

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

(Incorporated in Malaysia)

**Financial Year End : 31 March 2016****Quarter : First Quarter****Quarterly report on results for the 1st quarter ended 31 March 2016. These figures have not been audited.****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Current Year Quarter 31.03.2016 RM'000</u>	<u>Preceding Year Quarter 31.03.2015 RM'000</u>	<u>Current Year To Date 31.03.2016 RM'000</u>	<u>Preceding Year To Date 31.03.2015 RM'000</u>
Revenue	62,531	67,742	62,531	67,742
Cost Of Sales	<u>(45,296)</u>	<u>(47,900)</u>	<u>(45,296)</u>	<u>(47,900)</u>
<b>Gross Profit</b>	<b>17,235</b>	<b>19,842</b>	<b>17,235</b>	<b>19,842</b>
Other Income	2,017	972	2,017	972
Distribution Costs	<u>(3,996)</u>	<u>(5,854)</u>	<u>(3,996)</u>	<u>(5,854)</u>
Administrative Expenses	<u>(4,928)</u>	<u>(4,351)</u>	<u>(4,928)</u>	<u>(4,351)</u>
Finance Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Profit Before Taxation</b>	<b>10,328</b>	<b>10,609</b>	<b>10,328</b>	<b>10,609</b>
Income Tax Expenses	<u>(2,460)</u>	<u>(2,598)</u>	<u>(2,460)</u>	<u>(2,598)</u>
<b>Profit After Taxation</b>	<b>7,868</b>	<b>8,011</b>	<b>7,868</b>	<b>8,011</b>
<b>Other Comprehensive Income</b>				
- Exchange Translation	<u>6</u>	<u>100</u>	<u>6</u>	<u>100</u>
<b>Total Comprehensive Income</b>	<b><u>7,874</u></b>	<b><u>8,111</u></b>	<b><u>7,874</u></b>	<b><u>8,111</u></b>
Profit Attributable To:				
- Equity Holders Of The Company	<u>7,868</u>	<u>8,011</u>	<u>7,868</u>	<u>8,011</u>
Total Comprehensive Income Attributable To:				
- Equity Holders Of The Company	<u>7,874</u>	<u>8,111</u>	<u>7,874</u>	<u>8,111</u>
<b>Earnings Per Share Attributable To Equity Holders Of The Parent</b>				
: Basic Earnings Per Share (Sen)	3.44	3.50	3.44	3.50

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 2016**

(These figures have not been audited)

	<b>As At End Of Current Quarter (Unaudited) 31.3.2016 RM'000</b>	<b>As At Preceding Financial Year (Audited) 31.12.2015 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant And Equipment	127,637	129,642
Investment	1	1
	<u>127,638</u>	<u>129,643</u>
<b>Current Assets</b>		
Inventories	41,364	35,868
Trade Receivables	39,383	42,177
Tax Recoverable	395	562
Other Receivables, Deposit & Prepayment	6,299	2,435
Fixed Deposit With Licensed Bank	209	209
Short Term Deposit	35,715	30,866
Cash & Bank Balances	6,232	9,346
	<u>129,597</u>	<u>121,463</u>
<b>TOTAL ASSETS</b>	<u><u>257,235</u></u>	<u><u>251,106</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Equity Holders Of The Parent</b>		
Share Capital	114,400	114,400
Share Premium	15,755	15,755
Revenue Reserves	79,887	72,019
Exchange Translation Reserves	512	506
Total Equity	<u>210,554</u>	<u>202,680</u>
<b>Non-Current Liabilities</b>		
Deferred Tax Liabilities	9,894	9,941
	<u>9,894</u>	<u>9,941</u>
<b>Current Liabilities</b>		
Trade Payables	24,260	24,070
Other Creditors & Accruals	8,706	10,616
Current Income Tax Liabilities	3,821	3,799
	<u>36,787</u>	<u>38,485</u>
<b>TOTAL LIABILITIES</b>	<u>46,681</u>	<u>48,426</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>257,235</u></u>	<u><u>251,106</u></u>
Net Assets (NA) Per Share (RM)	0.92	0.89

**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>3 months ended 31 March 2015</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 2015</b>	<b>85,800</b>	<b>44,355</b>	<b>113</b>	<b>88,063</b>	<b>218,331</b>
Foreign currency translation differences	-	-	100	-	100
Total comprehensive income	-	-	-	8,011	8,011
<b>As at 31 March 2015</b>	<b>85,800</b>	<b>44,355</b>	<b>213</b>	<b>96,074</b>	<b>226,442</b>
<b>3 months ended 31 March 2016</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 2016</b>	<b>114,400</b>	<b>15,755</b>	<b>506</b>	<b>72,019</b>	<b>202,680</b>
Foreign currency translation differences	-	-	6	-	6
Total comprehensive income	-	-	-	7,868	7,868
<b>As at 31 March 2016</b>	<b>114,400</b>	<b>15,755</b>	<b>512</b>	<b>79,887</b>	<b>210,554</b>

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE 3 MONTHS ENDED 31 MARCH 2016  
(These figures have not been audited)**

	<b>Cumulative Current Year To Date 31.03.2016 RM'000</b>	<b>Cumulative Preceding Year To Date 31.03.2015 RM'000</b>
<b>Cash Flow From Operating Activities</b>		
Profit Before Income Taxation	10,328	10,609
Adjustments for:-		
Impairment of slow moving inventories	433	122
Impairment of receivables no longer required	(322)	(429)
Impairment of receivables	19	315
Depreciation of property, plant and equipment	2,569	2,578
Unrealised loss on foreign exchange	804	214
Insurance claim	(1,456)	-
Interest income	(262)	(185)
Operating profit before working capital changes	<u>12,113</u>	<u>13,224</u>
(Increase)/ Decrease in inventories	(5,929)	4,817
(Increase)/ Decrease in receivables	(1,571)	717
(Decrease)/ Increase in payables	(1,720)	2,073
Cash generated from operations	<u>2,893</u>	<u>20,831</u>
Interest income	262	185
Tax refunded	-	1
Tax paid	(904)	(1,021)
<b>Net Cash Generated From Operating Activities</b>	<u><b>2,251</b></u>	<u><b>19,996</b></u>
<b>Cash Flow From Investing Activities</b>		
Purchase of property, plant and equipment	(563)	(309)
<b>Net Cash Used In Investing Activities</b>	<u><b>(563)</b></u>	<u><b>(309)</b></u>
<b>Net Cash Generated From / (Used In) Financing Activities</b>	<u><b>-</b></u>	<u><b>-</b></u>
Net Change in Cash And Cash Equivalents	1,688	19,687
Effects of Exchange Rate changes	47	242
Cash And Cash Equivalents At Beginning Of The Period	40,421	31,294
<b>Cash And Cash Equivalents At End Of The Period *</b>	<u><u><b>42,156</b></u></u>	<u><u><b>51,223</b></u></u>
<b>* Cash &amp; cash equivalents consists of:</b>		
Fixed deposit with licensed banks	209	205
Short term deposits with licensed banks	35,715	40,995
Cash and bank balances	6,232	10,023
	<u><u><b>42,156</b></u></u>	<u><u><b>51,223</b></u></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 2015.

The audited financial statements of the Group for the year ended 31 December 2015 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 2015.

**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 1<sup>st</sup> Quarter Ended 31 March 2016**A6. Dividend Paid**

There was no dividend paid during the quarter under review (2015: 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 2016 is as below:-

	<u>Individual 1<sup>st</sup> Quarter</u>		<u>Cumulative 1<sup>st</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	47,547	51,870	47,547	51,870
Trading	42,979	45,167	42,979	45,167
Investment holding	10,000	-	10,000	-
Less: Inter-segment revenue	(37,995)	(29,295)	(37,995)	(29,295)
<b>Total consolidated revenue</b>	<b>62,531</b>	<b>67,742</b>	<b>62,531</b>	<b>67,742</b>
<u>Segment result</u>				
Manufacturing	3,050	4,350	3,050	4,350
Trading	7,341	6,005	7,341	6,005
Investment holding	9,829	(162)	9,829	(162)
Add: Elimination	(9,892)	416	(9,892)	416
<b>Total consolidated profit before tax</b>	<b>10,328</b>	<b>10,609</b>	<b>10,328</b>	<b>10,609</b>

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1<sup>st</sup> Quarter Ended 31 March 2016

	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	212,950	208,024
Trading	105,714	104,811
Investment holding	166,976	139,562
Less: Elimination	(228,405)	(179,278)
Consolidated total assets	257,235	273,119
<u>Segment liabilities</u>		
Manufacturing	190,608	143,062
Trading	25,238	41,238
Investment holding	17,606	556
Less: Elimination	(186,771)	(138,179)
Consolidated total liabilities	46,681	46,677

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 has been brought forward without amendment from the financial statements for the year ended 31 December 2015.

**A10. Subsequent Material Events**

There were no material events subsequent to the reporting period up to 25 May 2016 (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 1<sup>st</sup> Quarter Ended 31 March 2016**A12. Contingent Liabilities or Contingent Assets**

There were no changes in other contingent liabilities or contingent assets since the last annual statement of financial position as at 31 December 2015.

**A13. Capital Commitments**

The outstanding amount of capital commitments as at 31 March 2016 are as follows:-

	RM'000
Property, plant and equipment :- - Approved and contracted for	893

**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*	3,611 1,440	3,675 546

*\* 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 review of 3-month result, the Group posted revenue of RM62.5 million, a reduction of 7.6% over the corresponding quarter of the preceding year which registered RM67.7 million.

For the current year to date, the Group's profit before taxation decreased by 2.6% to RM10.3 million as compared to the previous corresponding period. This was particularly due to lower sales revenue with relatively higher ingredient cost incurred despite of higher other incomes derived from a fire insurance claimed during the period.

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

Manufacturing segment

Manufacturing segment experienced a decrease in revenue which was mainly due to the decrease in trading volume from its Contract Manufacturing Business of beverage production line. Profit before taxation was lower as compared to its previous corresponding period. It was mainly attributed to higher material cost arising from depreciating Malaysian Ringgit and higher expenditure in production overheads.

Trading segment

Trading segment registered lower growth in revenue due to declining demand of gummy products. Higher profit before taxation as compared to its previous corresponding period was mainly due to lower forwarding and freight charges.

**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	62,531	73,319	-14.7%
Profit before taxation	10,328	14,496	-28.8%

Group's revenue of RM62.5 million for the current quarter recorded a 14.7% decrease over the immediate preceding quarter mainly due to weaker demand in gummy product. Profit before taxation for the current quarter was RM10.3 million, as compared with RM14.4 million recorded in the preceding quarter, a decrease of 28.8% which was in line with lower sales revenue and higher spending in products' advertisement expense.

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1<sup>st</sup> Quarter Ended 31 March 2016**B3. Commentary On Prospects**

The market condition for Year 2016 is expected to stay challenging due to the sluggish domestic consumption with current macro-economic condition which adversely affects the consumer confidence.

In view of the difficulties on the current economic condition, the Board of Directors remains vigilant and cautious of achieving better performance result in the financial year ending 2016.

**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	2,507	2,597	2,507	2,597
• Prior year	-	-	-	-
<b>Deferred taxation :</b>				
• Transferred to/(from) deferred taxation	(47)	1	(47)	1
	2,460	2,598	2,460	2,598

**B6. Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at 25 May 2016 which is not earlier than 7 days from the date of issue of this quarterly report.

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1<sup>st</sup> Quarter Ended 31 March 2016**B7. 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 31.3.2016 RM'000</b>	<b>As At 31.3.2015 RM'000</b>
<b>TOTAL BORROWING</b>	-	-

**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 2015: 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)	7,868	8,011	7,868	8,011
Weighted average number of ordinary shares of RM0.50 each ('000) <sup>#</sup>	228,800	228,800	228,800	228,800
Basic earnings per share (sen)	3.44	3.50	3.44	3.50
Diluted earnings per share (sen) <sup>*</sup>	N.A.	N.A.	N.A.	N.A.

<sup>#</sup> Inclusion the effect on Bonus Issue of 57,200,000 ordinary shares of RM0.50 each, which was allotted on 13 November 2015

<sup>\*</sup> 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 1<sup>st</sup> Quarter Ended 31 March 2016**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 31.3.2016 RM'000	As at 31.12.2015 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	119,304	112,873
- Unrealised	(10,159)	(10,845)
Less: Consolidation adjustments	(29,258)	(29,364)
Retained profit as per financial statement	79,887	72,164

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

	Current Year Quarter RM'000	Preceding Year Quarter RM'000
Interest income	(262)	(185)
Interest expense	-	-
Depreciation of property, plant and equipment	2,569	2,578
Impairment of receivables	19	315
Impairment of receivables no longer required	(322)	(429)
Loss/(gain) on foreign exchange		
- realized	(431)	(350)
- unrealized	804	214

By Order Of The Board

**Tai Chun Wah**

Executive Director

Dated: 30 May 2016