

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)

(Incorporated in Malaysia)

Financial Year End : 31 December 2006
Quarter : Second Quarter

Quarterly report on results for the 2nd quarter ended 30 June 2006. These figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Current Year Quarter</u> <u>30.06.2006</u> <u>RM'000</u>	<u>Preceding Year Quarter</u> <u>30.06.2005</u> <u>RM'000</u>	<u>Current Year To Date</u> <u>30.06.2006</u> <u>RM'000</u>	<u>Preceding Year To Date</u> <u>30.06.2005</u> <u>RM'000</u>
Revenue	29,273	22,839	57,036	46,957
Cost Of Sales	<u>(20,769)</u>	<u>(16,269)</u>	<u>(41,034)</u>	<u>(34,999)</u>
Gross Profit	8,504	6,570	16,002	11,958
Other Income	195	107	328	184
Distribution Costs	(2,726)	(2,220)	(4,757)	(3,778)
Administrative Expenses	(2,812)	(2,342)	(5,453)	(4,214)
Finance Costs	<u>(60)</u>	<u>(151)</u>	<u>(64)</u>	<u>(239)</u>
Profit Before Tax	3,101	1,964	6,056	3,911
Income Tax Expenses	<u>(494)</u>	<u>(285)</u>	<u>(1,097)</u>	<u>(607)</u>
Profit For The Period	<u>2,607</u>	<u>1,679</u>	<u>4,959</u>	<u>3,304</u>
Attributable To:				
Equity Holders Of The Parent	2,607	1,679	4,959	3,304
Minority Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,607</u>	<u>1,679</u>	<u>4,959</u>	<u>3,304</u>
Earnings Per Share Attributable To Equity Holders Of The Parent				
: Basic Earnings Per Share (Sen)	2.17	1.40	4.13	2.76

Notes :

The Condensed Financial Statements should be read in conjunction with the accompanying explanatory notes attached to the financial statements.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET**AS AT 30 JUNE 2006****(These figures have not been audited)**

	As At End Of Current Quarter (Unaudited) 30.06.2006 RM'000	As At Preceding Financial Year (Audited) 31.12.2005 RM'000
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	47,421	42,252
Prepaid Lease Payments	5,332	5,388
Investment	1	1
	<u>52,754</u>	<u>47,641</u>
Current Assets		
Inventories	12,767	13,147
Trade Receivables	16,672	18,088
Tax Recoverable	1,247	968
Other Debtors, Deposit & Prepayment	1,692	1,507
Fixed Deposit With Licensed Bank	10,593	4,918
Cash & Bank Balances	2,101	1,933
	<u>45,072</u>	<u>40,561</u>
TOTAL ASSETS	<u>97,826</u>	<u>88,202</u>
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Parent		
Share Capital	45,000	45,000
Share Premium	375	375
Revenue Reserves	28,742	23,783
	74,117	69,158
Minority Interest	-	-
Total Equity	<u>74,117</u>	<u>69,158</u>
Non-Current Liabilities		
Hire Purchase Creditors	85	109
Term Loans	3,120	57
Deferred Taxation	3,306	3,315
	<u>6,511</u>	<u>3,481</u>
Current Liabilities		
Trade Payables	12,130	10,966
Other Creditors & Accruals	3,316	3,293
Amount Due To Directors	125	138
Hire Purchase Creditors	112	188
Term Loan- Current Portion	762	16
Bank Overdrafts	73	945
Taxation	680	17
	<u>17,198</u>	<u>15,563</u>
Total Liabilities	<u>23,709</u>	<u>19,044</u>
TOTAL EQUITY AND LIABILITIES	<u>97,826</u>	<u>88,202</u>
Net Assets (NA) Per Share (RM)	0.82	0.77

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Retained Profit	Total
	RM'000	RM'000	RM'000	RM'000
6 months ended 30 June 2006				
As at 1 January 2006	45,000	375	23,783	69,158
Net profit for the periods	-	-	4,959	4,959
As at 30 June 2006	<u>45,000</u>	<u>375</u>	<u>28,742</u>	<u>74,117</u>
12 months ended 31 December 2005				
As at 1 January 2005	40,000	-	19,022	59,022
Cumulative movements during the periods				
Public issue	5,000	1,500	-	6,500
Set-off against share listing expenses	-	(1,125)	-	(1,125)
Net profit for the periods	-	-	8,361	8,361
Dividend	-	-	(3,600)	(3,600)
As at 31 December 2005	<u>45,000</u>	<u>375</u>	<u>23,783</u>	<u>69,158</u>

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE 6 MONTHS ENDED 30 JUNE 2006
(These figures have not been audited)**

	Cumulative Current Year To Date 30.06.2006 RM'000	Cumulative Preceding To Date 30.06.2005 RM'000
Cash Flow From Operating Activities		
Profit Before Taxation	6,056	3,911
Adjustments for:-		
Allowance for doubtful debts	350	305
Depreciation of property, plant and equipment	2,749	2,740
Loss/(gain) on disposal of property, plant & equipment	(80)	(30)
Interest expense	64	239
Interest income	(95)	(108)
Operating profit before working capital changes	<u>9,044</u>	<u>7,057</u>
(Increase)/decrease in inventories	380	(2,320)
Decrease in receivables	1,231	6,679
Increase in payables	1,174	174
Cash generated from operations	<u>11,829</u>	<u>11,590</u>
Interest received	95	108
Interest paid	(64)	(239)
Tax paid	(723)	(484)
Net Cash Provided By Operating Activities	<u>11,137</u>	<u>10,975</u>
Purchase of property, plant and equipment	(8,213)	(8,421)
Proceeds from disposal of plant and equipment	80	30
Net Cash Used In Investing Activities	<u>(8,133)</u>	<u>(8,391)</u>
Proceeds from issue of shares	-	6,500
Share Listing Expenses	-	(1,125)
Financing from hire-purchase creditors	60	60
Repayment of hire-purchase creditors	(159)	(901)
Proceeds from term loan	3,817	-
Repayment of term loan	(8)	(3,665)
Net Cash Provided By Financing Activities	<u>3,710</u>	<u>869</u>
Net Change in Cash And Cash Equivalents	6,714	3,453
* Cash And Cash Equivalents At Beginning Of The Period	5,907	2,822
* Cash And Cash Equivalents At End Of The Period	<u>12,621</u>	<u>6,275</u>
* Cash & cash equivalents consists of:		
Fixed deposit with licensed banks	413	7,303
Short term deposits with licensed banks	10,180	-
Cash and bank balances	2,101	1,901
Bank overdraft	(73)	(2,929)
	<u>12,621</u>	<u>6,275</u>
	-	-

**Part A: Explanatory Notes In Compliance With Financial Reporting Standard (“FRS”)
134: Interim Financial Reporting**

A1. Basis Of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard (“FRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements for year ended 31 December 2005. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of Cocoaland Holdings Bhd (“CHB”) and its subsidiary companies, comprising Cocoaland Industry Sdn. Bhd. (“CISB”), L.B. Food Sdn Bhd (“LBFSB”) and B Plus Q Sdn Bhd (“BPQSB”) and BPQSB’s wholly-owned subsidiary, M.I.T.E. Food Enterprise Sdn Bhd (collectively referred to as “the Group”).

A2. Changes In Accounting Policies

The significant accounting policies and method of computation adopted by the Group in these interim financial statements are consistent with those adopted in the most recent audited financial statements of CHB and its subsidiary companies except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective for financial period beginning 1 January 2006:

FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

In addition to the above, the Group has also taken the option of early adoption of the FRS 117: Leases, for the financial period beginning 1 January 2006.

The adoption of the above FRSs does not have significant financial impact to the Group.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2nd Quarter Ended 30 June 2006

A3. Comparatives

The following comparative amounts have been restated due to the adoption of new and revised FRSs:

	Previously Stated RM'000	FRS 117 RM'000	Restated RM'000
At 31 December 2005			
Property, plant and equipment	47,640	(5,388)	42,252
Prepaid lease payments	-	5,388	5,388

A4. Qualification of Financial Statements

The audited report of the preceding annual financial statements was not subjected to any qualification.

A5. Seasonal or Cyclical Factors

The Group's business operation results were not materially affected by any seasonal or cyclical factors.

A6. Nature and Amount of Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

A7. Nature and Amount of Changes in Estimates

There were no changes in the estimates of amounts reported that have a material effect in the current quarter.

A8. Dividend Paid

No dividend was paid during the current quarter.

A9. Debt and Equity Securities

There was no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the current financial quarter.

A10. Segmental Reporting

The Group operates principally in the business of manufacturing and trading of processed and preserved foods and other related foodstuffs. Accordingly, information by segment on the Group's operation is not presented.

The Group operates predominantly in Malaysia and accordingly, information by geographical location on the Group's operation is also not presented.

A11. Valuations of Property, Plant and Equipment

The property, plant and equipment except for freehold land are stated at cost/valuation less accumulated depreciation and impairment losses. There was no revaluation of property, plant and equipment for the current quarter and financial year to date.

The valuation of property, plant and equipment of the Group have been brought forward without amendment from the financial statements for the year ended 31 December 2005.

A12. Subsequent Material Events

Save as disclosed in Explanatory Note B8 below, there were no material events subsequent to the reporting period up to 25 August 2006 (latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) which have not been reflected in the financial statements for the quarter under review.

A13. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial period ended 30 June 2006.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)

Quarterly Unaudited Results Of The Group For The 2nd Quarter Ended 30 June 2006

A14. Contingent Liabilities or Contingent Assets

As at 25 August 2006 (being a date not earlier than 7 days from the date of issue of this report), there were no material contingent liabilities incurred by the Group, which upon becoming enforceable, may have a material impact on the financial position of the Group.

A15. Capital commitments

Capital commitments of the Group as at 30 June 2006:-

	RM'000
Capital expenditure authorized and contracted for but not provided in the financial statements – in respect of purchase of Factory Equipment	217

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)

Quarterly Unaudited Results Of The Group For The 2nd Quarter Ended 30 June 2006

Part B: Additional Explanatory Notes In Compliance With Listing Requirements Of The Bursa Malaysia Securities Berhad

B1. Review of Performance

For the financial period under review, the Group recorded a revenue and profit before taxation of RM57.0 million and RM6.0 million and as compare to the corresponding period revenue of RM46.9 million and profit before taxation of RM3.9 million respectively.

The increase in demand in both the local and export segments had contributed to the higher turnover. The significant increase in profit before taxation was mainly due to the contribution generated from fruit gummy lines.

B2. Comparison with Immediate Preceding Quarter's Results

	Current Year Quarter RM'000	Immediate Preceding Quarter RM'000	Difference %
Revenue	29,273	27,763	+5.4%
Profit before taxation	3,101	2,955	+4.9%

Revenue of the Group increased to RM29.3 million for the current quarter which represents 5.4% higher than that of RM27.8 million achieved in the immediate preceding quarter.

The Group's profit before taxation increased by 4.9% to RM3.1 million as compared to the result of the immediate preceding quarter which was in line with the increase in revenue.

B3. Commentary Prospects

Current year prospect for the Group is good. The new fruit gummy production line installed and commissioned in the 4th quarter last year is expected to contribute positively to the Group for the current year under review.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2nd Quarter Ended 30 June 2006**B4. Profit Forecast Or Profit Guarantee**

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest and for the shortfall in profit guarantee are not applicable.

B5. Taxation

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year Quarter</u>	<u>Preceding Year Quarter</u>	<u>Current Year To Date</u>	<u>Preceding Year To Date</u>
	30.06.2006	30.06.2005	30.06.2006	30.06.2005
	RM'000	RM'000	RM'000	RM'000
Income taxation:				
• Current period estimate	526	216	1,129	478
• Prior year	(22)	(56)	(22)	(56)
Deferred taxation :				
• Transferred to / (from) deferred taxation	(10)	125	(10)	185
	<u>494</u>	<u>285</u>	<u>1,097</u>	<u>607</u>

The effective tax rate of the Group for the period under review was lower than the statutory tax rate of 28% mainly due to the utilization of reinvestment allowances claimed on qualifying expenditure.

B6. Sale of Unquoted Investments and/or Properties

The Group has not disposed of any investments in any unquoted investments and/or properties during the current quarter and financial year-to-date.

B7. Quoted Securities

There was no purchase or disposal of quoted securities for the current financial period to date.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2nd Quarter Ended 30 June 2006

B8. Status of Corporate Proposals

As at 25 August 2006 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report), the Group does not have any corporate proposal, which has been announced but not completed. The Bonus Issue and Increase in Authorised Share Capital which was announced on 20 March 2006 and 21 March 2006 was completed on 11 July 2006; while the transfer of the listing of and quotation for the entire issued and paid-up share capital comprising 120,000,000 ordinary shares of RM0.50 each from the Second Board to the Main Board of Bursa Malaysia Securities Bhd was completed on 18 July 2006.

B9. Group Borrowings

The Group's borrowings (all denominated in Ringgit Malaysia) as at the end of the reporting quarter are as follows:-

	As At 30.06.06 RM'000	As At 30.06.05 RM'000
Short-term borrowings-secured :-		
- Hire purchase	112	224
- Term loan	762	16
- Bank overdraft	73	2,929
TOTAL SHORT TERM (A)	947	3,169
Long-term borrowing-secured :-		
- Hire purchase	85	215
- Term loan	3,120	59
TOTAL LONG TERM (B)	3,205	274
TOTAL (A) + (B)	4,152	3,443

B10. Off Balance Sheet Financial Instruments

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

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2nd Quarter Ended 30 June 2006**B11. Material Litigation**

There was no material litigation at the date of this quarterly report.

B12. Dividend Payable

No interim ordinary dividend has been declared for the financial period ended 30 June 2006 (30 June 2005: Nil).

B13. Earnings per share

The earnings per share for the quarter and cumulative year to date are computed as follows:-

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	Current Year To Date	Preceding Year To Date
	30.06.2006	30.06.2005	30.06.2006	30.06.2005
Profit for the period (RM'000)	2,607	1,679	4,959	3,304
Weighted average number of ordinary shares of RM0.50 each ('000)#	120,000	119,699	120,000	119,699
Basic earnings per share (sen)	2.17	1.40	4.13	2.76
Diluted earnings per share (sen)*	N.A.	N.A.	N.A.	N.A.

Note:

Inclusion the effect on Bonus Issue of 30,000,000 ordinary shares of RM0.50 each, which was allotted on 11th July 2006.

* The Group has no potential ordinary shares in issue, therefore diluted earnings per share has not been presented.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)

Quarterly Unaudited Results Of The Group For The 2nd Quarter Ended 30 June 2006

By Order Of The Board

Liew Fook Meng
Executive Director
Dated: 28.08.2006