

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

(Incorporated in Malaysia)

Financial Year End : 31 December 2008
Quarter : Second Quarter

Quarterly report on results for the 2nd quarter ended 30 June 2008. These figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

| | <u>INDIVIDUAL QUARTER</u> | | <u>CUMULATIVE QUARTER</u> | |
|--|---|---|---|---|
| | <u>Current Year Quarter 30.06.2008 RM'000</u> | <u>Preceding Year Quarter 30.06.2007 RM'000</u> | <u>Current Year To Date 30.06.2008 RM'000</u> | <u>Preceding Year To Date 30.06.2007 RM'000</u> |
| Revenue | 32,747 | 29,887 | 64,336 | 62,254 |
| Cost Of Sales | <u>(25,885)</u> | <u>(23,409)</u> | <u>(50,747)</u> | <u>(48,752)</u> |
| Gross Profit | 6,862 | 6,478 | 13,589 | 13,502 |
| Other Income | 241 | 218 | 365 | 340 |
| Distribution Costs | (1,994) | (1,334) | (4,257) | (2,731) |
| Administrative Expenses | (2,246) | (2,160) | (4,892) | (4,848) |
| Finance Costs | (44) | (66) | (84) | (98) |
| Share Of Profit/(Loss) Of Associates | <u>(335)</u> | <u>-</u> | <u>(357)</u> | <u>-</u> |
| Profit Before Tax | 2,484 | 3,136 | 4,364 | 6,165 |
| Income Tax Expenses | <u>(669)</u> | <u>(488)</u> | <u>(1,041)</u> | <u>(1,130)</u> |
| Profit For The Period | <u>1,815</u> | <u>2,648</u> | <u>3,323</u> | <u>5,035</u> |
| Attributable To: | | | | |
| Equity Holders Of The Parent | 1,815 | 2,648 | 3,323 | 5,035 |
| Minority Interest | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>1,815</u> | <u>2,648</u> | <u>3,323</u> | <u>5,035</u> |
| Earnings Per Share Attributable To Equity Holders Of The Parent | | | | |
| : Basic Earnings Per Share (Sen) | 1.51 | 2.21 | 2.77 | 4.20 |

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 2008**

(These figures have not been audited)

| | As At End Of Current Quarter (Unaudited) 30.06.2008 RM'000 | As At Preceding Financial Year (Audited) 31.12.2007 RM'000 |
|--|---|---|
| ASSETS | | |
| Non-Current Assets | | |
| Property, Plant And Equipment | 41,533 | 42,060 |
| Prepaid Lease Payments | 9,000 | 9,077 |
| Investment | 1 | 1 |
| Investment In An Associated Company | 4,579 | 2,500 |
| | <u>55,113</u> | <u>53,638</u> |
| Current Assets | | |
| Inventories | 16,162 | 17,023 |
| Trade Receivables | 19,205 | 20,353 |
| Tax Recoverable | 1,666 | 1,252 |
| Other Debtors, Deposit & Prepayment | 2,847 | 1,162 |
| Fixed Deposit With Licensed Bank | 10,930 | 9,287 |
| Cash & Bank Balances | 2,641 | 3,896 |
| | <u>53,451</u> | <u>52,973</u> |
| TOTAL ASSETS | <u><u>108,564</u></u> | <u><u>106,611</u></u> |
| EQUITY AND LIABILITIES | | |
| Equity Attributable To Equity Holders Of The Parent | | |
| Share Capital | 60,000 | 60,000 |
| Share Premium | 194 | 194 |
| Revenue Reserves | 26,180 | 22,857 |
| | <u>86,374</u> | <u>83,051</u> |
| Minority Interest | - | - |
| Total Equity | <u><u>86,374</u></u> | <u><u>83,051</u></u> |
| Non-Current Liabilities | | |
| Hire Purchase Creditors | - | 4 |
| Term Loans | 1,618 | 1,996 |
| Deferred Taxation | 3,223 | 3,223 |
| | <u>4,841</u> | <u>5,223</u> |
| Current Liabilities | | |
| Trade Payables | 14,481 | 14,152 |
| Other Creditors & Accruals | 2,073 | 2,996 |
| Hire Purchase Creditors | 13 | 16 |
| Term Loan | 782 | 783 |
| Bank Overdrafts | - | 275 |
| Taxation | - | 115 |
| | <u>17,349</u> | <u>18,337</u> |
| Total Liabilities | <u><u>22,190</u></u> | <u><u>23,560</u></u> |
| TOTAL EQUITY AND LIABILITIES | <u><u>108,564</u></u> | <u><u>106,611</u></u> |
| Net Assets (NA) Per Share (RM) | 0.72 | 0.69 |

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 2007 | | | | |
| As at 1 January 2007 | 60,000 | 194 | 17,526 | 77,720 |
| Net profit for the period | - | - | 5,035 | 5,035 |
| As at 30 June 2007 | <u>60,000</u> | <u>194</u> | <u>22,561</u> | <u>82,755</u> |
| | | | | - |
| 6 months ended 30 June 2008 | | | | |
| As at 1 January 2008 | 60,000 | 194 | 22,857 | 83,051 |
| Net profit for the period | - | - | 3,323 | 3,323 |
| As at 30 June 2008 | <u>60,000</u> | <u>194</u> | <u>26,180</u> | <u>86,374</u> |
| | | | | - |

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE 6 MONTHS ENDED 30 JUNE 2008
(These figures have not been audited)**

| | Cumulative Current Year To Date 30.06.2008 RM'000 | Cumulative Preceding Year To Date 30.06.2007 RM'000 |
|---|--|--|
| Cash Flow From Operating Activities | | |
| Profit Before Taxation | 4,364 | 6,165 |
| Adjustments for:- | | |
| Share of losses of associates | 357 | - |
| Allowance for doubtful debts | 500 | - |
| Depreciation of property, plant and equipment | 2,266 | 2,229 |
| Amortisation of prepaid lease payments | 76 | 76 |
| (Gain)/Loss on disposal of property, plant & equipment | (67) | 2 |
| Property, plant and equipment written off | 1 | - |
| Interest expense | 85 | 100 |
| Interest income | (154) | (188) |
| Operating profit before working capital changes | <u>7,428</u> | <u>8,384</u> |
| (Increase)/decrease in inventories | 861 | (2,006) |
| (Increase)/decrease in receivables | (537) | 262 |
| Increase/(decrease) in payables | (594) | 568 |
| Cash generated from operations | <u>7,158</u> | <u>7,208</u> |
| Interest received | 154 | 188 |
| Interest paid | (85) | (100) |
| Tax refunded | - | 5 |
| Tax paid | (1,726) | (885) |
| Net Cash Provided By Operating Activities | <u>5,501</u> | <u>6,416</u> |
| Investment in associated company | (2,436) | - |
| Purchase of property, plant and equipment | (2,038) | (1,184) |
| Proceeds from disposal of property, plant and equipment | 67 | 26 |
| Prepayment of land lease | - | (212) |
| Net Cash Used In Investing Activities | <u>(4,407)</u> | <u>(1,370)</u> |
| Repayment of hire-purchase creditors | (52) | (24) |
| Repayment of term loans | (379) | (148) |
| Net Cash Used In Financing Activities | <u>(431)</u> | <u>(172)</u> |
| Net Change in Cash And Cash Equivalents | 663 | 4,874 |
| * Cash And Cash Equivalents At Beginning Of The Period | <u>12,908</u> | <u>12,681</u> |
| * Cash And Cash Equivalents At End Of The Period | <u>13,571</u> | <u>17,555</u> |
| * Cash & cash equivalents consists of: | | |
| Fixed deposit with licensed banks | 1,291 | 1,230 |
| Short term deposits with licensed banks | 9,639 | 13,481 |
| Cash and bank balances | 2,641 | 2,844 |
| | <u>13,571</u> | <u>17,555</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 2007. 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 the Group since the year ended 31 December 2007.

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 the Group.

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.

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 2007.

A11. Subsequent Material Events

There were no material events subsequent to the reporting period up to 22 August 2008 (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.

A12. Changes in the Composition of the Group

There were no material changes in the composition of the Group for the current financial quarter under review save for the following:-

The Company's wholly-owned subsidiary, Cocoland Industry Sdn. Bhd. ("CISB") has on 3 June, 2008, injected additional US\$200,000 into Coco (Fujian) Foods Company Limited ("JV Company"), which in total accumulate to US\$1,500,000, representing 30% of the total registered capital of the JV Company, in accordance with the terms and conditions of the Joint-venture Agreement ("JVA") and Supplementary Agreement ("SA") with its joint venture partner, Labixiaoxin Investments Company Limited ("LBXX Inv").

In accordance to the JVA and the SA, CISB will eventually hold US\$2.5 million (50%) of the registered capital of the JV Company whilst the remaining will be held by LBXX Inv.

A13. Contingent Liabilities or Contingent Assets

As at 22 August 2008 (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

The amount of capital commitments not provided for in the financial statements as at 30 June 2008 are as follows:-

| | RM'000 |
|---|---------------|
| 1. Approved and contracted for the purchase of property, plant and equipment | 2,923 |
| 2. Share of capital commitments of jointly controlled entity (i.e. US\$1,000,000 into Coco (Fujian) Foods Company Limited, China) | 3,250 |

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 RM64.3 million and RM4.4 million and as compared to the corresponding period revenue of RM62.3 million and profit before taxation of RM6.2 million respectively.

The increase in local sales had contributed to the increase in total turnover. However, the overall financial performance of the Group has declined due to the appreciation of Malaysian Ringgit against US Dollar and the increased in the prices of certain 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 | 32,747 | 31,589 | +3.7% |
| Profit before taxation | 2,484 | 1,880 | +32.1% |

Revenue of the Group increased to RM32.7 million for the current quarter which represents 3.7% higher than that of RM31.6 million achieved in the immediate preceding quarter.

The pre-tax profit of the current quarter has increased due to the improvement in production efficiency and cost effectiveness.

B3. Commentary Prospects

The Group faces greater challenges ahead in view of the anticipated higher material cost and intense competition in domestic and overseas markets. Nevertheless, the Group will strive to ensure that it continues to achieve satisfactory result by implementing prudent measures and improving its operational efficiency. Plans have been undertaken to expand production capacity to meet expected increase in demand on existing and on new products to be launched. The Board anticipates the performance of the Group to remain profitable.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2nd Quarter Ended 30 June 2008**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> |
| | 30.06.2008 | 30.06.2007 | 30.06.2008 | 30.06.2007 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Income taxation: | | | | |
| • Current period estimate | 673 | 525 | 1,045 | 1,169 |
| • Prior year | (4) | 0 | (4) | 0 |
| Deferred taxation : | | | | |
| • Transferred to/(from) deferred taxation | 0 | (37) | 0 | (39) |
| | 669 | 488 | 1,041 | 1,130 |

The effective tax rate of the Group for the period under review was lower than the statutory tax rate of 26% 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 2008

B8. Status of Corporate Proposals

As at 22 August 2008 (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 30.06.08 RM'000 | As At 30.06.07 RM'000 |
|---|--------------------------------------|--------------------------------------|
| Short-term borrowings-secured :- | | |
| - Hire purchase | 13 | 81 |
| - Term loan | 782 | 880 |
| - Bank overdraft | 0 | 0 |
| TOTAL SHORT TERM (A) | 795 | 961 |
| | | |
| Long-term borrowing-secured :- | | |
| - Hire purchase | 0 | 0 |
| - Term loan | 1,618 | 2,267 |
| TOTAL LONG TERM (B) | 1,618 | 2,267 |
| TOTAL (A) + (B) | 2,413 | 3,228 |

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.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2nd Quarter Ended 30 June 2008

B12. Dividend Payable

No dividend has been declared in respect of the current quarter under review (2007: 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 |
| | 30.06.2008 | 30.06.2007 | 30.06.2008 | 30.06.2007 |
| Profit for the period (RM'000) | 1,815 | 2,648 | 3,323 | 5,035 |
| Number of ordinary shares of RM0.50 each ('000) | 120,000 | 120,000 | 120,000 | 120,000 |
| Basic earnings per share (sen) | 1.51 | 2.21 | 2.77 | 4.20 |
| 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: 27.08.2008