

**THIS EXPLANATORY STATEMENT AND THE INDEPENDENT ADVICE LETTER (“DOCUMENT”) ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.**

You should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately if you have any doubt about the Proposed Privatisation (as defined herein).

If you have sold or transferred all your shares in Cocoaland Holdings Berhad, you should hand over this Document together with the accompanying Form of Proxy immediately to the person through whom you have effected the sale or transfer, for transmission to the purchaser or transferee.

Pursuant to paragraph 11.02(3) of the Rules on Take-overs, Mergers and Compulsory Acquisitions (“Rules”), the Securities Commission Malaysia (“SC”) has notified that it has no further comments to this Document and such notification shall not be taken to suggest that the SC recommends the Proposed Privatisation or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this Document. The SC is not responsible for the contents of this Document, does not represent that this Document is accurate or complete and disclaims any liability for any loss arising from, or due to, your reliance on this Document.

# cocoaland<sup>®</sup>

## **COCOALAND HOLDINGS BERHAD**

Registration No. 200001013413 (516019-H)  
(Incorporated in Malaysia and registered under the Companies Act 2016)

### **PART A**

#### **EXPLANATORY STATEMENT TO THE SCHEME SHAREHOLDERS IN RELATION TO THE PROPOSED ACQUISITION OF COCOALAND HOLDINGS BERHAD BY FRASER & NEAVE HOLDINGS BHD TO BE UNDERTAKEN BY WAY OF THE SCHEME (AS DEFINED HEREIN) (“PROPOSED PRIVATISATION”)**

### **PART B**

#### **INDEPENDENT ADVICE LETTER IN RELATION TO THE PROPOSED PRIVATISATION AND NOTICE OF COURT CONVENED SHAREHOLDERS’ MEETING**

**Principal Adviser for Part A**



**AmInvestment Bank**

**AmInvestment Bank Berhad**

Registration No. 197501002220 (23742-V)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

**Independent Adviser for Part B**

**MALACCA SECURITIES SDN BHD**

**Malacca Securities Sdn Bhd**

Registration No. 197301002760 (16121-H)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Court Convened Meeting (as defined in this Document) and Form of Proxy are enclosed in this Document. The Court Convened Meeting will be held as follows:

Date and time of Court Convened Meeting : Thursday, 18 August 2022, 10.00 a.m., or any adjournment thereof

Venue of the Court Convened Meeting : Crystal 1, Level 1, Crystal Crown Hotel Kuala Lumpur, 3, Jalan Jambu Mawar, Off Jalan Kepong, 52000 Kuala Lumpur

Last date and time for lodging the Form of Proxy for the Court Convened Meeting : Tuesday, 16 August 2022, 10.00 a.m.

If you are entitled to attend and vote at the Court Convened Meeting, you may appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, you must complete and deposit the Form of Proxy of the Court Convened Meeting at the Registered Office of the Company at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, not less than 48 hours before the time for the Court Convened Meeting. The lodging of the Form of Proxy for the Court Convened Meeting will not preclude you from attending and voting in person at the Court Convened Meeting should you subsequently wish to do so.

This Document is dated 20 July 2022

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Document:

“Act”	:	Companies Act 2016
“AmInvestment Bank”	:	AmInvestment Bank Berhad (Registration No. 197501002220 (23742-V))
“Announcement”	:	The announcement dated 3 June 2022 in relation to the receipt of the Proposal Letter
“Awana Citra”	:	Awana Citra Sdn Bhd (Registration No. 202001036345 (1392666-H)), a wholly-owned subsidiary of F&NHB and being the nominated party to receive the Scheme Shares
“Board”	:	Board of directors of Cocoaland
“Bursa Depository”	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
“CCM”	:	Companies Commission of Malaysia
“CMSA”	:	Capital Markets and Services Act 2007
“Cocoaland” or “Company”	:	Cocoaland Holdings Berhad (Registration No. 200001013413 (516019-H))
“Cocoaland Group” or “Group”	:	Cocoaland and its subsidiaries
“Cocoaland Shares” or “Shares”	:	Ordinary shares in Cocoaland
“Consideration”	:	The consideration for the acquisition and transfer of all the Scheme Shares to Awana Citra pursuant to the Proposed Privatisation as detailed in Section 2 of this Explanatory Statement
“Court Convened Meeting”	:	Court convened shareholders’ meeting of Cocoaland to be convened pursuant to an order of the High Court under section 366 of the Act for the purpose of the Scheme
“Distributions”	:	Dividends, rights, allotment and/or any other distributions
“Document”	:	Collectively, the Explanatory Statement and the IAL
“EBITDA”	:	Earnings before interest, tax, depreciation and amortisation
“Entitlement Date”	:	The entitlement date on which the names of the Scheme Shareholders must be entered into the Record of Depositors of Cocoaland in order to participate in the Scheme
“EPS”	:	Earnings per share

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**DEFINITIONS (CONT'D)**

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“Explanatory Statement”	:	This explanatory statement of Cocoland dated 20 July 2022 to the Scheme Shareholders pursuant to section 366 of the Act in relation to the Proposed Privatisation
“F&NHB”	:	Fraser & Neave Holdings Bhd (Registration No. 196101000155 (4205-V))
“F&NHB Group”	:	F&NHB and its subsidiaries
“F&NHB Shares”	:	Ordinary shares in F&NHB
“FPE”	:	Financial period ending/ended, as the case may be
“FYE”	:	Financial year ending/ended, as the case may be
“High Court”	:	The High Court of Malaya
“IAL”	:	The independent advice letter dated 20 July 2022 by the Independent Adviser as set out in Part B of this Document
“Independent Adviser”	:	Malacca Securities Sdn Bhd (Registration No. 197301002760 (16121-H))
“KLCPI”	:	Kuala Lumpur Consumer Product Index
“LBT”	:	Loss before taxation
“Listing Requirements”	:	The Main Market Listing Requirements of Bursa Securities
“LPD”	:	13 July 2022, being the latest practicable date before the despatch of this Document
“LPS”	:	Loss per share
“LTD”	:	2 June 2022, being the last trading day prior to the receipt of the Proposal Letter
“NA”	:	Net assets
“NCI”	:	Non-controlling interest
“Offer Period”	:	Period commencing from 3 June 2022, being the date of the Proposal Letter, and ending on the date of the scheme of arrangement becoming effective (i.e. the lodgement date with the CCM of an office copy of the court order sanctioning the scheme or such earlier date as the court may determine and specify in the order)
“Offer Price”	:	Offer price of RM1.50 per Scheme Share
“PACs”	:	Persons acting in concert in relation to the Proposed Privatisation in accordance with section 216(2) and section 216(3) of the CMSA
“PAT”	:	Profit after taxation
“PBT”	:	Profit before taxation
“Proposal Letter”	:	The proposal letter dated 3 June 2022 issued by F&NHB to Cocoland on the Proposed Privatisation

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## DEFINITIONS (CONT'D)

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“Proposed Privatisation”	:	Proposed acquisition of Cocoland by F&NHB to be undertaken by way of the Scheme
“Record of Depositors”	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
“RM and sen”	:	Ringgit Malaysia and sen respectively
“Rules”	:	The Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC
“Rules of Bursa Depository”	:	The rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act 1991
“SC”	:	Securities Commission Malaysia
“Scheme”	:	Members’ scheme of arrangement pursuant to section 366 of the Act between Cocoland and the Scheme Shareholders which involves the acquisition of the Scheme Shares by F&NHB as the offeror and Awana Citra being the recipient of the Scheme Shares
“Scheme Shares” or “Disinterested Shares”	:	All 325,431,068 Cocoland Shares held by the Scheme Shareholders as at the Entitlement Date, representing approximately 72.34% of the issued share capital of Cocoland (excluding 7,746,000 treasury shares). In the event that the Company awards up to 698,800 Cocoland Shares (from the existing pool of treasury shares) to eligible employees in accordance with the Company’s employees reward plan, prior to the implementation of the Scheme, the number of Scheme Shares would increase by up to 698,800 Shares from 325,431,068 Shares to up to 326,129,868 Shares
“Scheme Shareholders”	:	All the shareholders of Cocoland other than F&NHB
“SGP 2021”	:	The existing employee share grant plan of F&NHB which is currently in force for a duration of ten (10) years from 11 February 2021
“SGP Trust”	:	The trust established to facilitate the implementation of SGP 2021
“SGS”	:	The existing employee share grant scheme of Cocoland which is currently in force for a duration of five (5) years from 28 February 2018
“VWAP”	:	Volume weighted average price

All references to the “**Company**” in this Explanatory Statement are to Cocoland and references to the “**Group**” are to the Company and its subsidiaries. All references to “**you**” in this Explanatory Statement are to the Scheme Shareholders.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Explanatory Statement to any any statute, rules, regulation or rules of stock exchange shall (where the context admits) be construed as a reference to such statute, rules, regulation or rules of stock exchange (as the case may be) currently in force or as may be amended from time to time and any reenactment thereof. Any reference to a time of day in this Explanatory Statement shall be a reference to Malaysian time, unless otherwise specified.

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**DEFINITIONS (CONT'D)**

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Any discrepancy in the tables between the amounts listed and the totals in this Explanatory Statement are due to rounding.

Certain statements in this Explanatory Statement may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Explanatory Statement should not be regarded as a representation or warranty that the Group's plans and objectives will be achieved.

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**PROPOSED SCHEME OF ARRANGEMENT OF COCOALAND** **ENCLOSED**

**NOTICE OF COURT CONVENED MEETING** **ENCLOSED**

**FORM OF PROXY FOR THE COURT CONVENED MEETING** **ENCLOSED**

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## **PART A**

**EXPLANATORY STATEMENT TO THE SCHEME SHAREHOLDERS  
IN RELATION TO THE PROPOSED PRIVATISATION**



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## EXECUTIVE SUMMARY

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All definitions used in this Executive Summary shall have the same meaning as all words and expressions provided in the “Definitions” section.

**This Executive Summary highlights the salient information on the Proposed Privatisation as set out in this Explanatory Statement. You are advised to read and carefully consider the contents of this Explanatory Statement and the appendices contained herein before voting on the resolution pertaining to the Proposed Privatisation at our forthcoming Court Convened Meeting.**

<b>Salient information</b>	<b>Description</b>
<b>Details of the Proposed Privatisation</b> (Section 2 of the Explanatory Statement)	<p>The Proposed Privatisation is to be undertaken by way of the Scheme.</p> <p>In consideration of the acquisition by F&amp;NHB and transfer of Scheme Shares to Awana Citra pursuant to the Scheme, F&amp;NHB shall pay the Offer Price of RM1.50 in cash for each Scheme Share.</p> <p>All costs relating to the payment of the Scheme Shares (including any stamp duties which will become liable to pay in respect of the transaction) by F&amp;NHB will be borne by F&amp;NHB. F&amp;NHB will not be responsible for any other cost, expenses or outlay incurred by the Scheme Shareholders.</p> <p>Upon completion of the Proposed Privatisation, Cocoaland will become a wholly-owned subsidiary of F&amp;NHB Group, with 27.66% held by F&amp;NHB and the balance 72.34% held by Awana Citra, a wholly-owned subsidiary of F&amp;NHB. Thereafter, F&amp;NHB and/or Awana Citra may transfer the Cocoaland Shares to direct or indirect wholly-owned subsidiary(s) of F&amp;NHB.</p>
<b>Undertaking from Leverage Success Sdn Bhd (“Leverage Success”) and its shareholders</b> (Section 2.1 of the Explanatory Statement)	<p>As stated in the Proposal Letter, on 3 June 2022, F&amp;NHB has received the following undertakings (“<b>Undertakings</b>”):</p> <p>(a) an irrevocable and unconditional undertaking from the shareholders of Leverage Success (namely Lau Kee Von, Lau Pak Lam, Lau Kim Chew, Liew Fook Meng, Liew Yoon Kee, Lau Kwai Choon and Lew Foo Chay @ Lau Foo Chay) dated 3 June 2022, to:</p> <p>(i) cause Leverage Success to vote in favour of the Scheme at the Court Convened Meeting;</p> <p>(ii) not to sell any of their respective equity interest in Leverage Success from the date of the undertaking until the date of full settlement by F&amp;NHB of the consideration for the acquisition and transfer of the Scheme Shares from the Scheme Shareholders to F&amp;NHB and/or its nominee(s) pursuant to the Scheme (“<b>Completion</b>”); and</p> <p>(iii) ensure that Leverage Success maintains its shareholding in Cocoaland at no less than 182,873,256 ordinary shares representing 40.65% of voting equity interest in Cocoaland and Leverage Success will not dispose any of its shares in Cocoaland from the date of the undertaking until Completion;</p> <p>(b) an irrevocable and unconditional undertaking from Leverage Success dated 3 June 2022 to:</p> <p>(i) to vote in favour of the Scheme at the Court Convened Meeting; and</p>

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**EXECUTIVE SUMMARY (CONT'D)**

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<b>Salient information</b>	<b>Description</b>
	<p>(ii) ensure that Leverage Success maintains its shareholding in Cocoaland at no less than 182,873,256 ordinary shares representing 40.65% of voting equity interest in Cocoaland and Leverage Success will not dispose any of its shares in Cocoaland from the date of the undertaking until Completion; and</p> <p>(c) irrevocable and unconditional letters of undertaking from the following persons dated 3 June 2022, to resign as directors and/or legal representatives in Cocoaland and/or its subsidiary companies with effect from the date of Completion:</p> <ul style="list-style-type: none"><li>(i) Lau Kee Von (director of Cocoaland and its subsidiaries);</li><li>(ii) Lau Pak Lam (director of Cocoaland and its subsidiaries);</li><li>(iii) Lau Kim Chew (director of Cocoaland and its subsidiaries);</li><li>(iv) Liew Fook Meng (director of Cocoaland and its subsidiaries);</li><li>(v) Liew Yoon Kee (director of Cocoaland's subsidiaries);</li><li>(vi) Lau Kwai Choon (director of Cocoaland's subsidiaries); and</li><li>(vii) Lew Foo Chay @ Lau Foo Chay (director of Cocoaland's subsidiary).</li></ul> <p>Each of the directors has also given an irrevocable and unconditional undertaking not to engage in competing business, solicit customers and employees of Cocoaland Group after Completion.</p> <p>Each of the directors named in paragraph (c)(i) – (iv) above, namely Lau Kee Von, Lau Pak Lam, Lau Kim Chew and Liew Fook Meng has also given an irrevocable and unconditional undertaking to remain in Cocoaland and/or its subsidiary companies as employees (but not directors), for a period of 6 months after the Completion in order to, among others, facilitate the handover of business operations to the management under the control of F&amp;NHB and to immediately resign as employees with effect from the date falling 6 months after the Completion.</p>
<b>Offer Price</b> (Section 2.2 of the Explanatory Statement)	<p>The Offer Price was derived by F&amp;NHB after taking into consideration the following:</p> <ul style="list-style-type: none"><li>(a) The market prices of Cocoaland Shares prior to the date of the Proposal Letter;</li><li>(b) Cocoaland's audited consolidated NA attributable to equity holders of RM243.32 million or RM0.54 per Cocoaland Share as at 31 December 2021, which implies a price to book ratio of 2.77 times; and</li><li>(c) Cocoaland's audited consolidated adjusted EBITDA of RM32.80 million and RM33.53 million for the FYE 31 December 2020 and 2021, respectively. This implies an enterprise value to EBITDA ratio of 18.47 times and 17.74 times, for the FYE 31 December 2020 and 2021, respectively.</li></ul>
<b>Conditions to the Proposed Privatisation</b> (Section 2.3 of the Explanatory Statement)	<p>The Proposed Privatisation is subject to the Scheme being effective.</p> <p>The Scheme shall become effective and binding on F&amp;NHB, Cocoaland and all the Scheme Shareholders subject to the fulfilment or waiver (where applicable) of the following conditions:</p> <ul style="list-style-type: none"><li>(a) approval of the Scheme (by way of poll) by:</li></ul>

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**EXECUTIVE SUMMARY (CONT'D)**

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<b>Salient information</b>	<b>Description</b>
	<ul style="list-style-type: none"><li>(i) a majority in number of shareholders and 75% in value to the votes attached to the Disinterested Shares that are cast either in person or by proxy at the Court Convened Meeting; and</li><li>(ii) the value of votes cast against the resolution to approve the Scheme at the Court Convened Meeting is not more than 10% of the votes attaching to all Disinterested Shares of the total voting shares of Cocoaland;</li></ul>
	(b) sanction of the Scheme by the High Court under section 366 of the Act and the lodgement of an office copy of the sealed order of the High Court obtained pursuant thereto with the CCM;
	(c) the Scheme Shares will be acquired: <ul style="list-style-type: none"><li>(i) free from all moratorium, claims, charges, liens, pledge, encumbrances, options, rights of pre-emption, third party rights and equities from the date of sanction of the Scheme by the High Court; and</li><li>(ii) with all the rights, benefits and entitlements attached thereto.</li></ul>
	(d) where required, the approval, waiver and/or consent of any other relevant authorities and/or parties.
<b>Listing status of Cocoaland</b> (Section 2.4 of the Explanatory Statement)	Upon completion of the Proposed Privatisation, Cocoaland will become a wholly-owned subsidiary of F&NHB Group, with 27.66% held by F&NHB and the balance 72.34% held by Awana Citra, a wholly-owned subsidiary of F&NHB. It is the intention of F&NHB not to maintain the listing status of Cocoaland subject to the completion of the Proposed Privatisation. Application will be made to Bursa Securities for Cocoaland Shares to be delisted from the Official List of Bursa Securities.
<b>Rationale</b> (Section 3 of the Explanatory Statement)	The Proposed Privatisation is in line with F&NHB's ambition to be a stable and sustainable food and beverage leader in ASEAN, with halal packaged food as its fourth pillar of growth. The Proposed Privatisation will provide F&NHB an opportunity to enter and participate in the confectionery and snacks market in Malaysia.
<b>Future Plans for Cocoaland Group and its employees</b> (Section 4 of the Explanatory Statement)	<ul style="list-style-type: none"><li>(a) F&amp;NHB intends to continue with the existing business of Cocoaland Group. However, post Completion, F&amp;NHB may review the business and operations of the Cocoaland Group and make such arrangements, rationalisations and reorganisations as F&amp;NHB considers suitable in the best interests of the Cocoaland Group;</li><li>(b) F&amp;NHB does not have plans and/or intention to liquidate any company within the Cocoaland Group, dispose any major asset or undertake any major re-deployment of the fixed assets of the Cocoaland Group or introduce or effect any major change to the existing business of the Cocoaland Group as a direct consequence of the Proposed Privatisation; and</li><li>(c) F&amp;NHB has no plans to undertake any employee separation or redundancy scheme in respect of Cocoaland Group as a direct consequence of the Proposed Privatisation.</li></ul>

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## EXECUTIVE SUMMARY (CONT'D)

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<b>Salient information</b>	<b>Description</b>														
<b>Risk Factors</b> (Section 6 of the Explanatory Statement)	The Proposed Privatisation is subject to completion risk as there can be no assurance that the Proposed Privatisation will be successful in view that it is conditional upon the satisfaction or waiver of the conditions as set out in Section 2.3 of this Explanatory Statement. In the event the Proposed Privatisation is unsuccessful, the Scheme Shareholders will continue to hold shares in Cocoland. The Board wishes to highlight that Cocoland Share prices are subject to, amongst others, market forces which may include response to the outcome of this proposal and Cocoland Shares may trade at, above or below the current price levels.														
<b>Approval Required</b> (Section 9 of the Explanatory Statement)	<p>The Proposed Privatisation is subject to the following being obtained:</p> <p>(a) approval of the Scheme (by way of poll) by:</p> <p>(i) at least a majority in number of shareholders and 75% in value to the votes attached to the Disinterested Shares that are cast either in person or by proxy at the Court Convened Meeting; and</p> <p>(ii) the value of votes cast against the resolution to approve the Scheme at the Court Convened Meeting is not more than 10% of the votes attaching to all Disinterested Shares of the total voting shares of Cocoland;</p> <p>(b) sanction of the Scheme by the High Court under section 366 of the Act and the lodgement of an office copy of the sealed order of the High Court obtained pursuant thereto with the CCM;</p> <p>(c) where required, the approval, waiver and/or consent of any other relevant authorities and/or parties.</p>														
<b>Directors' Recommendation</b> (Section 12 of the Explanatory Statement)	<p>The Board (save for the Interested Directors) is of the opinion that the Proposed Privatisation is <b>fair and reasonable</b>.</p> <p>Accordingly, the Board (save for the Interested Directors) recommends that you <b>vote in favour</b> of the Proposed Privatisation at the Court Convened Meeting to be convened.</p>														
<b>Tentative Timetable</b> (Section 13 of the Explanatory Statement)	<p>Barring any unforeseen circumstances, the Proposed Privatisation is expected to be completed by the 4<sup>th</sup> quarter of 2022.</p> <p>The indicative timeline for the Proposed Privatisation is as follows:</p> <table><thead><tr><th><b>Tentative Timeline</b></th><th><b>Event *</b></th></tr></thead><tbody><tr><td>Mid August 2022</td><td>- Court Convened Meeting for the Scheme</td></tr><tr><td>Late August 2022</td><td>- Application to the High Court for sanction of the Scheme</td></tr><tr><td>Early October 2022</td><td>- High Court order granted sanctioning the Scheme - Lodgement of order from the High Court with the CCM - Announcement of the Entitlement Date - Submission of delisting application to Bursa Securities</td></tr><tr><td>Mid October 2022</td><td>- Suspension of trading of Cocoland Shares - Entitlement Date</td></tr><tr><td>Late October 2022</td><td>- Payment for Scheme Shares - Completion</td></tr><tr><td>Early November 2022</td><td>- Delisting of Cocoland Shares from the Official List of Bursa Securities</td></tr></tbody></table>	<b>Tentative Timeline</b>	<b>Event *</b>	Mid August 2022	- Court Convened Meeting for the Scheme	Late August 2022	- Application to the High Court for sanction of the Scheme	Early October 2022	- High Court order granted sanctioning the Scheme - Lodgement of order from the High Court with the CCM - Announcement of the Entitlement Date - Submission of delisting application to Bursa Securities	Mid October 2022	- Suspension of trading of Cocoland Shares - Entitlement Date	Late October 2022	- Payment for Scheme Shares - Completion	Early November 2022	- Delisting of Cocoland Shares from the Official List of Bursa Securities
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# cocoaland<sup>®</sup>

**COCOALAND HOLDINGS BERHAD**  
Registration No. 200001013413 (516019-H)  
(Incorporated in Malaysia and registered under the Act)

**Registered Office**  
Level 5, Tower 8, Avenue 5  
Horizon 2, Bangsar South City  
59200 Kuala Lumpur

20 July 2022

## **Board of Directors**

Dato' Azman bin Mahmood (*Chairman / Independent Non-Executive Director*)  
Tan Sri Dato' Sri Koh Kin Lip (*Senior Independent Non-Executive Director*)  
Liew Fook Meng (*Executive Director*)  
Lau Kee Von (*Executive Director*)  
Lau Pak Lam (*Executive Director*)  
Lau Kim Chew (*Executive Director*)  
Tai Chun Wah (*Executive Director*)  
Chow Kee Kan @ Chow Tuck Kwan (*Independent Non-Executive Director*)  
Lim Yew Hoe (*Non-Independent Non-Executive Director*)  
Soh Swee Hock @ Soh Say Hock (*Non-Independent Non-Executive Director*)  
Lau Cheng Yew (*Alternate Director to Lim Yew Hoe*)

## **To: The Scheme Shareholders**

Dear Sir/ Madam,

## **PROPOSED PRIVATISATION**

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### **1. INTRODUCTION**

On 3 June 2022, the Board had announced the receipt of the Proposal Letter from one of its major shareholders, F&NHB in respect of the Proposed Privatisation to be undertaken by way of the Scheme.

On 13 June 2022, the Board had appointed Malacca Securities Sdn Bhd as the Independent Adviser to advise the Board and the Scheme Shareholders in relation to the Proposed Privatisation.

On 15 June 2022, AmlInvestment Bank had, on behalf of the Board, announced that the Board, after having considered the preliminary views of the Independent Adviser and the terms and conditions of the Proposed Privatisation, had decided to present the Scheme to the Scheme Shareholders for consideration at the Court Convened Meeting.

On 20 June 2022, an originating summons had been filed with the High Court seeking an order to convene the Court Convened Meeting to consider the Scheme. On 7 July 2022, the High Court granted an order for the Court Convened Meeting for the purpose of considering and, if thought fit, approving the Scheme.

Pursuant to subparagraph 11.02(3) of the Rules, the SC had via its letter dated 18 July 2022, notified that it has no further comments to this Explanatory Statement. Such notification shall not be taken to suggest that the SC recommends the Proposed Privatisation or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this Explanatory Statement.

As at LPD, the issued share capital of Cocoaland is RM130,154,539 comprising 457,600,000 Cocoaland Shares (including 7,746,000 treasury shares). F&NHB directly holds 124,422,932 Cocoaland Shares, representing approximately 27.66% equity interest in Cocoaland and there are no PACs with F&NHB that hold shares in Cocoaland.

For information, Awana Citra, a wholly-owned subsidiary of F&NHB and the recipient of the Scheme Shares, is deemed a PAC to F&NHB. As at LPD, Awana Citra does not have any shares in Cocoaland.

**THE PURPOSE OF THIS EXPLANATORY STATEMENT IS TO PROVIDE THE SCHEME SHAREHOLDERS WITH, AMONGST OTHERS, THE DETAILS OF THE PROPOSED PRIVATISATION AND TO SEEK THE APPROVAL OF THE SCHEME SHAREHOLDERS FOR THE SCHEME WHICH IS TO BE TABLED AT THE FORTHCOMING COURT CONVENED MEETING, THE NOTICE OF WHICH IS SET OUT IN THIS DOCUMENT.**

**THE SCHEME SHAREHOLDERS ARE ADVISED TO READ BOTH PART A AND PART B OF THIS DOCUMENT TOGETHER WITH THE APPENDICES CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED PRIVATISATION AT THE FORTHCOMING COURT CONVENED MEETING.**

## **2. THE PROPOSED PRIVATISATION**

The Proposed Privatisation is to be undertaken by way of the Scheme.

In consideration of the acquisition by F&NHB and the transfer of the Scheme Shares to the nominated party, Awana Citra pursuant to the Scheme, F&NHB shall pay the Offer Price of RM1.50 for each Scheme Share.

Based on 325,431,068 Cocoaland Shares held by the Scheme Shareholders as at LPD, representing approximately 72.34% of the issued share capital of Cocoaland, the total consideration for the Proposed Privatisation is RM488,146,602 which shall be satisfied by cash.

Cocoaland has an existing SGS. Subject to relevant approvals for the Scheme being obtained, the Board proposes to award up to 698,800 Cocoaland Shares (from the existing pool of treasury shares) to eligible employees (including Executive Directors) in accordance with the Company's employees reward plan, prior to the implementation of the Scheme. In this event, the number of Scheme Shares would increase by up to 698,800 Shares from 325,431,068 Shares to up to 326,129,868 Shares, and the total consideration payable by F&NHB would increase by up to RM1,048,200 from RM488,146,602 to up to RM489,194,802.

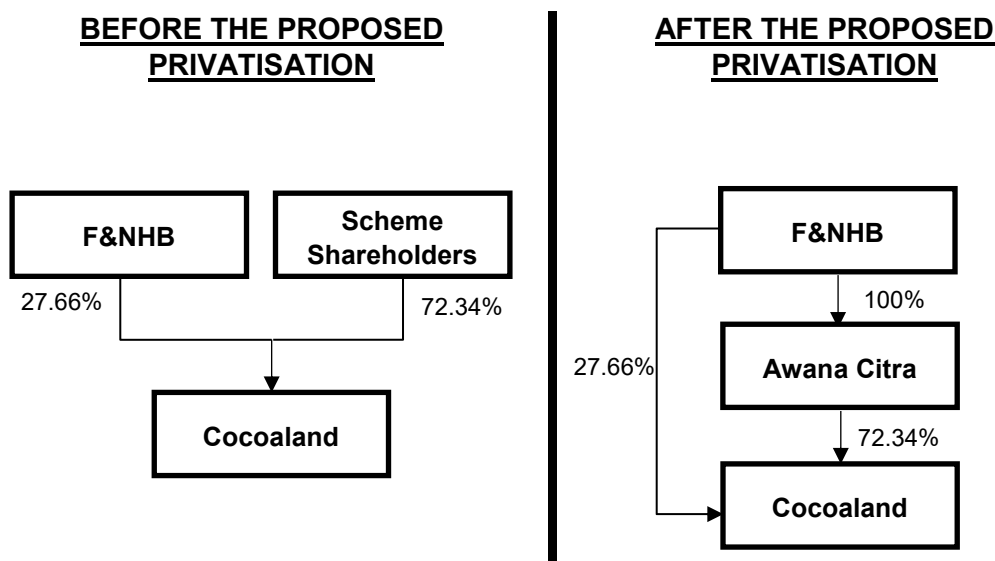
If Cocoaland declares, makes or pays any Distributions on or after the date of the Proposal Letter but prior to the completion of the Proposed Privatisation and the Scheme Shareholders shall be entitled to receive such Distributions, F&NHB will reduce the Offer Price by the quantum of the net Distributions per Cocoaland Share which such Scheme Shareholders are entitled to.

Subject to the conditions as set out in Section 2.3 of this Explanatory Statement being fulfilled, the Scheme will become effective upon lodgement of the sealed order of the High Court with the CCM.

Cocoaland will announce the Entitlement Date when the Scheme has become effective upon lodgement of the sealed order of the High Court with the CCM. The Consideration will be paid to all entitled Scheme Shareholders within 10 days from the Entitlement Date in line with the SC's approval letter dated 18 July 2022.

All costs relating to the payment of the Scheme Shares (including any stamp duties which will become liable to pay in respect of the transaction) by F&NHB will be borne by F&NHB. F&NHB will not be responsible for any other cost, expenses or outlay incurred by the Scheme Shareholders.

Upon completion of the Proposed Privatisation, Cocoaland will become a wholly-owned subsidiary of F&NHB Group, with 27.66% held by F&NHB and the balance 72.34% held by Awana Citra. Thereafter, F&NHB and/or Awana Citra may transfer the Cocoaland Shares to direct or indirect wholly-owned subsidiary(s) of F&NHB.



## 2.1 Undertaking from Leverage Success and its shareholders

Leverage Success is a major shareholder of Cocoaland. As at LPD, Leverage Success holds 182,873,256 Cocoaland Shares representing 40.65% of the issued share capital of Cocoaland.

As stated in the Proposal Letter, on 3 June 2022, F&NHB has received the following undertakings:

- (a) an irrevocable and unconditional undertaking from the shareholders of Leverage Success (namely Lau Kee Von, Lau Pak Lam, Lau Kim Chew, Liew Fook Meng, Liew Yoon Kee, Lau Kwai Choon and Lew Foo Chay @ Lau Foo Chay) dated 3 June 2022, to:
  - (i) cause Leverage Success to vote in favour of the Scheme at the Court Convened Meeting;
  - (ii) not to sell any of their respective equity interest in Leverage Success from the date of the undertaking until the date of full settlement by F&NHB of the consideration for the acquisition and transfer of the Scheme Shares from the Scheme Shareholders to F&NHB and/or its nominee(s) pursuant to the Scheme; and

- (iii) ensure that Leverage Success maintains its shareholding in Cocoaland at no less than 182,873,256 ordinary shares representing 40.65% of voting equity interest in Cocoaland and Leverage Success will not dispose any of its shares in Cocoaland from the date of the undertaking until Completion;
- (b) an irrevocable and unconditional undertaking from Leverage Success dated 3 June 2022 to:
- (i) to vote in favour of the Scheme at the Court Convened Meeting; and
  - (ii) ensure that Leverage Success maintains its shareholding in Cocoaland at no less than 182,873,256 ordinary shares representing 40.65% of voting equity interest in Cocoaland and Leverage Success will not dispose any of its shares in Cocoaland from the date of the undertaking until Completion; and
- (c) irrevocable and unconditional letters of undertaking from the following persons dated 3 June 2022, to resign as directors and/or legal representatives in Cocoaland and/or its subsidiary companies with effect from the date of Completion:
- (i) Lau Kee Von (director of Cocoaland and its subsidiaries);
  - (ii) Lau Pak Lam (director of Cocoaland and its subsidiaries);
  - (iii) Lau Kim Chew (director of Cocoaland and its subsidiaries);
  - (iv) Liew Fook Meng (director of Cocoaland and its subsidiaries);
  - (v) Liew Yoon Kee (director of Cocoaland's subsidiaries);
  - (vi) Lau Kwai Choon (director of Cocoaland's subsidiaries); and
  - (vii) Lew Foo Chay @ Lau Foo Chay (director of Cocoaland's subsidiary).

Each of the directors has also given an irrevocable and unconditional undertaking not to engage in competing business, solicit customers and employees of Cocoaland Group after Completion.

Each of the directors named in paragraph (c)(i) – (iv) above, namely Lau Kee Von, Lau Pak Lam, Lau Kim Chew and Liew Fook Meng has also given an irrevocable and unconditional undertaking to remain in Cocoaland and/or its subsidiary companies as employees (but not directors), for a period of 6 months after the Completion in order to, among others, facilitate the handover of business operations to the management under the control of F&NHB and to immediately resign as employees with effect from the date falling 6 months after the Completion.

## **2.2 Basis and justification for the Offer Price**

### **2.2.1 Offer Price**

The Offer Price was derived by F&NHB after taking into consideration the following:

- (a) The market prices of Cocoaland Shares prior to the date of the Proposal Letter;
- (b) Cocoaland's audited consolidated NA attributable to equity holders of RM243.32 million or RM0.54 per Cocoaland Share as at 31 December 2021, which implies a price to book ratio of 2.77 times; and
- (c) Cocoaland's audited consolidated adjusted EBITDA of RM32.80 million and RM33.53 million for the FYE 31 December 2020 and 2021, respectively. This implies an enterprise value to EBITDA ratio of 18.47 times and 17.74 times, for the FYE 31 December 2020 and 2021, respectively.



The Offer Price represents a premium over the following historical market prices of Cocoland Shares:

	Share price	Premium	
	RM	RM	%
As at 31 May 2022, being the last practicable date prior to the date of the Proposal Letter (“ <b>Proposal Letter’s LPD</b> ”)	1.1900	0.3100	26.1
<b><u>Up to the Proposal Letter’s LPD:</u></b>			
5-day VWAP	1.1818	0.3182	26.9
1-month VWAP	1.1708	0.3292	28.1
3-month VWAP	1.2311	0.2689	21.8
6-month VWAP	1.1753	0.3247	27.6
1-year VWAP	1.1451	0.3549	31.0

(Source: Bloomberg)

### 2.3 Conditions to the Proposed Privatisation

The Proposed Privatisation is subject to the Scheme being effective.

The Scheme shall become effective and binding on F&NHB, Cocoland and all the Scheme Shareholders subject to the fulfilment or waiver (where applicable) of the following conditions:

- (a) approval of the Scheme (by way of poll) by:
  - (i) a majority in number of shareholders and 75% in value to the votes attached to the Disinterested Shares that are cast either in person or by proxy at the Court Convened Meeting; and
  - (ii) the value of votes cast against the resolution to approve the Scheme at the Court Convened Meeting is not more than 10% of the votes attaching to all Disinterested Shares of the total voting shares of Cocoland;
- (b) sanction of the Scheme by the High Court under section 366 of the Act and the lodgement of an office copy of the sealed order of the High Court obtained pursuant thereto with the CCM;
- (c) the Scheme Shares will be acquired:
  - (i) free from all moratorium, claims, charges, liens, pledge, encumbrances, options, rights of pre-emption, third party rights and equities from the date of sanction of the Scheme by the High Court; and
  - (ii) with all the rights, benefits and entitlements attached thereto.
- (d) where required, the approval, waiver and/or consent of any other relevant authorities and/or parties.

## **2.4 Listing status of Cocoaland**

Upon completion of the Proposed Privatisation, Cocoaland will become a wholly-owned subsidiary of F&NHB Group, with 27.66% held by F&NHB and the balance 72.34% held by Awana Citra. It is the intention of F&NHB not to maintain the listing status of Cocoaland subject to the completion of the Proposed Privatisation. Application will be made to Bursa Securities for Cocoaland Shares to be de-listed from the Official List of Bursa Securities.

## **2.5 Financial resources**

F&NHB has confirmed that the Proposed Privatisation would not fail due to insufficient financial capability of F&NHB to pay the total cash consideration payable pursuant to the Proposed Privatisation and that every Scheme Shareholder will be paid fully in cash. As stated in F&NHB's Announcement, F&NHB intends to finance the Proposed Privatisation via bank borrowings.

AmInvestment Bank is satisfied that the Proposed Privatisation would not fail due to insufficient financial capability of F&NHB and that every Scheme Shareholder will be paid the cash consideration due in full.

## **3. RATIONALE**

The Proposed Privatisation is in line with F&NHB's ambition to be a stable and sustainable food and beverage leader in ASEAN, with halal packaged food as its fourth pillar of growth. The Proposed Privatisation will provide F&NHB an opportunity to enter and participate in the confectionery and snacks market in Malaysia. F&NHB considers Cocoaland to be a suitable target in view of its market presence in the gummy segment and its diverse range of products including chocolate confectionery and savoury snacks which are complementary to F&NHB Group's current beverages and dairies. F&NHB believes that there are post-merger synergies that could be achieved based on the brand management expertise, extensive distribution network and robust R&D capabilities of F&NHB Group. F&NHB also believes that Cocoaland could enhance F&NHB Group's expansion in the overseas markets. Cocoaland as a wholly owned subsidiary of F&NHB Group could leverage on F&NHB Group's existing reach to 85 countries worldwide especially Indonesia, Middle Eastern and North Africa to grow its confectionery and snacks business. F&NHB Group could tap into Cocoaland's existing distribution channels in China, South Korea and Taiwan to market and distribute its range of products. To facilitate the aforementioned, F&NHB believes Cocoaland should be wholly-owned by the F&NHB Group (instead of being listed with minority shareholders) to avoid potential conflict of interest issues such as related party transactions.

The Proposed Privatisation also presents an opportunity for the Scheme Shareholders to unlock and realise their investment in Cocoaland.

## **4. FUTURE PLANS FOR COCOALAND GROUP AND ITS EMPLOYEES**

As at LPD, F&NHB has no knowledge of and has not entered into any negotiation or arrangement or understanding with any third party with regard to any significant change in the business of Cocoaland Group or Cocoaland's shareholding structure.

As at LPD, F&NHB's intention in respect of the future plans for Cocoaland Group and its employees are as follows:

### **(a) Continuation of the Cocoaland Group's business**

F&NHB intends to continue the existing businesses of the Cocoaland Group. However, post Completion, F&NHB may review the business and operations of the Cocoaland Group and make such arrangements, rationalisations and reorganisations as F&NHB considers suitable in the best interests of the Cocoaland Group;

**(b) Major changes to the Cocoaland Group's business**

F&NHB does not have plans and/or intention to liquidate any company within the Cocoaland Group, dispose any major asset or undertake any major re-deployment of the fixed assets of the Cocoaland Group or introduce or effect any major change to the existing business of the Cocoaland Group as a direct consequence of the Proposed Privatisation except where such change, disposal and/or redeployment is necessary as part of the process to rationalise the business activities and/or direction of the Cocoaland Group or to improve the use of resources of the Cocoaland Group; and

**(c) Employees of the Cocoaland Group**

F&NHB does not have any plans to dismiss or make redundant any of the existing employees of the Cocoaland Group as a direct consequence of the Proposed Privatisation. Nevertheless, there will be continuous measures being introduced to improve the efficiency of operations and to optimize the human resources of the Cocoaland Group, which may lead to rationalisation of staff employment to improve the overall efficiency of the Cocoaland Group's operations. Such actions, if required, will be carried out in accordance with relevant legislation and the terms of employment of the affected employees.

Please refer to 2.1(c) for details of irrevocable and unconditional letters of undertaking dated 3 June 2022 from certain Cocoaland directors to resign as directors and or legal representatives in Cocoaland and/or its subsidiary companies with effect from the date of Completion.

F&NHB wishes to highlight that it retains the flexibility at any time to consider any options which are in the interest of Cocoaland Group that may present themselves.

**5. INFORMATION ON COCOALAND, F&NHB AND AWANA CITRA**

**5.1 COCOALAND**

Cocoaland was incorporated in Malaysia under the Companies Act 1965 on 6 June 2000 and deemed registered under the Act as a public limited company under the name of Cocoaland Holdings Berhad. Cocoaland was listed on the Second Board of Bursa Securities on 18 January 2005 and later transferred to Main Board (currently known as Main Market of Bursa Securities) on 18 July 2006.

Cocoaland is principally engaged in investment holdings activities while Cocoaland Group is principally involved in investment holding company, manufacturing, wholesaling, retailing, trading and marketing of processed and preserved foods and fruits of all kind.

As at LPD, Cocoaland has an issued share capital of RM130,154,539 comprising of 457,600,000 ordinary shares (including 7,746,000 treasury shares) and Cocoaland is a 27.66% associate company of F&NHB.

For further information on Cocoaland, please refer to **Appendix I** of this Document.

**5.2 F&NHB**

F&NHB was incorporated in the Federation of Malaya on 15 May 1961 as a private limited company. It subsequently converted into a public company on 4 May 1969 before its listing on the Main Board of the Kuala Lumpur Stock Exchange (now known as Main Market of Bursa Securities) on 3 August 1970. F&NHB changed to its current name Fraser & Neave Holdings Bhd on 5 March 1996.

The principal activity of F&NHB is investment holding whilst its group of subsidiaries are primarily engaged in the manufacturing, distribution and sale of soft drinks, dairy and food products, property development activities and provision of management services.

As at LPD, F&NHB has an issued share capital of RM816,770,000 comprising of 366,778,501 ordinary shares. For the FYE 30 September 2021, F&NHB recorded an audited consolidated profit attributable to the owners of the company of RM395.13 million. For the six (6)-months FPE 31 March 2022, F&NHB recorded an audited consolidated profit attributable to the owners of the company of RM186.82 million. F&NHB's consolidated shareholders' funds as at 30 September 2021 is RM2.82 billion.

For further information on F&NHB, please refer to **Appendix II** of this Document.

### **5.3 AWANA CITRA**

Awana Citra was incorporated in Malaysia under the Act on 10 November 2020 as a private limited company. Awana Citra is a wholly-owned subsidiary of F&NHB and is the nominated party to receive the Scheme Shares.

Awana Citra is principally engaged in investment holding activities while its subsidiaries are engaged in the manufacturing, distribution and sale of food products.

As at LPD, Awana Citra has an issued share capital of RM61,000,000 comprising of 61,000,000 ordinary shares.

For further information on Awana Citra, please refer to **Appendix III** of this Document.

## **6. RISK FACTORS**

The Proposed Privatisation is subject to completion risk as there can be no assurance that the Proposed Privatisation will be successful in view that it is conditional upon the satisfaction or waiver of the conditions as set out in Section 2.3 of this Explanatory Statement. In the event the Proposed Privatisation is unsuccessful, the Scheme Shareholders will continue to hold shares in Cocoland. The Board wishes to highlight that Cocoland Share prices are subject to, amongst others, market forces which may include response to the outcome of this proposal and Cocoland Shares may trade at, above or below the current price levels.

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## 7. HISTORICAL SHARE PRICES OF COCOALAND

The Offer Price represents a premium to the following historical market prices of Cocoaland Shares:

	Share price	Premium	
	RM	RM	%
<b><u>Prior to the receipt of the Proposal Letter</u></b>			
As at LTD	1.2800	0.2200	17.2
<b><u>Up to LTD:</u></b>			
5-day VWAP	1.2388	0.2612	21.1
1-month VWAP	1.1931	0.3069	25.7
3-month VWAP	1.2396	0.2604	21.0
6-month VWAP	1.1775	0.3225	27.4
1-year VWAP	1.1475	0.3525	30.7
<b><u>Before this Explanatory Statement:</u></b>			
Last traded price as at LPD	1.4700	0.0300	2.0
5-day VWAP up to and including LPD	1.4661	0.0339	2.3

(Source: Bloomberg)

The monthly high and low prices of Cocoaland Shares as traded on the Main Market of Bursa Securities and the month end closing prices for the past 6 calendar months prior to the Announcement and up to LPD are as follows:

	High	Low	Month end closing price
	RM	RM	RM
<b>2022</b>			
January	1.27	1.01	1.17
February	1.29	1.16	1.22
March	1.35	1.10	1.28
April	1.32	1.18	1.22
May	1.26	1.08	1.19
June	1.47	1.17	1.45

(Source: Bloomberg)

The highest and lowest closing market prices of Cocoaland Shares for the period commencing 6 months preceding the Announcement, i.e. from 3 December 2021 up to and including 2 June 2022 were RM1.30 (11 March 2022) and RM0.915 (6 December 2021) respectively. The highest and lowest closing market prices of Cocoaland Shares from the date of the Announcement up to and including LPD were RM1.47 (15 June 2022) and RM1.44 (4 July 2022) respectively.

(Source: Bloomberg)

## 8. EFFECTS OF THE PROPOSED PRIVATISATION

The effects of the Proposed Privatisation on Coccoland are as follows:-

### 8.1 Share Capital

The Proposed Privatisation will not have any effect on the issued share capital of the Company as the Proposed Privatisation does not involve the issuance of any new Coccoland Shares.

### 8.2 Substantial Shareholders

As at LPD, based on the Company's Register of Substantial Shareholders, the substantial shareholders before and after the Proposed Privatisation are as follows:-

	As at LPD			After the Proposed Privatisation		
	Direct	Indirect	(1)%	Direct	Indirect	(6)%
	Number of Coccoland Shares	Number of Coccoland Shares	(1)%	Number of Coccoland Shares	Number of Coccoland Shares	(6)%
Awana Citra	-	-	-	325,431,068	-	-
Leverage Success	182,873,256	-	40.65	-	-	-
F&NHB	124,422,932	-	27.66	124,422,932	325,431,068	(7)72.34
Liew Fook Meng	111,500	182,873,256	0.02	-	-	-
Lau Kee Von	1,666,232	182,873,256	0.37	-	-	-
Liew Yoon Kee	307,054	182,873,256	0.07	-	-	-
Lau Pak Lam	111,500	182,873,256	0.02	-	-	-
Lew Foo Chay @ Lau Foo Chay	111,500	182,873,256	0.02	-	-	-
Lau Kwai Choon	164,832	182,873,256	0.04	-	-	-
Fraser and Neave, Limited <sup>(3)</sup>	-	124,422,932	-	-	449,854,000	(8)100.00
InterBev Investment Limited	-	124,422,932	-	-	449,854,000	(5)100.00

	As at LPD			After the Proposed Privatisation		
	Number of CocoaLand Shares	(1) %	Number of CocoaLand Shares	(1) %	Number of CocoaLand Shares	(6) %
TCC Assets Limited	-	-	124,422,932	(5)27.66	-	449,854,000
Thai Beverage Public Company Limited	-	-	124,422,932	(5)27.66	-	449,854,000
International Beverage Holdings Limited	-	-	124,422,932	(5)27.66	-	449,854,000
Siriwana Company Limited	-	-	124,422,932	(5)27.66	-	449,854,000
Shiny Treasure Holdings Limited	-	-	124,422,932	(5)27.66	-	449,854,000
Puan Sri Wanna Sirivadhanabhakdi	-	-	124,422,932	(5)27.66	-	449,854,000
Tan Sri Charoen Sirivadhanabhakdi	-	-	124,422,932	(5)27.66	-	449,854,000

**Notes:-**

- (1) Calculated based on the issued shares of CocoaLand of 449,854,000 CocoaLand Shares excluding 7,746,000 treasury shares as at LPD.
- (2) Deemed interested by virtue of his substantial interest in Leverage Success pursuant to section 8 of the Act
- (3) A public company listed on the Mainboard of the Singapore Exchange.
- (4) Deemed interested by virtue of its substantial interest in F&NHB pursuant to section 8 of the Act.
- (5) Deemed interested by virtue of their substantial interest in Fraser and Neave, Limited pursuant to section 8 of the Act.
- (6) Calculated based on the issued shares of CocoaLand of 449,854,000 CocoaLand Shares excluding 7,746,000 treasury shares as at LPD. The proposed up to 698,800 CocoaLand Shares to be granted pursuant to the SGS has not been accounted herein as the number of CocoaLand shares to be granted is subject to finalisation. In any event, F&NHB Group will own 100% of CocoaLand upon completion of the Proposed Privatisation.
- (7) Deemed interested by virtue of its substantial interest in Awana Citra pursuant to section 8 of the Act.

(8) *Deemed interested in 325,431,068 Cocoaland Shares held by Awana Citra and 124,422,932 Cocoaland Shares held by F&NHB, by virtue of its substantial interest in F&NHB pursuant to section 8 of the Act.*

The Proposed Privatisation will result in the Company being made an indirect wholly-owned subsidiary of F&NHB.

### **8.3 Earnings, EPS, NA, NA per share and Gearing of Cocoaland**

The Proposed Privatisation is not expected to have any material effect on the earnings, consolidated EPS, NA, NA per share and gearing of Cocoaland Group.

## **9. APPROVALS REQUIRED**

The Proposed Privatisation is subject to the following being obtained:

- (a) approval of the Scheme (by way of poll) by:
  - (i) at least a majority in number of shareholders and 75% in value to the votes attached to the Disinterested Shares that are cast either in person or by proxy at the Court Convened Meeting; and
  - (ii) the value of votes cast against the resolution to approve the Scheme at the Court Convened Meeting is not more than 10% of the votes attaching to all Disinterested Shares of the total voting shares of Cocoaland;
- (b) sanction of the Scheme by the High Court under section 366 of the Act and the lodgement of an office copy of the sealed order of the High Court obtained pursuant thereto with the CCM; and
- (c) where required, the approval, waiver and/or consent of any other relevant authorities and/or parties.

The Proposed Privatisation is not conditional upon any other corporate exercises undertaken or to be undertaken by Cocoaland.

The Scheme will become effective upon the lodgement with the CCM of an office copy of the seal order of the High Court sanctioning the Scheme or such earlier date as the High Court may determine and specify in the order.

## **10. DETAILS OF IRREVOCABLE UNDERTAKINGS**

As at LPD, save for an irrevocable and unconditional undertaking to F&NHB from Leverage Success and its shareholders dated 3 June 2022 to, among others, vote in favour of the Scheme at the Court Convened Meeting as disclosed in Section 2.1 of this Explanatory Statement, the Company has not received any irrevocable undertaking from any Scheme Shareholder to vote in favour of the Scheme at the forthcoming Court Convened Meeting.



## 11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED WITH THEM

Mr Lim Yew Hoe and Mr Soh Swee Hock @ Soh Say Hock, both Non-Independent Non-Executive Directors, and Mr Lau Cheng Yew being the alternate director to Mr Lim Yew Hoe, are F&NHB's appointees to the Board ("**Interested Directors**"). They are deemed interested in the Proposed Privatisation and have abstained and will continue to abstain from all deliberations and voting at the Board's meeting pertaining to the Proposed Privatisation. The Interested Directors do not hold any shares in Cocoaland and in any event will not be voting on the resolution pertaining to the Proposed Privatisation to be tabled at the Court Convened Meeting.

F&NHB, a major shareholder of Cocoaland, being the initiator of the Proposed Privatisation is deemed interested in the Proposed Privatisation and hence will abstain from voting in respect of its direct and indirect shareholdings, if any, in Cocoaland on the resolution pertaining to the Proposed Privatisation to be tabled at the Court Convened Meeting. F&NHB and the Interested Directors and persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings, if any, on the resolution pertaining to the Proposed Privatisation to be tabled at the Court Convened Meeting.

Save as disclosed above, none of the Directors, major shareholders and/or persons connected with them has any interest, direct or indirect, in the Proposed Privatisation.

## 12. DIRECTORS' RECOMMENDATION

After having considered the evaluation and recommendation of the Independent Adviser on terms and conditions of the Proposed Privatisation, which include but is not limited to the Offer Price, valuation and trading liquidity of Cocoaland Shares, as contained in the IAL, the Board (save for the Interested Directors) is of the opinion that the Proposed Privatisation is **fair and reasonable**.

Accordingly, the Board (save for the Interested Directors) concurs with the evaluation and recommendation of the Independent Adviser and recommends that you **vote in favour** of the Scheme at the Court Convened Meeting to be convened.

The Scheme Shareholders are advised to consider the information contained in this Explanatory Statement together with the IAL from the Independent Adviser as set out in Part A and Part B of this Document respectively before making a decision as to the course of action to be taken.

Please note that the Board has not taken into consideration any specific investment objective, financial and tax situation and particular need of any individual Scheme Shareholder or any specific group of Scheme Shareholders. Accordingly, the Board recommends that any individual Scheme Shareholder or any specific group of Scheme Shareholders who require advice in relation to the Proposed Privatisation in the context of their individual investment objectives, risk profiles, financial and tax situation or particular needs, should consult their respective stockbroker, bank manager, accountant, solicitor or other professional adviser immediately.

### 13. TENTATIVE TIMETABLE

Barring any unforeseen circumstances, the Proposed Privatisation is expected to be completed by the 4<sup>th</sup> quarter of 2022.

The indicative timeline for the Proposed Privatisation is as follows:-

<u>Tentative Timeline</u>	<u>Event *</u>
Mid August 2022	- Court Convened Meeting for the Scheme
Late August 2022	- Application to the High Court for sanction of the Scheme
Early October 2022	- High Court order granted sanctioning the Scheme - Lodgement of order from the High Court with the CCM - Announcement of the Entitlement Date - Submission of delisting application to Bursa Securities
Mid October 2022	- Suspension of trading of Cocoaland Shares - Entitlement Date
Late October 2022	- Payment for Scheme Shares - Completion
Early November 2022	- Delisting of Cocoaland Shares from the Official List of Bursa Securities

**Note:**

\* *The above timeline is indicative and the actual timing will depend on, amongst others, the direction given by the High Court in respect of its sanction of the Scheme. If timing for any of the events is varied, the subsequent events will be adjusted accordingly.*

### 14. COURT CONVENED MEETING AND NOTICE OF COURT CONVENED MEETING

The notice convening the Court Convened Meeting is enclosed herewith together with this Document. The Court Convened Meeting will be held at Crystal 1, Level 1, Crystal Crown Hotel Kuala Lumpur, 3, Jalan Jambu Mawar, Off Jalan Kepong, 52000 Kuala Lumpur on Thursday, 18 August 2022 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution to give effect to the Scheme.

The voting on the resolution at the Court Convened Meeting will be by way of poll. If you are unable to attend and vote in person at the Court Convened Meeting, you may appoint a proxy to attend on your behalf by completing the enclosed Form of Proxy (duly signed) in accordance with the instructions and conditions for appointment of proxy printed thereon and returning it, so as to arrive at the registered office of the Company at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur before 10.00 a.m. on Tuesday, 16 August 2022. The lodgement of the Form of Proxy does not preclude you from attending and voting in person at the Court Convened Meeting if you subsequently decide to do so.

**15. FURTHER INFORMATION**

Scheme Shareholders are requested to refer to the attached appendices for further information, which form part of this Document.

Yours faithfully

**For and on behalf of the Board**  
**COCOALAND HOLDINGS BERHAD**

**Dato' Azman Bin Mahmood**  
*Independent Non-Executive Chairman*

## **PART B**

**INDEPENDENT ADVICE LETTER FROM THE INDEPENDENT  
ADVISER TO THE SCHEME SHAREHOLDERS OF COCOALAND IN  
RELATION TO THE PROPOSED PRIVATISATION**

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## EXECUTIVE SUMMARY

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All definitions used in this Executive Summary shall have the same meaning as the words and expressions provided in the “Definitions” section of this Document and as defined in the IAL herein, except where the context herein requires otherwise or where otherwise defined herein. All references to “you” are references made to the Scheme Shareholders, whilst references to “we”, “us” or “our” are references to Malacca Securities, being the Independent Adviser for the Proposed Privatisation.

Set out hereunder is an executive summary which serves to highlight some of the salient points arising from Malacca Securities’ independent evaluation of the Proposed Privatisation. The Scheme Shareholders are advised to read and understand the contents of the IAL and the entire Part A of this Document, including the appendices thereof, for more comprehensive information, evaluation and recommendation on the Proposed Privatisation before voting on the resolution pertaining to the Proposed Privatisation at the forthcoming Court Convened Meeting.

### 1. INTRODUCTION

On 3 June 2022, the Board had announced the receipt of the Proposal Letter from F&NHB, a 27.7% major shareholder of Cocoland as at LPD, in respect of the Proposed Privatisation to be undertaken by Cocoland by way of the Scheme, between Cocoland and the Scheme Shareholders. The Proposed Privatisation involves the acquisition of the Scheme Shares by F&NHB as the offeror and the transfer of all the Scheme Shares to Awana Citra, a wholly-owned subsidiary of F&NHB, being the nominated party to receive the Scheme Shares.

For information, Awana Citra, a wholly-owned subsidiary of F&NHB and the recipient of the Scheme Shares, is deemed a PAC to F&NHB. As at LPD, Awana Citra does not have any shares in Cocoland.

In consideration of the acquisition and transfer of each Share Scheme to Awana Citra pursuant to the Scheme, F&NHB shall pay the Offer Price of RM1.50 for each Scheme Share which shall be satisfied entirely in cash.

Based on 325,431,068 Cocoland Shares held by the Scheme Shareholders as at 31 May 2022, representing approximately 72.3% of the issued share capital of Cocoland (excluding 7,746,000 treasury shares), the aggregate consideration for the Proposed Privatisation is RM488,146,602 which shall be satisfied by cash.

Cocoland has an existing SGS. Subject to relevant approvals for the Scheme being obtained, the Board proposes to award up to 698,800 Cocoland Shares (from the existing pool of treasury shares) to eligible employees (including Executive Directors) in accordance with the Company’s employees reward plan, prior to the implementation of the Scheme. In this event, the number of Scheme Shares would increase by up to 698,800 Shares from 325,431,068 Shares to up to 326,129,868 Shares, and the total consideration payable by F&NHB would increase by up to RM1.05 million from RM488,146,602 to up to RM489,194,802.

On 13 June 2022, the Board had appointed Malacca Securities as the Independent Adviser to advise the Board and the Scheme Shareholders in relation to the Proposed Privatisation.

On 15 June 2022, AmInvestment Bank had on behalf of the Board, announced that the Board (save for the Interested Directors), after having considered the preliminary views of the Independent Adviser, i.e. Malacca Securities, and the terms and conditions of the Proposed Privatisation, had decided to present the Scheme to the Scheme Shareholders for consideration at the Court Convened Meeting to be convened.

Please refer to Section 1 and Section 2, Part A of this Document for details on the Proposed Privatisation.

## **2. DETAILS OF THE PROPOSED PRIVATISATION**

The details of the Proposed Privatisation are set out below.

### **2.1 Consideration for the Scheme**

In consideration of the acquisition by F&NHB and the transfer of the Scheme Shares to the nominated party, Awana Citra pursuant to the Scheme, F&NHB shall pay the Offer Price of **RM1.50 for each Scheme Share**.

If Cocoaland declares, makes or pays any dividends and/or other distribution on or after the date of the Proposal Letter but prior to the completion of the Proposed Privatisation and the Scheme Shareholders shall be entitled to retain such Distributions, F&NHB will reduce the Offer Price by the quantum of the net Distributions per Cocoaland Share which the Scheme Shareholders are entitled to.

As at LPD, Cocoaland has not declared and paid any Distribution on or after the date of the Proposal Letter.

Cocoaland will announce the Entitlement Date when the Scheme has become effective upon lodgement of the sealed order of the High Court with the CCM. The Consideration will be paid to all entitled Scheme Shareholders within 10 days from the Entitlement Date in line with the SC's approval letter dated 18 July 2022.

All costs relating to the payment of the Scheme Shares (including any stamp duties which will become liable to pay in respect of the transaction) to F&NHB will be borne by F&NHB. F&NHB will not be responsible for any other cost, expenses or outlay incurred by the Scheme Shareholders.

### **2.2 Financial resources**

F&NHB has confirmed that the Proposed Privatisation would not fail due to insufficient financial capability of F&NHB to pay the total cash consideration payable pursuant to the Proposed Privatisation and that every Scheme Shareholder will be paid fully in cash. As stated in F&NHB's Announcement, F&NHB intends to finance the Proposed Privatisation via bank borrowings.

AmlInvestment Bank, is satisfied that the Proposed Privatisation would not fail due to insufficient financial capability of F&NHB and that every Scheme Shareholder will be paid the cash consideration due in full.

### **2.3 Conditions to the Proposed Privatisation**

The Proposed Privatisation is subject to the Scheme being effective.

The Scheme shall become effective and binding on F&NHB, Cocoaland and all the Scheme Shareholders subject to the fulfilment or waiver (where applicable) of the following conditions:-

- (i) approval of the Scheme (by way of poll) by:
  - (a) at least a majority in number of shareholders and 75% in value to the votes attached to the Disinterested Shares that are cast either in person or by proxy at the Court Convened Meeting; and
  - (b) the value of votes cast against the resolution for the Scheme at the Court Convened Meeting is not more than 10% of the votes attaching to all Disinterested Shares of the total voting shares of Cocoaland;

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**EXECUTIVE SUMMARY (CONT'D)**

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- (ii) sanction of the Scheme by the High Court under section 366 of the Act and the lodgement of an office copy of the sealed order of the High Court obtained pursuant thereto with the CCM;
- (iii) the Scheme Shares will be acquired,
  - (a) free from all moratorium, claims, charges, liens, pledge, encumbrances, options, rights of pre-emption, third party rights and equities from the date of sanction of the Scheme by the High Court; and
  - (b) with all the rights, benefits and entitlements attached thereto; and
- (iv) where required, the approval, waiver and/or consent of any other relevant authorities and/or parties.

**2.4 Irrevocable undertaking**

As at LPD, save for the Undertakings as detailed in Section 2.1 of Part A of this Document, the Company has not received any irrevocable undertaking from any Scheme Shareholder to vote in favour of the Scheme at the forthcoming Court Convened Meeting.

Further details on the Proposed Privatisation are set out in Part A of this Document.

**3. EVALUATION OF THE PROPOSED PRIVATISATION**

In arriving at our opinion and recommendation on the Proposed Privatisation, we have assessed and evaluated the fairness and reasonableness of the Proposed Privatisation in accordance with paragraphs 1 to 7 of Schedule 2: Part III of the Rules where the term “fair and reasonable” should generally be analysed as two distinct criteria, i.e. whether the Proposed Privatisation is “fair” and whether the Proposed Privatisation is “reasonable”, rather than as a composite term.

Paragraph 2 of Schedule 2: Part III of the Rules states that in considering whether a take-over offer can be considered “fair”, the independent adviser should assess if the offer price or value of consideration is equal to or greater than the value of the securities that are the subject of the take-over offer. If the offer price or value of consideration is equal to or higher than the market price and is also equal to or higher than the value of the securities of the offeree, the take-over offer is considered as “fair”. If the offer price or value of consideration is equal to or higher than the market price, but is lower than the value of the securities of the offeree, the take-over offer is considered as “not fair”.

Paragraph 4 of Schedule 2: Part III of the Rules states that in considering whether a take-over offer is “reasonable”, the independent adviser should take into consideration matters other than the valuation of the securities that are the subject of the take-over offer. Generally, a take-over offer would be considered “reasonable” if it is “fair”. Where an independent adviser views the take-over offer to be ‘reasonable’ despite it being ‘not fair’, it should be on the basis that the independent adviser is of the view that there are sufficiently strong reasons to accept the offer in the absence of a higher bid and such reasons should be clearly explained. If there were inadequate justifications, such take-over offer should be regarded as ‘not reasonable’ and thus, the recommendation would be to reject the offer.

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**EXECUTIVE SUMMARY (CONT'D)**

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Malacca Securities is of the view that the Offer Price of RM1.50 is **FAIR** premised on the following:

- (i) the Offer Price of RM1.50 falls within the upper range of equity value ascribed to Cocoland Shares of RM1.21 to RM1.66; and
- (ii) the Offer Price represents a premium ranging from RM0.2200 to RM0.3525 (17.2% to 30.7%) per Cocoland Share over the closing market price as at the LTD, 5-day VWAP, 1-month VWAP, 3-month VWAP, 6-month VWAP and 1-year VWAP up to the LTD; and that the Offer Price represents a premium of RM0.0339 (2.3%) per Cocoland Share over the 5-day VWAP up to LPD.

Malacca Securities is of the view that the Proposed Privatisation is **REASONABLE** premised on the following:-

- (i) Cocoland Shares can be considered relatively illiquid. The average monthly volume traded of Cocoland Shares for the past 12 months up to May 2022 was 14,431,982 Cocoland Shares, which represents 11.5% of the free float as compared to the liquidity of shares traded under the Kuala Lumpur Consumer Product Index ("**KLCPI**") over the same period of 72.6%; and
- (ii) in the absence of a competing offer, the Proposed Privatisation provides the Scheme Shareholders an opportunity to exit of their investments in Cocoland in cash at the Offer Price.

#### **4. CONCLUSION AND RECOMMENDATION**

In arriving at our recommendation, we have reviewed and evaluated the factors which we deem to have significant relevance to our assessment of the Proposed Privatisation.

After considering our evaluation in Section 3 above and our evaluation as a whole, we are of the view that the Proposed Privatisation is **FAIR AND REASONABLE** to the Scheme Shareholders.

As such, we recommend that the Scheme Shareholders **VOTE IN FAVOUR** of the resolution pertaining to the Proposed Privatisation.



# MALACCA SECURITIES SDN BHD

Registration No: 197301002760 (16121-H)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

**Address:**

BO1-A-13A, Level 13A  
Menara 2  
No.3, Jalan Bangsar  
KL Eco City  
59200 Kuala Lumpur  
Malaysia

20 July 2022

**To: The Scheme Shareholders**

Dear Sir/Madam,

**COCOALAND HOLDINGS BERHAD**

**INDEPENDENT ADVICE LETTER FROM MALACCA SECURITIES TO THE SCHEME SHAREHOLDERS IN RELATION TO THE PROPOSED PRIVATISATION**

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*This IAL is prepared for inclusion in this Document dated 20 July 2022. All definitions used in this IAL shall have the same meaning as the words and expressions provided in the "Definitions" section of this Document, except where the context herein requires otherwise or where otherwise defined herein.*

**1. INTRODUCTION**

On 3 June 2022, the Board had announced the receipt of the Proposal Letter from F&NHB, a 27.7% major shareholder of Cocoaland as at LPD, in respect of the Proposed Privatisation to be undertaken by Cocoaland by way of the Scheme, between Cocoaland and the Scheme Shareholders. The Proposed Privatisation involves the acquisition of the Scheme Shares by F&NHB as the offeror and the transfer of all the Scheme Shares to Awana Citra, a wholly-owned subsidiary of F&NHB, being the nominated party to receive the Scheme Shares.

For information, Awana Citra, a wholly-owned subsidiary of F&NHB and the recipient of the Scheme Shares, is deemed a PAC to F&NHB. As at LPD, Awana Citra does not have any shares in Cocoaland.

In consideration of the acquisition and transfer of each Share Scheme to Awana Citra pursuant to the Scheme, F&NHB shall pay the Offer Price of RM1.50 for each Scheme Share which shall be satisfied entirely in cash.

Based on 325,431,068 Cocoaland Shares held by the Scheme Shareholders as at 31 May 2022, representing approximately 72.3% of the issued share capital of Cocoaland (excluding 7,746,000 treasury shares), the aggregate consideration for the Proposed Privatisation is RM488,146,602 which shall be satisfied by cash.

Cocoaland has an existing SGS. Subject to relevant approvals for the Scheme being obtained, the Board proposes to award up to 698,800 Cocoaland Shares (from the existing pool of treasury shares) to eligible employees (including Executive Directors) in accordance with the Company's employees reward plan, prior to the implementation of the Scheme. In this event, the number of Scheme Shares would increase by up to 698,800 Shares from 325,431,068 Shares to up to 326,129,868 Shares, and the total consideration payable by F&NHB would increase by up to RM1,048,200 from RM488,146,602 to up to RM489,194,802.

On 13 June 2022, the Board had appointed Malacca Securities as the Independent Adviser to advise the Board and the Scheme Shareholders in relation to the Proposed Privatisation.

On 15 June 2022, AmlInvestment Bank had, on behalf of the Board, announced that the Board (save for the Interested Directors), after having considered the preliminary views of the Independent Adviser, i.e. Malacca Securities Sdn Bhd, and the terms and conditions of the Proposed Privatisation, had decided to present the Scheme to the Scheme Shareholders for consideration at the Court Convened Meeting to be convened.

Pursuant to paragraph 11 of the Rules, SC had on 18 July 2022, given its notification that it had no further comments on the contents of the IAL and such notification shall not be taken to suggest that the SC agrees with the recommendation of the Independent Adviser or assumes responsibility for the correctness or any statements made or opinions or reports expressed in this IAL.

The purpose of this IAL is to provide the Scheme Shareholders with an independent evaluation on the Proposed Privatisation together with our recommendation thereon, subject to the scope and limitations specified herein. Nevertheless, you should rely on your own evaluation of the merits and demerits of the Proposed Privatisation before making a decision on the course of action to be taken. Scheme Shareholders should take cognisance of the relevant approval thresholds detailed in Section 2.3 (i) below in order for the resolution pertaining to the Proposed Privatisation to be carried at the Court Convened Meeting.

**YOU ARE ADVISED TO CAREFULLY CONSIDER THE INFORMATION AND RECOMMENDATION CONTAINED IN THIS IAL AND THE ACCOMPANYING APPENDIX AND PART A OF THIS DOCUMENT TOGETHER WITH THE ACCOMPANYING APPENDICES THEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED PRIVATISATION TO BE TABLED AT THE FORTHCOMING COURT CONVENED MEETING. IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, ACCOUNTANT, SOLICITOR OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

**THIS IAL IS SOLELY FOR THE USE OF THE SCHEME SHAREHOLDERS FOR THE PURPOSE OF VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED PRIVATISATION AT THE FORTHCOMING COURT CONVENED MEETING AND SHOULD NOT BE USED OR RELIED UPON BY ANY OTHER PARTY FOR ANY OTHER PURPOSES WHATSOEVER.**

## **2. DETAILS OF THE PROPOSED PRIVATISATION**

The details of the Proposed Privatisation are set out below.

### **2.1 Consideration for the Scheme**

In consideration of the acquisition by F&NHB and the transfer of the Scheme Shares to the nominated party, Awana Citra pursuant to the Scheme, F&NHB shall pay the Offer Price of **RM1.50 for each Scheme Share**.

If Cocoland declares, makes or pays any dividends and/or other distribution on or after the date of the Proposal Letter but prior to the completion of the Proposed Privatisation and the Scheme Shareholders shall be entitled to retain such Distributions, F&NHB will reduce the Offer Price by the quantum of the net Distributions per Cocoland Share which the Scheme Shareholders are entitled to.

As at LPD, Cocoland has not declared and paid any Distribution on or after the date of the Proposal Letter.

Cocoaland will announce the Entitlement Date when the Scheme has become effective upon lodgement of the sealed order of the High Court with the CCM. The Consideration will be paid to all entitled Scheme Shareholders within 10 days from the Entitlement Date in line with the SC's approval letter dated 18 July 2022.

All costs relating to the payment of the Scheme Shares (including any stamp duties which will become liable to pay in respect of the transaction) by F&NHB will be borne by F&NHB. F&NHB will not be responsible for any other cost, expenses or outlay incurred by the Scheme Shareholders.

## **2.2 Financial resources**

F&NHB has confirmed that the Proposed Privatisation would not fail due to insufficient financial capability of F&NHB to pay the total cash consideration payable pursuant to the Proposed Privatisation and that every Scheme Shareholder will be paid fully in cash. As stated in F&NHB's Announcement, F&NHB intends to finance the Proposed Privatisation via bank borrowings.

AmlInvestment Bank, being the Principal Adviser for the Proposed Privatisation, is satisfied that the Proposed Privatisation would not fail due to insufficient financial capability of F&NHB and that every Scheme Shareholder will be paid the cash consideration due in full.

## **2.3 Conditions to the Proposed Privatisation**

The Proposed Privatisation is subject to the Scheme being effective.

The Scheme shall become effective and binding on F&NHB, Cocoaland and all the Scheme Shareholders subject to the fulfilment or waiver (where applicable) of the following conditions:-

- (i) approval of the Scheme (by way of poll) by:
  - (a) a majority in number of shareholders and 75% in value to the votes attached to the Disinterested Shares that are cast either in person or by proxy at Court Convened Meeting; and
  - (b) the value of votes cast against the resolution for the Scheme at the Court Convened Meeting is not more than 10% of the votes attaching to all Disinterested Shares of the total voting shares of Cocoaland;
- (ii) sanction of the Scheme by the High Court under section 366 of the Act and the lodgement of an office copy of the sealed order of the High Court obtained with the Registrar of Companies Malaysia;
- (iii) the Scheme Shares will be acquired,
  - (a) free from all moratorium, claims, charges, liens, pledge, encumbrances, options, rights of pre-emption, third party rights and equities from the date of sanction of the Scheme by the High Court; and
  - (b) with all the rights, benefits and entitlements attached thereto; and

where required, the approval, waiver and/or consent of any other relevant authorities and/or parties.

## **2.4 Irrevocable undertaking**

As at LPD, save for the Undertakings as detailed in Section 2.1 of Part A of this Document, the Company has not received any irrevocable undertaking from any Scheme Shareholder to vote in favour of the Scheme at the forthcoming Court Convened Meeting.

Further details on the Proposed Privatisation are set out in Part A of this Document.

## **3. SCOPE AND LIMITATIONS TO THE EVALUATION**

Malacca Securities was not involved in the formulation of, deliberations, negotiations or discussions of the terms pertaining to the Proposed Privatisation. Our scope as the Independent Adviser is limited to expressing comments, opinions, information and recommendation on the Proposed Privatisation and the fairness and reasonableness of the Proposed Privatisation as far as the Scheme Shareholders are concerned based on the following sources of information and documents which are made available to us, including the following:-

- (i) information contained in the Proposal Letter;
- (ii) information contained in the Part A of this Document and the appendices enclosed therein;
- (iii) annual reports of Cocoland for the past three FYE 31 December 2019 to 2021 and the unaudited financial statements for the 3-month FPE 31 March 2022;
- (iv) other relevant information, documents, confirmations and/or representations provided to us by the Board and the management of Cocoland;
- (v) discussions and consultations with the Board and management of Cocoland (both orally and in writing); and
- (vi) other publicly available information which we consider relevant for our evaluation.

We have relied on the Board and management of Cocoland to exercise due care to ensure that all information, data, documents and representations that they had provided to us to facilitate our evaluation are accurate, valid and complete in all material respects. The Board has individually and collectively also accepted responsibility for the accuracy of the information provided herein and confirmed that after making all reasonable enquiries and to the best of their knowledge, there are no other material facts, the omission of which could make any information herein misleading. We have obtained confirmation from the Board that all material facts and information for the purpose of our evaluation have been disclosed to us. After making all reasonable enquiries, we are satisfied that the information provided or available to us is sufficient and have no reason to believe that the aforementioned information is unreliable, inaccurate, incomplete and/or misleading.

In evaluating the Proposed Privatisation and preparing this IAL, we have taken into consideration pertinent matters which we believe are of general importance to an assessment of the fairness and reasonableness of the Proposed Privatisation and therefore of concern to the Scheme Shareholders as a whole.

We are not in possession of information relating to and have not taken into consideration separate specific investment objectives, financial and tax situations, risk profile or any particular needs of any individual Scheme Shareholder or any specific group of Scheme Shareholders. We therefore recommend that any individual Scheme Shareholder or any specific group of Scheme Shareholders who may require specific advice in relation to the Proposed Privatisation within the context of their investment objectives, financial and tax situations, risk profile and particular needs to consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Our views expressed in this IAL are, amongst others, based on economic, market and other conditions prevailing, and the information and/or documents provided/available to us as at LPD or such other period as specified herein. Such conditions may change significantly over a short period of time.

We shall immediately disclose to the SC in writing and notify the Scheme Shareholders by way of announcement(s) if, after despatching this IAL, as guided by paragraphs 11.07(1) and 11.07(2) of the Rules, we become aware that the information or document previously circulated or provided:-

- (i) contains a material statement which is false or misleading;
- (ii) contains a statement from which there is a material omission; or
- (iii) does not contain a statement relating to a material development.

If circumstances require, we will send a supplementary IAL to the Scheme Shareholders in accordance with Paragraph 11.07(2) of the Rules.

#### **4. EVALUATION OF THE PROPOSED PRIVATISATION**

In arriving at our opinion and recommendation on the Proposed Privatisation, we have assessed and evaluated the fairness and reasonableness of the Proposed Privatisation in accordance with Paragraphs 1 to 7 of Schedule 2: Part III of the Rules where the term “fair and reasonable” should generally be analysed as two distinct criteria, i.e. whether the Proposed Privatisation is “fair” and whether the Proposed Privatisation is “reasonable”, rather than as a composite term.

Paragraph 2 of Schedule 2: Part III of the Rules states that in considering whether a take-over offer can be considered “fair”, the independent adviser should assess if the offer price or value of consideration is equal to or greater than the value of the securities that are the subject of the take-over offer. If the offer price or value of consideration is equal to or higher than the market price and is also equal to or higher than the value of the securities of the offeree, the take-over offer is considered as “fair”. If the offer price or value of consideration is equal to or higher than the market price, but is lower than the value of the securities of the offeree, the take-over offer is considered as “not fair”.

Paragraph 4 of Schedule 2: Part III of the Rules states that in considering whether a take-over offer is “reasonable”, the independent adviser should take into consideration matters other than the valuation of the securities that are the subject of the take-over offer. Generally, a take-over offer would be considered “reasonable” if it is “fair”. Where an independent adviser views the take-over offer to be ‘reasonable’ despite it being ‘not fair’, it should be on the basis that the independent adviser is of the view that there are sufficiently strong reasons to accept the offer in the absence of a higher bid and such reasons should be clearly explained. If there were inadequate justifications, such take-over offer should be regarded as ‘not reasonable’ and thus, the recommendation would be to reject the offer.

**In the event the independent adviser concludes that an offer is “not fair but reasonable”, the independent adviser must clearly explain the following:-**

- (i) what is meant by “not fair but reasonable”;
- (ii) how has the independent adviser reached to this conclusion; and
- (iii) the course of action that the shareholders are recommended to take pursuant to the conclusion.

In our evaluation of the Proposed Privatisation, we have taken into consideration the following factors in forming our opinion:-

<b>Fairness of the Proposed Privatisation</b>	<b>Section</b>
(i) Valuation of Cocoland Shares	5.1
(ii) Historical share price performance of Cocoland Shares	5.2

<b>Reasonableness of the Proposed Privatisation</b>	<b>Section</b>
(i) Historical trading liquidity analysis	6.1
(ii) No competing offer	6.2

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## 5. FAIRNESS OF THE PROPOSED PRIVATISATION

### 5.1 Valuation of Coccoaland Shares

Coccoaland Group has 2 reportable segments, namely:-

- (i) Manufacturing :- Manufacturing and trading all kinds of processed and preserved foods and fruits; and
- (ii) Trading :- Wholesaling and retailing processed and preserved foods

Coccoaland Group also has a non-reportable segment comprising of investment holding activities which comprises the holding of its subsidiaries.

Based on the FYE 31 December 2021, revenue of Coccoaland Group for the FYE 31 December 2021 was derived solely from the manufacturing and trading of processed and preserved foods. The Group's revenue and PBT by segments for the FYE 31 December 2020 to 2021 and 3-month FPE 31 March 2022 are as follows:

	Revenue					
	FYE 31 December 2019	FYE 31 December 2020	FYE 31 December 2021	3-month FPE 31 March 2022		
	RM'000	RM'000	RM'000	RM'000	%	%
Manufacturing	71,058	78,439	65,255	19,885	31.0	30.2
Trading	183,008	137,807	145,044	45,859	69.0	69.8
	<u>254,066</u>	<u>216,246</u>	<u>210,299</u>	<u>65,744</u>	<u>100.0</u>	<u>100.0</u>

	PBT					
	FYE 31 December 2019	FYE 31 December 2020	FYE 31 December 2021	3-month FPE 31 March 2022		
	RM'000	RM'000	RM'000	RM'000	%	%
Manufacturing	23,188	17,367	15,876	4,613	53.2	33.5
Trading	25,291	10,685	14,942	9,325	50.1	67.7
Investment holding	(1,163)	(790)	(983)	(172)	(3.3)	(1.2)
	<u>47,316</u>	<u>27,262</u>	<u>29,835</u>	<u>13,766</u>	<u>100.0</u>	<u>100.0</u>

The historical financial performance and financial position of Coccoland Group for the FYE 31 December 2019 to 2021 and 3-month FPE 31 March 2022 are as follows:

	Audited			Unaudited	
	FYE 31 December 2019	FYE 31 December 2020	FYE 31 December 2021	3-month FPE 31 March 2022	Unaudited
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	254,066	216,246	210,299		65,744
Gross profit	73,595	54,123	54,584		19,588
PBT	47,316	27,262	29,835		13,766
PAT	35,732	20,418	21,864		10,545
NA	249,044	247,629	243,321		254,628
NA per Coccoland Share (RM) <sup>(i)</sup>	1.09	1.09	<sup>(ii)</sup> 0.54		0.57

**Notes:-**

- (i) Computed based on the NA and issued number of Coccoland Shares (net of any treasury shares) as at the end of the respective financial year/period.
- (ii) The decrease in NA per Coccoland Share is due to the adjustment to Coccoland Shares prices as a result of the issuance of 228,800,000 bonus shares which was completed on 11 October 2021.



In arriving the fair value of Cocoaland Group, we have considered amongst others, the nature of the Group's business, NA of the Group as well as various valuation methodologies, inter alia, discounted cash flow method, relative valuation method and RNAV method.

Premised on the nature of Cocoaland Group's businesses, the EV/EBITDA multiple valuation methodology can be considered in valuing the Cocoaland Shares. EV/EBITDA multiple valuation methodology is a relative valuation approach used to provide an indication of market expectations on the valuation of companies as compared to its peers. EV is an economic measure reflecting the market value of an entire business. EV is calculated as market capitalisation plus debt and non-controlling interest, minus total cash and cash equivalents.

We are of the view that the EV/EBITDA multiple valuation methodology is most appropriate in ascribing a value to Cocoaland Shares on the basis that:-

- (i) earnings is generally considered to be a key determinant of the value of a manufacturing and trading based company. Cocoaland Group is involved in manufacturing and trading and has been operating profitably for the past three financial years under review;
- (ii) the EV/EBITDA multiple valuation methodology:-
  - (a) is capital structure neutral and is not affected by different level and borrowing costs;
  - (b) is not affected by differences in accounting of depreciation and amortisation which can be accounted at different rates over time; and
- (iii) the revenue of Cocoaland Group is based on purchase orders rather than long-term contracts. Cocoaland Group's manufacturing and trading operations may continue to fluctuate due to uncertainties in the economy due to Covid-19 and the war in Ukraine. Further, the Group is unable to ascertain the impact of rising cost of raw materials, logistic costs and volatile foreign exchange currencies. In view of the above, a discounted cash flows model is not adopted;
- (iv) Cocoaland Group's property assets comprises in the form of land and buildings i.e. factory building, warehouse and office building. Save for an investment property with an unaudited carrying value of RM1.9 million which is approximately 2.7% of Cocoaland Group's total property assets as at 31 March 2022, all property assets are currently being used in Cocoaland Group's business of manufacturing and trading of food. For information, an independent valuer, IVPS Property Consultant Sdn Bhd, had ascribed a market value of RM10.5 million to the investment property as at 17 June 2022. In view that the investment property is relatively immaterial compared to the overall unaudited net assets of RM254.6 million as at 31 March 2022, we had not separately accounted for it in our evaluation.

For information, the abovementioned investment property is untenanted as at LPD.

For information, in considering an earnings-based valuation methodology to value Cocoaland's shares, we have also taken into consideration Cocoaland Group's existing operational capacity. As at LPD, Cocoaland Group has in-progress the construction of its 4<sup>th</sup> manufacturing plant which is expected to be operational in the 4<sup>th</sup> quarter of the calendar year 2022. The plant has a built-up area of 5,262 square metres and is intended to be utilised for 1 new gummy production line capable of producing an estimated additional 3.2 million kilogrammes of gummies per annum. As at LPD, Cocoaland Group's has yet to fully utilise its existing manufacturing capacity. Based on the aforementioned and our discussion with the Company, we are of the opinion that the new manufacturing plant is unlikely to have an immediate material impact to Cocoaland Group's earnings.

Whilst we note that there are various companies listed on Bursa Securities that are involved in, amongst others, manufacturing and trading of food, for the purpose of our evaluation, we have considered the below comparable companies as the appropriate companies to be used as a comparison base for the valuation of Cocoaland Group (“**Comparable Companies**”) on the basis that they are principally involved in the manufacturing and trading of food, they are profitable, listed on the Main Market of Bursa Securities, have trailing 12-months revenue of above RM200.0 million and have a market capitalisation of between RM500 million to RM700 million.

<b>Comparable Companies</b>	<b>Principal activities</b>
(i) Hup Seng Industries Berhad (“ <b>HSIB</b> ”)	Manufacturing and sales of biscuits, manufacturing and wholesale of coffee mix and all kind of foodstuff, sales and distribution of biscuits, confectioneries and other food stuff.
(ii) Kawan Food Berhad (“ <b>KFB</b> ”)	Manufacturing, sales, trading and distribution of frozen food products.

Please note that the Comparable Companies are not directly comparable to Cocoaland Group due to differences in various factors such as but not limited to business composition, operations, geographical spread of activities, track record, market standing, customer base, financial position, cost of capital, risk profile, accounting and tax policies reinvestment requirements, prospects and traded earnings multiples, etc.

For purposes of evaluation, we have made adjustments to the EBITDA of Cocoaland Group and the Comparable Companies to provide a more accurate reflection of the financial performance of these companies.

The trailing 12-month adjusted EBITDA of Cocoaland and the Comparable Companies based on available announced financial results prior to LPD, and the adjustments made are as follows:

	<b>Cocoaland</b>	<b>HSIB</b>	<b>KFB</b>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
EBITDA	43,796	38,999	53,655
<i>Add/(Less):</i>			
Loss on liquidation of a subsidiary company	10	-	-
Property, plant and equipment written off	1	297	-
Share based payment under share grant scheme	13	-	-
(Gain)/loss on disposal of property, plant and equipment	(49)	(219)	(2)
Gain on modification of lease contract	(3)	-	-
Gain on disposal of other investment	-	-	(465)
Fair value gain on financial assets/other investments	-	-	(115)
Employees' share option scheme expenses	-	-	480
<b>Adjusted EBITDA</b>	<b>43,768</b>	<b>39,077</b>	<b>53,553</b>
Market capitalisation <sup>(i)</sup>	675,829	648,000	620,469
Add: Borrowings	-	-	10,164
(Less): Cash and cash equivalents	(92,553)	(64,441)	(79,135)
<b>EV</b>	<b>583,276</b>	<b>583,559</b>	<b>551,498</b>
EV/EBITDA (times)	13.32	14.96	10.28
Adjusted EV/EBITDA (times)	13.33	14.93	10.30

(Source: Quarterly result and Annual report of the respective companies and Bloomberg)

**Note:-**

- (i) The market capitalisation of Cocoaland was arrive at based on the Offer Price of RM1.50 for each Scheme Share and 450,552,800 Cocoaland Shares computed based on 457,600,000 Cocoaland Shares as at LPD less 7,746,000 Cocoaland Shares held in treasury and assuming the award of 698,800 Cocoaland Shares from the pool of treasury shares to eligible employees under the SGS as detailed in Section 2 of Part A of this Document. The market capitalisation of the Comparable Companies are computed based on the closing prices of the respective company on 2 June 2022, being the LTD.

On the basis of the adjusted EV/EBITDA ratio of the comparable companies as detailed above, the value of Cocoaland Shares can be deemed as follows:

		<u>RM'000</u>
Adjusted EV/EBITDA of comparable companies (times)	<b>A</b>	10.30 to 14.93
Cocoaland Group's adjusted EBITDA (RM'000)	<b>B</b>	43,768
EV of Cocoaland Group	<b>C = A x B</b>	450,810 to 653,456
Less: Debts attributable to Cocoaland Group	<b>D</b>	-
Add: Cash and cash equivalents <sup>(i)</sup>	<b>E</b>	92,553
Equity value of Cocoaland Group	<b>F = C - D + E</b>	<u><u>543,363 to 746,009</u></u>
Number of issued Cocoaland Shares in issue ('000) <sup>(ii)</sup>	<b>G</b>	450,553
Equity value per Cocoaland Shares (RM)	<b>H = F / G</b>	<b>1.21 to 1.66</b>

**Notes:**

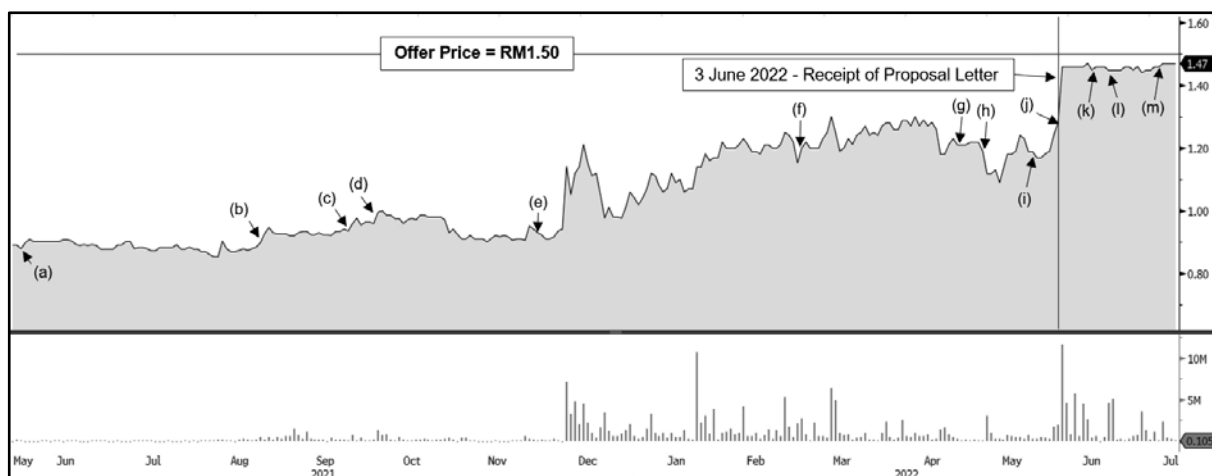
- (i) We have adopted the cash and cash equivalent balances of Cocoaland Group as at 31 March 2022 in computing the implied equity value of the Cocoaland Group, as the current assets (net of cash and cash equivalents) were in excess of current liabilities of Cocoaland Group as at 31 March 2022. In view thereof, no cash has been earmarked as restricted for working capital purposes.
- (ii) 450,552,800 Cocoaland Shares is computed based on 457,600,000 Cocoaland Shares as at LPD less 7,746,000 Cocoaland Shares held in treasury and assuming the award of 698,800 Cocoaland Shares from the pool of treasury shares to eligible employees under the SGS as detailed in Section 2 of Part A of this Document.

**Comments**

Based on the above, the Offer Price of RM1.50 falls within the upper range of equity value ascribed to Cocoaland Shares of RM1.21 to RM1.66.

## 5.2 Historical share price performance of Cocoaland Shares

The chart below sets out the historical daily closing price movements and trading volume of Cocoaland Shares for the past one year up the LTD and up to and including LPD compared to the Offer Price.



### Notes:-

- (a) 1 June 2021 : Postponement of the Company's 21st annual general meeting and extraordinary general meeting. Subsequently announced that the 21st annual general meeting and extraordinary general meeting will be held on 22 September 2021
- (b) 24 August 2021 : - Quarterly report announcement of the consolidated results for the 6-month FPE 30 June 2021  
- Announcement of first interim single-tier dividend of 10.0 sen per ordinary share for the FYE 31 December 2021
- (c) 23 September 2021 : Announcement of entitlement date for the bonus issue of Cocoaland Shares which was first announced on 9 April 2021 ("**Bonus Issue**")
- (d) 8 November 2021 : Announcement of completion of the Bonus Issue
- (e) 29 November 2021 : Quarterly report announcement of the consolidated results for the 9-month FPE 30 September 2021
- (f) 3 March 2022 : Announcement of the sale of a parcel of industrial land located at Kampar, Perak Darul Ridzuan for a cash consideration of RM3,325,000 ("**Land Disposal**")
- (g) 25 April 2022 : Announcement of completion of the Land Disposal
- (h) 29 April 2022 : Announcement of the Annual Report for FYE 31 December 2021
- (i) 31 May 2022 : Quarterly report announcement of the consolidated results for the 3-month FPE 31 March 2022
- (j) 2 June 2022 : Request for suspension of trading in Cocoaland Shares

- (k) 13 June 2022 : Announcement on appointment of Malacca Securities as independent adviser for the Proposed Privatisation
- (l) 15 June 2022 : Announcement of decision by the Board to present the Scheme to Scheme Shareholders for consideration at the Court Convened Meeting
- (m) 7 July 2022 : Announcement in relation to the High Court order being obtained to convene a Court Convened Meeting within 90 days from the date of the order

(Source: Bloomberg and announcements made on Bursa Securities' website)

Save for the abovementioned announcements, we have not noted any other significant event being announced by Cocoland for the past 12 months prior to the LTD and up to the LPD which may have a material effect on the market prices of Cocoland Shares during the said period.

The historical highest and lowest traded prices of Cocoland Shares for the past 1 year up to May 2022 (being the last full trading month prior to the date of Proposal Letter) and up to the last full trading month prior to the date of this Document are as follows:-

Month	High RM	Low RM
<b><u>2021</u></b>		
June	0.930	0.873
July	0.902	0.869
August	0.944	0.845
September	0.975	0.915
October	1.020	0.930
November	0.950	0.880
December	1.230	0.910
<b><u>2022</u></b>		
January	1.270	1.010
February	1.290	1.160
March	1.350	1.100
April	1.320	1.180
May	1.260	1.080
June	1.470	1.170

(Source: Bloomberg)

We set out below a comparison of the Offer Price of RM1.50 vis-à-vis the historical share prices of Cocoland:-

Cocoland's share price	Share Price RM	Premium of Offer Price over the market price/VWAP	
		RM	%
<b>Up to LTD:-</b>			
As at LTD	1.2800	0.2200	17.2
5-day VWAP	1.2388	0.2612	21.1
1-month VWAP	1.1931	0.3069	25.7
3-month VWAP	1.2396	0.2604	21.0
6-month VWAP	1.1775	0.3225	27.4
1-year VWAP	1.1475	0.3525	30.7
<b>Up to LPD:-</b>			
Last traded price as at LPD	1.4700	0.0300	2.0
5-day VWAP	1.4661	0.0339	2.3

(Source: Bloomberg)

## Comments

For the past 1 year up to and including 2 June 2022, being the LTD, Cocoaland Shares had traded in the range of RM0.8450 (6 August 2021) to RM1.3500 (14 March 2022).

The Offer Price represents a **premium** ranging from RM0.2200 to RM0.3525 (17.2% to 30.7%) over the closing market price of Cocoaland Share as at the LTD, 5-day VWAP, 1-month VWAP, 3-month VWAP, 6-month VWAP and 1-year VWAP up to the LTD.

The Offer Price also represents a **premium** of RM0.0339 (2.3%) per Cocoaland Share over the 5-day VWAP up to LPD.

## 6. REASONABLENESS OF THE PROPOSED PRIVATISATION

### 6.1 Historical trading liquidity analysis

The monthly trading volume of Cocoaland Shares for the past 1 year up to May 2022 (being the last full trading month prior to the date of Proposal Letter) and up to the last full trading month prior to the date of this Document are as follows:-

<u>Month</u>	<u>Monthly volume traded (No. of Cocoaland Shares)</u>	<u>Monthly volume traded over free float <sup>(i)</sup></u>
<b><u>2021</u></b>		
June	1,161,000	0.9%
July	1,091,000	0.9%
August	4,278,000	3.4%
September	8,029,200	6.4%
October	6,380,900	5.1%
November	2,866,700	2.3%
December	38,175,100	30.5%
<b><u>2022</u></b>		
January	33,612,200	26.9%
February	24,228,000	19.4%
March	29,861,845	23.9%
April	13,039,944	10.4%
May	10,459,895	8.4%
June	46,885,358	38.4%
High	38,175,100	<sup>(iv)</sup> 30.5%
Low	1,091,000	0.9%
Simple average <sup>(ii)</sup>	14,431,982	<sup>(iv)</sup> 11.5%
Average monthly trading liquidity of KLCPI for the past 12 months up to May 2022 <sup>(iii)</sup>		72.6%

(Source: Bloomberg)

#### Notes:

- (i) Free float estimated based on 125,118,298 Cocoaland Shares as at LPD after excluding Cocoaland Shares held by its directors, substantial shareholders and persons connected to them. For information, the free float of Cocoaland Shares remained at 27.8% from June 2021 to May 2022.

- (ii) Computed based on the simple average of the monthly volume traded over the free float of Cocoaland Shares from June 2021 to May 2022.
- (iii) Computed based on a simple average of the index's total value traded per month divided by the aggregate market value of the free float of all companies within the index at the end of the respective months.
- (iv) Excludes traded volume of Cocoaland Shares for the month of June 2022, being the latest full month after the date of the Proposal Letter as the liquidity of 38.4% over the free float is higher than the past 12 months' average free float as a result of the Proposed Privatisation.

As illustrated above, for the past 12 months up to the last full trading month prior to the date of the Proposal Letter, the average monthly volume traded of Cocoaland Shares was approximately 14.4 million Cocoaland Shares, representing approximately 11.5% of the free float of Cocoaland Shares. During the same period, Cocoaland Shares' average monthly volume traded ranges between 0.9% (July 2021) to 30.5% (December 2021) of the free float of Cocoaland Shares.

### **Comments**

We note that the monthly traded volume of Cocoaland Shares for the months of December 2021 and January 2022 to March 2022 are higher as compared to the other months in the past 1 year up to May 2022 (being the last full trading month prior to the date of Proposal Letter) and up to the last full trading month prior to the date of this Document. During this period, save for the announcement dated 3 March 2022 in relation to the Land Disposal, we did not note any other significant event being announced by Cocoaland.

We further note that the average monthly volume traded of Cocoaland Shares for the past 12 months up to May 2022 was 14,431,982 Cocoaland Shares, which represents 11.5% of the free float. The total volume traded of Cocoaland Shares for the month of June 2022, the latest full month after the date of the Proposal Letter is 46,885,358, which represents 38.4% of the free float. As Cocoaland Shares forms part of the KLCPI, we have compared the trading of Cocoaland Shares against the KLCPI. Compared to the liquidity of shares traded under the KLCPI over the same period of 72.6%, Cocoaland Shares can be considered relatively illiquid.

Scheme Shareholders should note that if the Scheme is voted down at the Court Convened Meeting, Cocoaland will continue to be listed entity on Bursa Securities. However, taking into consideration the illiquidity of the Cocoaland Shares, Scheme Shareholders should note that they may not be able to readily dispose of their shares in the open market especially if the quantum of Cocoaland Shares held by them are sizeable.

Scheme Shareholders should also note that there can also be no assurance that Cocoaland Shares will be trading at its current level if the Scheme is voted down at the Court Convened Meeting.

## **6.2 No competing offer**

As at LPD, save for the Proposed Privatisation, Cocoaland has not received any competing offer for Cocoaland Shares nor any other offer to acquire the assets and liabilities of Cocoaland.

On 3 June 2022, F&NHB received an irrevocable and unconditional undertaking from Leverage Success dated 3 June 2022 for the following:

- (i) to vote in favour of the Scheme at the Court Convened Meeting;
- (ii) to ensure Leverage Success maintains its shareholding in Cocoaland at no less than 182,873,256 ordinary shares representing 40.65% of voting equity interest in Cocoaland; and

- (iii) Leverage Success will not dispose any of its shares in Cocoaland from the date of the undertaking until Completion.

For information, the 182,873,256 Cocoaland Shares held by Leverage Success represents 56.19% of the Scheme Shares.

### **Comments**

In the absence of a competing offer, the Proposed Privatisation provides the Scheme Shareholders an opportunity to exit of their investments in Cocoaland in cash at the Offer Price.

F&NHB being the initiator of the Proposed Privatisation, is deemed interested in the Proposed Privatisation and will not be able to vote at the Court Convened Meeting. Therefore, we wish to highlight that Leverage Success who holds 56.19% of the Scheme Shares, had given its undertaking to vote in favour of the Scheme at the Court Convened Meeting; thus, increasing the chances for the Scheme to be approved at the Court Convened Meeting.

Based on the shareholdings of Leverage Success (40.65%) and F&NHB (27.7%) in Cocoaland as at LPD, any privatisation exercise undertaken on Cocoaland by a party other than Leverage Success and/or F&NHB, may not succeed with the support of Leverage Success or F&NHB alone. For information, any privatisation exercise undertaken on Cocoaland that requires the approval of the disinterested shareholders will be required to abide with similar conditions detailed in Section 2.3(i) of this IAL.

For information, on 22 May 2015, the Board announced that Cocoaland received a non-binding indicative offer letter from Navis Asia VII Management Company Ltd (on behalf of Navis Asia Fund VII, LP) for the proposed acquisition of all the assets and liabilities of Cocoaland at an offer price of RM2.20 per share. On 25 May 2015, the Board announced that it had unanimously rejected the said offer.

Notwithstanding the above, if the Scheme is subsequently voted down at the Court Convened Meeting, there is no certainty that the Scheme Shareholders will receive another offer equivalent to or higher than the Offer Price.

## **7. RATIONALE FOR THE PROPOSED PRIVATISATION**

We have taken into consideration the rationale for the Scheme as set out in Section 3 of Part A of this Document.

We take note that the acquisition of Cocoaland is in line with F&NHB's ambition to be a stable and sustainable food and beverage leader in ASEAN in view of Cocoaland's market presence in the gummy segment and its diverse range of products including chocolate confectionery and savoury snacks which are complementary to F&NHB Group's current beverages and dairies. The Proposed Privatisation will provide F&NHB an opportunity to enter and participate in the confectionary and snacks market in Malaysia.

We also note that post-acquisition, F&NHB believes that there are post-merger synergies between F&NHB Group and Cocoaland with regards to brand management, distribution network and R&D initiatives.

We further note that to facilitate the aforementioned, F&NHB believes Cocoaland should be wholly-owned by the F&NHB Group (instead of being listed with minority shareholders) to avoid potential conflict of interest issues such as related party transactions.



A Scheme Shareholder who holds a sizeable quantity of Cocoaland Share may not be able to readily liquidate his/her shareholdings in Cocoaland at the price equivalent to or more than the Offer Price. Pursuant thereto, the Proposed Privatisation also presents an opportunity for the Scheme Shareholders to unlock and realise their investment in Cocoaland in cash at the Offer Price regardless of the quantum of Scheme Shares held by Scheme Shareholders.

Please refer to Section 5 and 6 of this IAL for our evaluation of the Proposed Privatisation.

## **8. FUTURE PLANS FOR COCOALAND GROUP AND ITS EMPLOYEES**

In evaluating the Proposed Privatisation, it is pertinent to consider F&NHB's plans for Cocoaland Group.

### **8.1 Continuation of the Cocoaland Group's business**

F&NHB intends to continue the existing businesses of the Cocoaland Group. However, post Completion, F&NHB may review the business and operations of the Cocoaland Group and make such arrangements, rationalisations and reorganisations as F&NHB considers suitable in the best interests of the Cocoaland Group;

### **8.2 Major changes to Cocoaland Group's business**

F&NHB does not have plans and/or intention to liquidate any company within the Cocoaland Group, dispose any major asset or undertake any major re-deployment of the fixed assets of the Cocoaland Group or introduce or effect any major change to the existing business of the Cocoaland Group as a direct consequence of the Proposed Privatisation except where such change, disposal and/or redeployment is necessary as part of the process to rationalise the business activities and/or direction of the Cocoaland Group or to improve the use of resources of the Cocoaland Group; and

### **8.3 Employees of Cocoaland Group**

F&NHB does not have any plans to dismiss or make redundant any of the existing employees of the Cocoaland Group as a direct consequence of the Proposed Privatisation. Nevertheless, there will be continuous measures being introduced to improve the efficiency of operations and to optimize the human resources of the Cocoaland Group, which may lead to rationalisation of staff employment to improve the overall efficiency of the Cocoaland Group's operations. Such actions, if required, will be carried out in accordance with relevant legislation and the terms of employment of the affected employees.

### **Comments**

We take note of the intention of F&NHB with respect to its future plan for Cocoaland Group and its employees as set out in Section 4 of Part A of this Document. We note that F&NHB intends to continue with the existing business of Cocoaland Group. Upon the completion of the Proposed Privatisation, F&NHB may review the business and operations of the Cocoaland Group and make such arrangements, rationalisations and reorganisations as F&NHB considers suitable in the best interests of the Cocoaland Group.

We further note that F&NHB does not have plans and/or intention to liquidate any company within the Cocoaland Group, dispose any major asset or undertake any major re-deployment of the fixed assets of the Cocoaland Group or introduce or effect any major change to the existing business of the Cocoaland Group as a direct consequence of the Proposed Privatisation, except where such change, disposal and/or redeployment is necessary as part of the process to rationalise the business activities and/or direction of the Cocoaland Group or to improve the use of resources of the Cocoaland Group.

We also note that Cocoaland has no plans to dismiss or make redundant any of the existing employees of the Cocoaland Group as a direct consequence of the Proposed Privatisation.

However, it should be noted that any changes with regard to staff employment may take place as part of continuous measures being introduced to improve the efficiency of operations and to optimise the human resources of the Cocoaland Group.

Premised on the above and upon completion of the Proposed Privatisation, Cocoaland will be a wholly-owned subsidiary of F&NHB Group, with 27.66% held directly by F&NHB and the balance 72.34% held by Awana Citra, a wholly-owned subsidiary of F&NHB and as such, the business and management of Cocoaland will remain largely intact (save and except for the resignation of certain Cocoaland directors and/or legal representative as part of the Undertakings mentioned in Section 2.1 of Part A of this Document) and continue as part of F&NHB Group. Nevertheless, we wish to highlight to the Scheme Shareholders that in the event the Proposed Privatisation is not implemented, Cocoaland will continue its listing on the Main Market of Bursa Securities and F&NHB will continue to hold 27.66% of Cocoaland (based on the shareholdings of F&NHB in Cocoaland as at the LPD) and may still be able to exert influence over the decision making at the Board level as 2 Directors of Cocoaland, namely, Mr Lim Yew Hoe and Mr Soh Swee Hock @ Soh Say Hock are representatives of F&NHB. F&NHB will also continue to be able to exercise its voting rights as a 27.66% shareholder of Cocoaland at general meetings.

## 9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the Directors of Cocoaland have any interest, whether direct or indirect, in any voting shares or convertible securities of Cocoaland as at LPD:

	Direct		Indirect	
	Number of Cocoaland Shares	(i)%	Number of Cocoaland Shares	(i)%
Dato' Azman Bin Mahmood	1,048,888	0.23	-	-
Tan Sri Dato' Sri Koh Kin Lip	6,636,664	1.48	(ii)6,666,666	1.48
Liew Fook Meng	111,500	0.02	(iii)182,873,256	40.65
Lau Kee Von	1,666,232	0.37	(iii)182,873,256	40.65
Lau Pak Lam	111,500	0.02	(iii)182,873,256	40.65
Lau Kim Chew	763,300	0.17	-	-
Tai Chun Wah	158,432	0.03	-	-

### Notes:-

- (i) Calculated based on the issued shares of Cocoaland of 457,600,000 Cocoaland Shares net of 7,746,000 treasury shares as at LPD.
- (ii) Deemed interested by virtue of his shareholding in Rickoh Corporate Sdn Bhd pursuant to section 8 of the Act.
- (iii) Deemed interested by virtue of his substantial interest in Leverage Success Sdn Bhd pursuant to section 8 of the Act.

The above Directors who hold voting shares in Cocoaland, namely Dato' Azman Bin Mahmood, Tan Sri Dato' Sri Koh Kin Lip, Liew Fook Meng, Lau Kee Von, Lau Pak Lam, Lau Kim Chew and Tai Chun Wah, have indicated their intention to VOTE in favour of the resolution pertaining the Proposed Privatisation.

Mr Lim Yew Hoe and Mr Soh Swee Hock @ Soh Say Hock, both Non-Independent Non-Executive Directors, and Mr Lau Cheng Yew being the alternate director to Mr Lim Yew Hoe, are F&NHB's appointees to the Board ("**Interested Directors**"). They are deemed interested in the Proposed Privatisation and have abstained and will continue to abstain from all deliberations and voting at the Board's meeting pertaining to the Proposed Privatisation. The Interested Directors do not hold any shares in Cocoland and in any event will not be voting on the resolution pertaining to the Proposed Privatisation to be tabled at the Court Convened Meeting.

F&NHB, a major shareholder of Cocoland, being the initiator of the Proposed Privatisation is deemed interested in the Proposed Privatisation and hence will abstain from voting in respect of its direct and indirect shareholdings, if any, in Cocoland on the resolution pertaining to the Proposed Privatisation to be tabled at the Court Convened Meeting. F&NHB and the Interested Directors and persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings, if any, on the resolution pertaining to the Proposed Privatisation to be tabled at the Court Convened Meeting.

Save as disclosed above, none of the Directors, major shareholders and/or persons connected with them has any interest, direct or indirect, in the Proposed Privatisation.

## **10. FURTHER INFORMATION**

The Scheme Shareholders are advised to refer to the accompanying attachments of this IAL, Part A of this Document and the accompanying appendices for any other relevant information.

## **11. CONCLUSION AND RECOMMENDATION**

The advice of Malacca Securities as contained in this IAL is addressed to the Scheme Shareholders at large and not to any individual Scheme Shareholder. Accordingly, in providing this advice, we have not taken into consideration any specific investment objectives of any individual Scheme Shareholder or any specific group of Scheme Shareholders. We recommend that any individual Scheme Shareholder or any specific group of Scheme Shareholders who may require advice in the context of their investment objectives, financial and tax situations and particular needs should consult their respective professional advisers immediately.

We have assessed and evaluated the Proposed Privatisation and have set our evaluation in this IAL. In arriving at our recommendation in respect of the Proposed Privatisation, we have assessed the fairness and reasonableness of the Proposed Privatisation in accordance with paragraphs 1 to 7 of Schedule 2: Part III of the Rules, where the term "fair and reasonable" should be generally analysed as 2 distinct criteria, i.e. whether the offer is "fair" and whether the offer is "reasonable", rather than as a composite term. In accordance with paragraph 4 of Schedule 2: Part III of the Rules, generally, a take-over offer would be considered reasonable if it is fair.

You should carefully consider the merits and demerits of the Proposed Privatisation based on all relevant and pertinent factors including those set out below and other considerations as set out in this Document. In arriving at our recommendation, we have reviewed and evaluated the factors which we deemed to have significant relevance to our assessment of the Proposed Privatisation.

Based on our analysis as set out in Section 5 above, we are of the opinion that the Offer Price of RM1.50 is **FAIR** premised on the following:-

- (i) the Offer Price of RM1.50 falls within the upper range of equity value ascribed to Cocoland Shares of RM1.21 to RM1.66; and
- (ii) the Offer Price represents a premium ranging from RM0.2200 to RM0.3525 (17.2% to 30.7%) per Cocoland Share over the closing market price as at the LTD, 5-day VWAP, 1-month VWAP, 3-month VWAP, 6-month VWAP and 1-year VWAP up to the LTD; and that the Offer Price represents a premium of RM0.0339 (2.3%) per Cocoland Share over the 5-day VWAP up to LPD.

Based on our evaluation on the reasonableness of the Proposed Privatisation as set out in Section 6 above, we are of the view that the Proposed Privatisation is **REASONABLE** premised on the following:-

- (i) Cocoland Shares can be considered relatively illiquid. The average monthly volume traded of Cocoland Shares for the past 12 months up to May 2022 was 14,431,982 Cocoland Shares, which represents 11.5% of the free float as compared to the liquidity of shares traded under the KLCPI over the same period of 72.6%; and
- (ii) in the absence of a competing offer, the Proposed Privatisation provides the Scheme Shareholders an opportunity to exit of their investments in Cocoland in cash at the Offer Price.

Premised on the above, we are of the opinion that the Proposed Privatisation is **FAIR and REASONABLE** to the Scheme Shareholders.

Accordingly, Malacca Securities recommends that the Scheme Shareholders to **VOTE IN FAVOUR** of the resolution pertaining to the Proposed Privatisation.

Yours faithfully,  
For and on behalf of  
**MALACCA SECURITIES SDN. BHD.**

**LAW KIM FATT**  
Senior Vice President  
Corporate Finance

**DARREN KOH**  
Vice President  
Corporate Finance

**1. DISCLOSURE OF INTERESTS AND DEALINGS IN SHARES**

**1.1 By Cocoland**

**(i) Disclosure of interests in the F&NHB**

Cocoland does not have any interest, whether direct or indirect, in any voting shares or convertible securities of the F&NHB as at LPD.

**(ii) Dealings in the securities of the F&NHB**

Cocoland has not dealt, directly or indirectly, in any voting shares or convertible securities of the F&NHB during the period beginning 6 months prior to the date of the Proposal Letter and up to LPD.

**(iii) Dealings in the securities of Cocoland**

Save for the transfer of 698,800 treasury shares on 24 January 2022 pursuant to the SGS, Cocoland has not dealt, directly or indirectly, in any of its own voting shares or convertible securities during the period commencing 6 months prior to the date of the Proposal Letter and up to LPD.

**1.2 By the Directors of Cocoland**

**(i) Disclosure of interests in the F&NHB**

Save as disclosed below, none of the Directors of Cocoland do not have any interest, whether direct or indirect, in any voting shares or convertible securities of F&NHB as at LPD.

	Direct		Indirect	
	Number of F&NHB Shares	(a)%	Number of F&NHB Shares	%
Lau Pak Lam	21,000	5.7	-	-

**Note:-**

(a) Calculated based on the issued shares of 366,778,501 ordinary shares in F&NHB as at LPD.

**(ii) Dealings in the securities of the F&NHB**

Save as disclosed below, none of the Directors of Cocoland have dealt, directly or indirectly, in any voting shares or convertible securities of the F&NHB during the period beginning 6 months prior to the date of the Proposal Letter and up to LPD.

**Lau Pak Lam**

Date	Nature of transaction	Number of F&NHB Shares	Transacted Price (RM)	Total Consideration (RM)
7 June 2022	Purchase of shares	6,000	19.35	116,426.43
5 April 2022	Purchase of shares	4,000	21.165	84,897.56
18 March 2022	Purchase of shares	2,000	21.20	42,519.62

**APPENDIX I OF THE IAL – DISCLOSURE OF DEALINGS IN SHARES (CONT'D)**

<b>Date</b>	<b>Nature of transaction</b>	<b>Number of F&amp;NHB Shares</b>	<b>Transacted Price (RM)</b>	<b>Total Consideration (RM)</b>
9 February 2022	Purchase of shares	9,000	24.10	217,507.47
19 January 2022	Disposal of shares	8,000	25.63	204,464.44
17 January 2022	Disposal of shares	1,000	25.54	25,467.79
16 December 2021	Purchase of shares	9,000	23.6911	213,909.88

**(iii) Disclosure of interests in Cocoaland**

Save as disclosed below, none of the Directors of Cocoaland have any interest, whether direct or indirect, in any voting shares or convertible securities of Cocoaland as at LPD:

	<b>Direct</b>		<b>Indirect</b>	
	<b>Number of Cocoaland Shares</b>	<b>(a)%</b>	<b>Number of Cocoaland Shares</b>	<b>(a)%</b>
Dato' Azman Bin Mahmood	1,048,888	0.23	-	-
Tan Sri Dato' Sri Koh Kin Lip	6,636,664	1.48	<sup>(b)</sup> 6,666,666	1.48
Liew Fook Meng	111,500	0.02	<sup>(c)</sup> 182,873,256	40.65
Lau Kee Von	1,666,232	0.37	<sup>(c)</sup> 182,873,256	40.65
Lau Pak Lam	111,500	0.02	<sup>(c)</sup> 182,873,256	40.65
Lau Kim Chew	763,300	0.17	-	-
Tai Chun Wah	158,432	0.03	-	-

**Notes:-**

- (a) Calculated based on the issued shares of Cocoaland of 457,600,000 Cocoaland Shares net of 7,746,000 treasury shares as at LPD.
- (b) Deemed interested by virtue of his shareholding in Rickoh Corporate Sdn Bhd pursuant to section 8 of the Act.
- (c) Deemed interested by virtue of his substantial interest in Leverage Success Sdn Bhd pursuant to section 8 of the Act.

As at LPD, Cocoaland had not receive any irrevocable undertakings from the aforementioned Directors of Cocoaland that they will vote in favour or against of the resolution pertaining to the Proposed Privatisation.

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**APPENDIX I OF THE IAL – DISCLOSURE OF DEALINGS IN SHARES (CONT'D)**

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**(iv) Dealings in the securities of Cocoaland**

Save as disclosed below, none of the Directors of Cocoaland have not dealt, directly or indirectly, in any of its own voting shares or convertible securities during the period commencing 6 months prior to the date of the Proposal Letter and up to LPD:

**(a) Lau Kim Chew**

<b>Date</b>	<b>Nature of transaction</b>	<b>Number of Cocoaland Shares</b>	<b>Transacted Price (RM)</b>	<b>Total Consideration (RM)</b>
24 January 2022	Transfer of interest via Share Grant Scheme	35,500	1.0805	38,357.75
15 December 2021	Disposal of shares	50,000	1.20	60,000.00
15 December 2021	Disposal of shares	60,000	1.19	71,400.00
15 December 2021	Disposal of shares	19,000	1.22	23,180.00
13 December 2021	Disposal of shares	50,000	1.15	57,500.00
13 December 2021	Disposal of shares	50,000	1.13	56,500.00
10 December 2021	Disposal of shares	50,000	1.05	52,500.00
9 December 2021	Disposal of shares	200,000	0.99	198,000.00
6 December 2021	Disposal of shares	50,000	0.93	46,500.00

**(b) Lau Kee Von**

<b>Date</b>	<b>Nature of transaction</b>	<b>Number of Cocoaland Shares</b>	<b>Transacted Price (RM)</b>	<b>Total Consideration (RM)</b>
24 January 2022	Transfer of interest via Share Grant Scheme	35,500	1.0805	38,357.75

**(c) Lau Pak Lam**

<b>Date</b>	<b>Nature of transaction</b>	<b>Number of Cocoaland Shares</b>	<b>Transacted Price (RM)</b>	<b>Total Consideration (RM)</b>
24 January 2022	Transfer of interest via Share Grant Scheme	35,500	1.0805	38,357.75

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**APPENDIX I OF THE IAL – DISCLOSURE OF DEALINGS IN SHARES (CONT'D)**


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**(d) Liew Fook Meng**

<u>Date</u>	<u>Nature of transaction</u>	<u>Number of Cocoaland Shares</u>	<u>Transacted Price (RM)</u>	<u>Total Consideration (RM)</u>
24 January 2022	Transfer of interest via Share Grant Scheme	35,500	1.0805	38,357.75

**(e) Tai Chun Wah**

<u>Date</u>	<u>Nature of transaction</u>	<u>Number of Cocoaland Shares</u>	<u>Transacted Price (RM)</u>	<u>Total Consideration (RM)</u>
24 January 2022	Transfer of interest via Share Grant Scheme	35,500	1.0805	38,357.75

**1.3 By the persons with whom Cocoaland or any persons acting in concert with it has any arrangement over the Shares**

As at LPD, there are no persons with whom Cocoaland or any persons acting in concert with it has entered into any arrangement, including any arrangement involving rights over shares, any indemnity arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or to refrain from dealing with the Shares.

**1.4 By the persons with whom Cocoaland or any persons acting in concert with it has borrowed or lent any voting shares or convertible securities of Cocoaland**

As at LPD, there are no persons with whom Cocoaland or any persons acting in concert with it has borrowed or lent any voting shares or convertible securities of Cocoaland.

**1.5 By Malacca Securities and funds whose investments are managed by Malacca Securities on a discretionary basis (“Discretionary Funds”)**
**(i) Disclosure of interests in Cocoaland**

Malacca Securities and its Discretionary Funds do not have any interest, whether direct or indirect, in any voting shares or convertible securities of Cocoaland as at LPD.

**(ii) Dealings in the securities of Cocoaland**

Save as disclosed below, Malacca Securities and its Discretionary Funds have not dealt, directly or indirectly, in any voting shares or convertible securities of Cocoaland during the period beginning 6 months prior to the date of the Proposal Letter and up to LPD.

<u>Date</u>	<u>Nature of transaction</u>	<u>Number of Cocoaland Shares</u>	<u>Transacted Price (RM)</u>	<u>Total Consideration (RM)</u>
9 December 2021	Purchase of shares	10,000	1.1600	11,600.00
	Purchase of shares	5,000	1.1100	5,550.00
	Disposal of shares	10,000	1.1700	11,700.00
	Disposal of shares	5,000	1.1300	5,650.00



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**APPENDIX I OF THE IAL – DISCLOSURE OF DEALINGS IN SHARES (CONT'D)**


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<b>Date</b>	<b>Nature of transaction</b>	<b>Number of Cocoaland Shares</b>	<b>Transacted Price (RM)</b>	<b>Total Consideration (RM)</b>
10 December 2021	Purchase of shares	20,000	1.0691	21,382.00
	Purchase of shares	24,400	1.0691	26,086.04
	Purchase of shares	15,000	1.1267	16,900.50
	Disposal of shares	20,000	1.1050	22,100.00
	Disposal of shares	15,000	1.1333	16,999.50
13 December 2021	Purchase of shares	35,300	1.1501	40,598.53
	Purchase of shares	252,000	1.1501	289,825.20
	Purchase of shares	45,000	1.1367	51,151.50
	Purchase of shares	5,000	1.1200	5,600.00
	Disposal of shares	252,000	1.1614	292,672.80
	Disposal of shares	24,400	1.1239	27,423.16
	Disposal of shares	45,000	1.1239	50,575.50
	Disposal of shares	5,000	1.1100	5,550.00
14 December 2021	Purchase of shares	10,000	1.0900	10,900.00
	Disposal of shares	35,300	1.0900	38,477.00
	Disposal of shares	10,000	1.1100	11,100.00
15 December 2021	Purchase of shares	2,000	1.1900	2,380.00
	Purchase of shares	100	1.2000	120.00
	Purchase of shares	40,000	1.1950	47,800.00
	Purchase of shares	100,000	1.1850	118,500.00
	Purchase of shares	1,000	1.1900	1,190.00
	Purchase of shares	172,400	1.2003	206,931.72
	Purchase of shares	12,000	1.1700	14,040.00
	Purchase of shares	50,000	1.1600	58,000.00
	Disposal of shares	2,000	1.2100	2,420.00
	Disposal of shares	100	1.1900	119.00
	Disposal of shares	40,000	1.2025	48,100.00
	Disposal of shares	100,000	1.1888	118,880.00
	Disposal of shares	1,000	1.2150	1,215.00
	Disposal of shares	172,400	1.2100	208,604.00
	Disposal of shares	12,000	1.1800	14,160.00
Disposal of shares	50,000	1.1800	59,000.00	
16 December 2021	Purchase of shares	200	1.2200	244.00
	Purchase of shares	50,000	1.2000	60,000.00
	Disposal of shares	200	1.2200	244.00
	Disposal of shares	50,000	1.2200	61,000.00
20 December 2021	Purchase of shares	50,000	1.1300	56,500.00
21 December 2021	Disposal of shares	50,000	1.0536	52,680.00
	Purchase of shares	1,100	1.0000	1,100.00
	Disposal of shares	1,100	1.0000	1,100.00
23 December 2021	Purchase of shares	10,000	0.9950	9,950.00
	Disposal of shares	10,000	0.9950	9,950.00
29 December 2021	Purchase of shares	100,000	1.0000	100,000.00
	Disposal of shares	100,000	1.0150	101,500.00

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**APPENDIX I OF THE IAL – DISCLOSURE OF DEALINGS IN SHARES (CONT'D)**


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<b>Date</b>	<b>Nature of transaction</b>	<b>Number of Cocoaland Shares</b>	<b>Transacted Price (RM)</b>	<b>Total Consideration (RM)</b>
30 December 2021	Purchase of shares	96,900	1.0589	102,607.41
	Purchase of shares	85,400	1.0464	89,362.56
	Disposal of shares	96,900	1.0557	102,297.33
	Disposal of shares	85,400	1.0535	89,968.90
4 January 2022	Purchase of shares	50,000	1.0500	52,500.00
5 January 2022	Purchase of shares	50,000	1.0600	53,000.00
	Purchase of shares	40,000	1.0600	42,400.00
	Disposal of shares	100,000	1.0750	107,500.00
	Disposal of shares	20,000	1.0800	21,600.00
6 January 2022	Purchase of shares	10,000	1.1000	11,000.00
	Purchase of shares	160,000	1.1200	179,200.00
	Purchase of shares	101,500	1.0897	110,604.55
	Disposal of shares	10,000	1.1050	11,050.00
	Disposal of shares	160,000	1.1200	179,200.00
	Disposal of shares	101,500	1.0899	110,624.85
	Disposal of shares	20,000	1.1100	22,200.00
12 January 2022	Purchase of shares	40,000	1.0800	43,200.00
	Purchase of shares	20,000	1.0700	21,400.00
	Disposal of shares	40,000	1.0700	42,800.00
13 January 2022	Purchase of shares	20,000	1.0700	21,400.00
	Purchase of shares	10,000	1.1200	11,200.00
	Disposal of shares	20,000	1.1000	22,000.00
14 January 2022	Purchase of shares	10,000	1.0900	10,900.00
	Disposal of shares	10,000	1.0900	10,900.00
17 January 2022	Purchase of shares	50,000	1.1100	55,500.00
19 January 2022	Purchase of shares	35,900	1.1106	39,870.54
	Purchase of shares	10,000	1.1200	11,200.00
	Disposal of shares	35,900	1.1167	40,089.53
	Disposal of shares	10,000	1.0900	10,900.00
	Disposal of shares	50,000	1.0500	52,500.00
	Disposal of shares	30,000	1.0700	32,100.00
24 January 2022	Purchase of shares	5,400	1.2215	6,596.10
	Purchase of shares	45,000	1.2200	54,900.00
	Purchase of shares	70,000	1.2229	85,603.00
	Purchase of shares	30,000	1.1633	34,899.00
	Purchase of shares	100	1.2300	123.00
	Purchase of shares	3,000	1.2600	3,780.00
	Disposal of shares	5,400	1.2280	6,631.20
	Disposal of shares	45,000	1.2200	54,900.00
	Disposal of shares	70,000	1.2243	85,701.00
	Disposal of shares	30,000	1.1633	34,899.00
	Disposal of shares	100	1.2200	122.00
	Disposal of shares	3,000	1.2600	3,780.00

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**APPENDIX I OF THE IAL – DISCLOSURE OF DEALINGS IN SHARES (CONT'D)**


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<b>Date</b>	<b>Nature of transaction</b>	<b>Number of Cocoaland Shares</b>	<b>Transacted Price (RM)</b>	<b>Total Consideration (RM)</b>
28 January 2022	Purchase of shares	2,000	1.2200	2,440.00
	Purchase of shares	30,000	1.2200	36,600.00
	Disposal of shares	2,000	1.1800	2,360.00
	Disposal of shares	30,000	1.2200	36,600.00
10 February 2022	Purchase of shares	30,000	1.2500	37,500.00
	Purchase of shares	20,000	1.2450	24,900.00
	Disposal of shares	30,000	1.2550	37,650.00
	Disposal of shares	20,000	1.2600	25,200.00
15 February 2022	Purchase of shares	30,000	1.2200	36,600.00
	Disposal of shares	30,000	1.1700	35,100.00
18 February 2022	Purchase of shares	5,000	1.2400	6,200.00
	Disposal of shares	5,000	1.2300	6,150.00
24 February 2022	Purchase of shares	64,200	1.2400	79,608.00
	Purchase of shares	10,000	1.2400	12,400.00
	Purchase of shares	313,700	1.2504	392,250.48
	Disposal of shares	64,200	1.2469	80,050.98
	Disposal of shares	10,000	1.2400	12,400.00
	Disposal of shares	313,700	1.2539	393,348.43
25 February 2022	Purchase of shares	101,100	1.2801	129,418.11
	Disposal of shares	101,100	1.2673	128,124.03
7 March 2022	Purchase of shares	14,600	1.2263	17,903.99
	Disposal of shares	14,600	1.2295	17,950.00
11 March 2022	Purchase of shares	10,100	1.2800	12,928.00
	Purchase of shares	100,000	1.2700	127,000.00
	Disposal of shares	10,100	1.2750	12,877.50
	Disposal of shares	100,000	1.2800	128,000.00
14 March 2022	Purchase of shares	1,500	1.3400	2,010.00
	Purchase of shares	50,000	1.3400	67,000.00
	Disposal of shares	50,000	1.2900	64,500.00
16 March 2022	Disposal of shares	1,000	1.1900	1,190.00
29 March 2022	Purchase of shares	10,000	1.2600	12,600.00
	Disposal of shares	10,000	1.2600	12,600.00
30 March 2022	Purchase of shares	100	1.2900	129.00
	Disposal of shares	100	1.2800	128.00
7 April 2022	Disposal of shares	500	1.2800	640.00
8 April 2022	Purchase of shares	10,000	1.3000	13,000.00
	Disposal of shares	10,000	1.3000	13,000.00
13 April 2022	Purchase of shares	50,000	1.2900	64,500.00
14 April 2022	Disposal of shares	50,000	1.2800	64,000.00
7 June 2022	Purchase of shares	50,000	1.4600	73,000.00
	Disposal of shares	50,000	1.4600	73,000.00

**2. DIRECTORS' SERVICE AGREEMENTS**

None of the Directors of Cocoland or proposed directors has any existing and/or proposed service agreement with Cocoland which is not expiring or determinable by the employing company without payment of compensation within 12 months from the date of the Document.

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**INFORMATION ON COCOALAND**


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**1. HISTORY, PRINCIPAL BUSINESS AND CORPORATE INFORMATION****1.1 History**

Cocoaland was incorporated in Malaysia under the Companies Act 1965 on 6 June 2000 and deemed registered under the Act as a public limited company under the name of Cocoaland Holdings Berhad. Cocoaland was listed on the Second Board of Bursa Securities on 18 January 2005 and later transferred to the Main Board (now known as the Main Market) of Bursa Securities on 18 July 2006.

**1.2 Principal business**

The principal activities of Cocoaland is investment holding. Through its subsidiaries, Cocoaland is involved in activities such as manufacturing and trading all kinds of processed and preserved foods as well as wholesale, import and export of gummies and other products.

**2. SHARE CAPITAL**

The issued share capital of Cocoaland as at LPD are as follows:

	<u>No. of shares</u>	<u>Total (RM)</u>
<b><u>Issued share capital</u></b>		
Ordinary shares	<sup>(1)</sup> 457,600,000	130,154,539

**Note:**

<sup>(1)</sup> *Inclusive of 7,746,000 ordinary shares held as treasury shares.*

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**INFORMATION ON COCOALAND (CONT'D)**


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**3. DIRECTORS AND THEIR SHAREHOLDINGS**

As at LPD, the directors of Cocoaland and their shareholdings in Cocoaland are as follows:

Name	Nationality	Date of appointment	Direct		Indirect		Correspondence address
			No. of Cocoaland Shares	(1) %	No. of Cocoaland Shares	(1) %	
Dato' Azman Bin Mahmood	Malaysian	8 October 2004	1,048,888	0.23	-	-	5, Lorong 5/15e, Section 5, 46400 Petaling Jaya, Selangor
Tan Sri Dato' Sri Koh Kin Lip	Malaysian	15 January 2010	6,636,664	1.48	(2)6,666,666	1.48	RK 1, Lorong Sanny 6, Batu 1.5, Jalan Utara, 90000 Sandakan, Sabah
Liew Fook Meng	Malaysian	8 October 2004	111,500	0.02	(3)182,873,256	40.65	9, Jalan BRP 5/5, Bukit Rahman Putra, 47000 Sungai Buloh, Selangor
Lau Kee Von	Malaysian	8 October 2004	1,666,232	0.37	(3)182,873,256	40.65	No. 12, Lorong PJU 1/46f, Aman Suria Damansara, 47301 Petaling Jaya, Selangor
Lau Pak Lam	Malaysian	8 October 2004	111,500	0.02	(3)182,873,256	40.65	93, Jalan Krian, Taman Rainbow, Batu 3 ¾, Off Jalan Ipoh, 51200 Kuala Lumpur W. P. Kuala Lumpur
Lau Kim Chew	Malaysian	28 August 2017	763,300	0.17	-	-	9, Jalan 19/62, Bandar Sri Menjalara, Kepong, 52200 Kuala Lumpur W. P. Kuala Lumpur
Tai Chun Wah	Malaysian	3 January 2012	158,432	0.04	-	-	43, Kg. Datuk Harun, 48200 Serendah Selangor
Chow Kee Kan @ Chow Tuck Kwan	Malaysian	8 October 2004	-	-	-	-	52, Jalan Wawasan 3/7, Pusat Bandar Puchong, 47100 Puchong, Selangor

## INFORMATION ON COCOALAND (CONT'D)

Name	Nationality	Date of appointment	Direct		Indirect		Correspondence address
			No. of Cocoaland Shares ( <sup>1</sup> ) %	No. of Cocoaland Shares ( <sup>1</sup> ) %			
Lim Yew Hoe	Singaporean	1 October 2015	-	-	-	-	Room 3329, The Gardens, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur W. P. Kuala Lumpur
Soh Swee Hock @ Soh Say Hock	Malaysian	1 December 2010	-	-	-	-	108 Jalan BK 5/12, Bandar Kinrara, 47100 Puchong Selangor
Lau Cheng Yew (alternate to Yew Hoe)	Malaysian	1 April 2017	-	-	-	-	No. 6, Jalan Sungai Merbau 32/77, 40460 Shah Alam, Selangor

**Notes:**

- (1) Calculated based on the issued shares of Cocoaland of 449,854,000 Cocoaland Shares excluding 7,746,000 treasury shares as at LPD.
- (2) Deemed interested by virtue of his shareholding in Rickoh Corporation Sdn Bhd pursuant to section 8 of the Act.
- (3) Deemed interested by virtue of his substantial interest in Leverage Success pursuant to section 8 of the Act.

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**INFORMATION ON COCOALAND (CONT'D)**


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**4. SUBSTANTIAL SHAREHOLDERS**

As at LPD, the substantial shareholders of Cocoaland and their respective shareholdings in Cocoaland are as follows:

Name	Direct		Indirect	
	No. of Cocoaland Shares	(1) %	No. of Cocoaland Shares	(1) %
Leverage Success	182,873,256	40.65	-	-
F&NHB	124,422,932	27.66	-	-
Liew Fook Meng	111,500	0.02	182,873,256	(2)40.65
Lau Kee Von	1,666,232	0.37	182,873,256	(2)40.65
Liew Yoon Kee	307,054	0.07	182,873,256	(2)40.65
Lau Pak Lam	111,500	0.02	182,873,256	(2)40.65
Lew Foo Chay @ Lau Foo Chay	111,500	0.02	182,873,256	(2)40.65
Lau Kwai Choon	164,832	0.04	182,873,256	(2)40.65
Fraser and Neave, Limited	-	-	124,422,932	(3)27.66
InterBev Investment Limited	-	-	124,422,932	(4)27.66
TCC Assets Limited	-	-	124,422,932	(4)27.66
Thai Beverage Public Company Limited	-	-	124,422,932	(4)27.66
International Beverage Holdings Limited	-	-	124,422,932	(4)27.66
Siriwana Company Limited	-	-	124,422,932	(4)27.66
Shiny Treasure Holdings Limited	-	-	124,422,932	(4)27.66
Puan Sri Wanna Sirivadhanabhakdi	-	-	124,422,932	(4)27.66
Tan Sri Charoen Sirivadhanabhakdi	-	-	124,422,932	(4)27.66

**Notes:**

- (1) Calculated based on the issued shares of Cocoaland of 449,854,000 Cocoaland Shares excluding 7,746,000 treasury shares as at LPD.
- (2) Deemed interested by virtue of its substantial interest in Leverage Success pursuant to section 8 of the Act.
- (3) Deemed interested by virtue of its substantial interest in F&NHB pursuant to section 8 of the Act.
- (4) Deemed interested by virtue of their substantial interest in Fraser and Neave, Limited pursuant to section 8 of the Act.



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**INFORMATION ON COCOALAND (CONT'D)**


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**5. SUBSIDIARIES, ASSOCIATED AND JOINT VENTURE COMPANIES****5.1 Subsidiaries**

The subsidiaries of Cocoaland as at LPD are as follows:

<b>Name of company</b>	<b>Place of incorporation</b>	<b>Effective equity interest (%)</b>	<b>Principal activities</b>
Cocoaland Industry Sdn Bhd	Malaysia	100	Manufacturing and trading all kinds of processed and preserved foods and fruits
L.B. Food Sdn Bhd	Malaysia	100	Wholesales and retailing processed and preserved foods
CCL Food & Beverage Sdn. Bhd	Malaysia	100	Manufacturing and trading all kinds of processed and preserved foods and fruits
Lot 100 Food Co. Ltd	China	100	Wholesaling, importing and exporting gummy products and other products
PT Cocoaland Indonesia	Indonesia	90	Dormant
<b><u>Held through L.B. Food Sdn Bhd</u></b>			
PT Cocoaland Indonesia	Indonesia	10	Dormant

Cocoaland does not have any associated and joint venture company as at LPD.

**6. CONVERTIBLE SECURITIES**

As at LPD, Cocoaland does not have any convertible securities in issue.

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**INFORMATION ON COCOALAND (CONT'D)**


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**7. PROFIT AND DIVIDEND RECORD**

The following is a summary of the profit and dividend record of Cocoaland Group as extracted from the audited consolidated financial statements of Cocoaland for the last 3 FYEs and unaudited consolidated financial statements of Cocoaland for the 3-months financial period ended 31 March 2022:

<b>FYE 31 December</b>	<b>Audited</b>			<b>Unaudited</b>
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>3M FPE 31 March 2022</b>
	RM'000	RM'000	RM'000	RM'000
Revenue	254,066	216,246	210,299	65,744
PBT/ (LBT)	47,316	27,261	29,835	13,766
Taxation	(11,584)	(6,843)	(7,971)	(3,221)
<b>Profit attributable to owners of Cocoaland</b>	<b>35,732</b>	<b>20,418</b>	<b>21,864</b>	<b>10,545</b>
Share capital	130,154	130,154	130,154	130,154
Treasury shares	-	(3,663)	(7,347)	(6,145)
Exchange translation reserves	190	188	163	171
Retained earnings	118,700	120,950	120,351	130,448
<b>Total Equity / NA</b>	<b>249,044</b>	<b>247,629</b>	<b>243,321</b>	<b>254,628</b>

<b>FYE 31 December</b>	<b>Audited</b>			<b>Unaudited</b>
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>3M FPE 31 March 2022</b>
Weighted average no. of Cocoaland Shares in issue (excluding treasury shares) ('000)	228,800	454,921 <sup>(1)</sup>	449,852	449,675
- EPS / (LPS) (sen)				
▪ Basic	15.62	4.49 <sup>(1)</sup>	4.86	2.35
▪ Diluted	15.62	4.49 <sup>(1)</sup>	4.86	2.35
- NA per share (RM)	1.09	0.55	0.54	0.57
- Net dividend per share (sen)	10	8	10	-

**Note:**

<sup>(1)</sup> Based on the comparative financials included in the FYE 31 December 2021 financial statements which included the bonus issue of shares in October 2021.

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**INFORMATION ON COCOALAND (CONT'D)**


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**8. STATEMENT OF FINANCIAL POSITION**

The audited consolidated financial position of Cocoland Group as extracted from the audited consolidated financial statements of Cocoland for the last 3 FYEs and unaudited consolidated financial statements of Cocoland for the 3-months FPE 31 March 2022 are as follows:

<b>FYE 31 December</b>	<b>Audited</b>		<b>Unaudited</b>
	<b>2020</b>	<b>2021</b>	<b>3M FPE 31 March 2022</b>
	RM'000	RM'000	RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	84,031	78,886	80,844
Investment properties	1,569	1,883	1,875
Right-of-use assets	36,719	34,605	34,336
	<u>122,319</u>	<u>115,374</u>	<u>117,055</u>
<b>Current assets</b>			
Inventories	34,551	39,481	40,899
Trade receivables	34,261	35,868	37,036
Other receivables	6,095	6,078	2,555
Tax recoverable	2,220	248	258
Deposits, cash and bank balances	<u>77,130</u>	<u>80,615</u>	<u>92,553</u>
	154,257	162,290	173,301
Asset held for sale	-	1,502	1,501
	<u>154,257</u>	<u>163,792</u>	<u>174,802</u>
<b>TOTAL ASSETS</b>	<b><u>276,576</u></b>	<b><u>279,166</u></b>	<b><u>291,857</u></b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Bank borrowings	-	-	-
Trade payables	15,015	20,004	18,519
Other payables	8,228	9,429	10,491
Lease liabilities	246	501	500
Tax payable	465	1,569	3,758
	<u>23,954</u>	<u>31,503</u>	<u>33,268</u>
<b>Non-current liabilities</b>			
Lease liabilities	175	296	175
Deferred tax liabilities	4,818	4,046	3,786
	<u>4,993</u>	<u>4,342</u>	<u>3,961</u>
<b>TOTAL LIABILITIES</b>	<b><u>28,947</u></b>	<b><u>35,845</u></b>	<b><u>37,229</u></b>

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**INFORMATION ON COCOALAND (CONT'D)**


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<b>FYE 31 December</b>	<b>Audited</b>		<b>Unaudited</b>
	<b>2020</b>	<b>2021</b>	<b>3M FPE 31 March 2022</b>
	RM'000	RM'000	RM'000
<b>EQUITY</b>			
Share Capital	130,154	130,154	130,154
Treasury shares	(3,663)	(7,347)	(6,145)
Reserves	121,138	120,514	130,619
<b>TOTAL EQUITY</b>	<b>247,629</b>	<b>243,321</b>	<b>254,628</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>276,576</b>	<b>279,166</b>	<b>291,857</b>

As at LPD, the Company does not have any bank borrowings and/or contingent liabilities.

#### 9. MATERIAL CHANGES IN THE FINANCIAL POSITION

There is no material change in the financial position of Cocoaland Group subsequent to its latest audited financial statements for FYE 31 December 2021.

#### 10. ACCOUNTING POLICIES

Based on the audited financial statements of Cocoaland Group for FYE 31 December 2019 to 2021, the financial accounts have been prepared based on approved Malaysian accounting standards and there was no audit qualification of Cocoaland's financial statements for the respective years under review.

There is no change in the accounting policies adopted by Cocoaland which would result in audited financial statement of Cocoaland for the past 3 FYEs 2019 to 2021 not being comparable to material extent.

#### 11. MATERIAL CONTRACTS

Save as disclosed below, as at LPD, the Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) during the past 2 years before the commencement of the Offer Period and up to LPD.

On 3 March 2022, the Board announced that its wholly-owned subsidiary, L.B. Food Sdn. Bhd. ("**LB Food**") had entered into a sale and purchase agreement with KYS Capital Sdn. Bhd. ("**KYS**") for the sale of all the parcel of industrial land located in Mukim Chenderiang, Daerah Batang Padang, Negeri Perak Darul Ridzuan, measuring approximately 12,138 square metres to KYS for a cash consideration of RM3,325,000 ("**Land Disposal**"). The Land Disposal is a related party transaction by virtue of Mr Lau Kee Von who is a director and shareholder of KYS, is also the director of LB Food and a Director and substantial shareholder of Cocoaland. Ms. Lau See Yee, Mr. Lau Khang Weei and Mr. Lau Khang Yean, who are director and/or shareholder of KYS, are the children of Mr Lau Kee Von. The Disposal was completed on 25 April 2022.

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**INFORMATION ON COCOALAND (CONT'D)**

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**12. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

As at LPD, the Group is not engaged in any material litigation, claim and/or arbitration either as plaintiff or defendant, which may have a material effect on the financial position or business of the Group and the Board is not aware of any proceedings, pending or threatened, or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group.

**13. CONTINGENT LIABILITIES AND MATERIAL CAPITAL COMMITMENTS**

The Board confirms that, as at LPD, there are no contingent liabilities and material capital commitments incurred or known to be incurred by Cocoaland Group, which upon becoming enforceable may have a material impact on the profits or NA of Cocoaland Group.

***For further information, please refer to the Cocoaland's website at <https://www.cocoaland.com> and announcement(s) made on Bursa Securities at [www.bursamalaysia.com](http://www.bursamalaysia.com).***

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**INFORMATION ON F&NHB**


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**1. HISTORY, PRINCIPAL BUSINESS AND CORPORATE INFORMATION****1.1 History**

F&NHB was incorporated in the Federation of Malaya on 15 May 1961 as a private limited company. It subsequently converted into a public company on 4 May 1969 before its listing on the Main Board of the Kuala Lumpur Stock Exchange (now known as Main Market of Bursa Securities) on 3 August 1970. F&NHB changed to its current name Fraser & Neave Holdings Bhd on 5 March 1996.

**1.2 Principal business**

F&NHB is principally engaged in investment holdings activities while the other F&NHB Group entities are primarily engaged in the manufacturing, distribution and sale of soft drinks, dairy and food products, property development activities and the provision of management services.

**2. SHARE CAPITAL**

The issued share capital of F&NHB as at LPD are as follows:

	<u>No. of shares</u>	<u>Total (RM)</u>
<b><u>Issued share capital</u></b>		
Ordinary shares	366,778,501	816,770,000

There is only 1 class of shares in F&NHB, being the ordinary shares.

There was no reorganisation of F&NHB capital during the 2 financial years preceding the Explanatory Statement.

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**INFORMATION ON F&NHB (CONT'D)**


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**3. DIRECTORS AND THEIR SHAREHOLDINGS**

As at LPD, the directors of F&NHB and their shareholdings in F&NHB are as follows:

<b>Name</b>	<b>Direct</b>		<b>Indirect</b>	
	<b>No. of F&amp;NHB Shares</b>	<b>(1) %</b>	<b>No. of F&amp;NHB Shares</b>	<b>%</b>
Y.A.M. Tengku Syarif Bendahara Perlis Syed Badarudin Jamalullail Ibni Almarhum Tuanku Syed Putra Jamalullail	2,062,000	0.562	-	-
Mr. Hui Choon Kit	-	-	-	-
Mr. David Siew Kah Toong	-	-	-	-
Mdm. Tan Fong Sang (f)	-	-	-	-
Datuk Kamaruddin bin Taib	-	-	-	-
Dato' Jorgen Bornhoft	-	-	-	-
Puan Aida binti Md Daud (f)	-	-	-	-
Puan Faridah binti Abdul Kadir (f)	4,000	0.001	-	-
Datuk Mohd Anwar bin Yahya	-	-	-	-
Dato' Ng Wan Peng (f)	-	-	-	-
Mr. Kosit Suksingha	-	-	-	-
Mrs. Tongjai Thanachanan (f) (alternate director to Mr. Kosit Suksingha)	-	-	-	-

**Note:**

(1) Calculated based on the issued shares of F&NHB of 366,778,501 F&NHB Shares as at LPD.

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**INFORMATION ON F&NHB (CONT'D)**


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**4. SUBSTANTIAL SHAREHOLDERS**

As at LPD, the substantial shareholders of F&NHB and their respective shareholdings in F&NHB are as follows:

<b>Name</b>	<b>Direct</b>		<b>Indirect</b>	
	<b>No. of F&amp;NHB Shares</b>	<b>(1) %</b>	<b>No. of F&amp;NHB Shares</b>	<b>(1) %</b>
Fraser and Neave, Limited	203,470,910	55.475	-	-
InterBev Investment Limited	-	-	203,470,910	<sup>(2)</sup> 55.475
TCC Assets Limited	-	-	203,470,910	<sup>(2)</sup> 55.475
Thai Beverage Public Company Limited	-	-	203,470,910	<sup>(2)</sup> 55.475
International Beverage Holdings Limited	-	-	203,470,910	<sup>(2)</sup> 55.475
Siriwana Company Limited	-	-	203,470,910	<sup>(2)</sup> 55.475
Shiny Treasure Holdings Limited	-	-	203,470,910	<sup>(2)</sup> 55.475
Puan Sri Wanna Sirivadhanabhakdi	-	-	203,470,910	<sup>(2)</sup> 55.475
Tan Sri Charoen Sirivadhanabhakdi	-	-	203,470,910	<sup>(2)</sup> 55.475
Employees Provident Fund Board	47,530,852	12.959	-	-
Amanahraya Trustees Berhad – Amanah Saham Bumiputera	27,576,000	7.518	-	-

**Notes:**

- (1) *Calculated based on the issued shares of F&NHB of 366,778,501 F&NHB Shares as at LPD.*
- (2) *Deemed interested by virtue of its substantial interest in Fraser and Neave, Limited pursuant to section 8 of the Act.*



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**INFORMATION ON F&NHB (CONT'D)**


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**5. PROFIT AND DIVIDEND RECORD**

The following is a summary of the profit and dividend record of F&NHB Group as extracted from the audited consolidated financial statements of F&NHB for the last 3 FYEs and latest unaudited consolidated financial statements of F&NHB for 6-months financial period ended 31 March 2022:

<b>FYE 30 September</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>6M-FPE 31 March 2022</b>
	RM'000	RM'000	RM'000	RM'000
Revenue	4,077,138	3,988,507	4,130,872	2,214,305
PBT	532,956	522,911	479,411	220,132
Taxation	(122,732)	(112,787)	(84,281)	(33,326)
<b>PAT</b>	<b>410,224</b>	<b>410,124</b>	<b>395,130</b>	<b>186,806</b>
NCI	36	260	34	14
<b>Profit attributable to owners of F&amp;NHB</b>	<b>410,260</b>	<b>410,384</b>	<b>395,164</b>	<b>186,820</b>
Share capital	816,770	816,770	816,770	816,770
Share held by SGP Trust	(3,904)	(4,688)	(4,626)	(375)
Loss on purchase of shares for SGP	(7,251)	(7,733)	(9,275)	(8,977)
Translation reserve	122,570	94,284	48,002	54,839
Share-based payment	12,691	14,434	12,926	8,281
Legal reserve	9,934	9,934	9,934	9,934
Retained earnings	1,578,514	1,767,600	1,945,234	2,011,017
<b>Total equity attributable to owners of F&amp;NHB / NA</b>	<b>2,529,324</b>	<b>2,690,601</b>	<b>2,818,965</b>	<b>2,891,489</b>
NCI	99	(161)	(195)	(209)
<b>Total Equity</b>	<b>2,529,423</b>	<b>2,690,440</b>	<b>2,818,770</b>	<b>2,891,280</b>

<b>FYE 30 September</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>6M-FPE 31 March 2022</b>
No. of F&NHB Shares in issue (excluding shares held by SGP Trust) ('000)	366,575	366,639	366,615	366,763
- EPS / (LPS) (sen)				
▪ Basic	111.9	111.9	107.8	50.9
▪ Diluted	111.6	111.7	107.6	50.8
- NA per share (RM)	6.90	7.34	7.69	7.88
- Net dividend per share (sen)	60.0	60.0	60.0	27.0

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**INFORMATION ON F&NHB (CONT'D)**


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FYE 30 September	2019	2020	2021	6M-FPE 31 March 2022
	RM'000	RM'000	RM'000	RM'000
<b>Exceptional items (EI)</b>				
Flood related damages/insurance claim:				
Inventories written down	-	-	-	20,933
Impairment loss on plant and machinery	-	-	-	6,565
Repair expenses of plant and machinery	-	-	-	11,659
Other flood related expenses	-	-	-	1,151
Insurance claim receivable	-	-	-	(18,002)
Insurance claim received in respect of inventories damaged by fire	(3,089)	(2,258)	-	-
Gain on disposal of TEAPOT trademark	-	(7,805)		
Restructuring costs			20,884	1,678
	<u><u>(3,089)</u></u>	<u><u>(10,063)</u></u>	<u><u>20,884</u></u>	<u><u>23,984</u></u>

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**INFORMATION ON F&NHB (CONT'D)**


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**6. STATEMENT OF FINANCIAL POSITION**

The audited consolidated financial position of F&NHB Group as extracted from the audited consolidated financial statements of F&NHB Group for last 2 FYEs and latest unaudited consolidated financial statements of F&NHB Group for 6-months financial period ended 31 March 2022 are as follows:

<b>FYE 30 September</b>	<b>Audited</b>		<b>Unaudited</b>
	<b>2020</b>	<b>2021</b>	<b>6M-FPE 31 March 2022</b>
	RM'000	RM'000	RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1,359,893	1,372,249	1,435,264
Right-of-use assets	87,183	125,367	123,025
Investment properties	47,569	47,569	47,569
Properties held for development	54,958	54,933	54,933
Intangible assets	45,921	88,319	88,688
Investment in an associate	91,261	85,687	89,199
Investment in a joint venture	87,845	87,555	87,453
Deferred tax assets	5,970	5,240	5,916
	<u>1,780,600</u>	<u>1,866,919</u>	<u>1,932,047</u>
<b>Current assets</b>			
Trade and other receivables	589,661	545,932	713,399
Inventories	655,981	659,745	840,841
Current tax assets	200	3,770	-
Derivative financial assets	4	-	1,051
Cash and cash equivalents	493,615	555,380	319,946
	<u>1,739,461</u>	<u>1,764,827</u>	<u>1,875,237</u>
<b>TOTAL ASSETS</b>	<b><u>3,520,061</u></b>	<b><u>3,631,746</u></b>	<b><u>3,807,284</u></b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities	10,785	53,904	54,560
Employee benefits	51,304	43,440	44,366
Deferred tax liabilities	<u>48,073</u>	<u>59,754</u>	<u>65,402</u>
	110,162	157,098	164,328
<b>Current liabilities</b>			
Trade and other payables	516,654	558,253	635,755
Contract liabilities	57,787	55,815	75,840
Loans and borrowings	91,868	1,000	1,000

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**INFORMATION ON F&NHB (CONT'D)**


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	<b>Audited</b>		<b>Unaudited</b>
	<b>2020</b>	<b>2021</b>	<b>6M-FPE 31 March 2022</b>
<b>FYE 30 September</b>			
	RM'000	RM'000	RM'000
Lease liabilities	13,672	10,143	9,115
Current tax liabilities	39,111	30,501	29,966
Derivative financial liabilities	367	166	-
	<u>719,459</u>	<u>655,878</u>	<u>751,676</u>
<b>TOTAL LIABILITIES</b>	<b><u>829,621</u></b>	<b><u>812,976</u></b>	<b><u>916,004</u></b>
<b>EQUITY</b>			
Share Capital	816,770	816,770	816,770
Shares held by SGP Trust	(4,688)	(4,626)	(375)
Reserves	<u>1,878,519</u>	<u>2,006,821</u>	<u>2,075,094</u>
<b>Total equity attributable to owners of F&amp;NHB</b>	<b><u>2,690,601</u></b>	<b><u>2,818,965</u></b>	<b><u>2,891,489</u></b>
NCI	(161)	(195)	(209)
<b>TOTAL EQUITY</b>	<b><u>2,690,440</u></b>	<b><u>2,818,770</u></b>	<b><u>2,891,280</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>3,520,061</u></b>	<b><u>3,631,746</u></b>	<b><u>3,807,284</u></b>

**7. MATERIAL CHANGES IN THE FINANCIAL POSITION**

There is no material change in the financial position of F&NHB Group subsequent to its latest audited financial statements for the FYE 30 September 2021.

**8. ACCOUNTING POLICIES**

The audited financial statements of F&NHB Group for FYE 30 September 2019 to 2021 have been prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act. There was no audit qualification of F&NHB's financial statements for the respective years under review.

There is no change in accounting policies adopted by F&NHB which would result in audited financial statement of F&NHB for the past 3 FYEs 2019 to 2021 not being comparable to material extent.

***For further information, please refer to the F&NHB's website at <https://www.fn.com.my/> and announcement(s) made on Bursa Securities at [www.bursamalaysia.com](http://www.bursamalaysia.com).***

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**INFORMATION ON AWANA CITRA**


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**1. HISTORY, PRINCIPAL BUSINESS AND CORPORATE INFORMATION****1.1 History**

Awana Citra was incorporated in Malaysia under the Act on 10 November 2020 as a private limited company.

**1.2 Principal business**

Awana Citra is principally engaged in investment holding activities while its subsidiaries are engaged in the manufacturing, distribution and sale of food products.

**2. SHARE CAPITAL**

The issued share capital of Awana Citra as at LPD are as follows:

	<u>No. of shares</u>	<u>Total</u>
		RM
<b><u>Issued share capital</u></b>		
Ordinary shares	61,000,000	61,000,000

There is only 1 class of shares in Awana Citra, being the ordinary shares.

**3. DIRECTORS AND THEIR SHAREHOLDINGS**

As at LPD, the directors of Awana Citra and their shareholdings in Awana Citra are as follows:

<u>Name</u>	<u>Direct</u>		<u>Indirect</u>	
	<u>No. of shares</u>	<u>%</u>	<u>No. of shares</u>	<u>%</u>
Dato' Raffiq bin Md Ariff	-	-	-	-
Zainal Abidin bin Musa @ Hussain	-	-	-	-

**4. SUBSTANTIAL SHAREHOLDERS**

As at LPD, Awana Citra is wholly-owned by F&NHB.

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**INFORMATION ON AWANA CITRA (CONT'D)**


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**5. PROFIT AND DIVIDEND RECORD**

The following is a summary of the profit and dividend record of Awana Citra as extracted from the audited financial statements of Awana Citra for FPE 30 September 2021. The company does not prepare consolidated financial statement.

	<u>FPE 30 September 2021</u>
	RM
Revenue	-
LBT	(514,394)
Taxation	(988)
<b>Loss attributable to owners of Awana Citra</b>	<b>(515,382)</b>
Share capital	61,000,000
Accumulated losses	(515,382)
<b>Total equity attributable to owners of Awana Citra / NA</b>	<b>60,484,618</b>
No. of Awana Citra shares in issue ('000)	61,000
- (LPS) (sen)	(0.8)
- NA per share (RM)	0.99
- Net dividend per share (sen)	-

**6. STATEMENT OF FINANCIAL POSITION**

The audited financial position of Awana Citra as extracted from the audited financial statements of Awana Citra for last FPE 30 September 2021 is set out below. The company does not prepare consolidated financial statements.

	<u>As at 30 September 2021</u>
	RM
<b>ASSETS</b>	
<b>Non-current assets</b>	
Investment in subsidiaries	59,497,654
	<u>59,497,654</u>
<b>Current assets</b>	
Current tax assets	380
Cash and bank balances	989,584
	<u>989,964</u>
<b>TOTAL ASSETS</b>	<b>60,487,618</b>
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Other payable	3,000
	<u>3,000</u>
<b>TOTAL LIABILITIES</b>	<b>3,000</b>

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**INFORMATION ON AWANA CITRA (CONT'D)**


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	<u>As at 30 September 2021</u>
	RM
<b>EQUITY</b>	
Share capital	61,000,000
Accumulated losses	(515,382)
<b>TOTAL EQUITY</b>	<u><b>60,484,618</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>60,487,618</b></u>

**7. MATERIAL CHANGES IN THE FINANCIAL POSITION**

There is no material change in the financial position of Awana Citra subsequent to its latest audited financial statement for the FPE 30 September 2021.

**8. ACCOUNTING POLICIES**

The financial statements of Awana Citra for the FPE 30 September 2021 have been prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act. There was no audit qualification.

There is no change in accounting policies as this is the first set of financial statements since incorporation.

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**DISCLOSURE OF INTEREST AND DEALINGS IN COCOALAND SHARES**


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**1. DISCLOSURE OF INTEREST IN COCOALAND SHARES**

There is only 1 class of shares in Cocoaland, being the ordinary shares. As at LPD, Cocoaland does not have any convertible securities in issue.

As at LPD, the issued share capital of Cocoaland is RM130,154,539 comprising 457,600,000 Cocoaland Shares (including 7,746,000 treasury shares)

**1.1 By F&NHB**

Save as disclosed below, F&NHB does not have any other interest, whether direct or indirect, in Cocoaland Shares as at LPD:

Name	Direct		Indirect	
	No. of Cocoaland Shares	(1) %	No. of Cocoaland Shares	%
F&NHB	124,422,932	27.66	-	-

**Note:**

(1) Calculated based on the issued shares of Cocoaland of 449,854,000 Cocoaland Shares excluding 7,746,000 treasury shares as at LPD.

**1.2 By directors of F&NHB**

As at LPD, the directors of F&NHB do not have any interest, whether direct or indirect, in Cocoaland Shares.

**1.3 By the PACs of F&NHB**

As at LPD, there are no PACs (including Awana Citra) with F&NHB that hold shares in Cocoaland.

**1.4 By persons who have irrevocably committed to vote in favour of the Scheme**

As stated in Section 2.1 of this Explanatory Statement, F&NHB has received an irrevocable undertaking from Leverage Success to vote in favour of the Scheme at the forthcoming Court Convened Meeting.

Apart from Leverage Success, F&NHB has not received any other irrevocable undertaking from any Scheme Shareholders to vote in favour of the Scheme at the forthcoming Court Convened Meeting.

As at LPD, Leverage Success' shareholding in Cocoaland is 182,873,256 ordinary shares representing 40.65% of voting equity interest in Cocoaland.

**1.5 By a person with whom F&NHB or its PACs have any arrangement**

As at LPD, save for the Undertakings, F&NHB and its PACs have not entered into any arrangement including any arrangement involving rights over shares, any indemnity arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to the Cocoaland Shares which may be an inducement to deal or to refrain from dealing pursuant to the Proposed Privatisation.



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**DISCLOSURE OF INTEREST AND DEALINGS IN COCOALAND SHARES (CONT'D)**

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**1.6 By a person with whom F&NHB or its PACs has borrowed or lent**

As at LPD, F&NHB or its PACs have not borrowed or lent any Cocoaland Shares.

**1.7 Dealings in Cocoaland Shares**

F&NHB or its PACs (including the directors of F&NHB) confirmed that they have not dealt in Cocoaland Shares during the 6 months prior to the beginning of the Offer Period up to LPD.

Leverage Success confirmed that it has not dealt in Cocoaland Shares during the 6 months prior to the beginning of the Offer Period up to LPD.

**2. GENERAL DISCLOSURES**

- (a) As at LPD, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any director of Cocoaland as compensation for loss of office or otherwise in connection with the Proposed Privatisation.
- (b) As at LPD, save for the Undertakings, there is no agreement, arrangement or understanding that exists between F&NHB or its PACs and any of the directors or recent directors of Cocoaland (being such person who was, during the period of 6 months prior to the beginning of the Offer Period, a director of Cocoaland), or any existing or recent shareholders of Cocoaland (being such person who was, during the period of 6 months prior to the beginning of the Offer Period, a shareholder of Cocoaland) having any connection with or dependence upon the Proposed Privatisation.
- (c) As at LPD, there is no agreement, arrangement or understanding entered into by F&NHB or its PACs whereby any Cocoaland Shares acquired pursuant to the Scheme will be transferred to any other person(s) not wholly owned by F&NHB. As stated in Section 2 of this Explanatory Statement, the Scheme Shares will be transferred to Awana Citra, a wholly-owned subsidiary of F&NHB.
- (d) As at LPD, there has not been, within the knowledge of F&NHB, any material change in the financial position or prospects of Cocoaland Group since 31 December 2021, being the date of the latest audited financial statements of Cocoaland laid before the shareholders of Cocoaland at its general meeting.

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**FURTHER INFORMATION**

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**1. RESPONSIBILITY STATEMENT**

This Document has been reviewed and approved by the Board, who collectively and individually accept full responsibility for the accuracy of information given herein. The Board confirms that they have taken reasonable care to ensure the facts stated and opinions expressed herein are fair and accurate and that no material facts have been omitted; and that Cocoland or the Board accepts responsibility accordingly.

All statements and information in relation to F&NHB and Awana Citra as disclosed in this Document (excluding the IAL), have been confirmed by the Board of Directors of F&NHB who collectively and individually accepts full responsibility for the accuracy of information given in this Document (excluding the IAL). The Board of Directors of F&NHB confirms that it has taken reasonable care to ensure that the facts stated and opinions in relation to the information on F&NHB and Awana Citra expressed in this Document (excluding the IAL) are fair and accurate and that no material facts have been omitted and that F&NHB or the Board of Directors of F&NHB accepts responsibility accordingly.

**2. CONSENT AND CONFLICT OF INTEREST****2.1 AmInvestment Bank**

AmInvestment Bank has given and has not subsequently withdrawn its consent to the inclusion in this Explanatory Statement of its name and all references thereto in the form and context in which it appears in this Explanatory Statement.

AmInvestment Bank has been appointed by Cocoland as the Principal Adviser for the implementation of the Proposed Privatisation to be carried out by Cocoland and AmInvestment Bank has obtained the consent of F&NHB to act in the said capacity since AmInvestment bank has also been appointed by F&NHB as the Principal Adviser to F&NHB for the Proposed Privatisation. Save as disclosed in this section, AmInvestment Bank confirms that there are no circumstances that would give rise to a conflict of interest in its capacity as the Principal Adviser to Cocoland for the implementation of the Proposed Privatisation.

AmInvestment Bank is a wholly-owned subsidiary of AMMB Holdings Berhad. AMMB Holdings Berhad and its group of companies (collectively, "**AmBank Group**") form a diversified financial group and are engaged in a wide range of transactions relating to amongst others, investment banking, commercial banking, private banking, brokerage, securities trading, asset and funds management and credit transaction services businesses. AmBank Group's securities business is primarily in the areas of securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trade.

In ordinary course of their businesses, any member of AmBank Group may at any time extend services to any company as well as hold long or short positions, and trade or otherwise effect transactions, for its own account or the account of its other client, in debt or equity securities or senior loans of any company. Accordingly, there may be situations where parts of the AmBank Group and/or its clients now have or in the future, may have interests or take actions that may conflict with the interests of F&NHB Group and/or Cocoland Group and/or their connected parties.

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**FURTHER INFORMATION (CONT'D)**


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As disclosed, AmInvestment Bank has also been appointed as the Principal Adviser to F&NHB for the Proposed Privatisation. AmInvestment Bank is of the view that such appointment does not result in a conflict of interest situation in respect of its capacity as the Principal Adviser to Cocoland for the implementation of the Proposed Privatisation as:-

- (i) the Board has appointed Malacca Securities Sdn Bhd as the independent adviser to advise the non-interested directors of Cocoland and Scheme Shareholders in relation to the Proposed Privatisation; and
- (ii) if and to the extent that any conflict of interest could have possibly arisen, it would have been mitigated by the appointment of and role assumed by Malacca Securities Sdn Bhd.

## **2.2 Malacca Securities Sdn Bhd**

Malacca Securities Sdn Bhd, being the Independent Adviser for the Scheme has given and not subsequently withdrawn its consent for the inclusion of its name and all references thereto in the form and context in which they appear in this Document.

Malacca Securities Sdn Bhd has also confirmed that it is not aware of any existing conflict of interest nor of any circumstances which would or is likely to give rise to a possible conflict of interest by virtue of its appointment as the Independent Adviser in relation to the Proposed Privatisation for the Scheme.

## **2.3 IVPS Property Consultant Sdn Bhd**

IVPS Property Consultant Sdn Bhd, being the Independent Valuer for the investment property of Cocoland, has given and not subsequently withdrawn its consent for the inclusion of its name and all references thereto in the form and context in which they appear in the IAL.

IVPS Property Consultant Sdn Bhd has also confirmed that there is no situation of conflict of interest that exists or is likely to exist in its capacity as the Independent Valuer for the investment property of Cocoland.

## **3. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours of between 9.00 a.m. and 5.00 p.m, at the registered office of the Company (except Saturdays, Sundays and public holidays) at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur from the date of this Document up to and including the date of the Court Convened Meeting:

- (a) Constitution of Cocoland;
- (b) Cocoland's audited consolidated financial statements for FYE 31 December 2019 to 2021 and unaudited consolidated financial statements of Cocoland for the 3-months FPE 31 March 2022;
- (c) F&NHB's audited consolidated financial statements for FYE 30 September 2019 to 2021 and unaudited consolidated financial statements of F&NHB for the 6-months FPE 31 March 2022;
- (d) F&NHB's Proposal Letter;
- (e) The material contract referred to in Section 11 of Appendix I; and
- (f) Letters of consent referred to in Section 2 of this Appendix V.

IN THE HIGH COURT OF MALAYA AT KUALA LUMPUR  
IN THE STATE OF WILAYAH PERSEKUTUAN, MALAYSIA  
(COMMERCIAL DIVISION)

ORIGINATING SUMMONS NO. WA-24NCC-734-06/2022

In the matter of section 366 and other sections of  
the Companies Act 2016

And

In the matter of Cocoaland Holdings Berhad  
[Registration No. 200001013413 (516019-H)]

And

In the matter of privatisation of Cocoaland Holdings  
Berhad [Registration No. 200001013413 (516019-  
H)] by Fraser & Neave Holdings Bhd [Registration  
No. 196101000155 (4205-V)] as the offeror and  
Awana Citra Sdn Bhd [Registration No.  
202001036345 (1392666-H)] being the recipient of  
the scheme shares

And

In the matter of the proposed scheme of  
arrangement between Cocoaland Holdings Berhad  
[Registration No. 200001013413 (516019-H)] and  
its scheme shareholders

And

In the matter of Order 88 of the Rules of Court 2012

Cocoaland Holdings Berhad  
[Registration No. 200001013413 (516019-H)]

...Applicant

ORIGINATING SUMMONS (Ex Parte)  
Section 366 of the Companies Act 2016

**LET ALL PARTIES CONCERNED** attend before the Judge in Chambers on the 7th day of, July at 9.30 a.m., to hear the application by the Applicant for the Orders as follows:

1. An Order pursuant to section 366 of the Companies Act 2016 ("**Act**") that a meeting of members ("**Court Convened Meeting**") of the Applicant be convened for the purposes of considering and if thought fit approving, with or without modifications, the scheme of arrangement proposed ("**Proposed Scheme**") between the Applicant and its shareholders (other than Fraser & Neave Holdings Bhd ("**F&NHB**") ("**Scheme Shareholders**") within 90 days from the date of this Order;
2. An Order that the Court Convened Meeting be summoned and held in the manner hereinafter set out:
  - 2.1 The Applicant shall be at liberty to fix the date and venue of the Court Convened Meeting provided always that the Court Convened Meeting shall be held between the hours of 9.00 a.m. and 5.00 p.m. on any day within 90 days from the date of this Order;

- 2.2 That the Court Convened Meeting be summoned in the following manners:
- (a) by given notice not less than 21 days and that notice to be given by an advertisement to be inserted in 1 daily newspaper circulating generally throughout Malaysia including a notification of the place at which and the manner in which the Scheme Shareholders entitled to attend the Court Convened Meeting and stating that a copy of the explanatory statement as well as other related documents pursuant to section 366(1)(a) of the Act (collectively, the "**Scheme Document**") will be available for sighting at the registered office of the Applicant at Level 5, Tower 8, Avenue 5 Horizon 2, Bangsar South City, 59200 Kuala Lumpur; and
  - (b) by issuing a written notice to the Scheme Shareholders through ordinary post not less than 21 days notifying of the place at which and the manner in which the Scheme Shareholders entitled to attend the Court Convened Meeting and enclose a copy of the Scheme Documents; and
  - (c) Notice of the Court Convened Meeting is deemed properly served upon the Scheme Shareholders three (3) days from the date of its posting (through ordinary post) or its advertisement under paragraph 2.2(a) above, whichever is earlier.
- 2.3 The Applicant shall make available to the Scheme Shareholders, copies of the Scheme Document which shall be obtained from the registered office of the Applicant at Level 5, Tower 8, Avenue 5 Horizon 2, Bangsar South City, 59200 Kuala Lumpur from Mondays to Fridays (except for public holidays) between the hours of 9.00 a.m to 5.00 p.m.
3. That the Applicant be given liberty to appoint any director from its board as the Chairman of the Court Convened Meeting and be directed to report the results of the Court Convened Meeting to this Honourable Court.
  4. That the Applicant may serve a copy of the Order herein upon the Scheme Shareholders by annexing a copy of the Order with the written notice stipulated under paragraph 2(b) above and such service shall be good and sufficient service of the Order herein.
  5. The Applicant be at liberty to apply including an application for any extension of any period prescribed by any order made herein.
  6. Such further or other relief as this Honourable Court may deem fit.

The grounds of this Originating Summons are contained in the Affidavit in Support affirmed by **Dato' Azman Bin Mahmood** and filed herein. In brief, they are as follows:

1. The Applicant had on 03.06.2022, received a proposal letter from its major shareholder, F&NHB ("**Offeror**") in respect of the proposed privatisation of the Applicant ("**Proposal Letter**") to be undertaken by way of a members' scheme of arrangement under section 366 of the Act between the Applicant and the Scheme Shareholders ("**Proposed Privatisation**").
2. *Vide* the Proposed Privatisation, the Offeror will acquire the remaining 72.34% of equity interest representing 325,431,068 ordinary shares in the Applicant ("**Scheme Shares**") owned by the Scheme Shareholders and transfer the Scheme Shares to its appointed nominee, i.e. Awana Citra Sdn. Bhd. ("**Offeror's Nominee**") a wholly-owned subsidiary of the Offeror, by paying the offer price of RM1.50 for each Scheme Share ("**Offer Price**"). The total consideration for the Proposed Scheme is **RM488,146,602** and shall be satisfied in cash.

3. The Applicant has an existing employee share grant scheme. Subject to the relevant approvals for the Proposed Scheme being obtained, the board of directors of the Applicant proposes to award up to 698,800 ordinary shares in the Applicant ("**Cocoaland Shares**") (from the existing pool of treasury shares) to eligible employees (including executive directors of the Applicant) before the execution of the Proposed Scheme. In this event, the number of the Scheme Shares would increase by up to 698,800 Cocoaland Shares to 326,129,868 Cocoaland Shares and the total consideration payable by Offeror would increase by up to RM1,048,200 to RM489,194,802.
4. The Proposed Privatisation is in line with the Offeror's objective to be a stable and sustainable food and beverage leader in ASEAN with halal packaged food as its fourth pillar of growth. Besides that, the Proposed Privatisation will also offer an opportunity for the Scheme Shareholders to realise and recoup their investment in the Applicant.
5. Leverage Success Sdn Bhd ("**Leverage Success**") is a major shareholder of the Applicant. Leverage Success holds 182,873,256 Cocoaland Shares representing 40.65% of the issued share capital of the Applicant. As stated in the Proposal Letter, on 03.06.2022, Offeror has received the following undertakings ("**Undertakings**"):
  - (a) an irrevocable and unconditional undertaking from the shareholders of Leverage Success dated 03.06.2022, to:
    - (i) cause Leverage Success to vote in favour of the Proposed Scheme at the Court Convened Meeting;
    - (ii) not to sell any of their respective equity interest in Leverage Success from the date of the undertaking until the date of full settlement by the Offeror of the consideration for the acquisition and transfer of the Scheme Shares from the Scheme Shareholders to the Offeror and/or the Offeror's Nominee pursuant to the Scheme; and
    - (iii) ensure that Leverage Success maintains its shareholding in Cocoaland at no less than 182,873,256 ordinary shares representing 40.65% of voting equity interest in Cocoaland and Leverage Success will not dispose any of its shares in Cocoaland from the date of the undertaking until Completion.
6. To the best belief of the board of the Applicant, the Proposed Privatisation for the scheme of arrangements between the Applicant and the Scheme Shareholders is likely to be approved based *inter-alia*, the undertakings given by Leverage Success and the Scheme Shareholders are able to recoup and realise their investments in the Applicant.

Dated this 20 June 2022

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Senior Assistant Registrar  
High Court  
Kuala Lumpur

This ORIGINATING SUMMONS is filed by Messrs Tuang, Chu & Co, advocates and solicitors whose address of service is at A-G-23A, Menara Prima, Jalan PJU 1/39, Dataran Prima, 47301 Petaling Jaya, the solicitors for the Applicant named above.  
Tel: 03-7490 2001  
Email: office@tcclaw.com.my

# cocoaland<sup>®</sup>

## COCOALAND HOLDINGS BERHAD

Registration No. 200001013413 (516019-H)  
(Incorporated in Malaysia and registered under the Act)

### NOTICE OF COURT CONVENED MEETING

Scheme of Arrangement pursuant to  
Section 366 of the Companies Act 2016  
for the Proposed Privatisation of  
Cocoaland Holdings Berhad [Registration No. 200001013413 (516019-H)] (“**Applicant**”)  
by Fraser & Neave Holdings Bhd [Registration No. 196101000155 (4205-V)] (“**F&NHB**”)

#### ORIGINATING SUMMONS NO. WA-24NCC-734-06/2022

In the matter of section 366 and other sections of  
the Companies Act 2016

And

In the matter of Cocoaland Holdings Berhad  
[Registration No. 200001013413 (516019-H)]

And

In the matter of privatisation of Cocoaland Holdings  
Berhad [Registration No. 200001013413 (516019-  
H)] by Fraser & Neave Holdings Bhd [Registration  
No. 196101000155 (4205-V)] as the offeror, Awana  
Citra Sdn Bhd [Registration No. 202001036345  
(1392666-H)] being the recipient of the scheme  
shares

And

In the matter of the proposed scheme of  
arrangement between Cocoaland Holdings Berhad  
[Registration No. 200001013413 (516019-H)] and  
its scheme shareholders

And

In the matter of Order 88 Rule 2 of the Rules of  
Court 2012

Cocoaland Holdings Berhad  
[Registration No. 200001013413 (516019-H)]

...Applicant

**NOTICE IS HEREBY GIVEN THAT** by Order of the Court dated 7 July 2022, the High Court of Malaya (“**High Court**”) at Kuala Lumpur vide Originating Summons No. WA-24NCC-734-06/2022 has directed, amongst others, a court convened shareholders’ meeting of the above-named Applicant (“**Court Convened Meeting**”), other than Fraser & Neave Holdings Bhd (“**F&NHB**”), be held for the purpose of considering and if thought fit, approving whether with or without modification(s) the Proposed

Privatisation involving the scheme of arrangement under section 366 of the Companies Act 2016 (“**Act**”) between the Applicant and its shareholders (other than F&NHB) (“**Scheme Shareholders**”) (“**Scheme**”):

“**THAT** subject to the sanction of the High Court and the approval of any other relevant authorities/persons (if required), approval be and is hereby given for the implementation of the Scheme, which involves the acquisition by F&NHB and the transfer of all remaining ordinary shares in the Applicant not already held by F&NHB (“**Scheme Shares**”) from the Scheme Shareholders to Awana Citra Sdn Bhd, a wholly owned subsidiary of F&NHB, being the nominated party to receive the Scheme Shares at a price of RM1.50 for each Scheme Share which shall be satisfied in cash;

**AND THAT** the Directors of the Applicant be and are hereby authorised to take such steps, execute such documents and enter into any arrangements, agreements and/or undertakings with any party or parties they may deem fit, necessary, expedient or appropriate in order to implement, finalise and/or give full effect to the Proposed Privatisation and the Scheme with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be agreed to/required by any relevant regulatory authority or as a consequence of any such requirement or as the Directors of the Applicant may, in their absolute discretion, deem fit and expedient in the best interests of the Applicant.”

The Court Convened Meeting has been directed to take place at Crystal 1, Level 1, Crystal Crown Hotel Kuala Lumpur, 3, Jalan Jambu Mawar, Off Jalan Kepong, 52000 Kuala Lumpur on Thursday, 18 August 2022 at 10.00 a.m. or at any adjournment thereof which the Scheme Shareholders are requested to attend.

A copy of the Explanatory Statement and the Independent Advice Letter required to be furnished pursuant to section 366(1)(a) of the Act together with a Form of Proxy for the Court Convened Meeting can be obtained from the registered office of the Applicant at Level 5, Tower 8, Avenue 5 Horizon 2, Bangsar South City, 59200 Kuala Lumpur every day except Saturday, Sunday and public holidays and during working hours of between 9.00 a.m. and 5.00 p.m.

The Scheme Shareholders may vote in person at the Court Convened Meeting or they may appoint proxy(ies) to attend and vote on their behalf.

The Form of Proxy must be lodged at the registered office of the Applicant at Level 5, Tower 8, Avenue 5 Horizon 2, Bangsar South City, 59200 Kuala Lumpur not less than 48 hours before the time appointed for holding the Court Convened Meeting or at any adjournment thereof.

By the Order of the Court, the High Court provided the liberty for the Applicant to appoint any director from its board to act as the Chairman of the Court Convened Meeting and has directed that the results of the Court Convened Meeting be reported to the High Court after the Court Convened Meeting.

The Scheme will be subject to the sanction of the High Court.

## **Cocoaland Holdings Berhad**

Dated: 20 July 2022

### **Notes:**

1. Only depositors whose names appear in the Record of Depositors as at 11 August 2022 be regarded as members and entitled to attend, speak and vote at the meeting.
2. A member of the Company entitled to attend and vote at the Court Convened Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member appoints two (2) or more proxies to attend the same meeting, the member shall specify the proportion of his shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company.
3. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry Central (Central Depositories) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“Omnibus Account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.



4. The instrument appointing a proxy shall be in writing under the hand of the depositor or his attorney duly authorised in writing or if such appointor is a corporation, either under its common seal or the hand of its officer or its duly authorized attorney.
5. The instrument appointing a proxy shall be deposited at the Registered Office of the Company at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the Court Convened Meeting or at any adjournment thereof.
6. The Resolution will be put to vote by poll.

# cocoaland®

## COCOALAND HOLDINGS BERHAD

(Registration No. 200001013413 (516019-H))

(Incorporated in Malaysia and registered under the Companies Act 2016)

### FORM OF PROXY FOR THE COURT CONVENED MEETING

CDS Account No. \_\_\_\_\_

I/We \_\_\_\_\_ \*NRIC/Company No. \_\_\_\_\_  
(FULL NAME IN CAPITAL LETTERS)

of \_\_\_\_\_  
(FULL ADDRESS)

being \*a member/members of COCOALAND HOLDINGS BERHAD hereby appoint the Chairman of the Meeting\*

or \_\_\_\_\_ \*NRIC No./Passport No. \_\_\_\_\_  
(FULL NAME IN CAPITAL LETTERS)

of \_\_\_\_\_  
(FULL ADDRESS)

or failing \*him/her \_\_\_\_\_ \*NRIC No./Passport No. \_\_\_\_\_  
(FULL NAME IN CAPITAL LETTERS)

of \_\_\_\_\_  
(FULL ADDRESS)

as \*my/our proxy to attend, speak and vote for \*me/us on \*my/our behalf at the Court Convened Meeting of Cocoaland to be held at Crystal 1, Level 1, Crystal Crown Hotel Kuala Lumpur, 3, Jalan Jambu Mawar, Off Jalan Kepong, 52000 Kuala Lumpur on Thursday, 18 August 2022 at 10.00 a.m. or at any adjournment thereof and to vote as indicated below:

RESOLUTION	*FOR	*AGAINST
THE PROPOSED PRIVATISATION OF COCOALAND HOLDINGS BERHAD BY FRASER & NEAVE HOLDINGS BHD TO BE UNDERTAKEN BY WAY OF A MEMBERS' SCHEME OF ARRANGEMENT PURSUANT TO SECTION 366 OF THE COMPANIES ACT 2016		

\* Please indicate with an "X" in the space provided. Unless voting instruction is indicated in the space above, the proxy will vote as he/she thinks fit.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022

Signature/Common Seal of Appointor

No. of shares held

Percentage of shareholdings to be represented by the proxies:		
	No. of shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

#### Notes:

- Only depositors whose names appear in the Record of Depositors as at 11 August 2022 be regarded as members and entitled to attend, speak and vote at the meeting.
- A member of the Company entitled to attend and vote at the Court Convened Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member appoints two (2) or more proxies to attend the same meeting, the member shall specify the proportion of his shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company.
- Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry Central (Central Depositories) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the depositor or his attorney duly authorised in writing or if such appointor is a corporation, either under its common seal or the hand of its officer or its duly authorized attorney.
- The instrument appointing a proxy shall be deposited at the Registered Office of the Company at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the Court Convened Meeting or at any adjournment thereof.
- The Resolution will be put to vote by poll.



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AFFIX  
STAMP

THE COMPANY SECRETARY  
**COCOALAND HOLDINGS BERHAD**  
Level 5, Tower 8, Avenue 5  
Horizon 2, Bangsar South City  
59200 Kuala Lumpur

1st fold here

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