

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

(Incorporated in Malaysia)

Financial Year End : 30 June 2016  
 Quarter : Second Quarter

Quarterly report on results for the 2nd quarter ended 30 June 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</u> <u>30.06.2016</u> <u>RM'000</u>	<u>Preceding Year Quarter</u> <u>30.06.2015</u> <u>RM'000</u>	<u>Current Year To Date</u> <u>30.06.2016</u> <u>RM'000</u>	<u>Preceding Year To Date</u> <u>30.06.2015</u> <u>RM'000</u>
Revenue	67,360	61,668	129,891	129,410
Cost Of Sales	(48,524)	(43,153)	(93,820)	(91,053)
<b>Gross Profit</b>	<b>18,836</b>	<b>18,515</b>	<b>36,071</b>	<b>38,357</b>
Other Income	3,174	1,060	5,191	2,032
Distribution Costs	(3,728)	(3,887)	(7,724)	(9,741)
Administrative Expenses	(4,722)	(5,267)	(9,650)	(9,618)
Finance Costs	-	-	-	-
<b>Profit Before Taxation</b>	<b>13,560</b>	<b>10,421</b>	<b>23,888</b>	<b>21,030</b>
Income Tax Expenses	(2,755)	(2,872)	(5,215)	(5,470)
<b>Profit After Taxation</b>	<b>10,805</b>	<b>7,549</b>	<b>18,673</b>	<b>15,560</b>
<b>Other Comprehensive Income</b>				
- Exchange Translation	128	3	134	103
<b>Total Comprehensive Income</b>	<b>10,933</b>	<b>7,552</b>	<b>18,807</b>	<b>15,663</b>
Profit Attributable To:				
- Equity Holders Of The Company	10,805	7,549	18,673	15,560
Total Comprehensive Income Attributable To:				
- Equity Holders Of The Company	10,933	7,552	18,807	15,663
<b>Earnings Per Share Attributable To Equity Holders Of The Parent</b>				
: Basic Earnings Per Share (Sen)	4.72	3.30	8.16	6.80

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 2016**

(These figures have not been audited)

	<b>As At End Of Current Quarter (Unaudited) 30.6.2016 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	126,234	129,642
Investment	1	1
	<u>126,235</u>	<u>129,643</u>
<b>Current Assets</b>		
Inventories	38,440	35,868
Trade Receivables	44,643	42,177
Tax Recoverable	186	562
Other Receivables, Deposit & Prepayment	4,956	2,435
Fixed Deposit With Licensed Bank	209	209
Short Term Deposit	39,195	30,866
Cash & Bank Balances	10,632	9,346
	<u>138,261</u>	<u>121,463</u>
<b>TOTAL ASSETS</b>	<u>264,496</u>	<u>251,106</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	83,828	72,019
Exchange Translation Reserves	640	506
Total Equity	<u>214,623</u>	<u>202,680</u>
<b>Non-Current Liabilities</b>		
Deferred Tax Liabilities	9,513	9,941
	<u>9,513</u>	<u>9,941</u>
<b>Current Liabilities</b>		
Trade Payables	27,042	24,070
Other Creditors & Accruals	8,346	10,616
Current Income Tax Liabilities	4,972	3,799
	<u>40,360</u>	<u>38,485</u>
<b>TOTAL LIABILITIES</b>	<u>49,873</u>	<u>48,426</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>264,496</u>	<u>251,106</u>
Net Assets (NA) Per Share (RM)	0.94	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>6 months ended 30 June 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			103	-	103
Total comprehensive income	-	-	-	15,560	15,560
Interim single-tier dividend of 5% paid on 3 April 2015	-	-	-	(4,290)	(4,290)
<b>As at 30 June 2015</b>	<b>85,800</b>	<b>44,355</b>	<b>216</b>	<b>99,333</b>	<b>229,704</b>
<b>6 months ended 30 June 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			134	-	134
Total comprehensive income	-	-	-	18,673	18,673
Interim single-tier dividend of 6% paid on 5 April 2016	-	-	-	(6,864)	(6,864)
<b>As at 30 June 2016</b>	<b>114,400</b>	<b>15,755</b>	<b>640</b>	<b>83,828</b>	<b>214,623</b>

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE 6 MONTHS ENDED 30 JUNE 2016  
(These figures have not been audited)**

	<b>Cumulative Current Year To Date 30.06.2016 RM'000</b>	<b>Cumulative Preceding Year To Date 30.06.2015 RM'000</b>
<b>Cash Flow From Operating Activities</b>		
Profit Before Income Taxation	23,888	21,030
Adjustments for:-		
Impairment of slow moving inventories no longer required	(41)	(94)
Impairment of receivables no longer required	(1,785)	(948)
Impairment of receivables	-	1,440
Depreciation of property, plant and equipment	5,208	5,188
Unrealised loss on foreign exchange	128	366
Gain on disposal of property, plant & equipment	(56)	-
Property, plant and equipment written off	-	14
Interest income	(508)	(475)
Operating profit before working capital changes	<u>26,834</u>	<u>26,521</u>
Decrease / (Increase) in inventories	(2,531)	62
Decrease / (Increase) in receivables	(3,330)	7,660
Increase / (Decrease) in payables	702	2,847
Cash generated from operations	<u>21,675</u>	<u>37,090</u>
Interest received	508	475
Tax refunded	68	-
Tax paid	(4,186)	(2,042)
Dividends paid	(6,864)	(4,290)
<b>Net Cash Generated From Operating Activities</b>	<u><b>11,201</b></u>	<u><b>31,233</b></u>
<b>Cash Flow From Investing Activities</b>		
Purchase of property, plant and equipment	(1,799)	(981)
Proceeds from disposal of property, plant and equipment	56	-
<b>Net Cash Used In Investing Activities</b>	<u><b>(1,743)</b></u>	<u><b>(981)</b></u>
<b>Cash Flow From Financing Activities</b>		
<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	9,458	30,252
Effects of Exchange Rate changes	157	210
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><b>50,036</b></u>	<u><b>61,756</b></u>

**\* Cash & cash equivalents consists of:**

Fixed deposit with licensed banks	209	205
Short term deposits with licensed banks	39,195	53,303
Cash and bank balances	10,632	8,248
	<u>50,036</u>	<u>61,756</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 2<sup>nd</sup> Quarter Ended 30 June 2016**A6. Dividend Paid****For the financial period ended 30 June 2016**

- (i) The third interim single tier dividend of 6.0% or 3.00 sen per ordinary share, on 228,800,000 ordinary shares, amounting to RM6.864 million in respect of the financial year ended 31 December 2015, was paid on 4 April 2016.

**For the financial period ended 30 June 2015**

- (ii) The third interim single tier dividend of 5.0% or 2.50 sen per ordinary share, on 171,600,000 ordinary shares, amounting to RM4.290 million in respect of the financial year ended 31 December 2014, was paid on 3 April 2015.

**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 June 2016 is as below:-

	<b>Individual 2<sup>nd</sup> Quarter</b>		<b>Cumulative 2<sup>nd</sup> Quarter</b>	
	<b>Current Year</b>	<b>Preceding Year</b>	<b>Current Year</b>	<b>Preceding Year</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Group – by business segment :-</b>				
<b>Net revenue</b>				
Manufacturing	55,036	51,047	102,583	102,917
Trading	43,401	41,100	86,380	86,267
Investment holding	-	-	10,000	-
Less: Inter-segment revenue	(31,077)	(30,479)	(69,072)	(59,774)
<b>Total consolidated revenue</b>	<b>67,360</b>	<b>61,668</b>	<b>129,891</b>	<b>129,410</b>
<b>Segment result</b>				
Manufacturing	4,197	3,052	7,247	7,402
Trading	9,843	8,187	17,184	14,192
Investment holding	(191)	(216)	9,638	(378)
Less: Elimination	(289)	(602)	(10,181)	(186)
<b>Total consolidated profit before tax</b>	<b>13,560</b>	<b>10,421</b>	<b>23,888</b>	<b>21,030</b>

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2<sup>nd</sup> Quarter Ended 30 June 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	215,846	206,776
Trading	120,323	109,783
Investment holding	166,932	134,775
Less: Elimination	(238,605)	(172,113)
Consolidated total assets	264,496	279,221
<u>Segment liabilities</u>		
Manufacturing	189,789	139,615
Trading	32,173	40,017
Investment holding	24,617	275
Less: Elimination	(196,706)	(130,390)
Consolidated total liabilities	49,873	49,517

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 23 August 2015 (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 2<sup>nd</sup> Quarter Ended 30 June 2016**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 2015.

**A13. Capital Commitments**

The outstanding amount of capital commitments as at 30 June 2016 are as follows:-

	RM'000
Property, plant and equipment :- - Approved and contracted for	1,795

**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*	5,457 1,740	4,433 1,535

\* 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 25 May 2016.



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

Quarterly Unaudited Results Of The Group For The 2<sup>nd</sup> Quarter Ended 30 June 2016

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

#### B1. Review of Performance

For the first 6 months under review, the Group registered revenue of RM129.8 million, a marginal increase of RM0.4 million as compared to RM129.4 million in the preceding year corresponding quarter. This was mainly attributable to higher revenue achieved in gummy and hard candy products despite lower revenue from beverage product.

The Group's profit before taxation for the cumulative quarter recorded RM23.8 million, a 13.3% increase over the previous corresponding period. This was mainly attributable to lower freight and forwarding charges as well as foreign currencies exchange gain.

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

##### Manufacturing segment

Manufacturing segment recorded marginally lower of revenue in the first six months was mainly attributable to lower sales volume from its Contract Manufacturing Business of beverage production line. Lower profit before taxation as compared to previous corresponding period were mainly due to higher major raw material cost and declining sales volume in beverage division.

##### Trading segment

Trading segment achieved higher revenue was mainly due to higher demand of gummy in local markets as well as snack in export market. Higher profit before taxation was predominantly due to lower freight and forwarding charges and lower sales commission expenditure incurred.

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

	Current Year Quarter RM'000	Immediate Preceding Quarter RM'000	Difference %
Revenue	67,360	62,531	+7.7%
Profit before taxation	13,560	10,328	+31.3%

Group's revenue of RM67.3 million for the current quarter registered 7.7% increase over the immediate preceding quarter which was mainly due to increasing in gummy product.

Profit before taxation of the current quarter recorded an increase of 31.3% to RM13.5 million due to higher margin sales mix and lower products' promotional cost incurred.

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2<sup>nd</sup> Quarter Ended 30 June 2016**B3. Commentary On Prospects**

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

Despite the difficulties on the economic condition, the Board of Directors remains optimistic of achieving satisfactory 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</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>
<b>Income tax:</b>				
• Current period estimate	3,135	1,613	5,642	4,210
• Prior year	-	-	-	-
<b>Deferred taxation :</b>				
• Transferred to deferred taxation	(380)	1,259	(427)	1,260
	<u>2,755</u>	<u>2,872</u>	<u>5,215</u>	<u>5,470</u>

**B6. Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at 23 August 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 2<sup>nd</sup> Quarter Ended 30 June 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 30.6.2016 RM'000</b>	<b>As At 30.6.2015 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 (30 June 2015: 45%)

**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>	
	<b>Current Year Quarter</b>	<b>Preceding Year Quarter</b>	<b>Current Year To Date</b>	<b>Preceding Year To Date</b>
Profit for the period (RM'000)	10,805	7,549	18,673	15,560
Weighted average number of ordinary shares of RM0.50 each ('000) #	228,800	228,800	228,800	228,800
Basic earnings per share (sen)	4.72	3.29	8.16	6.80
Diluted earnings per share (sen)*	N.A.	N.A.	N.A	N.A

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

\* *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 2<sup>nd</sup> Quarter Ended 30 June 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 30.6.2016 RM'000	As at 31.12 2015 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	124,118	112,373
- Unrealised	(10,744)	(10,845)
Less: Consolidation adjustments	(29,546)	(29,364)
<b>Retained profit as per financial statement</b>	<b>83,828</b>	<b>72,164</b>

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

	Current Year Quarter RM'000	Preceding Year Quarter RM'000
Interest income	(246)	(290)
Depreciation of property, plant and equipment	2,639	2,610
Property, plant and equipment written off	-	14
Gain on disposal of property, plant and equipment	(56)	-
Impairment of receivables	(19)	1,125
Impairment of receivables no longer required	(1,463)	(519)
Bad debt recovered	-	-
Bad debt written off	-	-
Loss/(gain) on foreign exchange		
- realized	(261)	65
- unrealized	(676)	152

By Order Of The Board

**Tai Chun Wah**

Executive Director

Dated: 29 August 2016