

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

(Incorporated in Malaysia)

Financial Year End : 31 December 2010
 Quarter : Third Quarter

Quarterly report on results for the 3rd quarter ended 31 September 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</u> <u>30.09.2010</u> <u>RM'000</u>	<u>Preceding Year Quarter</u> <u>30.09.2009</u> <u>RM'000</u>	<u>Current Year To Date</u> <u>30.09.2010</u> <u>RM'000</u>	<u>Preceding Year To Date</u> <u>30.09.2009</u> <u>RM'000</u>
Revenue	37,290	29,712	103,814	97,768
Cost Of Sales	<u>(31,597)</u>	<u>(20,555)</u>	<u>(80,568)</u>	<u>(65,354)</u>
Gross Profit	5,693	9,157	23,246	32,414
Other Income	199	29	582	626
Distribution Costs	(2,496)	(2,759)	(5,842)	(6,460)
Administrative Expenses	(3,288)	(1,745)	(10,957)	(7,015)
Finance Costs	(3)	(25)	(6)	(84)
Share Of Profit/(Loss) Of Associates	<u>-</u>	<u>(187)</u>	<u>(302)</u>	<u>(569)</u>
Profit Before Tax	105	4,470	6,721	18,912
Income Tax Expenses	<u>332</u>	<u>(1,117)</u>	<u>(1,188)</u>	<u>(4,412)</u>
Profit For The Period	<u>437</u>	<u>3,353</u>	<u>5,533</u>	<u>14,500</u>
Attributable To:				
Equity Holders Of The Parent	437	3,353	5,533	14,500
Minority Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>437</u>	<u>3,353</u>	<u>5,533</u>	<u>14,500</u>
Other Comprehensive Income After Tax:-				
Currency Translation Difference	(1)	(22)	(4)	(24)
Total Comprehensive Income For The Period	<u>436</u>	<u>3,331</u>	<u>5,529</u>	<u>14,476</u>
Earnings Per Share Attributable To Equity Holders Of The Parent				
: Basic Earnings Per Share (Sen)	0.34	2.79	4.30	12.08

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 SEPTEMBER 2010**

(These figures have not been audited)

	As At End Of Current Quarter (Unaudited) 30.09.2010 RM'000	As At Preceding Financial Year (Audited) 31.12.2009 RM'000
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	67,733	50,383
Prepaid Lease Payments	8,945	9,047
Investment	1	1
Investment In An Associated Company	-	3,096
	<u>76,679</u>	<u>62,527</u>
Current Assets		
Inventories	23,865	17,535
Trade Receivables	23,054	21,574
Tax Recoverable	2,326	559
Other Debtors, Deposit & Prepayment	2,678	9,522
Fixed Deposit With Licensed Bank	9,433	5,996
Cash & Bank Balances	9,731	8,824
	<u>71,087</u>	<u>64,010</u>
TOTAL ASSETS	<u><u>147,766</u></u>	<u><u>126,537</u></u>
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Parent		
Share Capital	66,000	60,000
Revaluation Reserves	-	-
Share Premium	10,394	194
Revenue Reserves	43,991	40,933
Exchange Translation Reserves	28	32
Total Equity	<u>120,413</u>	<u>101,159</u>
Non-Current Liabilities		
Hire Purchase Creditors	13	58
Term Loans	-	11
Deferred Taxation	3,244	3,313
	<u>3,257</u>	<u>3,382</u>
Current Liabilities		
Trade Payables	19,799	13,606
Other Creditors & Accruals	4,217	6,968
Hire Purchase Creditors	60	60
Term Loan	-	15
Taxation	20	1,347
	<u>24,096</u>	<u>21,996</u>
Total Liabilities	<u>27,353</u>	<u>25,378</u>
TOTAL EQUITY AND LIABILITIES	<u><u>147,766</u></u>	<u><u>126,537</u></u>
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
9 months ended 30 SEPTEMBER 2009	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2009	60,000	194	53	27,990	88,237
Foreign currency translation differences			(24)	-	(24)
Net profit for the period	-	-	-	14,500	14,500
Interim dividend	-	-	-	(4,500)	(4,500)
As at 30 SEPTEMBER 2009	60,000	194	29	37,990	98,213
9 months ended 30 SEPTEMBER 2010	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2010	60,000	194	32	40,933	101,159
Foreign currency translation differences			(4)	-	(4)
Cumulative movements during the periods					
Issue of new ordinary shares	6,000	10,200	-	-	16,200
Net profit for the period	-	-	-	5,533	5,533
Interim dividend of 5% less 25% income tax paid on 30 June 2010	-	-	-	(2,475)	(2,475)
As at 30 SEPTEMBER 2010	66,000	10,394	28	43,991	120,413

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

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2010**

(These figures have not been audited)

	Cumulative Current Year To Date 30.09.2010 RM'000	Cumulative Preceding Year To Date 30.09.2009 RM'000
Cash Flow From Operating Activities		
Profit Before Taxation	6,721	18,912
Adjustments for:-		
Share of losses of associates	(302)	569
Allowance for doubtful debts	340	90
Depreciation of property, plant and equipment	4,930	3,570
Amortisation of prepaid lease payments	225	138
(Gain)/Loss on disposal of property, plant & equipment	(66)	(4)
Property, plant and equipment written off	57	-
Interest expense	7	84
Interest income	(85)	(234)
Operating profit before working capital changes	<u>11,827</u>	<u>23,125</u>
(Increase)/Decrease in inventories	(6,330)	(4,117)
(Increase)/Decrease in receivables	5,364	(1,122)
(Decrease)/Increase in payables	3,442	(778)
Cash generated from operations	<u>14,303</u>	<u>17,108</u>
Interest received	85	234
Interest paid	(161)	(84)
Tax refunded	(23)	-
Tax paid	(4,559)	(1,918)
Dividends paid	(4,725)	(4,500)
Net Cash Provided By Operating Activities	<u>4,920</u>	<u>10,840</u>
Purchase of property, plant and equipment	(18,177)	(5,712)
Proceeds from disposal of property, plant and equipment	315	164
Proceeds from disposal of investment	1,265	-
Net Cash Used In Investing Activities	<u>(16,597)</u>	<u>(5,548)</u>
Proceeds from issue of shares	16,200	-
Financing from hire-purchase creditors	180	-
Repayment of hire-purchase creditors	(225)	(43)
Repayment of term loans	(26)	(622)
Net Cash Used In Financing Activities	<u>16,129</u>	<u>(665)</u>
Net Change in Cash And Cash Equivalents	4,452	4,627
Effects of Exchange Rate changes	(109)	(19)
Cash And Cash Equivalents At Beginning Of The Period	<u>14,821</u>	<u>16,121</u>
Cash And Cash Equivalents At End Of The Period *	<u>19,164</u>	<u>20,729</u>
* Cash & cash equivalents consists of:		
Fixed deposit with licensed banks	7,428	459
Short term deposits with licensed banks	2,005	13,776
Cash and bank balances	9,731	6,494
	<u>19,164</u>	<u>20,729</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.

FRSs	Effective date
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.

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

A9. Segmental Reporting

Group – By Geographical

	Revenue	Profit/(Loss)	Assets
	RM'000	Before Taxation	Employed
		RM'000	RM'000
01.01.2010			
to			
30.09.2010			
Malaysia	171,907	9,751	147,362
China	881	(47)	404
	172,788	9,704	147,766
Elimination	(68,974)	(2,983)	-
Group	103,814	6,721	147,766

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 3rd Quarter Ended 30 September 2010

	Revenue RM'000	Profit/(Loss) Before Taxation RM'000	Assets Employed RM'000
01.01.2009 to 30.09.2009			
Malaysia	162,701	27,378	119,439
China	593	(658)	3,743
	163,294	26,720	123,182
Elimination	(65,526)	(7,808)	-
Group	97,768	18,912	123,182

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 15 November 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 5 October 2010, TA Securities Bhd. ("TA Securities"), on behalf of Cocoaland Holdings Bhd. ("Cocoaland" or "the Company") announced the receipt of approval from Bursa Securities vide its letter dated 4 October 2010 for the listing and quotation of 39,600,000 new ordinary shares of RM0.50 each in Cocoaland in relation to the Proposed Subscription by Fraser & Neave Holdings Bhd. as announced to Bursa Securities on 26 August 2010 ("Proposed Subscription"). Further on 21 October 2010, TA securities announced that Ministry of International Trade and Industry ("MITI") had approved the Proposed Subscription.

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Quarterly Unaudited Results Of The Group For The 3rd Quarter Ended 30 September 2010

The Company had obtained the approval of the shareholders at the Company's Extraordinary General Meeting held on 10 November 2010 for the Proposed Subscription.

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.

A13. Contingent Liabilities or Contingent Assets

As at 15 November 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 September 2010 are as follows:-

	RM'000
1. Approved and contracted for the purchase of property, plant and equipment	5,800

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 RM103.8 million and RM6.7 million and as compared to the corresponding period revenue of RM97.8 million and profit before taxation of RM18.9 million respectively.

Profit before tax showed a reduction of 64.5% as compared with the preceding year's same period mainly due to higher start up cost incurred for the new beverage production line, loss incurred from the disposal of investment in China and the strengthening of Ringgit Malaysia against United States Dollar.

B2. Comparison with Immediate Preceding Quarter's Results

	Current Year Quarter RM'000	Immediate Preceding Quarter RM'000	Difference %
Revenue	37,290	31,317	+19.1%
Profit before taxation	105	1,594	-93.4%

Revenue of the Group increased to RM37.3 million for the current quarter which represents 19.1% higher than that of RM31.3 million achieved in the immediate preceding quarter.

The pre-tax profit of the current quarter has reduced by 93.4% to RM0.1 million mainly due to going up of certain materials cost and higher 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 fourth quarter of 2010.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 3rd Quarter Ended 30 September 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>
	30.09.2010 RM'000	30.09.2009 RM'000	30.09.2010 RM'000	30.09.2009 RM'000
Income taxation:				
• Current period estimate	(335)	1,515	834	4,855
• Prior year	425	0	430	21
Deferred taxation :				
• Transferred to/(from) deferred taxation	(422)	(398)	(76)	(464)
	(332)	1,117	1,188	4,412

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

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

B7. Quoted Securities

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

B8. Status of Corporate Proposals

Saved as disclosed below, there were no other corporate proposals announced but not completed as at 15 November 2010 which is not earlier than 7 days form the date of issue of this quarterly report :-

(a) Proposed Subscription by Fraser & Neave Holdings Bhd

On 26 August 2010, TA Securities Bhd. ("TA Securities"), on behalf of Cocoaland Holdings Bhd. ("Cocoaland" or "the Company"), announced that Cocoaland had entered into a conditional subscription agreement with Fraser & Neave Holdings Bhd ("F&N") for the proposed subscription by F&N of 39,600,000 new Cocoaland shares ("Subscription Shares"), representing approximately 23.08% of the enlarged issued and paid-up share capital of Cocoaland, at an issued price of RM1.38 per share ("Proposed Subscription").

TA Securities had on 24 September 2010, announced on behalf of Cocoaland that the relevant applications pertaining to the Proposed Subscription had been submitted to Bursa Malaysia Securities Bhd ("Bursa Securities") and Ministry of International Trade and Industry ("MITI") for approval.

Bursa Securities, via its letter dated 4 October 2010 approved in principle the listing and quotation of the Subscription Shares. Further on 21 October 2010, TA securities, on behalf of Cocoaland, announced that MITI had also approved the Proposed Subscription.

The Company had obtained the approval of the shareholders at the Company's Extraordinary General Meeting held on 10 November 2010 for the Proposed Subscription.

(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 September 2010 is as below:-

Purposes	Proposed Utilization	Actual Utilization	Balance
	RM'000	RM'000	RM'000
Working Capital	16,200	14,164	2,036

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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 30.09.10 RM'000	As At 30.09.09 RM'000
Short-term borrowings-secured :-		
- Hire purchase	60	22
- Term loan	0	812
- Bank overdraft	0	0
TOTAL SHORT TERM (A)	60	834
Long-term borrowing-secured :-		
- Hire purchase	13	111
- Term loan	0	581
TOTAL LONG TERM (B)	13	692
TOTAL (A) + (B)	73	1,526

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.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 3rd Quarter Ended 30 September 2010

(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 (30 September 2009 : 2.5 sen).

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 Year Quarter</u>	<u>Preceding Year Quarter</u>	<u>Current Year To Date</u>	<u>Preceding Year To Date</u>
	30.09.2010	30.09.2009	30.09.2010	30.09.2009
Profit for the period (RM'000)	437	3,353	5,533	14,500
Weighted average number of ordinary shares of RM0.50 each ('000)	128,811	120,000	128,811	120,000
Basic earnings per share (sen)	0.34	2.79	4.30	12.08
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: 22 November 2010