

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

(Incorporated in Malaysia)

Financial Year End : 31 March 2013
 Quarter : First Quarter

Quarterly report on results for the 1st quarter ended 31 March 2013. These figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.03.2013 RM'000	Preceding Year Quarter 31.03.2012 RM'000	Current Year To Date 31.03.2013 RM'000	Preceding Year To Date 31.03.2012 RM'000
Revenue	67,930	51,917	67,930	51,917
Cost Of Sales	(56,287)	(39,022)	(56,287)	(39,022)
Gross Profit	11,643	12,895	11,643	12,895
Other Income	242	425	242	425
Distribution Costs	(3,512)	(3,092)	(3,512)	(3,092)
Administrative Expenses	(2,855)	(3,789)	(2,855)	(3,789)
Finance Costs	-	-	-	-
Profit Before Taxation	5,518	6,439	5,518	6,439
Income Tax Expenses	(1,414)	(1,487)	(1,414)	(1,487)
Total Comprehensive Income	4,104	4,952	4,104	4,952
Attributable To:				
- Equity Holders Of The Parent	4,104	4,952	4,104	4,952
- Non-controlling Interest	-	-	-	-
	<u>4,104</u>	<u>4,952</u>	<u>4,104</u>	<u>4,952</u>
Earnings Per Share Attributable To Equity Holders Of The Parent				
: Basic Earnings Per Share (Sen)	2.39	2.89	2.39	2.89

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 2013**

(These figures have not been audited)

	As At End Of Current Quarter (Unaudited) 31.03.2013 RM'000	As At Preceding Financial Year (Audited) 31.12.2012 RM'000
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	134,712	118,680
Investment	1	1
	<u>134,713</u>	<u>118,681</u>
Current Assets		
Inventories	28,965	32,418
Trade Receivables	43,627	43,026
Tax Recoverable	689	417
Other Debtors, Deposit & Prepayment	5,988	16,676
Fixed Deposit With Licensed Bank	21,196	14,386
Cash & Bank Balances	11,404	11,717
	<u>111,869</u>	<u>118,640</u>
TOTAL ASSETS	<u><u>246,582</u></u>	<u><u>237,321</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	70,078	65,974
Exchange Translation Reserves	31	31
Total Equity	<u>200,264</u>	<u>196,160</u>
Non-Current Liabilities		
Deferred Income Tax Liabilities	3,193	3,053
	<u>3,193</u>	<u>3,053</u>
Current Liabilities		
Trade Payables	31,536	26,272
Other Creditors & Accruals	10,069	10,740
Current Income Tax Liabilities	1,520	1,096
	<u>43,125</u>	<u>38,108</u>
TOTAL LIABILITIES	<u>46,318</u>	<u>41,161</u>
TOTAL EQUITY AND LIABILITIES	<u><u>246,582</u></u>	<u><u>237,321</u></u>
Net Assets (NA) Per Share (RM)	1.17	1.14

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
	RM'000	RM'000	RM'000	RM'000	RM'000
3 months ended 31 March 2012					
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>
					-
3 months ended 31 March 2013					
As at 1 January 2013	85,800	44,355	31	65,974	196,160
Total comprehensive income	-	-	-	4,104	4,104
As at 31 March 2013	<u>85,800</u>	<u>44,355</u>	<u>31</u>	<u>70,078</u>	<u>200,264</u>
					-

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE 3 MONTHS ENDED 31 MARCH 2013
(These figures have not been audited)**

	Cumulative Current Year To Date 31.03.2013 RM'000	Cumulative Preceding Year To Date 31.03.2012 RM'000
Cash Flow From Operating Activities		
Profit Before Taxation	5,518	6,439
Adjustments for:-		
Allowance for doubtful debts no longer required	(814)	(333)
Allowance for doubtful debts	248	484
Depreciation of property, plant and equipment	2,731	1,882
Unrealised (gain)/ loss on foreign exchange	(122)	20
Gain on disposal of property, plant & equipment	(15)	(7)
Property, plant and equipment written off	-	4
Interest income	(94)	(273)
Operating profit before working capital changes	<u>7,452</u>	<u>8,216</u>
Decrease in inventories	3,453	1,585
Decrease/ (increase) in receivables	10,087	(2,447)
Increase / (decrease) in payables	4,593	(985)
Cash generated from operations	<u>25,585</u>	<u>6,369</u>
Interest received	94	273
Tax refunded	8	1,561
Tax paid	(1,096)	(471)
Net Cash Provided By Operating Activities	<u>24,591</u>	<u>7,732</u>
Purchase of property, plant and equipment	(18,109)	(4,744)
Proceeds from disposal of property, plant and equipment	15	18
Net Cash Used In Investing Activities	<u>(18,094)</u>	<u>(4,726)</u>
Net Cash Used In Financing Activities	<u>-</u>	<u>-</u>
Net Change in Cash And Cash Equivalents	6,497	3,006
Cash And Cash Equivalents At Beginning Of The Period	26,103	42,986
Cash And Cash Equivalents At End Of The Period *	<u>32,600</u>	<u>45,992</u>
* Cash & cash equivalents consists of:		
Fixed deposit with licensed banks	5,788	25,913
Short term deposits with licensed banks	15,408	9,219
Cash and bank balances	11,404	10,860
	<u>32,600</u>	<u>45,992</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 2012.

The audited financial statement of the Group for the year ended 31 December 2012 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 2012.

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.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1st Quarter Ended 31 March 2013**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 (2012: nil).

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 2013 is as below:-

	Individual 1st Quarter		Cumulative 1st Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	RM'000	RM'000	RM'000	RM'000
<u>Group – by business segment :-</u>				
<u>Net revenue</u>				
Manufacturing	57,600	43,128	57,600	43,128
Trading	35,253	33,472	35,253	33,472
Investment holding	-	-	-	-
Less: Inter-segment revenue	(24,923)	(24,683)	(24,923)	(24,683)
Total consolidated revenue	67,930	51,917	67,930	51,917
<u>Segment result</u>				
Manufacturing	503	3,140	503	3,140
Trading	5,004	3,107	5,004	3,107
Investment holding	(108)	195	(108)	195
Less: Elimination	119	(3)	119	(3)
Total consolidated profit before tax	5,518	6,439	5,518	6,439

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1st Quarter Ended 31 March 2013

	As At Current Year Quarter RM'000	As At Preceding Year Quarter RM'000
<u>Group – by business segment :-</u>		
<u>Segment assets</u>		
Manufacturing	198,014	159,826
Trading	91,935	74,952
Investment holding	138,487	142,550
Less: Elimination	(181,854)	(153,010)
Consolidated total assets	246,582	224,318
<u>Segment liabilities</u>		
Manufacturing	131,193	93,657
Trading	54,939	48,054
Investment holding	500	530
Less: Elimination	(140,314)	(111,544)
Consolidated total liabilities	46,318	30,697

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 2012.

A10. Subsequent Material Events

There were no material events subsequent to the reporting period up to 24 May 2013 (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 2013**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 2012.

A13. Capital Commitments

The outstanding amount of capital commitments as at 31 March 2013 are as follows:-

	RM'000
Property, plant and equipment :- - Approved and contracted for	3,883

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*	2,715 1,034	4,021 1,298

* 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 19 June 2012.

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

B1. Review of Performance

For the first 3 months under review, the Group posted a 31% year-on-year revenue growth from RM51.9 million to RM67.9 million; this was mainly due to the increase in trading volume of beverage product.

The Group's profit before taxation of RM5.5 million for the first 3 months under review registered a 14% decrease over the previous corresponding period due to higher startup cost from its new production line, increase of factory labour cost and higher of freight charges incurred.

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

Manufacturing segment

Higher revenue from the Manufacturing segment mainly due to stronger demand from its Contract Manufacturing business of Beverage production line. Despite the increase in revenue, profit before taxation has not shown a corresponding increase mainly due to higher commissioning cost from the new gummy and impact of the implementation of minimum wage.

Trading segment

Trading segment achieved higher revenue due to higher demand from overseas market, especially from China for its gummy products. Slight increase in profit before taxation were attributed to lower provision for doubtful debts and higher foreign exchange gain.

B2. Comparison with Immediate Preceding Quarter's Results

	Current Year Quarter RM'000	Immediate Preceding Quarter RM'000	Difference %
Revenue	67,930	58,210	+16.7%
Profit before taxation	5,518	5,983	-7.8%

Group's revenue of RM67.9 million for the current quarter registered a 16.7% increase over the immediate preceding quarter mainly due to higher demand of its beverage product, especially the contract manufacturing business.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1st Quarter Ended 31 March 2013

The profit before taxation of the current quarter decreased by RM0.4 million or 7.8% to RM5.5 million as a result of higher commissioning cost incurred for its new fruit gummy production line and higher labour cost.

B3. Commentary On Prospects

New fruit gummy production line has already commenced its commercial operation in the 1st quarter of financial year 2013, is expected to contribute the Group's performance. More marketing plans will be formulated to expand and penetrate into its local and overseas markets.

The Board is optimistic of achieving satisfactory result in the financial year ending 2013.

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter RM'000	Preceding Year Quarter RM'000	Current Year To Date RM'000	Preceding Year To Date RM'000
Income tax:				
• Current period estimate	1,274	928	1,274	928
• Prior year	-	-	-	-
Deferred taxation :				
• Transferred to deferred taxation	140	559	140	559
	1,414	1,487	1,414	1,487

B6. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 24 May 2013 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 1st Quarter Ended 31 March 2013**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 31.3.2013 RM'000	As At 31.3.2012 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 March 2012: 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)	4,104	4,952	4,104	4,952
Weighted average number of ordinary shares of RM0.50 each ('000)	171,600	171,600	171,600	171,600
Basic earnings per share (sen)	2.39	2.89	2.39	2.89
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 2013**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 31.3.2013 RM'000	As at 31.12.2012 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	105,433	98,227
- Unrealised	(3,864)	(3,504)
Less: Consolidation adjustments	(31,491)	(28,749)
Retained profit as per financial statement	70,078	65,974

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

	<u>Current Quarter</u> RM'000
Interest income	(94)
Depreciation of property, plant and equipment	2,731
Gain in disposal of property, plant and equipment	(15)
Allowance for doubtful debts	248
Allowance for doubtful debts no longer required	(814)
Loss/(Gain) on foreign exchange	
- realized	255
- unrealized	(122)

By Order Of The Board

Tai Chun Wah

Executive Director

Dated: 28 May 2013