

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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cocoaland[®]

COCOALAND HOLDINGS BERHAD

(Company No. 516019-H)

(Incorporated in Malaysia under the then Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED SHARE BUY-BACK BY COCOALAND HOLDINGS BERHAD ("COCOALAND" OR "COMPANY") OF UP TO 10% OF ITS OWN ISSUED SHARE CAPITAL ("PROPOSED SHARE BUY-BACK")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser



M&A SECURITIES SDN BHD (15017-H)

(A Wholly-Owned Subsidiary of Insas Berhad)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice convening the Extraordinary General Meeting ("EGM") in respect of the Proposed Share Buy-Back to be held at Crystal 3, Level 1 Crystal Crown Hotel Kuala Lumpur, 3, Jalan Jambu Mawar, Off Jalan Kepong, 52000 Kuala Lumpur on Friday, 3 November 2017 at 10.00 a.m. or at any adjournment thereof, together with the Proxy Form are enclosed in this Circular.

A shareholder entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on his behalf. The Proxy Form must be deposited at the Registered Office of Cocoaland at Lot 6.08, 6th Floor, Plaza First Nationwide, No. 161 Jalan Tun H.S. Lee, 50000 Kuala Lumpur on or before the date and time indicated below in order for it to be valid. The lodging of the Proxy Form will not preclude a shareholder from attending and voting in person at the EGM should the shareholder subsequently wish to do so.

Last date and time for lodging the Proxy Form : Wednesday, 1 November 2017 at 10.00 a.m.

Date and time of EGM : Friday, 3 November 2017 at 10.00 a.m. or any adjournment thereof

This Circular is dated 19 October 2017

DEFINITION

Except where the context otherwise requires, the following definition shall apply throughout this Circular:

“Act”	: Companies Act 2016 and any statutory modification or amendments thereto from time to time
“AGM”	: Annual General Meeting
“Board”	: Board of Directors of Cocoland
“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd (165570-W)
“Bursa Securities”	: Bursa Malaysia Securities Berhad (635998-W)
“Circular”	: This circular to shareholders dated 19 October 2017
“Cocoland” or “Company”	: Cocoland Holdings Berhad (516019-H)
“Cocoland Group” or “Group”	: Cocoland and its subsidiaries, collectively
“Cocoland Share(s)” or “Share(s)”	: Ordinary share(s) in Cocoland
“Code”	: The Malaysian Code on Take-Overs and Mergers, 2016 and any statutory modification or amendments thereto from time to time
“EGM”	: Extraordinary general meeting
“EPS”	: Earnings per Share
“FYE”	: Financial year(s) ended/ending
“Leverage Success”	: Leverage Success Sdn Bhd (632682-K)
“Listing Requirements”	: The Main Market Listing Requirements of Bursa Securities, including any amendments thereto from time to time
“LPD”	: 9 October 2017, being the latest practicable date prior to the issuance of this Circular
“M&A Securities”	: M&A Securities Sdn Bhd (15017-H)
“NA”	: Net assets attributable to ordinary equity holders of the Company
“Proposed Share Buy-Back”	: Proposed purchase by the Company of up to 10% of its issued share capital
“Purchased Share(s)”	: Shares purchased by the Company pursuant to the Proposed Share Buy-Back
“Record of Depositors”	: A record of securities holders established and maintained by Bursa Depository
“RM” and “sen”	: Ringgit Malaysia and sen, respectively

DEFINITION (cont'd)

"Share Grant Scheme" : Establishment of an employee share grant scheme of up to 5% of the issued share capital of Cocoland at any time during the duration of the Scheme, for the employees and executive directors of the Cocoland Group who fulfil the eligibility criteria

"VWAMP" : Volume weighted average market price

For the purpose of this Circular, all references to a time of day shall be a reference to Malaysian time unless otherwise stated. In this Circular, words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine gender and vice versa. References to persons shall, where applicable, include corporations.

Certain figures included in this Circular have been subject to rounding adjustments. References to "we", "us", "our" and "ourselves" are to the Company save where the context otherwise requires, the subsidiaries and to "you" or "your" are to the shareholders of the Company.

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COCOALAND HOLDINGS BERHAD

(Company No. 516019-H)

(Incorporated in Malaysia under the then Companies Act, 1965)

Registered Office:

Lot 6.08, 6th Floor
Plaza First Nationwide
No. 161 Jalan Tun H.S. Lee
50000 Kuala Lumpur

19 October 2017

Directors:

Dato' Azman bin Mahmood (Chairman / Independent Non-Executive Director)
Tan Sri Dato' Sri Koh Kin Lip (Independent Non-Executive Director)
Liew Fook Meng (Executive Director)
Lau Kee Von (Executive Director)
Lau Pak Lam (Executive Director)
Lau Kim Chew (Executive Director)
Tai Chun Wah (Executive Director)
Chow Kee Kan @ Chow Tuck Kwan (Independent Non-Executive Director)
Lim Yew Hoe (Non-Independent Non-Executive Director)
Soh Swee Hock @ Soh Say Hock (Non-Independent Non-Executive Director)
Lau Cheng Yew (Alternate Director to Lim Yew Hoe)

To: The Shareholders of Cocoaland Holdings Berhad

Dear Sir / Madam,

PROPOSED SHARE BUY-BACK BY COCOALAND OF UP TO 10% OF ITS OWN ISSUED SHARE CAPITAL

1. INTRODUCTION

On 29 September 2017, M&A Securities, on behalf of the Board, had announced that Cocoaland intends to undertake the Proposed Share Buy-Back and Share Grant Scheme.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH DETAILS OF THE PROPOSED SHARE BUY-BACK AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING THERETO TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.

SHAREHOLDERS OF COCOALAND ARE ADVISED TO READ AND CONSIDER CAREFULLY THIS CIRCULAR TOGETHER WITH THE APPENDIX BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK

2.1 Details of the Proposed Share Buy-Back

The Board is proposing to seek the shareholders' approval to purchase up to 10% of its issued share capital.

As at the LPD, Cocoland has an issued share capital of RM114,400,000.00 comprising 228,800,000 Cocoland Shares. Hence, the maximum number of Shares that may be purchased or held as treasury shares by Cocoland is 22,880,000 Shares.

The Proposed Share Buy-Back will be undertaken in accordance with Section 127 of the Act, Subdivision 3 of Division 1 of Part III of the Act and Chapter 12 of the Listing Requirements and any prevailing rules and regulations issued by the relevant authorities at the time of purchase.

The purchase of Shares under the Proposed Share Buy-Back will be carried out through Bursa Securities via stockbroker(s) to be appointed by the Board.

Based on Section 127(4) of the Act, where Cocoland has purchased the Shares, the Directors of Cocoland may resolve:

- (a) to cancel the shares so purchased;
- (b) to retain the shares so purchased in treasury, which is referred to as "treasury shares" in the Act; or
- (c) to retain part of the shares so purchased as treasury shares and cancel the remainder of the shares.

Accordingly, based on Section 127(7) of the Act, where such Shares are held as treasury shares, the Directors of Cocoland may:

- (a) distribute the shares as dividends to shareholders, such dividends to be known as "share dividends";
- (b) resell the shares or any of the shares in accordance with the relevant rules of the stock exchange;
- (c) transfer the shares, or any of the shares for the purpose of or under an employee's share scheme;
- (d) transfer the shares, or any of the shares as purchase consideration;
- (e) cancel the shares or any of the shares; or
- (f) sell, transfer or otherwise use the shares for such other purposes as the Minister may be order prescribe.

The mandate from the shareholders for the Proposed Share Buy-Back will be effective immediately after obtaining the approval of the shareholders of the Company for the Proposed Share Buy-Back and will continue to be in force until:

- (i) the conclusion of the next AGM of Cocoland following the EGM at which the ordinary resolution for the Proposed Share Buy-Back is passed, at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;

- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of Cocoland in a general meeting.

The decision whether to retain the Purchased Shares as treasury shares, or to cancel the Shares purchased or a combination of both, will be made by the Board at the appropriate time.

In the event that the Cocoland Shares purchased pursuant to the Proposed Share Buy-Back are held as treasury shares, the rights attached to them as to voting, dividends and participation in other distribution and otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including, without limiting the generality of Section 127 of the Act, Subdivision 3 of Division 1 of Part III of the Act, the Company's Articles of Association or the Listing Requirements on substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

2.2 Maximum amount of funds to be allocated and the source of funds

Paragraph 12.10(1) of the Listing Requirements stipulates that the Proposed Share Buy-Back must be made wholly out of the retained profits of the company. Based on the latest audited financial statements of Cocoland as at 31 December 2016, Cocoland has retained profits of RM11.81 million at company level.

The Proposed Share Buy-Back will allow the Board to exercise the power of the Company to purchase its own Shares at any time within the abovementioned period using the internal funds of the Group and/or external borrowings and the amount shall not exceed the aggregate amount of retained profit of the Company. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later, depending on, amongst others, the availability of internally generated funds, the actual number of Shares to be purchased and other relevant factors. The actual number of Shares to be purchased and the timing of such purchases will depend on, amongst others, the market conditions and sentiments of the stock market as well as the retained profits and the financial resources available to the Cocoland Group.

If Cocoland purchases its own Shares using external borrowings, the Board will ensure that Cocoland Group has sufficient funds to repay the external borrowings and that the repayment will not have any material effect on the cash flow of the Cocoland Group. In addition, the Board will ensure that Cocoland satisfies the solvency test as stated in Section 112(2) of the Act before executing the Proposed Share Buy-Back.

2.3 Potential advantages and disadvantages

The potential advantages and disadvantages of the Proposed Share Buy-Back, if implemented, to the Company and its shareholders are as follows:

Potential advantages:

- (a) the EPS of the Cocoland Group would be enhanced (all things being equal);
- (b) Cocoland may be able to reduce any unwarranted volatility of its Shares and assist to stabilise the supply, demand and price of its Shares in the open market, thereby supporting the fundamental value of its Shares;

- (c) if the Purchased Shares are retained as treasury shares, it will provide the Board an option to sell the treasury shares at a higher price and therefore make an exceptional gain for Cocoland. Alternatively, the treasury shares may be distributed as share dividends to shareholders;
- (d) Cocoland will have flexibility in achieving the desired capital structure, in terms of debt and equity composition and size of equity; and
- (e) Cocoland is able to take preventive measures against speculation particularly when its Shares are undervalued which would in turn, stabilise the market price of the Shares and hence, enhance investors' confidence.

Potential disadvantages:

- (i) reduce the financial resources of the Cocoland Group and may result in the forgoing of better investment opportunities that may emerge in the future; and
- (ii) may result in the reduction of financial resources available for distribution of dividends and/or bonus shares to shareholders in the future as the Proposed Share Buy-Back can only be made out of the retained profit of the Company.

However, these disadvantages are mitigated by the prospect that the financial capacity of the Group may increase, if the Purchased Shares held as treasury shares are re-sold at higher price than their purchase price.

The Proposed Share Buy-Back is not expected to cause any potential material disadvantage to the Company or its shareholders as any share buy-back exercise will be undertaken only after in depth consideration of the financial resources of the Company and of the resultant impact to its shareholders.

The Board will be mindful of the interests of the Company and its shareholders when undertaking the Proposed Share Buy-Back and in the subsequent resale of treasury shares on Bursa Securities, if any.

2.4 Public shareholding spread

The Proposed Share Buy-Back will be carried out in accordance with the prevailing laws at the time of the purchase including compliance with the 25% public shareholding spread as required under paragraph 8.02(1) of the Listing Requirements.

Based on the Record of Depositors of the Company as at the LPD, the total percentage of the issued share capital of Cocoland which is held by the public was 30.55%, representing 2,380 public shareholders holding 69,907,446 Shares.

The Board will be mindful of the public shareholding spread requirement before making any purchases of its own Shares.

2.5 Implication relating to the Code

As at the LPD, Leverage Success holds approximately 38.04% of the voting shares in Cocoland. The future purchase of Cocoland of its own shares pursuant to the Proposed Share Buy-Back may cause the voting interest of Leverage Success and persons related to Leverage Success in Cocoland to increase by more than 2% in any 6-month period (the effects of such purchase on the shareholdings of Leverage Success is set out in Section 4.7 below). As a result, Leverage Success will be required to undertake a mandatory take-over offer pursuant to Part III of the Code.

As it is not intended for the Proposed Share Buy-Back to trigger the obligation to undertake a mandatory general offer under the Code for any of its substantial shareholders and/or persons acting in concert with them, the Board will ensure that only such number of Cocoland Shares are purchased, retained as treasury shares, cancelled or distributed such that the Code will not be triggered. In this connection, the Board is mindful of the requirements when making any purchase of Cocoland Shares pursuant to the Proposed Share Buy-Back.

2.6 Purchase price and resale price

Pursuant to the Listing Requirements, Cocoland may only purchase its Shares on Bursa Securities at a price which is not more than fifteen percent (15%) above the VWAMP of the Cocoland Shares for the five (5) market days immediately prior to the date of purchase(s). An immediate announcement will be made to Bursa Securities of any purchase(s) of its own Shares on the day of purchase.

Where the Company decides to resell the treasury shares on Bursa Securities, the Company may only do so at:

- (i) a price which is not less than the VWAMP for Cocoland Shares for the five (5) market days immediately prior to the resale; or
- (ii) a discounted price of not more than five percent (5%) to the VWAMP for the Cocoland Shares for the five (5) market days immediately prior to the resale provided that:
 - (a) the resale takes place not earlier than thirty (30) days from the date of purchase; and
 - (b) the resale price is not less than the cost of purchase of the Cocoland Shares being resold.

2.7 Purchase of its own shares in the preceding twelve (12) months

Cocoland has not made any purchase of its own Shares in the previous twelve (12) months preceding the date of this Circular. As such, the Company does not have any treasury shares and has not resold, cancelled and/or distributed any treasury shares as dividends in the same period.

3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back is undertaken for the following purposes:

- (i) enable the Company to utilise any of the Cocoland Group's surplus financial resources, which is not immediately required for other uses, to purchase its own Shares from the open market at market prices which the Board views favourable;
- (ii) to stabilise the supply and demand, thereby supporting the fundamental value of the Cocoland Shares;
- (iii) if the purchased Cocoland Shares are subsequently cancelled, long-term investors are expected to enjoy a corresponding increase in the value of their investments in the Company with the proportionate strengthening of the EPS of Cocoland;

- (iv) the purchased Cocoland Shares can also be held as treasury shares and resold on Bursa Securities at a higher price therefore realising a potential gain without affecting the total issued share capital of the Company;
- (v) should any treasury shares be distributed as share dividends, this would also serve to reward the shareholders of the Company; and
- (vi) to distribute the treasury shares to the eligible employees under the Share Grant Scheme.

4. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK

The pro forma effects of the Proposed Share Buy-Back on the issued share capital, NA, earnings, EPS and shareholdings of substantial shareholders are set out below.

4.1 Issued share capital

The effects of the Proposed Share Buy-Back are dependent on whether the Shares purchased are cancelled or alternatively retained as treasury shares.

Based on the assumption that the maximum number of Shares authorised to be purchased or held as Treasury Shares under the Proposed Share Buy-Back are cancelled, the effect on the share capital and number of issued Shares would be as follows:

	No. of Cocoland Shares
Issued share capital as at the LPD	228,800,000
To be purchased and cancelled pursuant to the Proposed Share Buy-Back	(22,880,000)
Total number of issued Shares after the Proposed Share Buy-Back	205,920,000

The effects of the Proposed Share Buy-Back on the issued share capital of the Company will depend on the intention of the Board with regards to the treatment of the purchased Cocoland Shares. If the purchased Shares are cancelled, the issued share capital will be reduced by the number of Shares so cancelled. Conversely, if the purchased Cocoland Shares are retained as treasury shares, resold or distributed to the shareholders, the Proposed Share Buy-Back will not have any effect on the issued share capital of the Company. Nevertheless, certain rights (such as voting rights) attached to the purchased Cocoland Shares will be suspended when held as treasury shares.

4.2 NA and gearing

The effect of the Proposed Share Buy-Back on the NA per Share will depend on the actual purchase prices of the Cocoland Shares. If all the Cocoland Shares purchased are cancelled, the Proposed Share Buy-Back will reduce the NA per Share if the purchase price exceeds the NA per Share at the time of the purchase. Conversely, the NA per Share will increase if the purchase price is below the NA per Share at the time of the purchase.

The NA will decrease if the Purchased Shares are retained as treasury shares due to the accounting requirement for treasury shares to be carried at cost resulting in a decrease by the cost of the treasury shares.

If the treasury shares are subsequently resold on Bursa Securities, the NA upon the resale will increase if the Company realises a gain from the resale, and vice-versa. If the treasury shares are distributed as dividends, the NA of the Cocoland Group will be reduced by the cost of the treasury shares.

The effects of the Proposed Share Buy-Back on the gearing of the Group will depend on the proportion of borrowing utilised to fund any purchase of the Purchased Shares. At this juncture, Cocoland has not determined whether to use any form of borrowings for purposes of the Proposed Share Buy-Back. Nevertheless, all else being equal, assuming that the treasury shares are retained by the Company and no borrowing is being utilised to fund any purchase of the Purchased Shares, the Proposed Share Buy-Back may increase the gearing of the Group as the equity will be reduced by the cost of shares acquired and held as treasury shares.

4.3 Earnings and EPS

Assuming the purchased Cocoland Shares under the Proposed Share Buy-Back are cancelled, the Proposed Share Buy-Back may increase the EPS of Cocoland Group. In addition, on the assumption that the Purchased Shares are treated as treasury shares and subsequently resold, the earnings of Cocoland Group may be affected depending on the actual selling price and number of treasury shares resold. In the event the Purchased Shares are held as treasury shares, the effective reduction in the issued share capital of the Company pursuant to the Proposed Share Buy-Back would generally, all else being equal, increase the consolidated EPS of the Group.

4.4 Working Capital

The Proposed Share Buy-Back, when implemented, will reduce the working capital of the Cocoland Group, with the quantum depending on the purchase price(s) and the actual number of Cocoland Shares bought back. However, the Board believes that the Proposed Share Buy-Back will not have any material effect on the working capital of the Group.

4.5 Existing convertible securities

As at the LPD, the Company does not have any other outstanding convertible securities.

4.6 Dividends

Assuming the Proposed Share Buy-Back is implemented in full and the dividend quantum is maintained at historical levels, if the Cocoland Shares so purchased are cancelled, the Proposed Share Buy-Back will have the effect of increasing the dividend rate of Cocoland as a result of the reduction in the issued share capital of Cocoland.

4.7 Substantial shareholders' shareholding

Assuming that Coccoland purchases and cancelled the maximum 10% of its total number shares issued, the effect of the Proposed Share Buy-Back on the shareholdings of the substantial shareholders of Coccoland is set out below:

	As at the LPD		After the Proposed Share Buy-Back	
	Direct	Indirect	Direct	Indirect
	No. of Shares ('000)	%	No. of Shares ('000)	%
Leverage Success	87,047	38.04	87,047	42.27
Fraser & Neave Holdings Bhd	62,211	27.19	62,211	30.21
Liew Fook Meng	-	-	(1)87,047	42.27
Lau Kee Von	777	0.34	(1)87,047	42.27
Liew Yoon Kee	98	0.04	(1)87,047	42.27
Lau Pak Lam	-	-	(1)87,047	42.27
Lew Foo Chay @ Lau Foo Chay	-	-	(1)87,047	42.27
Lau Kwai Choon	27	0.01	(1)87,047	42.27
Fraser and Neave Limited	-	-	(2)62,211	30.21
InterBev Investment Limited	-	-	(3)62,211	30.21
TCC Assets Limited	-	-	(3)62,211	30.21
Thai Beverage Public Company Limited	-	-	(3)62,211	30.21
International Beverage Holdings Limited	-	-	(3)62,211	30.21
Siriwana Company Limited	-	-	(3)62,211	30.21
Maxtop Management Corp.	-	-	(3)62,211	30.21
Shiny Treasure Holdings Limited	-	-	(3)62,211	30.21
MM Group Limited	-	-	(3)62,211	30.21
Khunying Wanna Sirivadhanabhakdi	-	-	(3)62,211	30.21
Charoen Sirivadhanabhakdi	-	-	(3)62,211	30.21

Notes:

- (1) Deemed interested by virtue of his shareholding in Leverage Success pursuant to Section 8(4) of the Act.
- (2) Deemed interested by virtue of its shareholding in Fraser & Neave Holdings Bhd pursuant to Section 8(4)(b) of the Act.
- (3) Deemed interested pursuant to Section 8(4)(c) of the Act.

4.8 Directors' shareholding

Assuming that Coccoland purchases and cancelled the maximum 10% of its total number shares issued, the effect of the Proposed Share Buy-Back on the shareholdings of the Directors of Coccoland is set out below:

	As at the LPD			After the Proposed Share Buy-Back			
	Direct		Indirect	Direct		Indirect	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	
Dato' Azman bin Mahmood	524	0.23	-	-	524	0.25	-
Tan Sri Dato' Sri Koh Kin Lip	3,318	1.45	(¹)3,333	1.46	3,318	1.61	(¹)3,333
Liew Fook Meng	-	-	(²)87,047	38.04	-	-	(²)87,047
Lau Kee Von	777	0.34	(²)87,047	38.04	777	0.38	(²)87,047
Lau Pak Lam	-	-	(²)87,047	38.04	-	-	(²)87,047
Lau Kim Chew	-	-	-	-	-	-	-
Tai Chun Wah	23	0.01	-	-	23	0.01	-
Chow Kee Kan @ Chow Tuck Kwan	-	-	-	-	-	-	-
Lim Yew Hoe	-	-	-	-	-	-	-
Soh Swee Hock @ Soh Say Hock	-	-	-	-	-	-	-
Lau Cheng Yew	-	-	-	-	-	-	-

Notes:

- (1) Deemed interested by virtue of his shareholding in Rickoh Corporation Sdn Bhd pursuant to Section 8(4) of the Act.
- (2) Deemed interested by virtue of his shareholding in Leverage Success pursuant to Section 8(4) of the Act.

5. APPROVALS REQUIRED

The Proposed Share Buy-Back is subject to the approval from the shareholders of Cocoland at the forthcoming EGM.

The Proposed Share Buy-Back is not conditional upon any other proposal undertaken or to be undertaken by the Company.

6. DIRECTORS' AND/OR SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save for the consequential increase in the percentage shareholdings of the Directors and the substantial shareholders of Cocoland as a result of the Proposed Share Buy-Back, none of the Directors and/or substantial shareholders of the Company and persons connected to them have any interest, direct or indirect, in the Proposed Share Buy-Back and the subsequent resale of treasury shares, if any.

7. SHARE PRICE PERFORMANCE

The monthly highest and lowest prices of Cocoland Shares as traded on Bursa Securities for the past twelve (12) months are as follows:

	<u>High</u> <u>(RM)</u>	<u>Low</u> <u>(RM)</u>
2016		
October		
November	2.01	1.84
December	1.97	1.81
	1.98	1.86
2017		
January	2.05	1.93
February	2.17	2.01
March	2.47	2.13
April	2.75	2.42
May	2.81	2.63
June	3.18	2.73
July	3.16	3.03
August	3.20	2.65
September	2.93	2.61

The last transacted price of Cocoland Shares as at the LPD was RM2.72 per Cocoland Share.

(Source: M&A Securities)

8. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Proposed Share Buy-Back, is of the opinion that the Proposed Share Buy-Back is in the best interest of Cocoland and the shareholders of Cocoland. The Board recommends that the shareholders vote in favour of the ordinary resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming EGM.

9. EGM

An EGM, the notice of which is enclosed together with this Circular, will be held at Crystal 3, Level 1 Crystal Crown Hotel Kuala Lumpur, 3, Jalan Jambu Mawar, Off Jalan Kepong, 52000 Kuala Lumpur on Friday, 3 November 2017 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution so as to give effect to the Proposed Share Buy-Back.

If you are unable to attend and vote in person at the EGM, you may complete and return the relevant Proxy Form in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the Registered Office of the Company at Lot 6.08, 6th Floor, Plaza First Nationwide, No. 161 Jalan Tun H.S. Lee, 50000 Kuala Lumpur not less than forty-eight (48) hours before the time set for the EGM. The lodging of the Proxy Form will not, however, preclude you from attending the EGM and voting in person should you subsequently wish to do so.

10. FURTHER INFORMATION

Please refer to the attached appendices for further information.

Yours faithfully,
for and on behalf of the Board of Directors of
COCOALAND HOLDINGS BERHAD

DATO' AZMAN BIN MAHMOOD
CHAIRMAN / INDEPENDENT NON-EXECUTIVE DIRECTOR

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirm that, after making all enquiries as were reasonable in the circumstances and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. CONSENT AND DECLARATION

M&A Securities has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereon in the form and context in which they appear in this Circular.

M&A Securities is not aware of any conflict of interest that exists or is likely to exist in its capacity as the Adviser to Cocoland in relation to the Proposed Share Buy-Back.

3. MATERIAL LITIGATION

As at the LPD, neither Cocoland nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and to the best of the Board's knowledge and belief, the Board is not aware of any proceedings, pending or threatened against the Cocoland Group or of any facts likely to give rise to any proceeding which may materially and adversely affect the financial position or business of the Cocoland Group:

4. MATERIAL CONTRACTS

As at the LPD, the Board is not aware of any material contracts (not being contracts entered into in the ordinary course of business) by Cocoland or its subsidiaries, within the two (2) years immediately prior to the printing of this Circular.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company at Lot 6.08, 6th Floor, Plaza First Nationwide, No. 161 Jalan Tun H.S. Lee, 50000 Kuala Lumpur during normal business hours (except public holidays) from the date of this Circular up to and including the date of the EGM:

- (i) Memorandum and Articles of Association of Cocoland;
- (ii) The audited consolidated financial statements of Cocoland for the two (2) financial years ended 31 December 2015 and 31 December 2016 and latest unaudited consolidated financial statements of Cocoland for the 6 months financial period ended 30 June 2017; and
- (iii) Consent letters and declarations referred to in Section 2 above.

cocoaland[®]

COCOALAND HOLDINGS BERHAD

(Company No. 516019-H)

(Incorporated in Malaysia under the then Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of Cocoaland Holdings Berhad ("Cocoaland" or the "Company") will be held at Crystal 3, Level 1 Crystal Crown Hotel Kuala Lumpur, 3, Jalan Jambu Mawar, Off Jalan Kepong, 52000 Kuala Lumpur on Friday, 3 November 2017 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution:

ORDINARY RESOLUTION

PROPOSED SHARE BUY-BACK BY COCOALAND OF UP TO 10% OF ITS OWN ISSUED SHARE CAPITAL ("PROPOSED SHARE BUY-BACK")

"THAT subject to the provisions of the Companies Act 2016, the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any applicable laws, rules, orders, requirements, regulations and guidelines for the time being in force or as may be amended, modified or re-enacted from time to time and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors of the Company may deem fit, necessary and expedient in the interest of the Company, provided that:

- (a) the aggregate number of ordinary shares purchased or held by the Company pursuant to this resolution shall not exceed 10% of the total issued share capital of the Company at any point in time;
- (b) the maximum amount of funds to be allocated for the share buy-back shall not exceed the aggregate sum of the retained profits of the Company at the time of purchase; and
- (c) the authority conferred by this resolution shall commence immediately upon the passing of this resolution and continue to be in force until:
 - (i) the conclusion of the next annual general meeting of the Company at which time the authority shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or
 - (iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting, whichever occurs first.

THAT upon completion of the purchase(s) by the Company of its own shares, the Directors of the Company be and are hereby authorised to deal with the shares purchased in their absolute discretion in the following manner:

- (a) cancel all the shares so purchased; and/or
- (b) retain the shares so purchased as treasury shares for distribution as dividend to shareholders and/or resell on the market of Bursa Securities; and/or

(c) retain part thereof as treasury shares and cancel the remainder.

THAT where such shares are held as treasury shares, the Directors of the Company be and are hereby authorised to deal with the treasury shares in their absolute discretion in the following manner:

- (a) distribute the shares as dividends to shareholders, such dividends to be known as "share dividends";
- (b) resell the shares or any of the shares in accordance with the relevant rules of the stock exchange;
- (c) transfer the shares, or any of the shares for the purpose of or under an employee's share scheme;
- (d) transfer the shares, or any of the shares as purchase consideration;
- (e) cancel the shares or any of the shares; or
- (f) sell, transfer or otherwise use the shares for such other purposes as the Minister may be order prescribe.

AND THAT the Directors of the Company be and are hereby authorised to take all such necessary steps to give effect to the Proposed Share Buy-Back with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required by the relevant authorities or deemed by the Board to be in the best interest of the Company, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Share Buy-Back.

BY ORDER OF THE BOARD

NG HENG HOOI (MAICSA 7048492)
WONG MEE KIAT (MAICSA 7058813)
YAP FOO TENG (MACS 00601)
Chartered Secretaries

Kuala Lumpur
19 October 2017

Notes:

Proxy

1. *A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy.*
2. *Where a member, who is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds shares in the Company for multiple beneficial owners in one (1) securities account ('omnibus account'), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
3. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.*
4. *The instrument appointing a proxy must be deposited at the Company's Registered Office situated at Lot 6.08, 6th Floor, Plaza First Nationwide, No. 161 Jalan Tun H.S. Lee, 50000 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or at any adjournment thereof.*

General Meeting Record of Depositors

Only members whose names appear in the Record of Depositors as at 27 October 2017 shall be entitled to attend and vote at the Extraordinary General Meeting or appoint a proxy to attend and vote on his behalf.

Voting

The ordinary resolution will be put to vote by poll.

PROXY FORM

No. of Shares held	
CDS Account No.	

I/We, NRIC/Passport No
(Full name in block letters)

of
(Full address)

Tel No.being a member(s) of COCOALAND HOLDINGS BERHAD hereby appoint
..... NRIC/Passport No.....
(Full name in block letters)

of
(Full address)

*and/*or failing him/her NRIC/Passport No
(Full name in block letters)

of
(Full address)

or failing him/her, *the Chairman of the Meeting as *my/our proxy to attend and vote for *me/us on *my/our behalf at the Extraordinary General Meeting of the Company to be held at Crystal 3, Level 1 Crystal Crown Hotel Kuala Lumpur, 3, Jalan Jambu Mawar, Off Jalan Kepong, 52000 Kuala Lumpur on Friday, 3 November 2017 at 10.00 a.m. or at any adjournment thereof, in the manner as indicated below:

(* strike out whichever is not desired)

ORDINARY RESOLUTION	FOR	AGAINST
Proposed share buy-back by Cocoaland of up to 10% of its own issued share capital		

(Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If no specific instruction is given on the voting, the proxy/proxies will vote or abstain from voting on the resolutions at his/her discretion.)

Dated this _____ day of _____ 2017

For appointment of two proxies, the shareholdings to be represented by the proxies:

Proxy	No. of shares	Percentage (%)
1		
2		
TOTAL		100

Signature of Member/Common Seal

Notes:

Proxy

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Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretaries
COCOALAND HOLDINGS BERHAD (516019-H)
Lot 6.08, 6th Floor
Plaza First Nationwide
No. 161 Jalan Tun H.S. Lee
50000 Kuala Lumpur

1st fold here
