

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

(Incorporated in Malaysia)

Financial Year End : 31 March 2010
 Quarter : First Quarter

Quarterly report on results for the 1st quarter ended 31 March 2010. These figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Current Year Quarter 31.03.2010 RM'000</u>	<u>Preceding Year Quarter 31.03.2009 RM'000</u>	<u>Current Year To Date 31.03.2010 RM'000</u>	<u>Preceding Year To Date 31.03.2009 RM'000</u>
Revenue	35,207	35,159	35,207	35,159
Cost Of Sales	<u>(25,587)</u>	<u>(23,663)</u>	<u>(25,587)</u>	<u>(23,663)</u>
Gross Profit	9,620	11,496	9,620	11,496
Other Income	185	577	185	577
Distribution Costs	(1,706)	(1,822)	(1,706)	(1,822)
Administrative Expenses	(2,772)	(2,718)	(2,772)	(2,718)
Finance Costs	(3)	(31)	(3)	(31)
Share Of Loss Of Associates	<u>(302)</u>	<u>(204)</u>	<u>(302)</u>	<u>(204)</u>
Profit Before Tax	5,022	7,298	5,022	7,298
Income Tax Expenses	<u>(940)</u>	<u>(1,766)</u>	<u>(940)</u>	<u>(1,766)</u>
Profit For The Period	<u>4,082</u>	<u>5,532</u>	<u>4,082</u>	<u>5,532</u>
Attributable To:				
Owner Of The Parent	4,082	5,532	4,082	5,532
Minority Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>4,082</u>	<u>5,532</u>	<u>4,082</u>	<u>5,532</u>
Other Comprehensive Income After Tax :-				
Currency Translation Difference	(3)	7	(3)	7
Total Comprehensive Income For The Period	<u>4,079</u>	<u>5,539</u>	<u>4,079</u>	<u>5,539</u>
Earnings Per Share Attributable To Equity Holders Of The Parent				
: Basic Earnings Per Share (Sen)	3.40	4.61	3.40	4.61

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 MARCH 2010**

(These figures have not been audited)

	As At End Of Current Quarter (Unaudited) 31.03.2010 RM'000	As At Preceding Financial Year (Audited) 31.12.2009 RM'000
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	64,906	50,383
Prepaid Lease Payments	8,730	9,047
Investment	1	1
Investment In An Associated Company	2,794	3,096
	<u>76,431</u>	<u>62,527</u>
Current Assets		
Inventories	18,654	17,535
Trade Receivables	21,200	21,574
Tax Recoverable	169	559
Other Debtors, Deposit & Prepayment	1,193	9,522
Fixed Deposit With Licensed Bank	3,362	5,996
Cash & Bank Balances	12,497	8,824
	<u>57,075</u>	<u>64,010</u>
TOTAL ASSETS	<u><u>133,506</u></u>	<u><u>126,537</u></u>
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Parent		
Share Capital	60,000	60,000
Share Premium	194	194
Revenue Reserves	45,015	40,933
Exchange Translation Reserves	29	32
Total Equity	<u>105,238</u>	<u>101,159</u>
Non-Current Liabilities		
Hire Purchase Creditors	42	58
Term Loans	7	11
Deferred Income Tax Liabilities	3,436	3,313
	<u>3,485</u>	<u>3,382</u>
Current Liabilities		
Trade Payables	15,677	13,606
Other Creditors & Accruals	8,391	6,968
Hire Purchase Creditors	60	60
Term Loan	15	15
Current Income Tax Liabilities	640	1,347
	<u>24,783</u>	<u>21,996</u>
Total Liabilities	<u>28,268</u>	<u>25,378</u>
TOTAL EQUITY AND LIABILITIES	<u><u>133,506</u></u>	<u><u>126,537</u></u>
Net Assets (NA) Per Share (RM)	0.88	0.84

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
3 months ended 31 March 2009	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2009	60,000	194	53	27,990	88,237
Foreign currency translation differences	-	-	7	-	7
Net profit for the period	-	-	-	5,532	5,532
As at 31 March 2009	60,000	194	60	33,522	93,776
					-
3 months ended 31 March 2010	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2010	60,000	194	32	40,933	101,159
Foreign currency translation differences	-	-	(3)	-	(3)
Net profit for the period	-	-	-	4,082	4,082
As at 31 March 2010	60,000	194	29	45,015	105,238
					-
					-

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE 3 MONTHS ENDED 31 MARCH 2010**

(These figures have not been audited)

	Cumulative Current Year To Date 31.03.2010 RM'000	Cumulative Preceding Year To Date 31.03.2009 RM'000
Cash Flow From Operating Activities		
Profit Before Taxation	5,022	7,298
Adjustments for:-		
Share of losses of associates	302	204
Allowance for doubtful debts	-	250
Depreciation of property, plant and equipment	1,489	1,165
Amortisation of prepaid lease payments	46	46
(Gain)/Loss on disposal of property, plant & equipment	(40)	(8)
Interest expense	3	31
Interest income	(23)	(72)
Operating profit before working capital changes	<u>6,799</u>	<u>8,914</u>
(Increase)/Decrease in inventories	(1,119)	112
(Increase)/Decrease in receivables	9,497	(1,655)
(Decrease)/Increase in payables	3,494	(779)
Cash generated from operations	<u>18,671</u>	<u>6,592</u>
Interest received	23	72
Interest paid	(3)	(31)
Tax paid	(1,439)	(454)
Net Cash Provided By Operating Activities	<u>17,252</u>	<u>6,179</u>
Purchase of property, plant and equipment	(16,254)	(1,122)
Proceeds from disposal of property, plant and equipment	58	164
Net Cash Used In Investing Activities	<u>(16,196)</u>	<u>(958)</u>
Financing from hire-purchase creditors	180	-
Repayment of hire-purchase creditors	(195)	(19)
Repayment of term loans	(3)	(204)
Net Cash Used In Financing Activities	<u>(18)</u>	<u>(223)</u>
Net Change in Cash And Cash Equivalents	1,038	4,998
Effects of Exchange Rate changes	-	3
Cash And Cash Equivalents At Beginning Of The Period	14,821	16,121
Cash And Cash Equivalents At End Of The Period *	<u><u>15,859</u></u>	<u><u>21,122</u></u>
* Cash & cash equivalents consists of:		
Fixed deposit with licensed banks	464	1,165
Short term deposits with licensed banks	2,898	16,356
Cash and bank balances	12,497	3,601
	<u><u>15,859</u></u>	<u><u>21,122</u></u>

**Part A: Explanatory Notes In Compliance With Financial Reporting Standard (“FRS”)
134: Interim Financial Reporting**

A1. Basis Of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard (“FRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements for year ended 31 December 2009. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the year ended 31 December 2009.

A2. Accounting Policies

The significant accounting policies and method of computation adopted by the Group in these interim financial statements are consistent with those adopted in the most recent audited financial statements of the Group, except for the adoption of the following.

FRSs	Effective date
FRS 2, Share-based Payment (revised)	1.1.2010
FRS 7, Financial Instruments: Disclosure	1.1.2010
FRS 8, Operating Segments	1.1.2010
FRS 101, Presentation of Financial Statement (revised)	1.1.2010
FRS 123, Borrowing Costs (revised)	1.1.2010
FRS 127, Consolidated and Separate Financial Statement (revised)	1.1.2010
FRS 132, Financial Instrument: Presentation (revised)	1.1.2010
FRS 139, Financial Instruments: Recognition and Measurement	1.1.2010

The adoptions of the above standards do not have any material impact on the financial statements of the Group.

A3. Qualification of Financial Statements

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

A4. Seasonal or Cyclical Factors

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

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1st Quarter Ended 31 March 2010

A5. 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.

A6. 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.

A7. Dividend Paid

During the quarter under review, the third interim dividend of 2.5 sen per ordinary share, less Malaysian income tax at 25%, on 120,000,000 ordinary shares, amounting to RM2,250,000 in respect of financial year ended 31 December 2009, was paid on 6 April 2010.

A8. Debt and Equity Securities

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

A9. Segmental Reporting

Group – By Geographical

	Revenue RM'000	Profit/(Loss) Before Taxation RM'000	Assets Employed RM'000
01.01.2010 to 31.03.2010			
Malaysia	56,883	5,163	130,306
China	514	(250)	3,200
	57,397	4,913	133,506
Elimination	(22,190)	109	-
Group	35,207	5,022	133,506

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1st Quarter Ended 31 March 2010

	Revenue	Profit/(Loss)	Assets
	RM'000	Before Taxation	Employed
	RM'000	RM'000	RM'000
01.01.2009			
to			
31.03.2009			
Malaysia	59,504	7,634	114,528
China	315	(24)	4,255
	59,819	7,610	118,783
Elimination	(24,660)	(312)	-
Group	35,159	7,298	118,783

The Group operates principally in the business of manufacturing and trading of processed and preserved foods, drinks and other related foodstuffs. Accordingly, information by segment on the Group's operation is not presented.

A10. 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 2009.

A11. Subsequent Material Events

There were no material events subsequent to the reporting period up to 18 May 2010 (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.

A12. 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.

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

Quarterly Unaudited Results Of The Group For The 1st Quarter Ended 31 March 2010

A13. Contingent Liabilities or Contingent Assets

As at 18 May 2010 (being a date not earlier than 7 days from the date of issue of this report), there were no material contingent liabilities incurred by the Group, which upon becoming enforceable, may have a material impact on the financial position of the Group.

A14. Capital Commitments

The amount of capital commitments not provided for in the financial statements as at 31 March 2010 are as follows:-

	RM'000
1. Approved and contracted for the purchase of property, plant and equipment	98
2. Share of capital commitments of jointly controlled entity (i.e. US\$1,000,000 into Coco (Fujian) Foods Company Limited, China)	3,400

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

B1. Review of Performance

For the financial period under review, the Group recorded a revenue and profit before taxation of RM35.2 million and RM5.0 million and as compared to the corresponding period revenue of RM35.1 million and profit before taxation of RM7.3 million respectively.

Profit before tax showed a reduction of 21.4% as compared with the preceding year's same period despite a marginal increase in turnover. This was mainly due to higher start up cost from our beverage production line and also the strengthening of our Malaysian Ringgit against US\$.

B2. Comparison with Immediate Preceding Quarter's Results

	Current Year Quarter RM'000	Immediate Preceding Quarter RM'000	Difference %
Revenue	35,207	35,408	-0.6%
Profit before taxation	5,022	6,390	-21.4%

Revenue of the Group slightly decreased to RM35.2 million for the current quarter which represents 0.6% lower than that of RM35.4 million achieved in the immediate preceding quarter.

The pre-tax profit of the current quarter has reduced by 21.4% to RM5.0 million mainly due to machine commissioning cost incurred from our beverage production line.

B3. Commentary Prospects

The Board foresees the local food and beverage industry to remain resilient with intense competition in domestic and overseas markets. Plans have been undertaken to expand production capacity and our new beverage line has been fully installed and commissioned. The Board expects that the Group will continue its growth for the financial year ending 31 December 2010.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1st Quarter Ended 31 March 2010**B4. Profit Forecast Or Profit Guarantee**

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest and for the shortfall in profit guarantee are not applicable.

B5. Taxation

	<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>
	31.03.2010	31.03.2009	31.03.2010	31.12.2009
	RM'000	RM'000	RM'000	RM'000
Income taxation:				
• Current period estimate	812	1,829	812	1,829
• Prior year	5	-	5	-
Deferred taxation :				
• Transferred to/(from) deferred taxation	123	(63)	123	(63)
	940	1,766	940	1,766

The effective tax rate of the Group for the period under review was lower than the statutory tax rate of 25% mainly due to the utilization of reinvestment allowances claimed on qualifying expenditure.

B6. Sale of Unquoted Investments and/or Properties

The Group has not disposed of any investments in any unquoted investments and/or properties during the current quarter and financial year-to-date.

B7. Quoted Securities

There was no purchase or disposal of quoted securities for the current financial period to date.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1st Quarter Ended 31 March 2010**B8. Status of Corporate Proposals**

Saved as disclosed below, there are no corporate proposals announced but not completed as at 18 May 2010:

On 14 January 2010, TA Securities Holdings Berhad on behalf of the Board of Directors of Cocoaland Holdings Berhad (“Cocoaland” or “the Company”), announced that the Company proposed to undertake a proposed private placement of up to 12,000,000 new ordinary shares of RM0.50 each representing up to 10% of the issued and paid-up capital of Cocoaland at an issue price to be fixed (“Proposed Private Placement”). The proceeds to be raised from the Proposed Private Placement shall be utilized to finance the working capital of the Group.

Bursa Securities, via its letter dated 26 January 2010 approved in principle the listing and quotation of up to 12,000,000 new ordinary shares of RM0.50 each to be issued pursuant to the Proposed Private Placement.

On 26 March 2010, the Company announced that the Board had resolved to fixed the issue price of the Proposed Private Placement at RM1.35 per placement share. The Proposed Private Placement was completed on 8 April 2010.

B9. Group Borrowings

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

	As At 31.03.10 RM’000	As At 31.03.09 RM’000
Short-term borrowings-secured :-		
- Hire purchase	60	22
- Term loan	15	812
TOTAL SHORT TERM (A)	75	834
Long-term borrowing-secured :-		
- Hire purchase	42	139
- Term loan	7	999
TOTAL LONG TERM (B)	49	1,138
TOTAL (A) + (B)	124	1,972

B10. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk at the date of this quarterly report.

B11. Material Litigation

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

B12. Financial Instruments

(a) Derivatives :-

The Group doesn't have any derivatives which need to be disclosed in this reporting period.

(b) Gains/(losses) Arising From Fair Value Changes Of Financial Liabilities :-

There was no gain/(loss) arising from fair value changes in financial liabilities in this reporting period.

B13. Dividend Payable

The Board has declared an interim dividend of 2.5 sen per ordinary share less 25% income tax (31 March 2009: Nil) on 132,000,000 ordinary shares, amounting to RM2.475 million in respect of the financial year ending 31 December 2010 and payable on 30 June 2010.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1st Quarter Ended 31 March 2010**B14. Earnings per share**

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year Quarter</u>	<u>Preceding Year Quarter</u>	<u>Current Year To Date</u>	<u>Preceding Year To Date</u>
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Profit for the period (RM'000)	4,082	5,532	4,082	5,532
Number of ordinary shares of RM0.50 each ('000)	120,000	120,000	120,000	120,000
Basic earnings per share (sen)	3.40	4.61	3.40	4.61
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.

By Order Of The Board

Liew Fook Meng
Executive Director
Dated: 25 May 2010