

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

(Incorporated in Malaysia)

Financial Year End : 30 June 2010  
 Quarter : Second Quarter

Quarterly report on results for the 2nd quarter ended 30 June 2010. These figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Current Year Quarter 30.06.2010 RM'000</u>	<u>Preceding Year Quarter 30.06.2009 RM'000</u>	<u>Current Year To Date 30.06.2010 RM'000</u>	<u>Preceding Year To Date 30.06.2009 RM'000</u>
Revenue	31,317	32,897	66,524	68,056
Cost Of Sales	<u>(23,384)</u>	<u>(21,136)</u>	<u>(48,971)</u>	<u>(44,799)</u>
<b>Gross Profit</b>	<b>7,933</b>	<b>11,761</b>	<b>17,553</b>	<b>23,257</b>
Other Income	198	20	383	597
Distribution Costs	(1,640)	(1,794)	(3,346)	(3,616)
Administrative Expenses	(4,897)	(2,637)	(7,669)	(5,355)
Finance Costs	-	(28)	(3)	(59)
Share Of (Loss)/ Gain Of Associates	<u>-</u>	<u>(178)</u>	<u>(302)</u>	<u>(382)</u>
<b>Profit Before Tax</b>	<b>1,594</b>	<b>7,144</b>	<b>6,616</b>	<b>14,442</b>
Income Tax Expenses	<u>(580)</u>	<u>(1,529)</u>	<u>(1,520)</u>	<u>(3,295)</u>
<b>Profit For The Period</b>	<b><u>1,014</u></b>	<b><u>5,615</u></b>	<b><u>5,096</u></b>	<b><u>11,147</u></b>
Attributable To:				
Owner Of The Parent	1,014	5,615	5,096	11,147
Minority Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,014</u>	<u>5,615</u>	<u>5,096</u>	<u>11,147</u>
Other Comprehensive Income After Tax :-				
Currency Translation Difference	-	(9)	(3)	(2)
Total Comprehensive Income For The Period	<u>1,014</u>	<u>5,606</u>	<u>5,093</u>	<u>11,145</u>
<b>Earnings Per Share Attributable To Equity Holders Of The Parent</b>				
: Basic Earnings Per Share (Sen)	0.79	4.68	3.96	9.29

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 STATEMENT OF FINANCIAL POSITION  
AS OF 30 JUNE 2010**

(These figures have not been audited)

	<b>As At End Of Current Quarter (Unaudited) 30.06.2010 RM'000</b>	<b>As At Preceding Financial Year (Audited) 31.12.2009 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant And Equipment	67,454	50,383
Prepaid Lease Payments	8,786	9,047
Investment	1	1
Investment In An Associated Company	-	3,096
	<u>76,241</u>	<u>62,527</u>
<b>Current Assets</b>		
Inventories	24,361	17,535
Trade Receivables	20,364	21,574
Tax Recoverable	977	559
Other Debtors, Deposit & Prepayment	2,394	9,522
Fixed Deposit With Licensed Bank	16,000	5,996
Cash & Bank Balances	8,735	8,824
	<u>72,831</u>	<u>64,010</u>
<b>TOTAL ASSETS</b>	<b>149,072</b>	<b>126,537</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Equity Holders Of The Parent</b>		
Share Capital	66,000	60,000
Share Premium	10,394	194
Revenue Reserves	43,554	40,933
Exchange Translation Reserves	29	32
Total Equity	<u>119,977</u>	<u>101,159</u>
<b>Non-Current Liabilities</b>		
Hire Purchase Creditors	28	58
Term Loans	4	11
Deferred Income Tax Liabilities	3,659	3,313
	<u>3,691</u>	<u>3,382</u>
<b>Current Liabilities</b>		
Trade Payables	17,255	13,606
Other Creditors & Accruals	7,652	6,968
Hire Purchase Creditors	60	60
Term Loan	15	15
Current Income Tax Liabilities	422	1,347
	<u>25,404</u>	<u>21,996</u>
<b>Total Liabilities</b>	<u>29,095</u>	<u>25,378</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>149,072</b>	<b>126,537</b>
	-	-
Net Assets (NA) Per Share (RM)	0.91	0.84

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<---Non Distributable--->			<--Distributable-->	
	Share Capital	Share Premium	Exchange Translation Reserve	Retained Profit	Total
<b>6 months ended 30 June 2009</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>As at 1 January 2009</b>	<b>60,000</b>	<b>194</b>	<b>53</b>	<b>27,990</b>	<b>88,237</b>
Foreign currency translation differences	-	-	(2)	-	(2)
Net profit for the period	-	-	-	11,147	11,147
<b>As at 30 June 2009</b>	<b>60,000</b>	<b>194</b>	<b>51</b>	<b>39,137</b>	<b>99,382</b>
<b>6 months ended 30 June 2010</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>As at 1 January 2010</b>	<b>60,000</b>	<b>194</b>	<b>32</b>	<b>40,933</b>	<b>101,159</b>
Foreign currency translation differences	-	-	(3)	-	(3)
Cumulative movements during the periods					
Issue of Ordinary Shares	6,000	10,200	-	-	16,200
Net profit for the period	-	-	-	5,096	5,096
Interim dividend 5% less 25% income tax paid on 30 June 2010	-	-	-	(2,475)	(2,475)
<b>As at 30 June 2010</b>	<b>66,000</b>	<b>10,394</b>	<b>29</b>	<b>43,554</b>	<b>119,977</b>

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE 6 MONTHS ENDED 30 JUNE 2010**

(These figures have not been audited)

	<b>Cumulative Current Year To Date 30.06.2010 RM'000</b>	<b>Cumulative Preceding Year To Date 30.06.2009 RM'000</b>
<b>Cash Flow From Operating Activities</b>		
Profit Before Taxation	6,616	14,442
Adjustments for:-		
Share of losses of associates	302	382
Allowance for doubtful debts	200	340
Depreciation of property, plant and equipment	3,244	2,373
Amortisation of prepaid lease payments	93	92
(Gain)/Loss on disposal of property, plant & equipment	(109)	(4)
Loss on disposal of investment	1,529	-
Interest expense	4	59
Interest income	(56)	(147)
Operating profit before working capital changes	<u>11,823</u>	<u>17,537</u>
(Increase)/Decrease in inventories	(6,826)	(3,359)
(Increase)/Decrease in receivables	9,132	(1,260)
(Decrease)/Increase in payables	4,333	607
Cash generated from operations	<u>18,462</u>	<u>13,525</u>
Interest received	56	147
Interest paid	(4)	(59)
Tax refunded	(154)	-
Tax paid	(2,505)	(1,139)
Dividends paid	(4,725)	-
<b>Net Cash Provided By Operating Activities</b>	<b><u>11,130</u></b>	<b><u>12,474</u></b>
Purchase of property, plant and equipment	(18,881)	(2,037)
Proceeds from disposal of property, plant and equipment	238	164
Proceeds from disposal of investment	1,264	-
<b>Net Cash Used In Investing Activities</b>	<b><u>(17,379)</u></b>	<b><u>(1,873)</u></b>
Proceeds from issue of shares	16,200	-
Financing from hire-purchase creditors	180	-
Repayment of hire-purchase creditors	(210)	(29)
Repayment of term loans	(7)	(412)
<b>Net Cash Used In Financing Activities</b>	<b><u>16,163</u></b>	<b><u>(441)</u></b>
Net Change in Cash And Cash Equivalents	9,914	10,160
Effects of Exchange Rate changes	-	(4)
Cash And Cash Equivalents At Beginning Of The Period	<u>14,821</u>	<u>16,121</u>
<b>Cash And Cash Equivalents At End Of The Period *</b>	<b><u>24,735</u></b>	<b><u>26,277</u></b>
<b>* Cash &amp; cash equivalents consists of:</b>		
Fixed deposit with licensed banks	8,398	1,172
Short term deposits with licensed banks	7,602	20,973
Cash and bank balances	8,735	4,132
	<u>24,735</u>	<u>26,277</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 2009. 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 2009.

**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, except for the adoption of the following.

<b>FRSs</b>	<b>Effective date</b>
FRS 2, Share-based Payment (revised)	1.1.2010
FRS 7, Financial Instruments: Disclosure	1.1.2010
FRS 8, Operating Segments	1.1.2010
FRS 101, Presentation of Financial Statement (revised)	1.1.2010
FRS 123, Borrowing Costs (revised)	1.1.2010
FRS 127, Consolidated and Separate Financial Statement (revised)	1.1.2010
FRS 132, Financial Instrument: Presentation (revised)	1.1.2010
FRS 139, Financial Instruments: Recognition and Measurement	1.1.2010

The adoptions of the above standards do not have any material impact on the 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.

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2<sup>nd</sup> Quarter Ended 30 June 2010**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**

During the quarter under review, the first interim dividend of 2.5 sen per ordinary share, less Malaysian income tax at 25%, on 132,000,000 ordinary shares, amounting to RM2,475,000 in respect of financial year ending 31 December 2010, was paid on 30 June 2010.

**A8. Debt and Equity Securities**

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities except for the following during the current financial quarter :-

- (a) Ordinary Shares Issued through Private Placement :-  
On 8 April 2010, the Company issued 12,000,000 new ordinary shares of RM0.50 each through private placement at an issue price of RM1.35 per ordinary share amounting to RM16,200,000 for additional working capital purpose.

**A9. Segmental Reporting**

Group – By Geographical

	Revenue RM'000	Profit/(Loss) Before Taxation RM'000	Assets Employed RM'000
<b>01.01.2010 to 30.06.2010</b>			
Malaysia	112,744	7,981	148,754
China	665	(6)	318
	113,409	7,975	149,072
Elimination	(46,885)	(1,359)	-
Group	66,524	6,616	149,072

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2<sup>nd</sup> Quarter Ended 30 June 2010

	<b>Revenue</b>	<b>Profit/(Loss)</b>	<b>Assets</b>
	<b>RM'000</b>	<b>Before Taxation</b>	<b>Employed</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>01.01.2009</b>			
<b>to</b>			
<b>30.06.2009</b>			
Malaysia	113,710	15,289	122,109
China	530	(435)	3,927
	114,240	14,854	126,036
Elimination	(46,184)	(412)	-
Group	68,056	14,442	126,036

The Group operates principally in the business of manufacturing and trading of processed and preserved foods, drinks and other related foodstuffs. Accordingly, information by segment on the Group's operation is 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 2009.

**A11. Subsequent Material Events**

There were no material events subsequent to the reporting period up to 20 August 2010 (latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) except for the following :-

On 21 & 22 July 2010, the Board announced that the Company is in the final stage of negotiation with strategic potential partners. It may involve issuance of new ordinary shares of up to 20 to 30% of its existing issued and paid up capital to the strategic partners at discount. The potential partners would help to broaden Cocoaland's growth in terms of its product and market development and to strengthen its market position.

The negotiation is expected of complete by end of August 2010.

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

Quarterly Unaudited Results Of The Group For The 2<sup>nd</sup> Quarter Ended 30 June 2010

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**A12. Changes in the Composition of the Group**

There were no material changes in the composition of the Group except for the following during the current financial quarter under review.

On 6 June 2010, the Company's wholly owned subsidiary, Cocoaland Industry Sdn. Bhd. had disposed its entire equity stake in Coco (Fujian) Foods Co. Ltd., which was involving in the business of manufacturing fruit gummy in China, for total cash consideration of US\$425,000.

**A13. Contingent Liabilities or Contingent Assets**

As at 20 August 2010 (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 2010 are as follows:-

	<b>RM'000</b>
1. Approved and contracted for the purchase of property, plant and equipment	<b>469</b>

**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 RM66.5 million and RM6.6 million and as compared to the corresponding period revenue of RM68.1 million and profit before taxation of RM14.4 million respectively.

Profit before tax showed a reduction of 54.2% as compared with the preceding year's same period, this was mainly due to higher start up cost from our beverage production line, loss incurred from the disposal of our investment for joint venture in China as well as the strengthening of our Malaysian Ringgit against US\$.

**B2. Comparison with Immediate Preceding Quarter's Results**

	<b>Current Year Quarter RM'000</b>	<b>Immediate Preceding Quarter RM'000</b>	<b>Difference %</b>
Revenue	31,317	35,207	-11.0%
Profit before taxation	1,594	5,022	-68.3%

Revenue of the Group decreased to RM31.3 million for the current quarter which represents 11.0% lower than that of RM35.2 million achieved in the immediate preceding quarter.

The pre-tax profit of the current quarter has reduced by 68.3% to RM1.6 million mainly due to loss incurred from the disposal of investment for joint venture in China amounting to RM1.5 million and machine commissioning cost incurred from our beverage production line.

**B3. Commentary Prospects**

The Board foresees the local food and beverage industry to remain resilient with intense competition in domestic and overseas markets. Plans have been undertaken to expand production capacity and our new beverage line has been fully installed and commissioned. The Board expects that the Group will continue its growth for the financial year ending 31 December 2010.

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2<sup>nd</sup> Quarter Ended 30 June 2010**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>
	<b>30.06.2010</b>	<b>30.06.2009</b>	<b>30.06.2010</b>	<b>30.06.2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Income taxation:</b>				
• Current period estimate	357	1,511	1,169	3,340
• Prior year	0	21	5	21
<b>Deferred taxation :</b>				
• Transferred to/(from) deferred taxation	223	(3)	346	(66)
	<b>580</b>	<b>1,529</b>	<b>1,520</b>	<b>3,295</b>

The effective tax rate of the Group for the period under review was lower than the statutory tax rate of 25% 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 except for the following :-

On 6 June 2010, the Company's wholly owned subsidiary, Cocoaland Industry Sdn. Bhd. had disposed its entire equity stake in Coco (Fujian) Foods Co. Ltd., which was involving in the business of manufacturing fruit gummy in China, for total cash consideration of US\$425,000.

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2<sup>nd</sup> Quarter Ended 30 June 2010**B7. Quoted Securities**

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

**B8. Status of Corporate Proposals**

(a) Status of Corporate Proposals :-

As at 20 August 2010 (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.

(b) Status of Utilization of Proceeds :-

The Company issued 12,000,000 new ordinary shares of RM0.50 each from the Private Placement at issue price of RM1.35 per share on 8 April 2010. The latest utilization of proceeds as of 30 June 2010 is as below:-

Purposes	Proposed Utilization	Actual Utilization	Balance
	RM'000	RM'000	RM'000
Working Capital	16,200	8,294	7,906

**B9. Group Borrowings**

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

	<b>As At 30.06.10 RM'000</b>	<b>As At 30.06.09 RM'000</b>
<b>Short-term borrowings-secured :-</b>		
- Hire purchase	60	22
- Term loan	15	812
- Bank overdraft	0	0
<b>TOTAL SHORT TERM (A)</b>	<b>75</b>	<b>834</b>

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

Quarterly Unaudited Results Of The Group For The 2<sup>nd</sup> Quarter Ended 30 June 2010

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<b>Long-term borrowing-secured :-</b>		
- Hire purchase	28	124
- Term loan	4	791
<b>TOTAL LONG TERM (B)</b>	<b>32</b>	<b>915</b>
<b>TOTAL (A) + (B)</b>	<b>107</b>	<b>1,749</b>

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**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.

**B12. Financial Instruments**

(a) Derivatives :-

The Group doesn't have any derivatives which need to be disclosed in this reporting period.

(b) Gains/(losses) Arising From Fair Value Changes Of Financial Liabilities :-

There was no gain/(loss) arising from fair value changes in financial liabilities in this reporting period.

**B13. Dividend Payable**

No interim dividend has been declared for the current quarter under review.

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2<sup>nd</sup> Quarter Ended 30 June 2010

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**B14. Earnings per share**

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current</u>	<u>Preceding</u>	<u>Current</u>	<u>Preceding</u>
	<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>
	<u>Quarter</u>	<u>Quarter</u>	<u>To Date</u>	<u>To Date</u>
	<b>30.06.2010</b>	<b>30.06.2009</b>	<b>30.06.2010</b>	<b>30.06.2009</b>
Profit for the period (RM'000)	1,014	5,615	5,096	11,147
Weighted average number of ordinary shares of RM0.50 each ('000)	128,811	120,000	128,811	120,000
Basic earnings per share (sen)	0.79	4.68	3.96	9.29
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: 26 August 2010