

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

(Incorporated in Malaysia)

Financial Year End : 31 December 2007**Quarter : First Quarter**

Quarterly report on results for the 1st quarter ended 31 March 2007. These figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Current Year Quarter</u> <u>31.03.2007</u> <u>RM'000</u>	<u>Preceding Year Quarter</u> <u>31.03.2006</u> <u>RM'000</u>	<u>Current Year To Date</u> <u>31.03.2007</u> <u>RM'000</u>	<u>Preceding Year To Date</u> <u>31.03.2006</u> <u>RM'000</u>
Revenue	32,367	27,763	32,367	27,763
Cost Of Sales	<u>(25,343)</u>	<u>(21,327)</u>	<u>(25,343)</u>	<u>(21,327)</u>
Gross Profit	7,024	6,436	7,024	6,436
Other Income	547	133	547	133
Distribution Costs	(1,388)	(1,056)	(1,388)	(1,056)
Administrative Expenses	(3,122)	(2,554)	(3,122)	(2,554)
Finance Costs	<u>(32)</u>	<u>(4)</u>	<u>(32)</u>	<u>(4)</u>
Profit Before Tax	3,029	2,955	3,029	2,955
Income Tax Expenses	<u>(642)</u>	<u>(603)</u>	<u>(642)</u>	<u>(603)</u>
Profit For The Period	<u>2,387</u>	<u>2,352</u>	<u>2,387</u>	<u>2,352</u>
Attributable To:				
Equity Holders Of The Parent	2,387	2,352	2,387	2,352
Minority Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,387</u>	<u>2,352</u>	<u>2,387</u>	<u>2,352</u>
Earnings Per Share Attributable To Equity Holders Of The Parent				
: Basic Earnings Per Share (Sen)	1.99	1.96	1.99	1.96

Notes :

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

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CONDENSED CONSOLIDATED BALANCE SHEET**AS AT 31 MARCH 2007****(These figures have not been audited)**

	As At End Of Current Quarter (Unaudited) 31.03.2007 RM'000	As At Preceding Financial Year (Audited) 31.12.2006 RM'000
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	42,056	42,627
Prepaid Lease Payments	9,082	9,119
Investment	1	1
	<u>51,139</u>	<u>51,747</u>
Current Assets		
Inventories	15,793	15,774
Trade Receivables	19,147	19,754
Tax Recoverable	886	708
Other Debtors, Deposit & Prepayment	1,800	1,126
Fixed Deposit With Licensed Bank	13,872	11,771
Cash & Bank Balances	3,509	1,341
	<u>55,007</u>	<u>50,474</u>
TOTAL ASSETS	<u>106,146</u>	<u>102,221</u>
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Parent		
Share Capital	60,000	60,000
Share Premium	194	194
Revenue Reserves	19,913	17,526
	<u>80,107</u>	<u>77,720</u>
Minority Interest	-	-
Total Equity	<u>80,107</u>	<u>77,720</u>
Non-Current Liabilities		
Hire Purchase Creditors	16	20
Term Loans	2,434	2,762
Deferred Taxation	3,202	3,200
	<u>5,652</u>	<u>5,982</u>
Current Liabilities		
Trade Payables	15,484	13,713
Other Creditors & Accruals	3,276	3,252
Hire Purchase Creditors	64	79
Term Loan	880	744
Bank Overdrafts	-	431
Taxation	683	300
	<u>20,387</u>	<u>18,519</u>
Total Liabilities	<u>26,039</u>	<u>24,501</u>
TOTAL EQUITY AND LIABILITIES	<u>106,146</u>	<u>102,221</u>
Net Assets (NA) Per Share (RM)	0.67	0.65

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Retained Profit	Total
3 months ended 31 March 2007	RM'000	RM'000	RM'000	RM'000
As at 1 January 2007	60,000	194	17,526	77,720
Net profit for the periods	-	-	2,387	2,387
As at 31 March 2007	60,000	194	19,913	80,107
3 months ended 31 March 2006	RM'000	RM'000	RM'000	RM'000
As at 1 January 2006	45,000	375	23,783	69,158
Net profit for the periods	-	-	2,352	2,352
As at 31 March 2006	45,000	375	26,135	71,510

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE 3 MONTHS ENDED 31 MARCH 2007
(These figures have not been audited)**

	Cumulative Current Year To Date 31.03.2007 RM'000	Cumulative Preceding Year To Date 31.03.2006 RM'000
Cash Flow From Operating Activities		
Profit Before Taxation	3,029	2,955
Adjustments for:-		
Allowance for doubtful debts	-	100
Depreciation of property, plant and equipment	1,119	1,296
Amortisation of prepaid lease payments	37	72
Interest expense	31	5
Interest income	(75)	(36)
Operating profit before working capital changes	<u>4,141</u>	<u>4,392</u>
(Increase)/decrease in inventories	(19)	292
(Increase)/decrease in receivables	(67)	759
Increase in payables	1,795	1,778
Cash generated from operations	<u>5,850</u>	<u>7,221</u>
Interest received	75	36
Interest paid	(31)	(5)
Tax paid	(435)	(93)
Net Cash Provided By Operating Activities	<u>5,459</u>	<u>7,159</u>
Purchase of property, plant and equipment	(488)	(3,315)
Prepayment of land lease	(114)	-
Net Cash Used In Investing Activities	<u>(602)</u>	<u>(3,315)</u>
Financing from hire-purchase creditors	-	60
Repayment of hire-purchase creditors	(77)	(110)
Repayment of term loan	(80)	(4)
Net Cash Provided By Financing Activities	<u>(157)</u>	<u>(54)</u>
Net Change in Cash And Cash Equivalents	4,700	3,790
* Cash And Cash Equivalents At Beginning Of The Period	12,681	5,907
* Cash And Cash Equivalents At End Of The Period	<u>17,381</u>	<u>9,697</u>
* Cash & cash equivalents consists of:		
Fixed deposit with licensed banks	1,822	759
Short term deposits with licensed banks	12,050	6,960
Cash and bank balances	3,509	2,148
Bank overdraft	-	(170)
	<u>17,381</u>	<u>9,697</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 2006. 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. 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.

A3. Qualification of Financial Statements

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

A4. Seasonal or Cyclical Factors

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

A5. 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.

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Quarterly Unaudited Results Of The Group For The 1st Quarter Ended 31 March 2007

A6. 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.

A7. Dividend Paid

There was no dividend paid during the quarter under review.

A8. Debt and Equity Securities

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

A9. 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.

A10. 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 2006.

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A11. Subsequent Material Events

Save as disclosed below, there have been no material events between the end of the quarter to the date of this announcement.

On 21 May 2007, CHB announced that its wholly-owned subsidiary, CISB has entered into a joint-venture agreement with La Bi Xiao Xin International Company Limited, a company incorporated in British Virgin Islands to manufacture and market fruit gummy candy products through a joint-venture company in Fujian Province, People's Republic of China, to be known as Coco (Fujian) Foods Industrial Company Limited ("Joint-Venture").

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial period ended 31 March 2007.

A13. Contingent Liabilities or Contingent Assets

As at 21 May 2007 (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.

A14. Capital commitments

Capital commitments of the Group as at 31 March 2007:-

	RM'000
Capital expenditure authorized and contracted for but not provided in the financial statements – in respect of purchase of Factory Equipment	77

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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 RM32.4 million and RM3.0 million and as compared to the corresponding period revenue of RM27.8 million and profit before taxation of RM2.9 million respectively.

The increase in export sales had contributed to the increase in total turnover. However, the overall performance was affected to some extent by appreciation of Malaysian Ringgit against US\$ and the increase in the prices of materials in the current year as compared to the preceding year.

B2. Comparison with Immediate Preceding Quarter's Results

	Current Year Quarter RM'000	Immediate Preceding Quarter RM'000	Difference %
Revenue	32,367	30,125	+7.4%
Profit before taxation	3,029	3,696	-18.0%

Revenue of the Group increased to RM32.4 million for the current quarter which represents 7.4% higher than that of RM30.1 million achieved in the immediate preceding quarter.

The Group's profit before taxation decreased by 18.0% to RM3.0 million as compared to the result of the immediate preceding quarter which was caused by higher expenses incurred in product promotion activities, foreign exchange losses and also the long festive holidays.

B3. Commentary Prospects

The Joint-Venture (referred to in Note A11) is a major milestone in CHB Group's plans to accelerate its international sales growth and will provide the Group with a strong platform to penetrate global market which is expected to contribute positively to the future earnings of the Group.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1st Quarter Ended 31 March 2007**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>
	<u>31.03.2007</u>	<u>31.03.2006</u>	<u>31.03.2007</u>	<u>31.03.2006</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Income taxation:				
• Current period estimate	644	571	644	571
• Prior year	0	0	0	0
Deferred taxation :				
• Transferred to/(from) deferred taxation	(2)	32	(2)	32
	<u>642</u>	<u>603</u>	<u>642</u>	<u>603</u>

The effective tax rate of the Group for the period under review was lower than the statutory tax rate of 27% 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.

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B8. Status of Corporate Proposals

As at 21 May 2007 (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.

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 31.03.07 RM'000	As At 31.03.06 RM'000
Short-term borrowings-secured :-		
- Hire purchase	64	63
- Term loan	880	761
- Bank overdraft	0	170
TOTAL SHORT TERM (A)	944	994
Long-term borrowing-secured :-		
- Hire purchase	16	248
- Term loan	2,434	3,308
TOTAL LONG TERM (B)	2,450	3,556
TOTAL (A) + (B)	3,394	4,550

B10. Off Balance Sheet Financial Instruments

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

B11. Material Litigation

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

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B12. Dividend Payable

The Board of Directors did not declare the payment of dividends for the current quarter under review.

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
	31.03.2007	31.03.2006	31.03.2007	31.03.2006
Profit for the period (RM'000)	2,387	2,352	2,387	2,352
Weighted average number of ordinary shares of RM0.50 each ('000)	120,000	120,000	120,000	120,000
Basic earnings per share (sen)	1.99	1.96	1.99	1.96
Diluted earnings per share (sen)*	N.A.	N.A.	N.A.	N.A.

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

By Order Of The Board

Liew Fook Meng
Executive Director
Dated: 28.05.2007