

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

(Incorporated in Malaysia)

Financial Year End : 31 December 2012
 Quarter : First Quarter

Quarterly report on results for the 1st quarter ended 31 March 2012. These figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.3.2012 RM'000	Preceding Year Quarter 31.3.2011 RM'000	Current Year To Date 31.3.2012 RM'000	Preceding Year To Date 31.3.2011 RM'000
Revenue	51,917	38,998	51,917	38,998
Cost Of Sales	(39,022)	(29,814)	(39,022)	(29,814)
Gross Profit	12,895	9,184	12,895	9,184
Other Income	425	536	425	536
Distribution Costs	(3,092)	(2,295)	(3,092)	(2,295)
Administrative Expenses	(3,789)	(3,379)	(3,789)	(3,379)
Finance Costs	-	(1)	-	(1)
Profit Before Taxation	6,439	4,045	6,439	4,045
Income Tax Expenses	(1,487)	(686)	(1,487)	(686)
Total Comprehensive Income	4,952	3,359	4,952	3,359
Attributable To:				
- Equity Holders Of The Parent	4,952	3,359	4,952	3,359
- Non-controlling Interest	-	-	-	-
	<u>4,952</u>	<u>3,359</u>	<u>4,952</u>	<u>3,359</u>
Earnings Per Share Attributable To Equity Holders Of The Parent				
: Basic Earnings Per Share (Sen)	2.89	1.96	2.89	1.96

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 2012**

(These figures have not been audited)

	As At End Of Current Quarter (Unaudited) 31.3.2012	As At Preceding Financial Year (Audited) 31.12.2011
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	103,725	101,043
Investment	1	1
	<u>103,726</u>	<u>101,044</u>
Current Assets		
Inventories	23,751	25,336
Trade Receivables	38,151	40,904
Tax Recoverable	334	1,616
Other Debtors, Deposit & Prepayment	12,364	7,164
Fixed Deposit With Licensed Bank	35,132	39,411
Cash & Bank Balances	10,860	3,575
	<u>120,592</u>	<u>118,006</u>
TOTAL ASSETS	<u><u>224,318</u></u>	<u><u>219,050</u></u>
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Parent		
Share Capital	85,800	85,800
Share Premium	44,355	44,355
Revenue Reserves	63,435	58,483
Exchange Translation Reserves	31	31
Total Equity	<u>193,621</u>	<u>188,669</u>
Non-Current Liabilities		
Deferred Income Tax Liabilities	632	73
	<u>632</u>	<u>73</u>
Current Liabilities		
Trade Payables	26,406	22,768
Other Creditors & Accruals	2,738	7,361
Current Income Tax Liabilities	921	179
	<u>30,065</u>	<u>30,308</u>
TOTAL LIABILITIES	<u>30,697</u>	<u>30,381</u>
TOTAL EQUITY AND LIABILITIES	<u><u>224,318</u></u>	<u><u>219,050</u></u>
Net Assets (NA) Per Share (RM)	1.13	1.10

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 2011	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2011	85,800	44,355	31	46,027	176,213
Foreign currency translation differences			2	-	2
Total comprehensive income	-	-	-	3,359	3,359
As at 31 March 2011	<u>85,800</u>	<u>44,355</u>	<u>33</u>	<u>49,386</u>	<u>179,574</u>
					-
					-
3 months ended 31 March 2012	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2012	85,800	44,355	31	58,483	188,669
Total comprehensive income	-	-	-	4,952	4,952
As at 31 March 2012	<u>85,800</u>	<u>44,355</u>	<u>31</u>	<u>63,435</u>	<u>193,621</u>
					-
					-

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE 3 MONTHS ENDED 31 MARCH 2012
(These figures have not been audited)**

	Cumulative Current Year To Date 31.3.2012 RM'000	Cumulative Preceding Year To Date 31.3.2011 RM'000
Cash Flow From Operating Activities		
Profit Before Taxation	6,439	4,045
Adjustments for:-		
Allowance for doubtful debts no longer required	(333)	-
Allowance for doubtful debts	484	150
Depreciation of property, plant and equipment	1,882	1,645
Unrealised gain on foreign exchange	20	70
Gain on disposal of property, plant & equipment	(7)	(33)
Property, plant and equipment written off	4	-
Interest expense	-	1
Interest income	(273)	(427)
Operating profit before working capital changes	<u>8,216</u>	<u>5,451</u>
Decrease / (Increase) in inventories	1,585	(198)
Increase in receivables	(2,447)	(2,109)
Decrease in payables	(985)	(2,564)
Cash generated from operations	<u>6,369</u>	<u>580</u>
Interest received	273	427
Interest paid	-	(1)
Tax refunded	1,561	-
Tax paid	(471)	(345)
Net Cash Provided By Operating Activities	<u>7,732</u>	<u>661</u>
Purchase of property, plant and equipment	(4,744)	(4,104)
Proceeds from disposal of property, plant and equipment	18	83
Net Cash Used In Investing Activities	<u>(4,726)</u>	<u>(4,021)</u>
Repayment of hire-purchase creditors	-	(16)
Net Cash Used In Financing Activities	<u>-</u>	<u>(16)</u>
Net Change in Cash And Cash Equivalents	3,006	(3,376)
Cash And Cash Equivalents At Beginning Of The Period	42,986	71,148
Cash And Cash Equivalents At End Of The Period *	<u><u>45,992</u></u>	<u><u>67,772</u></u>
* Cash & cash equivalents consists of:		
Fixed deposit with licensed banks	25,913	55,246
Short term deposits with licensed banks	9,219	6,173
Cash and bank balances	10,860	6,353
	<u><u>45,992</u></u>	<u><u>67,772</u></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 MFRS134: Interim Financial Reporting in Malaysia, and with 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 Group’s audited financial statements for year ended 31 December 2011. The consolidated financial statement of the Group as at and for the year ended 31 December 2011 were prepared in accordance with Financial Reporting Standards (“FRS”).

The accounting policies and presentation adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the year ended 31st December 2011, except for the following:

Adoption of a new MASB accounting framework, the MFRS Framework

The Group has adopted the Malaysian Financial Reporting Standards (“MFRS”) framework issued by the Malaysian Accounting Standards Board (“MASB”) with effect from 1 January 2012. This MFRS framework was introduced by the MASB in order to fully converge Malaysia’s existing Financial Reporting Standards (FRS) framework with the International Financial Reporting Standards (IFRS) framework issued by the International Accounting Standards Board. In adopting the new framework, the Group has applied MFRS 1 “*First-Time Adoption of Malaysian Financial Reporting Standards*”. There has been no material impact upon the adoption the MFRS on the financial statements of the Group.

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.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1st Quarter Ended 31 March 2012**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

There was no dividend paid during the quarter under review.

A7. Debt and Equity Securities

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

A8. Segmental Reporting

The Group's segmental report for the current financial period ended 31 March 2012 is as below:-

	Current Year Quarter RM'000	Preceding Year Quarter RM'000
<u>Group – by business segment :-</u>		
<u>Net revenue</u>		
Manufacturing	43,128	32,160
Marketing	33,472	30,613
Investment holding	-	-
Less: Inter-segment revenue	(24,683)	(23,775)
Total consolidated revenue	51,917	38,998
<u>Segment result</u>		
Manufacturing	3,140	1,514
Marketing	3,107	2,172
Investment holding	195	1,051
Less: Elimination	(3)	(692)
Total consolidated profit before tax	6,439	4,045

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1st Quarter Ended 31 March 2012

	Current Year Quarter RM'000	Preceding Year Quarter RM'000
<u>Group – by business segment :-</u>		
<u>Segment assets</u>		
Manufacturing	159,826	115,621
Marketing	74,952	49,986
Investment holding	142,550	137,198
Less: Elimination	(153,010)	(99,658)
Consolidated total assets	224,318	203,147
<u>Segment liabilities</u>		
Manufacturing	93,657	52,346
Marketing	48,054	28,591
Investment holding	530	1,013
Less: Elimination	(111,544)	(58,377)
Consolidated total liabilities	30,697	23,573

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 2011.

A10. Subsequent Material Events

There were no material events subsequent to the reporting period up to 21 May 2012 (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.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1st Quarter Ended 31 March 2012**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 2011.

A13. Capital Commitments

The outstanding amount of capital commitments as at 31 March 2012 are as follows:-

	RM'000
Property, plant and equipment :- - Approved and contracted for	15,945

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 - Purchase of ingredients*	4,021 1,298	1,706 495

* 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 21 June 2011.

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

B1. Review of Performance

In the financial period under review, the Group posted a 33% year-on-year revenue growth from RM39.0 million to RM52.0 million; this was mainly due to increased selling price and trading volume of our Fruit Gummy and Beverage production lines.

The Group achieved profit before taxation of RM6.4 million, an increase of RM2.4 million or 59% from the previous corresponding period. This improvement in profit was attributable to the Group's continued effort in improving production efficiency by way of process automation and better quality control.

B2. Comparison with Immediate Preceding Quarter's Results

	Current Year Quarter RM'000	Immediate Preceding Quarter RM'000	Difference %
Revenue	51,917	51,401	+1.0%
Profit before taxation	6,439	9,836	-34.5%

Revenue of the Group increased to RM51.9 million for the current quarter which represents a 1.0% increase from the RM51.4 million achieved in the immediate preceding quarter. The pre-tax profit of the current quarter decreased by RM3.4 million or 34.5% to RM6.4 million.

Despite the increase in revenue, profit before taxation has not shown a corresponding increase mainly due to lower profit margin sales mix during the current quarter. In addition, the strengthening of the Malaysian Ringgit against US Dollar has resulted exchange losses compared to exchange gain in the preceding quarter.

B3. Commentary On Prospects

New production facilities for Fruit Gummy and Hard Candy lines will be fully installed in this financial year 2012, which will widen the Group's existing customer base with increased production capacity and this will further reinforce the Group's presence both locally and overseas.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1st Quarter Ended 31 March 2012

The Group's performance will continue to be impacted by the volatile material costs and intense competition in domestic and export markets. The regional economy and consumer sentiment may be impacted adversely by the uncertain global economic conditions at present.

Barring any unforeseen circumstances, the Board is optimistic of achieving satisfactory result in the financial year ending 2012.

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>	
	Current Year Quarter	Preceding Year Quarter	Current Year To Date	Preceding Year To Date
	RM'000	RM'000	RM'000	RM'000
Income tax:				
• Current period estimate	928	686	928	686
Deferred taxation :				
• Transferred to deferred taxation	559	-	559	-
	1,487	686	1,487	686

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

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1st Quarter Ended 31 March 2012**B6. Status of Corporate Proposals**

(a) Status of Corporate Proposals :-

There were no corporate proposals announced but not completed as at 21 May 2012 which is not earlier than 7 days form the date of issue of this quarterly report.

(b) Status of Utilization of Proceeds :-

SUBSCRIPTION BY FRASER & NEAVE HOLDINGS BHD (“F&N”) OF 39,600,000 NEW ORDINARY SHARES OF RM0.50 EACH IN COCOALAND, REPRESENTING APPROXIMATELY 23.08% OF THE ENLARGED ISSUED AND PAID-UP SHARE CAPITAL OF COCOALAND, AT AN ISSUE PRICE OF RM1.38 PER SHARE

On 25 November 2010, the Company issued 39,600,000 new ordinary shares of RM0.50 each through a Private Placement at issue price of RM1.38 per share. The latest utilization of proceeds as of 31 March 2012 is as below:-

Purposes	Proposed Utilization (RM'000)	Actual Utilization (RM'000)	Transfer To Working Capital (RM'000)	Balance (RM'000)	Intended Timeframe for Utilisation after the share subscription
1) Acquisition of machinery	36,000	(21,378)	-	14,622	Within 21 months
2) Acquisition of property	10,000	(7,936)	(2,064)*	Nil	Within 6 months
3) Working capital	8,538	(10,614)	2,076*	Nil	Within 6 months
4) Estimated expenses relating to the share subscription	110	(98)	(12)*	Nil	Upon completion
TOTAL	54,648	(40,026)	-	14,622	

* Any increase or decrease in the actual expenses related to the share subscription would be clawed back from or to the working capital

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1st Quarter Ended 31 March 2012**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 31.3.2012 RM'000	As At 31.3.2011 RM'000
Short-term borrowings-secured :-		
- Hire purchase	-	42
TOTAL SHORT TERM	-	42

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 March 2011: nil).

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)	4,952	3,359	4,952	3,359
Weighted average number of ordinary shares of RM0.50 each ('000)	171,600	171,600	171,600	171,600
Basic earnings per share (sen)	2.89	1.96	2.89	1.96
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 1st Quarter Ended 31 March 2012**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 31.3.2012 RM'000	As at 31.12 2011 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	95,941	87,252
- Unrealised	(1,172)	(295)
Less: Consolidation adjustments	(31,334)	(28,474)
Retained profit as per financial statement	63,435	58,483

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

	<u>Current Quarter</u> RM'000
Interest income	(273)
Depreciation of property, plant and equipment	1,882
Gain on disposal of property, plant and equipment	(7)
Property, plant and equipment written off	4
Allowance for doubtful debts	484
Allowance for doubtful debts no longer required	(333)
Loss/(Gain) on foreign exchange	
- realized	(363)
- unrealized	(20)

By Order Of The Board

Tai Chun Wah

Executive Director

Dated: 28 May 2012