks	2.65	2,200,000	2,200,000	-	-	-	-	-
Financial liabilities								
Secured term loans	7.25-8.75	6,679,311	6,679,311	-	-	-	-	-
Unsecured term loans								
- Fixed rate	6.75	40,000,000	-	40,000,000	-	-	-	-
- Floating rate	4.90-7.50	29,896,594	29,896,594	-	-	-	-	-
Revolving credit	4.92	13,000,000	13,000,000	-	-	-	-	-
Bankers' acceptances	4.17	63,090,582	63,090,582	-	-	-	-	-
Finance lease liabilities	2.88-3.85	5,510,229	1,358,726	1,009,075	2,495,553	646,875	-	-

Fair values

The carrying amounts of cash and cash equivalents, receivables and payables, approximate fair values due to the relatively short term nature of these financial instruments.

The Company provides financial guarantees to financial institutions for credit facilities extended to certain subsidiaries. The fair value of such financial guarantees is not expected to be material as the probability of the subsidiaries defaulting on the credit lines is remote.

The fair values of other financial assets and liabilities, together with the carrying amounts shown in the balance sheets, are as follows :

	2008		2007	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Company				
Financial asset				
Unquoted bonds	**4,000,000**	**#**	4,000,000	#
Financial liabilities				
Finance lease liabilities	**6,599,094**	***6,599,094**	5,510,229	*5,510,229
Unsecured term loan - fixed rate	**50,971,867**	***50,971,867**	40,000,000	*40,000,000

notes to the financial statements

29. Financial instruments (Cont'd)

Fair values (Cont'd)

It is not practical to estimate the fair value of the unquoted bonds because of the lack of quoted market price and the inability to estimate fair value without incurring excessive costs. However, the Directors are of the opinion that the carrying value approximates fair value.

* The fair value of this fixed interest financial instrument is determined by discounting the relevant cash flows using current interest rates for similar financial instruments at the balance sheet date. Since the current interest rates do not significantly differ from the intrinsic rate of this financial instrument, the fair value of this financial instruments therefore, closely approximate its carrying value as at the balance sheet date.

The fair value of quoted investments is disclosed in Note 6 to the financial statements.

Unrecognised financial instruments

The contracted amount and fair value of financial instruments not recognised in the balance sheet as at 31 December are as follows :

	2008 RM	2007 RM
Contractual amount		
- Sale of US Dollars	**-**	1,248,951
- Purchase of US Dollars	**(12,941,458)**	-
Unrealised loss/(gain)	**386,312**	(85,852)
Fair value	**(12,555,146)**	1,163,099

30. Subsequent events

a) On 23 March 2009, its wholly-owned subsidiary, Can-One International Sdn Bhd (CISB) entered into a conditional shares sale agreement to acquire 146,131,500 ordinary shares of RM0.25 each, representing 32.9% equity interest in Kian Joo Can Factory Berhad, a company listed on the Main Board of Bursa Malaysia, for a total consideration of RM241,116,975 (Proposed Acquisition).

The Proposed Acquisition is subject to the approval by the relevant authority and the shareholders of the Company.

b) On 23 March 2009, CISB together with 4 other defendants were served a writ of summons and a statement of claims pertaining to the Proposed Acquisition.

The plaintiffs are claiming:

i) Against the other 4 defendants and CISB damages amounting to RM55,000,000 for alleged fraud and interest at rate of 8% per annum on the said sum, cost of the action on a full indemnity basis and such further or any other reliefs as the Court may deemed fit and proper to grant.

ii) An interim order restraining the defendants and each of them whether by themselves, their directors, their servants, or agents or otherwise howsoever from proceeding with the implementation of the Proposed Acquisition until the final hearing and disposal of the action.

iii) A Declaration that the award of the bid in the public tender exercise to CISB for the Proposed Acquisition is illegal, null and void.

The Board of Directors has referred the matter to its solicitors. Upon obtaining legal advice, the Directors are of the opinion that the suit against CISB is unlikely to succeed.

Summary Of Landed Properties And Buildings

Location	Tenure	Area (square ft)	Description & existing use	Approximate age of buildings	Net book value as at 31.12.2008 RM'000	Year of last revaluation/ acquisition
4829, Tingkat Mak Mandin 5 Mak Mandin Industrial Estate 13400 Butterworth Pulau Pinang Malaysia	99 years leasehold expiring on 23.09.2070	Land 68,678 Built-up 31,426	Office and Factory Buildings/ Industrial	Office Block - 42 years Factory - 20 years	3,732	2004
4821, Tingkat Mak Mandin 5 Mak Mandin Industrial Estate 13400 Butterworth Pulau Pinang Malaysia	60 years leasehold expiring on 11.12.2066	Land 45,954 Built-up 20,784	Office, Warehouse and Factory Buildings/ Industrial	38 years	2,961	2005
4822, Tingkat Mak Mandin 5 Mak Mandin Industrial Estate 13400 Butterworth Pulau Pinang Malaysia	65 years leasehold expiring on 29.09.2071	Land 31,273 Built-up 36,300	Factory Building/ Industrial	38 years	2,491	2005
5888, Lorong Mak Mandin 7 Mak Mandin Industrial Estate 13400 Butterworth Pulau Pinang Malaysia	61 years leasehold expiring on 28.08.2067	Land 43,560 Built-up 26,562	Factory Building/ Industrial	38 years	3,031	2004
1983, Mukim 14 Seberang Prai Utara Mak Mandin Industrial Estate 13400 Butterworth Pulau Pinang Malaysia	60 years leasehold expiring on 03.06.2051	Land 55,208	Vacant Land	Not Applicable	1,417	2008
Lot 1672, Mukim 14 Seberang Prai Utara Mak Mandin Industrial Estate 13400 Butterworth Pulau Pinang Malaysia	99 years leasehold expiring on 06.12.2069	Land 87,120 Built-up 60,822	Warehouse and Factory Buildings/ Industrial	38 years	5,301	2008
Lot 2244, Jalan Rajawali Batu 9, Kampung Kebun Baru 42500 Teluk Panglima Garang Selangor Darul Ehsan Malaysia	Freehold	Land 174,240 Built-up 120,470	Office and Factory Buildings/ Industrial	11 years	10,553	2004

summary of landed properties and buildings

Location	Tenure	Area (square ft)	Description & existing use	Approximate age of buildings	Net book value as at 31.12.2008 RM'000	Year of last revaluation/ acquisition
Lot 2243, Jalan Rajawali Batu 9, Kampung Kebun Baru 42500 Teluk Panglima Garang Selangor Darul Ehsan Malaysia	Freehold	Land 191,936	Vacant Land	Not Applicable	3,092	2005
Lot 2234, Jalan Rajawali Batu 9, Kampung Kebun Baru 42500 Teluk Panglima Garang Selangor Darul Ehsan Malaysia	Freehold	Land 175,560 Built-up 47,210	Office and Factory Buildings/ Industrial	Office Block and Factory - 12 years New Factory - 1 year	9,809	2006
Lot 2223 Jalan Rajawali Batu 9, Kampung Kebun Baru 42500 Teluk Panglima Garang Selangor Darul Ehsan Malaysia	Freehold Land	Land 175,602	Factory under construction	Not Applicable	3,784	2008
Plot 1, Persiaran Raja Lumu Pandamaran Industrial Estate 42000 Port Klang Selangor Darul Ehsan Malaysia	Land under tenancy with renewable option	Built-up 20,000	Office and Factory Buildings/ Industrial	13 years	962	2004
PLO 324, Jalan Suasa Kawasan Perindustrian Pasir Gudang 81700 Pasir Gudang Johor Darul Takzim Malaysia	60 years leasehold expiring on 30.09.2045	Land 87,120 Built-up 70,830	Office and Factory Buildings/ Industrial	Office Block and Factory - approximately 16 years Factory 2 - approximately 13 years Factory 3 - approximately 5 years	4,345	2004
PLO 718, Jalan Keluli 8 Kawasan Perindustrian Pasir Gudang 81700 Pasir Gudang Johor Darul Takzim Malaysia	60 years leasehold expiring on 06.07.2065	Land 309,842 Built-up 88,000	Office and Factory Buildings/ Industrial	3 years	14,489	2005

Analysis Of Shareholdings

as at 15 April 2009

Authorised share capital	: RM 100,000,000
Issued and paid-up share capital	: RM 76,200,000
Class of shares	: Ordinary shares of RM0.50 each
Voting rights	: One vote per ordinary share held

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	No. of Shareholders	%	No. of shares held	%
Less than100	3	0.15	54	0.00
100 - 1,000	337	16.75	308,346	0.20
1,001 - 10,000	1,134	56.36	5,665,400	3.72
10,001 - 100,000	450	22.37	14,364,300	9.42
100,001 to less than 5% of issued shares	86	4.27	67,238,119	44.12
5% and above of issued shares	2	0.10	64,823,781	42.54
Total	**2,012**	**100.00**	**152,400,000**	**100.00**

SUBSTANTIAL SHAREHOLDERS

(According to the Register of Subtantial Shareholders)

	Direct		Indirect		Total	
Name	No. of shares held	% of issued shares	No. of shares held	% of issued shares	No. of shares held	% of issued shares
Eller Axis Sdn Bhd ("EASB")	43,840,881	28.77	-	-	43,840,881	28.77
Koperasi Permodalan Felda Berhad	20,982,900	13.77	-	-	20,982,900	13.77
Yeoh Jin Hoe	6,690,000	4.39	43,840,881[a]	28.77[a]	50,530,881	33.16

[a] Deemed interest by virtue that he has more than 15% voting shares in EASB

DIRECTORS' SHAREHOLDINGS

(According to the Register of Directors' shareholdings)

	Direct		Indirect		Total	
Name	No. of shares held	% of issued shares	No. of shares held	% of issued shares	No. of shares held	% of issued shares
William Maurice Samson	80,000	0.05	-	-	80,000	0.05
Yeoh Jin Hoe	6,690,000	4.39	43,840,881[a]	28.77[a]	50,530,881	33.16
Chee Khay Leong	300,100	0.20	-	-	300,100	0.20
Ooi Teik Huat	150,000	0.10	-	-	150,000	0.10
Yeoh Jin Beng	300,000	0.20	-	-	300,000	0.20
Razmi Bin Alias	-	-	911,119[b]	0.60[b]	911,119	0.60
See Ewe Lin	300,100	0.20	-	-	300,100	0.20

[a] Deemed interest by virtue that he has more than 15% voting shares in EASB

[b] Deemed interest by virtue that he has more than 15% voting shares in Iska Tenaga Sdn Bhd

analysis of shareholdings
as at 15 April 2009

LIST OF THIRTY (30) LARGEST SHAREHOLDERS
(According to the Register of Depositors)

No.	Name	No. of shares held	% of issued shares held
1.	Eller Axis Sdn Bhd	43,840,881	28.77
2.	Koperasi Permodalan Felda Berhad	20,982,900	13.77
3.	Agnes Goh Cheng Suan	5,000,000	3.28
4.	Scott Sebastian Yeoh Min Hsing	4,500,000	2.95
5.	M.I.T Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeoh Jin Hoe	4,390,000	2.88
6.	M.I.T Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Cheong Pooi Leong	3,290,000	2.16
7.	M.I.T Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lew Nam Fong @ Liew Yoke Fatt	3,100,200	2.03
8.	M.I.T Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Taipanmatics Sdn Bhd	3,013,100	1.98
9.	M.I.T Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Exosoft Sdn Bhd	3,012,900	1.98
10.	Kumpulan Wang Simpanan Guru-Guru	3,000,000	1.97
11.	Kumpulan Wang Simpanan Guru-Guru	3,000,000	1.97
12.	Winchem (Malaysia) Sdn Bhd	2,851,000	1.87
13.	See Seok Yong	2,200,000	1.44
14.	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Patricia Woon Lai Ching @ Lee Yah Seng (SFC)	2,000,000	1.31
15.	Yeoh Jin Aik	2,000,000	1.31
16.	Yeoh Jin Hoe	2,000,000	1.31
17.	Sulaiman Bin Daud	1,500,000	0.98
18.	Winnie Suppiah	1,223,800	0.80
19.	Kok Mee Lee	1,015,000	0.67
20.	Affin Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Zainuddin Bin Din	1,000,000	0.66
21.	Zainuddin Bin Din	1,000,000	0.66
22.	Iska Tenaga Sdn Bhd	911,119	0.60
23.	Golden Fresh Sdn Bhd	800,000	0.52
24.	Low Kam Fatt	690,000	0.45
25.	Chung Goay Choo	614,900	0.40
26.	Lew Nam Fong @ Liew Yoke Fatt	582,300	0.38
27.	HLG Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Boi Tek Kuan	556,800	0.37
28.	HLG Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Mak Chin Wah	501,100	0.33
29.	ECML Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mak Chin Wah	489,600	0.32
30.	Boi Tek Kuan	488,400	0.32
		119,554,000	78.44

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fifth Annual General Meeting of Can-One Berhad ("Can-One" or "the Company") will be held at Greens III (Sport Wing), Tropicana Golf & Country Resort Club, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 3 June 2009 at 10.00 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2008 and the Reports of the Directors and Auditors thereon. **Resolution 1**

2. To declare a first and final tax exempt dividend of 6% per share for the financial year ended 31 December 2008. **Resolution 2**

3. To consider and, if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:-

   "THAT pursuant to Section 129(6) of the Companies Act, 1965, William Maurice Samson be and is hereby re-appointed as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company." **Resolution 3**

4. To approve the payment of Directors' Fees amounting to RM144,000 in respect of the financial year ended 31 December 2008. **Resolution 4**

5. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

AS SPECIAL BUSINESS

6. To consider and, if thought fit, to pass the following as an Ordinary Resolution:-

   PROPOSED AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 **Resolution 6**

   "THAT subject to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the Securities Commission, Bursa Malaysia Securities Berhad and other relevant governmental and/or regulatory authorities, if applicable, the Directors of the Company be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to issue shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total issued share capital of the Company for the time being; AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

7. To transact any other business of which due notice shall have been given in accordance with the Company's Articles of Association and/or the Companies Act, 1965.

notice of annual general meeting

NOTICE OF DIVIDEND PAYMENT AND DIVIDEND ENTITLEMENT DATE

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the Fifth Annual General Meeting of the Company to be held on Wednesday, 3 June 2009, a first and final tax exempt dividend of 6% per share for the financial year ended 31 December 2008 will be paid on Friday, 31 July 2009 to depositors whose names appear in the Record of Depositors on Monday, 20 July 2009.

A depositor shall qualify for entitlement to the dividend only in respect of:

(a) shares transferred into the Depositor's Securities Account before 4.00 p.m. on Monday, 20 July 2009, in respect of ordinary transfers; and

(b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

TAN BEE KENG
MAICSA 0856474
Company Secretary

Petaling Jaya
12 May 2009

Notes :-

(A) PROXY

(i) A member of the Company entitled to attend and vote at this Meeting is entitled to appoint not more than two (2) proxies of his own choice to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

(ii) If a member appoints two (2) proxies, the member must specify the proportion of his shareholding to be represented by each proxy, failing which the appointment shall be invalid.

(iii) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, under its common seal or under the hand of an officer or its attorney duly authorised in that behalf.

(iv) To be valid, the instrument appointing a proxy must be completed and deposited at the Registered Office of the Company at 2B-4, Level 4, Jalan SS 6/6, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than forty-eight (48) hours before the time appointed for the holding of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll).

(B) EXPLANATORY NOTE ON SPECIAL BUSINESS

Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

The Ordinary Resolution proposed, if passed, will empower the Directors of the Company, from the date of the above Annual General Meeting, to issue and allot ordinary shares from unissued share capital of the Company up to an aggregate amount not exceeding ten per centum (10%) of the total issued share capital of the Company for such purposes as the Directors in their absolute discretion consider to be in the interest of the Company, without having to convene a general meeting. This authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Statement Accompanying Notice Of Annual General Meeting

Pursuant to Paragraph 8.28(2) of the Listing Requirements of Bursa Malaysia Securities Berhad

DIRECTOR WHO IS STANDING FOR RE-APPOINTMENT

The Director who is over the age of seventy years and seeking re-appointment at the forthcoming Annual General Meeting is William Maurice Samson.

The details of the above Director is set out in the Profile of Directors which appear on page 5 of this Annual Report. Details of his interest in the securities of the Company and its subsidiaries are disclosed in Page 67 of this Annual Report.

CAN-ONE BERHAD
(638899-K)

Form of Proxy

I/We ………Tel No : ……………………
(Full Name in Block Letters and NRIC/Passport No.)

of ……
(Address)

being a member/members of Can-One Berhad hereby appoint ……………………………………………………………
(Full Name in Block Letters and NRIC/Passport No.)

Tel No : …………………… of ……………………………………………………………………………………………………
(Address)

………
or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Fifth Annual General Meeting of the Company to be held at Greens III (Sport Wing), Tropicana Golf & Country Resort Club, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 3 June 2009 at 10.00 a.m. and at any adjournment thereof.

My/Our Proxy is to vote as indicated below :

NO	RESOLUTIONS	FOR*	AGAINST*
1	**Ordinary Business** To receive the audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2008 and the Reports of the Directors and Auditors thereon.		
2	To declare a first and final tax exempt dividend of 6% per share for the financial year ended 31 December 2008.		
3	To re-appoint William Maurice Samson as Director pursuant to Section 129(6) of the Companies Act, 1965.		
4	To approve the payment of Directors' Fees amounting to RM144,000 in respect of the financial year ended 31 December 2008.		
5	To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration.		
6	**Special Business** **Ordinary Resolution** Proposed Authority to Directors to issue shares pursuant to Section 132D of the Companies Act, 1965.		

*(* Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the Resolutions. In the absence of specific direction as to voting, your proxy/proxies will vote or abstain from voting at his/their discretion.)*

Dated this ___________ day of ____________ 2009.

Number of shares held	CDS Account no.

Signature/Seal of Shareholders : ________________________

Notes:

(i) A member of the Company entitled to attend and vote at this Meeting is entitled to appoint not more than two (2) proxies of his own choice to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

(ii) If a member appoints two (2) proxies, the member must specify the proportion of his shareholding to be represented by each proxy, failing which the appointment shall be invalid.

(iii) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, under its common seal or under the hand of an officer or its attorney duly authorised in that behalf.

(iv) To be valid, the instrument appointing a proxy must be completed and deposited at the Registered Office of the Company at 2B-4, Level 4, Jalan SS 6/6, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for the holding of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll).

(v) Any alteration in this form must be initialled.

Then fold here

STAMP

The Company Secretary
CAN-ONE BERHAD
2B-4, Level 4
Jalan SS 6/6, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

1st fold here

Can-One Berhad

2B-4, Level 4
Jalan SS 6/6, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia