

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

(Incorporated in Malaysia)

Financial Year End : 30 September 2014  
 Quarter : Third Quarter

Quarterly report on results for the 3rd quarter ended 30 September 2014. These figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Year Quarter</b>	<b>Preceding Year Quarter</b>	<b>Current Year To Date</b>	<b>Preceding Year To Date</b>
	<b>30.09.2014</b>	<b>30.09.2013</b>	<b>30.09.2014</b>	<b>30.09.2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	63,782	59,941	188,110	187,500
Cost Of Sales	(47,539)	(45,295)	(145,135)	(149,517)
<b>Gross Profit</b>	<b>16,243</b>	<b>14,646</b>	<b>42,975</b>	<b>37,983</b>
Other Income	42	787	996	3,211
Distribution Costs	(4,999)	(3,216)	(13,305)	(9,839)
Administrative Expenses	(4,576)	(4,437)	(13,084)	(12,198)
Finance Costs	-	-	-	-
<b>Profit Before Taxation</b>	<b>6,710</b>	<b>7,780</b>	<b>17,582</b>	<b>19,157</b>
Income Tax Expenses	(2,490)	(1,993)	(5,510)	(5,070)
<b>Profit After Taxation</b>	<b>4,220</b>	<b>5,787</b>	<b>12,072</b>	<b>14,087</b>
<b>Other Comprehensive Income</b>				
- Exchange Translation	4	-	5	-
<b>Total Comprehensive Income</b>	<b>4,224</b>	<b>5,787</b>	<b>12,077</b>	<b>14,087</b>
Profit Attributable To:				
- Equity Holders Of The Company	4,220	5,787	12,072	14,087
Total Comprehensive Income Attributable To:				
- Equity Holders Of The Company	4,224	5,787	12,077	14,087
<b>Earnings Per Share Attributable To Equity Holders Of The Parent</b>				
: Basic Earnings Per Share (Sen)	2.46	3.37	7.03	8.21

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 2014**

(These figures have not been audited)

	<b>As At End Of Current Quarter (Unaudited) 30.09.2014 RM'000</b>	<b>As At Preceding Financial Year (Audited) 31.12.2013 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant And Equipment	140,962	146,932
Investment	1	1
	<u>140,963</u>	<u>146,933</u>
<b>Current Assets</b>		
Inventories	44,964	39,970
Trade Receivables	45,650	39,742
Tax Recoverable	735	445
Other Debtors, Deposit & Prepayment	1,688	1,103
Fixed Deposit With Licensed Bank	14,881	5,862
Cash & Bank Balances	8,992	18,020
	<u>116,910</u>	<u>105,142</u>
<b>TOTAL ASSETS</b>	<u><u>257,873</u></u>	<u><u>252,075</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Equity Holders Of The Parent</b>		
Share Capital	85,800	85,800
Share Premium	44,355	44,355
Revenue Reserves	86,797	77,299
Exchange Translation Reserves	115	110
Total Equity	<u>217,067</u>	<u>207,564</u>
<b>Non-Current Liabilities</b>		
Deferred Tax Liabilities	7,184	5,082
	<u>7,184</u>	<u>5,082</u>
<b>Current Liabilities</b>		
Trade Payables	25,128	27,104
Other Creditors & Accruals	7,576	10,392
Current Income Tax Liabilities	918	1,933
	<u>33,622</u>	<u>39,429</u>
<b>TOTAL LIABILITIES</b>	<u>40,806</u>	<u>44,511</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>257,873</u></u>	<u><u>252,075</u></u>
Net Assets (NA) Per Share (RM)	1.26	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
<b>9 months ended 30 September 2013</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 2013</b>	<b>85,800</b>	<b>44,355</b>	<b>31</b>	<b>65,974</b>	<b>196,160</b>
Total comprehensive income	-	-	-	14,087	14,087
Interim single-tier dividend of 2.5% paid on 5 April 2013	-	-	-	(2,145)	(2,145)
<b>As at 30 September 2013</b>	<b>85,800</b>	<b>44,355</b>	<b>31</b>	<b>77,916</b>	<b>208,102</b>
<b>9 months ended 30 September 2014</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 2014</b>	<b>85,800</b>	<b>44,355</b>	<b>110</b>	<b>77,299</b>	<b>207,564</b>
Foreign currency translation differences	-	-	5	-	5
Total comprehensive income	-	-	-	12,072	12,072
Interim single-tier dividend of 3% paid on 15 April 2014	-	-	-	(2,574)	(2,574)
<b>As at 30 September 2014</b>	<b>85,800</b>	<b>44,355</b>	<b>115</b>	<b>86,797</b>	<b>217,067</b>
					-
					-

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2014  
(These figures have not been audited)**

	<b>Cumulative Current Year To Date 30.09.2014 RM'000</b>	<b>Cumulative Preceding Year To Date 30.09.2013 RM'000</b>
<b>Cash Flow From Operating Activities</b>		
Profit Before Taxation	17,582	19,157
Adjustments for:-		
Impairment of receivables no longer required	(1,110)	(1,411)
Impairment of receivables	1,880	1,172
Depreciation of property, plant and equipment	8,000	8,617
Unrealised loss/(gain) on foreign exchange	(432)	208
Gain on disposal of property, plant & equipment	(10)	(15)
Property, plant and equipment written off	23	282
Interest income	(186)	(367)
Operating profit before working capital changes	<u>25,747</u>	<u>27,643</u>
Increase in inventories	(4,994)	(5,312)
(Increase)/ decrease in receivables	(6,821)	16,979
(Decrease)/ increase in payables	(4,796)	70
Cash generated from operations	<u>9,136</u>	<u>39,380</u>
Interest received	186	367
Tax refunded	-	152
Tax paid	(4,652)	(3,579)
Dividends paid	(2,574)	(2,145)
<b>Net Cash Provided By Operating Activities</b>	<b><u>2,096</u></b>	<b><u>34,175</u></b>
Purchase of property, plant and equipment	(2,148)	(25,113)
Proceeds from disposal of property, plant and equipment	30	15
<b>Net Cash Used In Investing Activities</b>	<b><u>(2,118)</u></b>	<b><u>(25,098)</u></b>
Net Change in Cash And Cash Equivalents	(22)	9,077
Effects of Exchange Rate changes	13	-
Cash And Cash Equivalents At Beginning Of The Period	<u>23,882</u>	<u>26,103</u>
<b>Cash And Cash Equivalents At End Of The Period *</b>	<b><u><u>23,873</u></u></b>	<b><u><u>35,180</u></u></b>
<b>* Cash &amp; cash equivalents consists of:</b>		
Fixed deposit with licensed banks	56	54
Short term deposits with licensed banks	14,825	21,304
Cash and bank balances	8,992	13,822
	<u>23,873</u>	<u>35,180</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 3<sup>rd</sup> Quarter Ended 30 September 2014**A6. Dividend Paid**

For the financial period ended 30 September 2014

- (i) The third interim single tier dividend of 3.0% or 1.50 sen per ordinary share, on 171,600,000 ordinary shares, amounting to RM2.574 million in respect of the financial year ended 31 December 2013, was paid on 15 April 2014.

For the financial period ended 30 September 2013

- (i) The third interim single tier dividend of 2.5% or 1.25 sen per ordinary share, on 171,600,000 ordinary shares, amounting to RM2.145 million in respect of the financial year ended 31 December 2012, was paid on 5 April 2013.

**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 30 September 2014 is as below:-

	<u>Individual 3<sup>rd</sup> Quarter</u>		<u>Cumulative 3<sup>rd</sup> Quarter</u>	
	<u>Current Year</u>	<u>Preceding Year</u>	<u>Current Year</u>	<u>Preceding Year</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Group – by business segment :-</u>				
<u>Net revenue</u>				
Manufacturing	53,300	50,867	156,375	161,102
Trading	36,416	36,155	116,161	104,586
Investment holding	11,000	10,000	11,000	10,000
Less: Inter-segment revenue	(36,934)	(37,081)	(95,426)	(88,188)
Total consolidated revenue	63,782	59,941	188,110	187,500
<u>Segment result</u>				
Manufacturing	2,601	3,337	5,292	6,671
Trading	3,968	4,769	12,622	13,256
Investment holding	10,875	9,864	10,572	9,634
Less: Elimination	(10,734)	(10,190)	(10,904)	(10,404)
Total consolidated profit before tax	6,710	7,780	17,582	19,157

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 3<sup>rd</sup> Quarter Ended 30 September 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	219,293	195,845
Trading	88,074	98,540
Investment holding	142,257	145,821
Less: Elimination	(191,751)	(188,724)
Consolidated total assets	257,873	251,482
<u>Segment liabilities</u>		
Manufacturing	161,565	134,336
Trading	29,252	55,434
Investment holding	351	335
Less: Elimination	(150,362)	(146,725)
Consolidated total liabilities	40,806	43,380

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 20 November 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 3<sup>rd</sup> Quarter Ended 30 September 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 30 September 2014 are as follows:-

	RM'000
Property, plant and equipment :- - Approved and contracted for	1,012

**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*	4,681 1,938	3,849 1,400

\* 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 2014.



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

**B1. Review of Performance**

For the first 9 month under review, the Group posted a marginal 0.3% year-on-year revenue increase from RM187.5 million to RM188.1 million.

The Group's profit before taxation of RM17.6 million for the current financial year under review registered a 8.2% decrease over the previous corresponding period. This was mainly due to decrease of sales in beverage from Contract Manufacturing business and higher product advertisement and promotional expense incurred.

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

Manufacturing segment

Manufacturing segment achieved lower revenue due to the decrease in trading volume from its Contract Manufacturing business of beverage production line. Profit before taxation was lower as a result of higher expenses in factory overhead such as upkeep of machineries and labour costs.

Trading segment

Trading segment achieved higher revenue mainly due to higher demand of gummy for both local and export markets, especially from China market. However, higher product advertisement expenditure for gummy, Chocopie and beverage products has resulted lower profit before taxation as compared to its previous corresponding period.

**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	63,782	65,074	-2.0%
Profit before taxation	6,710	6,210	+8.1%

Group's revenue of RM63.8 million for the current quarter registered a 2.0% decrease over the immediate preceding quarter mainly due to lower sales in gummy and beverage especially the export of beverages to overseas. Profit before taxation of the current quarter increased by 8.1% to RM6.7 million mainly contributed by favourable foreign currencies exchange from export revenue during the current quarter.

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 3<sup>rd</sup> Quarter Ended 30 September 2014**B3. Commentary On Prospects**

The Board of Director 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, the volatility of commodity prices may lead to the increase of the cost of production.

In view of the challenging domestic market, more focus will be on overseas market.

Despite the difficulties on the economic condition, the Board will work towards 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 Year Quarter</u> RM'000	<u>Preceding Year Quarter</u> RM'000	<u>Current Year To Date</u> RM'000	<u>Preceding Year To Date</u> RM'000
<b>Income tax:</b>				
• Current period estimate	2,521	1,367	5,042	3,607
• Prior year	-	-	-	(26)
<b>Deferred taxation :</b>				
• Transferred to/(from) deferred taxation	(31)	626	468	1,489
	<b>2,490</b>	<b>1,993</b>	<b>5,510</b>	<b>5,070</b>

**B6. Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at 20 November 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 3<sup>rd</sup> Quarter Ended 30 September 2014**B7. Group Borrowings**

The Group has no borrowings (last year: nil) as at the end of the reporting quarter under review.

**B8. Material Litigation**

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

**B9. Dividend Payable**

The Board has declared a second interim single-tier dividend of 5% or 2.5 sen per ordinary share (30 September 2013: 5%) on 171,600,000 ordinary shares, amounting to RM4,290,000 in respect of the financial year ending 31 December 2014, which will be paid on 29 December 2014. The entitlement date for the above-mentioned interim dividend is on 11 December 2014.

The total dividend of the current year is 10% or 5.0 sen per ordinary share.

**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)	4,220	5,787	12,072	14,087
Weighted average number of ordinary shares of RM0.50 each ('000)	171,600	171,600	171,600	171,600
Basic earnings per share (sen)	2.46	3.37	7.03	8.21
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 3<sup>rd</sup> Quarter Ended 30 September 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 30.9.2014 RM'000	As at 31.12 2013 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	124,169	113,237
- Unrealised	(8,475)	(6,944)
Less: Consolidation adjustments	(28,897)	(28,994)
<b>Retained profit as per financial statement</b>	<b>86,797</b>	<b>77,299</b>

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

	<b>Current Year Quarter RM'000</b>	<b>Preceding Year Quarter RM'000</b>
Interest income	(79)	(174)
Depreciation of property, plant and equipment	2,711	3,079
Property, plant and equipment written off	16	229
(Gain)/loss on disposal of property, plant and equipment	9	-
Impairment of receivables	845	615
Impairment of receivables no longer required	(407)	(212)
Loss/(gain) on foreign exchange		
- realized	690	(485)
- unrealized	(474)	424

By Order Of The Board

**Tai Chun Wah**

Executive Director

Dated: 24 November 2014