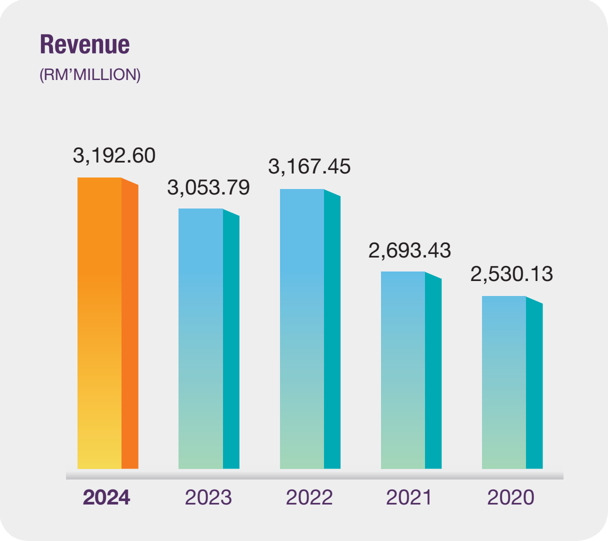
CAN-ONE BERHAD
200401000396 (638899-K)

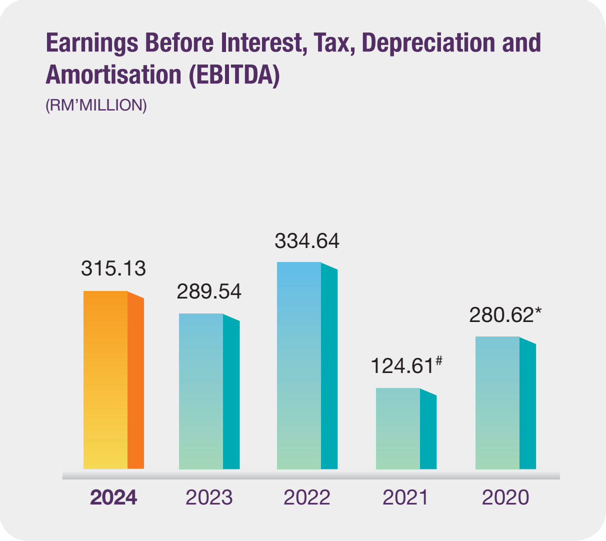
2024 Annual Report

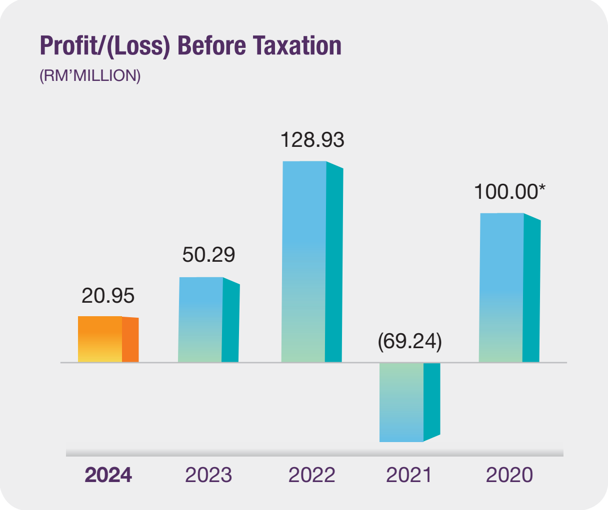
The **CANs** Company

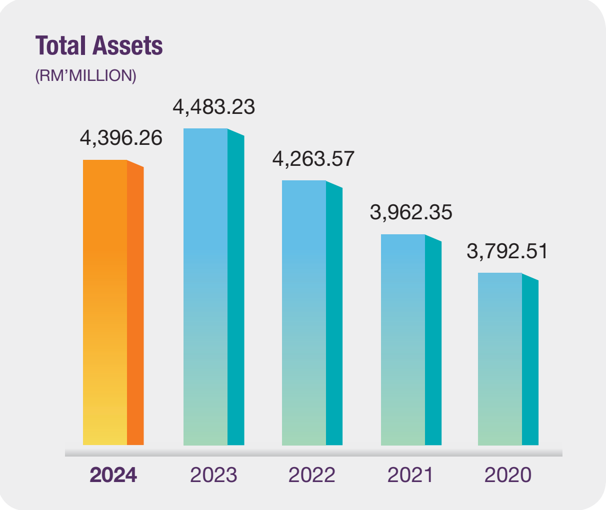
FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

	Financial Year Ended 31 December				
	2024	2023	2022	2021	2020
Revenue (RM'Million)	**3,192.60**	3,053.79	3,167.45	2,693.43	2,530.13
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) (RM'Million)	**315.13**	289.54	334.64	124.61#	280.62*
Profit/(Loss) Before Taxation (RM'Million)	**20.95**	50.29	128.93	(69.24)	100.00*
(Loss)/Profit After Taxation (RM'Million)	**(25.75)**	28.62	87.89	(108.94)	80.92*
Net (Loss)/Profit Attributable to Equity Holders (RM'Million)	**(19.68)**	33.40	91.65	(52.86)	76.42*
Total Assets (RM'Million)	**4,396.26**	4,483.23	4,263.57	3,962.35	3,792.51
Paid-Up Capital (RM'Million)	**197.66**	197.66	197.66	197.66	197.66
Shareholders' Equity (RM'Million)	**1,809.55**	1,851.49	1,826.58	1,733.80	1,781.35
Return on Equity (%)	**(1.09)**	1.80	5.02	(3.05)	4.29
Total Borrowings and Lease Liabilities (RM'Million)	**1,869.50**	1,762.11	1,603.07	1,481.16	1,302.26
(Loss)/Earnings Per Share (Sen)	**(10.24)**	17.38	47.70	(27.51)	39.77*
Net Assets Per Share (RM)	**9.42**	9.64	9.51	9.02	9.27
Debt-To-Equity Ratio (times)					
- Debt Included Lease Liabilities	**1.03**	0.95	0.88	0.85	0.73
- Debt Excluded Lease Liabilities	**0.93**	0.85	0.79	0.85	0.72
- Net Debt-To-Equity	**0.80**	0.74	0.67	0.71	0.60









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* *This amount is total of continuing and discontinued operations.*

\# *2021 EBITDA amount included impairment losses of property, plant and equipment and right-of-use assets of RM197.0 million and RM34.5 million respectively.*

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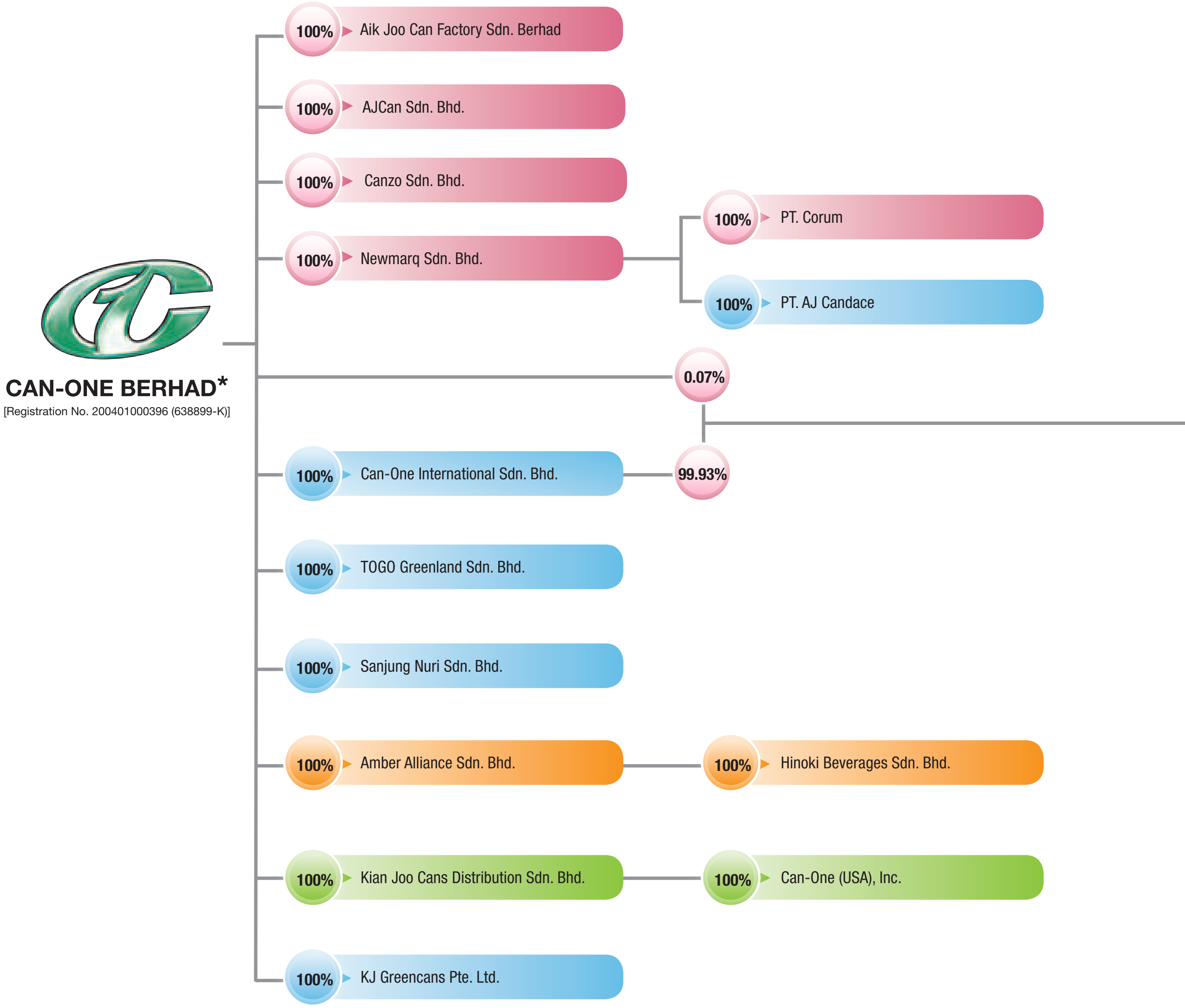
CORPORATE STRUCTURE

AS AT 15 APRIL 2025

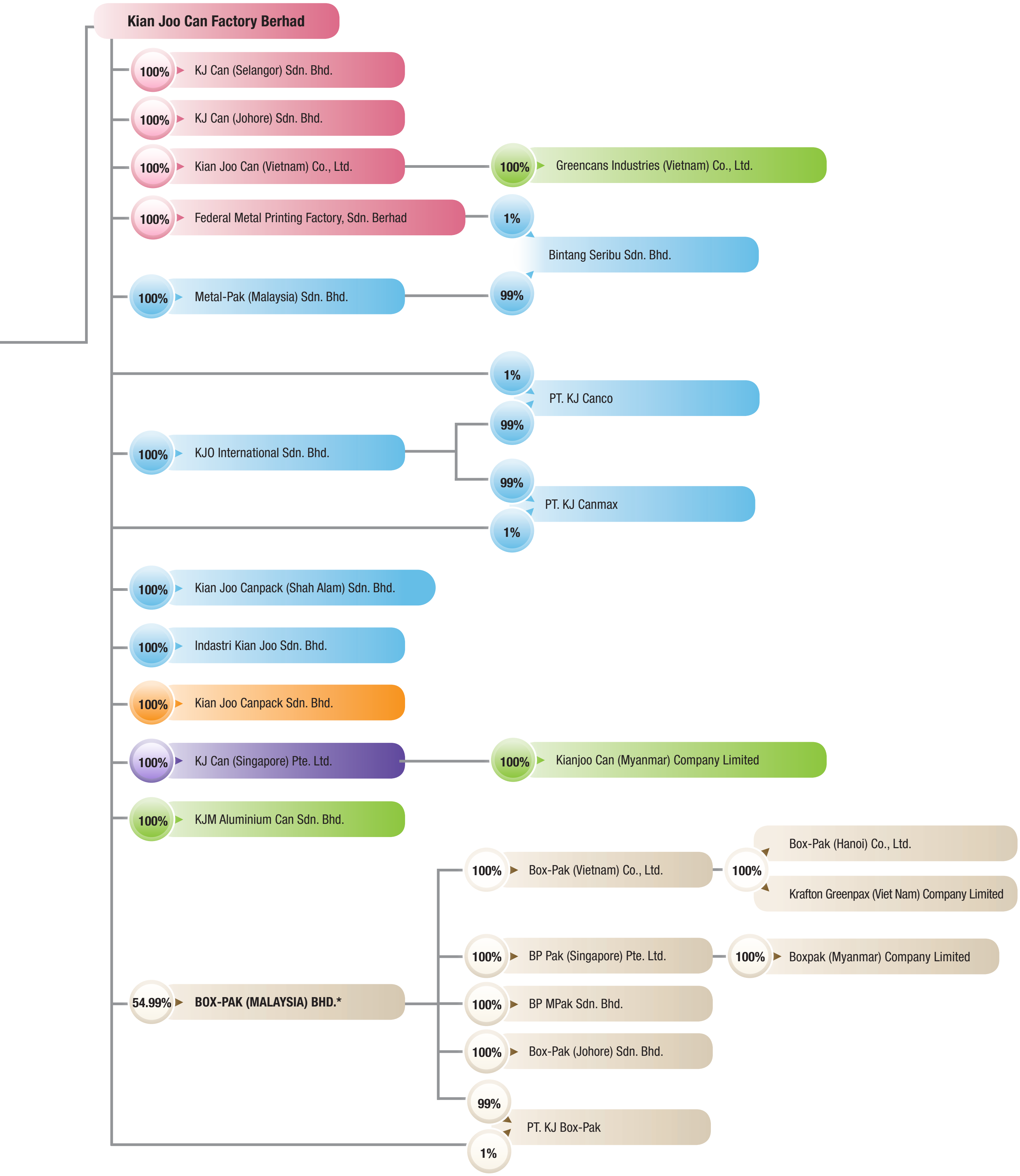


** Listed on the Main Market of Bursa Malaysia Securities Berhad*

🟥 General packaging division - General cans (Tin cans, jerry cans and rigid packaging) segment
🟩 General packaging division - Aluminium cans segment
▨ General packaging division - Cartons segment
🟧 Contract manufacturing division
🟪 Trading division
🟦 Property development and investment holding division

CORPORATE STRUCTURE

AS AT 15 APRIL 2025



CORPORATE INFORMATION

AS AT 15 APRIL 2025

BOARD OF DIRECTORS

Tun Arifin Bin Zakaria
Chairman/Senior Independent Non-Executive Director

Marc Francis Yeoh Min Chang
Group Managing Director

Goh Teck Hong
Executive Director

Yeoh Jin Hoe
Non-Independent Non-Executive Director

Yeoh Jin Beng
Non-Independent Non-Executive Director

Foo Kee Fatt
Independent Non-Executive Director

Datuk Dr. Syed Hussain Bin Syed Husman, J.P.
Independent Non-Executive Director

Rajaretnam Soloman Daniel
Independent Non-Executive Director

Kee E-Lene
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Foo Kee Fatt *(Chairman)*
Datuk Dr. Syed Hussain Bin Syed Husman, J.P.
Rajaretnam Soloman Daniel

NOMINATING COMMITTEE

Rajaretnam Soloman Daniel *(Chairman)*
Datuk Dr. Syed Hussain Bin Syed Husman, J.P.
Kee E-Lene

REMUNERATION COMMITTEE

Datuk Dr. Syed Hussain Bin Syed Husman, J.P. *(Chairman)*
Foo Kee Fatt
Yeoh Jin Hoe

COMPANY SECRETARIES

Lydia Tong Yiu Shyian-Shyian
SSM PC No. 202208000755
BC/L/1922

Kwong Shuk Fong
SSM PC No. 202008002178
MAICSA 7032330

REGISTERED AND CORPORATE OFFICE

2B-4, Level 4
Jalan SS 6/6, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Telephone : +603-7804 8590
Fax : +603-7880 1605
Email : can1@canone.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 : +603-3122 1988
Fax : +603-3122 2188
Email : ajctpg@aikjoo.com.my

PRINCIPAL BANKERS

AmBank (M) Berhad
Export-Import Bank of Malaysia Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
OCBC Bank (Malaysia) Berhad
United Overseas Bank (Malaysia) Bhd

AUDITORS

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Telephone : +603-7721 3388
Fax : +603-7721 3399
Email : info@kpmg.com.my

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.
[Registration No. 197101000970 (11324-H)]
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Telephone : +603-2783 9299
Fax : +603-2783 9222
Email : is.enquiry@vistra.com
Website : www.vistra.com

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad
Stock Name : CANONE
Stock Code : 5105
Sector : Industrial Products & Services
Sub-sector : Packaging Materials

WEBSITE

www.canone.com.my

PROFILE OF DIRECTORS

AS AT 15 APRIL 2025

TUN ARIFIN BIN ZAKARIA

Chairman/Senior Independent Non-Executive Director

Malaysian I Male I Aged 74

Tun Arifin Bin Zakaria was appointed as Senior Independent Non-Executive Director and Chairman of Board of Directors of Can-One Berhad ("Can-One" or "the Company") on 28 June 2023.

He graduated with Bachelor of Laws (LLB) (Honours) from the University of Sheffield, United Kingdom ("UK') in 1974 and Master of Laws (LLM) from the University College, London in 1979. He was called to the English Bar at The Honourable Society of Lincoln's Inn in 1979.

Upon graduation, he joined the Malaysian Judicial and Legal Service serving as a Magistrate in the Magistrates' Court, President of the Sessions Court, and Senior Assistant Registrar of the High Court, Federal Counsel and Senior Federal Counsel in the Advisory Division of the Attorney General's Chambers of Malaysia, Legal Advisor to the Ministry of Primary Industries, Legal Advisor to the Public Services Department, Legal Advisor to the State of Malacca and Perak, Deputy Parliamentary Draftsman and Senior Federal Counsel of the Inland Revenue Department.

He was appointed as Judicial Commissioner of the High Court of Malaya on 1 March 1992, and Judge of the High Court of Malaya in 1994. In 2002, he was elevated as Judge of the Court of Appeal, in 2005 as Judge of the Federal Court and in October 2008 as Chief Judge of the High Court of Malaya. On 12 September 2011, he was appointed as the 13th Chief Justice of Malaysia, where he served until his retirement on 31 March 2017. In 2013, he was made an Honorary Bencher of The Honorable Society of Lincoln's Inn.

Among his contributions to the legal fraternity are improving the efficiency of judiciary through the use of information technology in courts, upgrading and installation of Court Recording and Transcription (CRT) facility, implementation of e-filing and e-finance system. Other contributions include the setting up of the New Commercial Courts (NCC) to dispose commercial cases within 9 months, establishing the Environmental Courts as part of the Sessions and Magistrates' Courts in 2011, setting up of the Construction Court in Kuala Lumpur and Shah Alam in 2013, overseeing the establishment of the Coroner's Court in 2014 and setting up of the Anti-Profiteering Court in 2015, and introducing court-annexed mediation throughout the country to expedite disposal of cases and reduce cost of litigation.

He also headed the committee drafting the Rules of Court 2012, combining the Rules of the High Court 1980 and the Subordinate Court Rules 1980, reforming and streamlining civil procedure in Malaysia.

He is currently the Chairman of DutaLand Berhad and Microlink Solutions Berhad, both are listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). He is also the President of Inns of Court Malaysia, a society for legal professionals. He is also currently the Chancellor of Quest International University and Chairman of Baroque Investment Bank Ltd.

He does not have any family relationship with any Director and/or major shareholder of Can-One.

PROFILE OF DIRECTORS

AS AT 15 APRIL 2025

MARC FRANCIS YEOH MIN CHANG

Group Managing Director

Malaysian I Male I Aged 40

Marc Francis Yeoh Min Chang was appointed as Chief Operating Officer cum Executive Director of Can-One on 6 July 2012, and assumed the position of Group Managing Director ("MD") on 1 October 2017.

He holds a Bachelor of Science Degree in Electrical and Electronic Engineering (Magna cum Laude) from Marquette University, United States of America ("USA") and a Master of Business Administration in Finance from University of Southern Queensland, Australia.

He is currently responsible for implementation of Can-One group of companies' ("Can-One Group" or "the Group") board operational strategies and policies. In addition, he also oversees the day-to-day operations and performance of the Group. His experience covers engineering, business development, management and marketing.

He was General Manager of the Engineering and Business Development units of the Group before his appointment to the Board of Directors of Can-One. Prior to this, he was working for Axiata Group Berhad group of companies serving in various senior positions abroad from 2007 to 2010.

He is the Senior Executive Director of Kian Joo Can Factory Berhad ("KJCFB"), a wholly-owned subsidiary of Can-One. He acts as an Alternate Director to Yeoh Jin Hoe in Alcom Group Berhad ("AGB") which is listed on the Main Market of Bursa Securities and also in Aluminium Company of Malaysia Berhad, a wholly-owned subsidiary of AGB. He is also a Trustee of Yayasan Canone Kianjoo.

He is the son of Yeoh Jin Hoe (a Director and major shareholder of the Company) while Yeoh Jin Beng (a Director of the Company) is his uncle.

GOH TECK HONG

Executive Director

Malaysian I Male I Aged 50

Goh Teck Hong was appointed as Executive Director of Can-One on 1 March 2022. He holds a Bachelor of Commerce Degree in Accounting and Economics from Deakin University, Australia. He is a Certified Practicing Accountant of CPA Australia and Chartered Accountant of the Malaysian Institute of Accountants ("MIA").

He has more than 20 years capital market, Islamic banking and commercial experience, local and regional, in the fields of investment banking, corporate finance, corporate banking and debt markets. He previously held various senior positions in RHB Islamic Bank Berhad, Kuwait Finance House (Malaysia) Berhad and Aseambankers Malaysia Berhad (now known as Maybank Investment Bank Berhad). He also possesses experience in regulatory and compliance fields during his employment with Kuala Lumpur Stock Exchange (now known as Bursa Securities) and Malaysian Derivatives Clearing House Berhad.

He is an Executive Director of AGB which is listed on the Main Market of Bursa Securities.

He does not have any family relationship with any Director and/or major shareholder of Can-One.

PROFILE OF DIRECTORS
AS AT 15 APRIL 2025

YEOH JIN HOE

Non-Independent
Non-Executive Director

Malaysian I Male I Aged 78

Yeoh Jin Hoe was appointed as MD of Can-One on 8 April 2005 but relinquished the position on 11 July 2012 when he was appointed Group MD of KJCFB, a wholly-owned subsidiary of Can-One. He, however, remained on the Board of Directors of Can-One as a Non-Independent Non-Executive Director. He is also a member of Remuneration Committee.

He has extensive experience in the manufacturing and trading industries, having been the founder of several companies involved in the manufacturing sector. The Kaiserkorp Sdn. Bhd. group of companies ("Kaiserkorp Group") which manufacture and distribute "KingKoil" and other branded mattresses as well as other sleep related products in Malaysia were started by him in the 1980s. He also founded Agrow Malaysia Sdn. Bhd. group of companies, which distribute sanitary wares, ironmongery and builders' hardware. Thereafter, he went on to establish Ibufood Corporation Sdn. Bhd. group of companies ("Ibufood Group") which manufacture and distribute instant noodles, food seasonings, instant soups and marinades.

Under his leadership and guidance, Can-One Group expanded its core business as a tin can manufacturer to include the manufacture of plastic jerry cans, rigid packaging, dairy and non-dairy products. He was instrumental in the acquisition by Can-One Group of its initial 32.9% equity interest in KJCFB.

He is also the Group MD of Box-Pak (Malaysia) Bhd., which is listed on the Main Market of Bursa Securities and a subsidiary company of KJCFB. He is an Executive Director of AGB which is listed on the Main Market of Bursa Securities as well as Aluminium Company of Malaysia Berhad, a subsidiary of AGB. He is also a Trustee of Yayasan Canone Kianjoo.

He is a major shareholder of Can-One. He is the father of Marc Francis Yeoh Min Chang (the Group MD of Can-One) and the brother of Yeoh Jin Beng (a Director of Can-One).

PROFILE OF DIRECTORS

AS AT 15 APRIL 2025

YEOH JIN BENG

Non-Independent
Non-Executive Director

Malaysian I Male I Aged 73

Yeoh Jin Beng was appointed as Non-Independent Non-Executive Director of Can-One on 8 April 2005.

His expertise is in the manufacture and trading of fast moving consumer goods. He is one of the co-founders of Kaiserkorp Group which manufactures and distributes "KingKoil" and other branded mattresses in Malaysia. Prior to that, he was working for an international pharmaceutical company which deals in pharmaceutical and other specialty medical products.

He is the MD of Ibufood Group which is involved in the manufacture and distribution of instant noodles, food seasonings, instant soups and marinades.

He is the brother of Yeoh Jin Hoe (Director and major shareholder of Can-One) and uncle of Marc Francis Yeoh Min Chang (the Group MD of Can-One).

He has no directorship in other public companies and listed issuers.

FOO KEE FATT

Independent Non-Executive Director

Malaysian I Male I Aged 59

Foo Kee Fatt was appointed as Independent Non-Executive Director of Can-One on 29 December 2017. He is also the Chairman of the Audit and Risk Management Committee and a member of the Remuneration Committee.

He is a member of the Malaysian Institute of Certified Public Accountants ("MICPA") and Chartered Accountant of the MIA. He is also an associate member of Chartered Tax Institute of Malaysia and an approved company auditor under the Companies Act 2016. He has about 37 years of experience in public accountancy practice.

He began his career in 1987 when he joined and served his articleship with Messrs. Kassim Chan & Co. (now known as Messrs. Deloitte). In 1993, he joined Messrs. Peter Chong & Co., a local accounting firm with international affiliation, as a Senior Associate where he worked his way up to become a Partner at the firm. In 2007, he established Messrs. KFF, an audit firm, and currently, he is in public practice.

He is an Independent Non-Executive Director of MMS Ventures Berhad and Box-Pak (Malaysia) Bhd., both of which are listed on the Main Market of Bursa Securities.

He does not have family relationship with any Director and/or major shareholder of Can-One.

PROFILE OF DIRECTORS
AS AT 15 APRIL 2025

DATUK DR. SYED HUSSAIN BIN SYED HUSMAN, J.P.

Independent Non-Executive Director

Malaysian I Male I Aged 67

Datuk Dr. Syed Hussain Bin Syed Husman, J.P. was appointed as Independent Non-Executive Director of Can-One on 1 December 2021. He is also the Chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee and the Nominating Committee.

He holds a Bachelor in Business Studies and a Masters in Business Administration from Western Illinois University, Illinois, USA. He has a Doctorate of Philosophy in Labour Relations from London, UK, and also a Doctorate in Business Administration from Asia e University (AeU). He has also attended the Senior Management Development Program at Harvard Business School, USA in 2002.

He is also currently serving as the President of Malaysian Employers Federation and a member of the Board of the Employees Provident Fund as an Employers' representative. He is also appointed to the Ahli Majlis Negara bagi Keselamatan dan Kesihatan Pekerjaan, the Advisory Council of Malaysian Society for Occupational Health and Safety, National Wages Consultative Council, Ahli Majlis Penasihat Industri Jabatan Pendidikan Politeknik dan Kolej Komuniti, Ahli Mesyuarat Jawatankuasa Eksekutif Majlis TVET Negara, Council Member of the Malaysian Qualifications Agency under the Ministry of Higher Education, President of Confederation of Asia Pacific Employers (CAPE) and also a Governing Board member of International Labour Organisation (ILO).

He was with Procter & Gamble, Malaysia/Singapore as Human Resources and External Affairs Director (1992 to 1997); Rothmans of Pall Mall (Malaysia) Berhad (1997 to 2000) and British American Tobacco (Malaysia) Berhad (2000 to 2004) as Director, Human Resources - Public Relations and Security Affairs. He joined Ramunia Holdings Bhd. (2006 to 2008) as Group Director, Human Resources, Communications and Information Technology, and Petrofield (M) Sdn. Bhd. (2008 to 2010) as Group Director, Human Resources, Corporate Affairs and Government Affairs.

He is an Executive Director/Chief Executive Officer of SVTT Resources Sdn. Bhd., and the Chairman and Senior Independent Non-Executive Director of KIP REIT Management Sdn. Bhd., the Manager of public listed KIP Real Estate Investment Trust.

He does not have any family relationship with any Director and/or major shareholder of Can-One.

PROFILE OF DIRECTORS

AS AT 15 APRIL 2025

RAJARETNAM SOLOMAN DANIEL

Independent Non-Executive Director

Malaysian | Male | Aged 70

Rajaretnam Soloman Daniel was appointed as Independent Non-Executive Director of Can-One on 29 June 2022. He is also the Chairman of the Nominating Committee and a member of the Audit and Risk Management Committee.

He holds a Bachelor of Economics (Honours) Degree from University of Malaya and a Masters in Business Administration from University of Strathclyde, Glasgow, UK under scholarship from United Asian Bank Berhad (now known as CIMB Bank Berhad).

He has over 33 years of experience in the banking industry particularly, in the area of credit management, having previously served as Group Chief Credit Officer in EON Bank Group ("EON Bank") and RHB Bank Group ("RHB Bank"). During his tenure with EON Bank and RHB Bank, he sat in several committees in the aforesaid banks namely, Credit Committee, Management Committee, Credit Recovery Committee, Risk Management Committee, Risk Assessment Committee, Basel II Steering Committee, Asset-liability Committee and Information Technology Steering Committee. He also served as director in several subsidiaries of RHB Bank.

He has no directorship in other public companies and listed issuers. He does not have any family relationship with any Director and/or major shareholder of Can-One.

KEE E-LENE

Independent Non-Executive Director

Malaysian | Female | Aged 56

Kee E-Lene was appointed as Independent Non-Executive Director of Can-One on 29 June 2022. She is also a member of the Nominating Committee.

She holds a LLB (Honours) degree from the University of Nottingham, England and was admitted to the Bar of England and Wales and the Malaysian Bar in 1991 and 1993 respectively.

She brings with her a depth of business experience in addition to her corporate legal experience having worked closely for over 30 years with founders of companies, more particularly, in property development, retail advisory, education and agriculture. Adding to this diversity, she also co-founded Abundant Ventures Sdn. Bhd., a social enterprise focusing on food security, health and the environment whilst undertaking an advisory role at the Malaysian chapter of a global youth non-governmental organisation (NGO).

She is an Independent Non-Executive Director of CIMB Bank Berhad. She does not have any family relationship with any Director and/or major shareholder of Can-One.

Additional information:

1. *Save as disclosed, none of the Directors has conflict of interest or potential conflict of interest with Can-One, including any interest in any competing business with Can-One or its subsidiaries.*
2. *None of the Directors has been convicted of any offence within the past 5 years or was publicly sanctioned or imposed with penalty by the relevant regulatory bodies during the financial year ended 31 December 2024.*
3. *Details of the Directors' attendance at Board meetings are set out in page 94 of this Annual Report.*

PROFILE OF KEY SENIOR MANAGEMENT

AS AT 15 APRIL 2025

CHAN KAM CHIEW

Group Finance Director

Malaysian I Male I Aged 60

Chan Kam Chiew is a member of MIA, MICPA and Institute of Corporate Directors Malaysia. He joined KPMG in Kuala Lumpur in 1984. He was a Partner in the Assurance Services of KPMG Malaysia from 1998 until his retirement in December 2020. He had also served in KPMG San Francisco office from 1991 to 1993.

During his 36 years in KPMG, he garnered experience in providing audit and business advisory services to a wide range of public listed companies and multinational corporations in various industries including those in automotive, real estate investments trust, property development and construction, oil and gas, electronics and information technology, freight and shipping, industrial manufacturing, food and beverages, retail and consumer and banking and financial services.

In addition to statutory audits, he had led and been involved in assignments in relation to the International Financial Reporting Standards reviews, initial public offerings and reverse takeovers, mergers and acquisitions (including cross borders), financial due diligence reviews, provision of financial advisory services and review of policies and procedures.

He had served on the Board of Malaysian Accounting Standards Board ("MASB") for 2 terms from 2012 to 2018. He had also served as a member as well as chaired a few working groups of MASB and was an examiner for the Regulatory and Financial Reporting Framework examination for the MICPA. In March 2023, he was appointed as a member of the Malaysian Financial Reporting Standards Application and Implementation Committee of the MASB.

He joined Can-One on 1 June 2021 in the capacity of Group Finance Director. He is an Independent Non-Executive Director of Kerjaya Prospek Group Berhad and Well Chip Berhad, both of which are listed on the Main Market of Bursa Securities. He is also an Independent Non-Executive Director of LGMS Berhad and Panda Eco System Berhad, both of which are listed on the ACE Market of Bursa Securities.

BERNADETTE CHIN CHEEN CHOO

Group Chief Operating Officer

Malaysian I Female I Aged 59

Bernadette Chin Cheen Choo is a qualified accountant and Fellow Member of the Association of Chartered Certified Accountants.

She gained experience working in international accounting firms for more than 20 years before joining commercial organisations from 2007 onwards. Prior to joining the Can One group, she had experience in the warehouse and logistics industry, as well as the cash and manned security industry.

She joined KJCFB in 2015 as Head of Internal Audit, then became the Director of the Group Executive Management Office in 2017. She was promoted to her current role on 1 July 2024.

PROFILE OF KEY SENIOR MANAGEMENT

AS AT 15 APRIL 2025

HO YIK KIT

Head of Corporate Sustainability

Malaysian / Male / Aged 61

Ho Yik Kit has over 30 years of experience in leadership roles across operations, sales, and finance with Malaysian conglomerates involved in the automotive and heavy machinery industries.

He joined the Group in 2016 as General Manager of Finance & Operations Support and was promoted to General Manager of Box-Pak (Malaysia) Bhd. in 2018. In 2021, he assumed the role of General Manager – Audit, Risk, and Sustainability. He was appointed Head of Corporate Sustainability in March 2024.

Ho Yik Kit is a Certified Sustainability Practitioner with the Institute of Certified Sustainability Practitioners and holds a Sustainability and Climate Risk Certificate from the Global Association of Risk Professionals. He is also a member of the International Society of Sustainability Professionals and a Chartered Accountant with the MIA. He holds a Bachelor's of Economics (Accounting & Econometrics) from Monash University, Australia.

LYDIA TONG YIU SHYIAN-SHYIAN

Joint Company Secretary/ Chief Integrity Officer

Malaysian / Female / Aged 38

Lydia Tong Yiu Shyian-Shyian holds a LLM in Professional Legal Practice from City Law School, London, UK (2010), and a LLB (Honours) degree from University of Reading, UK (2008). She was called to The Honourable Society of Lincoln's Inn, UK in 2009 and the Malaysian Bar in 2010 and is a member of Bar Council. She was a partner at Lee & May from September 2015 to December 2022 in General Litigation and Conveying Practice.

From October 2014 to August 2015, she served as Legal, Risk & Compliance Officer at ZICO Allshores Trust (S) Pte. Ltd. (Singapore). She was appointed as Joint Company Secretary of Can-One on 1 February 2023. She was also appointed as the Chief Integrity Officer of the Group on 1 September 2024.

KWONG SHUK FONG

Joint Company Secretary

Malaysian / Female / Aged 52

Kwong Shuk Fong is an associate member of The Malaysian Institute of Chartered Secretaries and Administrators and a Chartered Governance Professional under the Chartered Governance Institute. She was appointed Company Secretary on 18 April 2013. She has extensive experience in receivership, liquidation, corporate recovery and reconstruction and company secretarial work having served in both the secretarial services and commercial sectors. Prior to joining Can-One, she was an Assistant Company Secretary of a public listed company which is involved in oil and gas, renewable energy, industrial trading and services.

PROFILE OF KEY SENIOR MANAGEMENT
AS AT 15 APRIL 2025

LE SEE LI

Head of Operational Efficiencies and Improvements - Tin cans segment, Teluk Panglima Garang

Malaysian | Male | Aged 61

Le See Li holds a Diploma in Technology in Mechanical and Automotive Engineering from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University of Management and Technology). He was awarded a Master in Business Administration from Southern Cross University, New South Wales, Australia in 2005. He joined KJCFB group of companies ("KJCFB Group")'s Tin cans segment in 1989 and was transferred to the Aluminium cans segment in 2007. He was promoted to General Manager of Aluminium cans segment, Nilai on 1 January 2017. On 1 January 2024, he took on the role of Head of Operational Efficiencies and Improvements in Tin cans segment, Teluk Panglima Garang manufacturing plant in Malaysia.

LEONG SHEONG LOK

General Manager - Tin cans segment, Shah Alam

Malaysian | Male | Aged 54

Leong Sheong Lok holds a Bachelor Degree in Mechanical Engineering from Universiti Kebangsaan Malaysia. He joined KJCFB Group as plant engineer in 1997. He was promoted to his current position on 1 January 2017.

ANG KOK KUN

General Manager - Tin cans segment, Batu Caves

Malaysian | Male | Aged 53

Ang Kok Kun obtained his Bachelor Degree in Mechanical & Manufacturing from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University of Management and Technology) before he joined the operations team of KJCFB Group in 1995 as a production engineer. He was promoted to his current position on 1 January 2017.

TAN KIM WENG

General Manager - Tin cans segment, Johor

Malaysian | Male | Aged 48

Tan Kim Weng obtained his Bachelor of Business Administration degree from University of Ottawa, United States of America. He has more than 14 years of working experience in the tin cans industry. He worked in Japan for 3 years before joining KJCFB Group as Sales Executive in 2007. He was promoted to his current position on 1 January 2017.

PROFILE OF KEY SENIOR MANAGEMENT
AS AT 15 APRIL 2025

HOH WEE SANG

General Director - Tin cans segment, Vietnam

Malaysian I Male I Aged 57

Hoh Wee Sang holds a Bachelor Degree from Thung Hai University, Taiwan. He joined KJCFB Group in 1995 as an industrial engineer and was seconded to KJCFB Group's Vietnam operations in 2002. He was promoted to his current position on 1 November 2013.

FOO MUN CHOONG

General Manager - Sales, Tin cans segment
General Manager - Tin cans segment, Teluk Panglima Garang and Butterworth

Malaysian I Male I Aged 52

Foo Mun Choong holds a Master in Business Administration from the University of Wales, Newport and Asia e-University. He joined KJCFB Group since 1993 and served in various positions in the operations team before he was transferred to the Sales and Marketing Department. He was promoted to head the Sales and Marketing Department of KJCFB Group in 2012 and was promoted to General Manager - Sales on 1 January 2017. On 1 January 2022, he assumed the duty of General Manager for the Teluk Panglima Garang and Butterworth manufacturing plants in Malaysia.

VIRAT RODPHAIBOOL

Plant Manager - Tin cans and Aluminium cans segment, Nilai

Thai I Male I Aged 58

Virat Rodphaibool holds a Master in Business Administration from the Mahanakorn University of Technology Thailand and Bachelor of Engineering, Major Mechanical Engineering from Ramajangala Institute of Technology Thailand. He had work with cans manufacturing in Thailand for 30 years. He joined KJCFB Group as Plant Manager position in 1 April 2024.

LIM ENG TAK

General Manager – Rigid packaging segment

Malaysian I Male I Aged 57

Lim Eng Tak holds a Bachelor of Business degree from Edith Cowan University, Australia. He joined Can-One Group on 1 August 2013 as General Manager taking charge of the operations in the Rigid packaging segment of the General Packaging Division. He was the General Manager of a multinational plastic manufacturing company for 11 years before he joined Can-One Group.

PROFILE OF KEY SENIOR MANAGEMENT

AS AT 15 APRIL 2025

LAU GIE WEE

Head of Commercial - Contract Manufacturing Division

Malaysian I Male I Aged 36

Lau Gie Wee holds a Bachelor of Marketing degree from University of Hertfordshire, UK. He joined KJCFB Group as Sales Executive in the Contract Manufacturing Division in 2011. He was promoted to his current position in September 2021.

QUEK KHEH MENG

General Manager - Contract Manufacturing Division, Seremban

Malaysian I Male I Aged 50

Quek Kheh Meng holds a Bachelor of Business Administration (Honours) degree from Coventry University, UK in 1998. He joined KJCFB Group as Sales Executive in the Tin cans segment in 1998. He was promoted to lead Contract Manufacturing Division, Shah Alam plant in 2012. He was promoted to his current position on 1 January 2017. He was re-assigned to lead the Contract Manufacturing Division, Seremban plant in 2022.

FRANCIS ALBERT BALIAH

General Manager - Aluminium cans segment, Batu Caves

Malaysian I Male I Aged 50

Francis Albert Baliah holds a Diploma in Electrical Engineering from Federal Institute of Technology and Executive Diploma Operations Management from Universiti Tun Hussein Onn Malaysia. He joined the operations team of KJCFB Group in 1995 as an Electrical Engineer and he was promoted to Operations Manager on 1 June 2020. On 1 January 2024, he was promoted to the position of General Manager.

YEW LI LIAN

General Manager - Sales, Aluminium cans Segment

Malaysian I Female I Aged 59

Yew Li Lian holds a Master of Business Administration (MBA with Distinction) from Royal Melbourne Institute of Technology (RMIT), Melbourne, Australia. She joined KJCFB Group in 1998 and served in several capacities before she was transferred to the Sales & Marketing Department. She was promoted to her current position on 1 January 2017.

PROFILE OF KEY SENIOR MANAGEMENT

AS AT 15 APRIL 2025

GIOVANNI DI MAMBRO

Chief Executive Officer,
Can-One (USA), Inc.
(“Can-One USA”)

American/Italian I Male I Aged 66

Giovanni Di Mambro holds a Bachelor of Arts in Business Administration from Babson College. He is a result driven leader with a qualified track record of success in developing, building and managing business critical operations for positive results. Giovanni is adept in dealing with a complexity of products, operations, systems, and cultures.

He has worked professionally in management positions for prestigious firms in Massachusetts (USA) and Hawaii (USA) and has served in many industries: Hospitality-Entertainment-Sports, Marketing, Information, Education, Design & Planning, Real Estate Development, Biotechnology, and Hardware/Software Technologies.

Giovanni has successfully scaled and turned around distressed businesses across the retail/hospitality sectors, food & beverage manufacturing, and the real estate & design disciplines. Passionate about fitness, youth sports and community involvement, he developed the strategic plan and assembled the founding committees to help the City of Boston, MA USA secure, as one of the nine USA host cities, FIFA’s World Cup 1994, a global sporting event.

He joined Can-One USA in February 2025 as Chief Executive Officer for the Group’s operations in the USA.

CHAIDIR UMAR

Plant Manager - Aluminium cans segment, Can-One USA

Indonesian I Male I Aged 68

Chaidir Umar holds a Master’s degree in Industrial Engineering from Pelita Harapan University, Jakarta. He is a proactive and performance-driven operations professional with 38 years of progressive expertise in leadership and problem-solving within industrial manufacturing operations. Chaidir has a keen understanding of business priorities and is a genuine team player committed to managing operations and projects flawlessly while contributing to revenue-producing activities. He is recognised for his consistent success in developing processes and procedures to streamline operations, increase revenues, and enhance profit performance.

His areas of expertise include project management, technical due diligence, plant appraisal and audit, and developing efficient plant operations at optimal costs. He is skilled in leading and motivating employees, handling employee issues, fostering a team environment, and delegating work effectively. Chaidir is both analytical and strategic in his approach to plant operations.

Chaidir has extensive experience as a plant manager in various key aluminium can manufacturing companies across Indonesia, Vietnam, Malaysia, and Myanmar. He was appointed as the Plant Manager of Can-One USA in January 2025.

PROFILE OF KEY SENIOR MANAGEMENT
AS AT 15 APRIL 2025

CHEW HOCK SAN

General Manager - Aluminium cans and Cartons segments, Myanmar

Malaysian | Male | Aged 59

Chew Hock San holds a Bachelor of Science with Education (Honours) degree majoring in Chemistry from Universiti Putra Malaysia. He worked in various capacities since he joined KJCFB Group as Operations Manager in 2001. He was promoted to his current role on 1 May 2018.

CHAN HUAN CHEONG

Group Senior General Director - Cartons segment, Vietnam

Malaysian | Male | Aged 82

Chan Huan Cheong graduated from Han Chiang High School and started his career in 1963, when he started to work in the corrugated carton industry. He gained his technical knowledge in Japan and Europe through his various engagements with the corrugated carton manufacturers. He joined Box-Pak (Malaysia) Bhd. group of companies ("Box-Pak Group") operations in Vietnam in 2004 and was promoted to his current position on 28 May 2014.

TAN BENG WAH

Chief Operating Officer - Cartons segment, Malaysia

Malaysian | Male | Aged 56

Tan Beng Wah holds a Bachelor of Accounting Degree and a Master in Business Administration from University Utara Malaysia. He is also a member of the MIA. He joined KPMG Peat Marwick, Penang as audit assistant in 1994. From 1995 to 1997, he served as the Finance Manager in a subsidiary of a listed company, Sin Kean Boon Group Berhad. In 1998, he joined Aik Joo Can Factory Sdn. Berhad as the General Manager of the Finance and Administration units. He was appointed to the Board of Can-One as Executive Director on 16 July 2012.

He was responsible for the financial and administration affairs of the Group. He joined F & B Nutrition Sdn. Bhd. as Chief Executive Officer from 2019 to 2023. His experience covers operation, finance, human resource, administration and marketing.

He joined Box-Pak Group on 1 April 2023 as Chief Operating Officer for the Group's operations in Malaysia.

PROFILE OF KEY SENIOR MANAGEMENT

AS AT 15 APRIL 2025

MA MY PHUONG

General Director - Cartons segment, Vietnam

Vietnamese I Female I Aged 52

Ma My Phuong graduated from high school and has 33 years of working experience in the corrugated carton industry having started her career in 1992. She joined Box-Pak Group's operations in Vietnam in 2004 as a Marketing Manager and was promoted to Deputy General Director on 1 September 2016. She was promoted to her current position on 1 January 2023.

LE THI PHUONG LAN

Deputy General Director - Cartons segment, Vietnam

Vietnamese I Female I Aged 44

Le Thi Phuong Lan has 24 years of working's experience in the corrugated carton industry. She holds a Master's Degree in Finance and Banking and Bachelor of Economics degree majoring in Accounting and Auditing. She joined the Group's operations in Vietnam in September 2005 as a Chief Accountant and was promoted to Deputy General Director on 1 September 2016.

GAN JOE YEE

General Manager - Cartons segment, Vietnam

Malaysian I Male I Aged 52

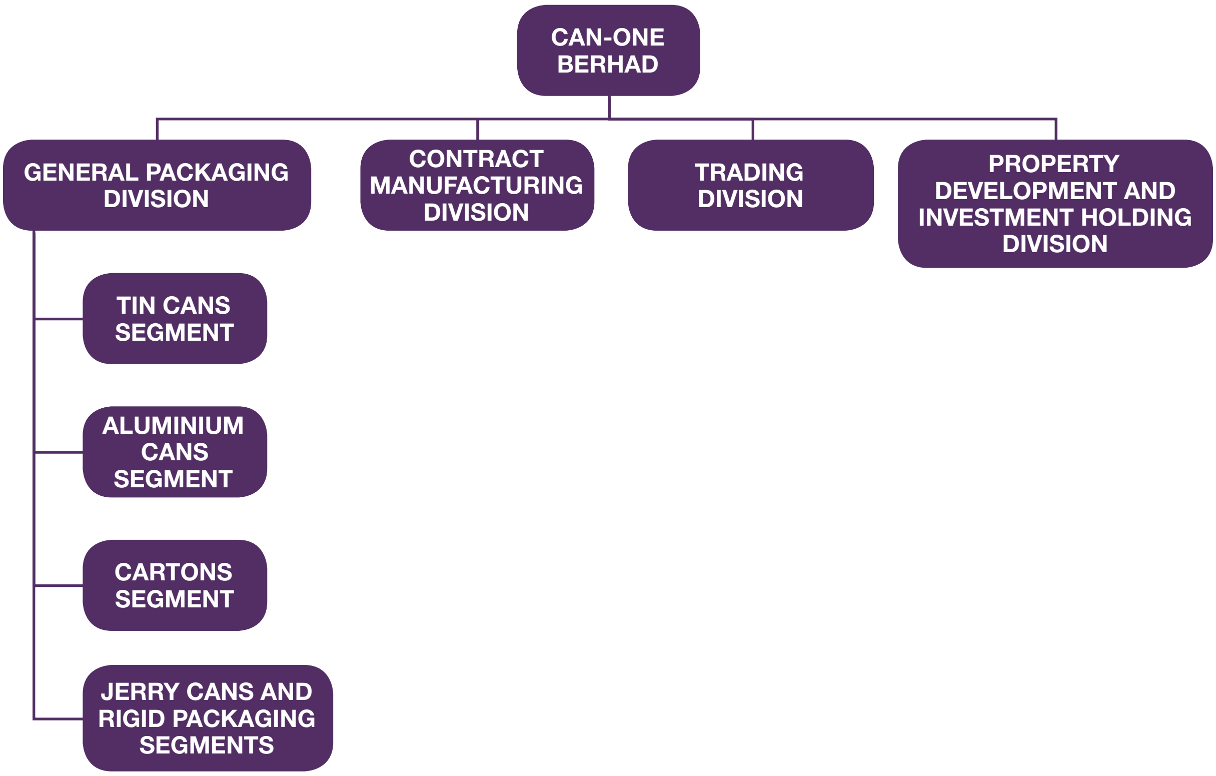
Gan Joe Yee holds a Bachelor Degree in Commerce (Honours) from Lincoln University, New Zealand. He has 29 years working experience in various industries. He joined the Group on 19 July 2019 as General Manager of the corrugated carton operations in Hanoi, Vietnam.

Additional information:

- *Save for Chan Kam Chiew, none of the Key Senior Management holds directorship in public companies and listed companies.*
- *None of the Key Senior Management has family relationship with any Director and/or major shareholder of the Company.*
- *Save as disclosed, none of the Key Senior Management staff has conflict of interest or potential conflict of interest with Can-One, including any interest in any competing business with Can-One or its subsidiaries.*
- *None of the Key Senior Management has been convicted for offences within the past 5 years or was publicly sanctioned or imposed with penalty by the relevant regulatory bodies during financial year ended 31 December 2024.*

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF BUSINESS AND OPERATIONS



GENERAL PACKAGING DIVISION

Tin cans segment

This segment is principally involved in the manufacture of metal and lithographed tin cans and components in Malaysia and Vietnam. Tin cans manufactured by the Group are supplied to a wide variety of industries including fast-moving consumer goods, edible oils packaging, industrial products, battery jackets, aerosol, and other products.

Aluminium cans segment

This segment is principally involved in the manufacture of aluminium cans in Malaysia and Myanmar. The new aluminium cans plant in the United States of America ("USA") commenced its operations in December 2023. The main customers of aluminium cans are the beverage industry which includes beer, carbonated, energy, isotonic, and Asian drink products.

Cartons segment

This segment is principally involved in the manufacture of corrugated cartons for fast-moving consumer goods, electronic and electrical products, footwear, furniture, and other products in Malaysia, Vietnam and Myanmar.

Jerry cans and Rigid packaging segments

This segment is principally involved in the manufacture of plastic jerry cans and plastic rigid bottles in Malaysia and Indonesia. These products manufactured by the Group are supplied to customers in fast-moving consumer goods, edible oils packaging, pharmaceutical products, and other industries.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF BUSINESS AND OPERATIONS *(continued)*

CONTRACT MANUFACTURING DIVISION

This division is principally involved in contract manufacturing, packaging, and distribution of carbonated and non-carbonated beverages.

TRADING DIVISION

This division undertakes sales and marketing activities for the Group. It also acts as the international procurement centre for key direct materials of the Group.

PROPERTY DEVELOPMENT AND INVESTMENT HOLDING DIVISION

All activities that are not classified in the abovementioned divisions are included in this division. This includes investments in certain subsidiaries, investments in properties held for development, and for entities with properties for letting to related companies and third parties.

FINANCIAL PERFORMANCE HIGHLIGHTS AND REVIEW

	FYE 2024 RM'000	**FYE 2023 RM'000**	**Increase/ (Decrease) RM'000**
Revenue	**3,192,603**	3,053,791	138,812
Gross profit	**322,171**	330,909	(8,738)
Profit before tax ("PBT")	**20,949**	50,285	(29,336)
(Loss)/Profit after tax ("LAT"/"PAT")	**(25,749)**	28,623	(54,372)
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	**315,128**	289,536	25,592
Adjusted earnings before interest, tax, depreciation, and amortisation ("Adjusted EBITDA")	**336,375** (1)	273,243 (2)	63,132

(1) *This was arrived at after adding the impairment loss on financial instruments and unrealised foreign exchange loss, and deducting the gain on disposal of property, plant and equipment, and investment properties during the financial year amounting to RM21.2 million.*

(2) *This was arrived at after deducting the reversal of impairment loss on property, plant and equipment, and financial instruments, gain from subsidiaries struck off/deregistered as well as gain on disposal of property, plant and equipment, and right-of-use assets during the financial year amounting to RM16.3 million.*

The net revenue of the Group for FYE 2024 increased by RM138.8 million to RM3,192.6 million. PBT of the Group for FYE 2024 decreased by RM29.3 million to RM20.9 million. The lower PBT was mainly attributable to the unrealised foreign exchange loss of the Group amounting to RM19.3 million that arose primarily from the General Packaging division.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE HIGHLIGHTS AND REVIEW *(continued)*

DIVISIONAL BUSINESS REVIEW

General packaging division

Revenue of the General Packaging division increased by RM88.3 million to RM2,971.2 million in FYE 2024 mainly due to higher sales volumes in Aluminium cans and Cartons segments and higher average selling price in Aluminium cans segment. PBT decreased by RM30.4 million to RM19.9 million in FYE 2024. This was mainly due to the unfavourable foreign exchange movement. The foreign exchange loss mainly arose from intercompany receivables denominated in USD and USD depreciated against Ringgit Malaysia during FYE 2024.

Contract manufacturing division

Revenue of the Contract Manufacturing division increased by RM50.1 million to RM216.6 million in FYE 2024 mainly due to an increase in sales volumes. Loss before tax ("LBT") increased by RM5.3 million to LBT of RM1.7 million in FYE 2024. A PBT of RM3.6 million was reported in FYE 2023 mainly due to a waiver of debts given by a related company from property development and investment holding division and a reversal of impairment losses on property, plant and equipment that was recognised in FYE 2023.

Trading division

Revenue of Trading division decreased by RM104.8 million to RM145.3 million in FYE 2024. PBT of the division improved by RM10.7 million from a LBT of RM7.6 million in FYE 2023 to a PBT of RM3.1 million in FYE 2024 which was mainly due to better gross profit set off by decrease in interest expense.

Property development and investment holding division

Property development division continues to recognise a share of revenue and PBT of RM73.9 million and RM11.4 million respectively from its property development activities in Kapar.

FINANCE POSITION REVIEW

	As at 31.12.2024 RM'000	As at 31.12.2023 RM'000	Increase/ (Decrease) RM'000
Total assets	**4,396,264**	4,483,226	(86,962)
Total liabilities	**2,512,720**	2,550,058	(37,338)
Shareholders' equity	**1,809,553**	1,851,492	(41,939)
Non-controlling interests	**73,991**	81,676	(7,685)
Cash and cash equivalents, and deposits with a financial institution	**425,408**	387,066	38,342
Total loans and borrowings and lease liabilities	**1,869,503**	1,762,105	107,398
Return on equity (%)	**(1.09)**	1.80	(2.89)
Debt-to-Equity ratio (times)	**1.03**	0.95	0.08
Net debt-to-equity ratio (times)	**0.80**	0.74	0.06
Net assets per share (RM)	**9.42**	9.64	(0.22)
(Loss)/Earnings per share (RM)	**(0.10)**	0.17	(0.27)

FINANCE POSITION REVIEW *(continued)*

As at 31 December 2024, the Group's total assets stood at RM4,396.3 million, a decreased of RM87.0 million compared to 31 December 2023.

The Group continued to invest in capital expenditures to increase production capacity and to work on improving production efficiency. Total capital expenditures invested in FYE 2024 amounted to RM217.5 million.

Total liabilities of the Group stood at RM2,512.7 million as at 31 December 2024, a decrease of RM37.3 million compared to 31 December 2023.

CASH FLOWS REVIEW

The cash and cash equivalents, and deposits with a financial institution of the Group increased by RM38.3 million to RM425.4 million as at 31 December 2024.

The Group generated net cash flows of RM192.2 million from operating activities. Net cash used in investing activities was RM178.7 million mainly due to the acquisition of property, plant, and equipment and right-of-use assets. Net cash of RM5.7 million used in financing activities mainly related to the repayment of revolving credits and interest paid.

CAPITAL STRUCTURE AND CAPITAL RESOURCES

Debt-to-Equity ratio increased to 1.03 times as at 31 December 2024 (31 December 2023: 0.95 times) and net debt-to-equity ratio increased to 0.80 times as at 31 December 2024 (31 December 2023: 0.74 times) due to higher term loans to finance the investment in the USA aluminium cans plant.

The Group aims to maintain a prudent financial structure in order to continue to have access to adequate capital and financing on favourable terms to safeguard the ability of the Group to continue as a going concern while streamlining the operations and integration of process flows in the Group to achieve an optimal capital structure. The Management monitors and is determined to maintain an optimal gearing ratio that complies with the debt covenants.

The Group's total capital commitments as of 31 December 2024 amounted to RM31.4 million.

DIVIDEND

The Group maintains a track record of dividend distribution. After considering the financial performance of the Group and both its long-term and short-term commitments, the Board is recommending a first and final single-tier dividend of four (4) sen per share amounting to approximately RM7.7 million for the FYE 2024, subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONAL ACTIVITIES REVIEW

GENERAL PACKAGING DIVISION

Tin cans, Jerry cans, and Rigid packaging segments

Tin cans are used as primary packaging material for a variety of products which include food and beverages, confectionary, lubricants, paint, chemicals, battery jackets, and other dry and liquid products. The segment produces a wide range of various sizes and shapes of metal and lithographed tin cans. The tin cans market in Malaysia is a matured industry with more than fifty (50) years of history.

In Vietnam, there are approximately fifteen (15) manufacturers of tin cans. Tin cans manufactured are catered for Vietnam domestic customers, especially in the dairy, processed food, and aerosol industries.

Jerry cans which are primarily produced in the Indonesian plant are used for edible oil packaging while Rigid packaging produced in the Malaysian plant is used as packaging material in the food and beverage industry such as cooking oil, oats, flavoured syrup, honey, and others.

At present, the majority of the products manufactured by our plants in Malaysia are primarily for the domestic market. Hence, the growth of tin cans and rigid packaging businesses in Malaysia is dependent on the consumers' demand in the domestic market as well as export opportunities.

Aluminium cans segment

Aluminium cans have infinite recyclability and is therefore gaining popularity as the most sustainable form of packaging material for the beverage industry. As Environment, Social, and Governance ("ESG") gains momentum, aluminium products, especially aluminium cans, will gain prominence in the consumer marketplace and will be in direct competition with plastic and glass bottle packaging.

Aluminium cans produced by the Group are primarily used as packaging material for the single-serve, ready-to-drink carbonated, and non-carbonated beverage industry.

There are now three (3) aluminium cans manufacturers in Malaysia. It is also possible for domestic beverage manufacturers to import empty cans from suppliers aboard. The majority of aluminium cans produced by the Group is to cater to domestic beverage manufacturers. Hence, the growth of aluminium cans business is dependent on the consumer market demands both domestically and overseas. The Group's direction of targeting and developing new export markets has been positive.

In its sixth year of commercial operation, the Group's Myanmar entity recorded a revenue RM306.6 million (FYE 2023: RM243.3 million) and reported a PBT of RM63.7 million (FYE 2023: PBT RM34.3 million). Revenue and profit increased due to a combination of higher sales volume.

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

OPERATIONAL ACTIVITIES REVIEW *(continued)*

GENERAL PACKAGING DIVISION *(continued)*

Cartons segment

Corrugated cartons are used in a wide variety of industries worldwide as a secondary packaging material. The market demand for the Group's products is dependent on the economic situation in Malaysia, Vietnam, and Myanmar.

The corrugated carton specifications may differ from country to country, from industry to industry, and from customer to customer. The Group's objective is to supply quality corrugated cartons at prices acceptable to customers to achieve business growth.

In Malaysia, the corrugated carton industry is a mature industry with numerous players. The Malaysian Corrugated Carton Manufacturer's Association which is the trade association representing the industry has more than 50 members and associate members.

Apart from a handful of integrated corrugated carton manufacturers who also manufacture paper rolls, there are also a handful of corrugated carton manufacturers with size and capacity comparable to the operations of the Group in Malaysia or Vietnam. Some downstream players are pure converters where they source paper boards from corrugated carton manufacturers and supply corrugated cartons to their customers.

In Malaysia, the Group focuses its marketing efforts on fast-moving consumer goods where high-quality corrugated cartons are in demand. The Group also sells its corrugated cartons to the electronic and electrical industries, paints, and other industries.

In Vietnam, the corrugated carton industry is also a mature industry with a large number of manufacturers. Apart from manufacturers of similar size, the operations of the Group in Vietnam are also competing with large integrated corrugated carton manufacturers as well as smaller converters.

The Group in Vietnam focuses its attention on fast-moving goods and footwear where demand is high and the quality requirements are more stringent. The Group also supplies corrugated cartons to the electric & electrical industry as well as the furniture industry. During FYE 2024, the entities of the Group in Vietnam were experiencing lower production and sales volume because of lower demand in key export markets weighing on its manufacturing industry. The management will continue to focus on business development activities to increase sales volume from customers and work towards better operational efficiencies.

In Myanmar, there are more than 10 corrugated carton manufacturers. Demand for corrugated cartons is expected to grow moderately due to the current political, and economic situation in Myanmar.

The entity of the Group in Myanmar is in its sixth year of commercial operation. The Myanmar entity recorded a revenue of RM63.8 million (FYE 2023: RM46.0 million) and incurred a LBT of RM2.3 million (FYE 2023: RM5.7 million). This is the third consecutive years that the Myanmar entity recorded positive gross profit which was mainly attributable to the changes in sales mix. The Management will closely monitor the operations of this entity to improve on its performance in the foreseeable future.

Due to the presence of a high number of corrugated carton manufacturers in Malaysia, Vietnam, and Myanmar, competition in these markets is intense and the profit margin is expected to be thin but reasonable.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONAL ACTIVITIES REVIEW *(continued)*

CONTRACT MANUFACTURING DIVISION

The division is a value-added division where the Group offers additional services to assist our customers, who are renowned brand owners, to manufacture their beverages products whilst the brand owners concentrate their efforts on developing their markets and promoting their products. The growth of this division is very much dependent on the demand for beverage products from both the domestic and overseas markets.

The Management is increasing its efforts in marketing to secure more orders from customers while gearing up production capacity to contribute positively to the financial performance of the Group in the financial year ending 2025.

TRADING DIVISION

This division is used primarily to consolidate marketing efforts to sell products manufactured by the Group domestically and globally. It served as an international procurement centre to consolidate the Group's negotiation power with various suppliers.

RISKS ASSUMED IN BUSINESS OPERATIONS

The following are the main financial and non-financial risks that have an impact on the financial management and operations of the Group:

A. Availability and price of raw materials

The main raw materials for the manufacturing activities of the Group are tin plates for the Tin cans segment, resin for Jerry Cans and Rigid packaging segment, aluminium coils for the Aluminium cans segment, and paper rolls for the Cartons segment.

There is one sole tin plate supplier in both Malaysia and Vietnam. Importation of tin plates into Malaysia and Vietnam is permissible subject to payment of import duty (unless an exemption can be obtained from the relevant authorities) and anti-dumping duty (where applicable). The supply of tin plates is dependent on the availability of the cold-rolled steel plates and the rolling mill's capacity to produce the tin mill black plates which forms the core of the tin plate. Demand for other forms of steel products globally may affect the supply and pricing of cold-rolled steel plates.

The main resins used in the manufacturing of jerry cans and rigid packaging are imported without import duty.

Aluminium coils are fully imported. There is no local supplier in Malaysia and Myanmar. There are aluminium coils suppliers in the USA. The cost of aluminium coils is based on the commodity price quoted on London Metal Exchange ("LME") and aluminium rolling costs. The Group manages the cost pressure partially through a hedging mechanism, when appropriate.

RISKS ASSUMED IN BUSINESS OPERATIONS *(continued)*

The following are the main financial and non-financial risks that have an impact on the financial management and operations of the Group *(continued)*:

A. Availability and price of raw materials *(continued)*

In Malaysia, there are only a handful of reliable local paper suppliers from whom the Group purchases its paper rolls. The Group also imports paper rolls which are subject to 0% to 10% import duty. Similarly in Vietnam, the Group works with a handful of reliable local paper roll suppliers for its paper roll requirements. Paper rolls can be imported, subject to an import duty of between 0% to 10%. Although the majority of paper rolls are sourced locally by the Malaysian and Vietnam entities, the cost of paper rolls mirrors those of the international market as it is influenced by the market price of paper pulps and old corrugated cardboard ("OCC") price in the international market. On the other hand, major suppliers of paper rolls in Malaysia and Vietnam are also producers of corrugated cartons and hence, they have a competitive advantage over the Group in the marketplace. In Myanmar, the Group imports paper rolls, free from duty. The Group continuously assesses the quality standard of local paper mills to localise more of its paper requirements in the future.

The Group mitigates these risks by monitoring the price and availability of raw materials, establishing long-term business relationships with its pool of suppliers, and maintaining sufficient inventory of raw materials.

B. Political, Economic, and Regulatory Considerations

Adverse developments in the political, economic, and regulatory conditions locally and overseas could materially and adversely affect the financial prospects of the Group. Political and economic uncertainties include but are not limited to, risks of war, expropriation, nationalisation, change in political leadership, global economic downturn, and unfavourable changes in government policies which include interest rates, method and rate of taxation, currency exchange control or introduction of new regulations, import duties and tariffs and re-negotiations or nullification of existing contracts.

C. Competition

The general packaging industry is mature and highly competitive due to price pressure and the presence of numerous manufacturers competing for the same pool of customers. The Group is confident that it will be able to withstand any direct competition. The entry barriers into the general packaging industry are high because of the need for large capital investment.

D. Foreign Exchange

The Group operates its business internationally which exposes itself to foreign currency exchange risk, mainly from the fluctuation of the USD. The Group manages its exposures to the foreign currency risk in the following manner:

(i) Foreign currency sales and purchases in the same currency provide a natural hedge against fluctuations in the foreign currency exchange rates;
(ii) Maintain part of its cash and bank balances in the foreign currency accounts and obtain foreign currency trade facilities to meet its future obligations in foreign currencies;
(iii) Enter into foreign currency forward contracts to hedge against the residual foreign currency exposure, when appropriate.

RISKS ASSUMED IN BUSINESS OPERATIONS *(continued)*

The following are the main financial and non-financial risks that have an impact on the financial management and operations of the Group *(continued)*:

E. Human Capital

The manufacturing activities of all divisions are considered labour intensive.

In Malaysia, the direct labour cost is affected by the minimum wage fixed by the Malaysian Government. There was a revision made to the minimum wage applied, i.e. RM1,700 per month effective from February 2025.

The Group has complied with the Employment Act 1955 (Amendment 2022) that was enforced on 1 January 2023 to increase and expand the protection and welfare of employees. The key changes made to the Act include the following:-

(i) The maximum working hours for workers have been reduced from 48 hours per week to 45 hours per week;
(ii) Increased paid parental leave. Maternity leave entitlement for working mothers has increased from 60 days to 98 days post delivery and Paternity leave of 7 consecutive days;
(iii) Employees earning RM4,000 per month and below are now eligible for overtime payment; and
(iv) Awareness promotion in the workplace in respect of sexual harassment issues.

In Vietnam, the Government of Vietnam enforces the minimum wage. In Ho Chi Minh City and Hanoi City, the minimum wage per month is Vietnam Dong ("VND") 4.96 million per month effective from July 2024.

In Myanmar, the Government of Myanmar increased the minimum wage by Myanmar Kyat 1,000 to Myanmar Kyat 6,800 a day effective August 2024.

The Group established collaborative ventures with technical and vocational institutions to create employer branding, obtaining Skim Latihan Dual Nasional ("SLDN") accreditation for some plants as places of technical experiential learning focusing primarily on metal printing skill development. This will provide the Group with an avenue to build local skilled talents and reduce the reliance on foreign workers.

Risk associated with loss of key personnel is reviewed regularly and succession plans are in place for key roles.

F. Health and Safety

As a packaging manufacturer primarily serving the fast-moving consumer goods industry, the Group is fully aware of the importance of consumers' health and food safety. Thus, the Group is committed to producing and offering products with high-quality assurance for packaging and consumption, which are key factors directly affecting the end consumers' satisfaction as well as the business reputation of the Group.

As such, the Group's commitment to stringent manufacturing processes has led to its recognition under the various quality credentials such as Quality Management ISO 9001, Environment Management Systems ISO 14001, Occupational Health and Safety Management Systems ISO 45001, Food Safety Management System FSSC 22000, Hazard Analysis and Critical Control Point ("HACCP") and Good Manufacturing Practice ("GMP"). This is to ensure consistency in the quality and safety management of products delivered to end consumers.

RISKS ASSUMED IN BUSINESS OPERATIONS *(continued)*

The following are the main financial and non-financial risks that have an impact on the financial management and operations of the Group *(continued)*:

G. Environment, Social, and Governance

Regulators are strengthening ESG-related rules. The transition to a low-carbon economy is emerging as a crucial conversation and a license to operate. The Group has an ESG roadmap, and has engaged customers, vendors, and financial institutions in our effort to understand the decarbonisation requirements in particular. This is addressed and reported in our Sustainability Statement in this Annual Report.

FORWARD-LOOKING STATEMENT

The operating environment of the Group for the financial year ending 2025 is expected to be influenced by volatility in foreign currency exchange rates, cumulative inflationary effects in raw materials and other input costs such as labour, transportation, and energy costs, challenging macroeconomics conditions in certain markets, escalation of geopolitical conflicts with the risks of sea trade disruptions and shipping delays, uncertainty amid an election year in a large number of countries, rising protectionism, an elevated interest rate environment that increases working capital costs for businesses as well as limit consumer spending. There is also heightened awareness and compliance related to climate-related risk mitigation actions that businesses are adopting. Global economists are forecasting slower consumption rather than a recession in light of moderate global trade growth. The Board is cautiously optimistic about business prospects of the Group as the Group continues to explore new market opportunities with an emphasis on operational efficiency to deliver sustainable growth and satisfactory performance for the financial year ending 31 December 2025.

SUSTAINABILITY REPORT

MESSAGE FROM GROUP MANAGING DIRECTOR

Dear Stakeholders,

I am pleased to present the 8th edition of our Sustainability Report, marking another significant milestone in our ongoing commitment to a sustainable future. To date, we have reduced our combined Scope 1 and Scope 2 GHG emissions intensity by 58%, putting us on track to achieve our ambitious target of a 70% reduction by 2030.

Building on feedback from our February 2024 stakeholder engagement survey, we have updated our material topics and refined our strategies. We have also set new targets, including reducing water withdrawal and achieving zero landfill waste by 2030, to further strengthen our focus on addressing climate change.

To reduce our Scope 2 emissions, we have committed to installing rooftop solar systems at two Klang Valley-based plants, with a combined capacity of 3,437 kWp, scheduled to be operational between Q2 and Q3 of 2025. The systems are expected to avoid 2,660 metric tons of CO2 annually and will contribute to our broader efforts to reduce our carbon footprint. Additionally, our Malaysia-based plants of Kian Joo Group have committed to sourcing an average of 65% of their projected energy requirements in 2025 from Tenaga Nasional Berhad's green electricity.

To deepen our sustainability efforts, we will start to quantify our product carbon footprint in accordance with the ISO 14067: 2018 standard in 2025. This will help us better understand the environmental impact of our products and identify areas for improvement, starting with the aluminium can segment and later extending to other product lines.

In fostering a socially responsible supply chain, 58% of our suppliers by spend have undergone screening as of the end of 2024. The screening process focuses on environmental impact, labour practices and ethical sourcing, ensuring that our supply chain upholds the same high standards of sustainability and social responsibility. We are on track to meet our target of screening 80% by the end of 2025.

To enhance our reporting and disclosures, we have also further aligned with international standards by adopting climate-related disclosures based on IFRS S2 and TCFD framework. This alignment ensures that our progress is transparent and consistent with global best practices.

Our commitment to sustainability has been recognised in the December 2024 Bursa FTSE4Good ESG Rating, where we received a 3-star rating with a score of 3.0. This achievement acknowledges our progress and motivates us to continue pushing forward in our efforts to create a positive impact on the environment and society.

As we continue this journey, we would like to express our gratitude to our employees, suppliers, and partners. Their dedication and hard work are instrumental in helping us achieve our sustainability goals. Their ongoing engagement and support ensure that we can make meaningful strides toward a more sustainable world. Thank you for your continued trust and support.

Marc Francis Yeoh Min Chang
Group Managing Director

SUSTAINABILITY REPORT

ABOUT THIS REPORT

This report outlines Can-One Berhad ("Can-One" or "the Company") and its subsidiaries' ("the Group" or "Can-One Group") sustainability commitments, initiatives, actions, and performance for the financial year ended 31 December 2024 ("FYE 2024").

It has been prepared with reference to the International Financial Reporting Standards ("IFRS") S1 and S2 standards, the Global Reporting Initiative ("GRI") Universal Standards 2021 and in accordance with Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements.

For a more comprehensive view of Can-One Group's financial and non-financial performance, this report should be read alongside the Company's Annual Report 2024 ("AR 2024").

REPORTING SCOPE AND BOUNDARY

We report our sustainability initiatives and performance annually. The last Sustainability Report was published in April 2024. Our report covers the Group's subsidiaries with significant operations in Malaysia, Vietnam, and Myanmar, namely:

General cans segment	Aluminium cans segment
• Aik Joo Can Factory Sdn. Berhad	• KJM Aluminium Can Sdn. Bhd.
• AJCan Sdn. Bhd.	• Kianjoo Can (Myanmar) Company Limited
• Canzo Sdn. Bhd.	**Carton segment**
• Kian Joo Can Factory Berhad	• Box-Pak (Malaysia) Bhd.
• KJ Can (Selangor) Sdn. Bhd.	• Box-Pak (Vietnam) Co., Ltd.
• KJ Can (Johore) Sdn. Bhd.	• BP MPak Sdn. Bhd.
• Kian Joo Can (Vietnam) Co., Ltd.	• Box-Pak (Hanoi) Co., Ltd.
• Federal Metal Printing Factory Sdn. Berhad	• Boxpak (Myanmar) Company Limited

Contract manufacturing division
• Kian Joo Canpack Sdn. Bhd.

Can-One (USA), Inc. is not included, as it has yet to become a significant operation in FYE 2024. We will re-assess the materiality of its operation in our next report.

REPORTING PRINCIPLES

The following principles which are in line with IFRS S1 Fair Presentation Foundation and the GRI 1 Foundation 2021 have been adopted:

Accuracy: Ensuring the information is correct and detailed for assessing the organisation's impacts.

Balance: Presenting information fairly, reflecting both positive and negative impacts.

Clarity: Making information clear and accessible to all stakeholders.

Comparability: Reporting consistently to allow analysis of changes over time and across companies.

REPORTING PRINCIPLES (continued)

Completeness: Providing enough information for a full impact assessment during the period.

Timeliness: Ensuring regular and timely reporting for informed decision-making.

Verifiability: Ensuring the information can be examined for quality and reliability.

RESTATEMENTS

We have restated some comparative data to improve clarity and reflect the availability of updated emission factors. Restated data, along with its impact are indicated in pages 51 and 52 of this report.

STATEMENT OF ASSURANCE

In strengthening the credibility of our reporting, selected parts of this Sustainability Report have been subjected to an internal review by the Company's internal auditors and independent assurance in accordance with recognised assurance standards for selected indicators and has been approved by the Board of Directors ("Board").

The Subject Matters(s) covered, Scope, and Conclusion (where applicable) are provided below:

Type of Assurance	Material Matters	Subject Matter	Scope	Conclusion
Internal Review	Anti-Corruption	Percentage of operations assessed for corruption-related risk	Operations assessed: Vietnam	Not applicable
Independent Assurance	Climate Change	**Scope 1** greenhouse gas ("GHG") emissions in tonnes of carbon dioxide equivalent ("tCO$_2$e")	Operations assessed: 1. Malaysia 2. Vietnam 3. Myanmar	Based on the data and information provided by Can-One, Intertek concludes with limited assurance that there is no evidence that the GHG Statement, Water and Waste data are not materially correct, are not a fair representation of the Scope 1 and 2 GHG emissions, Water and Waste data and information, as well as are not prepared in accordance with the WRI *GHG Protocol – A Corporate Accounting and Reporting Standard and GRI Standards.*
		Scope 2 GHG emissions in tonnes of ("tCO$_2$e")		
		Total volume of water consumed and discharged in Megalitres		
	Responsible Waste Management	Total waste diverted from disposal (tonnes) Total waste directed to disposal (tonnes)		

* Note: In preparing the Subject Matter mentioned above, Can-One Berhad applied the following criteria: (1) GRI Standards and (2) Can-One Berhad's relevant policies and procedures.

The Company appointed Intertek Deutschland GmbH to perform verification work in accordance with the requirements of limited assurance. For the limited assurance report, please refer to page 81.

FEEDBACK

We invite and encourage our stakeholders to share their feedback on this report by reaching out to us at sustainability@canone.com.my.

SUSTAINABILITY REPORT

FY 2024 HIGHLIGHTS

E

58%[*]	Reduction in Scope 1 & 2 GHG emissions intensity[#]
3,373 kWp	Total solar capacity installed to-date
506 MT	CO_2e / year avoided from solar usage
72,346 MWh	Green Electricity[@]
12%[#]	Reduction in water withdrawal intensity
97%	Waste diverted from disposal

S

ZERO	Employee and contractor fatality
48%	Management staff are women
1.96	Lost Time Incident rate
RM2.1 mil	In community contributions
82%	Workforce from local communities
38 Hours (Management) 20 Hours (Non-management)	Training invested per employee

G

ZERO	Complaints on customers' data breaches
58%	Suppliers screened on social compliance[^]
ZERO	Human rights violation
50%	Procurement spent on local suppliers
3.0 ★ ★ ★	FTSE Russell ESG Score[+]

Note

[*] Market-based.

[@] Green Electricity Tariff is a program under Tenaga Nasional Berhad where electricity is generated by solar power plants under the Large-Scale Solar, hydropower stations or other renewable energy plant and supplied through the national power grid.

[#] Base year FYE 2020.

[^] Utilising 3rd party (Sedex) risk assessment tool.

[+] Based on our FYE 2023 report published by FTSE Russell in December 2024.

OUR APPROACH TO SUSTAINABILITY

The Group's sustainability governance is integrated into its corporate framework. The Board, supported by its committees, is responsible for the Group's strategic direction on sustainability, with specific functions outlined in their terms of reference.

GOVERNANCE STRUCTURE

Board of Directors

- Assumes full responsibility for overseeing the Group's risk management and sustainability agenda, including climate-related risks and opportunities

Audit and Risk Management Committee

Sustainability Reporting Executive Committee

- The Audit and Risk Management Committee also serves as the Sustainability Executive Committee
- Approves sustainability strategy and targets, policies, materiality assessment process outcome and sustainability statement
- Ensures the integration of sustainability and climate-related risks and opportunities within the Group's Enterprise Risk Management
- Monitors implementation of sustainability strategies and policies and performance against targets
- Receives updates and advises Board on sustainability matter semi-annually

Risk Management and Sustainability Working Groups ("RMSWG")

- Include cross-functional leaders from senior and middle management across operating entities, with the Corporate Sustainability department acting as the coordinator
- Identify, assess, and mitigate risks, including climate-related, while incorporating climate opportunities impacting operating entities
- Aligns practices at operating company level with the Group's sustainability agenda and strategy
- Supports the Executive Committee with executing and monitoring sustainability activities and performance against target

Note: The Terms of Reference for the Board, Committee, and Working Groups were updated during FYE 2024 to include climate-related risks and opportunities considerations.

SUSTAINABILITY REPORT

SUSTAINABILITY IN OUR BUSINESS PROCESSES

Sustainability is incorporated in every aspect of our business, aiming to reduce our carbon footprint, enhance resource conservation, and create a positive environmental impact, while delivering long-term value for our stakeholders and communities.

Planning and Development	Procurement	Manufacture	Sales and Delivery
• Create sustainable packaging through research and innovation • Co-create tailored products with customers	• Sourcing of sustainable raw materials • Working with ethically compliant suppliers	• Investment in energy-efficient machineries • Shift towards green energy • Mindful management of waste, water, energy and effluent	• Engaging with customers on their sustainability objectives • Efficient delivery and distribution
Expected Sustainability Outcomes			
• Fully recyclable packaging solutions • Products with lower carbon footprint • Increased range of sustainable products innovated	• Accessibility to sustainable raw materials • Elevate suppliers' sustainability practices performance • Larger pool of ethically compliant suppliers	• Reduced material, energy use, and waste • GHG Scope 1 and 2 emissions reduction • Compliance with laws on Scheduled Wastes and Industrial Effluent management	• Expansion of market base • GHG Scope 3 emission reduction from product distribution

SUSTAINABILITY REPORT

STAKEHOLDERS ENGAGEMENT

Our stakeholder groups include those who impact or are affected by our activities. We engage with them regularly to understand their expectations, identify material issues, and respond to emerging risks and opportunities. Our stakeholder engagement method, frequency, and their expectations are as follows:

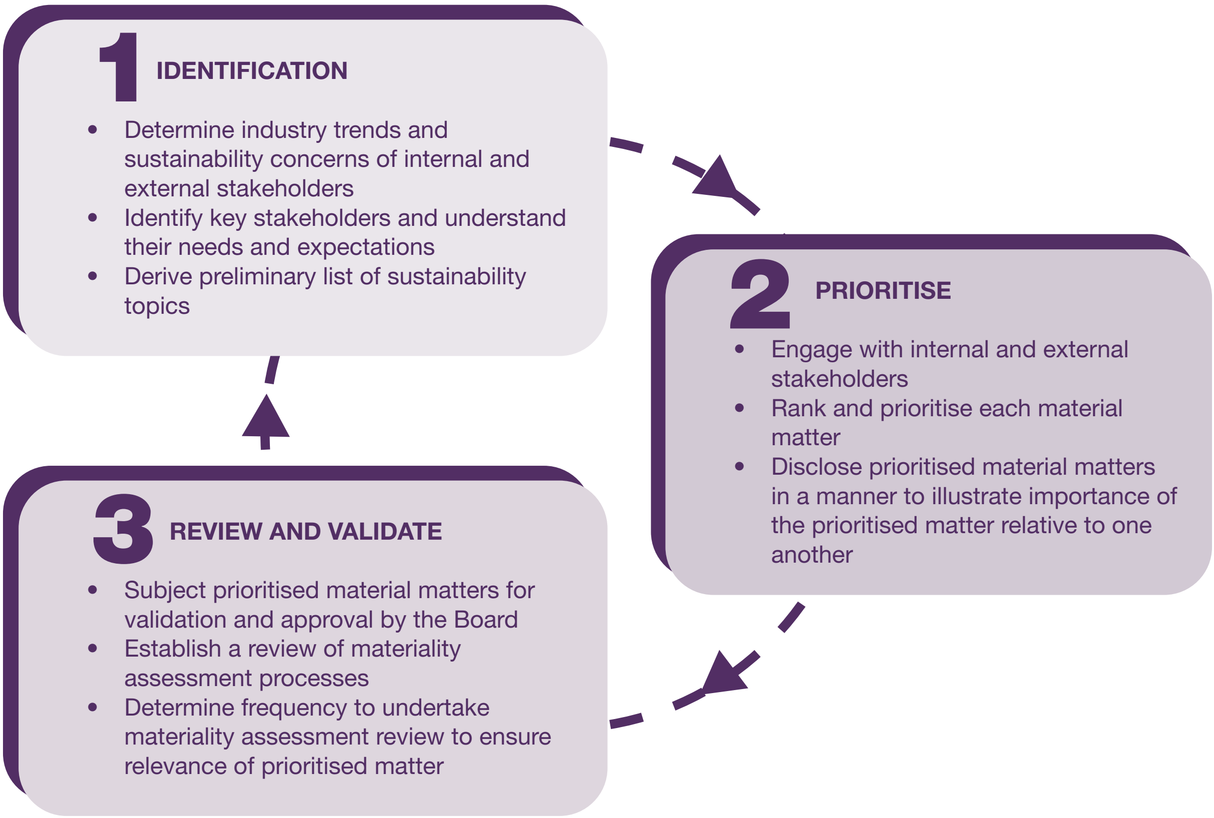
Stakeholder	Method Of Engagement	Frequency	Expectations
Shareholders and Investors	• Annual General Meeting • Annual Report • Announcements on Bursa Malaysia	A, P, AWR	• Business strategy and plan • Overall group performance • Dividend distribution • Corporate governance • Climate change mitigation and adaptation
Employees	• Town Hall Meetings • Employee appraisals • Employee Engagement events • Training • ‘Open door’ feedback	A, P, AWR	• Workplace safety • Career development and upskilling • Fair pay and benefits • Inclusive workplace • Work-life balance
Customers	• Customer Satisfaction Survey • Customers audit and visits • Customer support channels • Face to face meetings	R, AWR	• Product quality, price and delivery • Sustainable and innovative product • Ethical labour practices • Customer data privacy
Suppliers	• Supplier meetings • Site visits and audits • Suppliers’ evaluations	R, P, AWR	• Competitive price, quality, services, and delivery • Transparency in procurement processes • Capacity building for suppliers
Government Agencies and Regulators	• Government and regulatory events • Seminars and trainings • On-site inspections	AWR	• Compliance with laws and regulations • Corporate governance and compliances
Community	• Community events • Dialogue sessions • Corporate Social Responsibilities events	P, AWR	• Employment opportunities • Contributing to community initiatives • Business minimise wastes and emissions

A – Annually, P – Periodically, R – Regularly, AWR – As and when required

MATERIALITY ASSESSMENT PROCESS

Our materiality assessment involves evaluating the significance of each sustainability issue based on its impact and influence on the Group. By incorporating input from our stakeholders, our materiality determination process aims to identify and prioritise key issues, which then serve as the foundation for our sustainability efforts.

We review our material topics annually to ensure their continued relevance, with a comprehensive assessment conducted every three years. The previous assessment was conducted in the fourth quarter of FYE 2020.



1 IDENTIFICATION

- Determine industry trends and sustainability concerns of internal and external stakeholders
- Identify key stakeholders and understand their needs and expectations
- Derive preliminary list of sustainability topics

2 PRIORITISE

- Engage with internal and external stakeholders
- Rank and prioritise each material matter
- Disclose prioritised material matters in a manner to illustrate importance of the prioritised matter relative to one another

3 REVIEW AND VALIDATE

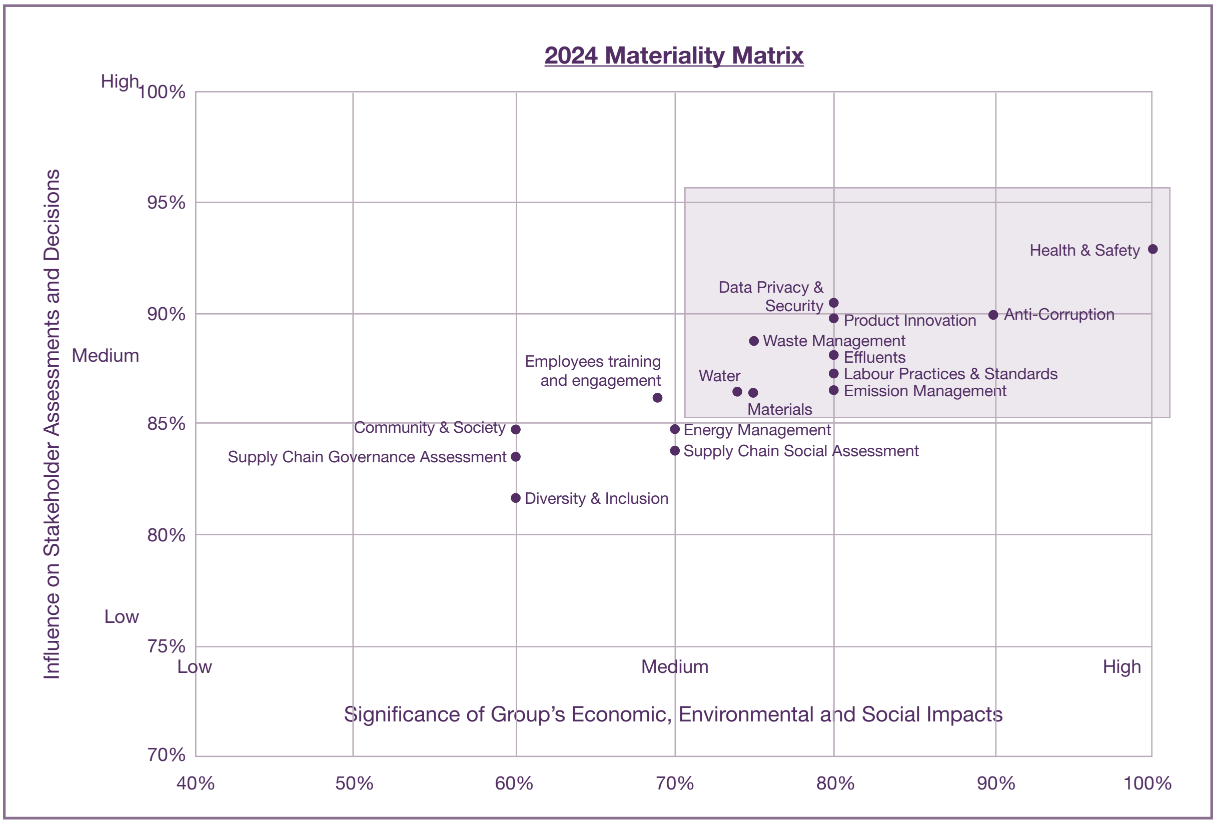
- Subject prioritised material matters for validation and approval by the Board
- Establish a review of materiality assessment processes
- Determine frequency to undertake materiality assessment review to ensure relevance of prioritised matter

In February 2024, we conducted a comprehensive materiality assessment in accordance with the Bursa Securities Sustainability Reporting Guide and Toolkit. This assessment engaged both internal stakeholders, including Board members and employees, as well as external stakeholders such as customers, suppliers, financial institutions, government agencies, regulators, trade associations, local communities, and Non-Governmental Organisations (“NGOs”) across Malaysia, Vietnam, and Myanmar.

A total of 2,051 stakeholders were invited to participate through an online survey, from which we received 1,089 responses which were then weighted, ranked, and prioritised using the Stakeholder Prioritisation Toolkit from Bursa Securities, as part of our materiality assessment process. The results were then presented in the form of a materiality matrix to highlight the relative importance of various topics to both the Group and its stakeholders.

SUSTAINABILITY REPORT

MATERIALITY MATRIX



▨ High priority

Sustainability Matter	Description
Health and Safety	A healthy, safe and conducive working environment for employees and contractors
Anti-Corruption	Promote ethical business practices through awareness, training, and accessible whistleblowing channels
Data Privacy and Security	Protecting customers' sensitive information from data breaches
Product Innovation	Products remained relevant and meet quality & safety standards
Effluents	Discharging of wastewater from operations
Labour Practices and Standards	Practices in compliance with the law, protection of human rights, and skill development
Emission Management	Emissions of GHG from operations
Waste Management	Efforts to reduce, reuse, recycle and responsible disposal of waste
Materials	Usage of recycled/renewable materials and resource conservation
Water	Efficient use of water and conservation of water resources

MATERIALITY MATRIX (continued)

Compared to our 2023 materiality matrix, two new material topics—Data Privacy and Security, and Materials—emerged in our 2024 matrix, reflecting growing stakeholder interest in how we manage these areas. On the other hand, Diversity and Inclusion, as well as Employee Training and Engagement, have been moved to a lower-priority quadrant.

To maintain consistency with our existing reporting, we have grouped Anti-Corruption under Governance and Ethics, Waste Management and Effluents under Responsible Waste Management and Emission and Water Management under Climate Change.

We continue to prioritise matters that have the greatest impact on the Group's long-term success and stakeholder value for efficient resource allocation.

The 2024 Materiality Matrix has been reviewed by the Audit and Risk Management Committee ("ARMC") and approved by the Board.

RISK MANAGEMENT

Our Enterprise Risk Management ("ERM") framework integrates the identification, evaluation, and management of sustainability and climate-related risks alongside our corporate, financial, and operational risks, ensuring alignment with the Group's strategic objectives. The Group actively monitors and manages all identified risks to ensure they remain within its defined risk appetite. This is achieved through regular reviews by designated risk owners and RMSWG. Final review and approval are carried out by the Risk Management Executive Committee and the ARMC.

Material Matters	Risk	Opportunities
Product Innovation	• Reputation and product excellence promise to customers • Poor financial performance threatens continuity	• Strengthen reputation through product excellence • Expand market share with innovative offerings
Governance and Ethics	• Poor governance practices tarnish reputation and trust • Increasing regulatory scrutiny due to evolving standards	• Strong governance enhances reputation and stakeholder confidence • Transparency enhances credibility
Data Privacy and Security	• Exposure to cyberattacks • Operational disruption from security breaches • Reputation damage and fine from non-compliance with Personal Data Protection Act	• Investing in cybersecurity enhances operational resilience • ISO 27001 certification builds stakeholder trust
Materials	• Not meeting stakeholders' demand for sustainable materials could lead to a decline in market competitiveness	• Utilising sustainable materials strengthen the Group's brand image and appeals to environmentally conscious stakeholders
Responsible Waste Management	• Non-compliance with regulations leads to fines and reputational harm • Poor waste handling could result in long term liabilities	• Waste reduction improves cost efficiency • Strengthen community support through responsible practices
Climate Change	• Poor water management increases cost and risks scarcity • Non-compliance with climate-related regulations leads to fines and reputational harm • Stricter climate-related regulations may increase operational costs	• Efficient water management promotes conservation and cost savings • Low-carbon operations meet rising demand for sustainable products • Renewable energy investments reduce carbon footprint

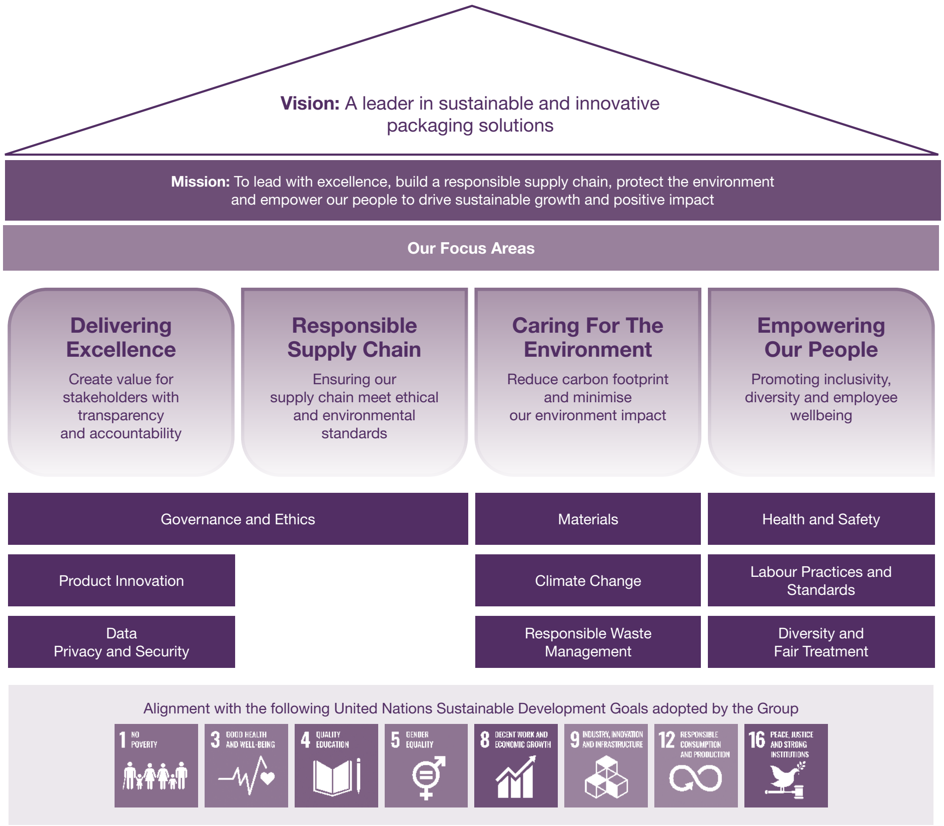
RISK MANAGEMENT (continued)

Material Matters	Risk	Opportunities
Health and Safety	• Accidents and injuries at the workplace lead to productivity loss, potential legal action and reputational damage	• A good safety culture offers a conducive work environment and improves employees' well-being and productivity
Diversity and Fair Treatment	• Discriminatory practices harm reputation and hinder talent retention	• Inclusive culture attracts top talent and enhances decision-making • Recognition for diversity boosts the Group's reputation
Employee Engagement	• Disengaged employees reduce productivity • Lack of adaptation to workforce expectations can lead to talent loss	• Effective talent development fosters a high-performance culture • Personalised learning and development enhance engagement

SUSTAINABILITY FRAMEWORK

Our sustainability framework has been refined to incorporate the results of the latest material topics assessment. It is built around four key areas: Delivering Excellence, Responsible Supply Chain, Caring for the Environment, and Empowering Our People.

In each area, we focus on addressing the concerns highlighted by our material matters and set targets to guide our efforts. To track our progress, we use a performance scorecard that allows us to monitor our sustainability performance and drive continuous improvement.



Vision: A leader in sustainable and innovative packaging solutions

Mission: To lead with excellence, build a responsible supply chain, protect the environment and empower our people to drive sustainable growth and positive impact

Our Focus Areas

Delivering Excellence
Create value for stakeholders with transparency and accountability

Responsible Supply Chain
Ensuring our supply chain meet ethical and environmental standards

Caring For The Environment
Reduce carbon footprint and minimise our environment impact

Empowering Our People
Promoting inclusivity, diversity and employee wellbeing

Governance and Ethics

Product Innovation

Data Privacy and Security

Materials

Climate Change

Responsible Waste Management

Health and Safety

Labour Practices and Standards

Diversity and Fair Treatment

Alignment with the following United Nations Sustainable Development Goals adopted by the Group

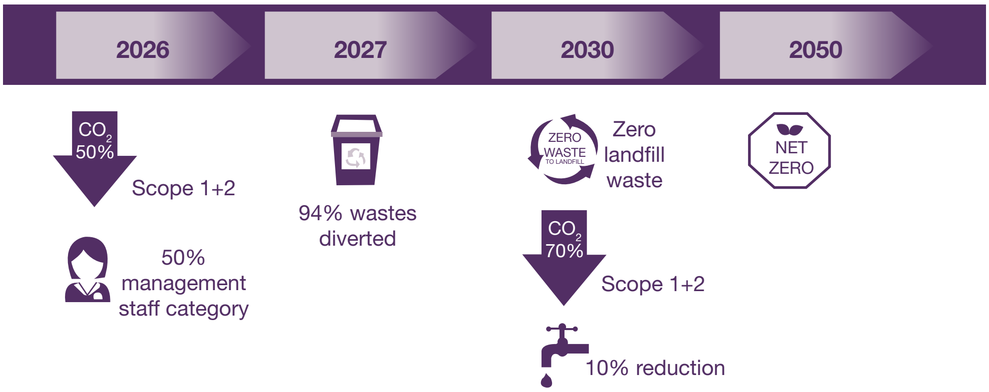
TARGETS AND ROADMAP

We have realigned some of our targets and adopted additional ones to reflect our new topics and further strengthen our sustainability efforts. These have been reviewed by the ARMC and approved by the Board.

Our roadmap outlines an actionable plan to reduce GHG emissions to net-zero by 2050, demonstrating our commitment to addressing climate change and ensuring long-term resilience. It provides guidance to operating companies across the Group, prioritising climate action and setting specific targets for emissions management.

To align management with company goals, the incentives of certain key staff are tied to sustainability targets.

Our Targets



2026

- CO_2 50% Scope 1+2
- 50% management staff category

2027

- 94% wastes diverted

2030

- Zero landfill waste
- CO_2 70% Scope 1+2
- 10% reduction

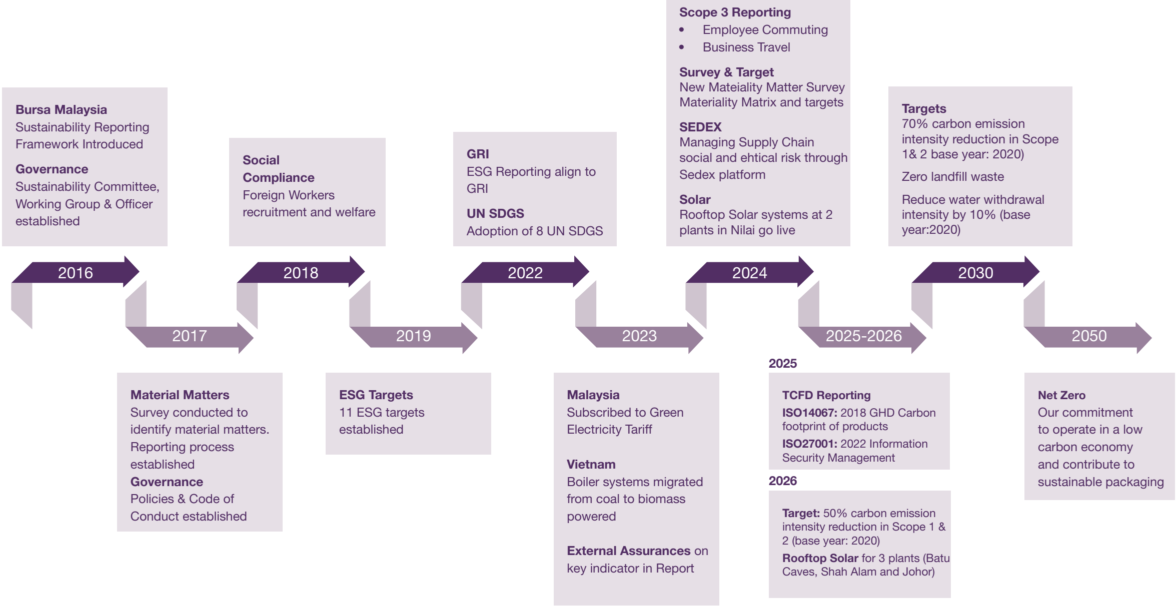
2050

- NET ZERO

On-Going Basis

- Lost Time Incident Rate < 2.0
- Employees & contractors Zero fatalities
- PRODUCT RECALL Zero
- Data Privacy & Security Zero breaches

Our Roadmap



2016

Bursa Malaysia
Sustainability Reporting Framework Introduced

Governance
Sustainability Committee, Working Group & Officer established

2017

Material Matters
Survey conducted to identify material matters. Reporting process established

Governance
Policies & Code of Conduct established

2018

Social Compliance
Foreign Workers recruitment and welfare

2019

ESG Targets
11 ESG targets established

2022

GRI
ESG Reporting align to GRI

UN SDGS
Adoption of 8 UN SDGS

2023

Malaysia
Subscribed to Green Electricity Tariff

Vietnam
Boiler systems migrated from coal to biomass powered

External Assurances on key indicator in Report

2024

Scope 3 Reporting

- Employee Commuting
- Business Travel

Survey & Target
New Mateiality Matter Survey Materiality Matrix and targets

SEDEX
Managing Supply Chain social and ehtical risk through Sedex platform

Solar
Rooftop Solar systems at 2 plants in Nilai go live

2025-2026

2025

TCFD Reporting

ISO14067: 2018 GHD Carbon footprint of products

ISO27001: 2022 Information Security Management

2026

Target: 50% carbon emission intensity reduction in Scope 1 & 2 (base year: 2020)

Rooftop Solar for 3 plants (Batu Caves, Shah Alam and Johor)

2030

Targets
70% carbon emission intensity reduction in Scope 1& 2 base year: 2020)

Zero landfill waste

Reduce water withdrawal intensity by 10% (base year:2020)

2050

Net Zero
Our commitment to operate in a low carbon economy and contribute to sustainable packaging

MEMBERSHIPS AND ASSOCIATION

Can-One Group actively participate in industry associations to stay informed on emerging trends and developments. This allows the Group to align itself against peers and industry standards, helping us develop resilient strategies to address opportunities and challenges, including those related to climate change.

The Group is a member of the following associations:

FEDERATION OF MALAYSIAN MANUFACTURERS

MEF PERSEKUTUAN MAJIKAN-MAJIKAN MALAYSIA MALAYSIAN EMPLOYERS FEDERATION

MAREA MALAYSIAN RECYCLING ALLIANCE

Sedex®

MALAYSIA-MYANMAR BUSINESS CHAMBER

PERFORMANCE SCORECARD

Our key targets and progress to-date:

Material Matters	Targets	Current progress against targets
Product Innovation	Zero product recall from packaging material defects	• No product recall cases reported or received for the FYE 2024
Governance and Ethics	Zero bribery and corruption cases	• 5 whistleblowing reports received. These cases were investigated by the relevant parties authorised by the Group Managing Director and have been addressed and closed
	Zero breaches of customer privacy and data	• There were no substantiated complaints concerning cyber security or customer privacy in 2024
Responsible Waste Management	94% waste generated are diverted from landfill by 2027	• 97% of waste is recyclable
	Zero landfill waste by 2030	• In Progress
Climate Change	50% reduction in Scope 1 & Scope 2 emission intensity by 2026 70% reduction in Scope 1 & Scope 2 emission intensity by 2030	• Scope 1+2 emission intensity reduced by 58% (Market-based with FYE 2020 as base year)
	Net zero by year 2050	• In Progress
	10% reduction in water withdrawal intensity by 2030	• Achieved 6% reduction in FYE 2024 for a cumulative 12% water withdrawal intensity (FYE 2020 as base year)
Health and Safety	Zero employee and contractor fatality	• No fatalities were recorded for employees and contractors in FYE 2024
	Lost Time Incident Rate (LTIR) below 2.0	• LTIR 1.96
Diversity & Fair Treatment	50% female participation at management staff category by 2026	• Achieved 48% for FYE 2024

SUSTAINABILITY REPORT

DELIVERING EXCELLENCE

PRODUCT INNOVATION

Why it matters

Innovation gives a competitive edge by meeting evolving customer needs and staying relevant while quality and safety standards are important for customer retention and sustainable financial success.

Management approach

The Group's commitment to consistently deliver products and services that meet both customer and regulatory requirements is upheld by the ISO 9001:2015 Quality Management System accreditation across all its manufacturing plants.

Products meeting safety and quality standards are managed using Material Safety Data Sheets (MSDS) at the plants to identify potential hazards—including health, combustion, reactivity, and environmental risks—before approval for production use.

Our following plants involved in primary packaging are FSSC 22000 food safety certified:-

- KJM Aluminium Can Sdn. Bhd.
- Kian Joo Can Factory Berhad
- KJ Can (Selangor) Sdn. Bhd.
- Kianjoo Can (Myanmar) Company Limited
- Kain Joo Can (Vietnam) Co., Ltd.
- Kian Joo Canpack Sdn. Bhd.

Compliance with established policies and processes is monitored by the Internal Audit department. Additionally, independent certification bodies are periodically engaged to assess ISO compliance and facilitate re-certification.

We collaborate closely with our customers to understand their challenges and product requirements, enabling us to develop innovative, customised packaging solutions. In our can production, we create the lightest possible cans that meet our customers' performance needs. At our carton plants, we optimise packaging by using lighter paper materials and eliminating unnecessary components while maintaining functionality and performance. These lightweighting initiatives provide significant environmental benefits by reducing material usage, lowering energy consumption, and lowering emissions.

Our Performance

- Our aluminium can plant in Nilai successfully carried out a lightweighting project during the year, resulting in up to 5% material savings for a customer. We started with a small production volume, and if the volume increases by the next reporting cycle, we will provide an update on the savings achieved.

- Our carton plant in Batu Caves also completed a lightweighting project with a customer, resulting in a 3.3% yield improvement and a saving of 20 Metric Ton ("MT") of paper.

DELIVERING EXCELLENCE (continued)

DATA PRIVACY AND SECURITY

Why it matters

Complying with data privacy and security laws and standards is important to safeguard customer trust, minimise operational disruptions, and protect the Group from potential reputational damage. As data breaches become more frequent and sophisticated, ensuring the confidentiality, integrity, and protection of sensitive data is essential not only for regulatory compliance but also for maintaining the confidence of our stakeholders.

Management approach

Our Personal Data Protection Policy outlines how personal information is collected, stored, and processed to comply with data protection laws in the countries where we operate. This policy is regularly reviewed and updated to reflect changes in both legislation and emerging best practices in data privacy and security.

To safeguard our IT systems, we have implemented a range of security measures, including encryption and firewalls, to prevent unauthorised access and data breaches. Threat detection program is used to monitor our network and system continuously for signs of suspicious activity and address potential vulnerabilities.

We ensure the integrity and validity of user accounts are maintained through regular access reviews and strict user management practices, such as role-based access control, strong password protocols, and account lockouts to mitigate the risk of unauthorised access.

Regular training on data security and privacy best practices is part of employee education. Employees also receive regular emails on emerging cyber threats and reminders about precautionary measures to safeguard both personal and organisational data.

An internal incident response plan is in place to address potential breaches. Periodically we engage a third party to conduct penetration testing and review the adequacy of our security systems. These external audits help us identify areas of improvement and ensure we remain ahead of evolving cyber threats.

The Group intends to align its data security and management framework with ISO 27001 standards in the coming year as part of our ongoing commitment to continuous improvement and to enhance our ability to manage and protect sensitive data.

Our Performance

- In December 2024, a cybersecurity incident at a server managed by a Group subsidiary in Batu Caves disrupted operations of several Malaysia-based subsidiaries within the Group. However, there was no breach or data loss. The issue has since been resolved, and additional security measures have been implemented to prevent similar incidents in the future.

DELIVERING EXCELLENCE (continued)

RESPONSIBLE SUPPLY CHAIN

GOVERNANCE AND ETHICS

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Why it matters

Ethical, transparent, and responsible governance forms the foundation of sustainability and enhances market reputation.

Management approach

To foster a culture of integrity and uphold high ethical standards across our Group and value chain, we have implemented the following:

- Anti-Corruption Policy ("AC Policy")

  Aligned with the Malaysian Anti-Corruption Commission (Amendment) Act 2018, this policy ensures compliance with anti-corruption laws in all countries where we operate and requires our organisation, directors, officers, and employees to adhere to these standards.

- Whistle-blowing Policy ("WB Policy")

  This policy provides a confidential, anonymous channel for reporting actual or suspected unethical conduct, allowing individuals to report malpractices directly to the Group Managing Director while ensuring whistleblower protection. Our WB Policy allows employees and external stakeholders to report unethical behaviour confidentially via email, phone, or mail.

- Employees Code of Conduct ("ECoC")

  The ECoC sets expectations for employees' work ethics, non-discriminatory behaviour, respect for human rights, and promotion of a safe, healthy work environment.

- Suppliers Code of Conduct ("SCC")

  The SCC requires our vendors to adhere to standards aligned with the United Nations ("UN") Guiding Principles, the International Labour Organisation, and the 10 Principles of the UN Global Compact. It covers key areas on labour practices (including freedom of association, working hours, child labour, forced labour, fair treatment and non-discrimination), safety and health (focusing on workplace environment, compliance with safety and health regulations and decent housing conditions), environmental practices (including permits, hazardous materials, and air, noise and water pollution), and business integrity (encompassing anti-bribery, grievance channels, fair competition, conflict minerals, and intellectual property).

  All suppliers, both new and existing, are required to sign the SCC as a confirmation of their commitment to these standards while conducting business with us.

All managerial and key employees are required to sign an Annual Statement of Compliance on Independence and Anti-Corruption Behaviour. General Managers and Heads of Departments are also required to confirm they are unaware of any fraud or bribery within their business units.

To promote transparency and outline the business norms when interacting with the Group, our policies are available on our website *https://www.canone.com.my/codeofconduct*.

New employees are required to complete an induction program to familiarise themselves with the Group's ECoC, AC Policy, WB Policy, and other relevant policies.

Our procurement team conducts regular field audits to ensure supplier compliance with our SCC.

DELIVERING EXCELLENCE (continued)

RESPONSIBLE SUPPLY CHAIN (continued)

GOVERNANCE AND ETHICS (continued)

Management approach (continued)

As part of our commitment to enhance the management of supply chain risks, the Group became a member of Sedex (Supplier Ethical Data Exchange) in FYE 2024. Sedex's assessment tools cover an extensive area, including labour rights, child and young worker protection, wages, health and safety, working hours, discrimination, business ethics, biodiversity, energy and emissions, waste, water, and the environment. These tools enable us to assess, monitor, and address critical issues within our supply chain, helping to drive improvements in ethical and sustainable practices. We plan to have at least 80% of our suppliers by spending value undergo this assessment, ensuring that a significant portion of our supply chain aligns with our ethical and sustainability principles.

Our Performance

Whistle-blowing	**FYE 2020**	**FYE 2022**	**FYE 2023**	**FYE 2024**
Number of whistle-blowing reports received	0	4	1	5

The 5 whistle-blowing cases were investigated by relevant parties authorised by the Group Managing Director and have been addressed and closed as at year end.

Percentage of operations assessed for corruption-related risks	0%	19%	69%	81%

- Annually, employees are required to attend refresher training on anti-corruption and whistle-blowing policies and procedures. During the year, 35% of employees attended the refresher training.

- 106 suppliers went through our self-assessment questionnaire on ethical business practices In FYE 2024.

- During the year, Sedex's assessment tool was used to review 52 key suppliers, representing 58% of our total spending. Of these, 13 suppliers were initially classified as 'high risk.' However, following an assurance review, 8 were re-rated to 'medium risk,' leaving 5 suppliers as a primary focus for further engagement. This targeted approach allows us to efficiently manage and mitigate potential risks.

- The Sedex assessment tool also rated our group of companies as exhibiting 'good to best practices' in management controls, highlighting our effective approach to risk management, which exceeds minimum standards.

- Spending on local suppliers in FYE 2024 for the Group was RM961 million (50% of total spending). There are no local suppliers available with similar quality and specification for some of the prime materials sourced by the Group.

CARING FOR THE ENVIRONMENT

3 GOOD HEALTH AND WELL-BEING

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

MATERIALS

Why it matters

The use of renewable and/or recycled materials is a key aspect of sustainability as it minimises resource depletion, reduces waste, and lowers the carbon footprint of production processes.

Management approach

Prime Materials

All our aluminium coils are procured from ASI-certified suppliers, ensuring compliance with international environmental, social, and governance standards. Given that aluminium, tin, and steel are highly recyclable and retain their quality across multiple uses, we work closely with our suppliers to identify opportunities to increase the recycled content in the coils and plates they supply for our can and tin production.

All our carton plants are FSC-CoC certified, and the majority of the paper rolls used are sourced from FSC-CoC certified suppliers, ensuring that the entire supply chain meets global sustainability standards. Additionally, a large portion of the carton boxes produced by our plants is made from recycled paper pulp.

Lightweighting

We work with our customers to explore opportunities for reducing the weight of cans or carton boxes without compromising product strength or performance. This helps to reduce material consumption and transportation costs.

Zero Waste to Landfill

A Zero Landfill Waste By 2030 goal has been established to ensure that all production by-products, scrap, and waste materials are either recycled or repurposed.

Employee Training and Awareness

Employees at all levels of the organisation receive training on sustainability practices, including reducing energy consumption, improving recycling efforts and embracing environmentally friendly methods.

Our Performance

- 97% of waste produced are diverted from disposal/landfill.
- Please refer to Product Innovation and Responsible Waste Management sections on pages 42 and 47 respectively, for additional information.

CARING FOR THE ENVIRONMENT (continued)

RESPONSIBLE WASTE MANAGEMENT

Why it matters

As a responsible Group, we acknowledge the waste generated by our operations and are committed to sustainable waste management practices to protect the environment and communities.

Management approach

Our Environmental Policy guides employees on their environmental responsibilities, while governance procedures ensure compliance with all relevant regulations in our operating countries.

Each plant's Safety, Health, and Environment ("SHE") Committee holds regular meetings to discuss environmental matters such as waste handling, disposal, and legal compliance, alongside safety and health issues, with management. The Committee is supported by a SHE Officer, who oversees implementation and follow-up at the operational level.

Internal Auditors conduct periodic compliance reviews, and independent certification bodies are engaged periodically to assess and re-certify our ISO compliance.

56% of the plants in the Group hold ISO 14001:2015 Environmental Management System certification, assuring that majority of the Group's processes are aligned with global best practices. They are:

- KJM Aluminium Can Sdn. Bhd.
- Kian Joo Can Factory Berhad
- Kian Joo Canpack Sdn. Bhd.
- Kianjoo Can (Myanmar) Company Limited
- Box-Pak (Vietnam) Co., Ltd.
- Box-Pak (Hanoi) Co., Ltd.
- Boxpak (Myanmar) Company Limited
- Box-Pak (Malaysia) Bhd.
- BP MPak Sdn. Bhd.

The Group generates significant solid waste as part of its manufacturing process, including paper, aluminium, and tin scraps, which are collected by licensed waste collectors and fully recycled. Being fully recyclable, they are classified as waste **diverted from disposal**.

Other types of solid waste include office waste, general packaging waste, and canteen waste. Scheduled waste, such as ink sludge, metal sludge, spent mineral oil-water emulsion, waste ink, and waste glue, is collected and stored in accordance with local regulations. It is then sent to licensed waste management companies for treatment, recovery, or disposal, as required by the applicable regulations. In previous reports, we classified these wastes as **directed to disposal**, regardless of the potential for recovery or recycling. This year, following site visits and discussions with our service providers, we have improved our disclosure by reporting the amount that is recyclable or recoverable.

Some plants generate wastewater containing traces of metals, chemicals, and other compounds as part of the production process. This wastewater is treated at the wastewater treatment plant ("WWTP") and tested to ensure it meets environmental discharge standards (pH value, Biochemical Oxygen Demand, Chemical Oxygen Demand and Ammoniacal Nitrogen level) before it can be released into the waterway.

All our WWTP operate strictly in compliance with the environmental regulations applicable in the jurisdictions where we operate.

All scheduled waste is reported to the relevant environmental authorities. In Malaysia, reporting and monitoring are conducted through the Department of Environment's e-SWIS system.

CARING FOR THE ENVIRONMENT *(continued)*

RESPONSIBLE WASTE MANAGEMENT (continued)

Our Performance

Waste diverted from disposal (MT)	FYE 2020	FYE 2022	FYE 2023	FYE 2024
Solid waste	58,600	56,600	58,300	60,500
Scheduled waste	–	–	–	3,700
Total	58,600	56,600	58,300	64,200
As a % of total waste	94	91	92	97

Waste directed to disposal (MT)	FYE 2020	FYE 2022	FYE 2023	FYE 2024
Solid waste	–	–	–	700
Scheduled waste	3,900	5,300	5,000	1,500
Total	3,900	5,300	5,000	2,200

Note:
Waste diverted from disposal and waste directed to disposal figures are rounded to the nearest hundred.
Myanmar operations have been included from FYE 2022, with data collection starting in that year.

Visit to scheduled waste management plant - Kian Joo Can Factory Berhad

Visit to scheduled waste management plant - KJM Aluminium Can Sdn. Bhd. (Batu Caves plant)

CARING FOR THE ENVIRONMENT *(continued)*

CLIMATE CHANGE

3 GOOD HEALTH AND WELL-BEING

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Why it matters

We recognise our responsibility to reduce our carbon footprint and contribute to environmental protection, while also seizing opportunities in the transition to a low-carbon economy.

Management approach

We are committed to reducing our environmental carbon footprint and enhancing operational resilience to create long-term value for both our business and stakeholders. Our Environmental Policy provides a framework for managing and minimising our environmental impact.

Our Roadmap outlines the key strategies, actions, and milestones required to reach our long-term goal of achieving net zero emissions by 2050. To ensure we stay on track, we have established intermediate targets to measure and monitor our progress.

Air Quality

The combustion processes in our boiler systems and industrial ovens produce trace amounts of nitrogen dioxide (NO_2), carbon monoxide (CO), carbon dioxide (CO_2), sulfur dioxide (SO_2), volatile organic compounds (VOCs), and particulate matter (PM). We plan to quantify and disclose these emissions within the next 2 years.

In compliance with legal requirements, all our plants conduct regular stack emissions monitoring to ensure that emissions remain within the limits set by the authorities. Our emission levels consistently stay well within the limits established by the authorities in the countries where we operate.

Energy and Carbon Emissions

Electricity from the grid powers machinery in our manufacturing operations, while boiler systems provide hot water, steam, and heating, and ovens supply heat for drying.

In Malaysia, our boiler systems and ovens are powered by natural gas, while in Vietnam and Myanmar, respectively, biomass (waste wood) and liquefied petroleum gas ("LPG") are used.

We are committed to responsibly managing our energy needs by exploring new technologies, leveraging renewable energy sources, and adopting best practices to enhance energy efficiency and reduce consumption. To support this commitment, the Group will initially implement the ISO 50001 energy management system at its larger plants, with plans to gradually extend its adoption to other facilities in the future.

Water Consumption

Guided by our Environmental Policy, we focus on improving water efficiency and promoting conservation. Water usage in our operations primarily supports steam generation, can/tin washing, contract filling, glue production, machinery cooling, and facility cleaning.

We are committed to water conservation and continuously exploring opportunities to recycle our wastewater for non-potable use across our operations. At the same time, we work to raise employee awareness of responsible water management through water-saving campaigns and regular leak checks in restrooms, canteens, and pantries to minimise waste.

CARING FOR THE ENVIRONMENT *(continued)*

CLIMATE CHANGE (continued)

Management approach (continued)

Water Consumption (continued)

The Aqueduct Water Risk Atlas indicates that our Malaysian plants are in low water stress areas, while the Ho Chi Minh City plant falls in a low-to-medium risk area. However, the Hanoi and Myanmar plants are situated in medium-to-high risk regions. The management of the Vietnam-Singapore Industrial Park (VSIP) in Hanoi has assured us that the park's infrastructure is designed to provide a stable and adequate water supply year-round. We have not encountered any water supply issues thus far and will continue to monitor the site as part of our ongoing risk management plan. To address potential periods of low water availability in Myanmar, both of our plants are equipped with rainwater harvesting systems.

Our Performance

- Our Malaysia-based plants are 51% powered by the Green Electricity Tariff (GET) program under Tenaga Nasional Berhad where electricity is generated from renewable energy sources such as solar, hydro, and biomass and supplied through the national grid. This is expected to increase to 50% to 60% in FYE 2025.
- A 3,373 kWp rooftop solar system at our Nilai plants supplies 8% of the plant's energy, with the remaining 92% sourced from GET. Commissioned in May/June 2024, the solar system contributed to a CO_2 avoidance of 498 MT in FYE 2024.
- 2 major plants in Malaysia, namely KJM Aluminium Can Sdn. Bhd., Nilai plant and Kian Joo Can Factory Berhad, have started their ISO 50001 Energy Management System journey, with a target to be certified before the end of FYE 2025.
- Following the full operation of biomass-powered boiler systems at both carton segment plants in Vietnam throughout FYE 2024, Scope 1 emissions at these plants decreased by 96%.
- We are committed to exploring sustainable energy alternatives to replace our use of natural gas and LPG, with the goal of transitioning to greener energy sources as they become commercially viable.

Energy Consumption (GJ)	FYE 2020	FYE 2022	FYE 2023	FYE 2024
Electricity	517,400	567,000	617,000	640,300
Natural Gas	446,900	442,900	476,800	512,100
Coal	118,300	83,100	20,900	–
Biomass	–	64,300	131,300	159,800
Petrol, Diesel and LPG	–	–	–	124,400
Total	1,082,600	1,157,300	1,246,000	1,436,600
Intensity (GJ/RM ‘mil)	474.42	340.13	373.19	410.45

Note:
1. Figures are rounded to the nearest hundred.
2. Myanmar operations have been included from FYE 2022, with data collection starting in that year.
3. Prior to FYE 2024, our energy sources included electricity, natural gas, biomass, and coal. Starting from FYE 2024, we added petrol, diesel, and LPG, with data collection for these sources beginning that year. As a result of incorporating these additional energy sources, our total energy consumption increased by 124,400 GJ (9.5%), and energy intensity rose by 36 (9.6%).

CARING FOR THE ENVIRONMENT (continued)

CLIMATE CHANGE (continued)

Our Performance (continued)

Water Consumption (Megalitres)

Water Withdrawal		**FYE 2020**	**FYE 2022**	**FYE 2023**	**FYE 2024**
Municipal water		1,300	1,460	1,770	1,730
Harvested rainwater		–	40	20	40
Total	(A)	1,300	1,500	1,790	1,770
Intensity (Megalitres/RM 'mil)		0.57	0.44	0.54	0.50
Less:					
Water Discharged					
Treated wastewater	(B)	–	–	940	1,030
Net Water Consumption	(A-B)	1,300	1,500	850	740

Note: Data collection and disclosure of treated wastewater released to local waterway started in FYE 2023. Figures are rounded to the nearest ten.

- Water consumption at plants located in medium-to-high risk region is 61 Megalitres. The usage intensity at these locations is 0.15.

Our GHG Inventory

Emissions (tCO_2e)	**FYE 2020**	**FYE 2022**	**FYE 2023**	**FYE 2024**
Direct GHG Emissions – Scope 1 [2,3]	37,100	33,900	30,100	38,200
Indirect GHG Emissions – Scope 2 [4,6] (Market-based)	118,900	109,100[5]	96,500[5]	63,400
Indirect GHG Emissions – Scope 3 [7]				
Category 6: Business Travel	–	–	–	100
Category 7: Employee Commuting	–	–	–	5,400
Total	156,000	143,000	126,600	107,100
Intensity (tCO_2e/RM 'mil)	68.37	42.03	37.92	30.61

Note:

1. Figures are rounded to the nearest hundred. Group's revenue (inclusive of inter-company sales) is used as the denominator for the calculation of intensity tCO_2e/RM'mil.
2. Scope 1 emissions come from the Group's owned stationary combustion sources, such as boiler and oven systems using natural gas, biomass and coal. For FYE 2024, we have included emissions from other mobile and stationary sources such as petrol, diesel, LPG and refrigerant (R22, R32, R404, R410A and R407C) . Data collection for these sources started in the same year. As a result, emissions increased by 9,100 tCO_2e (31%), and intensity rose by 2.6 tCO_2e/RM mil for FYE 2024.
3. Scope 1 emissions are calculated based on emission factors published by the Intergovernmental Panel on Climate Change ("IPCC") Guidelines for National Greenhouse Gas Inventories, GHG Protocol: Emission Factors from Cross-Sector Tools and GHG Protocol: Global Warming Potential Values (IPCC Fifth Assessment Report, 2014 (AR5).
4. Scope 2 emission source is purchased electricity from the national grid.
5. Scope 2 has been restated to reflect updated emission factors available for Malaysia and Vietnam. Impact of the restatement: emissions increased by 0.1% and 0.6% and intensity increased by 0.3% and 0.7% for FYE 2022 and FYE 2023 respectively.
6. Scope 2 emissions are calculated based on emission factors published by Energy Commission for Peninsular Malaysia electricity grid 2022, Department of Climate Change on research and develop emission factors for Vietnam's electricity grid 2023 and Myanmar Japan Thilawa Development Ltd for Thilawa Special Economic Zone electricity grid.
7. Data for Scope 3 other indirect emissions calculations is limited to business travel and employee commuting. Business travel covers air travel only and uses a distance-based method. Employee commuting is based on estimated travel distances.
8. Myanmar operations have been included from FYE 2022, with data collection starting in that year.

CARING FOR THE ENVIRONMENT *(continued)*

CLIMATE CHANGE (continued)

Our Performance (continued)

Biogenic Emissions	FYE 2020	FYE 2022	FYE 2023	FYE 2024
Biomass (tCO_2)	–	7,200	14,700	17,900

Indirect GHG Emissions – Scope 2 (Location- based)	FYE 2020	FYE 2022 [2]	FYE 2023 [2]	FYE 2024
Emissions (tCO_2e)	118,900	113,900	124,400	127,700
Intensity (tCO_2e/RM 'mil)	52.12	33.46	37.25	36.49

Note:
1. Figures are rounded to the nearest hundred.
2. The emissions data has been restated to reflect updated emission factors for Malaysia and Vietnam. As a result of this restatement, emissions were reduced by 0.6% and 0.4%, and emissions intensity decreased by 0.7% and 0.4% for FYE 2022 and FYE 2023, respectively.

2,494kWp and 832.88kWp rooftop solar system at our plants in Nilai, Negeri Sembilan

Air Emission inspection – Kian Joo Can (Vietnam) Co., Ltd.

Rainwater harvesting system – Kianjoo Can (Myanmar) Company Limited

EMPOWERING OUR PEOPLE

1 NO POVERTY
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION

HEALTH AND SAFETY

Why it matters

We are committed to safeguarding the health, safety, and well-being of our employees, as well as everyone on-site at our premises. We maintain a supportive work environment that prevents injuries and illnesses, thereby enhancing productivity and efficiency.

Management approach

The Group's Safety and Health Policy guides employees, contractors and visitors in adhering to safety precautions at our plants.

The SHE Committees at each plant, made up of representatives from various departments, ensure a balanced participation and consultation on safety and health matters. These committees provide a formal platform for employees to meet quarterly, review concerns, and report on any work-related hazards or hazardous situations. They are supported by safety officers who ensure compliance with regulations.

To ensure the safety and well-being of our employees, the Group implements a range of preventive and protective measures, including:

- Provision of Personal Protective Equipment for all workers.
- Annual audiometric testing for employees.
- Access to healthcare services through a network of public and private clinics.
- Periodic monitoring of noise levels at plants.
- Routine inspection of firefighting systems and equipment to ensure they remain fully operational and compliant with safety standards.
- Regular fire drills at plants to ensure preparedness in case of an emergency.
- Installation of safety guards on machinery that poses a high risk of injury.
- Training on the identification and handling of hazardous chemicals.

50% of the Group's plants are certified under the ISO 45001:2018 Occupational Health and Safety Management System Standard, an assurance that a sizeable portion of the operations have global best practices in place. Companies with ISO 45001 certification comprise:

- KJM Aluminium Can Sdn. Bhd.
- Kian Joo Canpack Sdn. Bhd.
- Kianjoo Can (Myanmar) Company Limited
- Kian Joo Can Factory Berhad
- Box-Pak (Vietnam) Co., Ltd.
- Boxpak (Myanmar) Company Limited
- Box-Pak (Malaysia) Bhd.
- BP MPak Sdn. Bhd.

As part of the ISO and risk management framework, regular safety audits and inspections to identify potential hazards at workplace are carried out at our plants. All work-related incidents are reported, reviewed and investigated by the safety officer, and corrective actions taken to prevent recurrence.

EMPOWERING OUR PEOPLE (continued)

HEALTH AND SAFETY (continued)

Our Performance

- Total training hours invested on health and safety courses in FYE 2024 was 45,781 hours and attended by 3,516 employees.

	FYE 2020	FYE 2022	FYE 2023	FYE 2024
Work-Related Injury by Case				
- Minor injury	139	142	94	123
- Major injury	65	41	72	62
- Fatality	–	–	–	–
Lost time injury (Days)	1,924	1,735	1,626	1,731
Work-Related Ill-health by Case				
No of cases	–	–	–	–

Note: Myanmar operations have been included from FYE 2022, with data collection starting in that year

- Lost Time Incident Rate (LTIR) for FYE 2024 is 1.96 (FYE 2023: 1.69).
- Health and Safety training courses attended by our employees across operating entities: -
  - Electrical safety
  - ISO 45001 training
  - Ergonomic Risk Assessment
  - MSDS Training for Cleaning Chemicals
  - Hot Work Awareness
  - Chemical Safe Handling and HAZMAT
  - Working at Heights
  - Defensive Driving for Commercial Vehicles
  - Industrial First Aid and CPR
  - Machinery Safety

Audiometric test – KJM Aluminium Can Sdn. Bhd.

Forklift safety briefing – KJ Can (Selangor) Sdn. Bhd.

EMPOWERING OUR PEOPLE *(continued)*

HEALTH AND SAFETY (continued)

Our Performance (continued)

Fire drill – KJM Aluminium Can Sdn. Bhd.

Chemical spillage training – KJ Can (Johore) Sdn. Bhd.

Safety Valve calibration – KJM Aluminium Can Sdn. Bhd.

Workers' hostel evacuation drill – KJ Can (Johore) Sdn. Bhd.

EMPOWERING OUR PEOPLE *(continued)*

HEALTH AND SAFETY (continued)

Our Performance (continued)

Workers safety briefing – KJ Can (Selangor) Sdn. Bhd.

Safety inspection – Kianjoo Can (Myanmar) Company Limited

LPG Station safety check – Kian Joo Can (Vietnam) Co., Ltd.

Audiometric test – Federal Metal Printing Factory, Sdn. Berhad

EMPOWERING OUR PEOPLE (continued)

DIVERSITY AND FAIR TREATMENT

Why it matters

Diversity and inclusivity give us a competitive edge by bringing a wide range of knowledge, perspectives, and ideas. We are committed to equal employment opportunities and preventing discrimination by actively promoting diversity in gender, race, religion, age, and nationality.

Management approach

Our ECoC establishes the ethical standards and policies that all employees are required to adhere to. It outlines expectations for ethical behaviour, provides grievance channels, and ensures fair labour practices. The ECoC explicitly prohibits underage labour, harassment, bullying, and discrimination based on gender, ethnicity, nationality, cultural background, marital status, disability, or age, as well as forced labour. It also guarantees fair wages, reasonable working hours, and the right to freedom of association.

We offer competitive remuneration, and our employee benefits include provisions that foster a supportive work environment, such as occasional time off, parental leave, compassionate leave, and examination leave.

We are committed to equal opportunities in recruitment and career advancement. Our job postings are on platforms which are accessible to a wide range of candidates from diverse backgrounds. Career progression opportunities are determined based on merit. Employees who demonstrate exceptional performance and capability would be promoted, regardless of their tenure, gender, race, nationality, disability, or religion. Promotions are earned through excellence in work instead of seniority or hierarchy.

Local employees are engaged at our plants in Vietnam and Myanmar. In Malaysia, the Group partners with recruitment agents to hire migrant workers. Agents engaged by the Group are required to sign an agreement confirming that they will not charge fees to workers and must provide clear explanations of employment terms in the workers' native language prior to contract signing. All migrant workers are employed with valid work permits, and the retention of workers' documents is strictly prohibited.

Migrant workers at our Malaysia plants are provided with accommodation with free accessibility that comply with the Minimum Wages Order 2022, the Employment Act 1955 (as amended), and the Employees' Minimum Standards of Housing, Accomodations and Amenities (Amendment) Act 2020 (Act 446).

Periodic audits are conducted by our Internal Audit department to ensure compliance.

All our plants are members of Sedex, a global organisation committed to improving ethical and responsible labour practices.

Our Performance

- 6,533 employees in the Group (FYE 2020: 6,206 employees).
- 73% local employees in Malaysia, 97% local employees in Myanmar and 99% local employees in Vietnam plants.
- 27% of the workforce are female vs 27% in FYE 2020. 48% of management staff are women (FYE 2020: 46%).

EMPOWERING OUR PEOPLE (continued)

DIVERSITY AND FAIR TREATMENT (continued)

Our Performance (continued)

Employees by Age Group	FYE 2020	FYE 2022	FYE 2023	FYE 2024
< 30 years				
Management	137	130	126	127
Non-Management	2,237	2,218	2,341	2,128
Total	**2,374**	**2,348**	**2,467**	**2,255**
30 – 50 years				
Management	494	524	541	567
Non-Management	2,803	2,862	3,067	3,064
Total	**3,297**	**3,386**	**3,608**	**3,631**
> 50 years				
Management	115	128	142	146
Non-Management	420	442	480	501
Total	**535**	**570**	**622**	**647**
Grand Total	**6,206**	**6,304**	**6,697**	**6,533**

Employees by Gender	FYE 2020	FYE 2022	FYE 2023	FYE 2024
Male				
Management	405	421	439	438
Non-Management	4,149	4,139	4,544	4,359
Total	**4,554**	**4,560**	**4,983**	**4,797**
Female				
Management	341	361	370	402
Non-Management	1,311	1,383	1,344	1,334
Total	**1,652**	**1,744**	**1,714**	**1,736**
Grand Total	**6,206**	**6,304**	**6,697**	**6,533**

Note: Myanmar operations have been included from FYE 2022 with data collection starting in that year.

EMPOWERING OUR PEOPLE (continued)

EMPLOYEE ENGAGEMENT

Why it matters

Our employees are essential to our success. By fostering trust and listening to their feedback, we create a positive work environment. Through continuous education, training, and development, we empower them to improve skills and deliver better results.

Management approach

We are committed to building a work environment and culture that fosters an engaged, skilled, and motivated workforce, driving sustainable growth.

Employee Engagement

Employee engagement goes beyond job satisfaction; it's about helping employees feel connected to their work and the company's mission and values. Engaged employees are often more productive, contribute creative ideas, and are more likely to stay with the organisation.

The Group promotes open communication, with senior management being approachable and accessible. Periodic town halls are held to update employees on the Group's sustainability practices and other developments and news is regularly shared through the Group's intranet news portal.

An employee survey is conducted every two years to understand their satisfaction and areas of concern. The feedback provides valuable insights that help us adjust and improve policies, programs, and work conditions.

The last survey was conducted in September 2021 with a satisfaction score of 74%.

Training and Development

A workforce that continuously grows in terms of skill and knowledge is better equipped to meet the challenges of an ever-changing market hence investing in employee development helps organisations stay competitive and adaptive to industry changes.

We continuously assess and update our training programs to address skill gaps and support career development. Our initiatives include cross-functional training, technical training, leadership development, soft skills enhancement, online courses, certifications, workshops, and in-house seminars.

We foster lifelong learning by offering opportunities such as fee reimbursement, access to professional certifications, and flexible work schedules to support employees in pursuing further education. We also collaborate with local universities, technical institutes, and other educational institutions to offer internships for graduate programs, contributing to the growth of the next generation of talent.

Last year, our subsidiary, Kian Joo Group, began collaborating with local institutes under the Malaysian government's Skim Latihan Dual Nasional (SLDN) program to develop a skilled workforce. This year, we've expanded the collaboration to include institutes in other states in Malaysia, making it more accessible and reaching a broader community interested in industrial training, particularly in Printing & Electrical Technology and Flexo-printing courses.

Social Relations

The Group hosts a variety of social gatherings and events throughout the year, creating opportunities for employees to connect and build relationships outside of their regular work. These events, such as cultural festival get-together, 'gotong-royong' (community work), and sporting activities, foster a sense of community and camaraderie among our diverse workforce.

EMPOWERING OUR PEOPLE *(continued)*

EMPLOYEE ENGAGEMENT (continued)

Management approach (continued)

Social Relations (continued)

We also actively encourage employees to participate in volunteer programs, corporate social responsibility ("CSR") projects, and community outreach initiatives, such as charity drives for food, clothing, or school supplies, environmental clean-up efforts, and supporting local shelters or senior citizen homes through donations or volunteer services. These programs provide employees with the opportunity to contribute meaningfully to causes they care about while making a tangible difference in the community.

Our group's social and CSR activities throughout the year are regularly shared and broadcast on our LinkedIn page: *https://www.linkedin.com/company/kian-joo-can-factory-berhad/posts/*.

Our Performance

- Employee satisfaction survey conducted in the first quarter of FYE 2024 gathered responses from 2,500 employees across the Group and produced a satisfaction score of 78%.
- Staff turnover rate for FYE 2024 was 1.98% (FYE 2020: 2.96%).
- Total training hours by:
  - o Management: 27,933 hours (average of 37.54 hours per employee)
  - o Non-management: 87,588 hours (average of 19.60 hours per employee)

- In FYE 2024, Yayasan Canone Kianjoo contributed RM2,124,000 (FYE 2023: RM464,000) to various causes as follows:
  - o Scholarships and education support RM430,000 (number of beneficiaries:18)
  - o Schools and Institutes RM463,000 (number of beneficiaries: 8)
  - o Healthcare and medical support RM246,000 (number of beneficiaries: 13)
  - o Underprivileged and welfare homes RM648,000 (number of beneficiaries: 15)
  - o NGOs and others RM337,000 (number of beneficiaries: 17)

Visit to disabled kids centre in Johor – KJ Can (Johore) Sdn. Bhd.

Volunteers at Melon farm – KJ Can (Selangor) Sdn. Bhd.

Mangrove tree planting at Taman Rekreasi Paya Bakau Sijangkang – Federal Printing Factory Sdn. Berhad, KJ Can (Selangor) Sdn. Bhd. and KJM Aluminium Can Sdn. Bhd.

Kota Tinggi beach clean-up – KJ (Can) Johore Sdn. Bhd.

EMPOWERING OUR PEOPLE (continued)

EMPLOYEE ENGAGEMENT (continued)

Our Performance (continued)

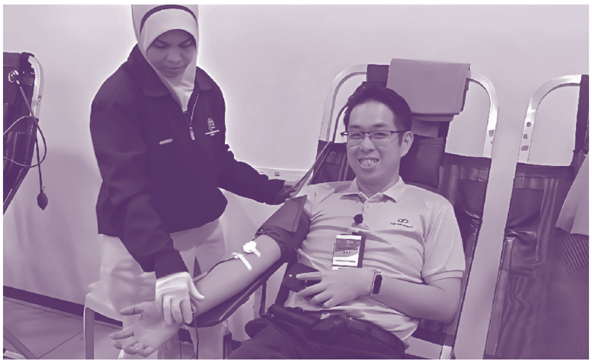
Contribution to St Mary Girl Orphanage Kyauk Tan, Myanmar – KianJoo Can (Myanmar) Company Limited

Townhall meeting – Kian Joo Can (Vietnam) Co., Ltd.

Signing of MOU for industrial training program, ILP – KJ Can (Johore) Sdn. Bhd.

Industry Sports, Negeri Sembilan – KJM Aluminium Can Sdn. Bhd.

Gotong-royong at Templers Park, Selangor – KJM Aluminium Sdn. Bhd. (Batu Caves)



Wellness Day blood donation – Aik Joo Can Factory Sdn. Berhad

CLIMATE-RELATED DISCLOSURES

We are committed to addressing climate change, reduce our environmental footprint, and enhance operational resilience as part of our broader strategy for long-term sustainability. Our climate-related disclosures are guided by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the IFRS S2 Climate-related Disclosures framework.

Governance

During the year, climate-related considerations were incorporated into the Board's Terms of Reference to enhance its oversight, reflecting the growing importance of the topic within the Group's governance framework. The Terms of Reference for the Audit and Risk Management Committee, as well as the SREC, were also updated to strengthen their roles in supporting the Board on climate-related matters and ensuring these topics are effectively integrated into the enterprise risk management framework.

At the management level, the RMSWG supports the Board and its sub-committees in advancing climate-related initiatives. Comprising senior and middle management representatives from across the Group's operating companies, with the Corporate Sustainability department acting as coordinator, the RMSWG drives execution, monitors activities, and tracks performance against targets. The RMSWG meets quarterly to review initiatives, assess progress, and address any emerging issues to ensure that objectives are being met. Updates are provided to the Board twice a year. This collaborative structure ensures seamless alignment between strategic oversight and operational execution.

Strategy

A scenario analysis was conducted to gain a deeper understanding of climate-related risks and opportunities, along with their potential financial and non-financial impacts on the Group. This analysis enables us to formulate effective strategies for mitigation, adaptation and ensuring the Group's long-term resilience.

For a comprehensive assessment, we explored two distinct climate futures. The Shared Socioeconomic Pathways ("SSPs") and Representative Concentration Pathways ("RCPs") models developed by the IPCC were used as they allow us to assess scenarios based on varying levels of GHG emissions and socioeconomic developments. The two climate futures explored:

- SSP1-RCP1.9: A rapid global decarbonisation through stringent climate policies, technological innovation, and widespread adoption of sustainable practices. This scenario aims to limit global warming to 1.5°C, in line with the targets set by the Paris Agreement.

- SSP5-RCP8.5: A business-as-usual scenario, where there is rapid economic growth, increased energy demand, and a heavy reliance on fossil fuels. There is limited climate policies or technological advancements to mitigate emissions which will result in a significant rise in greenhouse gas concentrations leading to a global warming of more than 4°C.

Aqueduct Tools from the World Resources Institute (WRI) were also utilised to provide additional insights.

CLIMATE-RELATED DISCLOSURES (continued)

Strategy (Continued)

Climate-related risks and opportunities the Group may face under the two climate futures, along with their potential financial and non-financial impacts and the associated time horizons, are summarised below.

Scenario: SSP1-RCP1.9

Physical Risks

		Risk Type	Description	Value Chain	Impact	Time Horizon			Financial Impact
						S	M	L	
Risks	Physical	Acute	Flood disrupt transportation, supply chain and production. Heatwaves causes frequent power failure, operation efficiency and higher operational cost	* Direct operations * Upstream	Reduced revenue / decreased production (supply chain disruption) Increased operating cost and capital cost Plant in Shah Alam, Teluk Panglima Garang and Butterworth could be impacted by flood	▨	▨		Medium
		Chronic	Rising sea and riverine level. Infrastructure damage, higher insurance premium and operational downtime. Water stress: Operation disruption and higher operational cost	* Direct operations * Upstream			▨	▨	Medium

Note: Short-Term (S): 3 years and below, Medium Term (M): 3 – 10 years and Long-Term (L): above 10 years.

CLIMATE-RELATED DISCLOSURES (continued)

Scenario: SSP1-RCP1.9 (continued)

Transition Risks

		Risk Type	Description	Value Chain	Impact	Time Horizon			Financial Impact
						S	M	L	
Risks	**Transition**	Regulatory	Carbon taxes, tighter regulations and compliance cost. Increased input/ operating costs for high carbon activities and threats to securing license to operate for high carbon activities	* Direct operations * Upstream	Higher cost to comply with regulations. Investment in green energy Increased cost from upstream inefficient suppliers	▨	▨	▨	Medium
		Technology	Transition to lower emissions technology. New technologies that disrupt market	* Direct operations * Upstream * Downstream	Increased expenses and investment in energy efficient machinery Pressure to decarbonise upstream suppliers could disrupt availability	▨	▨	▨	High
		Market	Changing consumer behaviour. Reduced demand for high-carbon products	* Direct operations * Upstream * Downstream	Increased product development cost in terms of design and material selection		▨	▨	Low
		Reputation	Risk of loss of trust and confidence in management	* Direct operations	Low due to mitigation control plan and strategies in place to comply with regulations		▨	▨	Low

Note: Short-Term (S): 3 years and below, Medium Term (M): 3 – 10 years and Long-Term (L): above 10 years.

CLIMATE-RELATED DISCLOSURES (continued)

Scenario: SSP5-RCP8.5

Physical Risks

		Risk Type	Description	Value Chain	Impact	Time Horizon			Financial Impact
						S	M	L	
Risks	**Physical**	Acute	Increased frequency and severity causing more widespread disruptions to transportation, supply chain and production	* Direct operations * Upstream	Reduced revenue / decreased production (supply chain disruption) Increased operating cost and capital cost Shah Alam, Teluk Panglima Garang and Butterworth plants in Malaysia, Ho Chi Minh City and Hanoi plants in Vietnam and plants in Myanmar could face high insurance premium or reduced availability	▨	▨		High
		Chronic	Rising sea and riverine level. Vietnam (Red river and Mekong river) and Myanmar (Irrawaddy river) would impact supply chain and operational downtime. Water stress: Hanoi plant could be exposed to higher operational cost in securing water supply	* Direct operations * Upstream			▨	▨	High

Note: Short-Term (S): 3 years and below, Medium Term (M): 3 – 10 years and Long-Term (L): above 10 years.

CLIMATE-RELATED DISCLOSURES (continued)

Scenario: SSP5-RCP8.5 (continued)

Transition Risks

		Risk Type	Description	Value Chain	Impact	Time Horizon			Financial Impact
						S	M	L	
Risks	Transition	Regulatory	Slow transition to a low carbon economy with regulators adopting a lenient approach and less urgency to introduce policies	* Direct operations * Upstream	Low cost to comply with regulations	▨	▨	▨	Low
		Technology	Slow adoption of lower emissions technology as regulators not pushing to achieve carbon neutrality target	* Direct operations * Upstream * Downstream	Low expenses and low investment on low-carbon technologies	▨	▨	▨	Low
		Market	Low demand for low-carbon products due to slow development of climate-change regulations	* Direct operations * Upstream * Downstream	Minimal impact on our aluminium, tin and metal cans and carton boxes products		▨	▨	Low
		Reputation	Risk of loss of trust and confidence in management	* Direct operations	Low due to low compliance requirements		▨	▨	Low

Note: Short-Term (S): 3 years and below, Medium Term (M): 3 – 10 years and Long-Term (L): above 10 years.

CLIMATE-RELATED DISCLOSURES (continued)

Climate-related Opportunities Identified

	Risk Type	Description	Value Chain	Impact	Time Horizon			Financial Impact
					S	M	L	
Opportunities	Resource Efficiency	Use of more efficient production and distribution processes. More efficient use of water resources	* Direct operations * Upstream	Reduced operating cost through efficiency gains and cost reductions	▨			Low
	Energy Source	Renewable energy adoption	* Direct operations * Upstream	Reduced exposure to future fossil-based fuel price increases	▨	▨	▨	Medium
	Technology	Access to government green grants, subsidies and incentives	* Direct operations	Reduced capital investment and/ or operational cost	▨	▨	▨	Medium
	Products & Services	Development and expansion of new products through R&D and innovation	* Direct operations * Upstream * Downstream	Increased revenue	▨	▨	▨	Medium
	Resilience	Resources substitution and diversification	* Direct operations * Upstream * Downstream	Ability to remain resilient under low-emission environment	▨	▨	▨	Medium

Our strategies, priorities, and milestones to mitigate and adapt to the above climate-related risks and enhance our resilience are outlined in our Roadmap on page 40.

Risk Management

Risks identified through the scenario analysis are evaluated based on their likelihood and potential financial impact. Likelihood is rated on a scale from highly unlikely to highly likely, considering factors such as historical data and emerging trends, while potential financial impact is assessed from very low to very high, depending on its impact to revenue, costs, asset values, and liabilities.

In our ERM framework, we prioritise highly likely and very high impact risks for action, while low-likelihood and low-impact risks are monitored to ensure they remain within the Group's defined risk appetite.

Refer also to the statement on Risk Manangement and Internal Control on page 105.

Our climate related risks are managed under Responsible Waste Management and Climate Change on pages 47 and 49 respectively.

CLIMATE-RELATED DISCLOSURES (continued)

Metrics and Targets

Quantitative and qualitative climate-related targets are established to monitor our progress. These targets apply to all entities within the Group. The metrics used to track our performance include GHG intensity, water withdrawal intensity, and solid waste management. For more details, please refer to our Targets and Roadmap on page 40, Performance Scorecard, Responsible Waste Management and Climate Change on pages 41, 47 and 49 respectively.

Metrics are monitored, and progress toward targets is reported and discussed quarterly at the RMSWG meeting. Bi-annually, the progress report is presented to the Board. A qualified Independent third party validates our annual data on GHG emissions, waste, and water consumption, to provide assurance of our metrics accuracy and credibility.

Some GHG emissions metrics are also linked to key management compensation to align incentives with sustainability goals and ensure accountability for meeting emissions targets.

Limitations and Assumptions in Climate Projections

Making future projections involves navigating various uncertainties and unforeseen circumstances, which present significant challenges. The assumptions underlying these projections are subject to change, influenced by evolving external factors, market dynamics, and uncertainties related to climate risks. It is important to consider these limitations when interpreting these climate futures projections.

PERFORMANCE DATA TABLE FROM BURSA ESG REPORTING PLATFORM

Can-One Berhad as a Listed Issuer is required to provide mandatory ESG disclosures as part of the Main Market Listing Requirements. This aligns with the updated Sustainability Reporting Guide, 3rd Edition. The table below presents performance data that is relevant to our significant concerns. These figures have been verified both internally and externally, as indicated for each indicator:

Indicator	Measurement Unit	2023	2024
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Overall	Percentage	21.00	35.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	69.00	81.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	58.00	50.00
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	63,300.00	66,400.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	58,300.00	64,200.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	5,000.00	2,200.00
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	346,111.00	399,056.00
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	850.000000 *1	740.000000
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	30,100.00	38,200.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	96,500.00 *2	63,400.00
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	No Data Provided	5,500.00
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.69	1.96

Internal assurance   External assurance   No assurance   (*)Restated

Notes:

1 Net water consumption. Refer to page 51 of Annual Report.

2 Restated to reflect updated emission factor. Refer to page 51 of Annual Report.

PERFORMANCE DATA TABLE FROM BURSA ESG REPORTING PLATFORM *(continued)*

Indicator	Measurement Unit	2023	2024
Bursa C5(c) Number of employees trained on health and safety standards	Number	3,268	3,516
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Management Under 30	Percentage	16.00	15.00
Management Between 30-50	Percentage	67.00	68.00
Management Above 50	Percentage	17.00	17.00
Non-Management Under 30	Percentage	40.00	37.00
Non-Management Between 30-50	Percentage	52.00	54.00
Non-Management Above 50	Percentage	8.00	9.00
Gender Group by Employee Category			
Management Male	Percentage	54.00	52.00
Management Female	Percentage	46.00	48.00
Non-Management Male	Percentage	77.00	77.00
Non-Management Female	Percentage	23.00	23.00
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	89.00	89.00
Female	Percentage	11.00	11.00
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	22.00	22.00
Above 50	Percentage	78.00	78.00
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			

Internal assurance External assurance No assurance (*)Restated

PERFORMANCE DATA TABLE FROM BURSA ESG REPORTING PLATFORM *(continued)*

Indicator	Measurement Unit	2023	2024
Management	Hours	17,441	27,933
Non-Management	Hours	73,715	87,588
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	3.58	4.97
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	132	82
Non-Management	Number	2,384	1,485
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	464,000.00	2,124,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	30	71
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0

Internal assurance External assurance No assurance (*)Restated

GRI CONTENT INDEX

GRI Standard	Disclosure	Page	Brief Information on Disclosures
GRI 2: General Disclosures 2021			
2-1	Organisational details	30 19-28	Can-One Berhad is a Bursa-listed company. Refer to About This Report. Refer to Corporate Information and Management Discussion and Analysis (“MDA”) in AR 2024.
2-2	Entities included in the organisation’s sustainability reporting	30	Scope & Boundary
2-3	Reporting period, frequency, and contact point	30	About this report
2-4	Restatements of information	31	Certain data have been restated. Refer to Restatements
2-5	External assurance	31	Refer to Statement of Assurance
2-6	Activities, value chain, and other business relationships	19-28	Refer to MDA
2-7	Employees	57-58	Refer to the Diversity and Fair Treatment section
2-8	Workers who are not employees	–	342 workers (4.97%)
2-9	Governance structure and composition	33	Refer to the Governance Structure section and Corporate Governance Overview Statement under Nomination Committee in AR 2024
2-10	Nomination and selection of the highest governance body	89-90	
2-11	Chair of the highest governance body		
2-12	Role of the highest governance body in overseeing the management of impacts		
2-13	Delegation of responsibility for managing impacts		
2-14	Role of the highest governance body in sustainability reporting		
2-15	Conflicts of interest	102	Refer to the Audit and Risk Management Committee Report
2-16	Communication of critical concerns	102	
2-17	Collective knowledge of the highest governance body	86-88	Refer to Corporate Governance Overview Statement under Remuneration Committee
2-18	Evaluation of the performance of the highest governance body	89-90	Refer to Corporate Governance Overview Statement under Remuneration Committee and Nomination Committee in AR 2024
2-19	Remuneration policies	86-88	
2-20	Process to determine remuneration	86-88	

GRI CONTENT INDEX *(continued)*

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<tr><td>2-22</td><td>Statement of sustainability development strategy</td><td>29</td><td>Refer to the Group Managing Director’s message</td></tr>
<tr><td>2-23</td><td>Policy commitments</td><td>44</td><td>Refer to the Governance and Ethics section</td></tr>
<tr><td>2-24</td><td>Embedding policies commitments</td><td>34, 44</td><td>Refer to Sustainability in Our Business Processes section and Governance and Ethics section</td></tr>
<tr><td>2-25</td><td>Processes to remediate negative impacts</td><td>102
105</td><td>Refer to Audit and Risk Management Committee Report and Statement of Risk Management and Internal Control</td></tr>
<tr><td>2-26</td><td>Mechanisms for seeking advice and raising concerns</td><td>44</td><td>Refer to the Governance and Ethics section</td></tr>
<tr><td>2-27</td><td>Compliance with laws and regulations</td><td>44
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49</td><td>Governance and Ethics section.
Responsible Waste Management section
Climate Change section</td></tr>
<tr><td>2-28</td><td>Membership associations</td><td>41</td><td>Refer to Memberships and Association section</td></tr>
<tr><td>2-29</td><td>Approach to stakeholder engagement</td><td>35</td><td>Refer to the Stakeholders Engagement section</td></tr>
<tr><td>2-30</td><td>Collective bargaining agreements</td><td>–</td><td>698 employees (16%) in Malaysia Plants and 1,668 employees (97%) in Vietnam Plants are covered by the Collective Agreement</td></tr>
<tr><td>3-1</td><td>The process of determining material topics</td><td>36</td><td>Refer to the Materiality Assessment Process section</td></tr>
<tr><td>3-2</td><td>List of material topics</td><td>37</td><td>Refer to the Materiality Matrix section</td></tr>
<tr><td colspan="4">GRI 201: Economic Performance 2016</td></tr>
<tr><td>3-3</td><td>Management of material topics</td><td>42</td><td>Refer to Management Approach in the Product Innovation section</td></tr>
<tr><td>201-1</td><td>Direct economic value generated and distributed</td><td>–</td><td><table>
<tr><th>RM ' million</th><th>FYE2022</th><th>FYE2023</th><th>FYE2024</th></tr>
<tr><td>Revenue</td><td>3,167</td><td>3,054</td><td>3,193</td></tr>
<tr><td>Operating Cost</td><td>2,489</td><td>2,412</td><td>2,468</td></tr>
<tr><td>Payment to capital provider</td><td>58</td><td>72</td><td>94</td></tr>
<tr><td>Employee wages and benefits</td><td>351</td><td>407</td><td>401</td></tr>
<tr><td>Payment to Governments</td><td>47</td><td>29</td><td>47</td></tr>
<tr><td>Payment to Shareholders</td><td>7.7</td><td>7.7</td><td>7.7</td></tr>
</table></td></tr>
<tr><td>201-2</td><td>Financial implications and other risks and opportunities due to climate change</td><td>62-68</td><td>Refer to Climate-related Disclosure section</td></tr>
<tr><td>201-3</td><td>Defined benefit plan obligations and other retirement plans</td><td>152</td><td>Refer to Note 2(r)(iii) and Note 18 of Financial Statements</td></tr>
<tr><td>201-4</td><td>Financial assistance received from government</td><td>172</td><td>Tax incentives such as reinvestment allowance and income exemption for value of increase of exports. Refer to Note 8 of Financial Statements</td></tr>
</table>

GRI CONTENT INDEX *(continued)*

GRI Standard	Disclosure	Page	Brief Information on Disclosures
GRI 204: Procurement practices 2016			
3-3	Management of material topics	44,46	Refer to Governance and Ethics and Materials section
204-1	Proportion of spending on local suppliers	–	50% (RM961mil)
GRI 301: Materials 2016			
3-3	Management of material topics	46	Refer to Materials section
301-1	Materials used by weight or volume	46	
301-2	Recycled input materials used	46	
301-3	Reclaimed products and their packaging materials	–	
GRI 205: Anti-Corruption 2016			
3-3	Management of material topics	44	Refer to Management Approach in the Governance and Ethics section
205-1	Operations assessed for risks related to corruption	102, 45	Refer to the Audit and Risk Management Committee Report and Governance and Ethics section
205-2	Communication and training about anti-corruption policies and procedures	44	Refer to the Governance and Ethics section
205-3	Confirmed incidents of corruption and actions taken	45	Refer to Our Performance under the Governance and Ethics section
GRI 302: Energy 2016			
3-3	Management of material topics	49	Refer to Management Approach in Climate Change section
302-1	Energy consumption within the organisation	50	Refer to the Climate Change section
302-3	Energy intensity	50	Refer to the Climate Change section
302-4	Reduction of energy consumption	50	
302-5	Reduction in energy requirements of products and services	50	

GRI CONTENT INDEX *(continued)*

GRI Standard	Disclosure	Page	Brief Information on Disclosures
GRI 303: Water and Effluent 2018			
3-3	Management of material topics	49	Refer to Management Approach in Climate Change section
303-1	Interactions with water as a shared resource	51	
303-2	Management of water discharge-related impacts	47, 51	Refer to Management Approach in the Responsible Waste Management section and Climate Change section
303-3	Water withdrawal	51	Refer to Water Consumption in Climate Change section
303-4	Water discharge	51	Refer to the Responsible Waste Management section
303-5	Water Consumption	51	Refer to the Climate Change section
GRI 305: Emissions 2016			
3-3	Management of material topics	49	Refer to Management Approach in Climate Change section
305-1	Direct (Scope 1) GHG emissions	51	Refer to the Climate Change section
305-2	Energy indirect (Scope 2) GHG emissions	51	
305-3	Other indirect (Scope 3) GHG emissions	51	
305-4	GHG emissions intensity	51	
305-5	Reduction of GHG Emissions	50-51	
305-7	Nitrogen oxides (NOx), Sulphur oxides (SOx), and other significant air emissions	49	

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<tr><td>3-3</td><td>Management of material topics</td><td>47</td><td>Refer to Management Approach in the Responsible Waste Management section</td></tr>
<tr><td>306-1</td><td>Waste generation and significant waste-related impacts</td><td>48</td><td>Refer to the Responsible Waste Management section</td></tr>
<tr><td>306-2</td><td>Management of significant waste-related impacts.</td><td>47</td><td>Refer to the Responsible Waste Management section</td></tr>
<tr><td>306-3</td><td>Waste generated</td><td>48</td><td rowspan="3">Refer to the Responsible Waste Management section</td></tr>
<tr><td>306-4</td><td>Waste diverted from disposal</td><td>48</td></tr>
<tr><td>306-5</td><td>Waste directed to disposal</td><td>48</td></tr>
<tr><td colspan="4">GRI 401: Employment 2016</td></tr>
<tr><td>3-3</td><td>Management of material topics</td><td>59</td><td>Refer to Management Approach in the Employee Engagement section</td></tr>
<tr><td>401-1</td><td>New employee hires and employee turnover</td><td>–</td><td>Malaysia plants new hire as at year end: -
<table>
<tr><th>Age Group</th><th>Male</th><th>Female</th><th>Total</th></tr>
<tr><td>< 30</td><td>218</td><td>75</td><td>293</td></tr>
<tr><td>30 – 50</td><td>87</td><td>39</td><td>126</td></tr>
<tr><td>>50</td><td>14</td><td>5</td><td>19</td></tr>
<tr><td>Total</td><td>319</td><td>119</td><td>438</td></tr>
</table>
Vietnam plants new hire as at year end: -
<table>
<tr><th>Age Group</th><th>Male</th><th>Female</th><th>Total</th></tr>
<tr><td>< 30</td><td>109</td><td>45</td><td>154</td></tr>
<tr><td>30 – 50</td><td>98</td><td>54</td><td>152</td></tr>
<tr><td>>50</td><td>5</td><td>1</td><td>6</td></tr>
<tr><td>Total</td><td>212</td><td>100</td><td>312</td></tr>
</table>
Myanmar plant new hire as at year end: -
<table>
<tr><th>Age Group</th><th>Male</th><th>Female</th><th>Total</th></tr>
<tr><td>< 30</td><td>60</td><td>38</td><td>98</td></tr>
<tr><td>30 – 50</td><td>20</td><td>6</td><td>26</td></tr>
<tr><td>>50</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Total</td><td>80</td><td>44</td><td>124</td></tr>
</table>
Employee turnover for the Group was 1.98%.</td></tr>
</table>

GRI CONTENT INDEX *(continued)*

<table>
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<tr><td>401-2</td><td>Benefits provided to full-time employees that are not provided to temp/part-time employees</td><td>–</td><td>All categories are entitled to medical coverage, life insurance, social security contributions, parental leave, and paid annual leave.</td></tr>
<tr><td>401-3</td><td>Parental leave</td><td>–</td><td>
<table>
<tr><th>Country</th><th>Entitled</th><th>Taken</th><th>% returned to work #</th></tr>
<tr><td>Malaysia</td><td>2,381</td><td>74</td><td>81%</td></tr>
<tr><td>Vietnam</td><td>389</td><td>87</td><td>92%</td></tr>
<tr><td>Myanmar</td><td>457</td><td>25</td><td>100%</td></tr>
<tr><td>Total</td><td>3,227</td><td>186</td><td>89%</td></tr>
</table>
As at end of reporting period</td></tr>
<tr><td colspan="4">GRI 403: Occupational Health and Safety 2018</td></tr>
<tr><td>3-3</td><td>Management of material topics</td><td>53</td><td>Refer to Management Approach in the Health and Safety section</td></tr>
<tr><td>403-1</td><td>Occupational health and safety management system</td><td>53</td><td>Refer to the Health and Safety section</td></tr>
<tr><td>403-2</td><td>Hazard identification, risk assessment, and incident investigation</td><td>53</td><td>Refer to the Health and Safety section</td></tr>
<tr><td>403-3</td><td>Occupational health services</td><td>53</td><td>Audiometric tests are conducted on-site annually</td></tr>
<tr><td>403-4</td><td>Worker participation, consultation, and communication on occupational health and safety</td><td>53</td><td>Refer to the Health and Safety section</td></tr>
<tr><td>403-5</td><td>Worker training on occupational health and safety</td><td>54</td><td>Refer to the Health and Safety section</td></tr>
<tr><td>403-6</td><td>Promotion of worker health</td><td>–</td><td>Access to company panel of clinics. Annual audiometric test for workers. Periodic factory noise monitoring as required by the respective jurisdiction</td></tr>
<tr><td>403-7</td><td>Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</td><td>–</td><td>Supplier Code of Conduct in place and audits are carried out to ensure compliance</td></tr>
<tr><td>403-8</td><td>Workers covered by an occupational health and safety management system</td><td>–</td><td>50% of the Group’s operations covering 63% of employees are certified under ISO45001; Occupational Health and Safety Management system</td></tr>
</table>

GRI CONTENT INDEX *(continued)*

GRI Standard	Disclosure	Page	Brief Information on Disclosures
GRI 403: Occupational Health and Safety 2018 *(continued)*			
403-9	Work-related injuries	54	Refer to the Health and Safety section
403-10	Work-related ill health	54	Refer to the Health and Safety section
GRI 404: Training and Education 2016			
3-3	Management of material topics	59	Refer to Management Approach in the Employee Engagement section
404-1	Average hours of training per year per employee	60	Refer to the Employee Engagement section
404-2	Programs for upgrading employees' skills and transition assistance programs	59	Refer to the Employee Engagement section
404-3	Percentage of employees receiving regular performance and career development reviews	–	All staff undergo annual staff appraisals. Ad-hoc reviews are also carried out
GRI 405: Diversity & Equal Opportunity 2016			
3-3	Management of material topics	57	Refer to Management Approach in the Diversity and Fair Treatment section
405-1	Diversity of governance bodies and employees	57-58	Refer to the Diversity and Fair Treatment section and Corporate Governance Overview Statement
GRI 406: Non-discrimination 2016			
3-3	Management of material topics	57	Refer to Management Approach in the Diversity and Fair Treatment section
406-1	Incidents of discrimination and corrective actions taken	–	No incidence of discrimination was received or reported
GRI 407: Freedom of Association and collective bargaining 2016			
3-3	Management of material topics	44,57	Refer to Governance and Ethics and Diversity and Fair Treatment section
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	–	None.

GRI CONTENT INDEX *(continued)*

GRI Standard	Disclosure	Page	Brief Information on Disclosures
GRI 408: Child Labour 2016			
3-3	Management of material topics	57	Refer to Management Approach in the Diversity and Fair Treatment section
408-1	Operations and suppliers at significant risk for incidents of child labour	–	None Employees' Code of Conduct and Suppliers' Code of Conduct
GRI 409: Forced or Compulsory Labour 2016			
3-3	Management of material topics	57	Refer to Management Approach in the Diversity and Fair Treatment section
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	–	None Employees' Code of Conduct and Suppliers' Code of Conduct
GRI 410: Security Practices 2016			
3-3	Management of material topics	–	All service providers are required to sign off and comply with our Suppliers Code of Conduct. The Internal Audit department conducts periodic audit
410-1	Security personnel trained in human rights policies or procedures	–	Our Group head of security has briefed and trained our security service provider personnel during FYE 2024
GRI 414: Supplier Social Assessment 2016			
3-3	Management of material topics	44	Refer to Management Approach in the Governance and Ethics section
414-1	New suppliers that were screened using social criteria	45	Refer to Governance and ethics section
414-2	Negative social impacts in the supply chain and action taken	45	Refer to the Governance and Ethics section
GRI 416: Customer Health and Safety 2016			
3-3	Management of material topics	42	Refer to Management Approach in the Product Innovation section
416-1	Assessment of the health and safety impacts of products and services	42	Refer to the Product Innovation section. All plants are ISO 9001 accredited and have an In-house Quality Control laboratory at the site.

GRI CONTENT INDEX *(continued)*

GRI Standard	Disclosure	Page	Brief Information on Disclosures
GRI 416: Customer Health and Safety 2016 *(continued)*			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and service	42	Refer to the Product Innovation section. There were no incidents of non-compliance for the year
GRI 418: Customer Privacy 2016			
3-3	Management of material topics	43	Refer to Management Approach in the Governance and Ethics section
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	43	There were no substantiated complaints received in FYE 2024

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Independent Limited Assurance Opinion to Can-One Berhad on Scope 1 and 2 Greenhouse Gas Emissions, Water and Waste Data for Calendar Year 2024

To the Management of Can-One Berhad,

Introduction

Intertek Deutschland GmbH (hereinafter referred to as "Intertek"), represented in this project by the sustainability team, was commissioned by Can-One Berhad (hereafter referred to as “Can-One”) for independent third-party verification of their Scope 1 and 2 Greenhouse Gas (GHG) Emissions (the “GHG Statement”), Water, as well as Waste data (inclusive of scheduled waste and solid waste), for calendar year 2024 (i.e. from 1st January 2024 to 31st December 2024). The verification was performed in accordance with ISO 14064-3 *‘Specification with guidance for the verification and validation of greenhouse gas statements’* and ISAE 3000 (revised) for *‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’*.

Objective

The objective of this limited assurance review was to confirm whether any objective evidence existed to suggest that Can-One’s GHG Statement, as well as Water and Waste data for 2024, were not accurate, complete, consistent, transparent, or suggested material errors or omissions.

Intended Users

The intended users of this assurance statement are Can-One’s management and stakeholders. Intertek’s responsibility in performing this task was limited to the verification of the GHG Statement, Water and Waste data, in accordance with the agreed scope of work. This assurance engagement was based on the assumption that the data and information provided to us is authentic and complete.

Responsibilities

Can-One’s Management was solely responsible for defining the goal and scope, the organisation’s GHG emissions, water and waste information system, data maintenance and reporting procedures in accordance with that system, including the data collection, inventory, calculation and determination of GHG emissions, Water and Waste data for the organisation.

As agreed with Can-One’s Management, Intertek’s responsibility was to provide assurance and express an independent limited assurance opinion on Can-One’s GHG Statement, Water and Waste data based on verification following the assurance scope and criteria stated below. Intertek does not accept or assume any responsibility for any other purpose or to any other person or organisation. This document represents Intertek’s independent and balanced opinion on the content and accuracy of the information and data held within.

Assurance Scope

The organisational boundary followed the operational control approach. The verification covered GHG emissions activities, water and waste data from all locations under Can-One’s operational control for the period of 1st January 2024 to 31st December 2024.

Verification covered 95% of total Scope 1 and 2 GHG emissions in 2024, which included the following activities:

- Scope 1: Direct GHG Emissions
- Scope 2: Purchased Electricity (including renewable energy) – Location- and Market-based

The GHG Statement follows the criteria of the World Resources Institute’s (WRI) *Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard* (hereafter referred to as the ‘*GHG Protocol Standard*’).

Verification for Water data in 2024 comprised:
- Water consumed
- Water discharged

Verification for Waste data in 2024 comprised:
- Scheduled waste:
  - Waste generated
  - Waste diverted from disposal
  - Waste directed to disposal
- Solid waste:
  - Waste generated
  - Waste diverted from disposal
  - Waste directed to disposal

Assurance Criteria

Intertek conducted the verification work in accordance with requirements of 'Limited Assurance' procedures as per the following standard:
- ISO 14064-3 *'Specification with guidance for the verification and validation of greenhouse gas statements'; and*
- ISAE 3000 (revised) for '*Assurance Engagements other than Audits or Reviews of Historical Financial Information*'

The criteria in which the GHG Statement was compared against was:
- WRI *GHG Protocol – A Corporate Accounting and Reporting Standard*
- *GRI Standards – GRI 303: Water and Effluents 2018; GRI 306: Waste 2020*

A limited assurance engagement involved performing procedures to obtain evidence about the quantification of emissions and related information in the GHG Statement, as well as quantification and related information for Water and Waste data. Source data verification was undertaken during the assurance process, where available.

A materiality level of 5% was applied.

Methodology

Intertek performed verification work using risk-based approach to obtain the information, explanations and evidence that were considered necessary to provide a limited level of assurance. The verification was conducted by desktop review regarding Can-One's GHG Statement, Water and Waste data and supporting records for 2024. Data and information supporting Can-One's GHG Statement, Water and Waste data were historical in nature and proven by evidence. Our assurance task was planned and carried out from March 2025 to April 2025. The verification included the following:
- Review of processes and systems used to gather and consolidate data.
- Examined and reviewed documents, data and other information made available digitally.
- Conducted a virtual interview with data managers.
- Assessment of the appropriateness of various emission factors and conversion factors used by Can-One.
- Review of input data on sample basis for the duration of 1st January 2024 to 31st December 2024 through Can-One's GHG calculation spreadsheet and raw data files.
- Recalculation of GHG emissions based on the data provided.
- Appropriate documentary evidence was obtained to support our conclusions on the GHG Statement, Water and Waste data.

Findings

Intertek found that sufficient and appropriate evidence was provided to support material GHG emissions, Water and Waste data. The criteria were applied appropriately for material Scope 1 and 2 GHG emissions, Water and Waste data. Can-One was informed of Intertek's findings and have subsequently taken corrective actions to the identified errors. Intertek has verified that all errors and corrective actions identified during the verification process have been duly corrected.

Conclusion and Assurance Opinion

Intertek reviewed selected Scope 1 and 2 GHG emissions, Water and Waste data of Can-One Berhad ("Can-One") for the reporting period of 1st January 2024 to 31st December 2024 (2024) to a limited level of assurance. The verification activities applied in a limited level of assurance verification are less extensive in nature, timing and extent than in a reasonable level of assurance verification.

Based on the data and information provided by Can-One, Intertek concludes with limited assurance that there is no evidence that the GHG Statement, Water and Waste data are not materially correct, are not a fair representation of the Scope 1 and 2 GHG emissions, Water and Waste data and information, as well as are not prepared in accordance with the WRI *GHG Protocol – A Corporate Accounting and Reporting Standard* and *GRI Standards*.

The reported GHG emissions for 2024 are equal to:

Scope	**GHG Emissions (tonnes CO_2e)**
Scope 1	38,206
Scope 2 (Location-based)	127,706
Scope 2 (Market-based)	63,413
Total (Location-based)	**165,912**
Total (Market-based)	**101,619**
Biogenic Carbon Emissions	17,893

The reported Water data for 2024 are equal to:

Water Data	**Total (megaliters)**
Water consumed	1,767
Water discharged	1,033

The reported Waste data for 2024 are equal to:

Waste Data	**Total (metric tonnes)**
Scheduled waste:	
• Waste generated	5,204
• Waste diverted from disposal	3,734
• Waste directed to disposal	1,470
Solid waste:	
• Waste generated	61,125
• Waste diverted from disposal	60,449
• Waste directed to disposal	676

This opinion shall be interpreted with the GHG Statement, and Water and Waste data of Can-One as a whole.

Intertek's Competence and Independence

Intertek ensures the selection of appropriately qualified and impartial individuals as the verifiers. The selected verifiers have over 10 years of experience working on GHG accounting and verification projects. They were not involved in the preparation of Can-One's GHG Statement, Water and Waste data.

Intertek adheres to the requirements of ISO 14064-3 and ISAE 3000 in its verification works. The verification was internally reviewed to ensure that the approach applied was rigorous and transparent. The verification team was not involved in any other Intertek projects with Can-One.

No member of the verification team has a business relationship with Can-One, its Directors or Managers beyond that is required of this assignment. No form of bribe has been accepted before, throughout and after performing the verification. The verification team has not been intimidated to agree to do this work, change and/or alter the results of the verification. The verification team has not participated in any form of nepotism, self-dealing and/or tampering.

If any concerns or conflicts were identified, appropriate mitigation measures were put in place, documented and presented with the final report. The process followed during the verification is based on the principles of impartiality, evidence, fair presentation and documentation. The documentation received and reviewed supports the conclusion reached and stated in this opinion.

On behalf of Intertek

Dr. Lara Dresser
Sustainability Consultant
Intertek Assuris

Ridzwan Nazimuddin
Senior Consultant – Climate Change & Sustainability
Intertek Assuris

Kiran Shinde
Senior Executive – Sustainability
Intertek Assuris

Yi Hang Yu
Senior Manager – Climate Change & Sustainability
Intertek Assuris

11th April 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Can-One Berhad ("Can-One" or "the Company") is fully committed to the principles and recommendations of the Malaysian Code on Corporate Governance which was updated and took effect from 28 April 2021 ("MCCG"). This ensures that the best practices of corporate governance including accountability and transparency are adhered to within the Company and its subsidiaries to achieve long-term financial performance and growth as the Board is mindful of its accountability to the shareholders and various stakeholders of the Company.

The Board is pleased to report to the shareholders, the Company's application of the 3 key principles of the MCCG during the financial year ended 31 December 2024 ("FYE 2024"):

(i) Board leadership and effectiveness;
(ii) Effective audit and risk management; and
(iii) Integrity in corporate reporting and meaningful relationship with stakeholders

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Roles and Responsibilities of the Board

The Board's main roles are to create value for shareholders and provide leadership to the Company and its subsidiaries ("the Group"). The Board is primarily responsible for the Group's overall strategic plans and directions, overseeing the conduct of the businesses, risk management, succession planning of senior management, implementing investor relations programmes and ensuring the system of internal controls and management information system are adequate and effective.

The Board provides overall strategic guidance, effective oversight on the governance and management of the business affairs of the Group. Responsibilities of the Board include:

(i) Ensuring that the Group's goals are clearly established, the necessary resources are in place for the Group to meet its objectives and that a strategic plan, which promotes long-term value creation by incorporating strategies related to economic, environmental, safety and health, social and governance consideration while also addressing climate-related risks and opportunities to support sustainability;

(ii) Establishing policies for strengthening the performance of the Group including ensuring that the Management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital;

(iii) Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed. This includes ensuring the solvency of the Group and the ability of the Group to meet its contractual obligations and to safeguard its assets;

(iv) Appointing the Managing Director/Executive Director including setting the relevant terms and objectives and where necessary, terminating his/her employment with the Group;

(v) Ensuring that the Group has appropriate business risk management framework and corporate governance framework, including adequate control environment be it the internal control systems and management information systems, systems for compliance with applicable laws, regulations, rules, directives and guidelines and controls in areas of significant financial and business risks;

(vi) Appointing Board Committees to address specific issues, considering recommendations of the various Board Committees and discussing problems and reservations arising from these Committees' deliberations and reports;

(vii) Ensuring that the statutory financial statements of the Company and of the Group are fairly stated and otherwise conform with the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements;

(viii) Ensuring that there is in place an appropriate succession plan for members of the Board and Senior Management;

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(continued)*

Roles and Responsibilities of the Board *(continued)*

The Board provides overall strategic guidance, effective oversight on the governance and management of the business affairs of the Group. Responsibilities of the Board include *(continued)*:

(ix) Ensuring that the Group adheres to high standards of ethics and corporate behaviour in accordance with the Group's Code of Corporate Conduct including transparency in the conduct of business. Directors are required to comply with the Directors' Code of Ethics;

(x) Reviewing the Board Charter periodically and making it available publicly on the Company's website including the Terms of Reference ("TOR") of the respective Board Committees;

(xi) Ensuring that there is in place an appropriate corporate disclosure policy and procedures which leverage on information technology for effective dissemination of information to ensure comprehensive, accurate and timely disclosure; and

(xii) Ensuring that there is in place an appropriate Investor Relations and Communications Policy which encourages shareholders' participation at general meetings and promotes effective communication and proactive engagements with shareholders.

In discharging its duties, the Board is assisted by the Board Committees namely, the Audit and Risk Management Committee, Remuneration Committee and Nominating Committee. Each Committee operates within its respective defined TORs which have been approved by the Board. The TORs of the respective Board Committees are periodically reviewed and assessed to ensure that the TORs remain relevant and adequate in governing the functions and responsibilities of the Committee concerned and reflect the latest developments in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the MCCG.

A. Audit and Risk Management Committee ("ARMC")

The Audit Committee was established on 15 September 2005 and was re-designated on 30 August 2017 to the ARMC. For details of its composition and activities during the FYE 2024, please refer to the ARMC Report on pages 102 to 104 of this Annual Report.

B. Remuneration Committee ("RC")

The RC was established on 15 September 2005 and it currently comprises the following members, all of whom are Non-Executive Directors:

Datuk Dr. Syed Hussain Bin Syed Husman, J.P. *(Chairman)*
Foo Kee Fatt *(Member)*
Yeoh Jin Hoe *(Member)*

The RC's primary responsibility is to structure and review the remuneration policies for key executives of the Group, with a view to ensure that compensation and other benefits encourage performance that enhances the Group's long-term profitability and value. The remuneration packages for Key Senior Management are subject to the approval of the Board, and in the case of Directors' fees and benefits, the approval of the shareholders at the Annual General Meeting ("AGM") of the Company.

The TOR of the RC are available for reference on the Company's website at *www.canone.com.my*. In carrying out its duties and responsibilities, the RC has full, free and unrestricted access to the Company's records, properties and personnel.

During the FYE 2024, the RC convened 2 meetings and full attendance of the members was recorded at the meeting.

The Company pays its Directors fees which are approved annually by the shareholders. The Directors are paid meeting allowances for the meetings they attended per day and are also reimbursed reasonable expenses incurred by them in the course of carrying out their duties on behalf of the Company. Where applicable, the Board also takes into consideration any relevant information provided by the independent consultants or from survey data. The Company has in place a Directors' Remuneration Policy which is available for reference on the Company's website at *www.canone.com.my*.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(continued)*

Roles and Responsibilities of the Board *(continued)*

B. Remuneration Committee (“RC”) *(continued)*

Details of the aggregate remunerations of the Directors of the Company (comprising remunerations received and/or receivable from the Company and/or its subsidiaries) during FYE 2024 are categorised as follows:

		Company (RM’000)							Group (RM’000)						
No.	**Name**	**Fee**	**Allowance**	**Salary (1)**	**Bonus**	**Benefits -in-kind (2)**	**Other emoluments**	**Total**	**Fee**	**Allowance**	**Salary (1)**	**Bonus**	**Benefits -in-kind (2)**	**Other emoluments**	**Total**
Non-Executive Directors															
1.	Tun Arifin Bin Zakaria	80.4	64.0	–	–	–	–	144.4	80.4	64.0	–	–	–	–	144.4
2.	Yeoh Jin Hoe	101.4	7.5	–	–	–	–	108.9	225.2	16.5	4,459.0	2,238.0	15.5	–	6,954.2
3.	Yeoh Jin Beng	67.2	57.5	–	–	–	–	124.7	117.2	57.5	–	–	–	–	174.7
4.	Foo Kee Fatt	100.2	55.3	–	–	–	–	155.5	199.2	64.3	–	–	–	–	263.5
5.	Datuk Dr. Syed Hussain Bin Syed Husman, J.P.	106.8	56.0	–	–	–	–	162.8	106.8	56.0	–	–	–	–	162.8
6.	Rajaretnam Soloman Daniel	100.2	46.2	–	–	–	–	146.4	100.2	46.2	–	–	–	–	146.4
7.	Kee E-Lene	73.8	56.0	–	–	–	–	129.8	73.8	56.0	–	–	–	–	129.8
Executive Directors															
8.	Marc Francis Yeoh Min Chang	67.2	7.5	546.8	160.0	7.2	–	788.7	117.2	44.6	2,634.2	728.0	41.3	–	3,565.3
9.	Goh Teck Hong	67.2	7.9	541.9	156.0	13.3	–	786.3	67.2	7.9	1,021.9	226.0	13.3	–	1,336.3

Notes:

(1) *Salary comprised basic salary, EIS, EPF and SOCSO.*

(2) *Benefits-in-kind comprised provision of company motor vehicle, petrol allowance and phone bill.*

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(continued)*

Roles and Responsibilities of the Board *(continued)*

B. Remuneration Committee ("RC") *(continued)*

The number of Directors whose total remunerations in FYE 2024 fall within the following bands are as follows:

Remuneration Range	Number of Directors
Executive Directors	
Between RM1,300,001 - RM1,350,000	1
Between RM3,550,001 - RM3,600,000	1
Non-Executive Directors	
Between RM100,001 - RM150,000	3
Between RM150,001 - RM200,000	2
Between RM250,001 - RM300,000	1
Between RM6,950,001 - RM7,000,000	1

In determining the remuneration packages of the Group's Senior Management personnel, factors that were taken into consideration included their individual responsibilities, skills, expertise and contributions to the Group's performance and whether the remuneration packages are competitive and sufficient to ensure that the Group is able to attract and retain executive talents. On the disclosure of the remuneration of the top 5 Senior Management personnel, the Board was of the view that it would not be in its interest to make such disclosure on a named basis because of the competitive nature of the human resource market and to support the Group's efforts to attract and retain executives.

The details of the aggregate remuneration of the top 5 Senior Management personnel of the Group (comprising remuneration received and/or receivable from the Company and/or its subsidiaries) during the FYE 2024 are categorised as follows:

Category	Group RM'000	Company RM'000
Salaries and bonuses *(1)*	5,203	–
Emoluments *(2)*	51	15
Benefits-in-kind *(3)*	24	–
Total	**5,278**	**15**

Notes:

(1) *Salaries and bonuses comprised basic salary, bonus, EIS, EPF and SOCSO.*
(2) *Emoluments comprised meeting allowance and other allowances.*
(3) *Benefits-in-kind comprised provision of company motor vehicle, petrol allowance, insurance and phone bill.*

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(continued)*

Roles and Responsibilities of the Board *(continued)*

B. Remuneration Committee (“RC”) *(continued)*

The number of Senior Management personnel of the Group whose total remunerations in FYE 2024 fall within the following bands are as follows:

Remuneration Range	Number of Senior Management personnel
Between RM650,001 - RM700,000	1
Between RM850,001 - RM900,000	1
Between RM900,001 - RM950,000	1
Between RM1,150,001 - RM1,200,000	1
Between RM1,600,001 - RM1,650,000	1

The Board had chosen to disclose the remuneration of the top 5 Senior Management personnel in bands rather than on a named basis as the Board considered the information of the remuneration of these personnel to be sensitive and proprietary. The transparency and accountability aspects of corporate governance applicable to the remuneration of these personnel are deemed appropriately served by the above disclosure.

C. Nominating Committee (“NC”)

The NC was set up on 15 September 2005 to formalise procedures for appointments to the Board and the Board Committees. All decisions on appointments are made by the Board after considering the recommendations of the NC.

The NC currently comprises the following members, all of whom are Non-Executive Directors:

Rajaretnam Soloman Daniel *(Chairman)*
Datuk Dr. Syed Hussain Bin Syed Husman, J.P. *(Member)*
Kee E-Lene *(Member)*

The NC’s role is primarily to:

(i) identify, select and recommend to the Board, candidates for directorships in the Company;
(ii) recommend to the Board, Directors to fill the seats on Board Committees;
(iii) evaluate the effectiveness of the Board and the Board Committees (including its size and composition), contributions and performance of each individual Director and the independence of the Independent Directors; and
(iv) ensure an appropriate framework and plan for Board and Management succession for the Group.

The TOR of the NC are available for reference on the Company’s website at *www.canone.com.my*.

During the FYE 2024, the NC convened 1 meeting and full attendance of the members was recorded at all the said meeting.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(continued)*

Roles and Responsibilities of the Board *(continued)*

C. Nominating Committee ("NC") *(continued)*

A summary of the key activities undertaken by the NC during FYE 2024 in the discharge of its duties were as follows:

(i) Assessed and reviewed the independence of the Independent Directors and their tenure of service as Independent Directors of the Company;

(ii) Evaluated each individual Director to assess the Director's calibre and ability to understand the requirements, risk and management of the Group's business; his/her contribution and performance; his/her character, integrity and professional conduct in dealing with conflict of interest or potential conflict of interest situations; his/her ability to critically challenge and ask the right questions; his/her commitment and due diligence; his/her confidence to stand up for a point of view; his/her interaction at meetings and his/her training records for the FYE 2024;

(iii) Evaluated the Board and the Board Committees to assess their mix, composition, size, roles, responsibilities as well as their activities, communications and effectiveness for the FYE 2024;

(iv) Endorsed the re-election of Directors, Foo Kee Fatt, Yeoh Jin Beng and Goh Teck Hong who will be up for retirement pursuant to Clause 82 of the Constitution of the Company at the close of the Twenty-First AGM of the Company to be held in June 2025; and

(v) Reviewed and recommended the revised Board Charter of the Company to the Board for approval.

The NC, after having conducted the abovementioned evaluation and assessment on 21 November 2024, concluded that:

(i) all the 5 Independent Directors of the Company viz, Tun Arifin Bin Zakaria, Foo Kee Fatt, Datuk Dr. Syed Hussain Bin Syed Husman, J.P., Rajaretnam Soloman Daniel and Kee E-Lene continued to demonstrate conduct and behaviour that were essential indicators of their independence, and that each of them continued to fulfill the definition and criteria of independence as set out in the MMLR of Bursa Securities.

(ii) each Director of the Company has the requisite competence and calibre to serve on the Board and the Board Committees and had continued to demonstrate his/her commitment to the Company in terms of time, participation and dialogue during the FYE 2024.

(iii) none of the Directors of the Company have improperly used his or her position in the Company to gain a benefit or advantage for himself or herself or any other person, or to cause detriment to the Company and/or the Group.

(iv) the Board and the Board Committees' respective responsibilities were well-defined and set out in the Board Charter of the Company. The criteria in the MMLR of Bursa Securities that at least 1 of the members of the ARMC must be a member of the Malaysian Institute of Accountants or a person approved under the MMLR of Bursa Securities is also met. Practices set out in the MCCG pertaining to the composition of the ARMC have also been adopted.

(v) the Board consisted of 9 Directors, out of which 5 (55.6%) are Independent Directors, hence Practice 5.2 of the MCCG that at least half of the Board is independent directors is applied.

The Board members unanimously concurred with the above conclusions of the NC.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(continued)*

Roles of the Chairman and the Group Managing Director

The Chairman holds a Non-Executive position and is primarily responsible for matters pertaining to the Board and overall conduct of the Board. The Group Managing Director is responsible for the development of the corporate goals and objectives and the setting of strategies to achieve them.

Role of the Company Secretaries

The Company Secretaries are responsible for ensuring that the Board procedures are followed, applicable rules and regulations for the conduct of the affairs of the Board are complied with, and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation. The Company Secretaries also keep the Board members updated on new statutory requirements, guidelines and rulings issued by the relevant regulatory authorities from time to time.

All Board members have direct access to the advice and services of the Company Secretaries for the purpose of the Board's affairs and the business.

Access to Information and Advice

Prior to the Board meetings, every Director is given an agenda and a comprehensive set of Board papers consisting of reports on the Group's financial performance, status of major projects, future development, the quarterly or annual financial results, the minutes of preceding meetings of the Board and the Board Committees, and relevant proposal papers (if any) to allow them sufficient time to review, consider and deliberate knowledgeably on the matters to be tabled.

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 the 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.

In between Board meetings, approvals on matters requiring the sanction of the Board are sought by way of circular resolutions enclosing all the relevant information to enable the Board to make informed decisions. All circular resolutions approved by the Board are tabled for notation at the subsequent Board meeting.

The Board also perused the decisions deliberated by the Board Committees through minutes of these Committees. The Chairman of each of the Board Committees is responsible for informing the Board at the Directors' meetings of any salient matters noted by the Committees and which may require the Board's direction.

The Board has access to the advice and services of the Company Secretaries and may undertake independent professional advice, where necessary and in appropriate circumstances, in furtherance of its duties.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(continued)*

Board Charter

The Board had in 2013 adopted a Board Charter which clearly sets out the Board's strategic intent and outline the Board's role, powers, duties, and functions as well as a Schedule of Matters Reserved for collective decision of the Board. The Board Charter serves as a source of reference and primary induction literature, providing insight to prospective Board members and the Senior Management.

The Board Charter is subject to periodic review and updates by the Board whenever deemed necessary.

The Board Charter was reviewed and updated on 21 November 2024 in line with the needs of the Group and the new regulations that impacted the discharge of the Board's responsibilities. This is to ensure its relevance for good corporate governance practices within the Group. The Board Charter is available for reference on the Company's website at *www.canone.com.my*.

Code of Ethics

The Board continues to adhere to the Code of Ethics for Directors which sets out the standard of conduct expected of Directors with the aim to cultivate a good ethical conduct that in turn, promotes the values of transparency, integrity, accountability and social responsibility.

Board Composition and Independence

As at 31 December 2024, the Board consists of 9 members, comprising 7 Non-Executive Directors, a Group Managing Director and an Executive Director. Out of the 7 Non-Executive Directors, 5 of them are Independent Directors.

Paragraph 15.02 of the MMLR of Bursa Securities stipulates that at least 2 Directors or one-third of the Board members, whichever is higher, must be made up of Independent Non-Executive Directors. The Board balance is achieved with the presence of 5 Independent Non-Executive Directors.

The Independent Non-Executive Directors do not participate in the day-to-day management as well as the daily business of the Company. In staying clear of any potential conflict of interest situation, the Independent Directors remain in a position to fulfil their responsibility to provide a check and balance to the Board. They provide independent and objective views, advice and judgment which take into account the interests of the Group as well as shareholders and investors.

Tun Arifin Bin Zakaria, the Chairman of the Board is the Senior Independent Non-Executive Director to whom concerns of shareholders, management, employees, and others may be conveyed. The Independent Directors led by Tun Arifin Bin Zakaria provide a broader view, independent and balanced assessment of proposals from the Senior Management of the Company.

Gender Diversity Policy

The Board had on 25 November 2021 adopted the revised Board Diversity Policy to set the target and timeframe for the Company to achieve at least 30% woman participation on the Board by 2023. The Company will put greater effort into looking for suitable candidates for appointment to the Board to achieve its target and will work towards having the appropriate age and ethnic diversity on the Board.

The said Policy stipulates, among other things, that the NC will consider the benefit of all aspects of diversity in order to maintain an appropriate range and balance of skills, experience and background on the Board. In identifying suitable candidates for appointment to the Board, the NC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(continued)*

Appointments to the Board

The Company has in place a Policy on the Nomination and Assessments Process of Board members. Candidates for appointment to the Board as Independent Directors are selected after taking into consideration the mix of skills, experience and strength that would be relevant for the effective discharge of the Board's responsibilities. Potential candidates are first evaluated by the NC and, if recommended by the NC, subsequently, by the Board based on their respective profiles as well as their character, integrity, professionalism, independence and their ability to commit sufficient time and energy to the Company's matters.

Annual Assessment

The NC annually reviews the size and composition of the Board and the Board Committees in order to ensure the Board has the requisite competencies and capacity to effectively oversee the overall business and carry out its responsibilities. The NC uses the Board and Board Committee Evaluation Form, ARMC Evaluation Form and Performance Evaluation Sheet - Board Committees comprising questionnaires for the assessment. The effectiveness of the Board is assessed in the areas of the Board's responsibilities and composition, administration and conduct of meetings, communication and interaction with management and stakeholders and board engagement.

The annual evaluations of the individual Directors/Board Committee members are performed by the NC via the Directors'/Key Officers' Evaluation Form comprising questionnaires pertaining to the Director's knowledge and skills, participation, contribution and performance, calibre and personality.

To assess the independence of the Independent Directors, each of the Independent Directors annually provides the NC with their Self-Assessment Checklist.

Tenure of Independent Directors

The Company has implemented a cumulative 9-year term limit for Independent Directors where upon completion of a cumulative 9-year term, an Independent Director may continue to serve on the Board subject to his/her re-designation as a Non-Independent Director.

On 1 January 2022, the Company adopted Practice 5.4 - Step Up of the MCCG, by limiting the tenure of its Independent Directors to 9 years without further extension, and the Board Charter was amended accordingly to reflect the adoption.

Re-elections to the Board

Clause 82 of the Company's Constitution provides that an election of Directors shall take place each year and at the AGM, one-third of the Directors for the time being, or if their number is not 3 or a multiple of 3, then the number nearest to one-third shall retire from office and shall be eligible for re-election PROVIDED ALWAYS that all Directors shall retire from office at least once in every 3 years but shall be eligible for re-election.

Directors, Foo Kee Fatt, Yeoh Jin Beng and Goh Teck Hong are due to retire by rotation at the conclusion of the forthcoming Twenty-First AGM of the Company on 25 June 2025 pursuant to Clause 82 of the Company's Constitution, and have offered themselves for re-election at the aforesaid AGM.

The Board members, with Foo Kee Fatt, Yeoh Jin Beng and Goh Teck Hong abstaining from deliberation and voting, had endorsed the aforesaid Directors for re-election at the said AGM.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(continued)*

Meetings and Time Commitment

4 Board meetings were held during the FYE 2024 and the attendance of the meetings by the Board members were as follows:

Members	Number of meetings attended in FYE 2024	Percentage of Attendance
Tun Arifin Bin Zakaria	4 out of 4 meetings	100
Marc Francis Yeoh Min Chang	4 out of 4 meetings	100
Goh Teck Hong	4 out of 4 meetings	100
Yeoh Jin Hoe	4 out of 4 meetings	100
Yeoh Jin Beng	4 out of 4 meetings	100
Foo Kee Fatt	4 out of 4 meetings	100
Datuk Dr. Syed Hussain Bin Syed Husman, J.P.	3 out of 4 meetings	75
Rajaretnam Soloman Daniel	4 out of 4 meetings	100
Kee E-Lene	3 out of 4 meetings	75

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company during the FYE 2024. All the Directors do not hold directorships more than that prescribed under the MMLR of Bursa Securities.

The Directors also made time to attend appropriate webinars/conference/dialogues during the year under review to equip themselves further with the knowledge to discharge their duties more effectively and to keep abreast of developments on a continuous basis in compliance with Paragraph 15.08 of the MMLR of Bursa Securities, the details of which are set out below:

Director	Webinars/Conferences/Dialogues	Date
Tun Arifin Bin Zakaria	Recent Developments with the Listing Requirements, including Conflict of Interest Amendments	21 March 2024
	Overview of e-Invoicing & Transfer Pricing (“TP”)	1 April 2024
	Environmental, Social and Governance (“ESG”) Updates Locally and Internationally; Climate-Related Litigation – What’s Happening? and Sustainability Reporting Best Practices and Tips	5 July 2024
	Anti-Corruption Training For Board of Directors & Top Management Staffs : Section 17A Malaysian Anti-Corruption Commission Act 2009 (2018)	16 July 2024
	Geopolitical risks and the strategic imperatives for boards and C-suite	17 October 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(continued)*

Meetings and Time Commitment *(continued)*

The Directors also made time to attend appropriate webinars/conference/dialogues during the year under review to equip themselves further with the knowledge to discharge their duties more effectively and to keep abreast of developments on a continuous basis in compliance with Paragraph 15.08 of the MMLR of Bursa Securities, the details of which are set out below *(continued)*:

Director	Webinars/Conferences/Dialogues	Date
Marc Francis Yeoh Min Chang	Enhancement of Conflict of Interest ("COI") framework	5 March 2024
	Economic Market Updates	24 May 2024
	Cybersecurity Oversight: Board Responsibilities in Light of the Cybersecurity Act 2024	11 September
	Enhance compliance through Malaysia's Tax Corporate Governance Program	4 October 2024
	International Tax - Outbound investment into Vietnam	10 October 2024
	Geopolitical risks and the strategic imperatives for boards and C-suite	17 October 2024
Goh Teck Hong	Enhancement of COI framework	5 March 2024
Yeoh Jin Hoe	Enhancement of COI framework	5 March 2024
	Economic Market Updates	24 May 2024
Yeoh Jin Beng	Enhancement of COI framework	5 March 2024
	National Climate Governance Summit (NCGS) 2024	8 November 2024
Foo Kee Fatt	ESG Audit for Internal Auditors - How to ascertain methods of scoping for ESG Performance Audits	18 January 2024
	Enhancement of COI framework	5 March 2024
	Latest Income Tax Updates & Recent Tax Cases	24 May 2024
	Audit Quality and Documentation	29 May 2024
	Perparing a Defence-Ready TP Documentation which Complies with TP Rules 2023	8 August 2024
	Audit of Accounting Estimates (Including Impairment & Provisions), Fraud & Error and Audit Opinions	22 August 2024
	Key Insights to the e-Invoice Journey	19 September 2024

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(continued)*

Meetings and Time Commitment *(continued)*

The Directors also made time to attend appropriate webinars/conference/dialogues during the year under review to equip themselves further with the knowledge to discharge their duties more effectively and to keep abreast of developments on a continuous basis in compliance with Paragraph 15.08 of the MMLR of Bursa Securities, the details of which are set out below *(continued)*:

Director	Webinars/Conferences/Dialogues	Date
Foo Kee Fatt *(continued)*	Analysis of Development, Enhancement, Maintenance, Protection and Exploitation (DEMPE) for Intangible Property and Cost Contribution Arrangements	15 October 2024
	Seminar Percukaian Kebangsaan 2024 (Belanjawan 2025)	23 October 2024
	Applying the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards	7 November 2024
	Mandatory Accreditation Programme Part II - Leading for Impact (LIP)	13 to 14 November 2024
	A Comprehensive Review of Latest Developments in Malaysia Financial Reporting Standards (MFRS)	11 December 2024
	Applying International Standard on Auditing (ISA) 600 (Revised 2023) - Audit of Group Financial Statements	19 December 2024
Datuk Dr. Syed Hussein Bin Syed Husman, J.P.	Achieving Boardroom Excellence: Redefining Directorship for the Modern Era	20 November 2024
Rajaretnam Soloman Daniel	Enhancement of COI framework	5 March 2024
	Mandatory Accreditation Programme Part II - Leading for Impact (LIP)	13 to 14 November 2024
Kee E-Lene	Post COP28 (Conference of the Parties) - What's Next on the Climate Agenda	22 January 2024
	Enhancement of COI framework	5 March 2024
	What Amounts to a COI by Directors?	8 May 2024
	ESG Trends and Expectations of Institutional Investors	13 May 2024
	Sasana Symposium 2024	12 to 13 June 2024
	Being Sued as an INED	12 July 2024
	Global Association of Risk Professionals ("GARP") Part 1 - Sustainability and Climate Risk Certificate	15 July 2024

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(continued)*

Meetings and Time Commitment *(continued)*

The Directors also made time to attend appropriate webinars/conference/dialogues during the year under review to equip themselves further with the knowledge to discharge their duties more effectively and to keep abreast of developments on a continuous basis in compliance with Paragraph 15.08 of the MMLR of Bursa Securities, the details of which are set out below *(continued)*:

Director	Webinars/Conferences/Dialogues	Date
Kee E-Lene *(continued)*	Navigating the Future with Emerging Technologies	23 July 2024
	Part 2 - Sustainability and Climate Risk Certificate	12 August 2024
	Cyber Threat Landscape and Why it Matters to CIMB	23 August 2024
	Anti-Bribery & Corruption Briefing by Malaysian Anti-Corruption Commission	3 September 2024
	Audit Committee Conference 2024	5 September 2024
	GARP Part 3 – Sustainability and Climate Risk Certificate	9 September 2024
	Basel Workshop for the Board of Director	30 September 2024
	Revision of GARP	2 October 2024
	Anti-Money Laundering Briefing for Board of Directors	14 October 2024
	Mandatory Accreditation Programme Part II - Leading for Impact (LIP)	13 to 14 November 2024
	e-Invoicing impact on CIMB Directors	2 December 2024
	Cloud Services	3 December 2024
	Board Ongoing Education - Insider Threats	13 December 2024

Suitability and Independence of External Auditors

KPMG PLT, the External Auditors report to the ARMC in respect of their audit on each year's statutory financial statements on matters that require the attention of the ARMC.

At least twice a year, the ARMC will have a separate session with the External Auditors without the presence of the Management.

The External Auditors are required to declare their independence annually to the ARMC as specified by the By-Laws issued by the Malaysian Institute of Accountants. The External Auditors had provided the declaration in their annual audit plan presented to the ARMC of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Sound Risk Management Framework

The Board recognises the importance of a sound risk management framework and internal control system in order to safeguard the Group's assets and therefore, shareholders' investments in the Group.

The Board affirms its overall responsibility for the Group's system of internal controls. This includes reviewing the adequacy and integrity of financial, operational and compliance controls and risk management procedures in order that any identifiable risk including climate-related risks remains within an acceptable risk profile. Since certain risks and threats are externally driven, unforeseen and beyond the Group's control, the system can only provide reasonable assurance against misstatement or loss.

The Board had put in place an ongoing process for identifying, evaluating and managing significant risks faced by the Group and for FYE 2024, a Group's Corporate Risk Management Report was presented to the ARMC.

A Statement on Risk Management and Internal Control which provides an overview of the state of internal controls within the Group is set out in pages 105 to 110 of this Annual Report.

Internal Audit Function

The internal audit function are set out in the ARMC Report on page 104 of this Annual Report.

The key features of the Risk Management Framework are set out in the Directors' Statement on Risk Management and Internal Controls as presented on pages 105 to 107 of this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Compliance with Applicable Financial Reporting Standards

The Board takes responsibility for presenting a balanced and understandable assessment of the Group's operations and prospects each time it releases its quarterly financial results and annual financial statements to shareholders. The ARMC reviews the information to be disclosed to ensure its accuracy and adequacy.

A statement by Directors of their responsibilities in preparing the financial statements is set out on page 111 of this Annual Report.

Investors Relations and Shareholders Communication

The Company recognises the importance of effective and timely communication with shareholders and investors to keep them informed of the Group's latest financial performance and material business/corporate matters affecting the Company. Such information are available to shareholders and investors through the Annual Reports, the various disclosures and announcements made to Bursa Securities and the Company's website at *www.canone.com.my*. Notice of the AGM and related papers thereto are sent to the shareholders at least 28 days before the AGM to facilitate easy review by the shareholders. In respect of items on Special Business, the notice of meeting will be accompanied by a full explanation of the effects of the proposed resolution.

The AGM provides the principal platform for dialogue and interactions with the shareholders. At every meeting, the Chairman sets out the performance of the Group for the financial year then ended. Question and Answer session will then be convened wherein the Directors, Group Finance Director, Company Secretaries and the External Auditors will be available to answer to the queries raised by the shareholders. The Chairman of the Board will announce before the start of all general meetings, the right of the shareholders to demand a poll in accordance with the Company's Constitution. A full explanation for each resolution proposed at the AGM will usually be provided by the Chairman before the resolution is put to the vote.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS *(continued)*

Investors Relations and Shareholders Communication *(continued)*

Each shareholder can vote in person or by appointing a proxy to attend and vote on his/her/its behalf. Separate issues are tabled in separate resolutions at general meetings, voting is carried systematically and motions carried through are properly recorded.

Shareholders shall have the option to submit to the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. ("TIIH"), their Proxy Forms either in hard copy or by electronic form via TIIH Online pursuant to Clause 76 of the Constitution of the Company for the Twenty-First AGM of the Company.

In accordance with Paragraph 8.29A(1) of the MMLR of Bursa Securities, poll voting will be carried out at the said Twenty-First AGM of the Company.

Shareholders and the public can access information on the Group's background, products and financial performance through the Company's website at www.canone.com.my.

Leverage on Information Technology for Effective Dissemination of Information

The Company is committed in providing accurate and complete information on a timely basis. Such information is disseminated through various disclosures and announcements made to Bursa Securities through the quarterly financial results, audited financial statements and Annual Reports.

This Annual Report, Circular to Shareholders, Notice of AGM and other AGM related documents will be made available on the Company's website at www.canone.com.my or shareholders may request for the printed copy of the same from the Company's Share Registrar, TIIH. Notifications in respect of the availability of the aforesaid documents will be sent via email to shareholders with email address and via ordinary mail to the other shareholders.

COMPLIANCE WITH THE MCCG

The Board considers that the Company has complied and applied the key principles of the MCCG throughout the FYE 2024 except for the Practices below where the explanations for departure are disclosed in the Corporate Governance Report:

Practice 5.9 : The Board comprises at least 30% women directors.

Practice 8.2 : The Board discloses on a named basis the top 5 senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

The Board has reviewed and approved this Corporate Governance Overview Statement by way of a resolution of the Board dated on 4 April 2025. The Board is satisfied that this Corporate Governance Overview Statement provides the information necessary to enable shareholders to evaluate how the MCCG has been applied and obligations are fulfilled under the MCCG and the MMLR of Bursa Securities throughout the FYE 2024 save for the exceptions as disclosed above.

This Corporate Governance Overview Statement is to be read in conjunction with the Corporate Governance Report for the FYE 2024, which is made available online at www.canone.com.my.

ADDITIONAL COMPLIANCE INFORMATION

AUDIT AND NON-AUDIT FEES PAID/PAYABLE

During the FYE 2024, the amount of audit and non-audit fees paid/payable by the Group and the Company to the External Auditors, KPMG PLT, other member firms of KPMG International Limited and its affiliates for services rendered to the Company and its subsidiaries are as follows:

Type of fees	Group RM'000	Company RM'000
Audit fees - KPMG PLT	477	48
Audit fees - Other member firms of KPMG International Limited	177	–
Non-audit fees - KPMG PLT	61	32
Non-audit fees - Affiliates of KPMG PLT	116	14

MATERIAL CONTRACTS

Saved as disclosed below, there were no material contracts (not being contracts entered into in 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 FYE 2024 or, if not then subsisting, which were entered into since the end of the previous financial year.

Recurrent Related Party Transactions

At the Twentieth AGM of the Company held on 26 June 2024, the Company had obtained shareholders' mandate to allow the Company and its subsidiaries to enter into recurrent related party transactions ("RRPTs") of a revenue or trading nature which are necessary for the day-to-day operations of the Group and in the ordinary course of business, with related parties.

The aforesaid mandate will lapse at the conclusion of the forthcoming Twenty-First AGM of the Company.

In accordance with Paragraph 3.1.5 of Practice Note 12 of the MMLR of Bursa Securities, details of the RRPTs conducted during the FYE 2024 pursuant to the aforesaid shareholders' mandate are as follows:

Provider of products/services	Recipient of products/ services	Nature of Transaction	Actual value transacted from 26 June 2024 up to 31 December 2024 (RM'000)	Interested Related Party
Box-Pak (Malaysia) Bhd. ("Box-Pak") group of companies	Can-One Group	Purchase of cartons	7,664	Yeoh Jin Hoe (1)
Can-One Group	Box-Pak group of companies	Lease of factory building	1,608	
		Total :	**9,272**	

MATERIAL CONTRACTS *(continued)*

Recurrent Related Party Transactions *(continued)*

Note:

(1) Yeoh Jin Hoe is a Director and major shareholder of Can-One. He holds 7,505,700 ordinary shares in Can-One ("Can-One Shares") representing 3.91% of the total number of issued Can-One Shares and has an indirect equity interest over 108,858,800 Can-One Shares representing 56.65% of the total number of issued Can-One Shares held by Eller Axis Sdn. Bhd. ("Eller Axis"), a company in which he has more than 20% voting shares. He is also the Group Managing Director ("MD") and a major shareholder of Kian Joo Can Factory Berhad ("KJCFB") and has an indirect equity interest over 444,167,786 ordinary shares in KJCFB ("KJCFB Shares") representing 100% of the total number of issued KJCFB Shares held by Can-One and its wholly-owned subsidiary, Can-One International Sdn. Bhd.. He is also the Group MD and a major shareholder of Box-Pak by virtue of his indirect equity interest over 66,016,121 ordinary shares in Box-Pak ("Box-Pak Shares") representing 54.99% of the total number of issued Box-Pak Shares held by KJCFB.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

COMPOSITION

The Audit and Risk Management Committee ("ARMC" or "the Committee") of Can-One Berhad ("the Company") comprises the following:

MEMBERS

Foo Kee Fatt *(Chairman)*
Datuk Dr. Syed Hussain Bin Syed Husman, J.P. *(Member)*
Rajaretnam Soloman Daniel *(Member)*

SECRETARIES

Lydia Tong Yiu Shyian-Shyian
Kwong Shuk Fong

The terms of reference of the Committee are available on the Company's website at *www.canone.com.my*.

NUMBER OF MEETINGS AND ATTENDANCE

The Committee held 4 meetings during the financial year ended 31 December 2024 ("FYE 2024") and the attendance of the meetings were follows:

Members	Number of meetings attended in FYE 2024	Percentage of Attendance
Foo Kee Fatt	4 out of 4 meetings	100
Datuk Dr. Syed Hussain Bin Syed Husman, J.P.	3 out of 4 meetings	75
Rajaretnam Soloman Daniel	4 out of 4 meeting	100

SUMMARY OF ACTIVITIES

The main activities undertaken by the Committee in discharging their responsibility during FYE 2024 were as follows:

(i) Reviewed the quarterly internal audit reports of the Company and its subsidiary companies ("the Group") prepared by the Internal Auditors regarding risk and compliance areas and internal control matters and discussions on the findings to ensure that appropriate and timely measures have been taken to improve on the internal control systems, meeting compliance requirements and mitigating risks;

(ii) Reviewed the semi-annual risk management reports on significant risks identified, discussion with the Management and action to be taken to address or mitigate these risks, and also the half-yearly Sustainability Reports on the progress on actions to deliver on the agreed sustainability targets and any new sustainability reporting requirements;

(iii) Reviewed conflict of interest or potential conflict of interest situations and related parties transactions, if any, entered into by the Group and the disclosure of such transactions in the quarterly financial reporting and Annual Report to ensure compliance with Bursa Malaysia Securities Berhad's Main Market Listing Requirements;

(iv) Reviewed the announcements on the quarterly unaudited financial results of the Company and the Group before recommendation to the Board of Directors of the Company ("the Board") for its consideration and approval;

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF ACTIVITIES *(continued)*

The main activities undertaken by the Committee in discharging their responsibility during FYE 2024 were as follows *(continued)*:

(v) Received the audit report prepared by the External Auditors, and their findings on the audit of the financial statements of the Group and of the Company for the FYE 2023;

(vi) Reviewed the annual audited financial statements of the Group and of the Company for the FYE 2023 with the External Auditors prior to submission to the Board for approval;

(vii) Discussed with the Management and the External Auditors on developments in respect of the Malaysian Financial Reporting Standards and IFRS Accounting Standards issued by the International Accounting Standards Board applicable to the financial statements of the Group and of the Company for the FYE 2024 and their judgment of the items that may affect the financial statements.

(viii) Reviewed the assistance given by the Company's employees to the Internal Auditors and External Auditors.

(ix) Evaluated the internal audit function and also the performance of the External Auditors prior to recommendation to the Board for their re-appointment.

(x) Reviewed the ARMC Report, Statement on Risk Management and Internal Control and Sustainability Report for inclusion in the Annual Report 2023.

(xi) Reviewed the External Auditors' scope, plan and strategy in respect of the audit of the financial statements of the Group and of the Company for the FYE 2024.

(xii) Reviewed and approved the Internal Audit Plan and Budget for the Group for year 2025 presented by the Internal Auditors; and

(xiii) Received a presentation from Crowe Governance Sdn. Bhd. on the External Quality Assessment Report of the Internal Audit Department for Kian Joo Group of Companies, dated 12 August 2024.

(xiv) Received a presentation on the Group's Corporate Risk Management Report.

(xv) Acknowledged the Statement of Independence of the Internal Audit team.

(xvi) Approved the Revised Internal Audit Charter for Can-One and to note the letter from Crowe Governance Sdn. Bhd. dated 12 November 2024 in respect of the review of Can-One's Internal Audit Charter (Revision).

(xvii) Reviewed and recommended the Group Budget for year 2025 to the Board for its consideration and approval.

During financial year 2024, an external audit firm, LitmanGerson and Associates, LLP [certified public accountants in Massachusetts, United States of America ("USA")], was appointed as internal auditors for Can-One (USA), Inc., a wholly-owned subsidiary company incorporated in Delaware, USA, to conduct quarterly assessment on the process and internal controls of Can-One (USA), Inc.'s plant in New Hampshire, USA. The total fees paid were RM365,407.

The internal audit function for the Group [excluding Kian Joo Can Factory Berhad group of companies and Box-Pak (Malaysia) Bhd. group of companies] in FYE 2024 was outsourced to an external independent consulting firm, Tan Yen Yeow & Company. The total fees paid were RM24,000.

Except for the above outsourced work, the in-house Internal Audit team conducted all internal audit activities.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION

In discharging its function, the Group utilises the in-house Internal Audit team as well as the services of external independent consulting firms (collectively, "Internal Auditors") to undertake independent, regular and systematic review of the system of internal controls, and compliance within the Group based on the approved Group Internal Audit Plan to provide reasonable assurance on the adequacy and effectiveness of governance, risk management and the internal control systems. The Internal Auditors provide the Committee with independent and objective reports on the state of internal controls of the Group's operations, the extent of the entities' compliance with the Group's policies, procedures and relevant statutory requirements, and make recommendations, where necessary. The Committee then deliberates on the internal audit reports to ensure recommendations made are duly acted upon by the Management.

Summary of activities of the internal audit function during FYE 2024 are presented in the Statement on Risk Management and Internal Control. The total costs incurred by the Group's Internal Audit function for FYE 2024 were RM1,314,928 (including outsourced internal audit services amounting to RM389,407).

This Statement is made in accordance with a resolution of the Board dated 4 April 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

This Statement on Risk Management and Internal Control has been prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and in accordance with the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers.

BOARD OF DIRECTORS' RESPONSIBILITIES

The Board of Directors ("Board") of Can-One Berhad ("the Company") acknowledges the importance of a sound risk management and internal control framework to support the achievement of business objectives of Can-One and its subsidiary companies ("the Group"), safeguard shareholders' interests and the Group's assets. The Board affirms its overall responsibility for the Group's risk management and internal control system, which include the establishment of an appropriate governance structure and framework, as well as the ongoing review of their adequacy and effectiveness.

Given the inherent limitations of any internal control system, the framework is designed to manage, rather than eliminate, risks within the acceptable risk profile, thereby providing reasonable but not absolute assurance against material misstatements, loss, or fraud. The scope of risk management and internal controls extends financial, organisational, operational, environmental and compliance controls.

To fulfil its oversight role, the Board has delegated responsibility to the Audit and Risk Management Committee ("ARMC") for the implementation and continuous improvement of the risk management and internal control framework across the Group.

RISK MANAGEMENT GOVERNANCE

The risk management framework is guided by a structured and continuous process for identifying, assessing, and mitigating risks to support the Group's strategic objectives. This process remains in place throughout the financial year and up to the date of this statement.

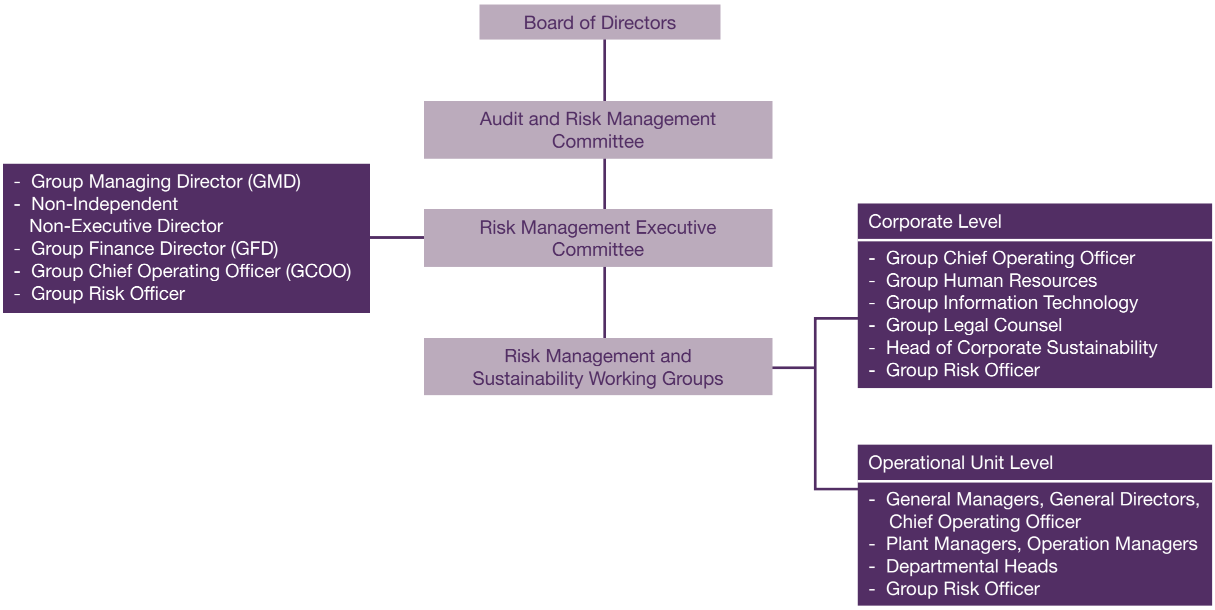
A formalised risk management process is embedded within the Group, leveraging the Risk Management Framework, which outlines risk policies and methodologies. The Risk Management Executive Committee ("RMEC"), chaired by Group Managing Director ("GMD"), is responsible for corporate sustainability and risk management oversight, reporting directly to the ARMC.

The Risk Management and Sustainability Working Group ("RMSWG") oversees risk management at the operational level. These RMSWGs work towards compliance with key standards, including ISO 9001 Quality Management System, ISO 14001 Environment Management System, ISO 45001 Occupational Health and Safety Management System, FSSC 22000 and ISO 22000 Food Safety Management System, HACCP, GMP and other relevant regulatory requirements, where applicable. The RMSWG identifies emerging risks and opportunities, integrates risk management into business processes, and escalates medium and high risks to the corporate RMSWG for strategic decision-making.

Risk governance operates through a top-down and bottoms-up approach, ensuring alignment between macroeconomic trends, business goals, and operational risk exposures.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

CAN-ONE RISK MANAGEMENT STRUCTURE



ENTERPRISE RISK MANAGEMENT SYSTEM

An effective risk management system is fundamental to the Group's ability to identify, assess, mitigate and report the risks, while also capitalising on opportunities to enhance long-term business sustainability.

Key elements include :

A. Risk Identification

The RMSWG has categorised risks across political, economic, social, technological, environment, and legal ("PESTEL") dimensions, covering strategic, operational, reporting and compliance objectives.

B. Risk Quantification

Risks are recorded in the enterprise risk register and assessed based on likelihood of occurrence and potential impact, classified as low, moderate, high and critical.

C. Risk Responses

Priority is given to high and critical risks, with mitigation measures implemented to reduce residual risks to an acceptable tolerance level. Other risks are less prioritised and manage within the control of both management and plant operations. These lower-priority risks are monitored periodically and addressed through standard operating procedures, internal controls, and internal reporting mechanism to ensure the risk do not escalate.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

ENTERPRISE RISK MANAGEMENT SYSTEM *(continued)*

Key elements include *(continued)* :

D. Risk Control Strategies

Existing control measures are evaluated for effectiveness, and new strategies are developed when necessary.

E. Monitoring and Review

Risk profiles are continuously monitored and updated, ensuring risk management remains dynamic and responsive to changes.

F. Reporting Structure

Each RMSWG reports to the RMEC, which in turn reports key risks and risk management activities to the ARMC for review and oversight.

INTERNAL CONTROL FRAMEWORK

The Group maintains a well-defined organisational structure with clear lines of authority, responsibility, and reporting mechanisms, as outlined in the Board Charter. The Board meets at least quarterly and with a Schedule of Matters reserved for its collective decision-making, ensuring effective control over strategic, management, financial, operational, environmental and compliance matters.

The Senior Management team, led by GMD, GFD and GCOO, comprises experienced personnel who are subject matter experts in their own specialised fields. They centrally control key functions including governance, sustainability, finance, tax, treasury, corporate affairs, legal matters, and contract awarding. The Senior Management team are also accountable for the conduct and performance of all business units.

Internal control mechanism is integrated into the various day-to-day operational policies and procedures of all business units at the appropriate levels in the Group. The Senior Management team monitor the affairs of the business units through review of performance. They hold monthly management meetings with the General Managers, General Directors, Chief Operating Officer and Departmental Heads of the business entities to identify, discuss and resolve business, financial, operational, governance, sustainability, compliance, and management issues. These meetings also serve as a platform for communicating the Group's goals and objectives.

The key elements of the internal control include :

A. Delegation of Authority

Delegation of authority including authorisation limits at various level of Management and those requiring the Board's approval are documented and designed to ensure accountability and responsibility.

B. Business Performance

Business performances were discussed periodically between the GMD, the GFD, the GCOO and management team via management meetings. Group performances were presented to the Board by the GFD on a quarterly basis.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL FRAMEWORK *(continued)*

The key elements of the internal control include *(continued)* :

C. Human Capital

There are documented policies and guidelines within the Group that cover the hiring and termination of employees. Each position has a clearly defined job description outlining roles and responsibilities. The Group provides continuous training and development programs to enhance employee competencies and productivity. Employee' performances are assessed via a systematic appraisal process, which includes rating criteria for each area of assessment.

D. Insurance Coverage

Adequate insurance coverage and physical safeguards are in place for major assets to ensure the Group's assets are covered against any incident that could result in material loss. Management undertakes an annual insurance policy renewal exercise to review the coverage. This review is based on the costs listed in the Property, Plant and Equipment Register and their respective replacement values, where applicable.

E. Policies and Procedures

Policies and procedures are in place, where applicable, and are regularly updated to reflect changing risks or to address operational efficiencies.

F. Quality Credential Accreditations

Certain subsidiaries have been accredited various certifications such as ISO 9001:2015 and Food Safety System Certification 22000. Documented internal procedures and standard operating procedures ("SOPs") have been put in place since their accreditation. Surveillance audits are conducted by assessors from the credential certification bodies to ensure that the SOPs are properly implemented.

G. Information Technology ("IT")

The Group has established the IT Security Policy and implement the necessary security procedures to protect the confidentiality, integrity and availability of information systems and data. Potential risks such as network security risks, data protection risks and cybersecurity risks are mitigated through periodic technology risk assessment and relevant action plans.

H. Climate Change Regulations

Stakeholders are increasingly demanding stricter climate change mitigation. The transition to a low-carbon economy has become a critical business imperative and a key license to operate in the industry. To align with this shift, the Group is actively collaborating with key supply chain partners to advance our decarbonisation roadmap.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT

The Group has both in-house Internal Audit Department ("IAD") as well as the services of external independent consulting firms (collectively, "Internal Auditors"), which provides to the Board, through the ARMC, independent assessment and assurance on the adequacy and effectiveness of the Group's internal control system.

The internal audit function assists the ARMC in respect of the following :

(i) Assess the adequacy and effectiveness of the current internal control systems and provide recommendations to improve on the existing control environment in relation to key business processes and risk management practices;

(ii) Highlight opportunities to improve efficiency, effectiveness, and economic aspects of the Group's operations; and

(iii) Promote a system of internal control that is responsive to the dynamic and ever-changing business environment, cost effective and sustainable.

In 2024, the Company engaged a qualified independent consulting company to conduct a Quality Assurance Review of the Group's in-house internal audit function for conformance with the Institute of Internal Auditors' International Professional Practices Framework ("IPPF"). This is to determine that the Group IAD maintains a quality assurance and improvement program that covers all aspects of the internal audit function. Learning from the Quality Assurance Review, Group IAD will conduct internal self-assessments annually and external assessments will be performed at least once every five years to ensure compliance with IPPF standards.

The Quality Assurance Review concluded that the internal audit function has certain areas requiring improvements. All recommendations made by the independent consultant have been considered by the Group's IAD for rectification to ensure improvements are duly made to address the expectations of the ARMC and Management.

The annual Group Internal Audit Plan is reviewed and approved by the ARMC before each financial year. The plan is developed based on the risk profile and analysis of the Group's businesses as well as past experience. The internal audit focuses its resources on high-risk areas, which are audited more frequently than low-risk areas. For FYE 2024, internal audit reviews were focused on operational efficiencies, compliance and financial controls. The findings of the internal audits, along with proposed recommendations and management responses, are presented at the ARMC meetings for deliberation. The ARMC's expectations on the corrective measures are communicated to the respective heads of departments and business units.

There were no material losses incurred during FYE 2024 due to weaknesses in internal control. The Group has complied with the relevant legislation and regulations. Management continues to be vigilant and take the necessary measures to strengthen the internal control environment periodically.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in *Audit and Assurance Practice Guide ("AAPG 3", Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report)* issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the FYE 2024. The External Auditors reported to the Board that nothing has come to their attention that causes them to believe that this Statement, in all material respects :

(i) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or

(ii) is factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the assessment and opinion by the Board and Management. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problem disclosed in the Annual Report will, in fact, remedy the problems.

CONCLUSION

The Board, having received assurance from the GMD, GFD and GCOO, is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system for the financial year under review and up to the date of approval of this Statement. There were no material internal control weaknesses that resulted in material losses, uncertainties or contingencies that would require disclosure in this Annual Report.

This Statement is made in accordance with a resolution of the Board of Directors of the Company dated 4 April 2025.

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 financial performance and cash flows and changes in equity of the Group and of the Company for that financial year.

In preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2024 ("FYE 2024") as set on pages 118 to 210 of this Annual Report, the Directors ensured that the Group has used the Malaysian Financial Reporting Standards ("MFRS"), IFRS Accounting Standards issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016, applied them consistently and made judgments and estimates that are reasonable and prudent. The Directors also ensured that the MFRS and IFRS Accounting Standards have been followed and 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 2016, disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, MFRS and IFRS Accounting Standards.

This Statement is made in accordance with a resolution of the Board of Directors of the Company dated 4 April 2025.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities whilst the principal activities and details of the subsidiaries are as stated in Note 7 to the financial statements.

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

ULTIMATE HOLDING COMPANY

The Directors regard Eller Axis Sdn. Bhd., which is incorporated in Malaysia as the ultimate holding company during the financial year and until the date of this report.

RESULTS

	Group RM'000	Company RM'000
(Loss)/Profit for the year attributable to:		
Owners of the Company	**(19,675)**	**345,240**
Non-controlling interests	**(6,074)**	**–**
	(25,749)	**345,240**

RESERVES AND PROVISIONS

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

DIVIDENDS

Since the end of the previous financial year, the amount of dividend paid by the Company in respect of the financial year ended 31 December 2023 as reported in the Directors' Report of that year was a first and final single-tier dividend of 4 sen per share totalling RM7,686,000 paid on 26 July 2024.

The Board of Directors has recommended a first and final single-tier dividend of 4 sen per share totalling RM7,686,000 for the financial year ended 31 December 2024, subject to shareholders' approval at the forthcoming Annual General Meeting.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

Tun Arifin bin Zakaria
Yeoh Jin Hoe
Yeoh Jin Beng
Marc Francis Yeoh Min Chang
Foo Kee Fatt
Datuk Dr. Syed Hussain bin Syed Husman, J.P.
Goh Teck Hong
Rajaretnam Soloman Daniel
Kee E-Lene

DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253(2) of the Companies Act 2016, the directors who served in the subsidiaries during the financial year and up to the date of this report are as follows:

Yeoh Jin Hoe	
Yeoh Jin Beng	
Marc Francis Yeoh Min Chang	
Keith Christopher Yeoh Min Kit	
Shaun Patrick Yeoh Min Jin	
Tan Kim Seng	
Nur Aisyah Wong @ Wong Wai Yin (Huang Huiyan)	
Chew Hock San	
Sharifah Nadia Aljafri	
Foo Kee Fatt	
Hoh Wee Sang	
Chan Huan Cheong	
Gan Joe Yee	
Bernadette Chin Cheen Choo	
Dato' Mah Siew Kwok	(Appointed on 9 September 2024)
Datin Liow Guat Eng	(Appointed on 1 September 2024)
Datuk Dr. Roslan bin A. Ghaffar	(Retired on 25 June 2024)
Tuan Ngah @ Syed Ahmad bin Tuan Baru	(Retired on 25 June 2024)
Chee Khay Leong	(Resigned on 5 December 2024)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at the financial 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:

	Number of ordinary shares			
	At 1.1.2024	**Bought**	**Sold**	**At 31.12.2024**
Direct interest in the Company:				
Yeoh Jin Hoe	**7,505,700**	**–**	**–**	**7,505,700**
Yeoh Jin Beng	**150,000**	**–**	**–**	**150,000**
Deemed interest in the Company:				
Yeoh Jin Hoe	**108,858,800**	**–**	**–**	**108,858,800**
Yeoh Jin Beng	**5,500,000**	**–**	**–**	**5,500,000**
Direct interest in the ultimate holding company:				
Yeoh Jin Hoe	**950,000**	**–**	**–**	**950,000**

By virtue of his interests of more than 20% in the shares of the ultimate holding company, Yeoh Jin Hoe is also deemed interested in the shares of the subsidiaries of the ultimate holding company during the financial year to the extent that the ultimate holding company or the Company has an interest.

None of the other Directors holding office at 31 December 2024 had any interest in the shares of the Company and of its related corporations during the financial year.

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 those shown below in Directors' remuneration) by reason of a contract made by the Company or a related corporation 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.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

DIRECTORS' REMUNERATION

The Directors' remuneration in respect of the financial year ended 31 December 2024 are as follows:

	Group RM'000	Company RM'000
Fees	**1,087**	**764**
Salaries and bonuses	**10,935**	**1,252**
Statutory contributions	**372**	**153**
Allowances	**413**	**358**
Benefits-in-kind	**70**	**21**
	12,877	**2,548**

ISSUE OF SHARES AND DEBENTURES

There were no changes in the issued and paid-up capital of the Company and no debentures were 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.

INDEMNITY AND INSURANCE COSTS

The Company maintains a corporate liability insurance which provides appropriate insurance cover for the Directors and officers of the Group throughout the financial year. The amount of insurance premium paid by the Company for the financial year 2024 was RM69,099.

There was no indemnity or insurance effected for the auditors of the Group and of the Company during the financial year.

DIRECTORS’ REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

OTHER STATUTORY INFORMATION

Before the financial statements 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) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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 financial statements of the Group and of the Company 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 in 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, except for the reversal of impairment losses on financial instruments and loss on foreign exchange as disclosed in the financial statements of the Group, the financial performance of the Group and of the Company for the financial year ended 31 December 2024 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.

CONSOLIDATION OF SUBSIDIARIES WITH DIFFERENT FINANCIAL YEAR END

Pursuant to Section 247(7) of the Companies Act 2016, the Company has been granted approval by the Companies Commission of Malaysia for Kianjoo Can (Myanmar) Company Limited and Boxpak (Myanmar) Company Limited, the subsidiaries located in Myanmar, to continue to have a financial year end which does not coincide with the Company in relation to the financial year ended 31 December 2024.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 27 March 2024, Box-Pak (Vietnam) Co., Ltd. ("BPV"), a subsidiary of the Company, entered into a conditional in-principle land sublease agreement ("In-Principle Land Sublease Agreement") with IDICO Corporation - Joint Stock Company ("IDICO") to sublease a parcel of vacant leasehold industrial land ("Subject Property"), measuring approximately 50,000 square metres for a period of approximately 45 years up to 6 August 2069, for a sublease consideration of VND179,524,000,000 (exclusive of value added tax), which is equivalent to approximately RM34,286,000 ("Sublease Consideration").

The final remaining Sublease Conditions Precedent set out in the In-Principle Land Sublease Agreement (i.e. BPV to obtain the Investment Registration Certificate and Enterprise Registration Certificate for the establishment of Krafton Greenpax (Viet Nam) Co., Ltd., which is the entity that will occupy and utilise the Subject Property as the sublessee) was fulfilled on 16 July 2024, and the In-Principle Land Sublease Agreement became unconditional on even date.

A Land Sublease Contract with IDICO (as defined in the In-Principle Land Sublease Agreement) was thereafter executed by Krafton Greenpax (Viet Nam) Co., Ltd.

Krafton Greenpax (Viet Nam) Co., Ltd. has obtained the Land Use Right Certificate and consequently, the payment for the balance 10% of the Sublease Consideration totalling VND17,952,400,000 (equivalent to approximately RM3,321,000) pursuant to the Land Sublease Contract has been effected and settled in full on 24 December 2024, hence marking the completion of the Sublease.

AUDITORS

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

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company during the year was as follows:

	Group RM'000	Company RM'000
Statutory audit	477	48
Other services	61	32
	538	80

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

Marc Francis Yeoh Min Chang
Director

Foo Kee Fatt
Director

Date: 4 April 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Assets					
Property, plant and equipment	3	**1,992,853**	2,057,531	**–**	–
Right-of-use assets	4	**574,091**	537,405	**–**	–
Investment properties	5	**78,356**	81,246	**–**	–
Intangible assets	6	**5,375**	3,371	**–**	–
Investments in subsidiaries	7	**–**	–	**1,337,931**	1,324,357
Deferred tax assets	8	**334**	3,104	**–**	–
Prepayments	9	**10,172**	25,137	**–**	–
Trade and other receivables	11	**–**	–	**391,455**	162,990
Total non-current assets		**2,661,181**	2,707,794	**1,729,386**	1,487,347
Inventories	10	**713,660**	801,601	**–**	–
Trade and other receivables	11	**566,468**	567,174	**109,891**	43,642
Prepayments	9	**16,829**	10,272	**–**	–
Current tax assets		**10,828**	7,837	**–**	–
Derivative financial assets	12	**1,890**	1,482	**–**	–
Deposits with a financial institution	13	**13,649**	–	**–**	–
Cash and cash equivalents	14	**411,759**	387,066	**2,684**	5,557
Total current assets		**1,735,083**	1,775,432	**112,575**	49,199
Total assets		**4,396,264**	4,483,226	**1,841,961**	1,536,546

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Equity					
Share capital	15	**197,660**	197,660	**197,660**	197,660
Reserves	16	**1,611,893**	1,653,832	**1,355,139**	1,017,585
Equity attributable to owners of the Company		**1,809,553**	1,851,492	**1,552,799**	1,215,245
Non-controlling interests	7.2	**73,991**	81,676	**–**	–
Total equity		**1,883,544**	1,933,168	**1,552,799**	1,215,245
Liabilities					
Loans and borrowings	17	**891,922**	788,367	**286,107**	286,107
Lease liabilities		**176,895**	181,183	**–**	–
Retirement benefit obligations	18	**76,060**	76,134	**–**	–
Deferred tax liabilities	8	**92,026**	98,443	**–**	–
Total non-current liabilities		**1,236,903**	1,144,127	**286,107**	286,107
Trade and other payables	19	**430,863**	560,127	**2,449**	34,901
Loans and borrowings	17	**786,096**	779,188	**–**	–
Lease liabilities		**14,590**	13,367	**–**	–
Retirement benefit obligations	18	**10,913**	17,914	**–**	–
Contract liabilities		**20,242**	28,687	**–**	–
Derivative financial liabilities	12	**–**	136	**–**	–
Current tax liabilities		**13,113**	6,512	**606**	293
Total current liabilities		**1,275,817**	1,405,931	**3,055**	35,194
Total liabilities		**2,512,720**	2,550,058	**289,162**	321,301
Total equity and liabilities		**4,396,264**	4,483,226	**1,841,961**	1,536,546

The notes on pages 130 to 210 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	20	**3,192,603**	3,053,791	**356,693**	99,124
Cost of sales		**(2,870,432)**	(2,722,882)	**–**	–
Gross profit		**322,171**	330,909	**356,693**	99,124
Other income		**27,785**	44,900	**19**	30
Selling and distribution expenses		**(29,715)**	(29,670)	**–**	–
Administrative expenses		**(158,711)**	(202,485)	**(2,526)**	225
Other expenses		**(44,578)**	(29,106)	**(1)**	(5,342)
Operating profit before impairment losses		**116,952**	114,548	**354,185**	94,037
Net (impairment losses)/ reversal of impairment losses on:					
- property, plant and equipment		**–**	4,398	**–**	–
- investments in subsidiaries		**–**	–	**(1,426)**	(2,392)
- financial instruments		**(5,126)**	511	**(844)**	1,097
		(5,126)	4,909	**(2,270)**	(1,295)
Results from operating activities		**111,826**	119,457	**351,915**	92,742
Interest income		**3,026**	2,458	**11,031**	7,756
Interest expense	21	**(93,903)**	(71,630)	**(15,366)**	(14,189)
Profit before tax	23	**20,949**	50,285	**347,579**	86,309
Tax expense	24	**(46,698)**	(21,662)	**(2,339)**	(1,654)
(Loss)/Profit for the year		**(25,749)**	28,623	**345,240**	84,655

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(Loss)/Profit for the year		**(25,749)**	28,623	**345,240**	84,655
Other comprehensive (expense)/income, net of tax					
Items that are or may be reclassified subsequently to profit or loss					
Cash flow hedge	25	**(665)**	1,146	**–**	–
Foreign currency translation differences for foreign operations	25	**(15,524)**	5,497	**–**	–
Item that is may not be reclassified subsequently to profit or loss					
Remeasurement of defined retirement benefits	25	**–**	(8,629)	**–**	–
Total comprehensive (loss)/ income for the year		**(41,938)**	26,637	**345,240**	84,655
(Loss)/Profit attributable to:					
Owners of the Company		**(19,675)**	33,396	**345,240**	84,655
Non-controlling interests		**(6,074)**	(4,773)	**–**	–
(Loss)/Profit for the year		**(25,749)**	28,623	**345,240**	84,655
Total comprehensive (expense)/income attributable to:					
Owners of the Company		**(34,253)**	32,604	**345,240**	84,655
Non-controlling interests		**(7,685)**	(5,967)	**–**	–
Total comprehensive (loss)/ income for the year		**(41,938)**	26,637	**345,240**	84,655
Basic/Diluted (loss)/earnings per ordinary share (sen)	26	**(10.24)**	17.38		

The notes on pages 130 to 210 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

		← Attributable to owners of the Company				→		
		← Non-distributable		→	Distributable			
	Note	Share capital RM'000	Cash flow hedge reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2023		197,660	236	20,449	1,608,230	1,826,575	87,642	1,914,217
Other comprehensive income/(expense) for the year								
- Cash flow hedge		–	1,146	–	–	1,146	–	1,146
- Foreign currency translation differences of foreign operations		–	–	6,051	–	6,051	(554)	5,497
- Remeasurement of defined retirement benefits		–	–	–	(7,990)	(7,990)	(639)	(8,629)
Total other comprehensive income/(expense) for the year		–	1,146	6,051	(7,990)	(793)	(1,193)	(1,986)
Profit/(Loss) for the year		–	–	–	33,396	33,396	(4,773)	28,623
Total comprehensive income/(expense) for the year		–	1,146	6,051	25,406	32,603	(5,966)	26,637
Distribution to owners of the Company								
- Dividends	27	–	–	–	(7,686)	(7,686)	–	(7,686)
At 31 December 2023		197,660	1,382	26,500	1,625,950	1,851,492	81,676	1,933,168
		Note 15	Note 16.1	Note 16.2			Note 7.2	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

		← Attributable to owners of the Company →						
		← Non-distributable →			Distributable			
	Note	Share capital RM'000	Cash flow hedge reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2024		**197,660**	**1,382**	**26,500**	**1,625,950**	**1,851,492**	**81,676**	**1,933,168**
Other comprehensive expense for the year								
- Cash flow hedge		–	(665)	–	–	(665)	–	(665)
- Foreign currency translation differences of foreign operations		–	–	(13,913)	–	(13,913)	(1,611)	(15,524)
Total other comprehensive expense for the year		–	(665)	(13,913)	–	(14,578)	(1,611)	(16,189)
Loss for the year		–	–	–	(19,675)	(19,675)	(6,074)	(25,749)
Total comprehensive expense for the year		–	(665)	(13,913)	(19,675)	(34,253)	(7,685)	(41,938)
Distribution to owners of the Company								
- Dividends	27	–	–	–	(7,686)	(7,686)	–	(7,686)
At 31 December 2024		**197,660**	**717**	**12,587**	**1,598,589**	**1,809,553**	**73,991**	**1,883,544**
		Note 15	Note 16.1	Note 16.2			Note 7.2	

The notes on pages 130 to 210 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Non-distributable Share capital RM'000	Distributable Retained earnings RM'000	Total equity RM'000
At 1 January 2023		197,660	940,616	1,138,276
Profit for the year and total comprehensive income for the year		–	84,655	84,655
Distribution to owners of the Company				
- Dividends	27	–	(7,686)	(7,686)
At 31 December 2023/1 January 2024		**197,660**	**1,017,585**	**1,215,245**
Profit for the year and total comprehensive income for the year		**–**	**345,240**	**345,240**
Distribution to owners of the Company				
- Dividends	27	**–**	**(7,686)**	**(7,686)**
At 31 December 2024		**197,660**	**1,355,139**	**1,552,799**
		Note 15		

The notes on pages 130 to 210 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from operating activities					
Profit before tax		**20,949**	50,285	**347,579**	86,309
Adjustments for:					
Depreciation of:					
- property, plant and equipment	3	**173,205**	140,055	**–**	–
- right-of-use assets	4	**29,007**	28,848	**–**	–
- investment properties	5	**1,550**	1,615	**–**	–
Amortisation of intangible assets	6	**777**	803	**–**	–
Gain on disposal of:					
- property, plant and equipment	23	**(2,003)**	(4,138)	**–**	–
- right-of-use assets	23	**–**	(4,049)	**–**	–
- investment properties	5	**(1,160)**	–	**–**	–
Gain from subsidiaries struck off/deregistered	23	**–**	(3,197)	**–**	–
Net (gain)/loss on termination, expiration, modification and reassessment of lease contracts	23	**(23)**	111	**–**	–
Interest expense	21	**93,903**	71,630	**15,366**	14,189
Interest income		**(3,026)**	(2,458)	**(11,031)**	(7,756)
Income distribution from money market placements with a non-financial institution	23	**(1,237)**	(1,242)	**(16)**	(30)
Net impairment losses/ (reversal of impairment losses) on:					
- property, plant and equipment	23	**–**	(4,398)	**–**	–
- investments in subsidiaries	23	**–**	–	**1,426**	2,392
- financial instruments	23	**5,126**	(511)	**844**	(1,097)
Provision		**–**	(5,000)	**–**	–
Retirement benefit obligations and gratuity	18	**7,859**	16,367	**–**	–
Unrealised loss/(gain) on:					
- foreign exchange	23	**19,284**	(6,809)	**–**	–
- derivative financial instruments		**(1,209)**	(1,239)	**–**	–
Write-down/(Reversal of write-down) of inventories	23	**9,495**	(6,306)	**–**	–
Write off in respect of:					
- property, plant and equipment	23	**732**	669	**–**	–
- financial instruments	23	**–**	–	**–**	5,341
- inventories	23	**28,927**	29,453	**–**	–
Dividend income		**–**	–	**(356,693)**	(99,124)
Operating profit/(loss) before changes in working capital		**382,156**	300,489	**(2,525)**	224

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Cash flows from operating activities *(continued)*					
Changes in working capital:					
Inventories		**49,519**	147,995	**–**	–
Trade and other receivables		**(19,786)**	17,138	**(22)**	(6)
Prepayments		**(6,557)**	10,926	**–**	–
Trade and other payables		**(135,309)**	23,596	**(1,752)**	(5,222)
Contract liabilities		**(8,445)**	5,222	**–**	–
Cash generated from/ (used in) operations		**261,578**	505,366	**(4,299)**	(5,004)
Interest paid		**(7,863)**	(6,544)	**–**	–
Retirement benefit paid		**(14,934)**	(2,981)	**–**	–
Tax paid		**(46,576)**	(32,492)	**(2,026)**	(1,361)
Tax refund		**15**	3,455	**–**	387
Dividend received		**–**	–	**305,365**	82,124
Net cash from operating activities		**192,220**	466,804	**299,040**	76,146
Cash flows from investing activities					
Proceeds from disposal of:					
- property, plant and equipment		**2,575**	20,659	**–**	–
- right-of-use assets		**–**	8,744	**–**	–
- investment properties		**2,500**	–	**–**	–
Additions of:					
- property, plant and equipment	B	**(124,729)**	(385,674)	**–**	–
- right-of-use assets		**(60,483)**	–	**–**	–
- land held for property development		**–**	(239)	**–**	–
- intangible assets	6	**(2,863)**	(2,429)	**–**	–
Interest received		**3,026**	2,458	**11,031**	7,756
Income distribution from money market placements with a non-financial institution		**1,237**	1,242	**16**	30
Advances to subsidiaries		**–**	–	**(259,208)**	(90,079)
Net cash used in investing activities		**(178,737)**	(355,239)	**(248,161)**	(82,293)

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	**2024 RM'000**	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Cash flows from financing activities					
Drawdown of term loans		**260,912**	97,992	**–**	–
Repayment of term loans		**(124,192)**	(128,256)	**–**	–
Trade financing, net		**82,915**	(11,705)	**–**	–
Revolving credits, net		**(92,424)**	27,370	**–**	–
Payment of hire purchase liabilities		**(12,421)**	(696)	**–**	–
Payment of lease liabilities		**(13,082)**	(10,450)	**–**	–
Interest paid		**(86,040)**	(65,086)	**(15,366)**	(14,189)
Dividends paid		**(7,686)**	(7,686)	**(7,686)**	(7,686)
Deposits pledged		**(13,649)**	–	**–**	–
(Repayment to)/Advance from a subsidiary		**–**	–	**(30,700)**	27,200
Net cash (used in)/from financing activities		**(5,667)**	(98,517)	**(53,752)**	5,325
Net increase/(decrease) in cash and cash equivalents		**7,816**	13,048	**(2,873)**	(822)
Effect of exchange rate fluctuations on cash and cash equivalents held		**16,877**	(12,158)	**–**	–
Cash and cash equivalents at 1 January		**387,066**	386,176	**5,557**	6,379
Cash and cash equivalents at 31 December	14	**411,759**	387,066	**2,684**	5,557

Notes to statements of cash flows:

A. Cash and cash equivalents

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Cash and bank balances	**221,717**	324,839	**2,684**	5,557
Short-term deposits placed with licensed banks	**76,835**	37,743	**–**	–
Investment in money market funds	**113,207**	24,484	**–**	–
Deposits with a financial institution	**13,649**	–	**–**	–
	425,408	387,066	**2,684**	5,557
Less: Deposits pledged	**(13,649)**	–	**–**	–
	411,759	387,066	**2,684**	5,557

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to statements of cash flows (continued):

B. *Reconciliation of additions of property, plant and equipment*

	Note	Group 2024 RM'000	Group 2023 RM'000
Additions of:			
- property, plant and equipment	3	**139,694**	497,402
- motor vehicle and plant and machinery through hire purchase liabilities		**–**	(133,400)
Net movement in non-current prepayments		**(14,965)**	21,672
		124,729	385,674

C. *Cash outflows for leases as a lessee*

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Included in net cash from operating activities:					
Payment relating to:					
- short-term leases	23	**4,448**	7,024	**–**	–
- leases of low-value assets	23	**952**	815	**4**	4
Interest paid in relation to lease liabilities		**7,863**	6,544	**–**	–
Included in net cash from financing activities:					
Payment of lease liabilities		**13,082**	10,450	**–**	–
Total cash outflows for leases		**26,345**	24,833	**4**	4

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to statements of cash flows (continued):

D. Reconciliation of movements of liabilities to cash flows arising from financing activities:

Group

	At 1.1.2023 RM'000	Net changes from financing cash flows RM'000	Addition of new leases RM'000	Modification/ Reassessment/ Termination/ Expiration of leases RM'000	Foreign exchange movement RM'000	At 31.12.2023 RM'000
Term loans	744,941	(30,264)	–	–	8,279	722,956
Trade financing	478,997	(11,705)	–	–	1,087	468,379
Revolving credits	214,630	27,370	–	–	–	242,000
Hire purchase liabilities	1,516	(696)	133,400	–	–	134,220
Lease liabilities	162,988	(10,450)	36,858	(1,492)	6,646	194,550
	1,603,072	(25,745)	170,258	(1,492)	16,012	1,762,105

	At 1.1.2024 RM'000	Net changes from financing cash flows RM'000	Addition of new leases RM'000	Modification/ Reassessment/ Termination/ Expiration of leases RM'000	Foreign exchange movement RM'000	At 31.12.2024 RM'000
Term loans	**722,956**	**136,720**	**–**	**–**	**(4,109)**	**855,567**
Trade financing	**468,379**	**82,915**	**–**	**–**	**3,397**	**554,691**
Revolving credits	**242,000**	**(92,424)**	**–**	**–**	**(294)**	**149,282**
Hire purchase liabilities	**134,220**	**(12,421)**	**–**	**–**	**(3,321)**	**118,478**
Lease liabilities	**194,550**	**(13,082)**	**14,460**	**222**	**(4,665)**	**191,485**
	1,762,105	**101,708**	**14,460**	**222**	**(8,992)**	**1,869,503**

Company

	At 1.1.2023 RM'000	Net changes from financing cash flows RM'000	At 31.12.2023/ 1.1.2024 RM'000	Net changes from financing cash flows RM'000	At 31.12.2024 RM'000
Term loan	286,107	–	**286,107**	**–**	**286,107**
Amount due to a subsidiary	3,500	27,200	**30,700**	**(30,700)**	**–**
	289,607	27,200	**316,807**	**(30,700)**	**286,107**

The notes on pages 130 to 210 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 Market 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 financial year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities").

The Company is principally engaged in investment holding activities whilst the principal activities of the subsidiaries are as stated in Note 7.

These financial statements were authorised for issue by the Board of Directors on 4 April 2025.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

<u>MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2024</u>

The Group and the Company adopted the Amendment to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current which is effective from annual period beginning 1 January 2024. The adoption of this amendment has no financial impact to the financial statements of the Group and the Company.

The other MFRS Accounting Standards, interpretations and amendments which are effective for annual periods beginning on or after 1 January 2024 are not applicable to the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION *(continued)*

(a) Statement of compliance *(continued)*

MFRS Accounting Standards, interpretations and amendments that have been issued by the Malaysian Accounting Standards Board that have not been adopted by the Group and the Company

The Group and the Company plan to apply the following accounting standards, interpretations and amendments upon its effective date.

	Title	Effective date
i.	Amendments to MFRS 121, *The Effect of Changes in Foreign Exchange Rate – Lack of Exchangeability*	1 January 2025
ii.	Amendments to MFRS 9, *Financial Instruments and MFRS 7, Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*	1 January 2026
iii.	Amendments to MFRS 9, *Financial Instruments and MFRS 7, Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*	1 January 2026
iv.	Amendments that are part of Annual Improvements – Volume 11: • Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* • Amendments to MFRS 7, *Financial Instruments: Disclosures* • Amendments to MFRS 9, *Financial Instruments* • Amendments to MFRS 10, *Consolidated Financial Statements* • Amendments to MFRS 107, *Statement of Cash Flows*	1 January 2026
v.	MFRS 18, *Presentation and Disclosure in Financial Statements*	1 January 2027
vi.	MFRS 19, *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
vii.	Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The initial application of the abovementioned accounting standards, interpretations or amendments is not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company.

(b) Basis of measurement

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

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

1. BASIS OF PREPARATION *(continued)*

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS Accounting Standards 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 estimates are 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 other than as disclosed in following notes:

- Note 3 - valuation of property, plant and equipment
- Note 4 - valuation of right-of-use assets
  - extension options and incremental borrowing rate in relation to leases
- Note 7 - valuation of investments in subsidiaries
- Note 10 - valuation of inventories
- Note 29.4 - measurement of expected credit loss (“ECL”)

2. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all 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 structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive.

The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee’s return.

Investments in subsidiaries are measured in the Company’s statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(a) Basis of consolidation *(continued)*

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. 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.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(a) Basis of consolidation *(continued)*

(v) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the total comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vi) 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.

(b) Foreign currency

(i) 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 transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting period, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(b) Foreign currency *(continued)*

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(c) Financial instruments *(continued)*

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(h)(i)) where the effective interest rate is applied to the amortised cost.

(b) Fair value through other comprehensive income

(i) Debt investments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(h)(i)) where the effective interest rate is applied to the amortised cost.

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(c) Financial instruments *(continued)*

(ii) Financial instrument categories and subsequent measurement *(continued)*

Financial assets *(continued)*

(b) Fair value through other comprehensive income *(continued)*

(ii) Equity investments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

(c) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see Note 2(h)(i)).

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(c) Financial instruments *(continued)*

(ii) Financial instrument categories and subsequent measurement *(continued)*

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

(a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

(a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
(b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or
(c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

(b) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(c) Financial instruments *(continued)*

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

(iv) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in current year.

Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refers to:

(a) the recognition of an asset on the day it is received by the Group or the Company, and
(b) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group or the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group or the Company apply settlement date accounting unless otherwise stated for the specific class of asset.

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(c) Financial instruments *(continued)*

(v) Hedge accounting

At inception of a designated hedging relationship, the Group and the Company document the risk management objective and strategy for undertaking the hedge. The Group and the Company also document the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

(a) Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all, or a component of, a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss. In a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and accumulated in equity and the ineffective portion is recognised in profit or loss. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. If the hedge item is a non-financial asset or liability, the associated gain or loss recognised in other comprehensive income is removed from equity and included in the initial amount of the asset or liability. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into profit or loss immediately.

The Group designates only the change in fair value of the spot element of forward contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (“forward points”) and/or the foreign currency basis spread are separately accounted for as cost of hedging and recognised in a cost of hedging reserve within equity.

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in equity until the forecast transaction occurs. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item’s cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(c) Financial instruments *(continued)*

(vi) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expired or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(vii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(d) Intangible assets

(i) Recognition and measurement

Intangible assets, comprise of software, which have finite useful life, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

(iii) Amortisation

Intangible assets are amortised from the date that they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of intangible assets.

The estimated useful life of software for the current and comparative periods is two (2) years.

Amortisation methods, useful life and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(e) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

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. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within “other income” and “other expenses” respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component 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 component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Assets under construction are not depreciated until the assets are ready for their intended use.

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(e) Property, plant and equipment *(continued)*

(iii) Depreciation *(continued)*

The estimated useful lives for the current and comparative periods are as follows:

	Years
Buildings	27 - 50
Plant, machinery and equipment	3 - 15
Furniture, fittings and office equipment	2 - 10
Motor vehicles	5 - 10
Spare parts	2 - 10

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted as appropriate.

(f) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(f) Leases *(continued)*

(ii) Recognition and initial measurement

(a) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the Group incremental borrowing rate. Generally, the Group use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(f) Leases *(continued)*

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue" or "other income".

(g) Investment properties

Investment property carried at cost

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses, consistent with the accounting policy for property, plant and equipment as stated in accounting policy Note 2(e).

Cost includes expenditure that is attributable to the acquisition of the investment property. The cost of self-constructed investment property includes materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Right-of-use asset held under a lease contract that meets the definition of investment property is initially measured similar to other right-of-use assets.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of 18 - 50 years for buildings. Leasehold land is depreciated over the lease term and freehold land is not depreciated.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(h) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss and cash and bank balance for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery of amounts due.

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(h) Impairment *(continued)*

(ii) Other assets

The carrying amounts of other assets (except for inventories, and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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 cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. 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 or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or a group of cash-generating unit) and then to reduce the carrying amounts of the other assets in the cash-generating unit (or a group of cash-generating units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period 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 since the last impairment loss was recognised. 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 profit or loss in the financial year in which the reversals are recognised.

(i) Inventories

(i) Manufacturing inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is measured based on first-in, first-out method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in 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.

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(i) Inventories *(continued)*

(ii) Property development

Land held for property development consists of the purchase price of the land, professional fees, stamp duties, commissions, conversion fees, levies and direct development cost incurred in preparing the land for development.

Property development costs are stated at the lower of cost and net realisable value. The cost includes cost of land less cumulative amounts recognised as cost of sales in the profit or loss. Property development cost of unsold unit is transferred to completed development unit once the property is completed.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and applicable variable selling expenses.

(j) 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 fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(k) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(l) 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 an 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. The unwinding of the discount is recognised as interest expense.

(m) Contract liabilities

The contract liabilities are stated at cost and represents the obligation of the Group to transfer goods or services to customers for which consideration have been received from customers. The contract liabilities are expected to be recognised as revenue in the next twelve months.

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(n) 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 not recognised in the statements of financial position and 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.

(o) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or 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 end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

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 the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unabsorbed reinvestment allowance being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(p) Revenue and other income

(i) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:

a) the customer simultaneously receives and consumes the benefits provided as the Group performs;

b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(ii) Dividend income

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(iv) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(q) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

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.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(r) Employee benefits

(i) Short-term 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 liability 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.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(r) Employee benefits *(continued)*

(iii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed once every three years by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense or income on the net defined liability or asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments.

Net interest expense and other expenses relating to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(s) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(t) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Group Managing Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(u) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. PROPERTY, PLANT AND EQUIPMENT

Group

	Freehold land RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Spare parts RM'000	Assets under construction RM'000	Total RM'000
Cost								
At 1 January 2023	299,498	627,106	1,823,370	134,658	17,645	70,565	221,368	3,194,210
Additions	–	791	272,250	8,000	956	29,320	186,085	497,402
Disposals	–	(6,947)	(43,478)	(22)	(1,699)	–	–	(52,146)
Written off	–	(41)	(1,226)	(789)	(291)	–	(83)	(2,430)
Reclassification	793	7,055	128,234	1,475	–	–	(137,557)	–
Foreign exchange difference	–	12,732	12,614	1,430	26	437	4,360	31,599
At 31 December 2023/ 1 January 2024	**300,291**	**640,696**	**2,191,764**	**144,752**	**16,637**	**100,322**	**274,173**	**3,668,635**
Additions	**–**	**8,542**	**29,915**	**7,065**	**248**	**31,024**	**62,900**	**139,694**
Disposals	**–**	**–**	**(15,198)**	**(165)**	**(1,133)**	**(2)**	**–**	**(16,498)**
Written off	**–**	**–**	**(2,664)**	**(548)**	**–**	**(10,375)**	**(77)**	**(13,664)**
Reclassification	**–**	**148,857**	**146,552**	**(45,249)**	**–**	**47,097**	**(297,257)**	**–**
Foreign exchange difference	**–**	**(12,314)**	**(29,026)**	**(5,718)**	**(104)**	**(1,186)**	**(6,466)**	**(54,814)**
At 31 December 2024	**300,291**	**785,781**	**2,321,343**	**100,137**	**15,648**	**166,880**	**33,273**	**3,723,353**

3. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Group

	Freehold land RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Spare parts RM'000	Assets under construction RM'000	Total RM'000
Depreciation and impairment losses								
At 1 January 2023								
Accumulated depreciation	–	76,335	1,075,142	116,146	14,891	18,535	–	1,301,049
Accumulated impairment losses	4,398	64,114	102,180	949	–	26,196	2,611	200,448
	4,398	140,449	1,177,322	117,095	14,891	44,731	2,611	1,501,497
Charge for the financial year	–	16,638	93,203	9,427	1,004	19,783	–	140,055
Disposals	–	(951)	(33,053)	(17)	(1,604)	–	–	(35,625)
Written off	–	(5)	(684)	(781)	(291)	–	–	(1,761)
Reversal of impairment losses (Note 3.4)	(4,398)	–	–	–	–	–	–	(4,398)
Reclassification	–	–	2	(2)	–	–	–	–
Foreign exchange difference	–	3,832	6,093	1,200	21	190	–	11,336
At 31 December 2023								
Accumulated depreciation	–	93,353	1,143,484	125,973	14,021	38,479	–	1,415,310
Accumulated impairment losses	–	66,610	99,399	949	–	26,225	2,611	195,794
	–	159,963	1,242,883	126,922	14,021	64,704	2,611	1,611,104
At 1 January 2024								
Accumulated depreciation	**–**	**93,353**	**1,143,484**	**125,973**	**14,021**	**38,479**	**–**	**1,415,310**
Accumulated impairment losses	**–**	**66,610**	**99,399**	**949**	**–**	**26,225**	**2,611**	**195,794**
	–	**159,963**	**1,242,883**	**126,922**	**14,021**	**64,704**	**2,611**	**1,611,104**
Charge for the financial year	**–**	**22,064**	**115,906**	**6,066**	**776**	**28,393**	**–**	**173,205**
Disposals	**–**	**–**	**(14,778)**	**(159)**	**(988)**	**(1)**	**–**	**(15,926)**
Written off	**–**	**–**	**(2,515)**	**(544)**	**–**	**(9,814)**	**(59)**	**(12,932)**
Reclassification	**–**	**(87)**	**27**	**(45,416)**	**–**	**45,514**	**(38)**	**–**
Foreign exchange difference	**–**	**(3,946)**	**(14,992)**	**(5,253)**	**(85)**	**(675)**	**–**	**(24,951)**
At 31 December 2024								
Accumulated depreciation	**–**	**112,813**	**1,232,293**	**80,721**	**13,724**	**106,862**	**–**	**1,546,413**
Accumulated impairment losses	**–**	**65,181**	**94,238**	**895**	**–**	**21,259**	**2,514**	**184,087**
	–	**177,994**	**1,326,531**	**81,616**	**13,724**	**128,121**	**2,514**	**1,730,500**

3. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Group

	Freehold land RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Spare parts RM'000	Assets under construction RM'000	Total RM'000
Carrying amounts								
At 1 January 2023	295,100	486,657	646,048	17,563	2,754	25,834	218,757	1,692,713
At 31 December 2023/ 1 January 2024	**300,291**	**480,733**	**948,881**	**17,830**	**2,616**	**35,618**	**271,562**	**2,057,531**
At 31 December 2024	**300,291**	**607,787**	**994,812**	**18,521**	**1,924**	**38,759**	**30,759**	**1,992,853**

3.1 Leased motor vehicles and plant and machinery

At 31 December 2024, the carrying amounts of leased motor vehicles and plant and machinery of the Group are as follows:

	Group	
	2024 RM'000	**2023 RM'000**
Motor vehicles	**1,129**	1,345
Plant and machinery	**149,023**	163,852
	150,152	165,197

3.2 Security

The carrying amounts of buildings and assets under construction collateralised for banking facilities granted to the Group are as follows (see Note 17):

	Group	
	2024 RM'000	**2023 RM'000**
Buildings	**22,416**	22,862
Assets under construction	**–**	18
	22,416	22,880

3. PROPERTY, PLANT AND EQUIPMENT *(continued)*

3.3 Land and buildings subject to operating lease

The Group had leased a part of a freehold land to a related party and certain buildings to a third party. At the end of the reporting date, the lease of freehold land contains an initial non-cancellable period of two (2023: two) years. Subsequent renewals are negotiated with the lessee.

The Group does not require a financial guarantee on the lease arrangement.

The following is recognised in profit or loss:

	Group	
	2024 RM'000	**2023 RM'000**
Lease income	**2,396**	2,448

The operating lease payments to be received are as follows:

	Group	
	2024 RM'000	**2023 RM'000**
Less than one year	**3,061**	1,488
One to two years	**2,468**	1,315
Two to three years	**778**	767
Total undiscounted lease payment	**6,307**	3,570

3.4 Impairment testing on property, plant and equipment

The Group assessed whether there were any indicators of impairment during the financial year. In doing this, management considered the current environment and performance of the cash generating units ("CGUs"). Management considered the continued losses generated in certain operating subsidiaries in the current financial year as impairment indicators. These companies collectively held RM646,941,000 (2023: RM627,478,000) in carrying amount of property, plant and equipment as at 31 December 2024.

A CGU's recoverable amount is determined as being the higher of the CGU's fair value less costs of disposal and its value in use. Where fair value less costs of disposal was used, the management made estimation using the latest available market information and recent experience and knowledge in the location and category of property being valued. Where the value in use model was used, management had made estimates about the future results and key assumptions applied to cash flow projections of the CGUs. These significant assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rate, which was, amongst others, dependent on forecasted economic conditions.

3. PROPERTY, PLANT AND EQUIPMENT *(continued)*

3.4 Impairment testing on property, plant and equipment *(continued)*

The recoverable amount is based on value in use method which was determined by discounting the future cash flow generated from the continuing use of the property, plant and equipment and was based on the following key assumptions:

(i) The range of anticipated annual revenue growth rates per annum used in the cash flow projections of the CGUs were as follows:-

Domicile country of the subsidiaries	2024	2023
Malaysia	**0% to 9%**	0% to 17%
Myanmar	**0% to 20%**	0% to 15%
Vietnam	**6% to 39%**	0% to 50%
United States of America	**0% to 577%**	1% - 6,457%

(ii) Profit margins were projected based on the historical profit margins achieved for the products.

(iii) Discount rate used for each respective country was based on the country's weighted average cost of capital rate (pre-tax discount rate), incorporating the respective country's risk premium and an additional premium to factor in risk of cash flow projection inaccuracy. The pre-tax discount rates for the operating subsidiaries were as follows:-

Domicile country of the subsidiaries	2024	2023
Malaysia	**10.61%**	11.04%
Myanmar	**12.00%**	12.00%
Vietnam	**7.27%**	8.65%
United States of America	**6.82%**	8.20%

(iv) Cash flows were projected based on 1 year (2023: 1 year) base financial budgets approved by the Board of Directors.

Any unfavourable deviation to the above assumptions will result in further impairment to the Group.

Premised on the above, the management had determined that the recoverable amounts in the CGUs were higher than the carrying amounts of their property, plant and equipment. The Group had not recognised an impairment loss of property, plant and equipment during the financial year.

In the previous year, the Group had reversed a previously impaired freehold land during the previous financial year by RM4,398,000 in the income statement then as the recoverable amount of the freehold land which was based on fair value less costs of disposal of the CGU was higher than the carrying amount.

3.5 Spare parts, which were held for use in the production and supply of goods are expected to be used over more than one period, and are classified as property, plant and equipment.

4. RIGHT-OF-USE ASSETS - GROUP

	Land use rights RM'000	Buildings and hostels RM'000	Factory equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost					
At 1 January 2023	442,182	155,552	10,905	496	609,135
Additions	–	33,057	3,652	149	36,858
Disposal	(5,381)	–	–	–	(5,381)
Termination of lease contracts	–	(11,650)	(228)	–	(11,878)
Modification/Reassessment	–	10,839	(210)	(367)	10,262
Expiration of lease contracts	–	(570)	(946)	(129)	(1,645)
Foreign exchange difference	5,639	6,600	19	(2)	12,256
At 31 December 2023/ 1 January 2024	**442,440**	**193,828**	**13,192**	**147**	**649,607**
Additions	**60,483**	**7,461**	**6,999**	**–**	**74,943**
Termination of lease contracts	**–**	**(240)**	**(501)**	**(57)**	**(798)**
Modification/Reassessment	**–**	**(661)**	**(554)**	**–**	**(1,215)**
Expiration of lease contracts	**–**	**(140)**	**(1,424)**	**–**	**(1,564)**
Foreign exchange difference	**(6,321)**	**(4,783)**	**(269)**	**(8)**	**(11,381)**
At 31 December 2024	**496,602**	**195,465**	**17,443**	**82**	**709,592**

NOTES TO THE FINANCIAL STATEMENTS

4. RIGHT-OF-USE ASSETS - GROUP *(continued)*

	Land use rights RM'000	Buildings and hostels RM'000	Factory equipment RM'000	Motor vehicles RM'000	Total RM'000
Depreciation and impairment losses					
At 1 January 2023					
Accumulated depreciation	37,259	6,953	4,174	338	48,724
Accumulated impairment losses	35,081	–	293	–	35,374
	72,340	6,953	4,467	338	84,098
Charge for the financial year	13,409	12,251	3,113	75	28,848
Disposal	(686)	–	–	–	(686)
Termination of lease contracts	–	(5,017)	(140)	–	(5,157)
Modification/Reassessment	–	6,391	(1,046)	(209)	5,136
Expiration of lease contracts	–	(562)	(946)	(129)	(1,637)
Foreign exchange difference	1,290	309	2	(1)	1,600
At 31 December 2023/ 1 January 2024					
Accumulated depreciation	**50,469**	**20,325**	**5,194**	**74**	**76,062**
Accumulated impairment losses	**35,884**	**–**	**256**	**–**	**36,140**
	86,353	**20,325**	**5,450**	**74**	**112,202**
Charge for the financial year	**10,738**	**14,125**	**4,087**	**57**	**29,007**
Termination of lease contracts	**–**	**(117)**	**(132)**	**(43)**	**(292)**
Modification/Reassessment	**–**	**(1,314)**	**(678)**	**–**	**(1,992)**
Expiration of lease contracts	**–**	**(114)**	**(1,424)**	**–**	**(1,538)**
Foreign exchange difference	**(1,165)**	**(564)**	**(151)**	**(6)**	**(1,886)**
At 31 December 2024					
Accumulated depreciation	**60,502**	**32,341**	**6,896**	**82**	**99,821**
Accumulated impairment losses	**35,424**	**–**	**256**	**–**	**35,680**
	95,926	**32,341**	**7,152**	**82**	**135,501**

NOTES TO THE FINANCIAL STATEMENTS

4. RIGHT-OF-USE ASSETS - GROUP *(continued)*

	Land use rights RM'000	Buildings and hostels RM'000	Factory equipment RM'000	Motor vehicles RM'000	Total RM'000
Carrying amounts					
At 1 January 2023	369,842	148,599	6,438	158	525,037
At 31 December 2023/ 1 January 2024	**356,087**	**173,503**	**7,742**	**73**	**537,405**
At 31 December 2024	**400,676**	**163,124**	**10,291**	**–**	**574,091**

Included in land use rights are RM400,676,000 (2023: RM356,087,000) in relation to leasehold land with remaining tenures of 4 to 56 years (2023: 5 to 57 years). The Group also leases a number of factory buildings, hostels, factory facilities and motor vehicles that run between 1 year to 18 years (2023: 1 year to 19 years) with an option to renew the lease after the initial period.

4.1 The carrying amount of land use rights collateralised for the banking facilities granted to the Group is RM8,446,000 (2023: RM8,699,000) (see Note 17).

4.2 Extension options

Certain leases of factory buildings and hostels contain extension options exercisable by the Group prior to the end of the non-cancellable contract period. Where applicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

The extension option of the lease is currently included in the lease term as the Group assessed that it is reasonably certain to exercise the extension option, which is supported by the high historical rate of extensions exercised by the Group. Hence, as at 31 December 2024, there are no potential future lease payments not included in lease liabilities.

4. RIGHT-OF-USE ASSETS - GROUP *(continued)*

4.3 Significant judgements and assumptions in relation to lease

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Group considers all facts and circumstances including its past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help it determines the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Group first determines the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

4.4 Impairment testing on right-of-use assets

The Group assessed whether there were any indicators of impairment. In doing this, management considered the current environment and performance of the CGUs. Management considered the continued losses generated in certain operating subsidiaries as impairment indicators. These companies collectively held RM177,913,000 (2023: RM185,240,000) in carrying amount of right-of-use assets as at 31 December 2024.

A CGU's recoverable amount was determined as being the higher of the CGU's fair value less costs of disposal and its value in use. Where the value in use model was used, management has made estimates about the future results and key assumptions applied to cash flow projections of the CGUs. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rate, which was, amongst others, dependent on forecasted economic conditions. This impairment testing was performed based on the key assumptions as applied with the impairment testing on property, plant and equipment as disclosed in Note 3.4.

Premised on the above, the management has determined that the recoverable amounts in the CGUs were in excess of the carrying amounts of the right-of-use assets and accordingly, no impairment was recognised in the income statement in the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

5. INVESTMENT PROPERTIES - GROUP

	Leasehold land RM'000	Leasehold buildings RM'000	Total RM'000
Cost			
At 1 January 2023/31 December 2023/ 1 January 2024	**69,300**	**19,600**	**88,900**
Disposal	**(1,300)**	**(600)**	**(1,900)**
At 31 December 2024	**68,000**	**19,000**	**87,000**
Accumulated depreciation			
At 1 January 2023	3,817	2,222	6,039
Charge for the financial year	1,021	594	1,615
At 31 December 2023/ 1 January 2024	**4,838**	**2,816**	**7,654**
Charge for the financial year	**976**	**574**	**1,550**
Disposal	**(383)**	**(177)**	**(560)**
At 31 December 2024	**5,431**	**3,213**	**8,644**
Carrying amounts			
At 1 January 2023	65,483	17,378	82,861
At 31 December 2023/1 January 2024	**64,462**	**16,784**	**81,246**
At 31 December 2024	**62,569**	**15,787**	**78,356**

5.1 Investment properties of the Group comprise leasehold land and buildings that are leased to third parties. No contingent rents are charged.

The following are recognised in profit or loss:

	2024 RM'000	2023 RM'000
Lease income	**2,995**	2,286
Direct operating expenses		
- income generating investment properties	**777**	405

5. INVESTMENT PROPERTIES - GROUP *(continued)*

5.2 The operating lease payments to be received are as follows:

	2024 RM'000	2023 RM'000
Less than one year	**3,001**	1,368
One to two years	**2,454**	1,315
Two to three years	**778**	767
Total undiscounted lease payments	**6,233**	3,450

5.3 Fair value information

The fair value of the investment properties is classified as level 3 of fair value hierarchy and determined to be approximately RM87,000,000 (2023: RM88,900,000).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties. The valuation technique used in the determination of fair value within Level 3 is as follows:

Description of Valuation Technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Sales comparison approach: This approach entails comparing the property with similar properties that were sold. The characteristics, merits and demerits of these properties are noted and appropriate adjustments thereof are then made to arrive at the value of the investment properties.	Price per square meter RM2,150 (2023: RM356 - RM2,150)	The estimated fair value would increase (decrease) if the price per square meter is higher (lower).

Valuation processes applied by the Group for Level 3 fair value

The fair value of investment properties of the Group was based on Directors' estimation using the latest available market information and recent experience and knowledge in the location and category of properties being valued.

5.4 Impairment testing on investment properties

The Group assessed whether there were any indicators of impairment by considering the current environment and performance of the investment properties by the Group.

The recoverable amount of the investment property was estimated based on fair value less costs of disposal method. The fair value less costs of disposal was determined by external, independent property valuer based on comparison of the investment property with the latest available market information and recent experience and knowledge in the location and category of properties similar to the investment property being valued.

NOTES TO THE FINANCIAL STATEMENTS

6. INTANGIBLE ASSETS - GROUP

	Software	
	2024 RM'000	**2023 RM'000**
Cost		
At 1 January	**15,228**	12,673
Additions	**2,863**	2,429
Written off	**–**	(28)
Foreign exchange difference	**(235)**	154
At 31 December	**17,856**	15,228
Amortisation		
At 1 January	**11,857**	10,956
Charge for the financial year	**777**	803
Written off	**–**	(28)
Foreign exchange difference	**(153)**	126
At 31 December	**12,481**	11,857
Carrying amounts	**5,375**	3,371

7. INVESTMENTS IN SUBSIDIARIES - COMPANY

	Note	2024 RM'000	2023 RM'000
Cost of investments		**1,461,186**	1,446,186
Less: Impairment loss	7.1	**(123,255)**	(121,829)
		1,337,931	1,324,357

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENTS IN SUBSIDIARIES - COMPANY *(continued)*

Details of the subsidiaries are as follows:

Name of subsidiary	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest 2024 %	2023 %	Principal activities
Aik Joo Can Factory Sdn. Berhad	Malaysia	**100**	100	Can manufacturer
AJCan Sdn. Bhd.	Malaysia	**100**	100	Can manufacturer
Canzo Sdn. Bhd.	Malaysia	**100**	100	Can manufacturer
PT. Corum (1)	Indonesia	**100**	100	Can manufacturer
Newmarq Sdn. Bhd.	Malaysia	**100**	100	Investment holding
Amber Alliance Sdn. Bhd.	Malaysia	**100**	100	Investment holding
Hinoki Beverages Sdn. Bhd.	Malaysia	**100**	100	Property investment
TOGO Greenland Sdn. Bhd.	Malaysia	**100**	100	Property development, construction of building, purchase and sale of properties
Sanjung Nuri Sdn. Bhd.	Malaysia	**100**	100	Property investment
Can-One International Sdn. Bhd.	Malaysia	**100**	100	Investment holding
Kian Joo Can Factory Berhad	Malaysia	**100**	100	Can manufacturer and investment holding
KJ Can (Selangor) Sdn. Bhd.	Malaysia	**100**	100	Can manufacturer
KJ Can (Johore) Sdn. Bhd.	Malaysia	**100**	100	Can manufacturer
Federal Metal Printing Factory, Sdn. Berhad	Malaysia	**100**	100	Can manufacturer
Kian Joo Can (Vietnam) Co., Ltd.	Vietnam	**100**	100	Can manufacturer
KJM Aluminium Can Sdn. Bhd.	Malaysia	**100**	100	Aluminium can manufacturer

7. INVESTMENTS IN SUBSIDIARIES - COMPANY *(continued)*

Details of the subsidiaries are as follows *(continued)*:

Name of subsidiary	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest 2024 %	2023 %	Principal activities
Kianjoo Can (Myanmar) Company Limited (3)	Myanmar	**100**	100	Aluminium can manufacturer
Can-One (USA), Inc. (1)	United States of America	**100**	100	Aluminium can manufacturer
Kian Joo Cans Distribution Sdn. Bhd.	Malaysia	**100**	100	Investment holding and trading
KJ Greencans Pte. Ltd. (2)	Singapore	**100**	–	Investment holding
Greencans Industries (Vietnam) Co.,Ltd.	Vietnam	**100**	–	Aluminium can manufacturer
Kian Joo Canpack Sdn. Bhd.	Malaysia	**100**	100	Provision of contract manufacturing
Kian Joo Canpack (Shah Alam) Sdn. Bhd.	Malaysia	**100**	100	Provision of contract packing services
Metal-Pak (Malaysia) Sdn. Bhd.	Malaysia	**100**	100	Investment holding
KJO International Sdn. Bhd.	Malaysia	**100**	100	Investment holding
Indastri Kian Joo Sdn. Bhd.	Malaysia	**100**	100	Letting of factory building
Bintang Seribu Sdn. Bhd.	Malaysia	**100**	100	Letting of factory building
KJ Can (Singapore) Pte. Ltd. (1)	Singapore	**100**	100	Trading
PT. AJ Candace (2)	Indonesia	**100**	100	Dormant
PT. KJ Canmax (1)	Indonesia	**100**	100	Dormant
PT. KJ Canco (1)	Indonesia	**100**	100	Dormant
Box-Pak (Malaysia) Bhd. (1)	Malaysia	**55**	55	Corrugated fibre board carton manufacturer

7. INVESTMENTS IN SUBSIDIARIES - COMPANY *(continued)*

Details of the subsidiaries are as follows *(continued)*:

Name of subsidiary	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest 2024 %	2023 %	Principal activities
BP MPak Sdn. Bhd. (1)	Malaysia	**55**	55	Corrugated fibre board carton manufacturer and trading of paper roll
Box-Pak (Vietnam) Co., Ltd. (1)	Vietnam	**55**	55	Corrugated fibre board carton manufacturer
Krafton Greenpax (Viet Nam) Company Limited (1)	Vietnam	**55**	–	Corrugated fibre board carton manufacturer
Box-Pak (Hanoi) Co., Ltd. (1)	Vietnam	**55**	55	Corrugated fibre board carton manufacturer
Boxpak (Myanmar) Company Limited (1)(3)	Myanmar	**55**	55	Corrugated fibre board carton manufacturer
BP Pax (Singapore) Pte. Ltd. (1)	Singapore	**55**	55	Investment holding
PT. KJ Box-Pak (1)	Indonesia	**55**	55	Dormant
Box-Pak (Johore) Sdn. Bhd. (1)	Malaysia	**55**	55	Dormant
Kian Joo Packaging Sdn. Bhd. (4)	Malaysia	**–**	100	Dormant
Great Asia Tin Cans Factory Company, Sdn. Berhad (4)	Malaysia	**–**	100	Letting of factory building
Kian Joo Manufacturing Sdn. Bhd. (4)	Malaysia	**–**	100	Dormant

(1) The financial statements of these subsidiary companies are not audited by KPMG PLT, Malaysia or other KPMG International member firms.

(2) The unaudited management financial statements were consolidated in the Group's financial statements.

(3) The accounting year end of these subsidiaries are 31 March. The Company has been granted approval by the Companies Commission of Malaysia for the subsidiaries to continue to have a financial year which does not coincide with the Company in relation to the financial year ended 31 December 2024.

(4) The subsidiary was struck off/deregistered from the register of Companies Commission of Malaysia during the financial year.

7. INVESTMENTS IN SUBSIDIARIES - COMPANY *(continued)*

7.1 Impairment testing on investments in subsidiaries

The Company assessed whether there were any indicators of impairment during the financial year. In doing this, management considered the current environment and performance of the CGUs. Management also considered the continued losses or deficit in shareholders' funds in certain operating subsidiaries in the current financial year as impairment indicators. The carrying amounts of investments in these subsidiaries amounted to RM32,375,000 (2023: RM34,766,000) as at 31 December 2024.

The recoverable amounts of the investments in subsidiaries were RM30,949,000 (2023: RM32,374,000) which were arrived at based on fair values less costs of disposal by estimating the fair values of the underlying assets and liabilities of these subsidiaries.

Consequently, the Company recognised an impairment loss of RM1,426,000 (impairment loss 2023: RM2,392,000) on investments in subsidiaries as these subsidiaries are unlikely to turn profitable in the foreseeable future.

7.2 Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

	Box-Pak (Malaysia) Bhd.	
	2024	**2023**
NCI percentage of ownership interest and voting interest	**45%**	45%
Carrying amount of NCI (RM'000)	**73,991**	81,676
Loss allocated to NCI (RM'000)	**(6,074)**	(4,773)

7. INVESTMENTS IN SUBSIDIARIES - COMPANY *(continued)*

7.2 Non-controlling interests in subsidiaries *(continued)*

Summarised financial information before intra-group elimination and fair value adjustments

	Box-Pak (Malaysia) Bhd.	
	2024 RM'000	**2023 RM'000**
As at 31 December		
Non-current assets	**241,262**	223,764
Current assets	**254,111**	288,918
Non-current liabilities	**(43,357)**	(49,848)
Current liabilities	**(357,666)**	(353,454)
Net assets	**94,350**	109,380
Year ended 31 December		
Revenue	**666,283**	644,420
Loss for the year	**(11,451)**	(8,118)
Total comprehensive expense	**(15,030)**	(10,772)
Cash flows from/(used in):		
- operating activities	**28,195**	61,859
- investing activities	**(55,776)**	(8,864)
- financing activities	**(18,844)**	(16,185)
Net (decrease)/increase in cash and cash equivalents	**(46,425)**	36,810

7.3 Shares pledged for banking facilities

The entire unquoted shares of Kian Joo Cans Distribution Sdn. Bhd. and Kian Joo Can Factory Berhad have been pledged to a financial institution and a bank respectively for term loan facilities granted to a subsidiary and the Company respectively (see Note 17).

8. DEFERRED TAX ASSETS/(LIABILITIES) - GROUP

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Capital allowances and depreciation differences	**–**	–	**(49,099)**	(48,749)	**(49,099)**	(48,749)
Right-of-use assets	**–**	–	**(93,260)**	(95,556)	**(93,260)**	(95,556)
Unabsorbed capital allowances	**4,196**	7,810	**–**	–	**4,196**	7,810
Unabsorbed reinvestment allowances	**18,072**	8,071	**–**	–	**18,072**	8,071
Unabsorbed tax losses	**3,735**	7,147	**–**	–	**3,735**	7,147
Provisions and other temporary differences	**24,664**	25,938	**–**	–	**24,664**	25,938
Deferred tax assets/(liabilities)	**50,667**	48,966	**(142,359)**	(144,305)	**(91,692)**	(95,339)
Set-off of tax	**(50,333)**	(45,862)	**50,333**	45,862	**–**	–
Net deferred tax assets/(liabilities)	**334**	3,104	**(92,026)**	(98,443)	**(91,692)**	(95,339)

8. DEFERRED TAX ASSETS/(LIABILITIES) - GROUP *(continued)*

Movements in temporary differences during the financial year are as follows:

	At 1 January 2023 RM'000	Recognised in profit or loss (Note 24) RM'000	Foreign exchange difference RM'000	At 31 December 2023/ 1 January 2024 RM'000	Recognised in profit or loss (Note 24) RM'000	Foreign exchange difference RM'000	At 31 December 2024 RM'000
Capital allowances and depreciation differences	(52,532)	3,779	4	**(48,749)**	**(344)**	**(6)**	**(49,099)**
Right-of-use assets	(97,725)	2,169	–	**(95,556)**	**2,296**	**–**	**(93,260)**
Unabsorbed capital allowances	9,494	(1,684)	–	**7,810**	**(3,614)**	**–**	**4,196**
Unabsorbed reinvestment allowances	16,662	(8,591)	–	**8,071**	**10,001**	**–**	**18,072**
Unabsorbed tax losses	3,751	3,396	–	**7,147**	**(3,412)**	**–**	**3,735**
Provisions and other temporary differences	21,654	4,275	9	**25,938**	**(1,245)**	**(29)**	**24,664**
	(98,696)	3,344	13	**(95,339)**	**3,682**	**(35)**	**(91,692)**

Deferred tax assets have not been recognised in respect of the following items (stated as gross):

	2024 RM'000	2023 RM'000
Unabsorbed capital allowances	**196,122**	166,649
Unabsorbed reinvestment allowances	**314,423**	383,559
Unabsorbed tax losses	**159,533**	169,228
Exemption of income for value of increase in exports	**16,130**	16,130
Provisions and other temporary differences	**(139,284)**	(168,597)
	546,924	566,969

Deferred tax assets have not been recognised in respect of the above items because it is not probable that future taxable profits will be available against which the subsidiaries can utilise the benefits therefrom.

The Myanmar entities' business activities are conducted in a Special Economic Zone and the entities have been granted tax allowance to retrieve the losses for the five (5) years after the year of losses incurred under the provision of the Myanmar Special Economic Law, 2014.

For the Malaysian entities, with the gazette of the Finance Act 2021, the carry forward of any unabsorbed tax losses is extended to ten (10) consecutive years of assessment and it is deemed effective from the year of assessment 2019. Any amount which is not deducted at the end of the period of ten (10) years of assessment shall be disregarded.

8. DEFERRED TAX ASSETS/(LIABILITIES) - GROUP *(continued)*

For the Malaysian entities, effective from year of assessment 2019, the unabsorbed reinvestment allowances will expire after seven (7) consecutive years of assessment from the end of each qualifying period of fifteen (15) consecutive years of assessment commencing from the year of assessment of the first claim.

	Unabsorbed reinvestment allowances		**Unabsorbed tax losses**	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Expires by:				
- 31 December 2024	**–**	–	**–**	5,794
- 31 December 2025	**184,984**	216,444	**10,260**	10,260
- 31 December 2026	**–**	–	**9,445**	9,475
- 31 December 2027	**29,968**	29,968	**8,582**	8,921
- 31 December 2028	**–**	–	**46,962**	48,489
- 31 December 2029	**–**	–	**17,841**	21,350
- 31 December 2030	**42,155**	42,155	**20,263**	30,508
- 31 December 2031	**114,635**	110,640	**25,172**	27,028
- 31 December 2032	**–**	–	**27,023**	27,027
- 31 December 2033	**–**	–	**6,795**	6,873
- 31 December 2036	**17,981**	17,981	**–**	–
	389,723	417,188	**172,343**	195,725

The use of tax losses of subsidiaries in other countries is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation in those countries that the subsidiaries operate.

9. PREPAYMENTS - GROUP

	Note	**2024 RM'000**	**2023 RM'000**
Non-current	9.1	**10,172**	25,137
Current	9.2	**16,829**	10,272

9.1 These are prepayments for acquisition of property, plant and machinery. In prior year, included in the prepayments is a sum of RM10,663,000 which is in relation to deposit for the acquisition of land use rights.

9.2 These are including advance payments to suppliers for purchase of raw materials.

NOTES TO THE FINANCIAL STATEMENTS

10. INVENTORIES - GROUP

	Note	2024 RM'000	2023 RM'000
Manufacturing inventories			
- Raw materials		**419,720**	452,346
- Work-in-progress		**124,753**	124,812
- Finished goods		**139,971**	134,784
		684,444	711,942
Property development cost	10.1	**29,216**	89,659
		713,660	801,601
Recognised in profit or loss:			
Inventories recognised as "cost of sales"		**2,832,010**	2,699,716
Write down/(Reversal of write-down) of inventories to net realisable value	10.2	**9,495**	(6,306)
Write off of inventories		**28,927**	29,453

10.1 Property development cost

	2024 RM'000	2023 RM'000
At 1 January	**89,659**	–
Land held for property development	**–**	109,867
Development cost incurred	**–**	10
Recognised as cost of sales	**(60,443)**	(20,218)
At 31 December	**29,216**	89,659

A subsidiary had entered into a Development Agreement with a third party to collaborate and develop the freehold land.

The carrying amount of the property development cost on the freehold land was collateralised for banking facilities granted to a subsidiary. During the financial year, the subsidiary has fully repaid the term loan.

10.2 Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible change in these estimates could result in revision to the valuation of inventories. The write-down and reversal are included in "cost of sales".

11. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current					
Non-trade					
Amount due from a subsidiary	11.1	**–**	–	**391,455**	162,990
Current					
Trade					
Trade receivables	11.2	**519,587**	525,454	**–**	–
Non-trade					
Amounts due from subsidiaries	11.1	**–**	–	**41,534**	26,635
Other receivables	11.3	**42,641**	37,997	**28**	6
Dividend receivable		**–**	–	**68,328**	17,000
Deposits		**4,240**	3,723	**1**	1
		46,881	41,720	**109,891**	43,642
		566,468	567,174	**109,891**	43,642

11.1 Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured and bear interest rates ranging from 4.23% to 4.98% (2023: 4.56% to 4.96%) per annum.

11.2 The Group has entered into a non-recourse receivables financing agreements with certain financial institutions where the rights for collection and significantly all the risks and rewards over the receivables under the financing agreements have been transferred to the financial institutions. At the end of the reporting period, a total of RM95,059,000 (2023: RM90,540,000) of the Group has been derecognised from the trade receivables balance.

11.3 Other receivables

Included in other receivables of the Group is a sum of RM28,419,000 (2023: RM21,720,000) which is in relation to value added tax to be recovered from the relevant taxation authorities.

NOTES TO THE FINANCIAL STATEMENTS

12. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) - GROUP

	Note	Nominal amount RM'000	Assets RM'000	Liabilities RM'000
2024				
Derivatives at fair value through profit or loss:				
- Forward exchange contracts	12.1	**27,117**	**1,173**	**–**
Derivatives at fair value through other comprehensive income:				
- Commodity contracts	12.2	**29,436**	**717**	**–**
Current assets			**1,890**	**–**
2023				
Derivatives at fair value through profit or loss:				
- Forward exchange contracts	12.1	3,219	–	(36)
Derivatives at fair value through other comprehensive income:				
- Commodity contracts	12.2	35,469	1,482	(100)
Current assets/(liabilities)			1,482	(136)

12.1 Forward exchange contracts are used to manage the foreign currency exposure arising from the Group's receivables and payables denominated in currencies other than the functional currency of the Group. The forward exchange contracts have maturities of less than one year after the end of the reporting period. When necessary, the forward exchange contracts are rolled over at maturity.

12.2 This represents arrangements entered into with banks to hedge pricing risk of aluminium.

12.3 Derivatives financial assets/(liabilities) of the Group were categorised as Level 2 in the fair value hierarchy. There was no transfer between levels in the hierarchy during the financial year.

13. DEPOSITS WITH A FINANCIAL INSTITUTION

Deposits placed with a financial institution have been pledged as collateral for a term loan facility granted to a subsidiary (see Note 17).

NOTES TO THE FINANCIAL STATEMENTS

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances	**221,717**	324,839	**2,684**	5,557
Short-term deposits placed with licensed banks	**76,835**	37,743	**–**	–
Investment in money market funds	**113,207**	24,484	**–**	–
	411,759	387,066	**2,684**	5,557

14.1 Investment in money market funds were managed by a licensed fund management company of which the amounts deposited can be withdrawn at the discretion of the Group by giving a two days notice period.

Investment in money market funds were categorised as Level 2 in the fair value hierarchy. There was no transfer between levels in the hierarchy during the financial year.

15. SHARE CAPITAL - GROUP AND COMPANY

	2024		2023	
	Amount RM'000	Number of shares '000	Amount RM'000	Number of shares '000
Ordinary shares issued and fully paid	**197,660**	**192,153**	197,660	192,153

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

16. RESERVES

16.1 Cash flow hedge reserve

Cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of the cash flow hedges related to hedged transactions that have not yet occurred.

16.2 Foreign currency translation reserve

Foreign currency translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group.

NOTES TO THE FINANCIAL STATEMENTS

17. LOANS AND BORROWINGS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current				
Term loans	**786,357**	665,838	**286,107**	286,107
Hire purchase liabilities	**105,565**	122,529	**–**	–
	891,922	788,367	**286,107**	286,107
Current				
Term loans	**69,210**	57,118	**–**	–
Trade financing	**554,691**	468,379	**–**	–
Revolving credits	**149,282**	242,000	**–**	–
Hire purchase liabilities	**12,913**	11,691	**–**	–
	786,096	779,188	**–**	–
	1,678,018	1,567,555	**286,107**	286,107

17.1 Securities

Certain loans and borrowings are secured against legal charges over land, buildings, assets under construction, property development cost and deposits placed with a financial institution of certain subsidiaries (see Note 3.2, Note 4.1 and Note 13), investment in subsidiaries (see Note 7.3) and corporate guarantee from the Company (see Note 29.4).

17.2 Covenants required by certain banks

The covenants of banking facilities taken by certain subsidiaries of the Group restrict the ability of those subsidiaries to declare dividends to its shareholders from exceeding certain amount of the profit before tax or profit after tax for the financial year of the subsidiaries.

18. RETIREMENT BENEFIT OBLIGATIONS - GROUP

Certain entities in the Group operate an unfunded Retirement Benefit Scheme ("the Scheme") for its eligible employees. The obligation of the Group under the Scheme is determined based on the latest actuarial valuation by an independent actuary dated 22 December 2023 (2023: 22 December 2023). The Group carries out the valuation once every three years. Under the Scheme, eligible employees are entitled to retirement benefits varying between 18 days and 52 days (2023: 18 days and 52 days) per year of final salary upon attainment of the retirement age of 60 (2023: 60).

The amounts recognised in the statements of financial position are determined as follows:

	2024 **RM'000**	**2023** **RM'000**
Analysed as:		
Current liabilities	**10,913**	17,914
Non-current liabilities	**76,060**	76,134
Retirement benefit obligations representing net liability	**86,973**	94,048
Analysed as:		
Not later than one year	**10,913**	17,914
Later than one year but not later than two years	**5,590**	9,483
Later than two years but not later than five years	**28,092**	25,798
Later than five years	**42,378**	40,853
	86,973	94,048

The movements during the financial year in the amounts recognised in the statements of financial position in respect of the retirement benefit obligations are as follows:

	2024 **RM'000**	**2023** **RM'000**
At 1 January	**94,048**	72,033
Current service cost	**4,669**	13,838
Interest cost	**3,190**	2,529
Items recognised in profit or loss	**7,859**	16,367
Remeasurement effects recognised in other comprehensive expenses	**–**	8,629
Benefits paid by the Scheme	**(14,934)**	(2,981)
At 31 December	**86,973**	94,048

Certain assumptions are used in the actuarial valuation and due to the long term nature of this Scheme, such estimates are subject to uncertainty.

18. RETIREMENT BENEFIT OBLIGATIONS - GROUP *(continued)*

The principal actuarial assumptions used are as follows:

	2024 %	2023 %
Discount rate	**4.6**	4.6
Expected rate of salary increases	**5.5**	5.5

The discount rate is determined based on the values of Malaysian government securities and AA rated private debt securities (2023: Malaysian government securities and AA rated private debt securities) with 3 to 7 years (2023: 3 to 7 years) of maturity.

Significant actuarial assumption for determination of the retirement benefit obligations is the discount rate. The sensitivity analysis below has been determined based on changes to significant assumption with all other assumptions held constant.

	2024 RM'000	2023 RM'000
A 1% increase in discount rate will decrease the retirement benefit obligation by	**4,754**	5,008

The sensitivity analysis presented above may not be representative of the actual change in retirement benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some assumptions may be correlated.

19. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade					
Trade payables		**253,008**	362,335	**–**	–
Non-trade					
Other payables		**59,607**	57,128	**65**	2
Accrued expenses		**118,248**	140,664	**2,384**	4,199
Amount due to a subsidiary	19.1	**–**	–	**–**	30,700
		177,855	197,792	**2,449**	34,901
		430,863	560,127	**2,449**	34,901

19.1 Amount due to a subsidiary

The amount due to a subsidiary was unsecured, bears interest rate at 4.55% (2023: 4.56%) per annum and repayable on demand.

20. REVENUE

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Revenue from contracts with customers	**3,192,547**	3,053,653	**–**	–
Other revenue				
- Dividend income	**–**	–	**356,693**	99,124
- Rental income	**56**	138	**–**	–
	3,192,603	3,053,791	**356,693**	99,124

20.1 Nature of goods and timing of recognition

Revenue from the sale of the products of general packaging and contract manufacturing as well as trading of goods

Revenue from the sale of the products of general packaging and contract manufacturing as well as trading of goods in the course of ordinary activities is typically recognised at the point in time when the Group transfers the control of the goods to the customers. Revenue is measured as the amount of consideration to which the Group is expected to be entitled, net of discounts and rebates.

The general credit terms granted to customers range from cash on delivery to 120 days (2023: cash on delivery to 120 days) and there is no warranty attached to the goods sold by the Group. The Group generally allows return of goods in exchange with new goods.

Revenue from property development

Revenue arising from property development in Malaysia is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognises revenue over time using the output method, which is based on the level of completion of the physical proportion of contract work to date, certified by an architect.

The Group recognises sales at a point in time for the sale of completed properties when the control of the properties has been transferred to the purchasers and it is probable that the Group will collect the consideration to which it will be entitled to in exchange for the assets sold.

20.2 Transaction price allocated to the remaining performance obligations

The Group applies the practical expedient in paragraph 121(a) of MFRS 15 and did not disclose the transaction price allocated to unsatisfied (or partially satisfied) performance obligations where the contract has an original expected duration of one year or less.

20. REVENUE *(continued)*

20.3 Disaggregation of revenue based on the geographical location and revenue from major product lines has been presented in the operating segments, Note 28 to the financial statements.

20.4 The following shows the revenue expected to be recognised in the future related to the performance obligations that are yet to be satisfied by the Group at the reporting date. The amount presented below are after accounting for all the variable considerations from contracts with customers.

	Within 1 to 2 years	
	2024 RM'000	**2023 RM'000**
Remaining performance obligation for the financial year end		
Property development revenue	**10,497**	58,646

21. INTEREST EXPENSE

	Group		**Company**	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- Term loans	**41,757**	37,678	**14,062**	13,515
- Trade financing	**29,853**	24,420	**–**	–
- Revolving credits	**4,425**	2,933	**–**	–
- Hire purchase liabilities	**10,005**	55	**–**	–
- Advances from subsidiaries	**–**	–	**1,304**	674
Interest expense on lease liabilities	**7,863**	6,544	**–**	–
	93,903	71,630	**15,366**	14,189

22. EMPLOYEE INFORMATION (INCLUDING KEY MANAGEMENT PERSONNEL COMPENSATIONS)

	Group		**Company**	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Staff costs	**401,408**	407,334	**3,536**	3,789

Staff costs of the Group and of the Company include contributions to the Employees' Provident Fund of RM23,498,000 (2023: RM25,455,000) and RM250,000 (2023: RM231,000) respectively.

23. PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting):

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Auditors' remuneration					
Audit fees					
KPMG PLT		**477**	481	**48**	48
Other member firms of KPMG International Limited		**177**	161	**–**	–
Other auditors		**782**	641	**–**	–
Non-audit fees					
KPMG PLT		**61**	85	**32**	60
Affiliates of KPMG PLT		**116**	161	**14**	14
Other auditors and affiliates		**327**	174	**29**	–
Material expenses/ (income)					
Depreciation of:					
- property, plant and equipment	3	**173,205**	140,055	**–**	–
- right-of-use assets	4	**29,007**	28,848	**–**	–
- investment properties	5	**1,550**	1,615	**–**	–
Amortisation of intangible assets	6	**777**	803	**–**	–
Net (reversal of impairment losses)/impairment losses on:					
- property, plant and equipment	3	**–**	(4,398)	**–**	–
- investments in subsidiaries	7	**–**	–	**1,426**	2,392
Income distribution from money market placements with a non-financial institution		**(1,237)**	(1,242)	**(16)**	(30)
Loss/(Gain) on foreign exchange:					
- realised		**14,101**	14,655	**–**	–
- unrealised		**19,284**	(6,809)	**–**	–
Unrealised gain on derivative financial instruments		**(1,209)**	(1,239)	**–**	–
Gain on disposal of:					
- property, plant and equipment		**(2,003)**	(4,138)	**–**	–
- right-of-use assets		**–**	(4,049)	**–**	–
- investment properties		**(1,160)**	–	**–**	–
Gain from subsidiaries struck off/deregistered		**–**	(3,197)	**–**	–
Write-down/(Reversal of write-down) of inventories		**9,495**	(6,306)	**–**	–
Write off in respect of:					
- inventories		**28,927**	29,453	**–**	–
- property, plant and equipment		**732**	669	**–**	–

23. PROFIT BEFORE TAX *(continued)*

Profit before tax is arrived at after charging/(crediting) *(continued)*:

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Expenses/(income) arising from leases					
Expenses relating to:					
- short-term leases	a	**4,448**	7,024	**–**	–
- leases of low-value assets	a	**952**	815	**4**	4
Net (gain)/loss on termination, expiration, modification and reassessment of lease contracts		**(23)**	111	**–**	–
Lease income		**(2,520)**	(2,513)	**–**	–
Net impairment losses/(reversal of impairment losses) of financial instruments		**5,126**	(511)	**844**	(1,097)
Financial instruments written off		**–**	–	**–**	5,341

Note a

The Group leases plant and equipment and office equipment with contract term of less than 1 year. These leases are short-term and/or leases of low-value items. The Group had elected not to recognise right-of-use assets and leases liabilities for these leases.

24. TAX EXPENSE

24.1 Recognised in profit or loss

	Group		Company	
	2024 **RM'000**	**2023** **RM'000**	**2024** **RM'000**	**2023** **RM'000**
Current tax expense/(credit)				
- Current year	**51,737**	26,849	**2,378**	1,654
- Prior years	**(1,534)**	(1,899)	**(39)**	–
	50,203	24,950	**2,339**	1,654
Deferred tax (credit)/expense				
- Current year	**(283)**	(9,452)	**–**	–
- Prior years	**(3,399)**	6,108	**–**	–
	(3,682)	(3,344)	**–**	–
Real property gain tax ("RPGT")	**177**	56	**–**	–
Total tax expense	**46,698**	21,662	**2,339**	1,654

24. TAX EXPENSE *(continued)*

24.2 Reconciliation of tax expense

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
(Loss)/Profit for the year	**(25,749)**	28,623	**345,240**	84,655
Total tax expense	**46,698**	21,662	**2,339**	1,654
Profit before tax	**20,949**	50,285	**347,579**	86,309
Income tax calculated using Malaysian tax rate of 24% (2023: 24%)	**5,028**	12,068	**83,419**	20,714
Non-deductible expenses	**32,896**	16,975	**4,565**	4,730
Tax exempt income	**(9,372)**	(18,935)	**(85,606)**	(23,790)
Effect of:				
- different tax rates in foreign jurisdictions	**26,495**	9,076	**–**	–
- unrecognised deferred tax assets	**(4,811)**	(2,979)	**–**	–
- reinvestment allowance	**(144)**	–	**–**	–
- RPGT	**(349)**	56	**–**	–
Reversal of deferred tax on revaluation of property	**(35)**	(35)	**–**	–
	49,708	16,226	**2,378**	1,654
Withholding tax in foreign jurisdiction	**1,923**	1,227	**–**	–
(Over)/Under provision in prior years	**(4,933)**	4,209	**(39)**	–
Total tax expense	**46,698**	21,662	**2,339**	1,654

25. OTHER COMPREHENSIVE (EXPENSE)/INCOME - GROUP

	2024			2023		
	Before tax RM'000	**Tax expense RM'000**	**Net of tax RM'000**	**Before tax RM'000**	**Tax expense RM'000**	**Net of tax RM'000**
Items that are or may be reclassified subsequently to profit or loss						
Cash flow hedge	**(665)**	**–**	**(665)**	1,146	–	1,146
Foreign currency translation differences for foreign operations	**(15,524)**	**–**	**(15,524)**	5,497	–	5,497
Item that is may not be reclassified subsequently to profit or loss						
Remeasurement of defined retirement benefits	**–**	**–**	**–**	(8,629)	–	(8,629)
	(16,189)	**–**	**(16,189)**	(1,986)	–	(1,986)

26. (LOSS)/EARNINGS PER ORDINARY SHARE - GROUP

The calculation of basic (loss)/earnings per ordinary share was based on the (loss)/profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	2024 RM'000	**2023 RM'000**
(Loss)/Profit for the year attributable to the owners of the Company	**(19,675)**	33,396
Weighted average number of ordinary shares ('000)	**192,153**	192,153
Basic (loss)/earnings per ordinary share (sen)	**(10.24)**	17.38

The diluted earnings per ordinary share is the same as basic earnings per ordinary share as there are no dilutive instruments as at end of the current and last financial years.

27. DIVIDENDS

Dividends recognised by the Company:

	sen per share	Total amount RM'000	Date of payment
2024			
First and final 2023 single-tier dividend	**4**	**7,686**	**26 July 2024**
2023			
First and final 2022 single-tier dividend	4	7,686	28 July 2023

The Directors recommended a first and final single-tier dividend of 4 sen per share totalling RM7,686,000 for the financial year ended 31 December 2024. These financial statements do not reflect the said dividend which will be accounted for as an appropriation of retained earnings in the financial year ending 31 December 2025 when approved by the shareholders at the forthcoming Annual General Meeting.

28. OPERATING SEGMENTS - GROUP

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group Managing Director (the chief operating decision maker) reviews internal management reports at least on a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments:

- Division 1 - General packaging - manufacture of metal and lithographed tin cans, plastic jerry cans, rigid packaging, aluminium cans and corrugated fibre board cartons
- Division 2 - Contract manufacturing - manufacturing, packaging and distribution of carbonated and non-carbonated beverages
- Division 3 - Trading
- Division 4 - Property development and investment holding

Performance is measured based on segment profit before tax and interest as included in the internal management reports that are reviewed by the Group Managing Director. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Management monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment.

Segment assets

The total of segment assets is measured based on all assets of a segment (excluding current and deferred tax assets), as included in the internal management reports that are reviewed by the Group Managing Director. Segment total asset is used to measure the return of assets of each segment.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, right-of-use assets, investment properties, land held for property development and intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

28. OPERATING SEGMENTS - GROUP *(continued)*

	General packaging RM'000	Contract manufacturing RM'000	Trading RM'000	Property developement and investment holding RM'000	Total RM'000	Reconciliations/ Eliminations RM'000	Note	Consolidated financial statements RM'000
2024								
Segment profit	100,003	3,044	2,484	364,206	469,737	(357,911)	28.1.1	111,826
Included in the measure of segment profit/(loss) are:								
Revenue from external customers	2,842,032	216,606	60,011	73,954	3,192,603	–		3,192,603
Write-down of inventories	(8,987)	(508)	–	–	(9,495)	–		(9,495)
Waiver of debts	143	–	–	–	143	(143)		–
Written off in respect of:								
- financial instruments	(23)	–	–	(143)	(166)	143		(23)
- inventories	(28,519)	(408)	–	–	(28,927)	–		(28,927)
- property, plant and equipment	(714)	–	–	(18)	(732)	–		(732)
Net reversal of impairment losses/ (impairment losses) of:								
- investments in subsidiaries	–	–	–	(1,426)	(1,426)	1,426		–
- financial instruments	(4,516)	(1,379)	845	(952)	(6,002)	876		(5,126)
Depreciation and amortisation	(194,309)	(6,338)	(211)	(3,961)	(204,819)	280		(204,539)
Not included in the measure of segment profit/(loss) but provided to Group Managing Director:								
Interest income	12,918	23	10,316	10,094	33,351	(30,325)		3,026
Interest expense	(93,050)	(4,731)	(9,696)	(16,780)	(124,257)	30,354		(93,903)
Tax expense	(39,514)	(168)	(1,106)	(5,910)	(46,698)	–		(46,698)
Segment assets	4,504,390	146,637	260,714	577,557	5,489,298	(1,104,196)	28.1.2	4,385,102
Included in the measure of segment assets are:								
Segment capital expenditure	211,673	5,584	–	243	217,500	–		217,500

NOTES TO THE FINANCIAL STATEMENTS

28. OPERATING SEGMENTS - GROUP *(continued)*

	General packaging RM'000	Contract manufacturing RM'000	Trading RM'000	Property developement and investment holding RM'000	Total RM'000	Reconciliations/ Eliminations RM'000	Note	Consolidated financial statements RM'000
2023								
Segment profit/(loss)	99,994	9,055	(2,371)	10,344	117,022	2,435	28.1.1	119,457
Included in the measure of segment profit/(loss) are:								
Revenue from external customers	2,711,637	166,497	140,895	34,762	3,053,791	–		3,053,791
Reversal of written down of inventories	6,078	228	–	–	6,306	–		6,306
Waiver of debts	–	9,541	–	167	9,708	(9,708)		–
Written off in respect of:								
- financial instruments	–	–	(167)	(9,541)	(9,708)	9,708		–
- inventories	(27,973)	(1,480)	–	–	(29,453)	–		(29,453)
- property, plant and equipment	(458)	(211)	–	–	(669)	–		(669)
Net reversal of impairment losses/ (impairment losses) of:								
- property, plant and equipment	–	4,398	–	–	4,398	–		4,398
- investments in subsidiaries	–	–	–	(2,392)	(2,392)	2,392		–
- financial instruments	(756)	(252)	(186)	–	(1,194)	1,705		511
Depreciation and amortisation	(159,552)	(6,126)	(204)	(6,546)	(172,428)	1,107		(171,321)
Not included in the measure of segment profit/(loss) but provided to Group Managing Director:								
Interest income	14,156	40	10,866	6,845	31,907	(29,449)		2,458
Interest expense	(63,852)	(5,502)	(16,105)	(15,674)	(101,133)	29,503		(71,630)
Tax expense	(21,676)	(28)	(719)	761	(21,662)	–		(21,662)
Segment assets	4,604,989	142,271	401,099	362,660	5,511,019	(1,038,734)	28.1.2	4,472,285
Included in the measure of segment assets are:								
Segment capital expenditure	556,609	4,745	331	243	561,928	(25,000)		536,928

NOTES TO THE FINANCIAL STATEMENTS

28. OPERATING SEGMENTS - GROUP *(continued)*

28.1 Reconciliations of reportable segment revenue, profit or loss and assets

28.1.1 The following items are added to/(deducted from) segment profit/(loss) to arrive at "Profit before tax" presented in the statements of profit or loss and other comprehensive income:

	2024 RM'000	**2023 RM'000**
Segment profit	**111,826**	119,457
Interest income	**3,026**	2,458
Interest expense	**(93,903)**	(71,630)
Consolidated profit before tax	**20,949**	50,285

28.1.2 The following items are added to segment assets to arrive at total assets reported in the statements of financial position:

	2024 RM'000	**2023 RM'000**
Segment assets	**4,385,102**	4,472,285
Deferred tax assets	**334**	3,104
Current tax assets	**10,828**	7,837
Consolidated total assets	**4,396,264**	4,483,226

28.2 Geographical information

The Group's geographical information is based on the location of the Group's assets. In presenting on the basis of geographical areas, segment revenue is based on the geographical location from which the sale transactions originated. The amounts of non-current assets does not include financial instruments.

	Revenue		**Non-current assets**	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Malaysia	**2,173,497**	2,023,047	**1,374,679**	1,428,054
Vietnam	**524,936**	540,082	**263,746**	244,128
Singapore	**60,011**	140,896	**5,436**	5,836
Myanmar	**370,379**	289,263	**296,649**	319,334
Indonesia	**22,304**	54,517	**23,006**	30,430
United States of America	**41,476**	5,986	**697,331**	676,908
	3,192,603	3,053,791	**2,660,847**	2,704,690

29. FINANCIAL INSTRUMENTS

29.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Amortised cost ("AC")
(b) Fair value through profit or loss ("FVTPL") - Mandatorily required by MFRS 9
(c) Fair value through other comprehensive income ("FVOCI")

Group

	Carrying amount RM'000	AC RM'000	FVTPL RM'000	FVOCI RM'000
2024				
Financial assets				
Trade and other receivables	566,468	566,468	–	–
Deposits with a financial institution	13,649	13,649	–	–
Cash and cash equivalents	411,759	298,552	113,207	–
Derivative financial assets	1,890	–	1,173	717
	993,766	878,669	114,380	717
Financial liabilities				
Loans and borrowings	(1,678,018)	(1,678,018)	–	–
Trade and other payables (excluding provisions)	(430,863)	(430,863)	–	–
	(2,108,881)	(2,108,881)	–	–
2023				
Financial assets				
Trade and other receivables	567,174	567,174	–	–
Cash and cash equivalents	387,066	362,582	24,484	–
Derivative financial assets	1,482	–	–	1,482
	955,722	929,756	24,484	1,482
Financial liabilities				
Loans and borrowings	(1,567,555)	(1,567,555)	–	–
Trade and other payables (excluding provisions)	(560,127)	(560,127)	–	–
Derivative financial liabilities	(136)	–	(36)	(100)
	(2,127,818)	(2,127,682)	(36)	(100)

29. FINANCIAL INSTRUMENTS *(continued)*

29.1 Categories of financial instruments *(continued)*

Company

	Carrying amount/ AC 2024 RM'000	Carrying amount/ AC 2023 RM'000
Financial assets		
Trade and other receivables	**501,346**	206,632
Cash and cash equivalents	**2,684**	5,557
	504,030	212,189
Financial liabilities		
Loans and borrowings	**(286,107)**	(286,107)
Trade and other payables	**(2,449)**	(34,901)
	(288,556)	(321,008)

29.2 Net gains and losses arising from financial instruments

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Net gains/(losses) on:				
Fair value through:				
- profit or loss	**4,564**	4,009	**16**	30
- other comprehensive income	**(665)**	1,146	**–**	–
Financial assets at amortised cost	**(38,612)**	12,345	**10,186**	3,512
Financial liabilities at amortised cost	**(82,936)**	(82,308)	**(15,366)**	(14,189)
	(117,649)	(64,808)	**(5,164)**	(10,647)

29.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk

29. FINANCIAL INSTRUMENTS *(continued)*

29.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and cash and cash equivalents. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, cash and cash equivalents and financial guarantees given to banks for banking facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally financial guarantees given by banks, shareholders or directors of customers are obtained, and credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the trade receivables does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to recovery activities.

There are no significant changes as compared to the previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables of the Group are summarised in the table below:

	2024 RM'000	2023 RM'000
Maximum exposure	**519,587**	525,454
Collaterals obtained	**(211,742)**	(322,073)
Net exposure to credit risk	**307,845**	203,381

The above collaterals were credit insurance obtained by the Group.

29. FINANCIAL INSTRUMENTS *(continued)*

29.4 Credit risk *(continued)*

Trade receivables *(continued)*

Concentration of credit risk

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic location from which the trade receivables originated was:

	Group	
	2024 **RM'000**	**2023** **RM'000**
Malaysia	**241,275**	238,962
Vietnam	**114,248**	103,112
Singapore	**20,427**	16,453
Myanmar	**67,985**	63,634
Thailand	**11,349**	40,555
United States of America	**8,006**	6,061
Others	**56,297**	56,677
	519,587	525,454

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its trade receivables and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 120 days.

The Group considers credit loss experience and observable data such as current changes and future forecasts in economic conditions by market segment of the Group to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

During this process, the probability of non-payment by the trade receivable is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables which are presented on a net basis, such impairments are recorded in a separate impairment account with the loss being recognised in profit or loss.

It requires management to exercise significant judgement on determining the probability of default by trade receivables and appropriate forward looking information.

The following table provides information about the exposure to credit risk and ECLs for trade receivables which are grouped together as they are expected to have similar risk nature.

NOTES TO THE FINANCIAL STATEMENTS

29. FINANCIAL INSTRUMENTS *(continued)*

29.4 Credit risk *(continued)*

Trade receivables *(continued)*

Recognition and measurement of impairment losses (continued)

Group

	Gross carrying amount RM'000	Impairment loss allowances RM'000	Net balance RM'000
2024			
Not past due	**425,987**	**(907)**	**425,080**
Past due 1-30 days	**70,807**	**(258)**	**70,549**
Past due 31-120 days	**24,228**	**(2,528)**	**21,700**
Past due more than 120 days	**18,279**	**(16,021)**	**2,258**
	539,301	**(19,714)**	**519,587**
2023			
Not past due	419,403	(587)	418,816
Past due 1-30 days	69,110	(126)	68,984
Past due 31-120 days	35,876	(62)	35,814
Past due more than 120 days	16,012	(14,172)	1,840
	540,401	(14,947)	525,454

There are trade receivables where the Group has not recognised any loss allowance as the trade receivables are supported by subsequent collection after the reporting period and historical collection trend from these customers.

The movements in the allowance for impairment in respect of trade receivables during the financial year are shown below:

Group

	Lifetime ECL/ Credit impaired 2024 RM'000	2023 RM'000
Balance at 1 January	**14,947**	17,420
Amounts written off	**(18)**	(2,573)
Net remeasurement of loss allowance	**5,126**	(436)
Foreign exchange difference	**(341)**	536
Balance at 31 December	**19,714**	14,947

29. FINANCIAL INSTRUMENTS *(continued)*

29.4 Credit risk *(continued)*

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks and a credit institution in respect of credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM1,162 million (2023: RM1,086 million) representing the outstanding credit facilities of the subsidiaries as at the end of the reporting period.

The financial guarantees are provided as credit enhancements for the subsidiaries' to secure credit facilities.

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' funds.

The Company determines the probability of default of the guaranteed credit facilities individually using internal information available.

The subsidiaries defaulting on the credit lines is remote. Consequently, the Company is of the view that the loss allowance is not material and hence, it is not provided for.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

29. FINANCIAL INSTRUMENTS *(continued)*

29.4 Credit risk *(continued)*

Inter-company loans and advances *(continued)*

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- The subsidiary is unlikely to repay its loan or advance to the Company in full;
- The subsidiary is continuously loss making and is having a deficit shareholders' funds.

The Company determines the probability of default for these loans and advances individually using internal information available.

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' loans and advances.

Company

	Gross carrying amount RM'000	Impairment loss allowances RM'000	Net balance RM'000
2024			
Low credit risk	**433,833**	**(844)**	**432,989**
2023			
Low credit risk	189,625	–	189,625

The movement in the allowance for impairment in respect of subsidiaries' loans and advances during the year is as follows:

Company

	Lifetime ECL/ Credit impaired 2024 RM'000	2023 RM'000
Balance at 1 January	**–**	1,097
Net remeasurement of impairment loss/ (reversal of loss allowance)	**844**	(1,097)
Balance at 31 December	**844**	–

29. FINANCIAL INSTRUMENTS *(continued)*

29.4 Credit risk *(continued)*

Cash and cash equivalents

The cash and cash equivalents are held with banks, financial institutions and a non-financial institution. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks, financial institutions and a non-financial institution have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Credit risks on other receivables of the Group is mainly arising from value added tax to be recovered from the relevant taxation authorities.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

This other receivables have low credit risks. Consequently, the Group is of the view that the loss allowance is not material and hence, it is not provided for.

29.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

29. FINANCIAL INSTRUMENTS *(continued)*

29.5 Liquidity risk *(continued)*

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2024							
Non-derivative financial liabilities							
Trade and other payables	**430,863**	**–**	**430,863**	**430,863**	**–**	**–**	**–**
Loans and borrowings	**1,678,018**	**1.48 – 8.50**	**1,885,386**	**829,361**	**133,975**	**656,628**	**265,422**
Lease liabilities	**191,485**	**1.16 – 5.17**	**271,453**	**20,045**	**17,674**	**40,461**	**193,273**
	2,300,366		**2,587,702**	**1,280,269**	**151,649**	**697,089**	**458,695**
Derivative financial liabilities							
Commodity contracts	**(717)**	**–**	**(717)**	**(717)**	**–**	**–**	**–**
Forward exchange contracts (gross settled):							
- Outflow	**–**	**–**	**27,117**	**27,117**	**–**	**–**	**–**
- Inflow	**(1,173)**	**–**	**(28,290)**	**(28,290)**	**–**	**–**	**–**
	2,298,476		**2,585,812**	**1,278,379**	**151,649**	**697,089**	**458,695**
2023							
Non-derivative financial liabilities							
Trade and other payables	560,127	–	560,127	560,127	–	–	–
Loans and borrowings	1,567,555	1.48 - 7.60	1,785,703	830,930	132,695	638,906	183,172
Lease liabilities	194,550	1.16 - 7.36	281,796	19,524	18,610	37,512	206,150
	2,322,232		2,627,626	1,410,581	151,305	676,418	389,322
Derivative financial liabilities							
Commodity contracts	(1,382)	–	(1,382)	(1,382)	–	–	–
Forward exchange contracts (gross settled):							
- Outflow	36	–	3,219	3,219	–	–	–
- Inflow	–	–	(3,183)	(3,183)	–	–	–
	2,320,886		2,626,280	1,409,235	151,305	676,418	389,322

29. FINANCIAL INSTRUMENTS *(continued)*

29.5 Liquidity risk *(continued)*

Maturity analysis (continued)

Company

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2024							
Non-derivative financial liabilities							
Trade and other payables	**2,449**	**–**	**2,449**	**2,449**	**–**	**–**	**–**
Loans and borrowings	**286,107**	**4.9**	**325,170**	**14,020**	**14,020**	**297,131**	**–**
Financial guarantees	**–**	**–**	**1,161,819**	**1,161,819**	**–**	**–**	**–**
	288,556		**1,489,438**	**1,178,288**	**14,020**	**297,131**	**–**
2023							
Non-derivative financial liabilities							
Trade and other payables	4,201	–	4,201	4,201	–	–	–
Amount due to a subsidiary	30,700	4.56	32,100	32,100	–	–	–
Loans and borrowings	286,107	4.96	339,832	14,218	14,179	311,435	–
Financial guarantees	–	–	1,085,933	1,085,933	–	–	–
	321,008		1,462,066	1,136,452	14,179	311,435	–

29.6 Market risk

Market risk is the risk that changes in market prices, such as foreign currency exchange rates and interest rates that will affect financial position or cash flows. The Group's exposure to market risk arises principally from changes in foreign currency exchange rates and interest rates. The Company's exposure to market risk arises principally from changes in interest rates.

29.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities, primarily Ringgit Malaysia ("RM"). The currencies giving rise to this risk are primarily United States Dollar ("USD") and Singapore Dollar ("SGD").

Risk management objectives, policies and processes for managing the risk

The Group's uses forward exchange contracts to hedge its foreign currency risk. The forward exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward exchange contracts are rolled over at maturity.

NOTES TO THE FINANCIAL STATEMENTS

29. FINANCIAL INSTRUMENTS *(continued)*

29.6 Market risk *(continued)*

29.6.1 Currency risk *(continued)*

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currencies of the Group entities) risk, based on carrying amounts in the statements of financial position as at the end of the reporting period was:

Group

	2024 **Denominated in** **SGD** **RM'000**	 **USD** **RM'000**	**2023** **Denominated in** **SGD** **RM'000**	 **USD** **RM'000**
Balance recognised in the statements of financial position				
Trade and other receivables	**14,581**	**337,155**	13,010	333,481
Cash and cash equivalents	**7,890**	**128,595**	9,302	111,377
Trade and other payables	**(2,392)**	**(85,567)**	(2,736)	(134,563)
Loans and borrowings	**(365)**	**(373,453)**	(510)	(247,867)
Net exposure	**19,714**	**6,730**	19,066	62,428

Currency risk sensitivity analysis

A 10% strengthening of the Ringgit Malaysia (RM) against the following currencies at the end of the reporting period would have decreased post-tax profit or loss/equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

Group

	Profit or loss/Equity **2024** **RM'000**	 **2023** **RM'000**
SGD	**(1,498)**	(1,449)
USD	**(511)**	(4,745)

A 10% weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

29. FINANCIAL INSTRUMENTS *(continued)*

29.6 Market risk *(continued)*

29.6.2 Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group and the Company are exposed to interest rate risk through the impact of rate changes on interest bearing loans and borrowings and interest earning deposits. The Group's policy is to borrow principally on the floating basis but to retain a portion of fixed rate debt. The objectives for the mix between fixed and floating rate loans and borrowings are set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest earning and interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fixed rate instruments				
Financial assets	**90,484**	37,743	**432,989**	189,625
Financial liabilities	**(309,963)**	(328,770)	**–**	–
	(219,479)	(291,027)	**432,989**	189,625
Floating rate instruments				
Financial assets	**113,207**	24,484	**–**	–
Financial liabilities	**(1,559,540)**	(1,433,335)	**(286,107)**	(316,807)
	(1,446,333)	(1,408,851)	**(286,107)**	(316,807)

29. FINANCIAL INSTRUMENTS *(continued)*

29.6 Market risk *(continued)*

29.6.2 Interest rate risk *(continued)*

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate forward exchange contracts as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss/equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Group		**Company**	
	Profit or loss/Equity		**Profit or loss/Equity**	
	100 bp Increase RM'000	**100 bp Decrease RM'000**	**100 bp Increase RM'000**	**100 bp Decrease RM'000**
2024				
Floating rate instruments	**(10,992)**	**10,992**	**(2,174)**	**2,174**
2023				
Floating rate instruments	(10,707)	10,707	(2,408)	2,408

29. FINANCIAL INSTRUMENTS *(continued)*

29.7 Hedging activities

Cash flow hedge

The Group held the following instrument to hedge exposures to change in aluminium price.

Group

	Maturity Under 1 year 2024 RM'000	2023 RM'000
Commodity risk		
Commodity contracts	**(717)**	(1,382)

The Group entered into arrangement with a financial institution in order to operationally hedge the pricing risk of aluminium.

The amount relating to item designated as hedged item as at reporting date are as follows:

Group

	Change in value used for calculation of hedge ineffectiveness RM'000	Cash flow hedge reserve RM'000	Nominal amount RM'000	Assets RM'000	Line item in the consolidated financial position where the hedging instrument is included
2024					
Commodity risk					
Commodity contracts	**–**	**717**	**29,436**	**(717)**	*Derivative financial assets and derivative financial liabilities*
2023					
Commodity risk					
Commodity contracts	–	1,382	35,469	(1,382)	*Derivative financial assets and derivative financial liabilities*

29. FINANCIAL INSTRUMENTS *(continued)*

29.7 Hedging activities *(continued)*

Cash flow hedge *(continued)*

Group

	Changes in the value of hedging instrument recognised RM'000	Hedge ineffectiveness recognised in other comprehensive income RM'000	Line item in other comprehensive income that includes hedge ineffectiveness
2024			
Commodity risk			
Commodity contracts	**(665)**	**–**	*Cash flow hedge*
2023			
Commodity risk			
Commodity contracts	1,146	–	*Cash flow hedge*

The following table provides reconciliation by risk category of components of equity and analysis of other comprehensive income items, net of tax, resulting from cash flow hedge accounting:

Group

	Cash flow hedge reserve	
	2024 RM'000	2023 RM'000
At 1 January	**1,382**	236
Changes in fair value		
Commodity contracts	**(665)**	1,146
At 31 December	**717**	1,382

NOTES TO THE FINANCIAL STATEMENTS

29. FINANCIAL INSTRUMENTS *(continued)*

29.8 Fair value information

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

The table below analyses financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

Group

	Fair value of financial instruments not carried at fair value				
	Level 1 and Level 2 RM'000	Level 3 RM'000	Total RM'000	Total fair value RM'000	Carrying amount RM'000
2024					
Financial liabilities					
Term loans	**–**	**(883,002)**	**(883,002)**	**(883,002)**	**(855,567)**
Hire purchase liabilities	**–**	**(124,847)**	**(124,847)**	**(124,847)**	**(118,478)**
	–	**(1,007,849)**	**(1,007,849)**	**(1,007,849)**	**(974,045)**
2023					
Financial liabilities					
Term loans	–	(778,812)	(778,812)	(778,812)	(722,956)
Hire purchase liabilities	–	(123,584)	(123,584)	(123,584)	(134,220)
	–	(902,396)	(902,396)	(902,396)	(857,176)

Company

	Fair value of financial instruments not carried at fair value			
	Level 1 and Level 2 RM'000	Level 3 RM'000	Total RM'000	Carrying amount RM'000
2024				
Financial liabilities				
Term loan	**–**	**(300,276)**	**(300,276)**	**(286,107)**
2023				
Financial liabilities				
Term loan	–	(298,753)	(298,753)	(286,107)

29. FINANCIAL INSTRUMENTS *(continued)*

29.8 Fair value information *(continued)*

The Company provides financial guarantees to banks for credit facilities granted to certain subsidiaries. The fair value of such guarantees is negligible as the probability of the subsidiaries defaulting on the credit lines is remote.

Level 3 fair value

Non-derivative financial liabilities

Fair value which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. The market rate of interest is determined by reference to similar borrowing arrangements.

The fair value of term loans and hire purchase liabilities are calculated using discounted cash flows.

30. CAPITAL MANAGEMENT - GROUP

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

During 2024, the Group's strategy which was unchanged from 2023, was to maintain the net debt-to-equity ratio at below 1.5:1. The net debt-to-equity ratios at 31 December 2024 and 31 December 2023 were as follows:

	2024 RM'000	2023 RM'000
Loans and borrowings (Note 17)	**1,678,018**	1,567,555
Lease liabilities	**191,485**	194,550
Less: Cash and cash equivalents (Note 14)	**(411,759)**	(387,066)
Deposits with a financial institution	**(13,649)**	–
Net debt	**1,444,095**	1,375,039
Total equity	**1,809,553**	1,851,492
Net debt-to-equity ratio	**0.80**	0.74

31. CAPITAL COMMITMENTS - GROUP

	2024 RM'000	2023 RM'000
Capital expenditure commitments		
Property, plant and equipment - Contracted but not provided for	**31,394**	163,124

32. CONTINGENT LIABILITIES - COMPANY

Corporate guarantees

The Company has provided corporate guarantees amounting to RM2,117 million (2023: RM1,943 million) to banks and a credit institution to secure credit facilities granted to certain subsidiaries. As at 31 December 2024, the amount of facilities utilised amounted to RM1,162 million (2023: RM1,086 million).

33. 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 or jointly 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. Related parties may be individuals or other entities.

Related parties also include key management personnel 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 are Directors of the Group.

The Group has related party relationship with the following:

(i) ultimate holding company; and
(ii) subsidiaries of the Company as disclosed in Note 7 to the financial statements.

33.1 Significant related party transactions

Related party transactions have been entered into the normal course of business under normal trade terms. The significant related party transactions of the Group and of the Company, other than key management personnel compensations as disclosed in Note 33.2 to the financial statements, are as follows:

	2024 **RM'000**	**2023** **RM'000**
Group		
Dividend paid to ultimate holding company	**4,354**	4,354
Company		
Interest paid to subsidiaries	**1,304**	674
Dividend paid to ultimate holding company	**4,354**	4,354
Interest income from subsidiaries	**(11,014)**	(7,743)
Dividend income from subsidiaries	**(356,693)**	(99,124)

Trade and non-trade balances with subsidiaries and a related party are disclosed in Notes 11 and 19 to the financial statements.

33. RELATED PARTIES *(continued)*

33.2 Key management personnel compensations

The key management personnel compensations are as follows:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Directors of the Company				
- Fees	**1,087**	1,166	**764**	794
- Remuneration	**11,720**	15,166	**1,763**	1,579
- Benefits-in-kind	**70**	131	**21**	31
	12,877	16,463	**2,548**	2,404
Other directors in the Group entities				
- Fees	**536**	522	**–**	–
- Remuneration	**3,807**	3,621	**–**	–
- Benefits-in-kind	**10**	17	**–**	–
	4,353	4,160	**–**	–
	17,230	20,623	**2,548**	2,404

34. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 27 March 2024, Box-Pak (Vietnam) Co., Ltd. ("BPV"), a subsidiary of the Company, entered into a conditional in-principle land sublease agreement ("In-Principle Land Sublease Agreement") with IDICO Corporation - Joint Stock Company ("IDICO") to sublease a parcel of vacant leasehold industrial land ("Subject Property"), measuring approximately 50,000 square metres for a period of approximately 45 years up to 6 August 2069, for a sublease consideration of VND179,524,000,000 (exclusive of value added tax), which is equivalent to approximately RM34,286,000 ("Sublease Consideration").

The final remaining Sublease Conditions Precedent set out in the In-Principle Land Sublease Agreement (i.e. BPV to obtain the Investment Registration Certificate and Enterprise Registration Certificate for the establishment of Krafton Greenpax (Viet Nam) Co., Ltd., which is the entity that will occupy and utilise the Subject Property as the sublessee) was fulfilled on 16 July 2024, and the In-Principle Land Sublease Agreement became unconditional on even date.

A Land Sublease Contract with IDICO (as defined in the In-Principle Land Sublease Agreement) was thereafter executed by Krafton Greenpax (Viet Nam) Co., Ltd., which is the entity that will occupy and utilise the Subject Property as the sublessee.

Krafton Greenpax (Viet Nam) Co., Ltd. has obtained the Land Use Right Certificate and consequently, the payment for the balance 10% of the Sublease Consideration totalling VND17,952,400,000 (equivalent to approximately RM3,321,000) pursuant to the Land Sublease Contract has been effected and settled in full on 24 December 2024, hence marking the completion of the Sublease.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 118 to 210 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 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 2024 and of their financial performance and cash flows for the financial year then ended.

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

Marc Francis Yeoh Min Chang
Director

Foo Kee Fatt
Director

Date: 4 April 2025

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Chan Kam Chiew, the officer primarily responsible for the financial management of Can-One Berhad, do solemnly and sincerely declare that the financial statements set out on pages 118 to 210 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Chan Kam Chiew, MIA CA7639, at Kuala Lumpur on 4 April 2025.

Chan Kam Chiew

Before me:

Suriamuthy A/L Rajoo
(No. W840)
Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CAN-ONE BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Can-One Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 118 to 210.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Impairment of property, plant and equipment ("PPE") and right-of-use assets ("ROU")

Refer to Note 2(h)(ii) - Material accounting policy: Impairment of other assets, Note 3 - Property, plant and equipment and Note 4 - Right-of-use assets.

The key audit matter

The Group has property, plant and equipment and right-of-use assets of RM 1,993 million and RM574 million respectively as at 31 December 2024. Certain subsidiaries in the Group made losses during the current financial year ended 31 December 2024 or had a history of continuous losses. The property, plant and equipment and right-of-use assets belonging to these subsidiaries are subject to impairment testing under MFRS 136, *Impairment of Assets* given the impairment indicators present.

The Group estimated the recoverable amounts of the assets concerned and compared with their carrying amount in order to determine the amount of impairment loss which should be recognised for the year, if any.

We determined valuation of property, plant and equipment and right-of-use assets as a key audit matter as there are significant judgmental assumptions used by the Group which may be affected by future market or economic conditions.

Key Audit Matters *(continued)*

1. Impairment of property, plant and equipment ("PPE") and right-of-use assets ("ROU") *(continued)*

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- Discussed the impairment model based on discounted future cash flows with the Group and challenged the key assumptions and estimates used, in particular, those relating to forecast growth in future revenue, operating profit margin and discount rate by making reference to internally derived sources as well as publicly available data of comparable entities;

- Considered the Group's forecasting process and evaluated the accuracy of the historical forecast by comparing prior period financial budget against actual results;

- Performed sensitivity across the different elements of the impairment model in order to understand which judgements and assumptions are most sensitive in achieving the Group's recoverable assessment;

- Assessed the relevant disclosures in the consolidated financial statements in respect of impairment assessment.

2. Valuation of trade receivables

Refer to Note 2(h)(i) - Material accounting policy: Impairment of financial assets, Note 11 - Trade and other receivables and Note 29.4 - Financial instruments: Credit risk - Trade receivables.

The key audit matter

As at 31 December 2024, the carrying amount of the Group's trade receivables amounted to RM520 million, representing 30% of the Group's current assets.

The Directors applied assumptions in assessing the level of allowance for expected credit losses ("ECL") required to determine the impairment loss of trade receivables. Therefore, there is an inherent uncertainty in the assumptions applied by the Directors to determine the probability of default by trade receivables and appropriate forward-looking information.

We identified the recoverability of trade receivables as a key audit matter because of the significance degree of judgement applied by the Group in determining the impairment loss for trade receivables and the significance of trade receivables to the consolidated financial statements.

We performed the following audit procedures, among others:

- Evaluated the appropriateness of the Group's allowance for ECL policies in accordance to the requirement of MFRS 9, Financial Instruments: Recognition and Measurement;

- Assessed the completeness and accuracy of the trade receivable ageing report used by Directors in assessing and monitoring the receivables' profile;

- Inspected post year end cash receipt relating to selected samples of trade receivables' balances at year end; and

- Assessed the adequacy of the Group's allowance for ECL made against doubtful trade receivables by taking into account our own expectation based on the Group's previous experience of customers' historical and post year end payment trends.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CAN-ONE BERHAD

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 internal control of the Group and of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Auditors' Responsibilities for the Audit of the Financial Statements *(continued)*

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 7 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Ow Peng Li
Approval Number: 02666/09/2025 J
Chartered Accountant

Petaling Jaya

Date: 4 April 2025

LIST OF MATERAL PROPERTIES

AS AT 31 DECEMBER 2024

No.	Location	Description and Existing Use	Year of Last Revaluation/ Acquisition	Area (Square metres)	Tenure	Expiry Date of Lease	2024 Age of Buildings (Years)	2024 Net Book Value (RM'000)
1.	Lot No. C1 Thilawa Special Economic Zone Zone A, Thanlyin Township Yangon Region The Republic of the Union of Myanmar	Land & Office and Factory Building/ Industrial	2016	99,567	Leasehold	04.06.2064	6	**178,737**
2.	PT 15637 (Lot C) Taman Perindustrian Puchong Section 3, Puchong, Selangor Malaysia	Land & Building/ Vacant	2019	40,468	Leasehold	02.09.2090	23	**78,356**
3.	Lot PT31619 Arab-Malaysian Industrial Park Nilai, Negeri Sembilan Malaysia	Land & Office and Factory Building/ Industrial	2019	52,586	Freehold	–	27	**76,463**
4.	Lot No. 28829 to 28832 Batu Caves, Selangor Malaysia	Land & Office and Factory Building/ Industrial	2019	16,923	Freehold	–	29	**58,083**
5.	HS (D) 80122 PT No. 5141 Mukim Damansara Petaling, Selangor Malaysia	Land & Office and Factory Building/ Industrial	2019	31,142	Freehold	–	32	**57,399**
6.	Lot 125, Dai Lo Huu Nghi Vietnam Singapore Industrial Park Thuan An District Binh Duong Province Vietnam	Land & Office and Factory Building/ Industrial	2019	15,000	Leasehold	12.07.2048	9	**46,730**
7.	Lot 4, Jalan Perusahaan 2 Batu Caves, Selangor Malaysia	Land & Office and Factory Building/ Industrial	2019	18,848	Leasehold	05.09.2074	32	**47,823**

LIST OF MATERAL PROPERTIES

AS AT 31 DECEMBER 2024

							2024	
No.	**Location**	**Description and Existing Use**	**Year of Last Revaluation/ Acquisition**	**Area (Square metres)**	**Tenure**	**Expiry Date of Lease**	**Age of Buildings (Years)**	**Net Book Value (RM'000)**
8.	Lot 19, Jalan SU 4 Section 22 Shah Alam, Selangor Malaysia	Land & Office and Factory Building/ Industrial	2019	19,776	Freehold	–	26	**44,892**
9.	Lot 2245, Jalan Rajawali Batu 9, Kampung Kebun Baru 42500 Teluk Panglima Garang Selangor Malaysia	Land & Office and Factory Building/ Industrial	2019	28,520	Freehold	–	14	**41,313**
10.	22 Dai Lo Huu Nghi Vietnam Singapore Industrial Park Thuan An District Binh Duong Province Vietnam	Land & Office and Factory Building/ Industrial	2019	44,230	Leasehold	11.02.2046	21	**29,088**
11.	Lot I-9, D5 & N5 Streets Huu Thanh Industrial Park Duc Hoa District Long An Province Vietnam	Land	2024	50,000	Leasehold	06.08.2069	–	31,596
12.	Lot I-7, D5 Street Huu Thanh Industrial Park Duc Hoa District Long An Province Vietnam	Land	2024	44,896	Leasehold	06.08.2069	–	28,940

ANALYSIS OF SHAREHOLDINGS

AS AT 28 MARCH 2025

Total number of issued shares	:	192,153,000
Class of shares	:	Ordinary shares
Voting rights	:	1 vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares held	%
Less than 100 shares	32	1.48	283	#
100 to 1,000 shares	467	21.54	343,171	0.18
1,001 to 10,000 shares	1,116	51.48	5,265,996	2.74
10,001 to 100,000 shares	456	21.03	15,268,700	7.95
100,001 to 9,607,649 shares*	96	4.43	62,416,050	32.48
9,607,650 shares and above**	1	0.04	108,858,800	56.65
Total	**2,168**	**100.00**	**192,153,000**	**100.00**

Notes:

\# *Negligible.*

* *Less than 5% of issued shares.*

** *5% and above of issued shares.*

SUBSTANTIAL SHAREHOLDERS

(According to the Register of Substantial Shareholders)

	← Direct →		← Indirect →		← Total →	
Name	No. of shares held	%	No. of shares held	%	No. of shares held	%
Eller Axis Sdn. Bhd. (“EASB”)	108,858,800	56.65	–	–	108,858,800	56.65
Yeoh Jin Hoe	7,505,700	3.91	108,858,800 (a)	56.65 (a)	116,364,500	60.56

Note:

(a) *Deemed interest by virtue of his shareholding in EASB pursuant to Section 8(4) of the Companies Act, 2016 (“the Act”).*

ANALYSIS OF SHAREHOLDINGS

AS AT 28 MARCH 2025

DIRECTORS' SHAREHOLDINGS

(According to the Register of Directors' Shareholdings)

	Direct		Indirect		Total	
Name	**No. of shares held**	**%**	**No. of shares held**	**%**	**No. of shares held**	**%**
Tun Arifin Bin Zakaria	–	–	–	–	–	–
Marc Francis Yeoh Min Chang	–	–	–	–	–	–
Goh Teck Hong	–	–	–	–	–	–
Yeoh Jin Hoe	7,505,700	3.91	108,858,800 [a]	56.65 [a]	116,364,500	60.56
Yeoh Jin Beng	150,000	0.08	5,500,000 [b]	2.86 [b]	5,650,000	2.94
Foo Kee Fatt	–	–	–	–	–	–
Datuk Dr. Syed Hussain Bin Syed Husman, J.P.	–	–	–	–	–	–
Rajaretnam Soloman Daniel	–	–	–	–	–	–
Kee E-Lene	–	–	–	–	–	–

Notes:

[a] *Deemed interest by virtue of his shareholding in EASB pursuant to Section 8(4) of the Act.*

[b] *Deemed interest by virtue of his shareholding in Yongsun Equity Sdn. Bhd. pursuant to Section 8(4) of the Act.*

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ANALYSIS OF SHAREHOLDINGS

AS AT 28 MARCH 2025

LIST OF 30 LARGEST SHAREHOLDERS

(According to the Record of Depositors)

No.	Name	No. of shares held	%
1.	Amsec Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account - AmBank (M) Berhad for Eller Axis Sdn. Bhd.*	108,858,800	56.65
2.	Amsec Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account - AmBank (M) Berhad for Yeoh Jin Hoe*	7,505,700	3.91
3.	Yongsun Equity Sdn. Bhd.	5,500,000	2.86
4.	Winchem (Malaysia) Sdn. Bhd.	4,400,000	2.29
5.	Tan Kim Seng	2,800,000	1.46
6.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Teh Win Kee (8016787)*	2,721,300	1.42
7.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for TXM Services Sdn. Bhd.*	2,337,300	1.22
8.	See Ewe Lin	2,145,000	1.12
9.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Teh Win Kee (8106483)*	1,991,000	1.04
10.	Amsec Nominees (Tempatan) Sdn. Bhd. *- AmBank (M) Berhad for Tan Boon Seng (7928-1102)*	1,800,000	0.94
11.	Low Kam Fatt	1,730,000	0.90
12.	Inter-Pacific Equity Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Tan Heng Loon*	1,699,300	0.88
13.	See Teow Guan	1,407,100	0.73
14.	Chee Khay Leong	1,404,000	0.73
15.	Khoo Loon See	1,119,000	0.58
16.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Tay Hock Soon (MY1055)*	871,300	0.45
17.	Goh Swee Yong	816,200	0.42
18.	Low Khek Heng @ Low Choon Huat	804,300	0.42
19.	Tan Cuiling	800,000	0.42
20.	Goh Thong Beng	770,000	0.40
21.	Tan Kim Kee @ Tan Kee	700,000	0.36
22.	Chee Khay Leong	650,000	0.34
23.	Maybank Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Chan Chiau Chung*	649,700	0.34
24.	Maybank Nominees (Tempatan) Sdn. Bhd. *- Soh Chin Leong*	625,000	0.33
25.	Kenanga Nominees (Tempatan) Sdn. Bhd. *- Rakuten Trade Sdn. Bhd. for Pui Cheng Wui*	583,000	0.30
26.	Genkho Candoz Sdn. Bhd.	541,000	0.28
27.	Teo Kwee Hock	516,200	0.27
28.	Yeoh Jin Aik	500,000	0.26
29.	Ong Poh Lan	497,300	0.26
30.	RHB Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Chiew Chieng Siew*	467,500	0.24
	Total	**157,210,000**	**81.82**

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-First Annual General Meeting ("AGM") of Can-One Berhad ("Can-One" or "the Company") will be held at the Conference Room, Lot 4, Jalan Perusahaan Dua, 68100 Batu Caves, Selangor Darul Ehsan, Malaysia on Wednesday, 25 June 2025 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 2024 and the Reports of the Directors and Auditors thereon. ***(Please refer to Note C of this Agenda)***

2. To declare a first and final single-tier dividend of 4 sen per share in respect of the financial year ended 31 December 2024. ***Resolution 1***

3. To re-elect the following Directors of the Company who retire pursuant to Clause 82 of the Company's Constitution:

   (i) Foo Kee Fatt ***Resolution 2***
   (ii) Yeoh Jin Beng ***Resolution 3***
   (iii) Goh Teck Hong ***Resolution 4***

4. To approve the payment of Directors' Fees amounting to RM1,005,000 to Directors of the Company and its subsidiaries (excluding Box-Pak (Malaysia) Bhd. and its subsidiaries) for the financial year ended 31 December 2024. ***Resolution 5***

5. To approve the following payment of allowance and benefits for the financial year ending 31 December 2025: ***Resolution 6***

   (i) annual travelling claims of RM50,000 for Non-Executive Directors of the Company (inclusive spouse and children);
   (ii) meeting allowance of RM1,500 per person per day to the Directors of the Company; and
   (iii) other benefits of up to an amount of RM400,000 to the Non-Executive Directors of the Company and its subsidiaries.

6. To re-appoint KPMG PLT, Chartered Accountants, as Auditors of the Company to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix the remuneration of the Auditors. ***Resolution 7***

AS SPECIAL BUSINESS

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

Proposed authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016 ***Resolution 8***

"THAT subject to the Companies Act, 2016, the Constitution of the Company and the approvals of the relevant governmental and/or regulatory authorities, if applicable, the Board of Directors of the Company ("Board") be and is hereby empowered pursuant to Sections 75 and 76 of the Companies Act, 2016, to allot and issue shares in the Company at any time at such issue price which is at a not more than a ten per centum (10%) discount to the 5-day volume weighted average market price of the shares of the Company immediately before the relevant price fixing date to such Qualified Placee(s) as the Board may in its absolute discretion deem fit or appropriate, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares in the Company for the time being (excluding treasury shares), and upon such other additional terms and conditions (if any) to be determined by the Board. For the purposes of this resolution, "Qualified Placee(s)" shall refer to persons who are not (in accordance with Paragraph 6.04(c) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad) (a) a director, major shareholder or chief executive of the Company or a holding company of the Company (if applicable), or person(s) connected with such director, major shareholder or chief executive; or (b) nominee corporations, unless the names of the ultimate beneficiaries are disclosed. Qualified Placees shall also be person(s) or party(ies) who/which qualify under Schedules 6 and 7 of the Capital Markets and Services Act, 2007;

THAT such authority if/when passed shall constitute an authority for the issue of shares with prior shareholders' approval in a general meeting of the precise terms and conditions of the issue;

THAT such authority shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it shall lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or

(iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first;

AND THAT the Board be and is empowered to apply for and obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad."

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

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

Proposed renewal of authority for the Company to purchase its own shares ***Resolution 9***

"THAT subject to compliance with the Companies Act, 2016, the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company's Constitution and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Board of Directors of the Company ("Board") from time to time through Bursa Securities upon such terms and conditions as the Board may deem fit and expedient in the interest of the Company, provided that:

(i) the aggregate number of shares to be purchased pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares in the Company as at the date of the share buy-back;

(ii) an aggregate amount of the funds not exceeding the retained profits of the Company as at the date of the share buy-back, be utilised by the Company for the purchase of its own shares; and

(iii) the shares of the Company to be purchased may be cancelled, retained as treasury shares, distributed as dividends or resold on Bursa Securities, or a combination of any of the above, at the absolute discretion of the Board;

AND THAT the authority conferred by this resolution will commence immediately upon the passing of this resolution and will continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it shall lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or

(iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the MMLR of Bursa Securities or any other relevant authorities;

AND FURTHER THAT the Board be and is hereby authorised to do all such acts and things and to take all such steps as it deems fit, necessary, expedient and/or appropriate in order to complete and give full effect to the purchase by the Company of its own shares with full powers to assent to any condition, modification, variation and/or amendment as may be required or imposed by the relevant authorities."

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

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

Proposed renewal of mandate for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature ***Resolution 10***

"THAT subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature as set out in Section 2.4 of Part B of the Company's Circular to Shareholders dated 29 April 2025 provided that:

(i) such transactions are necessary for the day-to-day operations of the Company and/or its subsidiaries and are carried out in the ordinary course of business on normal commercial terms and on terms not more favourable to the parties with which such recurrent transactions are to be entered into than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and

(ii) the mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the mandate during the financial year;

AND THAT the mandate conferred by this resolution shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by ordinary resolution passed at the meeting, the authority is renewed; or

(ii) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act, 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is earlier;

AND FURTHER THAT the Board of Directors of the Company be and is hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as it may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution."

10. To transact any other business of which due notice shall have been given in accordance with the Company's Constitution and/or the Companies Act, 2016.

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

NOTICE OF DIVIDEND PAYMENT AND DIVIDEND ENTITLEMENT DATE

NOTICE IS HEREBY GIVEN THAT a first and final single-tier dividend of 4 sen per share in respect of the financial year ended 31 December 2024 (“Dividend”), if approved by shareholders at the Twenty-First Annual General Meeting of the Company, will be paid to shareholders on 25 July 2025. The entitlement date for the Dividends shall be 15 July 2025.

Shareholders will be entitled to the Dividend only in respect of:

(a) shares transferred into their Securities Account before 4.30 p.m. on 15 July 2025, for 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 of Directors

LYDIA TONG YIU SHYIAN-SHYIAN
SSM PC No. 202208000755
(BC/L/1922)

KWONG SHUK FONG
SSM PC No. 202008002178
(MAICSA 7032330)
Company Secretaries

Petaling Jaya
Selangor Darul Ehsan
Malaysia
29 April 2025

Notes:

(A) GENERAL MEETING RECORD OF DEPOSITORS

Only a depositor whose name appears on the General Meeting Record of Depositors as at 13 June 2025 shall be entitled to attend the Twenty-First AGM of the Company or appoint proxy(ies) to attend, speak and vote in his/her stead.

(B) MODE OF MEETING AND PROXY

(i) A member of the Company entitled to attend, speak and vote at the Twenty-First AGM of the Company is entitled to appoint not more than 2 proxies of his/her own choice to attend, speak and vote in his/her stead. A proxy may but need not be a member of the Company. Where a member appoints more than 1 proxy, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which, the appointment shall be invalid.

(ii) Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than 2 proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account to attend the Twenty-First AGM of the Company. Where a member of the Company is an Exempt Authorised Nominee (“EAN”) which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account (“Omnibus Account”), such EAN may appoint multiple proxies in respect of each Omnibus Account it holds. In both cases, such appointment shall be invalid unless the Authorised Nominee or EAN specifies the proportion of its shareholdings to be represented by each proxy it has appointed.

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

(B) MODE OF MEETING AND PROXY *(continued)*

(iii) The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if the appointor is a corporation, under its common seal or signed by its attorney duly authorised in writing or by 2 officers, 1 of whom shall be a director, on behalf of the corporation. Any alteration to the instrument appointing a proxy must be initialled.

(iv) The appointment of a proxy may be made in hard copy form or by electronic form and must be deposited with/received by the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. ("TIIH"), not less than 48 hours before the time appointed for holding the Twenty-First AGM of the Company or any adjournment thereof, and in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, otherwise the person so named shall not be entitled to vote in respect thereof.

(v) In the case of an appointment made in hard copy form, the Proxy Form, together with the power of attorney (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the office of the Company's Share Registrar, TIIH at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

(vi) In the case of appointment by electronic form, the Proxy Form must be electronically lodged with the Company's Share Registrar, TIIH via its TIIH Online at https://tiih.online. Please refer to the Administrative Details for the Twenty-First AGM on the procedures for electronic lodgement of Proxy Form via TIIH Online.

(C) AUDITED FINANCIAL STATEMENTS

This agenda item is meant for discussion only as under the provision of Section 340(1) of the Companies Act, 2016, the audited financial statements do not require a formal approval of the members. Hence, this item will not be put forward for voting.

(D) POLL VOTING

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), all the resolutions set out in this Notice will be put to vote by way of poll. Independent Scrutineers will be appointed to verify the results of the poll.

(E) PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the forthcoming Twenty-First AGM of the Company and/or any adjournment thereof, a member of the Company:

(i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the Twenty-First AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Twenty-First AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");

(ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and

(iii) agrees that the member will indemnify the Company in respect of any penalty, claim, demand, loss and damage as a result of the member's breach of warranty.

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

(F) EXPLANATORY NOTES FOR ITEM 3 OF THE AGENDA

The profiles of the retiring Directors are set out in the Profile of Directors on pages 6 and 8 of the Company's Annual Report 2024. For the purpose of determining the eligibility of Directors, Foo Kee Fatt, Yeoh Jin Beng and Goh Teck Hong, who are standing for re-election at the Twenty-First AGM, the Board through its Nominating Committee ("NC") had assessed them using the Directors'/Key Officers' Evaluation Form, Board & Board Committee Evaluation Form, Performance Evaluation Sheet - Board Committees and Conflict of Interest Assessment Form, as well as the Independent Director's Self-Assessment Checklist, where applicable, in order to assess each of their calibre and ability to understand the requirements, risk and management of the Group's business; contribution and performance; character, integrity and professional conduct in dealing with conflict of interest situations; ability to critically challenge and ask the right questions; commitment and due diligence, confidence to stand up for a point of view; interaction at meetings, training record for the financial year ended 31 December 2024 and, where relevant, his independence. Based on the evaluation result, the aforesaid retiring Directors met the performance criteria required of an effective member of the Board. Foo Kee Fatt, who is an Independent Director continued to demonstrate objectivity and independence in his judgement.

The Board, with the recommendation of the NC, endorsed the re-election of the Directors named under Resolutions 2, 3, 4 who are due to retire in accordance with the Company's Constitution and are eligible to stand for re-election.

(G) EXPLANATORY NOTES FOR ITEMS 4 AND 5 OF THE AGENDA

Pursuant to Section 230(1) of the Companies Act, 2016, the fees of the directors, and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at the general meeting.

Resolution 5

If approved, will authorise the payment of Directors' fees for the financial year ended 31 December 2024 to Directors of the Company and its subsidiaries, as set out below:

	Amount (RM)
Can-One Berhad	*764,000*
Subsidiaries	*241,000*

Resolution 6

If approved, will authorise the payment of annual travelling claims for Non-Executive Directors and meeting allowance to all Directors of the Company, and other benefits of up to RM400,000 to the Non-Executive Directors of the Company and its subsidiaries, for the financial year ending 31 December 2025.

(H) EXPLANATORY NOTES ON SPECIAL BUSINESS

Ordinary Resolution 8 - Proposed authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016

Ordinary Resolution 8 proposed, if passed, will give a mandate to the Board, from the date of the forthcoming Twenty-First AGM of the Company, to allot and issue ordinary shares of the Company at any time at such issue price which is at a not more than a 10% discount to the 5-day volume weighted average market price of the shares of the Company immediately before the relevant price fixing date, to such Qualified Placee(s) as the Board may in its absolute discretion, consider to be in the interest of the Company and upon such other additional terms and conditions (if any) to be determined by the Board, without having to convene a general meeting provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares in the Company for the time being ("Mandate"). The Mandate from the shareholders will be effective immediately upon passing of the Ordinary Resolution and shall continue to be in force until:

(i) the conclusion of the next AGM of the Company; or
(ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
(iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

(H) EXPLANATORY NOTES ON SPECIAL BUSINESS *(continued)*

Ordinary Resolution 8 - Proposed authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016 (continued)

The Mandate will provide flexibility to the Company to raise more capital expeditiously and efficiently during this challenging time, to meet its funding requirements including but not limited to working capital, operational expenditures, future investment(s), and/or acquisition(s).

The Board, having considered the current and prospective financial position, needs and capacity of the Group, is of the opinion that the Mandate is in the best interests of the Company and its shareholders.

As at the date of this Notice, no new ordinary shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM of the Company held on 26 June 2024. Hence, no proceeds were raised.

Ordinary Resolution 9 - Proposed renewal of authority for the Company to purchase its own shares

Ordinary Resolution 9 proposed, if passed, will renew the authority for the Company to purchase through Bursa Securities such number of ordinary shares in the Company up to an aggregate amount not exceeding 10% of the total number of issued shares in the Company. The renewed authority from the shareholders will be effective immediately upon passing of the Ordinary Resolution and shall continue to be in force until:

(i) the conclusion of the next AGM of the Company; or
(ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
(iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

For further information, please refer to the Share Buy-Back Statement dated 29 April 2025 which is made available together with the Company's Annual Report 2024 at https://www.canone.com.my/agm2025.

Ordinary Resolution 10 - Proposed renewal of mandate for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature ("RRPTs")

Ordinary Resolution 10 proposed, if passed, will renew the mandate for the Company and its subsidiary companies to enter into the RRPTs with Box-Pak (Malaysia) Bhd. and/or its subsidiary companies as well as Alcom Group Berhad and/or its subsidiary companies, as set out in Section 2.4 of Part B of the Circular to Shareholders dated 29 April 2025.

The aforesaid mandate from shareholders is on an annual basis and subject to renewal at the next AGM of the Company.

For further information, please refer to the Circular to Shareholders dated 29 April 2025 which is made available together with the Company's Annual Report 2024 at https://www.canone.com.my/agm2025.

ADMINISTRATIVE DETAILS FOR THE TWENTY-FIRST ANNUAL GENERAL MEETING ("AGM")

Date of AGM	:	**Wednesday, 25 June 2025**
Time of AGM	:	**10.00 a.m.**
Venue of AGM	:	**Conference Room** **Lot 4, Jalan Perusahaan Dua** **68100 Batu Caves** **Selangor Darul Ehsan** **Malaysia**

REGISTRATION

1. Registration will start at 9.00 a.m. and will end at a time as directed by the Chairman of the AGM.
2. Please read the signage to ascertain where you should register yourself for the AGM and join the queue accordingly.
3. Please present your **original** MyKad/Passport at the registration counter for verification and ensure that you collect your MyKad/Passport thereafter.
4. Upon verification, you are required to write your name and sign the Attendance List placed on the registration table.
5. You will be given an identification wristband with personalised passcode for purpose of voting at the AGM.
6. If you are attending the AGM as a shareholder, proxy or corporate representative, you will be registered **once** and will be given only **one** identification wristband to enter the Conference Room.
7. No individual will be allowed to register on behalf of another individual even with the original MyKad/Passport of the other individual.
8. There will be no replacement in the event you lose or misplace the identification wristband. No individual will be allowed to enter the Conference Room without wearing the identification wristband.
9. You must wear the identification wristband throughout the AGM.
10. The registration counter will only handle verification of identity and registration of attendance.

HELP DESK

1. Please proceed to the Help Desk for any clarification or queries apart from registration details.
2. The Help Desk will also handle revocation of proxy's appointment.

ENTITLEMENT TO ATTEND, SPEAK AND VOTE

Only a depositor whose name appears in the Record of Depositors as at 13 June 2025 shall be entitled to attend, speak and vote at the AGM or appoint proxies to attend, speak and vote on his/her behalf in respect of the number of shares registered in his/her name at that time.

ADMINISTRATIVE DETAILS FOR THE TWENTY-FIRST ANNUAL GENERAL MEETING ("AGM")

PROXY

1. If you are a member of Can-One Berhad ("the Company"), you are entitled to appoint not more than two (2) proxies to exercise all or any of your rights to attend, speak and vote at the AGM. If you appoint more than one (1) proxy, please specify the proportion of your shareholding to be represented by each proxy, failing which, the appointment shall be invalid.
2. If you are unable to attend the AGM and wish to appoint a proxy to attend and vote on your behalf, please submit your Proxy Form for the AGM in accordance with the notes and instructions printed therein.
3. If you wish to attend the AGM yourself, please do not submit any Proxy Form. You will NOT be allowed to attend the AGM together with a proxy appointed by you.
4. If you have submitted your Proxy Form prior to the AGM and subsequently decided to attend the AGM yourself, please proceed to the Help Desk to revoke the appointment of your proxy.
5. Accordingly, the Proxy Form and/or documents relating to the appointment of proxy or authorised representative or attorney for the AGM whether in hard copy form or electronic means shall be deposited or submitted in the following manner not later than **Monday, 23 June 2025 at 10.00 a.m.**

   (i) In hard copy form

   By hand or post to the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor" or "TIIH") at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

   (ii) By electronic form

   You may also submit your proxy appointment electronically via TIIH Online website at *https://tiih.online*.

ELECTRONIC LODGEMENT OF PROXY FORM

The procedures to lodge your Proxy Form electronically via Tricor's **TIIH Online** website are summarised below:

Procedure	Action
(i) Steps for Individual Shareholders	
Register as a User with TIIH Online	• Using your computer, please access the website at *https://tiih.online*. Register as a user under the "e-Services". Please refer to the tutorial guide posted on the homepage for assistance. • If you are already a user with TIIH Online, you are not required to register again.
Proceed with submission of Proxy Form	• After the release of the Notice of Twenty-First AGM by the Company, login with your user name (i.e. email address) and password. • Select the corporate event: "**CAN-ONE BERHAD 21ST AGM - SUBMISSION OF PROXY FORM**". • Read and agree to the Terms & Conditions and confirm the Declaration. • Insert your Central Depository System (CDS) account number and indicate the number of shares for your proxy(ies) to vote on your behalf. • Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint Chairman as your proxy. • Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote. • Review and confirm your proxy(ies) appointment. • Print Proxy Form for your record.

ADMINISTRATIVE DETAILS FOR THE TWENTY-FIRST ANNUAL GENERAL MEETING ("AGM")

ELECTRONIC LODGEMENT OF PROXY FORM *(continued)*

The procedures to lodge your Proxy Form electronically via Tricor's **TIIH Online** website are summarised below *(continued)*:

Procedure	Action
(ii) Steps for Corporation or Institutional Shareholders	
Register as a User with TIIH Online	• Access TIIH Online at *https://tiih.online*. • Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects "**Create Account by Representative of Corporate Holder**". • Complete the registration form and upload the required documents. • Registration will be verified, and you will be notified by email within one (1) to two (2) working days. • Proceed to activate your account with the temporary password given in the email and re-set your own password. *Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact Tricor if you need clarifications on the user registration.*
Proceed with submission of Proxy Form	• Login to TIIH Online at *https://tiih.online*. • Select the corporate event: "**CAN-ONE BERHAD 21ST AGM - SUBMISSION OF PROXY FORM**". • Agree to the Terms & Conditions and Declaration. • Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. • Prepare the file for the appointment of proxies by inserting the required data. • Login to TIIH Online, select corporate event: "**CAN-ONE BERHAD 21ST AGM - SUBMISSION OF PROXY FORM**". • Proceed to upload the duly completed proxy appointment file. • Select "Submit" to complete your submission. • Print the confirmation report of your submission for your record.

CORPORATE MEMBER

Any corporate member who wishes to appoint a representative instead of a proxy to attend the AGM should submit the **original** Certificate of Appointment under the seal of the corporation to the office of the Share Registrar, Tricor at any time before the time appointed for holding the AGM or to the registration staff on the day of the AGM for the Company's record.

ADMINISTRATIVE DETAILS FOR THE TWENTY-FIRST ANNUAL GENERAL MEETING ("AGM")

VOTING PROCEDURE

The voting at the AGM will be conducted by way of poll in accordance to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor to conduct the poll by way of electronic voting and Quantegic Services Sdn. Bhd. as scrutineers to verify the poll results.

Shareholders or proxies or corporate representatives or attorneys can proceed to vote on the resolutions upon the announcement by the Chairman of the AGM. Detailed instructions will be provided at the AGM before the commencement of the e-voting session. Upon completion of the voting session for the AGM, the Scrutineers will verify the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

SEATING ARRANGEMENT FOR THE AGM

1. Free seating. All shareholders, proxies, corporate representatives will be allowed to enter the Conference Room from 9.00 a.m. onwards.
2. All shareholders, proxies, corporate representatives are encouraged to be seated at least five (5) minutes before the commencement of the AGM.

MOBILE DEVICES

Please ensure that all mobile devices i.e. phones, pagers, other sound emitting devices are put on silent mode during the AGM to ensure smooth and uninterrupted proceedings.

NO DOOR GIFT/FOOD VOUCHER

There will be no distribution of door gift /food voucher for participating at the Twenty-First AGM.

The Company would like to thank all its shareholders for their kind co-operation and understanding in these challenging times.

ENQUIRY

If you have any queries on the above, please contact the Company's Share Registrar, Tricor at +603-2783 9299 or email to *is.enquiry@vistra.com* during office hours on Mondays to Fridays from 8.30 a.m. to 5.30 p.m. (except on public holidays).

PROXY FORM

CAN-ONE BERHAD
[Registration No. 200401000396 (638899-K)]
(Incorporated in Malaysia)

*I/We .... (NRIC/Company No. ....)
(Full Name in Block Letters)

of ....
(Address)

and telephone no./email address .... being a member/members of Can-One Berhad (the “Company”), hereby appoint:

Full Name (in Block Letters)	**NRIC/Passport No.**	**No. of Shares**	**% of Shareholdings**
Telephone No.	**Email Address**		

and

Full Name (in Block Letters)	**NRIC/Passport No.**	**No. of Shares**	**% of Shareholdings**
Telephone No.	**Email 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 Twenty-First Annual General Meeting (“AGM”) of the Company to be held at the Conference Room, Lot 4, Jalan Perusahaan Dua, 68100 Batu Caves, Selangor Darul Ehsan, Malaysia on Wednesday, 25 June 2025 at 10.00 a.m. and at any adjournment thereof. *I/We indicate with an “X” in the spaces below how *I/we wish *my/our votes to be cast.

Resolution	Ordinary Business	For	Against
1	To declare a first and final single-tier dividend of 4 sen per share in respect of the financial year ended 31 December 2024.		
2	To re-elect Foo Kee Fatt as Director.		
3	To re-elect Yeoh Jin Beng as Director.		
4	To re-elect Goh Teck Hong as Director.		
5	To approve the payment of Directors’ Fees amounting to RM1,005,000 to Directors of the Company and its subsidiaries (excluding Box-Pak (Malaysia) Bhd. and its subsidiaries) for the financial year ended 31 December 2024.		
6	To approve payment of allowance and benefits for the financial year ending 31 December 2025.		
7	To re-appoint KPMG PLT, Chartered Accountants, as Auditors of the Company to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix the remuneration of the Auditors.		
	Special Business		
8	Proposed authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.		
9	Proposed renewal of authority for the Company to purchase its own shares.		
10	Proposed renewal of mandate for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature.		

Subject to the abovestated voting instructions, *my/our proxy may vote or abstain from voting on the resolutions as *he/she/they may think fit.

If appointment of proxy is under hand:

....
Signed by *individual member/*officer or attorney of member/*authorised nominee of

.... (beneficial owner)

No. of shares held:

....

Securities Account No.:

....
(CDS Account No.) (Compulsory)

Date: ....

If appointment of proxy is under seal:

The Common Seal of ....
was hereto affixed in accordance with its Constitution in the presence of:

....
Director Director/Secretary

In its capacity as *member/*attorney of member/*authorised nominee of

.... (beneficial owner)

No. of shares held:

....

Securities Account No.:

....
(CDS Account No.) (Compulsory)

Date: ....

Signed this .... day of ...., 2025.

**Strike out whichever is not desired.*
[Unless otherwise instructed, the proxy may vote as he/she thinks fit.]

Notes:

(i) Only a depositor whose name appears on the General Meeting Record of Depositors as at 13 June 2025 shall be entitled to attend at the Twenty-First AGM of the Company or appoint proxy(ies) to attend, speak and vote in his/her stead.

(ii) A member of the Company entitled to attend, speak and vote at the Twenty-First AGM of the Company is entitled to appoint not more than 2 proxies of his/her own choice to attend, speak and vote in his/her stead. A proxy may but need not be a member of the Company. Where a member appoints more than 1 proxy, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which, the appointment shall be invalid.

(iii) Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than 2 proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account to attend the Twenty-First AGM of the Company. Where a member of the Company is an Exempt Authorised Nominee (“EAN”) which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account (“Omnibus Account”), such EAN may appoint multiple proxies in respect of each Omnibus Account it holds. In both cases, such appointment shall be invalid unless the Authorised Nominee or EAN specifies the proportion of its shareholdings to be represented by each proxy it has appointed.

***Notes** (continued):*

- *(iv) The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if the appointor is a corporation, under its common seal or signed by its attorney duly authorised in writing or by 2 officers, 1 of whom shall be a director, on behalf of the corporation. Any alteration to the instrument appointing a proxy must be initialled.*
- *(v) The appointment of a proxy may be made in hard copy form or by electronic form and must be deposited with/received by the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. ("TIIH"), not less than 48 hours before the time appointed for holding the Twenty-First AGM of the Company or any adjournment thereof, and in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, otherwise the person so named shall not be entitled to vote in respect thereof.*
- *(vi) In the case of an appointment made in hard copy form, the Proxy Form, together with the power of attorney (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the office of the Company's Share Registrar, TIIH at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.*
- *(vii) In the case of appointment by electronic form, the Proxy Form must be electronically lodged with the Company's Share Registrar, TIIH via its TIIH Online at https://tiih.online. Please refer to the Administrative Details for the Twenty-First AGM on the procedures for electronic lodgement of Proxy Form via TIIH Online.*
- *(viii) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice will be put to the vote by way of poll. Independent Scrutineers will be appointed to verify the results of the poll.*
- *(ix) By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the forthcoming Twenty-First AGM of the Company and/or any adjournment thereof, the member of the Company accepts and agrees to the Personal Data Privacy terms as set out in the Notice of Twenty-First AGM of the Company dated 29 April 2025.*

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AFFIX
STAMP

The Share Registrar
TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN. BHD.
[Registration No. 197101000970 (11324-H)]
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan
Malaysia

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Fold This Flap For Sealing

CAN-ONE BERHAD
200401000396 (638899-K)

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

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Fax : +603-7880 1605

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