

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

(Incorporated in Malaysia)

Financial Year End : 31 December 2021
 Quarter : Fourth Quarter

Quarterly report on results for the 4th quarter ended 31 December 2021. These figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Year Quarter	Preceding Year Quarter	% chg	Current Year To Date	Preceding Year To Date	% chg
	31.12.2021	31.12.2020		31.12.2021	31.12.2020	
	RM'000	RM'000		RM'000	RM'000	
Revenue	62,686	50,473	24.2%	210,299	216,246	-2.8%
Cost Of Sales	(43,530)	(36,939)	17.8%	(155,714)	(162,123)	-4.0%
Gross Profit	19,156	13,534	41.5%	54,585	54,123	0.9%
Other Income	1,374	1,225	12.2%	7,637	7,023	8.7%
Net Gain/(Loss) on Impairment of Financial Instruments	6	(2)	-400.0%	5	510	-99.0%
Distribution Costs	(3,481)	(2,381)	46.2%	(11,489)	(10,761)	6.8%
Administrative Expenses	(4,515)	(6,350)	-28.9%	(20,879)	(23,623)	-11.6%
Loss on Strike Off of Subsidiary	(10)	-		(10)	-	
Finance Costs	(6)	(6)	0.0%	(14)	(11)	27.3%
Profit Before Taxation	12,524	6,020	108.0%	29,835	27,261	9.4%
Taxation	(3,683)	(1,554)	137.0%	(7,971)	(6,843)	16.5%
Profit For the Financial Period	8,841	4,466	98.0%	21,864	20,418	7.1%
Other Comprehensive Income						
<i>Items that are or may be reclassified subsequently to profit or loss</i>						
- Exchange Translation Differences For Foreign Operations	(23)	7		(24)	(1)	
Other Comprehensive (Loss)/ Income For The Financial Period	(23)	7		(24)	(1)	
Total Comprehensive Income For The Financial Period	8,818	4,473		21,840	20,417	
Profit For The Financial Period Attributable To: Owners Of The Company	8,841	4,466		21,864	20,418	
Total Comprehensive Income Attributable To: Owners Of The Company	8,818	4,473		21,840	20,417	
Earnings Per Share						
Basic And Diluted Earnings Per Ordinary Share (Sen)	1.95	0.98		4.82	4.48	

Notes :

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

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

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**AS AT 31 DECEMBER 2021**

(These figures have not been audited)

	As At End Of Current Month (Unaudited) 31.12.2021	As At End of Financial Year (Audited) 31.12.2020
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	78,886	84,031
Right-Of-Use Assets	34,605	36,719
Investment Properties	1,883	1,569
	<u>115,374</u>	<u>122,319</u>
Current Assets		
Non-Current Assets Held For Sale	1,502	-
Inventories	39,481	34,551
Trade Receivables	35,867	34,261
Tax Recoverable	248	2,220
Other Receivables	6,036	6,095
Fixed Deposits With Licensed Bank	64,578	66,314
Cash & Bank Balances	16,038	10,816
	<u>163,750</u>	<u>154,257</u>
TOTAL ASSETS	<u><u>279,124</u></u>	<u><u>276,576</u></u>
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Company		
Share Capital	130,154	130,154
Treasury Shares	(7,348)	(3,663)
Revenue Reserves	120,351	120,950
Exchange Translation Reserves	164	188
Total Equity	<u>243,321</u>	<u>247,629</u>
Non-Current Liabilities		
Lease Liabilities	296	176
Deferred Tax Liabilities	4,044	4,818
	<u>4,340</u>	<u>4,994</u>
Current Liabilities		
Trade Payables	20,004	15,015
Other Payables	9,386	8,227
Lease Liabilities	503	246
Tax Payable	1,570	465
	<u>31,463</u>	<u>23,953</u>
TOTAL LIABILITIES	<u>35,803</u>	<u>28,947</u>
TOTAL EQUITY AND LIABILITIES	<u><u>279,124</u></u>	<u><u>276,576</u></u>
Net Assets Per Share (RM) Attributable to Owners of the Company	0.54	0.54

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	<-----Non Distributable----->			<--Distributable-->	
	Share Capital	Treasury Shares	Exchange Translation Reserve	Retained Earnings	Total
12 months ended 31 December 2020	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2020	130,154	-	189	118,700	249,043
Foreign Currency Translation Differences	-	-	(1)	-	(1)
Profit For the Financial Period	-	-	-	20,418	20,418
Total comprehensive income for the period	-	-	(1)	20,418	20,417
Transactions with owners:					
Purchase of Treasury Shares	-	(3,663)	-	-	(3,663)
Interim single tier dividend of RM0.08 paid on 24 December 2020	-	-	-	(18,168)	(18,168)
Total transactions with owners of the Company	-	(3,663)	-	(18,168)	(21,831)
As at 31 December 2020	130,154	(3,663)	188	120,950	247,629
12 months ended 31 December 2021	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2021	130,154	(3,663)	188	120,950	247,629
Foreign Currency Translation Differences	-	-	(24)	-	(24)
Profit For the Financial Period	-	-	-	21,864	21,864
Total comprehensive income for the period	-	-	(24)	21,864	21,840
Transactions with owners:					
Purchase of Treasury Shares	-	(3,685)	-	-	(3,685)
Disposal of Treasury Shares	-	-	-	5	5
Interim single-tier dividend of RM0.10 paid on 24 September 2021	-	-	-	(22,468)	(22,468)
Total transactions with owners of the Company	-	(3,685)	-	(22,463)	(26,148)
As at 31 December 2021	130,154	(7,348)	164	120,351	243,321

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 12 MONTHS ENDED 31 DECEMBER 2021**
(These figures have not been audited)

	Cumulative Current Year To Date 31.12.2021 RM'000	Cumulative Preceding Year To Date 31.12.2020 RM'000
Cash Flows From Operating Activities		
Profit before taxation	29,835	27,261
Adjustments for:-		
Inventories written off	163	22
Inventories written down	269	776
Reversal of inventories written down	-	(149)
Reversal of impairment loss on trade receivables	(34)	(606)
Impairment loss on trade receivables	29	96
Impairment loss on investment in subsidiary company/ Holdings	13	-
Bad debts written off -trade receivables	33	430
Depreciation of property, plant and equipment	7,426	8,284
Amortisation of investment property	102	68
Amortisation of right-of-use assets	1,084	1,286
Unrealised gain on foreign exchange	(106)	(679)
Gain on disposal of property, plant & equipment	(49)	(199)
Property, plant and equipment written off	12	5
Gain on modification of lease contract	(3)	(8)
Loss on de-recognition of a subsidiary	10	-
Interest expense	15	11
Interest income	(1,424)	(2,034)
Operating profit before working capital changes	37,375	34,564
Changes in working capital:		
Increase in inventories	(5,172)	(100)
(Increase) / Decrease in receivables	(1,327)	29,598
Increase / (Decrease) in payables	7,133	(6,635)
	634	22,863
Cash generated from operations	38,009	57,427
Interest received	1,424	2,034
Interest paid	(15)	(11)
Tax refund	1,791	-
Tax paid	(7,470)	(10,335)
	(4,270)	(8,312)
Net Cash Generated From Operating Activities	33,739	49,115
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(2,293)	(29,282)
Proceed from disposal of property, plant and equipment	49	200
Decrease in fixed deposits with maturity more than three months	14,209	(17,803)
Net Cash Generated From / (Used In) Investing Activities	11,965	(46,885)
Cash Flows From Financing Activities		
Net change in letter of credit	-	(5,843)
Payment of lease liabilities	(509)	(498)
Changes in fixed deposits pledged with licensed bank	-	6,625
Dividend paid	(22,468)	(18,168)
Purchase of treasury shares	(4,985)	(3,664)
Net Cash Used In Financing Activities	(27,962)	(21,548)
Net Increase / (Decrease) in Cash And Cash Equivalents	17,742	(19,318)
Effect of Exchange Translation Differences on Cash and Cash Equivalents	(47)	(59)
Cash And Cash Equivalents At Beginning Of The Period	48,932	68,309
Cash And Cash Equivalents At End Of The Period *	66,627	48,932
* Cash & cash equivalents consists of:		
Fixed deposits with licensed banks	64,578	66,314
Cash and bank balances	16,038	10,816
	80,616	77,130
Less: Fixed deposits with maturity more than three months	(13,989)	(28,198)
	66,627	48,932

Part A: Explanatory Notes In Compliance With Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting in Malaysia

A1. Accounting Policies and Basis Of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting in Malaysia issued by the Malaysian Accounting Standards Board and with paragraph 9.22 and Appendix 9B of the of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The interim financial statements should be read in conjunction with the Group’s audited financial statements for financial year ended 31 December 2020.

The audited financial statements of the Group for the financial year ended 31 December 2020 were prepared in accordance with MFRS.

There are no new MFRSs or interpretations that are effective for the first time in this quarter that would be expected to have a material effect of the Group.

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the financial year ended 31 December 2020.

A2. Qualification of Financial Statements

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

A3. Seasonal or Cyclical Factors

The Group’s business operation results for the current quarter under review were not materially affected by any seasonal or cyclical factors.

A4. Nature and Amount of Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review.

A5. Nature and Amount of Changes in Estimates

There were no changes in the estimates of amounts reported that have a material effect in the current quarter.

A6. Dividend Paid

For the financial period ended 31 December 2021

There was no dividend paid during the quarter under review. The first interim single-tier dividend of 10.00 sen per ordinary share on 224,682,400 ordinary shares (excluding treasury shares), amounting to RM22.468 million in respect of the financial year ended 31 December 2021, was paid on 24 September 2021.

For the financial period ended 31 December 2020

The first interim single-tier dividend of 8.00 sen per ordinary share, on 227,099,400 ordinary shares (excluding treasury shares buy back), amounting to RM18.168 million in respect of the financial year ended 31 December 2020, was paid on 24 December 2020.

A7. Changes in Debt and Equity Securities

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

During the financial year to date, the Company repurchased 5,693,000 shares of its issued share capital from the open market respectively, at an average of RM0.88 per share after bonus issue exercised on 8 October 2021. A total of 228,800,000 new ordinary shares were listed and quoted as bonus issue on the basis of 1 bonus share for every 1 existing ordinary share (including treasury shares) held.

The total consideration paid for the share buy-back, including transaction costs amounted to RM4,984,942.58 for financial year to date which were financed by internally generated funds. The shares purchased are held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

As at 31 December 2021, the number of treasury shares held was 8,444,800 ordinary shares.

A8. Segmental Reporting

Group – by business segment:-

The Group's segmental report for the current financial period ended 31 December 2021 is as below:-

COCOALAND HOLDINGS BERHAD (Registration No. 200001013413 (516019-H))Quarterly Unaudited Results Of The Group For The 4th Quarter Ended 31 December 2021

Manufacturing	Trading	Investment Holding	Elimination	Total
RM'000	RM'000	RM'000	RM'000	RM'000

4th quarter ended 31 December 2021

Revenue:

External	19,156	43,530	-	-	62,686
Inter-segment	30,502	5,216	-	(35,718)	-
Total revenue	<u>49,658</u>	<u>48,746</u>	<u>-</u>		<u>62,686</u>
Profit before tax	<u>6,845</u>	<u>1,010</u>	<u>(263)</u>	<u>4,932</u>	<u>12,524</u>

4th quarter ended 31 December 2020

Revenue:

External	13,708	36,765	-	-	50,473
Inter-segment	28,755	3,820	20,000	(52,575)	-
Total revenue	<u>42,463</u>	<u>40,585</u>	<u>20,000</u>		<u>50,473</u>
Profit before tax	<u>3,214</u>	<u>3,397</u>	<u>19,839</u>	<u>(20,430)</u>	<u>6,020</u>

Cumulative 4th quarter ended 31 December 2021

Revenue:

External	65,256	145,043	-	-	210,299
Inter-segment	94,896	10,369	20,000	(125,265)	-
Total revenue	<u>160,152</u>	<u>155,412</u>	<u>20,000</u>		<u>210,299</u>
Profit before tax	<u>14,260</u>	<u>11,350</u>	<u>19,018</u>	<u>(14,793)</u>	<u>29,835</u>

Cumulative 4th quarter ended 31 December 2020

Revenue:

External	78,439	137,807	-	-	216,246
Inter-segment	92,064	6,063	20,000	(118,127)	-
Total revenue	<u>170,503</u>	<u>143,870</u>	<u>20,000</u>		<u>216,246</u>
Profit before tax	<u>17,400</u>	<u>10,742</u>	<u>19,210</u>	<u>(20,091)</u>	<u>27,261</u>

Assets and liabilities as at 31 December 2021

Segment assets	<u>166,378</u>	<u>114,462</u>	<u>133,095</u>	<u>(134,811)</u>	<u>279,124</u>
Segment liabilities	<u>86,903</u>	<u>53,091</u>	<u>934</u>	<u>(105,125)</u>	<u>35,803</u>

Group – by geographical segment:-

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

	Revenue for the year ended		Non-current assets as at	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	RM'000	RM'000	RM'000	RM'000
Malaysia	103,191	99,914	115,282	122,143
Eastern Asia	48,384	49,353	92	176
South East Asia	37,282	36,191	-	-
Middle East	18,378	26,880	-	-
Others	3,064	3,908	-	-
	<u>210,299</u>	<u>216,246</u>	<u>115,374</u>	<u>122,319</u>

A9. Valuations of Property, Plant and Equipment

The property, plant and equipment except for freehold land are stated at cost/valuation less accumulated depreciation and impairment losses. There was no revaluation of property, plant and equipment for the current quarter and financial year to date.

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

A10. Subsequent Events

There were no other material events subsequent to the reporting period up to 19 February 2022 (latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) which have not been reflected in the financial statements for the quarter under review.

A11. Changes in the Composition of the Group

There were no material changes in the composition of the Group for the current quarter under review.

A12. Contingent Liabilities or Contingent Assets

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

A13. Capital Commitments

Capital commitments of the Group in respect of property, plant and equipment as at 31 December 2021 are as follows:-

	RM'000
Property, plant and equipment :-	
- Approved and contracted for	2,210
- Authorized but not contracted for	3,500

A14. Significant Related Party Transactions

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

	Current Year Quarter RM'000	Preceding Year Quarter RM'000
Prepare, package, pack and deliver Fraser and Neave Limited group of companies' products :-		
- Sales	1,825	1,603
- Purchase of ingredients*	1,381	22

** The purchase of ingredients are exclusively used for the preparing of the Fraser and Neave Limited group of companies products.*

The above transactions had been entered into in the ordinary course of business on normal commercial terms with Fraser and Neave Limited group of companies. These transactions are within the ambit of the mandate approved by the shareholders of the Company on 22 September 2021.

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

B1. Review of Performance

The Group's revenue recorded RM 210.3 million, a contraction of RM 5.9 million or 2.8% as compared to RM 216.2 million recorded in the preceding year's corresponding period. The revenue in the quarter under review registered at RM 62.7 million, a rise of 24.2% from RM 50.4 million in the preceding quarter last year.

The declining revenue in the current year under review was mainly attributable to the softer demand for gummy of Contract Manufacturing Business in China, the Philippines and Malaysia and snack in Saudi Arabia. The decline was in part offset by rising demand of in-house gummy in China, Vietnam and Malaysia as well as biscuit confectionery in domestic market. The rise of revenue in the current quarter was principally due to the higher demand from gummy, chocolate and biscuit confectionery during festive season.

The Group's profit before taxation registered RM 29.8 million, a rise of 9.4% if compared to RM 27.3 million achieved in the preceding year's corresponding period. The profit before taxation in the current quarter increased by 108.0% or from RM 6.0 million to RM 12.5 million achieved in the same corresponding quarter last year which was predominantly due to negatively of the Conditional Movement Control Order ("CMCO") imposed by Government of Malaysia since the mid of October 2020 in the spike of Covid-19 cases.

The rise in the pre-tax profit for the current year and current quarter was predominantly contributed by the costs saving achieved on lower factory labour cost and energy costs despite rising material cost and freight charges.

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

Manufacturing segment

The contraction of revenue for the current year under review was mainly attributable to softer demand of fortified gummy from Contract Manufacturing Business. Lower pre-tax profit in the current year aligned with the contraction of the revenue earned despite lower factory labour costs and energy costs.

Trading segment

The rising revenue for the current year under review was mainly attributable to in-house gummy and biscuit confectionery in local market despite the declining revenue from snack in Saudi Arabia. Higher pre-tax profit for the current year was predominantly due to effective cost restructuring program in tandem with higher revenue despite higher freight charges and product sponsorship expenditure incurred.

B2. Comparison with Immediate Preceding Quarter's Results

	Current Year Quarter RM'000	Immediate Preceding Quarter RM'000	Difference %
Revenue	62,686	46,014	36.2%
Gross Profit	19,156	10,726	78.6%
Profit Before Tax	12,524	5,440	130.2%
Profit After Tax	8,841	4,076	116.9%
Profit Attributable to Owners of The Company	8,841	4,076	116.9%

Higher revenue for the current quarter, a rise of RM 16.7 million or 36.2% from the immediate preceding quarter was mainly attributable to rising demand for gummy both from in-house and Contract Manufacturing Business and chocolate products due to festive season.

The pre-tax profit recorded an increase of RM 7.1 million over the immediate preceding quarter, which was principally due to higher profit margin sales mix, lower factory labour costs and energy costs in tandem with higher revenue achieved.

B3. Commentary On Prospects

The Board anticipates that year 2022 will continue to be challenging. Uncertainties arising from concerns caused by an ongoing Covid epidemic will result in disruptions to forces of demand and supply. In spite of this, the Board remains cautiously optimistic that these challenges can be overcome. The Group will adopt cost restructuring measures whilst innovating new products and packaging designs to remain competitive.

B4. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit estimate previously in any public document.

B5. Income Tax

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year</u> <u>Quarter</u> <u>RM'000</u>	<u>Preceding Year</u> <u>Quarter</u> <u>RM'000</u>	<u>Current Year</u> <u>To Date</u> <u>RM'000</u>	<u>Preceding Year</u> <u>To Date</u> <u>RM'000</u>
Income tax:				
• Current period estimate	3,482	1,823	8,801	7,952
• Under/ (Over) provision in prior year	-	(21)	(57)	(21)
Deferred taxation:				
• Transferred to / (from) deferred taxation	201	(248)	(773)	(1,088)
	<u>3,683</u>	<u>1,554</u>	<u>7,971</u>	<u>6,843</u>

B6. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 19 February 2022 which is not earlier than 7 days from the date of issue of this quarterly report.

B7. Group Borrowings

The Group's borrowings (all denominated in Ringgit Malaysia) as at the end of the reporting quarter are as follows:-

	As At 31.12.2021 RM'000	As At 31.12.2020 RM'000
Total Borrowing	-	-

B8.

Material Litigation

There was no material litigation at the date of this quarterly report.

B9. Dividend Payable

No interim dividend has been declared for the current quarter under review (31 December 2020: nil). The total dividend of the current year is 10.0 sen per ordinary share (2020: 8.0 sen).

B10. Earnings per share

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year Quarter</u>	<u>Preceding Year Quarter</u>	<u>Current Year To Date</u>	<u>Preceding Year To Date</u>
Profit for the period (RM'000)	8,841	4,466	21,864	20,418
Weighted average number of ordinary shares of RM0.50 each ('000) #	453,579	455,464	454,074	455,464
Basic earnings per share (sen)	1.95	0.98	4.82	4.48
Diluted earnings per share (sen)*	N.A.	N.A.	N.A.	N.A.

The earnings per share for the quarter and cumulative year to date are computed as follows:

Inclusion the effect on Bonus Issue of 228,800,000 ordinary shares which was allotted on 8 October 2021.

* The Group has no potential ordinary shares in issue, therefore diluted earnings per share has not been presented.

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

	Current Year Quarter RM'000	Preceding Year Quarter RM'000
Interest income	(309)	(392)
Interest expense	7	6
Inventories written down	77	325
Depreciation of property, plant and equipment	559	1,114
Amortisation of investment property	25	(3)
Amortisation of right-of-use assets	693	902
Property, plant and equipment written off	1	-
Gain on disposal of property, plant and equipment	(49)	-
Net gain on impairment of financial instruments		
- Impairment loss on trade receivables	45	90
- Reversal of impairment loss on trade receivables	(51)	(88)
Bad debt written off from trade receivables	33	-
(Gain) / loss on foreign exchange		
- Realized	(713)	1,064
- Unrealized	(144)	(1,193)

By Order Of The Board
Dated: 25 February 2022