

**COCOALAND HOLDINGS BERHAD** Registration No. 200001013413 (516019-H)

(Incorporated in Malaysia)

Financial Period End : 30 September 2021  
 Quarter : Third Quarter

Quarterly report on results for the 3rd quarter ended 30 September 2021. These figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	<u>INDIVIDUAL QUARTER</u>			<u>CUMULATIVE QUARTER</u>		
	<u>Current Year</u>	<u>Preceding Year</u>	<u>% chg</u>	<u>Current Year</u>	<u>Preceding Year</u>	<u>% chg</u>
	<u>Quarter</u>	<u>Quarter</u>		<u>To Date</u>	<u>To Date</u>	
	<u>30.09.2021</u>	<u>30.09.2020</u>		<u>30.09.2021</u>	<u>30.09.2020</u>	
	<u>RM'000</u>	<u>RM'000</u>		<u>RM'000</u>	<u>RM'000</u>	
Revenue	46,014	56,127	-18.0%	147,613	165,773	-11.0%
Cost Of Sales	(35,288)	(39,835)	-11.4%	(112,184)	(125,184)	-10.4%
<b>Gross Profit</b>	<b>10,726</b>	<b>16,292</b>	<b>-34.2%</b>	<b>35,429</b>	<b>40,589</b>	<b>-12.7%</b>
Other Income	2,200	1,136	93.7%	6,263	5,798	8.0%
Net gain/(loss) on Impairment of Financial Instruments	(33)	55	-160.0%	(1)	512	-100.2%
Distribution Costs	(2,553)	(2,566)	-0.5%	(8,008)	(8,380)	-4.4%
Administrative Expenses	(4,899)	(5,282)	-7.3%	(16,364)	(17,273)	-5.3%
Finance Costs	(1)	(1)		(8)	(5)	
<b>Profit Before Taxation</b>	<b>5,440</b>	<b>9,634</b>	<b>-43.5%</b>	<b>17,311</b>	<b>21,241</b>	<b>-18.5%</b>
Taxation	(1,364)	(2,328)	-41.4%	(4,288)	(5,289)	-18.9%
<b>Profit For the Financial Period</b>	<b>4,076</b>	<b>7,306</b>	<b>-44.2%</b>	<b>13,023</b>	<b>15,952</b>	<b>-18.4%</b>
<b>Other Comprehensive Income</b>						
<i>Items that are or may be reclassified subsequently to profit or loss</i>						
- Exchange Translation Differences For Foreign Operations	(1)	(13)		(1)	(8)	
<b>Other Comprehensive (Loss)/ Income For The Financial Period</b>	<b>(1)</b>	<b>(13)</b>		<b>(1)</b>	<b>(8)</b>	
<b>Total Comprehensive Income For The Financial Period</b>	<b>4,075</b>	<b>7,293</b>		<b>13,022</b>	<b>15,944</b>	
Profit For The Financial Period Attributable To: Owners Of The Company	4,076	7,306		13,023	15,952	
Total Comprehensive Income Attributable To: Owners Of The Company	4,075	7,293		13,022	15,944	
<b>Earnings Per Share</b>						
Basic And Diluted Earnings Per Ordinary Share (Sen)	1.81	3.19		5.77	6.97	

Notes :

The Condensed Financial Statements should be read in conjunction with the accompanying explanatory notes attached to the financial statements.

**COCOALAND HOLDINGS BERHAD Registration No. 200001013413 (516019-H)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS OF 30 SEPTEMBER 2021**

(These figures have not been audited)

	<b>As At End Of Current Month (Unaudited) 30.09.2021 RM'000</b>	<b>As At End of Financial Year (Audited) 31.12.2020 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant And Equipment	77,202	84,031
Right-Of-Use Assets	36,456	36,719
Investment Properties	3,411	1,569
	<u>117,069</u>	<u>122,319</u>
<b>Current Assets</b>		
Inventories	40,135	34,551
Trade Receivables	29,430	34,261
Tax Recoverable	1,617	2,220
Other Receivables	3,841	6,095
Fixed Deposits With Licensed Bank	45,287	66,314
Cash & Bank Balances	20,517	10,816
	<u>140,827</u>	<u>154,257</u>
<b>TOTAL ASSETS</b>	<u>257,896</u>	<u>276,576</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Owners Of The Company</b>		
Share Capital	130,154	130,154
Treasury Shares	(7,355)	(3,663)
Revenue Reserves	111,573	120,950
Exchange Translation Reserves	187	188
Total Equity	<u>234,559</u>	<u>247,629</u>
<b>Non-Current Liabilities</b>		
Lease Liabilities	199	176
Deferred Tax Liabilities	3,844	4,818
	<u>4,043</u>	<u>4,994</u>
<b>Current Liabilities</b>		
Trade Payables	13,974	15,015
Other Payables	4,949	8,227
Lease Liabilities	371	246
Tax Payable	-	465
	<u>19,294</u>	<u>23,953</u>
<b>TOTAL LIABILITIES</b>	<u>23,337</u>	<u>28,947</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>257,896</u>	<u>276,576</u>
Net Assets Per Share (RM) Attributable to Owners of the Company	1.04	1.08

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	<-----Non Distributable----->			<--Distributable-->	
	Share Capital	Treasury Shares	Exchange Translation Reserve	Retained Earnings	Total
<b>9 months ended 30 September 2020</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 2020</b>	<b>130,154</b>	-	<b>189</b>	<b>118,700</b>	<b>249,043</b>
Foreign Currency Translation Differences	-	-	(8)	-	(8)
Profit For the Financial Period	-	-	-	15,952	15,952
<b>Total comprehensive income for the period</b>	-	-	<b>(8)</b>	<b>15,952</b>	<b>15,944</b>
<b>Transactions with owners:</b>					
Purchase of Treasury Shares	-	(10)	-	-	(10)
<b>Total transactions with owners of the Company</b>	-	<b>(10)</b>	-	-	<b>(10)</b>
<b>As at 30 September 2020</b>	<b>130,154</b>	<b>(10)</b>	<b>181</b>	<b>134,652</b>	<b>264,977</b>
<b>9 months ended 30 September 2021</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 2021</b>	<b>130,154</b>	<b>(3,663)</b>	<b>188</b>	<b>120,950</b>	<b>247,629</b>
Foreign Currency Translation Differences	-	-	(1)	-	(1)
Profit For the Financial Period	-	-	-	13,023	13,023
<b>Total comprehensive income for the period</b>	-	-	<b>(1)</b>	<b>13,023</b>	<b>13,022</b>
<b>Transactions with owners:</b>					
Purchase of Treasury Shares	-	(3,692)	-	-	(3,692)
Disposal of Treasury Shares	-	-	-	68	68
Interim single-tier dividend of RM0.10 paid on 24 September 2021	-	-	-	(22,468)	(22,468)
<b>Total transactions with owners of the Company</b>	-	<b>(3,692)</b>	-	<b>(22,400)</b>	<b>(26,092)</b>
<b>As at 30 September 2021</b>	<b>130,154</b>	<b>(7,355)</b>	<b>187</b>	<b>111,573</b>	<b>234,559</b>

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2021**  
(These figures have not been audited)

	<b>Cumulative Current Year To Date 30.09.2021 RM'000</b>	<b>Cumulative Preceding Year To Date 30.09.2020 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	17,311	21,241
Adjustments for:-		
Inventories written down	192	303
Reversal of impairment loss on trade receivables	(79)	(518)
Impairment loss on trade receivables	74	6
Bad debts written off	-	430
Depreciation of property, plant and equipment	6,867	7,170
Amortisation of investment property	77	71
Amortisation of right-of-use assets	391	385
Unrealised loss on foreign exchange	38	146
Gain on disposal of property, plant & equipment	-	(199)
Property, plant and equipment written off	11	4
Interest expense	8	5
Interest income	(1,115)	(1,641)
Operating profit before working capital changes	<b>23,775</b>	<b>27,403</b>
Changes in working capital:		
Increase in inventories	(5,776)	(3,146)
Decrease in receivables	10,940	15,337
Decrease in payables	(4,357)	(8,168)
	807	4,023
Cash generated from operations	<b>24,582</b>	<b>31,426</b>
Interest received	1,115	1,641
Interest paid	(8)	(5)
Tax refund	1,167	-
Tax paid	(6,302)	(5,942)
Dividend paid	(22,468)	-
	(26,496)	(4,306)
<b>Net Cash (Used in) / Generated From Operating Activities</b>	<b>(1,914)</b>	<b>27,120</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(4,209)	(20,058)
Proceed from disposal of property, plant and equipment	-	200
Decrease/(Increase) in fixed deposits with maturity more than three months	14,209	(24,803)
<b>Net Cash Generated From / (Used In) Investing Activities</b>	<b>10,000</b>	<b>(44,661)</b>
<b>Cash Flows From Financing Activities</b>		
Payment of lease liabilities	(406)	(387)
Changes in fixed deposits pledged with licensed bank	-	5,896
Purchase of treasury shares	(4,985)	(10)
<b>Net Cash (Used in) / Generated From Financing Activities</b>	<b>(5,391)</b>	<b>5,499</b>
<b>Net Increase / (Decrease) in Cash And Cash Equivalents</b>	<b>2,695</b>	<b>(12,042)</b>
Effect of Exchange Translation Differences on Cash and Cash Equivalents	188	111
Cash And Cash Equivalents At Beginning Of The Period	48,932	68,309
<b>Cash And Cash Equivalents At End Of The Period *</b>	<b>51,815</b>	<b>56,378</b>
<b>* Cash &amp; cash equivalents consists of:</b>		
Fixed deposits with licensed banks	45,287	76,884
Cash and bank balances	20,517	15,421
	65,804	92,305
Less: Fixed deposits with maturity more than three months	(13,989)	(35,198)
Less: Fixed deposits pledged to licensed bank	-	(729)
	<b>51,815</b>	<b>56,378</b>

**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 Main Market 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 financial year ended 31 December 2020.

The audited financial statements of the Group for the financial year ended 31 December 2020 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 statements for the financial year ended 31 December 2020.

**A2. Qualification of Financial Statements**

The auditors’ report in respect of the audited financial statements for the financial year ended 31 December 2020 was not subjected to any qualification.

**A3. Seasonal or Cyclical Factors**

The Group’s business operation results for the current quarter under review 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 of the Group 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.

**A6. Dividend Paid**

The first interim single-tier dividend of 10.00 sen per ordinary share on 224,682,400 ordinary shares (excluding treasury shares), amounting to RM22.468 million in respect of the financial year ending 31 December 2021, was paid on 24 September 2021. (2020:nil)

**A7. Changes in Debt and Equity Securities**

There were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities except for the following:-

During the current financial quarter and financial year to date, the Company repurchased 676,500 shares and 2,846,500 shares of its issued share capital from the open market respectively, at an average of RM1.87 and RM1.77 per share. The total consideration paid for the share buy-back, including transaction costs amounted to RM1,266,178.74 for current financial quarter and RM4,984,942.58 for financial year to date and were financed by internally generated funds. The shares purchased are held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

As at 30 September 2021, the number of treasury shares held was 4,222,400 ordinary shares.

**A8. Segmental Reporting**

Group – by business segment:-

The Group's segmental report for the current financial period ended 30 September 2021 is as below:-

<b>Manufacturing</b>	<b>Trading</b>	<b>Investment Holding</b>	<b>Elimination</b>	<b>Total</b>
RM'000	RM'000	RM'000	RM'000	RM'000

**3<sup>rd</sup> quarter ended 30 September 2021**

Revenue:

External	13,697	32,317	-	-	46,014
Inter-segment	18,940	1,843	20,000	(40,783)	-
Total revenue	<u>32,637</u>	<u>34,160</u>	<u>20,000</u>		<u>46,014</u>
Profit before tax	<u>1,741</u>	<u>3,622</u>	<u>19,816</u>	<u>(19,739)</u>	<u>5,440</u>

**3<sup>rd</sup> quarter ended 30 September 2020**

Revenue:

External	20,310	35,817	-	-	56,127
Inter-segment	22,977	861	-	(23,838)	-
Total revenue	<u>43,287</u>	<u>36,678</u>	<u>-</u>		<u>56,127</u>
Profit before tax	<u>7,174</u>	<u>2,535</u>	<u>(274)</u>	<u>199</u>	<u>9,634</u>

**COCOALAND HOLDINGS BERHAD** (Registration No. 200001013413 (516019-H))

Quarterly Unaudited Results Of The Group For The 3<sup>rd</sup> Quarter Ended 30 September 2021

<b>Manufacturing</b>	<b>Trading</b>	<b>Investment Holding</b>	<b>Elimination</b>	<b>Total</b>
RM'000	RM'000	RM'000	RM'000	RM'000

**Cumulative 3<sup>rd</sup> quarter ended 30 September 2021**

Revenue:

External	46,100	101,513	-	-	147,613
Inter-segment	64,394	5,153	20,000	(89,547)	-
Total revenue	110,494	106,666	20,000		147,613
Profit before tax	7,415	10,340	19,281	(19,725)	17,311

**Cumulative 3<sup>rd</sup> quarter ended 30 September 2020**

Revenue:

External	64,731	101,042	-	-	165,773
Inter-segment	63,309	2,243	-	(65,552)	-
Total revenue	128,040	103,285	-		165,773
Profit before tax	14,186	7,345	(629)	339	21,241

**Assets and liabilities as at 30 September 2021**

Segment assets	162,244	147,815	132,815	(184,978)	257,896
Segment liabilities	87,508	85,797	403	(150,371)	23,337

Group – by geographical segment:-

In preparing information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment non-current assets are based on geographical location of the assets.

	<b>Revenue</b>		<b>Non-current assets</b>	
	for the period ended		as at	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	RM'000	RM'000	RM'000	RM'000
Malaysia	72,619	77,189	116,954	109,359
Eastern Asia	32,660	37,193	115	195
South East Asia	25,809	26,542	-	-
Middle East	14,315	21,951	-	-
Others	2,210	2,898	-	-
	147,613	165,773	117,069	109,554

**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 valuations of property, plant and equipment of the Group have been brought forward without amendments from the audited financial statements for the financial year ended 31 December 2020.

**A10. Subsequent Events**

Subsequent to the end of the reporting period 30 September 2021, on 8 October 2021, a total of 228,800,000 new ordinary shares were listed and quoted as bonus issue on the basis of 1 bonus share for every 1 existing Cocoaland share (including treasury shares) held.

There were no other material events subsequent to the reporting period up to 23 November 2021 (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 statements 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 quarter under review.

**A12. Contingent Liabilities or Contingent Assets**

There were no material changes in contingent liabilities or contingent assets arising since the last audited consolidated statement of financial position as at 31 December 2020.

**A13. Capital Commitments**

Capital commitments of the Group in respect of property, plant and equipment as at 30 September 2021 are as follows:-

	<b>RM'000</b>
Property, plant and equipment :-	
- Approved and contracted for	2,771
- Authorized but not contracted for	3,518



**A14. Significant Related Party Transactions**

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

	<b>Current Year Quarter RM'000</b>	<b>Preceding Year Quarter RM'000</b>
Prepare, package, pack and deliver Fraser and Neave Limited group of companies' products :-		
- Sales	1,628	2,087
- Purchase of ingredients*	306	541

*\* 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 22 September 2021.

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

**B1. Review of Performance**

The Group recorded lower revenue of RM 147.6 million, a contraction of RM 18.2 million or 11% as compared to RM 165.8 million recorded in the preceding year's corresponding period. The revenue in the current quarter was recorded at RM 46.0 million, a decrease of 18% from RM 56.1 million in the preceding quarter last year.

The declining revenue in the first nine months and current quarter was mainly due to lower demand for gummy of Contract Manufacturing Business in China and snack in Saudi Arabia. The decline in revenue was partially offset by rising demand of in-house gummy in Vietnam, China and Malaysia as well as cocopie in domestic market.

The Group registered profit before taxation of RM 17.3 million, a decline of 18.5% if compared to RM 21.2 million achieved in the preceding year's corresponding period. The profit before taxation in the current quarter declined by 43.5% or from RM 9.6 million to RM 5.4 million achieved in the same corresponding quarter last year.

The decline in the pre-tax profit for the first nine months and current quarter was aligned with the lower revenue generated, rising material cost and freight charges in spite of the costs saving achieved on lower factory labour cost and energy costs.

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

Manufacturing segment

The revenue of current financial year period showed a contraction in revenue for the current financial year period was mainly contributed by the lower demand of fortified gummy from Contract Manufacturing Business. Lower pre-tax profit in the current financial year period aligned with the contraction of the revenue earned despite lower factory labour costs and energy costs.

Trading segment

The improved revenue from in-house gummy and biscuit confectionery in domestic market was a contributory factor despite the declining revenue from snack in Saudi Arabia. Higher pre-tax profit in the current financial year period was principally contributed by achievement from cost restructuring program in tandem with higher revenue in spite of higher freight charges and product sponsorship expenditure incurred.

**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	46,014	47,481	-3.1%
Gross Profit	10,726	11,238	-4.6%
Profit Before Tax	5,440	4,828	12.7%
Profit After Tax	4,076	3,259	25.1%
Profit Attributable to Owners of The Company	4,076	3,259	25.1%

Lower revenue of RM46.0 million for the current quarter, a decline of 3.1% from the immediate preceding quarter was mainly attributable to softer demand for gummy from Contract Manufacturing Business and snack in Saudi Arabia. The declining group revenue was partially offset by rising demand from in-house gummy and biscuit confectionery in domestic market.

The Group's pre-tax profit registered an increase of 12.7% over the immediate preceding quarter, which was principally due to lower factory labour costs and energy costs despite lower revenue, higher material costs and freight charges.

**B3. Commentary On Prospects**

The Government of Malaysia has conditionally allowed the domestic tourist activities to be resumed as well as the inter-state travel. The tourist sector plays a vital role to revive the momentum of the domestic market and this will ultimately benefit the group revenue as a whole.

Moving forward to the final quarter of the year 2021, the surging of materials costs will remain as the solid challenge to the Group. The Group is committed to uphold the cost rationalisation plan, strengthen the innovation of new products while persist on the finest quality of the existing products range.

**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	1,672	2,420	5,318	6,130
• Under/ (Over) provision in prior year	(57)	-	(57)	-
<b>Deferred taxation:</b>				
• Transferred from deferred taxation	(251)	(92)	(973)	(841)
	1,364	2,328	4,288	5,289

**B6. Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at 23 November 2021 which is not earlier than 7 days from the date of issue of this quarterly report.

**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</b> <b>30.09.2021</b> RM'000	<b>As At</b> <b>30.09.2020</b> 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 (30 September 2020: 8.0 sen). The total dividend of the current year is 10.0 sen per ordinary share (2020: 8.0 sen).

**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)	4,076	7,306	13,023	15,952
Weighted average number of ordinary shares of RM0.50 each ('000)	224,981	228,799	225,509	228,799
Basic earnings per share (sen)	1.81	3.19	5.77	6.97
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.

**B11. Profit before tax is stated after charging/(crediting):-**

	<b>Current Year Quarter RM'000</b>	<b>Preceding Year Quarter RM'000</b>
Interest income	(364)	(442)
Interest expense	1	1
Inventories written down	47	34
Depreciation of property, plant and equipment	1,951	1,890
Amortisation of investment property	26	31
Property, plant and equipment written off	-	3
Amortisation of right-of-use assets	132	130
Net gain on impairment of financial instruments		
- Impairment loss on trade receivables	(74)	(5)
- Reversal of impairment loss on trade receivables	(47)	(50)
Bad debt written off from trade receivables	-	23
(Gain) / loss on foreign exchange		
- Realized	(994)	69
- Unrealized	73	(106)

By Order Of The Board

Dated: 29 November 2021