

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

(Incorporated in Malaysia)

Financial Year End : 31 March 2014
Quarter : First Quarter

Quarterly report on results for the 1st quarter ended 31 March 2014. These figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|---|---|---|---|
| | Current Year Quarter 31.03.2014 RM'000 | Preceding Year Quarter 31.03.2013 RM'000 | Current Year To Date 31.03.2014 RM'000 | Preceding Year To Date 31.03.2013 RM'000 |
| Revenue | 59,254 | 67,930 | 59,254 | 67,930 |
| Cost Of Sales | (45,844) | (56,287) | (45,844) | (56,287) |
| Gross Profit | 13,410 | 11,643 | 13,410 | 11,643 |
| Other Income | 470 | 242 | 470 | 242 |
| Distribution Costs | (4,822) | (3,512) | (4,822) | (3,512) |
| Administrative Expenses | (4,396) | (2,855) | (4,396) | (2,855) |
| Finance Costs | - | - | - | - |
| Profit Before Taxation | 4,662 | 5,518 | 4,662 | 5,518 |
| Income Tax Expenses | (1,249) | (1,414) | (1,249) | (1,414) |
| Profit After Taxation | 3,413 | 4,104 | 3,413 | 4,104 |
| Other Comprehensive Income | | | | |
| - Exchange Translation | 30 | - | 30 | - |
| Total Comprehensive Income | 3,443 | 4,104 | 3,443 | 4,104 |
| Profit Attributable To: | | | | |
| - Equity Holders Of The Company | 3,413 | 4,104 | 3,413 | 4,104 |
| Total Comprehensive Income Attributable To: | | | | |
| - Equity Holders Of The Company | 3,443 | 4,104 | 3,443 | 4,104 |
| Earnings Per Share Attributable To Equity Holders Of The Parent | | | | |
| : Basic Earnings Per Share (Sen) | 1.99 | 2.39 | 1.99 | 2.39 |

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 31 MARCH 2014**

(These figures have not been audited)

| | As At End Of Current Quarter (Unaudited) 31.03.2014 RM'000 | As At Preceding Financial Year (Audited) 31.12.2013 RM'000 |
|--|--|--|
| ASSETS | | |
| Non-Current Assets | | |
| Property, Plant And Equipment | 144,774 | 146,932 |
| Investment | 1 | 1 |
| | <u>144,775</u> | <u>146,933</u> |
| Current Assets | | |
| Inventories | 41,019 | 39,970 |
| Trade Receivables | 39,441 | 39,743 |
| Tax Recoverable | 581 | 445 |
| Other Debtors, Deposit & Prepayment | 2,161 | 1,103 |
| Fixed Deposit With Licensed Bank | 10,633 | 5,862 |
| Cash & Bank Balances | 9,011 | 18,020 |
| | <u>102,846</u> | <u>105,143</u> |
| TOTAL ASSETS | <u>247,621</u> | <u>252,076</u> |
| EQUITY AND LIABILITIES | | |
| Equity Attributable To Equity Holders Of The Parent | | |
| Share Capital | 85,800 | 85,800 |
| Share Premium | 44,355 | 44,355 |
| Revenue Reserves | 80,712 | 77,299 |
| Exchange Translation Reserves | 140 | 110 |
| Total Equity | <u>211,007</u> | <u>207,564</u> |
| Non-Current Liabilities | | |
| Deferred Tax Liabilities | 4,671 | 5,082 |
| | <u>4,671</u> | <u>5,082</u> |
| Current Liabilities | | |
| Trade Payables | 21,070 | 27,104 |
| Other Creditors & Accruals | 8,761 | 10,393 |
| Current Income Tax Liabilities | 2,112 | 1,933 |
| | <u>31,943</u> | <u>39,430</u> |
| TOTAL LIABILITIES | <u>36,614</u> | <u>44,512</u> |
| TOTAL EQUITY AND LIABILITIES | <u>247,621</u> | <u>252,076</u> |
| Net Assets (NA) Per Share (RM) | 1.23 | 1.21 |

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 |
| 3 months ended 31 March 2013 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| As at 1 January 2013 | 85,800 | 44,355 | 31 | 65,974 | 196,160 |
| Total comprehensive income | - | - | - | 4,104 | 4,104 |
| As at 31 March 2013 | 85,800 | 44,355 | 31 | 70,078 | 200,264 |
| 3 months ended 31 March 2014 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| As at 1 January 2014 | 85,800 | 44,355 | 110 | 77,299 | 207,564 |
| Total comprehensive income | - | - | 30 | 3,413 | 3,443 |
| As at 31 March 2014 | 85,800 | 44,355 | 140 | 80,712 | 211,007 |

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE 3 MONTHS ENDED 31 MARCH 2014**

(These figures have not been audited)

| | Cumulative Current Year To Date 31.03.2014 RM'000 | Cumulative Preceding Year To Date 31.03.2013 RM'000 |
|--|--|--|
| Cash Flow From Operating Activities | | |
| Profit Before Taxation | 4,662 | 5,518 |
| Adjustments for:- | | |
| Impairment of receivables no longer required | (298) | (814) |
| Impairment of receivables | 657 | 248 |
| Depreciation of property, plant and equipment | 2,635 | 2,731 |
| Unrealised loss/(gain) on foreign exchange | 34 | (122) |
| Gain on disposal of property, plant & equipment | (16) | (15) |
| Property, plant and equipment written off | 5 | - |
| Interest income | (56) | (94) |
| Operating profit before working capital changes | <u>7,623</u> | <u>7,452</u> |
| Decrease/(Increase) in inventories | (1,049) | 3,453 |
| Decrease/(Increase) in receivables | (1,133) | 10,087 |
| Increase/(decrease) in payables | <u>(7,666)</u> | <u>4,593</u> |
| Cash (absorbed by)/generated from operations | <u>(2,225)</u> | <u>25,585</u> |
| Interest received | 56 | 94 |
| Tax refunded | - | 8 |
| Tax paid | <u>(1,136)</u> | <u>(1,096)</u> |
| Net Cash (Used In)/Provided By Operating Activities | <u>(3,305)</u> | <u>24,591</u> |
| Investment in subsidiary companies | (167) | - |
| Purchase of property, plant and equipment | (854) | (18,109) |
| Proceeds from disposal of property, plant and equipment | 16 | 15 |
| Net Cash Used In Investing Activities | <u>(1,005)</u> | <u>(18,094)</u> |
| Net Cash Used In Financing Activities | <u>-</u> | <u>-</u> |
| Net Change in Cash And Cash Equivalents | (4,310) | 6,497 |
| Effects of Exchange Rate changes | 72 | - |
| Cash And Cash Equivalents At Beginning Of The Period | <u>23,882</u> | <u>26,103</u> |
| Cash And Cash Equivalents At End Of The Period * | <u>19,644</u> | <u>32,600</u> |
| * Cash & cash equivalents consists of: | | |
| Fixed deposit with licensed banks | 456 | 5,788 |
| Short term deposits with licensed banks | 10,177 | 15,408 |
| Cash and bank balances | <u>9,011</u> | <u>11,404</u> |
| | <u>19,644</u> | <u>32,600</u> |

Part A: Explanatory Notes In Compliance With Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting in Malaysia

A1. Accounting Policies and Basis Of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting in Malaysia issued by the Malaysian Accounting Standards Board and with paragraph 9.22 and Appendix 9B of the of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The interim financial statements should be read in conjunction with the Group’s audited financial statements for year ended 31 December 2013.

The audited financial statement of the Group for the year ended 31 December 2013 were prepared in accordance with MFRS.

There are no new MFRSs or interpretations that are effective for the first time in this quarter that would be expected to have a material effect of the Group.

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statement for the year ended 31 December 2013.

A2. Qualification of Financial Statements

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

A3. Seasonal or Cyclical Factors

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

A4. 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.

A5. 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.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1st Quarter Ended 31 March 2014**A6. Dividend Paid**

There was no dividend paid during the quarter under review (2013: nil).

A7. Debt and Equity Securities

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

A8. Segmental Reporting

The Group's segmental report for the current financial period ended 31 March 2014 is as below:-

| | Individual 1st Quarter | | Cumulative 1st Quarter | |
|---------------------------------------|--|-----------------------|--|-----------------------|
| | Current Year | Preceding Year | Current Year | Preceding Year |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>Group – by business segment :-</u> | | | | |
| <u>Net revenue</u> | | | | |
| Manufacturing | 49,450 | 57,600 | 49,450 | 57,600 |
| Trading | 36,954 | 35,253 | 36,954 | 35,253 |
| Investment holding | - | - | - | - |
| Less: Inter-segment revenue | (27,150) | (24,923) | (27,150) | (24,923) |
| Total consolidated revenue | 59,254 | 67,930 | 59,254 | 67,930 |
| <u>Segment result</u> | | | | |
| Manufacturing | 1,300 | 503 | 1,300 | 503 |
| Trading | 3,600 | 5,004 | 3,600 | 5,004 |
| Investment holding | (178) | (108) | (178) | (108) |
| Less: Elimination | (60) | 119 | (60) | 119 |
| Total consolidated profit before tax | 4,662 | 5,518 | 4,662 | 5,518 |

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1st Quarter Ended 31 March 2014

| | As At Current Year Quarter RM'000 | As At Preceding Year Quarter RM'000 |
|---------------------------------------|--|--|
| <u>Group – by business segment :-</u> | | |
| <u>Segment assets</u> | | |
| Manufacturing | 213,803 | 198,014 |
| Trading | 91,648 | 91,935 |
| Investment holding | 134,308 | 138,487 |
| Less: Elimination | (192,138) | (181,854) |
| Consolidated total assets | 247,621 | 246,582 |
| <u>Segment liabilities</u> | | |
| Manufacturing | 146,702 | 131,193 |
| Trading | 40,828 | 54,939 |
| Investment holding | 578 | 500 |
| Less: Elimination | (151,494) | (140,314) |
| Consolidated total liabilities | 36,614 | 46,318 |

Segmental reporting by geographical location has not been prepared as the Group's operations are substantially carried out in Malaysia.

A9. 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 2013.

A10. Subsequent Material Events

There were no material events subsequent to the reporting period up to 23 February 2014 (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 statement for the quarter under review.

A11. 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.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1st Quarter Ended 31 March 2014**A12. Contingent Liabilities or Contingent Assets**

There were no changes in other contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2013.

A13. Capital Commitments

The outstanding amount of capital commitments as at 31 March 2014 are as follows:-

| | RM'000 |
|---|--------|
| Property, plant and equipment :- - Approved and contracted for | 152 |

A14. Significant Related Party Transactions

The Group has the following significant transactions with the related parties during the periods:-

| | Current Year Quarter RM'000 | Preceding Year Quarter RM'000 |
|--|--------------------------------------|--|
| Prepare, package, pack and deliver Fraser and Neave Limited group of companies' products :- - Sales - Purchase of ingredients* | 2,969 490 | 2,715 1,034 |

* The purchase of ingredients are exclusively used for the preparing of the Fraser and Neave Limited group of companies products.

The above transactions had been entered into in the ordinary course of business on normal commercial terms with Fraser and Neave Limited group of companies. These transactions are within the ambit of the mandate approved by the shareholders of the Company on 18 June 2013.

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

B1. Review of Performance

For the first 3 month under review, the Group posted a 13% year-on-year revenue drop from RM67.9 million to RM59.3 million; this was mainly due to the decrease in trading volume from its Contract Manufacturing business of beverage production line.

The Group's profit before taxation of RM4.7 million for the current financial year under review registered a 16% decrease over the previous corresponding period. This was mainly due to drop of sales in beverage product, the increase of impairment of receivables and higher advertisement cost.

The performance of the major segments of the Group is summarized as follows :-

Manufacturing segment

Lower revenue from the Manufacturing segment mainly due to the decrease in trading volume from its Contract Manufacturing business of beverage production line. Higher profit before taxation was mainly due to higher gummy revenue.

Trading segment

Trading segment achieved higher revenue due to higher demand from overseas market, especially from China for its gummy products. Lower profit before taxation were attributed to higher impairment of receivables.

B2. Comparison with Immediate Preceding Quarter's Results

| | Current Year Quarter RM'000 | Immediate Preceding Quarter RM'000 | Difference % |
|------------------------|--|---|------------------------------|
| Revenue | 59,254 | 66,949 | -11.5% |
| Profit before taxation | 4,662 | 10,120 | -53.9% |

Group's revenue of RM59.3 million for the current quarter registered a 11.5% decrease over the immediate preceding quarter mainly due to lower sales in gummy and beverage production lines.

The profit before taxation of the current quarter decreased by RM5.5 million or 54% to RM4.7 million as a result of higher impairment of receivables and higher product advertisement expense.

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

Quarterly Unaudited Results Of The Group For The 1st Quarter Ended 31 March 2014

B3. Commentary On Prospects

The Board of Directors expects the operating environment to be challenging for the financial year 2014, in view of the various Malaysian Budget rationalization efforts are expected to have an impact on consumer disposable income. Furthermore, higher electricity cost, reduction of subsidy in sugar leading to increase in cost of production.

In view of the overseas market, more marketing plans have being formulated to expand and penetrate into China, Vietnam and Indonesia market. A trading company has been set up to promote fruit gummy and cocopie in Jakarta.

Despite the difficulties on the economic condition, the Board is optimistic of achieving satisfactory result in the financial year ending 2014.

B4. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit estimate previously in any public document.

B5. Income Tax

| | <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> |
| | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> |
| Income tax: | | | | |
| • Current period estimate | 1,249 | 1,274 | 1,249 | 1,274 |
| • Prior year | - | - | - | - |
| Deferred taxation : | | | | |
| • Transferred to deferred taxation | - | 140 | - | 140 |
| | <u>1,249</u> | <u>1,414</u> | <u>1,249</u> | <u>1,414</u> |

B6. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 23 February 2014 which is not earlier than 7 days form the date of issue of this quarterly report.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1st Quarter Ended 31 March 2014**B7. Group Borrowings**

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

| | As At 31.3.2014 RM'000 | As At 31.3.2013 RM'000 |
|------------------------|---------------------------------------|---------------------------------------|
| TOTAL BORROWING | - | - |

B8. Material Litigation

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

B9. Dividend Payable

No interim dividend has been declared for the current quarter under review (31 March 2012: nil)

B10. 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> |
| Profit for the period (RM'000) | 3,413 | 4,104 | 3,413 | 4,104 |
| Weighted average number of ordinary shares of RM0.50 each ('000) | 171,600 | 171,600 | 171,600 | 171,600 |
| Basic earnings per share (sen) | 1.99 | 2.39 | 1.99 | 2.39 |
| 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.*

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1st Quarter Ended 31 March 2014**B11. Supplementary Information on the breakdown of realised and unrealised profits or losses**

The following analysis of realized and unrealized retained profits is prepared pursuant to Paragraph 2.06 and 2.23 of Bursa Malaysia Securities Berhad Listing Requirements and in accordance with the Guidance on Special Matter No.1 – Determination of Realised and Unrealised Profits or Losses as issued by the Malaysian Institute of Accountants. This disclosure is based on the format prescribed by Bursa Malaysia Securities Berhad.

| | As at 31.3.2014 RM'000 | As at 31.12 2013 RM'000 |
|--|------------------------------|-------------------------------|
| Total retained profits of the Company and its subsidiaries | | |
| - Realised | 115,939 | 113,237 |
| - Unrealised | (5,799) | (6,944) |
| Less: Consolidation adjustments | (29,428) | (28,994) |
| Retained profit as per financial statement | 80,712 | 77,299 |

B12. Profit before tax is stated after charging/(crediting) :-

| | Current Year Quarter RM'000 | Preceding Year Quarter RM'000 |
|---|--|--|
| Interest income | (56) | (94) |
| Depreciation of property, plant and equipment | 2,635 | 2,731 |
| Property, plant and equipment written off | 5 | - |
| Gain on disposal of property, plant and equipment | (16) | (15) |
| Impairment of receivables | 657 | 248 |
| Impairment of receivables no longer required | (298) | (814) |
| Bad debt recovered | - | - |
| Bad debt written off | - | - |
| Loss/(gain) on foreign exchange | | |
| - realized | (283) | 255 |
| - unrealized | (34) | (122) |

By Order Of The Board

Tai Chun Wah

Executive Director

Dated: 26 May 2014