

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to take, you should consult your stockbroker, solicitor, accountant, bank manager or other professional advisers immediately.

Bursa Malaysia Securities Berhad ("Bursa Securities") has not perused this Circular as it is an exempted circular pursuant to Practice Note No. 18 of the Listing Requirements of Bursa Securities. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

**cocoaland**<sup>®</sup>

**COCOALAND HOLDINGS BERHAD**

Registration No. 200001013413 (516019-H)

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

**PART A**

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED  
RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED  
PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**PART B**

**SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL  
OF SHARE BUY-BACK AUTHORITY**

The above proposals will be tabled as Special Business at the Twenty-Second (22<sup>nd</sup>) Annual General Meeting ("AGM") of Cocoaaland Holdings Berhad ("Cocoaaland" or the "Company") to be held at Concorde Ballroom, Lobby Level, Concorde Hotel Kuala Lumpur, 2, Jalan Sultan Ismail, 50250 Kuala Lumpur on Thursday, 16 June 2022 at 10.00 a.m. The Notice of the 22<sup>nd</sup> AGM, Form of Proxy and Administrative Guide to the 22<sup>nd</sup> AGM are set out in the 2021 Annual Report (as defined herein), which has been despatched together with this Circular / Statement.

A member of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend and vote in his stead. The instrument appointing a proxy shall be deposited at the registered office of the Company at BO3-B-13-1, Level 13, Menara 3A, KL Eco City, No. 3 Jalan Bangsar, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM, should you subsequently wish to do so.

This Circular is dated 29 April 2022.

**PART A**

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT  
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

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## DEFINITIONS

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

|                                |   |   |
|--------------------------------|---|---|
| "2021 Annual Report"           | : | Annual report of Cocoaland for the FYE 31 December 2021   |
| "2021 Mandate"                 | : | The shareholders' mandate obtained on 22 September 2021 for Cocoaland Group to enter into RRPT(s).  |
| "Act"                          | : | The Companies Act 2016, as amended from time to time and any re-enactment thereof   |
| "AGM"                          | : | Annual General Meeting  |
| "Board"                        | : | Board of Directors of Cocoaland   |
| "Bursa Securities"             | : | Bursa Malaysia Securities Berhad [200301033577 (635998-W)]  |
| "Cocoaland" or "Company"       | : | Cocoaland Holdings Berhad [200001013413 (516019-H)]   |
| "Cocoaland Group" or "Group"   | : | Cocoaland and its subsidiary companies  |
| "Cocoaland Shares" or "Shares" | : | Ordinary shares in Cocoaland  |
| "Director(s)"                  | : | Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the RRPT were agreed upon, a Director of the Company or any other company which is its subsidiary or holding company or a chief executive officer of the Company, its subsidiary or holding company   |
| "F&N"                          | : | Fraser & Neave Holdings Berhad [196101000155 (004205-V)]  |
| "F&N Limited"                  | : | Fraser and Neave, Limited, the holding company of F&N   |
| "FYE"                          | : | Financial year ended/ ending, as the case may be  |
| "Listing Requirements"         | : | The Main Market Listing Requirements of Bursa Securities, including any amendments thereto from time to time  |
| "LPD"                          | : | 31 March 2022, being the latest practicable date prior to the printing of this Circular   |
| "Major Shareholder"            | : | Any person who has an interest or interests in one or more voting shares in the Company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is :- <ol style="list-style-type: none"><li>i. 10% or more of the aggregate of the total number of the voting shares in the Company; or</li><li>ii. 5% or more of the aggregate of the number of the voting shares in the Company where such person is the largest shareholder of the Company.</li></ol> |

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## DEFINITIONS (CONT'D)

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For the purpose of this definition, "interest in shares" shall have the meaning given in Section 8(4) of the Act and a major shareholder includes any person who is or was within the preceding six (6) months of the date on which the terms of the RRPT(s) were agreed upon, a major shareholder of the Company or any other company which is its subsidiary or holding company.

- "Mr. Lim" : Mr. Lim Yew Hoe, a Non-Independent Non-Executive Director of Cocoland
- "Mr. Soh" : Mr. Soh Swee Hock @ Soh Say Hock, a Non-Independent Non-Executive Director of Cocoland
- "Person Connected" : In relation to a Director or a Major Shareholder, means such person who falls under any one of the following categories:-
- i a family member of the Director or Major Shareholder;
  - ii. a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the Director, Major Shareholder or a family member of the Director or Major Shareholder is the sole beneficiary;
  - iii. a partner of the Director, Major Shareholder or a partner of a Person Connected with that Director or Major Shareholder;
  - iv. a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
  - v. a person in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;
  - vi. a body corporate or its Directors which/ who is/ are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
  - vii. a body corporate or its Directors whose directions, instructions or wishes the Director or Major Shareholder is accustomed or under an obligation, whether formal or informal, to act;
  - viii. a body corporate in which the Director, Major Shareholder or Persons Connected with him are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
  - ix. a body corporate which is a related corporation.

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**DEFINITIONS (CONT'D)**

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- "Proposed RRPT Mandate" : Proposed renewal of shareholders' mandate for the RRPT(s) to be entered into from the date of the forthcoming 22<sup>nd</sup> AGM to the next AGM
- "Related Party(ies)" : A Director, a Major Shareholder or a Person Connected with such Director or Major Shareholder
- "RRPT(s)" : Recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of Cocoland Group and which are in the ordinary course of business of Cocoland Group
- "RM" and "sen" : Ringgit Malaysia and sen, respectively

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 Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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## COCOALAND HOLDINGS BERHAD

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

**Registered Office**  
BO3-B-13-1, Level 13  
Menara 3A, KL Eco City  
No. 3 Jalan Bangsar  
59200 Kuala Lumpur

29 April 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 Shareholders of Cocoaland Holdings Berhad**

Dear Sir/ Madam,

### **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

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#### **1. INTRODUCTION**

At the Twenty-First (21<sup>st</sup>) AGM held on 22 September 2021, the Company obtained the 2021 Mandate for Cocoaland Group to enter into RRPT(s). The said shareholders' mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM unless authority for its renewal is obtained from the shareholders of the Company at the forthcoming AGM.

On 5 April 2022, the Board announced that the Company intends to seek the approval of the shareholders for the Proposed RRPT Mandate.

The purpose of Part A of this Circular is to provide the shareholders of Cocoaland with the relevant information on the Proposed RRPT Mandate as well as to seek the approval from the shareholders of Cocoaland for the ordinary resolution pertaining to the Proposed RRPT Mandate to be tabled at the forthcoming AGM of the Company. The notice of the forthcoming AGM and the form of proxy are enclosed in the 2021 Annual Report, which has been despatched together with this Circular.

**SHAREHOLDERS OF COCOALAND ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF PART A OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RRPT MANDATE TO BE TABLED AT THE FORTHCOMING AGM.**

## 2. DETAILS OF THE PROPOSED RRPT MANDATE

Pursuant to Paragraph 10.09(2) of the Listing Requirements, the Company is required to seek its shareholders' mandate, with regards to RRPT(s), subject to the following:-

- i. the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- ii. the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where:-
  - (a) the consideration, value of the assets, capital outlay or costs of the RRPT(s) is equal to or exceeds RM1 million; or
  - (b) any one of the percentage ratios of such RRPT(s) is equal to or exceeds 1%,  
whichever is the higher;
- iii. a circular to the shareholders for the mandate includes the information as may be prescribed by Bursa Securities;
- iv. in a meeting to obtain shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- v. immediate announcement to Bursa Securities when the actual value of a RRPT entered into by Cocoland, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more.

In the ordinary course of business, the Group will enter into RRPT(s), the particulars of which are set out in Section 2.2 of this Circular.

Accordingly, the Board proposes to seek the approval from shareholders for the Proposed RRPT Mandate.

Such transactions will be made at arms' length and on Cocoland Group's normal commercial terms which are not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders of Cocoland.

The Proposed RRPT Mandate, if approved by the shareholders of Cocoland at the forthcoming 22<sup>nd</sup> AGM, will take effect from the date of the said 22<sup>nd</sup> AGM until:-

- i. the conclusion of the next AGM of Cocoland following the forthcoming 22<sup>nd</sup> AGM, at which the Proposed RRPT Mandate will lapse unless the authority is renewed by a resolution passed at the next AGM;
- ii. the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- iii. revoked or varied by resolution passed by the shareholders in a general meeting before the next AGM;

whichever is earlier.



## 2.1 Principal activities of the Cocoland Group

The Company is principally an investment holding company. The principal activities of the subsidiary companies and associate company of Cocoland are as follows:-

| <b>Subsidiary companies</b>   | <b>Effective equity interest (%)</b> | <b>Principal activities</b>  |
|-------------------------------|--------------------------------------|--|
| Cocoland Industry Sdn. Bhd.   | 100                                  | Manufacturing and trading of processed and all kinds of preserved foods and fruits |
| L.B. Food Sdn. Bhd.           | 100                                  | Wholesale and retail of processed and preserved foods                              |
| Lot 100 Food Co. Ltd          | 100                                  | Wholesaling, import and export of gummy products and other products                |
| CCL Food & Beverage Sdn. Bhd. | 100                                  | Manufacturing and trading of all kinds of processed and preserved foods and fruits |
| PT Cocoland Indonesia         | 100                                  | Dormant  |

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## 2.2 Details of the RRPT(s) under the Proposed RRPT Mandate

| No. | Transacting party                             | Nature of relationship   | Transacting party within the Group | Nature of transaction  | Actual aggregate value incurred from 22 September 2021 to LPD<br>RM'000 | Estimated aggregate value disclosed in 2021 Mandate<br>RM'000 | Estimated aggregate value to be incurred from 22 <sup>nd</sup> AGM to the next AGM <sup>(2)</sup><br>RM'000 |
|-----|---|--|------------------------------------|--|---|---|---|
| 1.  | F&N Limited group of companies <sup>(1)</sup> | Mr. Lim and Mr. Soh, both of whom are the non-independent non-executive directors of Cocoland, are officers of F&N, a major shareholder of Cocoland.<br><br>F&N Limited is the holding company of F&N. | Cocoland Group                     | Prepare, package, pack and deliver F&N Limited group of companies' products:-<br><br>- Sales<br>- Purchase of ingredients <sup>(3)</sup> | 5,505   | 20,000  | 20,000  |

**Note:-**

<sup>(1)</sup> Cocoland Group may enter into future contracts from time to time with company/(ies) within the F&N Limited group of companies. Cocoland will make the appropriate announcement, if and when required, in respect of the abovementioned future contracts.

<sup>(2)</sup> The estimated aggregate value to be incurred from 22<sup>nd</sup> AGM to the next AGM in the above table are based on the information available at the point of estimation. The estimated value of the transaction may vary from the actual aggregate value in the future.

<sup>(3)</sup> The purchase of ingredients are exclusively used for preparing the F&N Limited group of companies' products.

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## 2.3 Review procedures for RRPT(s)

The Group has established various procedures to ensure that the RRPT(s) are undertaken on arm's length basis and on normal commercial terms that are consistent with the Group's usual business practices and policies, which are not on prices and terms that are more favourable to the Related Party than those extended to the public and are not to the detriment of Cocoland's minority shareholders.

The review procedures established by the Group for the RRPT(s) are as follows:-

- i. The identity of the Related Party is disclosed/ circulated within the Group and at the same time, the Related Party is notified that all RRPT(s) are required to be taken on arm's length basis and on normal commercial terms not more favourable to the Related Party than those generally available to the public;
- ii. All RRPT(s) to be entered into will be reviewed by the Audit & Risk Management Committee at every quarter and subsequently reported to the Board to ensure that the transactions are not more favourable to the Related Party and will not be detrimental to the minority shareholders;
- iii. Records will be maintained by the Company to capture all RRPT(s) which are entered into pursuant to the shareholders' mandate;
- iv. The transaction prices are determined by the prevailing market rates/ prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms;
- v. The Board and the Audit & Risk Management Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor the RRPT(s) have been complied with and review shall be done at every quarter with the review of quarterly results; and
- vi. The Board and the Audit & Risk Management Committee will have overall responsibility for the determination of the review procedures, including addition of new review procedures, as and when necessary. The Board and the Audit & Risk Management Committee may also appoint individuals and committees to examine the RRPT(s), as they deem appropriate. If a member of the Board or the Audit & Risk Management Committee has an interest, direct or indirect, in any particular transactions, he or she will abstain from any deliberation and voting on the matter at the Board or Audit & Risk Management Committee meetings in respect of such transactions.

At least two (2) other contemporaneous transactions with unrelated third parties for similar products/ services, and/ or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/ by the Related Parties are fair and reasonable and comparable to those offered to/ by other unrelated third parties for the same/ substantially similar type of products/ services and/ or quantities.

Where quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by the Group based on those offered to/ by other unrelated parties for the same or substantially similar type of transaction to ensure that the RRPT(s) is not detrimental to the Group.

The guidelines for the relevant approving authority practiced by the Group in relation to RRPT(s) are as follows:-

- i. Transactions below RM100,000 each in value will be reviewed and approved by Directors or such other senior executive(s) (not being a person connected with the Related Party) designated by the Audit & Risk Management Committee from time to time for such purpose, and tabled for review by the Audit & Risk Management Committee on a quarterly basis;
- ii. Transactions (excluding those transactions pursuant to contracts which have already been reviewed and approved by the Audit & Risk Management Committee) equal to or exceeding RM100,000 each in value will be reviewed and approved by the Audit & Risk Management Committee; and
- iii. The Audit & Risk Management Committee may, as deemed fit, request for additional information pertaining to the transaction under review from independent sources or advisers, including the obtaining of valuations from independent professional valuers.

#### **2.4 Statement by Audit & Risk Management Committee**

The Audit & Risk Management Committee is satisfied that the review procedures for RRPT(s) are sufficient and appropriate to ensure that such RRPT(s) will be undertaken at arm's length and are on normal commercial terms consistent with the industry norms not more favourable to the Related Party than those generally available to the public and that such terms will not be detrimental to the interests of the minority shareholders of Cocoland or disadvantageous to the Group.

The Audit & Risk Management Committee will ensure that there are adequate procedures and processes to monitor, track and identify the RRPT(s) in a timely and orderly manner. Such procedures and processes would be reviewed annually or whenever the need arises.

If during its periodic reviews, the Audit & Risk Management Committee is of the view that such procedures and processes are no longer appropriate or adequate to monitor, track and identify RRPT(s), the Audit & Risk Management Committee will draw it to the attention of the Board and, if necessary, the Company will establish new guidelines and procedures.

#### **2.5 Amount Due and Owing to Cocoland Group by Related Party**

There was no amount due and owing to the Group by its Related Parties pursuant to the Recurrent Related Party Transactions as at the end of the financial year ended 31 December 2021, as such the disclosure as required under Paragraphs 16A and 16B in the Annexure PN12-A of the Listing Requirements are not applicable.

### **3. RATIONALE AND BENEFITS FOR THE PROPOSED RRPT MANDATE**

The Proposed RRPT Mandate will facilitate recurring transactions of revenue or trading nature with Related Parties which are carried out on an arm's length basis on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public.

The Proposed RRPT Mandate will benefit the Company by facilitating entry by members of the Group into RRPT(s) in a timely manner and will enable the Group to continue to carry out RRPT(s) necessary for the Group's day-to-day operations.

The Proposed RRPT Mandate will eliminate the need to announce and convene separate general meetings of the Company from time to time to seek shareholders' approval on each occasion as and when the aforesaid RRPT(s) arise. This will also substantially reduce expenses associated with the convening of such meetings on an ad hoc basis, improve administrative efficiency and allow human resources and time to be channeled towards attaining other corporate objectives and opportunities.

The RRPT(s) are intended to meet the business needs of the Group at the best possible terms. By transacting with the Related Parties, the Group would have an advantage of familiarity with the background, financial well-being and management of the Related Parties, thus enabling more informed commercial decisions to be made.

#### 4. EFFECTS OF THE RRPT PROPOSAL

The Proposed RRPT Mandate is administrative in nature and is therefore not expected to have any effect on the issued share capital, substantial shareholdings, earnings, gearing and net assets of the Company.

#### 5. APPROVALS REQUIRED

The Proposed RRPT Mandate is subject to the approval of the shareholders of Cocoland at the AGM to be convened.

#### 6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/ OR PERSONS CONNECTED TO THEM

Save as disclosed below, none of the directors and/ or major shareholders and/ or persons connected to them have any interest, whether direct or indirect, in the Proposed RRPT Mandate:-

|   | <-----Shareholdings as at LPD-----> |       |                      |                      |
|---|-------------------------------------|-------|----------------------|----------------------|
|   | <-----Direct----->                  |       | <-----Indirect-----> |                      |
|   | No. of Shares                       | %     | No. of Shares        | %                    |
| <b>Interested Directors</b>             |                                     |       |                      |                      |
| Mr. Lim <sup>(1)</sup>                  | -                                   | -     | -                    | -                    |
| Mr. Soh <sup>(1)</sup>                  | -                                   | -     | -                    | -                    |
| <b>Interested Major Shareholders</b>    |                                     |       |                      |                      |
| F&N                                     | 124,422,932                         | 27.66 | -                    | -                    |
| F&N Limited                             | -                                   | -     | 124,422,932          | 27.66 <sup>(2)</sup> |
| InterBev Investment Limited             | -                                   | -     | 124,422,932          | 27.66 <sup>(3)</sup> |
| TCC Assets Limited                      | -                                   | -     | 124,422,932          | 27.66 <sup>(3)</sup> |
| Thai Beverage Public Company Limited    | -                                   | -     | 124,422,932          | 27.66 <sup>(3)</sup> |
| International Beverage Holdings Limited | -                                   | -     | 124,422,932          | 27.66 <sup>(3)</sup> |
| Siriwana Company Limited                | -                                   | -     | 124,422,932          | 27.66 <sup>(3)</sup> |
| Shiny Treasure Holdings Limited         | -                                   | -     | 124,422,932          | 27.66 <sup>(3)</sup> |
| Puan Sri Wanna Sirivadhanabhakdi        | -                                   | -     | 124,422,932          | 27.66 <sup>(3)</sup> |
| Tan Sri Charoen Sirivadhanabhakdi       | -                                   | -     | 124,422,932          | 27.66 <sup>(3)</sup> |

**Notes:-**

- (1) *Deemed interested by virtue of their capacity as officers of F&N, a major shareholder of Cocoland.*
- (2) *Deemed interested by virtue of its shareholding in F&N pursuant to Section 8(4)(b) of the Act.*
- (3) *Deemed interested pursuant to Section 8(4)(c) of the Act.*

Accordingly, Mr. Lim and Mr. Soh (collectively referred to as the "Interested Directors") have abstained and will continue to abstain from all board deliberations and voting on the resolution pertaining to the Proposed RRPT Mandate. The Interested Directors as well as F&N, F&N Limited, InterBev Investment Limited, TCC Assets Limited, Thai Beverage Public Company Limited, International Beverage Holdings Limited, Siriwana Company Limited, Shiny Treasure Holdings Limited, Puan Sri Wanna Sirivadhanabhakdi and Tan Sri Charoen Sirivadhanabhakdi (collectively referred to as the "Interested Major Shareholders") will abstain from voting in respect of their direct and indirect interests in the Company on the resolution pertaining to the Proposed RRPT Mandate at the forthcoming AGM. The said Interested Directors and Interested Major Shareholders have undertaken to ensure that persons connected with them will abstain from voting in respect of their direct and indirect interests in the Company on the resolution pertaining to the Proposed RRPT Mandate at the forthcoming AGM.

**7. DIRECTORS' RECOMMENDATION**

The Board (save for the Interested Directors), having considered all aspects of the Proposed RRPT Mandate is of the opinion that the Proposed RRPT Mandate is in the best interest of the Company.

Accordingly, the Board (save for the Interested Directors) recommends that the shareholders of Cocoland vote in favour of the resolution pertaining to the Proposed RRPT Mandate to be tabled at the forthcoming AGM.

**8. 22<sup>nd</sup> AGM**

The 22<sup>nd</sup> AGM, the notice of which is enclosed in the 2021 Annual Report, which has been despatched together with this Circular, will be held at Concorde Ballroom, Lobby Level, Concorde Hotel Kuala Lumpur, 2, Jalan Sultan Ismail, 50250 Kuala Lumpur on Thursday, 16 June 2022 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Proposed RRPT Mandate.

A Form of Proxy for the forthcoming AGM is enclosed in the 2021 Annual Report, which has been despatched together with this Circular. If you are unable to attend and vote in person at the AGM, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon to the Company's Registered Office at BO3-B-13-1, Level 13, Menara 3A, KL Eco City, No. 3 Jalan Bangsar, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time fixed for holding the AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

**9. FURTHER INFORMATION**

Shareholders are advised to refer to the enclosed appendix for further information.

Yours faithfully,  
For and on behalf of the Board  
**COCOALAND HOLDINGS BERHAD**

**DATO' AZMAN BIN MAHMOOD**  
Chairman/ Independent Non-Executive Director

**FURTHER INFORMATION**

**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board and they individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirm that, after making all enquiries as were reasonable in the circumstances and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

**2. MATERIAL LITIGATION**

As at the LPD, neither Cocoland nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and to the best of the Board's knowledge and belief, the Board is not aware of any proceedings, pending or threatened against the Cocoland Group or of any facts likely to give rise to any proceeding which may materially and adversely affect the financial position or business of the Cocoland Group.

**3. MATERIAL CONTRACTS**

As at the LPD, the Board is not aware of any material contracts (not being contracts entered into in the ordinary course of business) by Cocoland or its subsidiaries, within the two (2) years immediately preceding the date of this Circular.

**4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the Registered Office of the Company at BO3-B-13-1, Level 13, Menara 3A, KL Eco City, No. 3 Jalan Bangsar, 59200 Kuala Lumpur during normal business hours (except public holidays) from the date of this Circular up to and including the date of the AGM:

- (i) Constitution of the Company; and
- (ii) The audited consolidated financial statements of Cocoland for the two (2) financial years ended 31 December 2020 and 31 December 2021 and the latest unaudited results since the last audited financial statements.

**PART B**

**SHARE BUY-BACK STATEMENT IN RELATION TO THE  
PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**



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## DEFINITIONS

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

|  |   |   |
|--|---|---|
| “Act”  | : | Companies Act 2016 and any statutory modification or amendments thereto from time to time                                 |
| “AGM”  | : | Annual General Meeting  |
| “Board”  | : | Board of Directors of Cocoland  |
| “Bursa Depository”                             | : | Bursa Malaysia Depository Sdn. Bhd. [198701006854 (165570-W)]   |
| “Bursa Securities”                             | : | Bursa Malaysia Securities Berhad [200301033577 (635998-W)]  |
| “Cocoland” or “Company”                        | : | Cocoland Holdings Berhad [200001013413 (516019-H)]  |
| “Cocoland Group” or “Group”                    | : | Cocoland and its subsidiaries, collectively   |
| “Cocoland Share(s)” or “Share(s)”              | : | Ordinary share(s) in Cocoland   |
| “Code”   | : | The Malaysian Code on Take-Overs and Mergers, 2016 and any statutory modification or amendments thereto from time to time |
| “EPS”  | : | Earnings per Share  |
| “FYE”  | : | Financial year(s) ended/ending  |
| “Leverage Success”                             | : | Leverage Success Sdn. Bhd. [200301030262 (632682-K)]  |
| “Listing Requirements”                         | : | The Main Market Listing Requirements of Bursa Securities, including any amendments thereto from time to time              |
| “LPD”  | : | 31 March 2022, being the latest practicable date prior to the issuance of this Statement                                  |
| “NA”   | : | Net assets attributable to ordinary equity holders of the Company   |
| “Proposed Renewal of Share Buy-Back Authority” | : | Proposed renewal of the authority for the Proposed Share Buy-Back   |
| “Proposed Share Buy-Back”                      | : | Proposed purchase by the Company of its own shares of up to 10% of its total number of issued shares                      |
| “Purchased Share(s)”                           | : | Shares purchased by the Company pursuant to the Proposed Share Buy-Back   |
| “Record of Depositors”                         | : | A record of securities holders established and maintained by Bursa Depository   |
| “RM” and “sen”                                 | : | Ringgit Malaysia and sen, respectively  |

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**DEFINITIONS (CONT'D)**

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“Share Grant Scheme” : Establishment of an employee share grant scheme of up to 5% of the issued share capital of Cocoland at any time during the duration of the Scheme, for the employees and executive directors of the Cocoland Group who fulfil the eligibility criteria

“VWAMP” : Volume weighted average market price

For the purpose of this Statement, all references to a time of day shall be a reference to Malaysian time unless otherwise stated. In this Statement, words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine gender and vice versa. References to persons shall, where applicable, include corporations.

Certain figures included in this Statement have been subject to rounding adjustments. References to “we”, “us”, “our” and “ourselves” are to the Company save where the context otherwise requires, the subsidiaries and to “you” or “your” are to the shareholders of the Company.

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# cocoaland<sup>®</sup>

## COCOALAND HOLDINGS BERHAD

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

**Registered Office:**  
BO3-B-13-1, Level 13  
Menara 3A, KL Eco City  
No. 3 Jalan Bangsar  
59200 Kuala Lumpur

29 April 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 Shareholders of Cocoaland Holdings Berhad**

Dear Sir / Madam,

### **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

---

#### **1. INTRODUCTION**

At the AGM held on 22 September 2021, the Company obtained the approval from the shareholders on renewal of the authority for the Company to purchase its own shares of up to 10% of the total number of issued shares of the Company. The said approval will expire at the conclusion of the forthcoming Twenty-Second (22<sup>nd</sup>) AGM, unless renewed by the shareholders of the Company.

On 5 April 2022, the Board announced its intention to seek shareholders' approval for renewal of authority for the Company to purchase up to 10% of the total number of issued shares of the Company at the forthcoming 22<sup>nd</sup> AGM.

**THE PURPOSE OF THIS STATEMENT IS TO PROVIDE YOU WITH DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING THERETO TO BE TABLED AT THE FORTHCOMING AGM, NOTICE OF WHICH HAS BEEN SET OUT IN THE 2021 ANNUAL REPORT.**

**SHAREHOLDERS OF COCOALAND ARE ADVISED TO READ AND CONSIDER CAREFULLY THIS STATEMENT BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY.**

## **2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

### **2.1 Details of the Proposed Share Buy-Back**

The Board is proposing to seek the shareholders' approval for the renewal of authority for the Company to purchase up to 10% of its total number issued shares.

As at the LPD, Cocoaland has an issued share capital of RM114,400,000.00 comprising 457,600,000 Cocoaland Shares, including 7,746,000 treasury shares held. Hence, the maximum number of Shares that may be purchased or held as treasury shares by Cocoaland is 38,014,000 Shares.

The Proposed Share Buy-Back will be undertaken in accordance with Section 127 of the Act, Subdivision 3 of Division 1 of Part III of the Act and Chapter 12 of the Listing Requirements and any prevailing rules and regulations issued by the relevant authorities at the time of purchase.

The purchase of Shares under the Proposed Share Buy-Back will be carried out through Bursa Securities via stockbroker(s) to be appointed by the Board.

Based on Section 127(4) of the Act, where Cocoaland has purchased the Shares, the Directors of Cocoaland may resolve:-

- (a) to cancel the shares so purchased;
- (b) to retain the shares so purchased in treasury, which is referred to as "treasury shares" in the Act; or
- (c) to retain part of the shares so purchased as treasury shares and cancel the remainder of the shares.

Accordingly, based on Section 127(7) of the Act, where such Shares are held as treasury shares, the Directors of Cocoaland may:

- (a) distribute the shares as dividends to shareholders, such dividends to be known as "share dividends";
- (b) resell the shares or any of the shares in accordance with the relevant rules of the stock exchange;
- (c) transfer the shares, or any of the shares for the purpose of or under an employee's share scheme;
- (d) transfer the shares, or any of the shares as purchase consideration;
- (e) cancel the shares or any of the shares; or
- (f) sell, transfer or otherwise use the shares for such other purposes as the Minister may be order prescribe.

The mandate from the shareholders for the Proposed Renewal of Share Buy-Back Authority will be effective immediately after obtaining the approval of the shareholders of the Company for the Proposed Renewal of Share Buy-Back Authority and will continue to be in force until:

- (i) the conclusion of the next AGM of Cocoaland at which time the Proposed Renewal of Share Buy-Back Authority will lapse unless by ordinary resolution passed at the general meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or

- (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of Cocoland in a general meeting.

The decision whether to retain the Purchased Shares as treasury shares, or to cancel the Shares purchased or a combination of both, will be made by the Board at the appropriate time.

In the event that the Cocoland Shares purchased pursuant to the Proposed Share Buy-Back are held as treasury shares, the rights attached to them as to voting, dividends and participation in other distribution and otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including, without limiting the generality of Section 127 of the Act, Subdivision 3 of Division 1 of Part III of the Act, the Company's Articles of Association or the Listing Requirements on substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

## **2.2 Maximum amount of funds to be allocated and the source of funds**

Paragraph 12.10(1) of the Listing Requirements stipulates that the Proposed Share Buy-Back must be made wholly out of the retained profits of the company. Based on the latest audited financial statements of Cocoland as at 31 December 2021, Cocoland has retained profits of RM9,353,727 at company level.

The Proposed Share Buy-Back will allow the Board to exercise the power of the Company to purchase its own Shares at any time within the abovementioned period using the internal funds of the Group and/or external borrowings and the amount shall not exceed the aggregate amount of retained profit of the Company. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later, depending on, amongst others, the availability of internally generated funds, the actual number of Shares to be purchased and other relevant factors. The actual number of Shares to be purchased and the timing of such purchases will depend on, amongst others, the market conditions and sentiments of the stock market as well as the retained profits and the financial resources available to the Cocoland Group.

If Cocoland purchases its own Shares by using external borrowings, the Board will ensure that Cocoland Group has sufficient funds to repay the external borrowings and that the repayment will not have any material effect on the cash flow of the Cocoland Group. In addition, the Board will ensure that Cocoland satisfies the solvency test as stated in Section 112(2) of the Act before executing the Proposed Share Buy-Back.

## **2.3 Potential advantages and disadvantages**

The potential advantages and disadvantages of the Proposed Share Buy-Back, if implemented, to the Company and its shareholders are as follows:

Potential advantages:

- (a) the EPS of the Cocoland Group would be enhanced (all things being equal);
- (b) Cocoland may be able to reduce any unwarranted volatility of its Shares and assist to stabilise the supply, demand and price of its Shares in the open market, thereby supporting the fundamental value of its Shares;
- (c) if the Purchased Shares are retained as treasury shares, it will provide the Board an option to sell the treasury shares at a higher price and therefore make an exceptional gain for Cocoland. Alternatively, the treasury shares may be distributed as share dividends to shareholders;

- (d) Cocoaland will have flexibility in achieving the desired capital structure, in terms of debt and equity composition and size of equity; and
- (e) Cocoaland is able to take preventive measures against speculation particularly when its Shares are undervalued which would in turn, stabilise the market price of the Shares and hence, enhance investors' confidence.

Potential disadvantages:

- (i) reduce the financial resources of the Cocoaland Group and may result in the forgoing of better investment opportunities that may emerge in the future; and
- (ii) may result in the reduction of financial resources available for distribution of dividends and/or bonus shares to shareholders in the future as the Proposed Share Buy-Back can only be made out of the retained profit of the Company.

However, these disadvantages are mitigated by the prospect that the financial capacity of the Group may increase, if the Purchased Shares held as treasury shares are re-sold at higher price than their purchase price.

The Proposed Share Buy-Back is not expected to cause any potential material disadvantage to the Company or its shareholders as any share buy-back exercise will be undertaken only after indepth consideration of the financial resources of the Company and of the resultant impact to its shareholders.

The Board will be mindful of the interests of the Company and its shareholders when undertaking the Proposed Share Buy-Back and in the subsequent resale of treasury shares on Bursa Securities, if any.

#### **2.4 Public shareholding spread**

The Proposed Share Buy-Back will be carried out in accordance with the prevailing laws at the time of the purchase including compliance with the 25% public shareholding spread as required under paragraph 8.02(1) of the Listing Requirements.

Based on the Record of Depositors of the Company as at the LPD, the total percentage of the issued share capital of Cocoaland which is held by the public was 27.08%.

The Board will be mindful of the public shareholding spread requirement before making any purchases of its own Shares.

#### **2.5 Implication relating to the Code**

As at the LPD, Leverage Success holds 40.65% of the voting shares in Cocoaland. The future purchase of Cocoaland of its own shares pursuant to the Proposed Share Buy-Back may cause the voting interest of Leverage Success and persons related to Leverage Success in Cocoaland to increase by more than 2% in any 6-month period (the effects of such purchase on the shareholdings of Leverage Success is set out in Section 4.7 below). As a result, Leverage Success will be required to undertake a mandatory take-over offer pursuant to Part III of the Code.

As it is not intended for the Proposed Share Buy-Back to trigger the obligation to undertake a mandatory general offer under the Code for any of its substantial shareholders and/or persons acting in concert with them, the Board will ensure that only such number of Cocoaland Shares are purchased, retained as treasury shares, cancelled or distributed such that the Code will not be triggered. In this connection, the Board is mindful of the requirements when making any purchase of Cocoaland Shares pursuant to the Proposed Share Buy-Back.

## 2.6 Purchase price and resale price

Pursuant to the Listing Requirements, Cocoland may only purchase its Shares on Bursa Securities at a price which is not more than fifteen percent (15%) above the VWAMP of the Cocoland Shares for the five (5) market days immediately prior to the date of purchase(s). An immediate announcement will be made to Bursa Securities of any purchase(s) of its own Shares on the day of purchase.

Where the Company decides to resell the treasury shares on Bursa Securities, the Company may only do so at:

- (i) a price which is not less than the VWAMP for Cocoland Shares for the five (5) market days immediately prior to the resale; or
- (ii) a discounted price of not more than five percent (5%) to the VWAMP for the Cocoland Shares for the five (5) market days immediately prior to the resale provided that:
  - (a) the resale takes place not earlier than thirty (30) days from the date of purchase; and
  - (b) the resale price is not less than the cost of purchase of the Cocoland Shares being resold.

## 2.7 Purchase of its own shares in the preceding twelve (12) months

Details of Cocoland Shares purchased in the preceding 12 months are as follows:-

| Date       | No. of Shares bought back (unit) | Highest Price per share (RM) | Lowest Price per share (RM) | Average Purchase Price per share (RM) | Total Purchase Price (RM) |
|------------|----------------------------------|------------------------------|-----------------------------|---------------------------------------|---------------------------|
| August     |                                  |                              |                             |                                       |                           |
| 11.08.2021 | 3,700                            | 1.80                         | 1.80                        | 1.80                                  | 6,695.50                  |
| 12.08.2021 | 43,700                           | 1.83                         | 1.82                        | 1.83                                  | 80,190.33                 |
| 13.08.2021 | 15,700                           | 1.84                         | 1.83                        | 1.83                                  | 28,881.47                 |
| 16.08.2021 | 46,600                           | 1.85                         | 1.83                        | 1.84                                  | 86,126.53                 |
| 17.08.2021 | 96,400                           | 1.85                         | 1.84                        | 1.84                                  | 178,615.57                |
| 18.08.2021 | 60,000                           | 1.85                         | 1.84                        | 1.84                                  | 111,020.22                |
| 19.08.2021 | 67,100                           | 1.86                         | 1.85                        | 1.85                                  | 125,095.63                |
| 20.08.2021 | 62,300                           | 1.88                         | 1.86                        | 1.87                                  | 116,835.08                |
| 23.08.2021 | 75,400                           | 1.90                         | 1.88                        | 1.89                                  | 143,098.89                |
| 30.08.2021 | 2,800                            | 1.94                         | 1.94                        | 1.94                                  | 5,466.13                  |
| September  |                                  |                              |                             |                                       |                           |
| 01.09.2021 | 38,000                           | 1.95                         | 1.95                        | 1.95                                  | 74,315.05                 |
| 03.09.2021 | 60,000                           | 1.94                         | 1.94                        | 1.94                                  | 116,737.00                |
| 09.09.2021 | 4,800                            | 1.84                         | 1.84                        | 1.84                                  | 8,870.15                  |
| 17.09.2021 | 100,000                          | 1.84                         | 1.83                        | 1.83                                  | 184,231.19                |

The above purchases were made from the open market and were financed by internally generated funds and the shares purchased are being held as treasury shares.



During the last 12 months preceding the LPD, there were no resale and cancellation of treasury shares, save for the transfer of treasury shares for the purposes of Cocoland's Employees' Share Grant Scheme as set out below:-

| Date            | Number of Treasury Shares Transferred | Transfer Price (RM) | Basis of transfer price   |
|-----------------|---------------------------------------|---------------------|---|
| 24 January 2022 | 698,800                               | RM1.0805            | Based on the VWAP for the shares for the five (5) Market Days immediately before the transfer |

The above treasury shares were transferred pursuant to Section 127(7)(c) of the Act.

As at the LPD, there were 7,746,000 Cocoland Shares held as treasury shares.

### 3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back is undertaken for the following purposes:

- (i) enable the Company to utilise any of the Cocoland Group's surplus financial resources, which is not immediately required for other uses, to purchase its own Shares from the open market at market prices which the Board views favourable;
- (ii) to stabilise the supply and demand, thereby supporting the fundamental value of the Cocoland Shares;
- (iii) if the purchased Cocoland Shares are subsequently cancelled, long-term investors are expected to enjoy a corresponding increase in the value of their investments in the Company with the proportionate strengthening of the EPS of Cocoland;
- (iv) the purchased Cocoland Shares can also be held as treasury shares and resold on Bursa Securities at a higher price therefore realising a potential gain without affecting the total issued share capital of the Company;
- (v) should any treasury shares be distributed as share dividends, this would also serve to reward the shareholders of the Company; and
- (vi) to distribute the treasury shares to the eligible employees under the Share Grant Scheme.

### 4. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK

The proforma effects of the Proposed Share Buy-Back on the issued share capital, NA, earnings, EPS and shareholdings of substantial shareholders are set out below.

#### 4.1 Issued share capital

The effects of the Proposed Share Buy-Back are dependent on whether the Shares purchased are cancelled or alternatively retained as treasury shares.

Based on the assumption that the maximum number of Shares authorised to be purchased or held as Treasury Shares under the Proposed Share Buy-Back are cancelled, the effect on the share capital and number of issued Shares would be as follows:

|  | <b>No. of<br/>Cocoaland<br/>Shares</b> |
|--|--|
| Issued share capital as at the LPD                                     | 457,600,000                            |
| To be purchased and cancelled pursuant to the Proposed Share Buy-Back  | (45,760,000)                           |
| <b>Total number of issued Shares after the Proposed Share Buy-Back</b> | <b>411,840,000</b>                     |

The effects of the Proposed Share Buy-Back on the issued share capital of the Company will depend on the intention of the Board with regards to the treatment of the purchased Cocoaland Shares. If the purchased Shares are cancelled, the issued share capital will be reduced by the number of Shares so cancelled. Conversely, if the purchased Cocoaland Shares are retained as treasury shares, resold or distributed to the shareholders, the Proposed Share Buy-Back will not have any effect on the issued share capital of the Company. Nevertheless, certain rights (such as voting rights) attached to the purchased Cocoaland Shares will be suspended when held as treasury shares.

#### **4.2 NA and gearing**

The effect of the Proposed Share Buy-Back on the NA per Share will depend on the actual purchase prices of the Cocoaland Shares. If all the Cocoaland Shares purchased are cancelled, the Proposed Share Buy-Back will reduce the NA per Share if the purchase price exceeds the NA per Share at the time of the purchase. Conversely, the NA per Share will increase if the purchase price is below the NA per Share at the time of the purchase.

The NA will decrease if the Purchased Shares are retained as treasury shares due to the accounting requirement for treasury shares to be carried at cost resulting in a decrease by the cost of the treasury shares.

If the treasury shares are subsequently resold on Bursa Securities, the NA upon the resale will increase if the Company realises a gain from the resale, and vice-versa. If the treasury shares are distributed as dividends, the NA of the Cocoaland Group will be reduced by the cost of the treasury shares.

The effects of the Proposed Share Buy-Back on the gearing of the Group will depend on the proportion of borrowing utilised to fund any purchase of the Purchased Shares. At this juncture, Cocoaland has not determined whether to use any form of borrowings for purposes of the Proposed Share Buy-Back. Nevertheless, all else being equal, assuming that the treasury shares are retained by the Company and no borrowing is being utilised to fund any purchase of the Purchased Shares, the Proposed Share Buy-Back may increase the gearing of the Group as the equity will be reduced by the cost of shares acquired and held as treasury shares.

#### **4.3 Earnings and EPS**

Assuming the purchased Cocoaland Shares under the Proposed Share Buy-Back are cancelled, the Proposed Share Buy-Back may increase the EPS of Cocoaland Group. In addition, on the assumption that the Purchased Shares are treated as treasury shares and subsequently resold, the earnings of Cocoaland Group may be affected depending on the actual selling price and number of treasury shares resold. In the event the Purchased Shares are held as treasury shares, the effective reduction in the issued share capital of the Company pursuant to the Proposed Share Buy-Back would generally, all else being equal, increase the consolidated EPS of the Group.

#### **4.4 Working capital**

The Proposed Share Buy-Back, when implemented, will reduce the working capital of the Cocoaland Group, with the quantum depending on the purchase price(s) and the actual number of Cocoaland Shares bought back. However, the Board believes that the Proposed Share Buy-Back will not have any material effect on the working capital of the Group.

**4.5 Existing convertible securities**

As at the LPD, the Company does not have any other outstanding convertible securities.

**4.6 Dividends**

Assuming the Proposed Share Buy-Back is implemented in full and the dividend quantum is maintained at historical levels, if the Cocoland Shares so purchased are cancelled, the Proposed Share Buy-Back will have the effect of increasing the dividend rate of Cocoland as a result of the reduction in the issued share capital of Cocoland.

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#### 4.7 Substantial shareholders' shareholding

Assuming that Coccoland purchases and cancels the maximum 10% of its total number shares issued, the effect of the Proposed Share Buy-Back on the shareholdings of the substantial shareholders of Coccoland is set out below:

|   | As at the LPD            |       |                          |       | After the Proposed Share Buy-Back |       |                          |       |
|---|--------------------------|-------|--------------------------|-------|-----------------------------------|-------|--------------------------|-------|
|   | Direct                   |       | Indirect                 |       | Direct                            |       | Indirect                 |       |
|   | No. of Shares<br>( '000) | %     | No. of Shares<br>( '000) | %     | No. of Shares<br>( '000)          | %     | No. of Shares<br>( '000) | %     |
| Leverage Success Sdn. Bhd.              | 182,873                  | 40.65 | -                        | -     | 182,873                           | 44.40 | -                        | -     |
| Fraser & Neave Holdings Bhd.            | 124,423                  | 27.66 | -                        | -     | 124,423                           | 30.21 | -                        | -     |
| Liew Fook Meng                          | 111                      | 0.02  | (1)182,873               | 40.65 | 111                               | 0.03  | (1)182,873               | 44.40 |
| Lau Kee Von                             | 1,666                    | 0.37  | (1)182,873               | 40.65 | 1,666                             | 0.40  | (1)182,873               | 44.40 |
| Liew Yoon Kee                           | 307                      | 0.07  | (1)182,873               | 40.65 | 307                               | 0.07  | (1)182,873               | 44.40 |
| Lau Pak Lam                             | 111                      | 0.02  | (1)182,873               | 40.65 | 111                               | 0.03  | (1)182,873               | 44.40 |
| Lew Foo Chay @ Lau Foo Chay             | 111                      | 0.03  | (1)182,873               | 40.65 | 111                               | 0.03  | (1)182,873               | 44.40 |
| Lau Kwai Choon                          | 165                      | 0.04  | (1)182,873               | 40.65 | 165                               | 0.04  | (1)182,873               | 44.40 |
| Fraser and Neave Limited                | -                        | -     | (2)124,423               | 27.66 | -                                 | -     | (2)124,423               | 30.21 |
| InterBev Investment Limited             | -                        | -     | (3)124,423               | 27.66 | -                                 | -     | (3)124,423               | 30.21 |
| TCC Assets Limited                      | -                        | -     | (3)124,423               | 27.66 | -                                 | -     | (3)124,423               | 30.21 |
| Thai Beverage Public Company Limited    | -                        | -     | (3)124,423               | 27.66 | -                                 | -     | (3)124,423               | 30.21 |
| International Beverage Holdings Limited | -                        | -     | (3)124,423               | 27.66 | -                                 | -     | (3)124,423               | 30.21 |
| Siriwana Company Limited                | -                        | -     | (3)124,423               | 27.66 | -                                 | -     | (3)124,423               | 30.21 |
| Shiny Treasure Holdings Limited         | -                        | -     | (3)124,423               | 27.66 | -                                 | -     | (3)124,423               | 30.21 |
| Puan Sri Wanna Sirivadhanabhakdi        | -                        | -     | (3)124,423               | 27.66 | -                                 | -     | (3)124,423               | 30.21 |
| Tan Sri Charoen Sirivadhanabhakdi       | -                        | -     | (3)124,423               | 27.66 | -                                 | -     | (3)124,423               | 30.21 |

#### Notes:

- (1) Deemed interested by virtue of his shareholding in Leverage Success Sdn. Bhd. pursuant to Section 8(4) of the Act.
- (2) Deemed interested by virtue of its shareholding in Fraser & Neave Holdings Bhd pursuant to Section 8(4)(b) of the Act.
- (3) Deemed interested pursuant to Section 8(4)(c) of the Act.

#### 4.8 Directors' shareholding

Assuming that Cocoland purchases and cancelled the maximum 10% of its total number shares issued, the effect of the Proposed Share Buy-Back on the shareholdings of the Directors of Cocoland is set out below:

|                               | As at the LPD            |      |                          |       | After the Proposed Share Buy-Back |      |                          |       |
|-------------------------------|--------------------------|------|--------------------------|-------|-----------------------------------|------|--------------------------|-------|
|                               | Direct                   |      | Indirect                 |       | Direct                            |      | Indirect                 |       |
|                               | No. of Shares<br>( '000) | %    | No. of Shares<br>( '000) | %     | No. of Shares<br>( '000)          | %    | No. of Shares<br>( '000) | %     |
| Dato' Azman bin Mahmood       | 1,049                    | 0.23 | -                        | -     | 1,049                             | 0.25 | -                        | -     |
| Tan Sri Dato' Sri Koh Kin Lip | 6,637                    | 1.48 | <sup>(1)</sup> 6,667     | 1.48  | 6,637                             | 1.61 | <sup>(1)</sup> 6,667     | 1.62  |
| Liew Fook Meng                | 111                      | 0.02 | <sup>(2)</sup> 182,873   | 40.65 | 111                               | 0.03 | <sup>(2)</sup> 182,873   | 44.40 |
| Lau Kee Von                   | 1,666                    | 0.37 | <sup>(2)</sup> 182,873   | 40.65 | 1,666                             | 0.40 | <sup>(2)</sup> 182,873   | 44.40 |
| Lau Pak Lam                   | 111                      | 0.02 | <sup>(2)</sup> 182,873   | 40.65 | 111                               | 0.03 | <sup>(2)</sup> 182,873   | 44.40 |
| Lau Kim Chew                  | 763                      | 0.17 | -                        | -     | 763                               | 0.19 | -                        | -     |
| Tai Chun Wah                  | 158                      | 0.04 | -                        | -     | 158                               | 0.04 | -                        | -     |
| Chow Kee Kan @ Chow Tuck Kwan | -                        | -    | -                        | -     | -                                 | -    | -                        | -     |
| Lim Yew Hoe                   | -                        | -    | -                        | -     | -                                 | -    | -                        | -     |
| Soh Swee Hock @ Soh Say Hock  | -                        | -    | -                        | -     | -                                 | -    | -                        | -     |
| Lau Cheng Yew                 | -                        | -    | -                        | -     | -                                 | -    | -                        | -     |

#### Notes:

- (1) Deemed interested by virtue of his shareholding in Rickoh Corporation Sdn. Bhd. pursuant to Section 8(4) of the Act.  
(2) Deemed interested by virtue of his shareholding in Leverage Success Sdn. Bhd. pursuant to Section 8(4) of the Act.

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## 5. APPROVALS REQUIRED

The Proposed Renewal of Share Buy-Back Authority is subject to the approval from the shareholders of Cocoland at the forthcoming AGM.

The Proposed Share Buy-Back is not conditional upon any other proposal undertaken or to be undertaken by the Company.

## 6. DIRECTORS' AND/OR SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save for the consequential increase in the percentage shareholdings of the Directors and the substantial shareholders of Cocoland as a result of the Proposed Share Buy-Back, none of the Directors and/or substantial shareholders of the Company and persons connected to them have any interest, direct or indirect, in the Proposed Share Buy-Back and the subsequent resale of treasury shares, if any.

## 7. SHARE PRICE PERFORMANCE

The monthly highest and lowest prices of Cocoland Shares as traded on Bursa Securities for the past twelve (12) months are as follows:

|  | <u>High</u> | <u>Low</u>  |
|--|-------------|-------------|
|  | <u>(RM)</u> | <u>(RM)</u> |
| <b>2021</b>                              |             |             |
| May                                      | 2.01        | 1.81        |
| June                                     | 1.96        | 1.84        |
| July                                     | 1.90        | 1.83        |
| August                                   | 1.99        | 1.78        |
| September                                | 1.99        | 1.83        |
| October                                  |             |             |
| • From 1 October 2021 to 7 October 2021  | 2.04        | 1.92        |
| • From 8 October 2021 to 31 October 2021 | 0.99        | 0.93        |
| November                                 | 0.95        | 0.88        |
| December                                 | 1.23        | 0.91        |
| <b>2022</b>                              |             |             |
| January                                  | 1.27        | 1.01        |
| February                                 | 1.29        | 1.16        |
| March                                    | 1.35        | 1.10        |

The last transacted price of Cocoland Shares as at the LPD was RM1.28 per Cocoland Share.

*(Source : Bloomberg)*

## 8. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, is of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of Cocoland and the shareholders of Cocoland. The Board recommends that the shareholders vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming AGM.

**9. 22<sup>nd</sup> AGM**

The 22<sup>nd</sup> AGM, the notice of which is enclosed in the 2021 Annual Report, which has been despatched together with this Statement, will be held at Concorde Ballroom, Lobby Level, Concorde Hotel Kuala Lumpur, 2, Jalan Sultan Ismail, 50250 Kuala Lumpur on Thursday, 16 June 2022 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Proposed Renewal of Share Buy-Back Authority.

A Form of Proxy for the forthcoming AGM is enclosed in the 2021 Annual Report, which has been despatched together with this Statement. If you are unable to attend and vote in person at the AGM, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon to the Company's Registered Office at BO3-B-13-1, Level 13, Menara 3A, KL Eco City, No. 3 Jalan Bangsar, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time fixed for holding the AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

**10. FURTHER INFORMATION**

Shareholders are advised to refer to the enclosed appendix for further information.

Yours faithfully,  
For and on behalf of the Board  
**COCOALAND HOLDINGS BERHAD**

**DATO' AZMAN BIN MAHMOOD**  
Chairman / Independent Non-Executive Director

**FURTHER INFORMATION**

**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Statement has been seen and approved by the Board and they individually and collectively accept full responsibility for the accuracy of the information given in this Statement and confirm that, after making all enquiries as were reasonable in the circumstances and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

**2. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the Registered Office of the Company at Lot BO3-B-13-1, Level 13, Menara 3A, KL Eco City, No. 3 Jalan Bangsar, 59200 Kuala Lumpur during normal business hours (except public holidays) from the date of this Statement up to and including the date of the AGM:

- (i) Constitution of the Company; and
- (ii) The audited consolidated financial statements of Cocoland for the two (2) financial years ended 31 December 2020 and 31 December 2021 and the latest unaudited results since the last audited financial statements.