

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

(Incorporated in Malaysia)

Financial Year End : 31 December 2014
Quarter : Fourth Quarter

Quarterly report on results for the 4th quarter ended 31 December 2014. These figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2014 RM'000	Preceding Year Quarter 31.12.2013 RM'000	Current Year To Date 31.12.2014 RM'000	Preceding Year To Date 31.12.2013 RM'000
Revenue	72,650	66,949	260,760	254,449
Cost Of Sales	(53,040)	(49,754)	(198,175)	(199,271)
Gross Profit	19,610	17,195	62,585	55,178
Other Income	1,523	535	2,519	3,746
Distribution Costs	(3,884)	(4,105)	(17,189)	(13,944)
Administrative Expenses	(4,185)	(3,503)	(17,269)	(15,701)
Finance Costs	(2)	(2)	(2)	(2)
Profit Before Taxation	13,062	10,120	30,644	29,277
Income Tax Expenses	(3,216)	(2,157)	(8,726)	(7,227)
Profit After Taxation	9,846	7,963	21,918	22,050
Other Comprehensive Income				
- Exchange Translation	(1)	79	4	79
Total Comprehensive Income	9,845	8,042	21,922	22,129
Profit Attributable To:				
- Equity Holders Of The Company	9,846	7,963	21,918	22,050
Total Comprehensive Income Attributable To:				
- Equity Holders Of The Company	9,845	8,042	21,922	22,129
Earnings Per Share Attributable To Equity Holders Of The Parent				
: Basic Earnings Per Share (Sen)	5.74	4.64	12.77	12.85

Notes :

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

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

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS OF 31 DECEMBER 2014****(These figures have not been audited)**

	As At End Of Current Quarter (Unaudited) 31.12.2014 RM'000	As At Preceding Financial Year (Audited) 31.12.2013 RM'000
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	139,137	146,932
Investment	1	1
	<u>139,138</u>	<u>146,933</u>
Current Assets		
Inventories	38,163	39,970
Trade Receivables	51,360	39,743
Tax Recoverable	575	445
Other Receivables, Deposit & Prepayment	1,104	1,102
Fixed Deposit With Licensed Bank	205	56
Short Term Deposit	16,065	5,806
Cash & Bank Balances	15,024	18,020
	<u>122,496</u>	<u>105,142</u>
TOTAL ASSETS	<u><u>261,634</u></u>	<u><u>252,075</u></u>
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Parent		
Share Capital	85,800	85,800
Share Premium	44,355	44,354
Revenue Reserves	88,063	77,299
Exchange Translation Reserves	114	110
Total Equity	<u>218,332</u>	<u>207,563</u>
Non-Current Liabilities		
Deferred Tax Liabilities	7,640	5,082
	<u>7,640</u>	<u>5,082</u>
Current Liabilities		
Trade Payables	22,710	27,105
Other Creditors & Accruals	10,527	10,393
Current Income Tax Liabilities	2,425	1,932
	<u>35,662</u>	<u>39,430</u>
TOTAL LIABILITIES	<u>43,302</u>	<u>44,512</u>
TOTAL EQUITY AND LIABILITIES	<u><u>261,634</u></u>	<u><u>252,075</u></u>
Net Assets (NA) Per Share (RM)	1.27	1.21

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

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<---Non Distributable--->			<--Distributable-->	
	Share Capital	Share Premium	Exchange Translation Reserve	Retained Profit	Total
12 months ended 31 December 2013	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2013	85,800	44,355	31	65,974	196,160
Foreign currency translation differences			79	-	79
Total comprehensive income	-	-	-	22,050	22,050
Interim single-tier dividend of 2.5% paid on 5 April 2013	-	-	-	(2,145)	(2,145)
Interim single-tier dividend of 5% paid on 3 October 2013	-	-	-	(4,290)	(4,290)
Interim single-tier dividend of 5% paid on 31 December 2013	-	-	-	(4,290)	(4,290)
As at 31 December 2013	85,800	44,355	110	77,299	207,564
12 months ended 31 December 2014	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2014	85,800	44,355	110	77,299	207,564
Foreign currency translation differences			4	-	4
Total comprehensive income	-	-	-	21,918	21,918
Interim single-tier dividend of 3% paid on 15 April 2014	-	-	-	(2,574)	(2,574)
Interim single-tier dividend of 5% paid on 1 October 2014	-	-	-	(4,290)	(4,290)
Interim single-tier dividend of 5% paid on 29 December 2014	-	-	-	(4,290)	(4,290)
As at 31 December 2014	85,800	44,355	114	88,063	218,332

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE 12 MONTHS ENDED 31 DECEMBER 2014
(These figures have not been audited)**

	Cumulative Current Year To Date 31.12.2014 RM'000	Cumulative Preceding Year To Date 31.12.2013 RM'000
Cash Flow From Operating Activities		
Profit Before Income Taxation	30,644	29,277
Adjustments for:-		
Impairment of slow moving inventories	1,099	-
Impairment of receivables no longer required	-	(1,633)
Impairment of receivables	782	1,582
Bad debt written off	5	22
Bad debt recovered	-	(609)
Depreciation of property, plant and equipment	10,777	11,805
Unrealised gain on foreign exchange	(403)	(910)
Gain on disposal of property, plant & equipment	(11)	(40)
Property, plant and equipment written off	139	281
Dividend income	(1)	-
Interest expense	2	2
Interest income	(272)	(431)
Operating profit before working capital changes	<u>42,761</u>	<u>39,346</u>
(Increase) / Decrease in inventories	706	(7,551)
(Increase)/ Decrease in receivables	(12,000)	20,445
Increase / (Decrease) in payables	<u>(4,262)</u>	<u>486</u>
Cash generated from operations	27,205	52,726
Interest received	272	431
Interest paid	(2)	(2)
Tax refunded	81	560
Tax paid	(5,890)	(4,977)
Dividends paid	(11,153)	(10,724)
Dividends received	1	-
Net Cash Generated From Operating Activities	<u>10,514</u>	<u>38,014</u>
Cash Flow From Investing Activities		
Pre-operating expenses	(76)	
Purchase of property, plant and equipment	(3,140)	(40,329)
Proceeds from disposal of property, plant and equipment	29	40
Net Cash Used In Investing Activities	<u>(3,187)</u>	<u>(40,289)</u>
Net Cash Generated From / (Used In) Financing Activities	<u>-</u>	<u>-</u>
Net Change in Cash And Cash Equivalents	7,327	(2,275)
Effects of Exchange Rate changes	85	55
Cash And Cash Equivalents At Beginning Of The Period	23,882	26,102
Cash And Cash Equivalents At End Of The Period *	<u>31,294</u>	<u>23,882</u>
* Cash & cash equivalents consists of:		
Fixed deposit with licensed banks	205	56
Short term deposits with licensed banks	16,065	5,806
Cash and bank balances	15,024	18,020
	<u>31,294</u>	<u>23,882</u>

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

A1. Accounting Policies and Basis Of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting in Malaysia issued by the Malaysian Accounting Standards Board and with paragraph 9.22 and Appendix 9B of the of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The interim financial statements should be read in conjunction with the Group’s audited financial statements for year ended 31 December 2013.

The audited financial statements of the Group for the year ended 31 December 2013 were prepared in accordance with MFRS.

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

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statement for the year ended 31 December 2013.

A2. Qualification of Financial Statements

The audited report of the preceding annual financial statements was not subjected to any qualification.

A3. Seasonal or Cyclical Factors

The Group’s business operation results were not materially affected by any seasonal or cyclical factors.

A4. Nature and Amount of Unusual Items

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

A5. Nature and Amount of Changes in Estimates

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

A6. Dividend Paid

For the financial period ended 31 December 2014

- (i) The third interim single tier dividend of 3.0% or 1.50 sen per ordinary share, on 171,600,000 ordinary shares, amounting to RM2.574 million in respect of the financial year ended 31 December 2013, was paid on 15 April 2014.
- (ii) The first interim single tier dividend of 5.0% or 2.50 sen per ordinary share, on 171,600,000 ordinary shares, amounting to RM4.290 million in respect of the financial year ended 31 December 2014, was paid on 1 October 2014; and
- (iii) The second interim single tier dividend of 5.0% or 2.50 sen per ordinary share, on 171,600,000 ordinary shares, amounting to RM4.290 million in respect of the financial year ended 31 December 2014, was paid on 29 December 2014

For the financial period ended 31 December 2013

- (i) The third interim single tier dividend of 2.5% or 1.25 sen per ordinary share, on 171,600,000 ordinary shares, amounting to RM2.145 million in respect of the financial year ended 31 December 2012, was paid on 5 April 2013.
- (ii) The first interim single tier dividend of 5.0% or 2.50 sen per ordinary share, on 171,600,000 ordinary shares, amounting to RM4.290 million in respect of the financial year ended 31 December 2013, was paid on 3 October 2013; and
- (iii) The second interim single tier dividend of 5.0% or 2.50 sen per ordinary share, on 171,600,000 ordinary shares, amounting to RM4.290 million in respect of the financial year ended 31 December 2013, was paid on 31 December 2013.

A7. Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the current financial quarter.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 4th Quarter Ended 31 December 2014**A8. Segmental Reporting**

The Group's segmental report for the current financial period ended 31 December 2014 is as below:-

	<u>Individual 4th Quarter</u>		<u>Cumulative 4th Quarter</u>	
	<u>Current Year</u>	<u>Preceding Year</u>	<u>Current Year</u>	<u>Preceding Year</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Group – by business segment :-</u>				
<u>Net revenue</u>				
Manufacturing	58,256	54,674	214,631	215,776
Trading	47,918	41,041	164,079	145,627
Investment holding	6,000	-	17,000	10,000
Less: Inter-segment revenue	(39,524)	(28,766)	(134,950)	(116,954)
Total consolidated revenue	72,650	66,949	260,760	254,449
<u>Segment result</u>				
Manufacturing	4,559	4,043	9,851	10,714
Trading	8,791	6,116	21,413	19,372
Investment holding	5,843	(199)	16,415	9,435
Less: Elimination	(6,131)	160	(17,035)	(10,244)
Total consolidated profit before tax	13,062	10,120	30,644	29,277

	As At Current Year Quarter	As At Preceding Year Quarter
	RM'000	RM'000
<u>Group – by business segment :-</u>		
<u>Segment assets</u>		
Manufacturing	212,955	222,690
Trading	97,512	89,236
Investment holding	139,608	134,372
Less: Elimination	(188,441)	(194,223)
Consolidated total assets	261,634	252,075
<u>Segment liabilities</u>		
Manufacturing	151,469	156,879
Trading	38,308	41,352
Investment holding	440	464
Less: Elimination	(146,915)	(154,183)
Consolidated total liabilities	43,302	44,512

Segmental reporting by geographical location has not been prepared as the Group's operations are substantially carried out in Malaysia.

A9. Valuations of Property, Plant and Equipment

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

The valuation of property, plant and equipment of the Group have been brought forward without amendment from the financial statements for the year ended 31 December 2013.

A10. Subsequent Material Events

There were no material events subsequent to the reporting period up to 23 February 2015 (latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) which have not been reflected in the financial statement for the quarter under review.

A11. Changes in the Composition of the Group

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

A12. Contingent Liabilities or Contingent Assets

There were no changes in other contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2013.

A13. Capital Commitments

The outstanding amount of capital commitments as at 31 December 2014 are as follows:-

	RM'000
Property, plant and equipment :- - Approved and contracted for	890

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

Quarterly Unaudited Results Of The Group For The 4th Quarter Ended 31 December 2014

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	3,866	3,471
- Purchase of ingredients*	857	1,235

** 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 18 June 2014.

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

Quarterly Unaudited Results Of The Group For The 4th Quarter Ended 31 December 2014

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

B1. Review of Performance

For the review of 12-month result, the Group posted a marginal 2% year-on-year revenue increase from RM254.4 million to RM260.7 million.

The Group's profit before taxation of RM30.6 million for the current financial year under review registered a 4.6% increase over the previous corresponding period. This was mainly due to increase of revenue in gummy and snack although decrease in beverage from Contract Manufacturing Business. The increase in profit before taxation was also partly due to higher margin of sales mix although higher advertisement expense incurred during the year.

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

Manufacturing segment

Manufacturing segment achieved slightly lower revenue was mainly due to the reduction in trading volume from its Contract Manufacturing Business of beverage production line. Profit before taxation was lower if compared to its previous corresponding period. It was attributed to higher maintenance of machineries and labour cost incurred.

Trading segment

Trading segment achieved higher revenue due to higher demand of gummy from overseas market. Higher profit before taxation as compared to its previous corresponding period was mainly due to higher margin of sales mix as well as gain on foreign exchange.

B2. Comparison with Immediate Preceding Quarter's Results

Checked with quarterly report September 2014

	Current Year Quarter RM'000	Immediate Preceding Quarter RM'000	Difference %
Revenue	72,650	63,782	+13.9%
Profit before taxation	13,062	6,710	+ 94.7%

Group's revenue of RM72.6 million for the current quarter registered a 13.9% increase over the immediate preceding quarter mainly due to strong demand in gummy from overseas market. Profit before taxation of the current quarter increased by +94.7% to RM13 million mainly contributed by higher margin sales mix and favorable foreign currencies exchange from export revenue.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 4th Quarter Ended 31 December 2014**B3. Commentary On Prospects**

The Board expects the industry which the Group operates to remain challenging with continuous pressure exerted by competition from within and outside of the country. Raw material cost will continuous to be volatile while the Malaysian Ringgit is expected to remain weak. The Group will strive to ensure that it continue to achieve satisfactory results by taking prudent measures and improving operational efficiency.

B4. Profit Forecast or Profit Guarantee

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

B5. Income Tax

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year Quarter</u> RM'000	<u>Preceding Year Quarter</u> RM'000	<u>Current Year To Date</u> RM'000	<u>Preceding Year To Date</u> RM'000
Income tax:				
• Current period estimate	1,161	1,616	6,203	5,223
• Prior year	(35)	-	(35)	(26)
Deferred taxation :				
• Transferred to/(from) deferred taxation	2,090	541	2,558	2,030
	<u>3,216</u>	<u>2,157</u>	<u>8,726</u>	<u>7,227</u>

B6. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 23 February 2015 which is not earlier than 7 days form the date of issue of this quarterly report.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 4th Quarter Ended 31 December 2014**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 31.12.2014 RM'000	As At 31.12.2013 RM'000
TOTAL BORROWING	-	-

B8. Material Litigation

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

B9. Dividend Payable

The Board has declared a third interim single-tier dividend of 5% or 2.5 sen per ordinary share (31 December 2013: 1.5 sen) on 171,600,000 ordinary shares, amounting to RM4,290,000 in respect of the financial year ended 31 December 2014, which will be paid on 3 April 2015. The entitlement date for the above-mentioned interim dividend is on 13 March 2015.

The total dividend of the current year is 15% or 7.5 sen per ordinary share.

B10. Earnings per share

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter	Preceding Year Quarter	Current Year To Date	Preceding Year To Date
Profit for the period (RM'000)	9,846	7,963	21,918	22,050
Weighted average number of ordinary shares of RM0.50 each ('000)	171,600	171,600	171,600	171,600
Basic earnings per share (sen)	5.74	4.64	12.77	12.85
Diluted earnings per share (sen)*	N.A.	N.A.	N.A	N.A

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

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 4th Quarter Ended 31 December 2014**B11. Supplementary Information on the breakdown of realised and unrealised profits or losses**

The following analysis of realized and unrealized retained profits is prepared pursuant to Paragraph 2.06 and 2.23 of Bursa Malaysia Securities Berhad Listing Requirements and in accordance with the Guidance on Special Matter No.1 – Determination of Realised and Unrealised Profits or Losses as issued by the Malaysian Institute of Accountants. This disclosure is based on the format prescribed by Bursa Malaysia Securities Berhad.

	As at 31.12.2014 RM'000	As at 31.12 2013 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	126,124	113,237
- Unrealised	(9,032)	(6,944)
Less: Consolidation adjustments	(29,029)	(28,994)
Retained profit as per financial statement	88,063	77,299

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

	Current Year Quarter RM'000	Preceding Year Quarter RM'000
Interest income	(86)	(64)
Interest expense	2	2
Depreciation of property, plant and equipment	2,777	3,188
Property, plant and equipment written off	-	-
(Gain)/loss on disposal of property, plant and equipment	(1)	(40)
Bad debt written off	-	22
Bad debt recovered	-	(609)
Impairment of receivables	12	1,582
Impairment of receivables no longer required	-	(1,633)
Loss/(gain) on foreign exchange		
- realized	(1,199)	(1,252)
- unrealized	29	(1,117)

By Order Of The Board

Tai Chun Wah

Executive Director

Dated: 26 February 2015