

**CHOCOLATE PRODUCTS (MALAYSIA) BERHAD (9428-T)**  
(Incorporated in Malaysia)

**KLSE**  
(CO. NO. 30632-P)  
LISTING DEPARTMENT

28 FEB 2000

**QUARTERLY REPORT**

*Bar*

Quarterly report on consolidated results for the financial quarter ended 31/12/1999.  
The figures have not been audited.

**CONSOLIDATED INCOME STATEMENT**

	NOTE	INDIVIDUAL	CUMULATIVE	
		QUARTER	QUARTER	PRECEDING YEAR
		CURRENT	CURRENT	PRECEDING YEAR
		YEAR	YEAR	CORRESPONDING
		QUARTER	TO DATE	PERIOD
		31/12/1999	31/12/1999	31/12/1999
		RM'000	RM'000	RM'000
1. (a) Turnover		119,852	342,589	349,825
(b) Investment income		-	-	-
(c) Other income including interest income		549	1,150	1,809
2. (a) Operating profit/(loss) before interest on borrowings, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	6	24,797	71,358	65,825
(b) Interest on borrowings		(9,200)	(20,588)	(25,826)
(c) Depreciation and amortisation		(14,700)	(91,561)	(71,853)
(d) Exceptional item	2	(7,695)	(15,683)	(10,564)
(e) Operating profit/(loss) after interest on borrowings, depreciation and amortisation and exceptional items but before income tax, minority interests and extraordinary items		(6,887)	3,548	7,582
(f) Share in the results of associated companies		-	-	-
(g) Profit/(loss) before taxation, minority interests and extraordinary items		(6,887)	3,548	7,582
(h) Taxation	4	(3,533)	(9,385)	(3,134)
(i) (i) Profit/(loss) after taxation before deducting minority interests		(10,420)	(5,837)	4,448
(ii) Less minority interests		1,249	(8,110)	(8,734)
(j) Profit/(loss) after taxation attributable to members of the company		(9,171)	(13,947)	(4,286)
(k) (i) Extraordinary items	3	-	-	-
(ii) Less minority interests		-	-	-
(iii) Extraordinary items attributable to members of the company		-	-	-
(l) Profit/(loss) after taxation and extraordinary items attributable to members of the company		(9,171)	(13,947)	(4,286)
3. Earnings/(loss) per share based on 2(i) above after deducting any provision for preference dividends :-				
(i) Basic (based on 348.4 million ordinary shares) (sen)		(2.6)	(4.0)	(1.2)
(ii) Fully diluted (based on 348.4 million ordinary shares) (sen)		-	-	-

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**QUARTERLY REPORT (Cont'd)**

**CONSOLIDATED BALANCE SHEET**

	NOTE	AS AT END OF CURRENT QUARTER 31/12/1999 RM'000	AS AT PRECEDING FINANCIAL YEAR END 30/6/1999 RM'000
1. Fixed Assets			
2. Investment Properties		847,068	842,045
3. Long Term Investments		473,705	473,705
4. Intangible Assets		1,523	603
		48,152	50,009
5. Current Assets			
Stocks			
Land And Development Expenditure		123,972	122,476
Trade Debtors		20,522	20,522
Deposits, Cash And Bank Balances		50,883	57,138
Amounts Owning By Related Companies		47,775	46,438
Others		90,844	88,301
		<u>124,587</u>	<u>141,640</u>
		<u>458,583</u>	<u>476,515</u>
6. Current Liabilities			
Short Term Borrowings			
Trade Creditors	12	244,553	258,603
Other Creditors		69,758	86,454
Provision For Taxation		240,751	244,794
Amounts Owning To Related Companies		50,172	43,382
Others		48,177	50,938
		<u>-</u>	<u>125</u>
		<u>652,911</u>	<u>664,296</u>
7. Net Current Assets / (Liabilities)		<u>(194,328)</u>	<u>(107,701)</u>
		<u>1,176,118</u>	<u>1,178,581</u>
8. Shareholders' Funds			
Share Capital			
Reserves		174,202	174,202
Share Premium			
Revaluation Reserves		330,603	330,603
Capital Reserves		117,342	117,342
Retained Profit / (Loss)		7,635	7,242
Others		(101,049)	(87,303)
		<u>111,049</u>	<u>84,447</u>
9. Minority Interests		639,188	638,533
10. Long Term Borrowings		317,844	308,870
11. Other Long Term Liabilities	12	214,183	228,153
		4,803	5,225
		<u>1,176,118</u>	<u>1,178,581</u>
12. Net tangible assets per share (sen)		<u>170</u>	<u>158</u>

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**QUARTERLY REPORT (Cont'd)**

**NOTES**

**1. ACCOUNTING POLICIES**

The accounts of the Group are prepared using accounting policies and methods of computation consistent with those adopted in the most recent annual financial statement. There have been no significant changes to these policies.

**2. EXCEPTIONAL ITEM**

Exceptional item comprises of translation loss in respect of foreign currency borrowings. It represents mainly amortisation of the deferred portion of such long term borrowings.

**3. EXTRAORDINARY ITEMS**

There were no extraordinary items for the financial quarter under review.

**4. TAXATION**

Taxation includes :-

- (a) Current  
(b) Overprovision in prior year

INDIVIDUAL QUARTER	CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/1999 RM'000	CURRENT YEAR TO DATE 31/12/1999 RM'000
3,533	9,385	3,449
-	-	(315)
<u>3,533</u>	<u>9,385</u>	<u>3,134</u>

**5. PRE-ACQUISITION PROFITS**

Pre-acquisition profits have been eliminated in arriving at the consolidated results of the Group.

**6. PROFIT ON SALE OF INVESTMENTS AND/OR PROPERTIES**

There is no material gain or loss on disposal of investments or properties other than in the ordinary course of business.

**7. QUOTED SECURITIES**

There were no purchase or disposal of quoted securities for the financial quarter under review.

**8. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group for the financial quarter under review.

**9. STATUS OF CORPORATE PROPOSALS**

The Group's overall restructuring scheme is still in progress.

The Group has made announcements for its proposed share option scheme and the disposal of its cocoa, chocolate and confectionary businesses, two (2) industrial buildings and lands and trademarks for a total cash consideration of RM53.5 million. The finalisation of the disposal was pending on the approval from the relevant authorities.

**10. SEASONALITY AND CYCLICALITY OF OPERATIONS**

The operations of the Group is not subject to material seasonal or cyclical effects except for our China Brewery Division where higher sales are normally reported during the summer season in June and September quarters.

**11. ISSUANCES AND REPAYMENT OF DEBT AND EQUITY SECURITIES**

There were no issuances and repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares or resale of treasury shares for the quarter under review.

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**12. GROUP BORROWINGS AND DEBT SECURITIES**

The Group's borrowings as at end of the reporting period are as follows :-

	Short Term RM'000	Long Term RM'000	TOTAL RM'000
Secured	106,365	207,486	313,851
Unsecured	138,188	6,687	144,885
	<u>244,553</u>	<u>214,183</u>	<u>458,738</u>

The Group's borrowings are denominated in the following currencies :

- Ringgit Malaysia	224,337
- US dollar	140,520
- Others	93,879
	<u>458,736</u>

**13. CONTINGENT LIABILITIES**

There were no contingent liabilities at the date of this report.

**14. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There were no financial instruments with off balance sheet risk at the date of this report.

**15. MATERIAL LITIGATION**

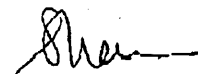
There is presently one litigation suit (KLHC C9 No. D2-22-729-99) filed against the Company and its ultimate holding company by Malaysian International Merchant Bankers Berhad in respects of claims for credit facility granted amounting to RM 15.0 million.

**16. SEGMENTAL INFORMATION**

<u>Industry</u>	<u>Turnover</u> RM'000	<u>Profit / (Loss)</u> RM'000	<u>Total Assets</u> <u>Employed</u> RM'000
Chocolate and confectionery	29,899	(618)	135,530
Beverage	286,827	25,411	1,091,796
Property	25,863	13,854	601,703
	<u>342,589</u>	<u>38,647</u>	<u>1,829,029</u>
Net interest expenses		(19,416)	
Exceptional item		(15,683)	
Profit before taxation		<u>3,548</u>	
<u>Geographical</u>			
Malaysia	55,615	12,885	707,152
People's Republic of China	286,974	25,762	1,121,877
	<u>342,589</u>	<u>38,647</u>	<u>1,829,029</u>
Net interest expenses		(19,416)	
Exceptional item		(15,683)	
Profit before taxation		<u>3,548</u>	

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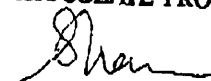
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17. **COMPARISON WITH THE PRECEDING QUARTER'S RESULTS**  
During the quarter, the Group reported a lower turnover of RM119.9 million as compared to RM222.7 million in the last quarter. A loss before taxation of RM6.9 million was recorded as compared to a profit before taxation of RM10.4 million in the previous quarter. The results for this quarter were adversely affected by the low demand in the Brewery Division in China during the winter season.
18. **REVIEW OF PERFORMANCE**  
The turnover of the Group for the six months ended 31 December 1999 decreased by 2% to RM342.8 million compared to the preceding corresponding period of RM349.6 million. Profit before tax was lower at RM3.6 million due mainly to the increase in amortisation of deferred foreign exchange losses.
19. **PROSPECTS**  
Barring unforeseen circumstances, the Directors expect the operating performance of the Group to improve in line with the current economic conditions.
20. **VARIANCE OF ACTUAL RESULTS FROM FORECASTED PROFIT AND SHORTFALL IN PROFIT GUARANTEE**  
This note is not applicable.
21. **DIVIDEND**  
No interim dividend has been recommended for the quarter under review.

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