



Annual Report 2011

Cocoaland Holdings Berhad

(Company No.516019-H)

Contents

02	Notice of Annual General Meeting
04	Statement Accompanying Notice of Annual General Meeting
05	Corporate Information
06	Corporate Structure
07	Directors' Profile
12	Chairman's Statement
14	Financial Highlights
15	Statement on Corporate Governance
20	Statement of Directors' Responsibility in relation to the Financial Statements
21	Additional Compliance Information
23	Statement on Internal Control
25	Report on Audit Committee
27	Financial Statements
68	List of Properties
70	Analysis of Shareholdings Proxy Form (enclosed)



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twelfth (12th) Annual General Meeting of the Company will be held at Crystal 1, Level 1, Crystal Crown Hotel Kuala Lumpur, 3, Jalan Jambu Mawar, Off Jalan Kepong, 52000 Kuala Lumpur on Tuesday, 19 June 2012 at 10.00 a.m. for the following purposes: -

AGENDA

AS ORDINARY BUSINESS:

- | | | |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2011 together with the Reports of the Directors and Auditors thereon. | Please refer to Explanatory Note (a) |
| 2. | To re-elect the following Directors who retire pursuant to Article 92 of the Company's Articles of Association:- | |
| | (i) Dato' Azman bin Mahmood | (Resolution 1) |
| | (ii) Dato' Sri Koh Kin Lip | (Resolution 2) |
| | (iii) Mr. Liew Fook Meng | (Resolution 3) |
| 3. | To elect Mr. Tai Chun Wah who retires pursuant to Article 98 of the Company's Articles of Association. | (Resolution 4) |
| 4. | To approve the payment of Directors' fees amounting to RM228,000 for the financial year ended 31 December 2011. | (Resolution 5) |
| 5. | To re-appoint Messrs. Wong Weng Foo & Co. as Auditors of the Company for the ensuing financial year, and to authorise the Directors to fix their remuneration. | (Resolution 6) |

AS SPECIAL BUSINESS:

To consider and if thought fit, to pass the following Resolutions: -

- | | | |
|----|--|-----------------------|
| 6. | Ordinary Resolution
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature | |
| | “THAT, subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, the Companies Act, 1965 (“the Act”), the Company's Memorandum and Articles of Association, and all other applicable laws, guidelines, rules and regulations, approval be and is hereby given to the Company and its subsidiaries to enter into and to give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as specified in Part A Section 2.2 of the Circular to Shareholders dated 28 May 2012 which are necessary for the day-to-day operations and carried out in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and are not detrimental to minority shareholders of the Company. | (Resolution 7) |

Notice of Annual General Meeting (cont'd)

AND THAT such approval shall continue to be in force until: -

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM;
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is earlier.

AND THAT, authority be and is hereby given to the Directors of the Company to complete and do all such acts and things as they may consider necessary or expedient in the best interest of the Company (including executing all such documents as may be required) to give effect to the transactions contemplated and/or authorised by this resolution."

7. Special Resolution

Proposed Amendments to the Articles of Association of the Company

"THAT the Proposed Amendments to the Articles of Association of the Company as set out in Part B of the Circular to Shareholders dated 28 May 2012 be and are hereby approved."

**Special
Resolution 1**

- 8. To transact any other business for which due notice shall have been given.

By Order of the Board

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

Kuala Lumpur
 Dated: 28 May 2012

Notes:-

- (i) A member of the Company 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 proxies, the appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy. The provision of Section 149(1)(b) of the Act shall not apply.
- (ii) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

Notice of Annual General Meeting (cont'd)

- (iii) 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.
- (iv) The instrument appointing a proxy shall be deposited 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 for holding the meeting or at any adjournment thereof.

Explanatory Notes

- (a) The Audited Financial Statements in Agenda 1 is meant for discussion only as the approval of shareholders is not required pursuant to the provision of Section 169(1) of the Companies Act, 1965. Hence, this Agenda is not put forward for voting by shareholders of the Company.
- (b) Resolution 7 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

The Proposed Resolution 7, if approved, will enable the Company and its subsidiaries to enter into recurrent transactions pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities"). Further information on the Proposed Shareholders' Mandate is set out in Part A of the Circular to Shareholders dated 28 May 2012, dispatched together with the Company's 2011 Annual Report.

- (c) Special Resolution 1 – Proposed Amendments to the Articles of Association of the Company ("Proposed Amendments")

The Special Resolution, if approved, will enable the Company to incorporate the amendments made to the Listing Requirements of Bursa Securities to ensure compliance. Details of the Proposed Amendments are set out in Part B of the Circular to Shareholders dated 28 May 2012, dispatched together with the Company's 2011 Annual Report.

Members Entitled to Attend

For the purpose of determining a member who shall be entitled to attend this Twelfth AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 57(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 13 June 2012. Only a depositor whose name appears on the Record of Depositors as at 13 June 2012 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

Statement Accompanying Notice of Annual General Meeting

The Director standing for election pursuant to Article 98 of the Articles of Association of the Company at the Twelfth Annual General Meeting is Mr. Tai Chun Wah. His profile is stated on page 11 of the Annual Report 2011.

Corporate Information

BOARD OF DIRECTORS

Dato' Azman bin Mahmood

Chairman / Independent Non-Executive Director

Dato' Sri Koh Kin Lip

Independent Non-Executive Director

Liew Fook Meng

Executive Director

Lau Kee Von

Executive Director

Lau Pak Lam

Executive Director

Liew Yoon Kee

Executive Director

Chow Kee Kan @ Chow Tuck Kwan

Independent Non-Executive Director

Tan Eng Guan

Non-Independent Non-Executive Director

Soh Swee Hock @ Soh Say Hock

Non-Independent Non-Executive Director

Tai Chun Wah

Executive Director

AUDIT COMMITTEE

Chow Kee Kan @ Chow Tuck Kwan

Chairman / Independent Non-Executive Director

Dato' Sri Koh Kin Lip

Member / Independent Non-Executive Director

Tan Eng Guan

Member / Non-Independent Non-Executive Director

REMUNERATION COMMITTEE

Dato' Azman bin Mahmood

Chairman / Independent Non-Executive Director

Dato' Sri Koh Kin Lip

Member / Independent Non-Executive Director

Liew Fook Meng

Member / Executive Director

Chow Kee Kan @ Chow Tuck Kwan

Member / Independent Non-Executive Director

Soh Swee Hock @ Soh Say Hock

Member / Non-Independent Non-Executive Director

NOMINATING COMMITTEE

Chow Kee Kan @ Chow Tuck Kwan

Chairman / Independent Non-Executive Director

Dato' Azman bin Mahmood

Member / Independent Non-Executive Director

Dato' Sri Koh Kin Lip

Member / Independent Non-Executive Director

COMPANY SECRETARIES

Ng Heng Hooi (MAICSA 7048492)

Wong Mee Kiat (MAICSA 7058813)

Yap Foo Teng (MACS 00601)

CORORATE WEBSITE

www.cocoaland.com

AUDITORS

Wong Weng Foo & Co.

Chartered Accountants

41, Damai Complex

Jalan Dato' Haji Eusoff

50400 Kuala Lumpur

Tel: 03-4042 4280

Fax: 03-4041 3141

PRINCIPAL BANKERS

Citibank Berhad

Public Bank Berhad

RHB Bank Berhad

CORPORATE OFFICE

Lot 100, Rawang Integrated Industrial Park

48000 Rawang,

Selangor Darul Ehsan

Tel: 03-6091 3131

Fax: 03-6091 5131

REGISTERED OFFICE

Lot 6.08, 6th Floor

Plaza First Nationwide

No. 161 Jalan Tun H.S. Lee

50000 Kuala Lumpur

Tel: 03-2072 8100

Fax: 03-2072 8101

SHARE REGISTRAR

Bina Management (M) Sdn. Bhd.

Lot 10, The Highway Centre

Jalan 51/205,

46050 Petaling Jaya,

Selangor Darul Ehsan

Tel: 03-7784 3922

Fax: 03-7784 1988

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad

– Main Market

Stock Code: 7205

Corporate Structure



Directors' Profile

DATO' AZMAN BIN MAHMOOD

61 years of age, Malaysian

Chairman and Independent Non-Executive Director

He was appointed to the Board on 8 October 2004. He is a member of the Institute of Chartered Accountants in England & Wales.

He began his career with Lim, Ali & Co., an auditing firm based in Johor from 1975 to 1978. He later worked with RD Neville & Co., a firm of Chartered Accountants in Essex, England up to 1980. From 1981 to 1983, he worked for MMC Services Limited, London, a subsidiary of Malaysian Mining Corporation Berhad. In 1983, he was the Senior Manager of MUI Bank Berhad (now known as Hong Leong Bank Berhad). From 1983 to 1990, he was in charge of the Finance Division of Kumpulan Perangsang Selangor Berhad. From 1990 to 1996, he was the Managing Director of Worldwide Holdings Berhad, after which he was appointed as the Chairman of Fine Access Sdn. Bhd., an investment holding company with interest in property development business in Kuala Lumpur and Klang Valley.

Currently, he is an Independent Non-Executive Director for Jaks Resources Berhad and Kumpulan Hartanah Selangor Berhad.

He is the Chairman of the Remuneration Committee and a member of the Nominating Committee.

As at 30 April 2012, he has direct shareholdings of 393,333 ordinary shares of RM0.50 each in the Company. He does not have any family relationship with any directors and/or major shareholders of the Company. He has not entered into any transaction which has a conflict of interest with the Company and has not been convicted of any offences in the past ten years.

DATO' SRI KOH KIN LIP

63 years of age, Malaysian

Independent Non-Executive Director

He was appointed to the Board on 15 January 2010. He received his early education in Sabah prior to his pursuit of higher education in Plymouth Polytechnic, United Kingdom. Upon completion, he was awarded a Higher National Diploma in Business Studies and a Council's Diploma in Management Studies.

He returned to Malaysia in 1977 and joined The Standard Chartered Bank, Sandakan as a trainee assistant. In 1978, he joined his family business and was principally involved in administrative and financial matters of the family business. In 1985, he assumed the role as Chief Executive Officer for the family business. In 1987, he was pivotal and instrumental in the formation of Rickoh Holdings Sdn. Bhd., the flagship company of the family business which engaged in various core business activities ranging from properties investments, properties letting, securities investments, oil palm plantations, sea and land transportation for crude palm oil and palm kernel, information technology, property development, hotel business, trading in golf equipment and accessories, and quarry operations. He is also involved in similar enterprises in his personal capacity with some of his business associates. He is holding numerous directorships in most of these companies.

Currently, he sits on the boards as Non-Independent Non-Executive Director of NPC Resources Berhad, Malaysian AE Models Holdings Berhad and H-Displays (MSC) Berhad. He is also an Independent Non-Executive Director of Daya Materials Berhad.

He is a member of the Audit Committee, Nominating Committee and Remuneration Committee.

As at 30 April 2012, he has direct shareholdings of 2,500,000 ordinary shares of RM0.50 each in the Company. He does not have any family relationship with any directors and/or major shareholders of the Company. He has not entered into any transaction which has a conflict of interest with the Company and has not been convicted of any offences in the past ten years.

Directors' Profile (cont'd)

LIEW FOOK MENG

64 years of age, Malaysian

Executive Director

He was appointed to the Board on 8 October 2004.

He has more than 20 years of experience in the manufacturing and marketing of confectionery products. He oversees product development through his active involvement in introducing new ideas and flavouring processes.

Currently, he also holds other directorship in Cocoaland Group of Companies and several other private limited companies. He is the member of the Remuneration Committee.

His siblings, Mr. Lau Kee Von, Mr. Lau Pak Lam and Mr. Liew Yoon Kee are also members of the Board. He also has a direct shareholding in the Company's substantial shareholder, Leverage Success Sdn. Bhd.

As at 30 April 2012, he has direct shareholdings of 4,979,533 ordinary shares of RM0.50 each in the Company. He has not entered into any transaction which has a conflict of interest with the Company and has not been convicted of any offences in the past ten years.

LAU KEE VON

59 years of age, Malaysian

Executive Director

He was appointed to the Board on 8 October 2004 and holds a Master degree in Business Administration from American Liberty University, USA.

He has more than 20 years of experience in the manufacturing and wholesale of confectionery products. He started out as a partner of Lau Brothers Food Trading Co. in 1976, which was primarily involved in the distribution of confectionery products. In 1984, he and the other partners incorporated L.B. Food Sdn. Bhd., currently one of the subsidiaries within the Group to take over the operations of the partnership. At the same time, he was appointed as the Managing Director of L.B. Food Sdn. Bhd and Cocoaland Industry Sdn. Bhd. Under his stewardship over the past 20 years, the Group has grown from a family business concern into one of the largest confectionery manufacturers and distributors in Malaysia.

Currently, he also holds other directorship in Cocoaland Group of Companies and several other private limited companies.

His siblings, Mr. Liew Fook Meng, Mr. Lau Pak Lam and Mr. Liew Yoon Kee are also members of the Board. He also has a direct shareholding in the Company's substantial shareholder, Leverage Success Sdn. Bhd.

As at 30 April 2012, he has direct shareholdings of 1,029,800 ordinary shares of RM0.50 each in the Company. He has not entered into any transaction which has a conflict of interest with the Company and has not been convicted of any offences in the past ten years.

Directors' Profile (cont'd)

LAU PAK LAM

54 years of age, Malaysian

Executive Director

He was appointed to the Board on 8 October 2004 and holds a Master degree in Business Administration from American Liberty University, USA.

He has more than 20 years of experience in the manufacturing and wholesale of confectionery products. Having been involved in the convenience food manufacturing industry for over 20 years, he has established long-standing relationships with various local retailers and wholesalers in the same industry.

Currently, he also holds other directorship in Cocoaland Group of Companies and several other private limited companies.

His siblings, Mr. Liew Fook Meng, Mr. Lau Kee Von and Mr. Liew Yoon Kee are also members of the Board. He also has a direct shareholding in the Company's substantial shareholder, Leverage Success Sdn. Bhd.

As at 30 April 2012, he has direct shareholdings of 934,266 ordinary shares of RM0.50 each in the Company. He has not entered into any transaction which has a conflict of interest with the Company and has not been convicted of any offences in the past ten years.

LIEW YOON KEE

63 years of age, Malaysian

Executive Director

He was appointed to the Board on 8 October 2004.

He was the Sales Executive for L.B. Food Sdn. Bhd., currently one of the subsidiaries within the Group for 5 years from 1979 to 1984. Since then, he joined B Plus Q Sdn. Bhd., currently one of the subsidiaries within the Group as Factory Manager until 2008.

Currently, he also holds other directorship in Cocoaland Group of Companies and several other private limited companies.

His siblings, Mr. Liew Fook Meng, Mr. Lau Kee Von and Mr. Lau Pak Lam are also members of the Board. He also has a direct shareholding in the Company's substantial shareholder, Leverage Success Sdn. Bhd.

As at 30 April 2012, he has direct shareholdings of 73,333 ordinary shares of RM0.50 each in the Company. He has not entered into any transaction which has a conflict of interest with the Company and has not been convicted of any offences in the past ten years.

Directors' Profile (cont'd)

CHOW KEE KAN @ CHOW TUCK KWAN

59 years of age, Malaysian

Independent Non-Executive Director

He was appointed to the Board on 8 October 2004. He is an approved Company Auditor and Chartered Accountant.

He has his own audit and tax practices and has more than 30 years of practical experience in the same field. He is also a Malaysian Insurance Institute Certified Trainer.

He was a council member of the Malaysian Institute of Accountants from 1987 to 1994. Currently, he serves as a Trustee for the Malaysian Accountancy Research and Education Foundation. He is also a council member of the Malaysian Institute of Taxation since 1991.

Currently, he is also an Independent Non-Executive Director of Hai-O Entrepise Berhad and Metronic Global Berhad. He also holds directorships in several other private limited companies.

He is the Chairman of the Audit Committee and Nominating Committee. He is also a member of the Remuneration Committee.

As at 30 April 2012, he does not have any interest in the shares of the Company and family relationship with any directors and/or major shareholders of the Company. He has not entered into any transaction which has a conflict of interest with the Company and has not been convicted of any offences in the past ten years.

TAN ENG GUAN

55 years of age, Malaysian

Non-Independent Non-Executive Director

He was appointed to the Board on 1 December 2010. He holds a Masters Degree in Business Administration, University of Bath, United Kingdom and is a member of Malaysian Institute of Accountants.

He started his career in taxation, auditing and management consultancy among the big four accountancy firms. In 1984, he joined Tan Chong Motor Holdings Bhd, served in several capacity covering operations, sales, marketing and general management and was appointed as General Manager, Group Finance cum Company Secretary. He then joined Fraser & Neave Holdings Berhad ("F&N") in 2007 as Chief Financial Officer and also act as joint Company Secretary and is a Director in all the major subsidiaries of the F&N Group.

He is the member of the Audit Committee.

As at 30 April 2012, he does not have any interest in the shares of the Company and family relationship with any directors and/or major shareholders of the Company. He has not entered into any transaction which has a conflict of interest with the Company and has not been convicted of any offences in the past ten years.

Directors' Profile (cont'd)

SOH SWEE HOCK @ SOH SAY HOCK

50 years of age, Malaysian

Non-Independent Non-Executive Director

He was appointed to the Board on 1 December 2010. He holds a Masters Degree in Business Administration, State University of New York at Buffalo, New York, United States of America.

He joined IBM Malaysia in 1988, last held position as Planning Analyst. In 1992, he joined Lion Group of Malaysia as Senior Business Analyst and held various management positions within Lion Group of Companies of which his last appointment was General Manager, China Investment Division. He then joined Asia Pacific Breweries Limited in 2004 as Assistant General Manager (Projects) and his last appointment was General Manager (Business Development, China). He joined Fraser & Neave Holdings Berhad in 2010 as Senior Manager, Projects and he is currently the Head of Group Corporate Services.

He is the member of the Remuneration Committee.

As at 30 April 2012, he does not have any interest in the shares of the Company and family relationship with any directors and/or major shareholders of the Company. He has not entered into any transaction which has a conflict of interest with the Company and has not been convicted of any offences in the past ten years.

TAI CHUN WAH

45 years of age, Malaysian

Executive Director

He was appointed to the Board on 3 January 2012. He is a member of the Chartered Institute of Management Accountants (CIMA), United Kingdom and Malaysia Institute of Accountants (MIA).

He joined Cocoaland Group in 1996 as an Accountant and was subsequently promoted to Group Accountant in 1998. As the Group Accountant, he is responsible for the Group's daily accounting and corporate finance functions. Prior to joining the Cocoaland Group, he was an Accounts Executive in May Plastics Industries Berhad, a public listed company principally involved in the business of plastic injection molding, for 4 years.

Currently, he also holds other directorships in Cocoaland Group of Companies and several private limited companies.

As at 30 April 2012, he has direct shareholdings of 17,600 ordinary shares of RM0.50 each in the Company. He does not have any family relationship with any directors and/or major shareholders of the Company. He has not entered into any transaction which has a conflict of interest with the Company and has not been convicted of any offences in the past ten years.

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors (“the Board”) of Cocoaland Holdings Berhad (“Cocoaland” or “the Company”), I am pleased to present the Annual Report and the audited financial statements of the Company and Group for the financial year ended 31 December 2011 (“FY2011”).

FINANCIAL PERFORMANCE

For the financial year under review, the Group posted a 22.3% year-on-year revenue growth from RM142.3 million to RM174.0 million. The improved revenue is mainly due to increased selling price and trading volume of our Fruit Gummy and Beverage production lines. However, the impact of increased selling price on revenue growth was partially negated by the strengthening of Ringgit Malaysia against US Dollars.

The Group achieved profit before tax of RM21.7 million, an increase of RM13.4 million or 161% from the previous financial year; whilst profit after tax improved by 95% to RM19.2 million. The improvement was attributable to the increase of sales revenue and production efficiency especially from the Beverage section which the Group invested substantial startup cost during the last financial year, higher fixed deposit interest received coupled with lower operating cost during the financial year.

The strong performance of the Group had resulted in the improved basic earnings per share of 11.18 sen, 51.4% higher than the previous financial year.

REVIEW OF OPERATIONS

During the financial year under review, our new second beverage line was fully installed. Our new production facilities for Fruit Gummy and Hard Candy lines are expected to be up and running in second half of 2012, which will widen the Group's existing customer base with increased production capacity. This will further reinforce the Group's presence both locally and overseas.

The Group's growth is further escalated by the participation of Fraser & Neave Holdings Berhad (“F&N”), a major shareholder and strategic partner. During the financial year, representatives of F&N, who are also members of the Board and executive committee, had contributed by sharing their expertise in various aspects of management and corporate administration. Cocoaland is currently F&N's non-exclusive contract packer in Malaysia to prepare, package, pack and deliver F&N's products in Malaysia.

Chairman's Statement (cont'd)

DIVIDEND

In tandem with the strong performance, the Company declared and paid interim single tier dividend of 5.5 sen per share in total in respect of FY2011. The Board does not recommend any final dividend payment for FY2011.

OUTLOOK AND PROSPECT

The Group faces greater challenges in view of the volatile material costs and intense competition. The regional economy and consumer sentiment may be impacted adversely by the uncertain global economic conditions at present. Nevertheless, the Group continues to improve the production capacity, operational efficiency and focus on new product development to further strengthen its position in the region. The Group will also continue to invest substantially in advertising and promotions activities and engage in more aggressive marketing strategies to boost sales.

Barring unforeseen circumstances, we are confident that the prospects for the Group remain positive.

CORPORATE SOCIAL RESPONSIBILITIES

Cocoaland is committed to being a socially responsible partner to our employees, shareholders and other parties within the communities we operate in. Our initiatives include donations and sponsorship of local events. On the environmental front, we have encouraged best practices in our operations that reduce waste and pollution. As for our employees, we practice stringent measures pertaining to occupational health and safety to ensure their wellbeing.

CORPORATE GOVERNANCE

The Board is committed to maintaining high levels of corporate governance in the management and business direction of Cocoaland, and its subsidiaries. Our efforts on this end will be highlighted further in the Corporate Governance Statement in this Annual Report.

ACKNOWLEDGEMENT & APPRECIATION

On behalf of the Board, I would like to acknowledge and recognise the contributions by all Directors, management and employees of the Group, and thank them for their continuous support and commitment towards our achievements. I would also like to thank our shareholders, customers, suppliers, business associates, Government and regulatory authorities for their support to the Group.

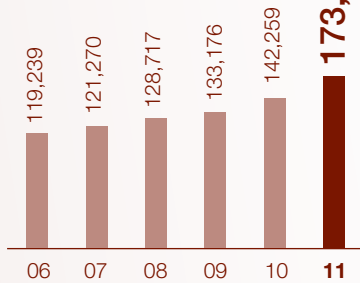
Thank you.

DATO' AZMAN BIN MAHMOOD

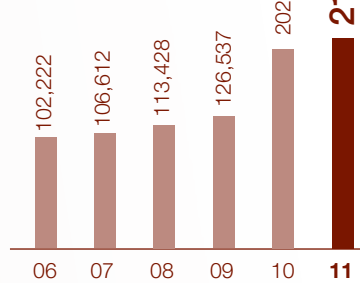
Chairman

Financial Highlights

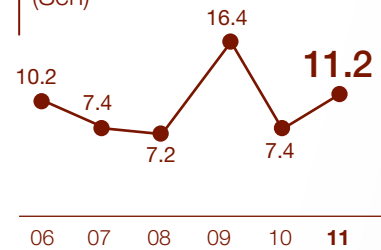
Turnover
(RM'000)



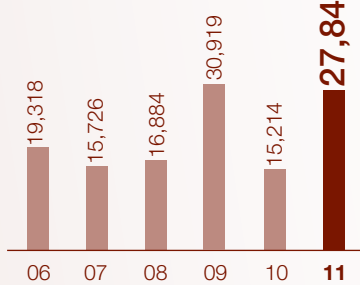
Total Assets
(RM'000)



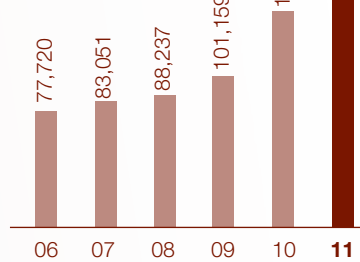
EPS
(Sen)



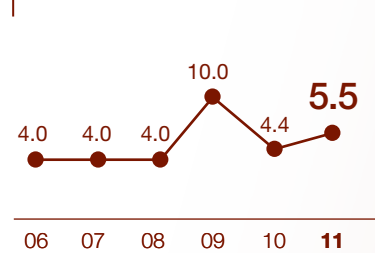
EBITDA
(RM'000)



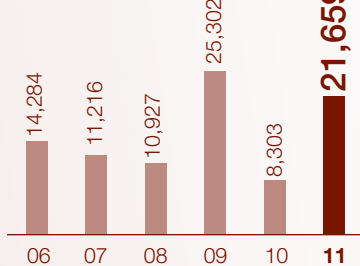
Shareholders' Equity
(RM'000)



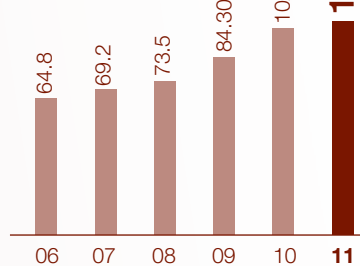
Gross DPS
(Sen)



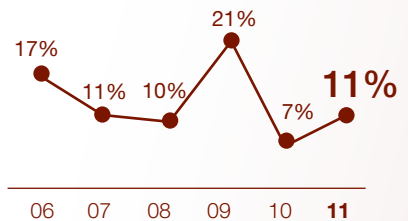
Profit Before Tax
(RM'000)



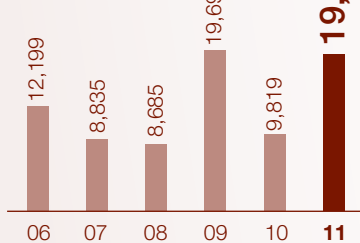
Net Tangible Assets Per Share
(Sen)



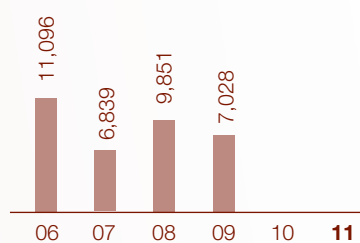
Return on Average Equity



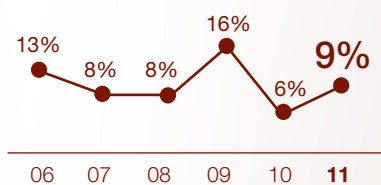
Net Profit
(RM'000)



Free Cash Flow
(RM'000)



Return on Average Assets



Statement on Corporate Governance

The Board of Directors (“the Board”) is committed to ensuring a high standard of corporate governance is practiced throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholder’s value and the financial performance of the Group.

The Board is pleased to present the following report on the application of the principles and compliance with best practices as set out in the Malaysian Code on Corporate Governance.

BOARD OF DIRECTORS

Board Composition and Balance

The Board has the ultimate and overall responsibility for the strategic direction, internal control systems, risk management, corporate governance and overseeing the investments of the Group.

The Board currently has 10 members comprising 5 Executive Directors, 3 Independent Non-Executive Directors and 2 Non-Independent Non-Executive Directors. The Chairman of the Board is an independent non-executive director. The current composition of the Board is in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), which states that at least 2 directors or 1/3 of the board of directors, whichever is higher, must be independent directors. The Board members, with different background and specialisation, collectively bring with them a wide range of experience and expertise to lead and control the Company. With their intimate knowledge of the Group’s business, all Board members are committed to take on the primary responsibilities to direct towards successful growth of the Company and ultimately the enhancement of long-term shareholders’ value.

There is a clear division of responsibilities between the executive directors and the non-executive directors to ensure a balance of authority and power. The executive directors are responsible for the day-to-day operations, implementation of Board policies and making operational decisions, while the non-executive directors play a pivotal role in ensuring corporate accountability as they provide an essential source of impartial and professional advice and judgement.

Meetings

The Board meets at least four (4) times a year at quarterly intervals with additional meetings to be convened as and when required. During the financial year ended 31 December 2011, the Board convened five (5) meetings, with details on the attendance of Directors listed below: -

Board Members	Attendance
Dato’ Azman bin Mahmood	5/5
Dato’ Sri Koh Kin Lip	5/5
Liew Fook Meng	5/5
Lau Kee Von	4/5
Lau Pak Lam	4/5
Liew Yoon Kee	5/5
Chow Kee Kan @ Chow Tuck Kwan	5/5
Tan Eng Guan	5/5
Soh Swee Hock @ Soh Say Hock	4/5
Tai Chun Wah	N/A

Statement on Corporate Governance (cont'd)

Supply of Information

The Board recognises that the decision making process is highly dependent on the quality of information furnished. As such, in discharging their duties, the Directors have full and timely access to all information concerning the Company and the Group. Prior to each Board meeting, the agenda together with relevant reports and Board papers would be circulated to all Directors in sufficient time to enable effective discussions and decision making during Board meetings. In addition, the Board is also notified of any corporate announcements released to the Bursa Securities.

All the Directors have full access to the advice and services of the Company Secretaries, senior management staff, external auditors and other independent professionals at all times in the discharge of their duties and responsibilities.

Board Committees

The Board has established and delegated specific responsibilities to 4 Committees of the Board, which operate within clearly defined written Terms of Reference. The Board Committees deliberate issues on a broad and in-debt basis before putting up any recommendation to the Board for approval.

1. Audit Committee

The Audit Committee reviews issues of accounting policy and presentation for external financial reporting, monitors the work of the internal audit function and ensures that an objective and professional relationship is maintained with the external auditors. Its principal function is to assist the Board in maintaining a sound system of internal control. The Committee has full access to the auditors both internal and external who, in turn, have access at all times to the Chairman of the Committee. The Committee meets with the external auditors without any executive present at least twice a year.

The Audit Committee Report is presented on page 25 to page 26 of the Annual Report.

2. Remuneration Committee

The Remuneration Committee is delegated the responsibility to develop the Group's remuneration policy and to review and recommend to the Board the remuneration packages and terms of employment of the executive directors.

The Remuneration Committee comprises the following members: -

Members	Designation
Dato' Azman bin Mahmood	Chairman - Independent Non-Executive Director
Dato' Sri Koh Kin Lip	Member - Independent Non-Executive Director
Chow Kee Kan @ Chow Tuck Kwan	Member - Independent Non-Executive Director
Liew Fook Meng	Member - Executive Director
Soh Swee Hock @ Soh Say Hock	Member - Non-Independent Non-Executive Director

3. Nominating Committee

The Nominating Committee is delegated the responsibility to ensure a formal and transparent procedure for the appointment of new directors to the Board. The Nominating Committee will review and assess the proposed appointment of new directors, and thereupon make the appropriate recommendations to the Board for approval.

In addition, the Nominating Committee is also responsible for reviewing candidates for appointment to the Board Committees and making appropriate recommendations to the Board for approval. It is also tasked with assessing the competencies and effectiveness of the Board, the Board Committees and the performance of individual directors ensuring that the required mix of skills and experience are present on the Board.

Statement on Corporate Governance (cont'd)

3. Nominating Committee (cont'd)

The Nominating Committee comprises the following members: -

Members	Designation
Chow Kee Kan @ Chow Tuck Kwan	Chairman - Independent Non-Executive Director
Dato' Azman bin Mahmood	Member - Independent Non-Executive Director
Dato' Sri Koh Kin Lip	Member - Independent Non-Executive Director

4. Executive Committee

The Executive Committee is to assist the Board to formulate strategic direction and initiatives, including mergers and acquisitions or disposal of businesses, investments and product portfolio, so that the Company achieves its objective of delivering long term shareholder value creation and to facilitate faster decision-making relating to important strategic and major operational issues and thereupon make the appropriate recommendations to the Board for approval.

The Executive Committee comprises the following members: -

Members	Designation
Liew Fook Meng	Chairman - Executive Director
Lau Kee Von	Member - Executive Director
Lau Pak Lam	Member - Executive Director
Liew Yoon Kee	Member - Executive Director
Tan Eng Guan	Member - Non-Independent Non-Executive Director
Soh Swee Hock @ Soh Say Hock	Member - Non-Independent Non-Executive Director

Appointments to the Board and Re-election of Directors

There is in place a formal and transparent procedure for appointment of Directors to the Board. The proposed appointment of member(s) of the Board as well as the proposed re-election of Directors seeking re-election at the Annual General Meeting are recommended by the Nominating Committee to the Board for its approval.

The Company's Articles of Association provides that at each Annual General Meeting, one-third (1/3) of the Directors for the time being shall retire from office and an election of Directors shall take place provided always that each Director shall retire at least once in every three (3) years but shall be eligible for re-election. Any Director appointed during the year shall hold office only until the next Annual General Meeting and then be eligible for re-election.

Directors' Training

All the Directors of the Company have completed the Mandatory Accreditation Programme prescribed by Bursa Securities. All Directors are encouraged to undergo relevant training programmes from time to time to further enhance their knowledge to enable them to discharge their duties more effectively.

During the financial year ended 31 December 2011, the Directors attended individually or collectively various training programmes, conferences, seminars and courses organized by the Group, the relevant regulatory authorities and professional bodies as follows:-

Statement on Corporate Governance (cont'd)

Directors' Training (cont'd)

- 2012 Budget Proposals and Recent Tax Developments
- Invest Malaysia 2011
- Developing Corporate Merger & Acquisition Plan
- Understanding the roles and responsibilities of the Nominating and Remuneration Committees
- CSB Group 2012 & Way Forward
- Workshop Practical Issues on Stamp Duty
- Stamp Duty Relief (Exemptions) under Section 15 & 15A
- Related Party Transaction: What Directors and Investors need to know
- Workshop on Transfer Pricing and International Tax Planning
- Workshop on Tax Audits & Tax Investigations – The Experience
- Workshop on how to prevent taxed from eating your investments
- Workshop Implementation of Single Tier Tax System
- Drivings Business Transformation Dynamics
- Strategic Management
- Workshop on Principles and Application of Deferred Taxation
- Updates on Company Laws and Practices
- Workshop on New Public Rulings in 2011
- 2012 Budget Seminar
- 2012 Budget Talk

DIRECTORS' REMUNERATION

The Remuneration Committee evaluates and recommends to the Board the remuneration packages of the Executive Directors. It is, nevertheless, the ultimate responsibility of the Board to approve the remuneration of the Executive Directors. The Board as a whole determines the remuneration packages of non-executive directors with the Director concerned abstaining from the deliberations on decisions in respect of his remuneration.

The aggregate remuneration of the Directors of the Group for the financial year ended 31 December 2011 is as follows:-

Remuneration	Executive Director RM	Non-Executive Director RM	Total RM
Fees	96,000	132,000	228,000
Salaries and Allowances	2,783,152	23,500	2,806,652
Total	2,879,152	155,500	3,034,652

The number of directors whose total remuneration from the Company falls within the following band for the financial year ended 31 December 2011 is as follows:-

Range of Remuneration	Executive Director	Non-Executive Director
Below RM50,000	0	5
RM400,001 – RM450,000	1	0
RM450,001 – RM500,000	3	0

Statement on Corporate Governance (cont'd)

SHAREHOLDERS

Dialogue with Shareholders and Investors

The Board is responsible for ensuring that high quality and relevant information are made available to shareholders and investors to keep them abreast of all material business matters affecting the Group. Announcements, annual reports, quarterly financial results and other relevant information are released timely to the Bursa Securities and are also accessible via the Company's website at www.cocoaland.com. Any query regarding the Group may be conveyed to the following persons:-

Liew Fook Meng
Executive Director
fookmeng@cocoaland.com

Tai Chun Wah
Executive Director
taichunwah@cocoaland.com

The Annual General Meeting

The AGM remains the principal forum for dialogue with the shareholders of the Company. Shareholders are encouraged to attend the AGM and any other meetings of the shareholders where it provides the opportunity for shareholders to raise questions or concerns with regards to the Group as a whole. It also serves as a platform for shareholders to have direct access to the Board.

ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual financial statements and quarterly announcements of financial results, the Board aims to present a balanced and comprehensive assessment of the Group's financial positions and prospects. The Board is assisted by the Audit Committee in overseeing the Group's financial reporting processes and accuracy of its financial reporting.

Internal Control

The Board firmly believes in maintaining a sound system of internal control with a view to safeguard shareholders' investment and the Group's assets. The Group's inherent system of internal control is designed to provide reasonable and not absolute assurance against the risk of material misstatement or loss.

The Statement on Internal Control is set out on pages 23 to 24 of the Annual Report.

Relationship with Auditors

The Group has established a transparent and an appropriate relationship with the external auditors through the Audit Committee. The auditors would highlight to the Audit Committee and the Board from time to time on matters that require the Board's attention. The Audit Committee meets the external auditors without the presence of Executive Director or the management at least twice a year.

Statement of Directors' Responsibility in relation to the Financial Statements

The Directors are required under the Companies Act, 1965 ("the Act") to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group and the results and cash flows of the Company and of the Group for that period.

Hence, the Directors have ensured that the financial statements have been prepared in accordance with applicable accounting standards in Malaysia, the requirements of the Act and other statutory requirements. In preparing the financial statements, the Directors have applied appropriate accounting policies on a consistent basis and made judgments and estimates that are reasonable and prudent.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the Group and the Company to enable them to ensure that the financial statements comply with the Act. The Directors have overall responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.



Additional Compliance Information

1. Share Buybacks

The Company did not enter into any share buyback transactions during the financial year ended 31 December 2011.

2. Options, Warrants or Convertible Securities

The Company did not issue any options, warrants or convertible securities during the financial year ended 31 December 2011.

3. Depository Receipt Programme

The Company did not sponsor any depository receipt programme during the financial year ended 31 December 2011.

4. Imposition of Sanctions and / or Penalties

There were no sanctions and / or penalties imposed on the Company and its subsidiaries, Directors or Management by relevant regulatory bodies during the financial year ended 31 December 2011.

5. Non-audit Fees

There were no non-audit fees paid or payable to the external auditors during the financial year ended 31 December 2011.

6. Profit Guarantee

There were no profit guarantees given by the Company or its subsidiaries during the financial year ended 31 December 2011.

7. Material Contracts

There were no material contracts entered into by the Company and / or its subsidiaries during the financial year ended 31 December 2011, which involves the interests of Directors and major shareholders.

8. Status of Utilisation of Proceeds raised from Corporate Proposals

Subscription of shares by Fraser & Neave Holdings Berhad ("F&N")

During the financial year ended 31 December 2010, the Company raised RM54,648,000 from the issuance of 39,600,000 new ordinary shares to F&N. The status of utilisation of proceeds as at 31 December 2011 is set out below:-

Purposes	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Transfer to Working Capital (RM'000)	Balance Unutilised (RM'000)	Timeframe for Full Utilisation after Completion of the Subscription by F&N	Revised Intended Timeframe for Utilisation (RM'000)
Acquisition of machinery	36,000	(11,690)	–	24,310	Within 12 months	Within 21 months
Acquisition of property	10,000	(7,936)	(2,064)*	–	Within 6 months	Within 6 months
Working Capital	8,538	(10,614)	2,076*	–	Within 6 months	Within 6 months
Estimated expenses relating to the share subscription	110	(98)	(12)*	–	Upon completion	Upon completion
Total	54,648	(30,338)	–	24,310		

Additional Compliance Information (cont'd)

8. Status of Utilisation of Proceeds raised from Corporate Proposals (cont'd)

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

The Company had on 22 November 2011 announced its intention to extend the timeframe for utilisation of the remaining proceeds raised from the subscription of shares by F&N that was allocated for the acquisition of machinery for another 9 months until 25 August 2012.

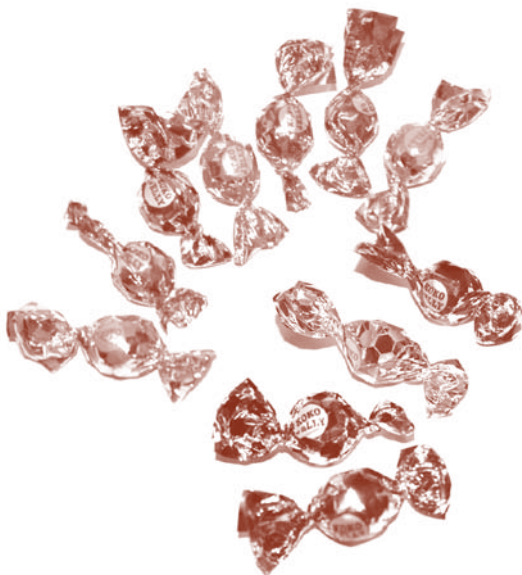
9. Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPTs")

The Company had obtained from its shareholders the mandate for the following RRPT at the Eleventh Annual General Meeting held on 21 June 2011 and the actual value transacted for the period from 21 June 2011 to 14 May 2012 is as follows:-

Transacting party	Nature of relationship	Nature of transaction	Actual aggregate value incurred (RM'000)
F&N Limited group of companies	Mr. Soh Swee Hock and Mr. Tan Eng Guan, both of whom are the non-independent non-executive directors of Cocoaland, are officers of F&N, a major shareholder of Cocoaland. F&N Limited is the holding company of F&N.	Prepare, package, pack and deliver F&N Limited group of companies' products.	17,347

10. Variation in results

There were no material variations between the unaudited results previously announced and the audited results for the financial year ended 31 December 2011.



Statement on Internal Control

INTRODUCTION

The Board of Directors (“the Board”) recognises the importance of sound internal controls to safeguard shareholders’ investments and the Group’s assets. The Board continues with its commitment to maintain a sound system of internal control and good corporate governance in the Group, and is pleased to provide the following Statement of Internal Control that was prepared in accordance with Bursa Malaysia’s Statement on Internal Control – Guidance for Directors of Public Listed Companies. The Board believes the practice of good corporate governance is an important continuous process and not just a matter to be covered as compliance in the Annual Report.

As there are limitations that are inherent in any system of internal controls, this system is designed to manage rather than eliminate risks that may impede the achievement of the Group’s business objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss.

Board Responsibility

The Board acknowledges the importance of sound internal controls and risk management practices to good corporate governance and it affirms its overall responsibility for the Group’s system of internal control and for reviewing its effectiveness, adequacy and integrity. The system of internal control covers financial, organizational, management information system, operational and compliance controls.

The Group has engaged external advisers to advise and assist in the internal audit functions of the Group. The external advisers report directly to the Audit Committee. There were no material losses reported during the current financial year as a result of weaknesses in internal control. The Management of the Group continues to take measures to strengthen the internal control environment.

The following activities are the key internal control measures of the Group’s system:

1. Clear Lines of Accountability & Reporting Within the Organisation

Key responsibilities and accountability in the organisational structure are clearly defined, with clear reporting lines up to the Board and its Committees. Established delegation of authority sets out the appropriate authority levels for decision-making, including matters requiring Board approval.

2. Formalised & Documented Policies and Procedures

Internal policies and procedures which are set out in a series of clearly documented standard operating manuals covering a majority of areas within the Group are maintained and subject to review as and when necessary.

3. Financial Performance

The preparation of periodic and annual results and state of affairs of the Group, as published to shareholders, are reviewed and approved by the Board. The financial statements of each financial year end are also audited by the external auditors.

4. Insurance and Physical Safeguard

Adequate insurance and physical security of major assets are in place to ensure that the assets of the Group are sufficiently covered against any mishap that will result in material losses to the Group.

Statement on Internal Control (cont'd)

5. Other matters

Regular meetings are held between the Board and the senior management staff to discuss, analyse, review and resolve strategic, operational, financial and key management issues.

INTERNAL AUDIT FUNCTION

The periodic reviews carried out by the Internal Audit function on the Group's processes and state of internal control as part of its internal audit plan are reported to the Board through the Audit Committee.

The systems of internal control described in this statement are considered by the Board to be adequate and the risks are considered by the Board to be at an acceptable level within the context of the business environment throughout the Group's business. However, such systems do not eliminate the possibility of human error, collusion or deliberate circumvention of control procedures by employees and others, nor the occurrence of unforeseeable circumstances due to poor judgement in decision making. Nevertheless, the systems of internal control that exist throughout the financial year provide a level of confidence on which the Board relies for assurance.

The duties of the Internal Auditors are as follows:-

- To review and appraise the adequacy and effectiveness of the internal control systems;
- To review the means of safeguarding assets and, as appropriate, verify the existence of such assets;
- To carry out regular visits to operating units, which aims to monitor compliance with procedures and controls, as well as to assess the integrity of financial information; and
- To appraise the economy, efficiency and effectiveness with which resources are employed.

Review of the Statement by External Auditors

As required by paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities, the external auditors have reviewed this Statement on Internal Control. Their review was performed in accordance with Recommended Practice Guide (RPG) 5 issued by the Malaysian Institute of Accountants. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process of the Board had adopted in their review of the adequacy and integrity of internal controls of the Group.

This statement is made in accordance with the resolution passed by the Board of Directors' on 25 April 2012.

Report on Audit Committee

The Board of Directors is pleased to present the report of the Audit Committee ("AC") for the financial year ended 31 December 2011.

Membership

During the financial year 2011, the AC had four members, all of who are non-executive directors, a majority of whom are independent, including the AC Chairman. On 27 February 2012, Mr. Chow Kee Kan @ Chow Tuck Kwan was appointed AC Chairman, following the resignation of Dato' Azman bin Mahmood as chairman and member. The current composition complies with the Listing Requirements of Bursa Malaysia Securities Berhad.

Meetings

All members of the AC including the Chairman attended all the five AC meetings held during the financial year 2011. At the invitation of the AC, the Executive Directors, Group Accountant and Internal Auditors attended the meetings. The Group's external auditors attended two of the meetings where they were invited to discuss matters related to the statutory audit for the financial year ended 31 December 2011. The AC also had private discussions with both the External and Internal Auditors without the presence of the Executive Directors.

Authority

The AC shall have explicit authority to investigate any matter within its terms of reference, the resources to do so, and full and unrestricted access to information. The AC should be able to obtain independent professional or other advice and to invite outsiders with relevant experience to attend, if necessary. The AC shall have direct communication channels with the external auditors and internal auditors and shall also have the authority to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

Duties and Responsibilities

- a) To consider the appointment of the external auditor, the audit fee and any question of resignation or dismissal;
- b) To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- c) To review the quarterly and year-end financial statements prior to the approval by the Board, focusing particularly on: -
 - any change in accounting policies and practices;
 - significant adjustments arising from the audit;
 - the going concern assumption; and
 - compliance with accounting standards and other legal requirements.
- d) To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary);
- e) To review the external auditor's management letter and management's response;
- f) To evaluate the system of internal controls and management information systems;
- g) To do the following, in relation to the internal audit function:-
 - review the adequacy of the scope, functions, competency and resources of the internal audit functions, and that it has the necessary authority to carry out its work;

Report on Audit Committee (cont'd)

Duties and Responsibilities (cont'd)

- review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
 - review any appraisal or assessment of the performance of members of the internal audit function;
 - approve any appointment or termination of senior staff members of the internal audit function; and
 - take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- h) To review any related party transactions and conflict of interest situation that may arise within the Company or Group;
- i) To consider and review the major findings of internal investigations and management's response; and
- j) To consider and review other topics as defined by the Board.

Summary Of Activities

In line with the AC Terms of Reference, the following activities were carried out during the financial year 2011:-

- (i) Reviewed the external auditors' scope of work and audit planning memorandum;
- (ii) Reviewed the Audited Financial Statements, focusing particularly on any changes in accounting policies and practices, significant adjustments arising from audit or unusual events, the going concern assumption and compliance with the accounting standards and other requirements, prior to making recommendation to the Board for consideration and approval;
- (iii) Reviewed the unaudited quarterly financial statements of the Group, focusing particularly on the financial reporting and compliance with the disclosure requirements prior to making recommendation to the Board for consideration and approval;
- (iv) Reviewed and received the Internal Audit Plan and Reports and assessed the Internal Auditors' findings and the Management's responses thereto and thereafter, making the necessary recommendations or changes to the Board;
- (v) Reviewed the adequacy of the scope, functions, competency and resources of the internal audit functions.
- (vi) Reviewed the Corporate Governance Statement, Statement on Internal Control and Report on Audit Committee prior to the Board's approval for inclusion in the Company's annual report;
- (vii) Considered the re-appointment of the external auditors and make recommendation to the Board for approval; and
- (viii) Reviewed the related party transactions entered into by the Group.

INTERNAL AUDIT FUNCTION

The Company recognises that an internal audit function is essential to ensuring the effectiveness of the Group's system of internal control and is an integral part of the risk management process. The internal audit function of the Group is being outsourced to an independent professional firm. The internal auditors report directly to the Audit Committee on a quarterly basis by presenting the internal audit plans and reports. During the financial year, the internal auditors conducted reviews on the areas such as human resources policies/procedures, accounts receivables, credit control and collection process, capital asset management, inventory control management for the Group. For the financial year ended 31 December 2011, the cost incurred for outsourcing of internal audit function was RM37,657.40.

Financial 2011 Statements

28	Independent Auditors' Report
30	Directors' Report
34	Consolidated Statement of Financial Position
35	Consolidated Statement of Comprehensive Income
36	Consolidated Statement of Changes in Equity
37	Consolidated Statement of Cash Flows
39	Statement of Financial Position
40	Statement of Comprehensive Income
41	Statement of Changes in Equity
42	Statement of Cash Flows
43	Notes to the Financial Statements
67	Directors' Statement
67	Statutory Declaration

Independent Auditors' Report to the members of Cocoaland Holdings Berhad

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Cocoaland Holdings Berhad, which comprise the statements of financial position as at 31st December, 2011, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 43 to 66.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act 1965 and Financing Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2011 and of its financial performance and cash flows for the year then ended.

Independent Auditors' Report (cont'd)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.
- b) We have considered the financial statements and the auditors' report of the subsidiary company of which we have not acted as auditors, which is indicated in note 4 to the financial statements.
- c) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

The supplementary information on Note 25 on page 66 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

WONG WENG FOO & CO.

AF: 0829

CHARTERED ACCOUNTANTS

ABD HALIM BIN HUSIN

2095/12/12 (J)

CHARTERED ACCOUNTANT

KUALA LUMPUR

Dated this : 19th April, 2012

Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31st December, 2011.

PRINCIPAL ACTIVITIES

The Company's principal activity is that of investment holding. The principal activities of the subsidiary companies are stated in Note 4 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	Group RM	Company RM
Profit after income tax	19,192,020	13,238,173
Retained profit brought forward	46,027,089	2,305,185
	<hr/>	<hr/>
	65,219,109	15,543,358
Interim dividend of 3.8% less 25% income tax paid on 11th April, 2011	(2,445,297)	(2,445,297)
Interim dividend of 5% tax exempted paid on 30th December, 2011	(4,289,998)	(4,289,998)
	<hr/>	<hr/>
Retained profit carried forward	58,483,814	8,808,063

DIVIDENDS

Since the end of the previous financial year, the directors declared and paid interim dividends of 3.8% per ordinary share of RM0.50 each less 25% income tax on 11th April, 2011 for the financial year ended 31st December, 2010 and interim dividends 5% tax exempted per ordinary share of RM0.50 on 30th December, 2011 each for the financial year ended 31st December, 2011, respectively, totalling to RM6,735,295.

The directors has declared a second interim tax exempt (single-tier) dividend of 6% per ordinary share on date 27th February, 2012 amounting to RM5,148,000 for the financial year ended 31st December, 2011, which will be paid on 16th April, 2012.

The directors do not recommend a final dividend for the financial year ended 31st December, 2011.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year have been disclosed in the financial statements.

ISSUE OF SHARES OR DEBENTURES

There were no issue of shares or debentures during the financial year.

Directors' Report (cont'd)

OPTIONS GRANTED OVER UNISSUED SHARES

No share options were granted during the financial year.

BAD AND DOUBTFUL DEBTS

Before the statement of comprehensive income and statement of financial positions of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and are satisfied that all known bad debts have been written off and adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would render the amount of bad debts written off or allowance made for doubtful debts inadequate to any substantial extent.

CURRENT ASSETS

Before the statement of comprehensive income and statement of financial positions of the Group and of the Company were made out, the directors took reasonable steps to ascertain whether any current assets which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Group and of the Company and to the extent so ascertained were written down to an amount that they might be expected to realise.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or in the financial statements of the Group and of the Company that would render any amount stated in the respective financial statements misleading.

Directors' Report (cont'd)

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS OF THE COMPANY

The directors who served since the date of the last report are as follows:-

Dato' Azman Bin Mahmood
 Dato' Sri Koh Kin Lip
 Liew Fook Meng
 Lau Kee Von
 Liew Yoon Kee
 Lau Pak Lam
 Chow Kee Kan @ Chow Tuck Kwan
 Tan Eng Guan
 Soh Swee Hock @ Soh Say Hock
 Tai Chun Wah (Appointed on 3.1.2012)

DIRECTORS' INTEREST

According to the register of directors shareholdings, the interest of directors in office at the end of the financial year in shares of the Company during the financial year ended 31st December, 2011 are follows:-

The Company	No of Ordinary Shares of RM0.50 each			Balance at 31.12.2011
	Balance at 1.1.2011	Bought	(Sold)	
Dato' Azman Bin Mahmood				
- direct	393,333	—	—	393,333
- indirect	—	—	—	—
Dato' Sri Koh Kin Lip				
- direct	2,500,000	—	—	2,500,000
- indirect	500,000	—	—	500,000
Liew Fook Meng				
- direct	4,979,533	—	—	4,979,533
- indirect	65,284,971	—	—	65,284,971
Lau Kee Von				
- direct	1,029,800	—	—	1,029,800
- indirect	65,284,971	—	—	65,284,971
Liew Yoon Kee				
- direct	73,333	—	—	73,333
- indirect	65,284,971	—	—	65,284,971
Lau Pak Lam				
- direct	934,266	—	—	934,266
- indirect	65,284,971	—	—	65,284,971

Directors' Report (cont'd)**DIRECTORS' INTEREST (cont'd)**

The Company	← No of Ordinary Shares of RM0.50 each →			Balance at 31.12.2011
	Balance at 1.1.2011	Bought	(Sold)	
Chow Kee Kan @ Chow Tuck Kwan				
- direct	—	—	—	—
- indirect	—	—	—	—
Tan Eng Guan				
- direct	—	—	—	—
- indirect	—	—	—	—
Soh Swee Hock @ Soh Say Hock				
- direct	—	—	—	—
- indirect	—	—	—	—

By virtue of their substantial shareholdings in the Company, Messrs Liew Fook Meng, Lau Kee Von, Liew Yoon Kee and Lau Pak Lam are also deemed interested in the shareholdings of the subsidiary companies to the extent the ultimate holding company has an interest.

DIRECTORS' BENEFITS

Since the end of previous financial year, no director of the Company has received or become entitled to receive any benefit (other than as disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

AUDITORS

The auditors, Messrs Wong Weng Foo & Co., have expressed their willingness to continue in office.

Signed on behalf of the Board of directors in accordance with a resolution dated 19th April, 2012.

LIEW FOOK MENG

Director

TAI CHUN WAH

Director

KUALA LUMPUR

Consolidated Statement of Financial Position

as at 31st December 2011

	Note	2011 RM	2010 RM
ASSETS			
Non-current assets			
Property, plant and equipment	3	101,043,242	78,165,273
Other investment	5	1,000	1,000
		101,044,242	78,166,273
Current assets			
Inventories	6	25,335,686	19,440,026
Trade receivables	7	40,903,781	25,965,058
Other receivables, deposits and prepayments	8	8,780,478	7,646,685
Deposits, cash and bank balances	10	42,986,037	71,147,674
		118,005,982	124,199,443
Total assets		219,050,224	202,365,716
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	11	85,800,000	85,800,000
Reserves	12	102,838,353	90,381,628
Exchange translation reserves		31,111	31,111
Total equity		188,669,464	176,212,739
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities	13	73,000	77,000
		73,000	77,000
Current liabilities			
Trade payables		22,768,181	17,516,840
Other payables and accruals	14	7,360,930	8,501,204
Hire-purchase payables	15	–	57,933
Current income tax liabilities		178,649	–
		30,307,760	26,075,977
Total liabilities		30,380,760	26,152,977
Total equity and liabilities		219,050,224	202,365,716

The attached notes form an integral part of the Financial Statements.

Consolidated Statement of Comprehensive Income

For the Year Ended 31st December 2011

	Note	2011 RM	2010 RM
OPERATING REVENUE		173,993,856	142,258,857
COST OF SALES		(130,675,410)	(108,485,842)
GROSS PROFIT		43,318,446	33,773,015
SELLING & DISTRIBUTION EXPENSES		(12,429,107)	(12,550,127)
ADMINISTRATIVE EXPENSES		(11,847,271)	(13,715,904)
OTHER OPERATING INCOME		2,621,748	1,021,584
PROFIT FROM OPERATIONS		21,663,816	8,528,568
FINANCE COST	16	(4,390)	(8,737)
SHARE OF LOSS OF AN ASSOCIATED COMPANY		–	(216,416)
PROFIT BEFORE INCOME TAX	16	21,659,426	8,303,415
INCOME TAX	17	(2,467,406)	1,516,062
TOTAL COMPREHENSIVE INCOME		19,192,020	9,819,477
ATTRIBUTABLE TO:			
EQUITY HOLDERS OF THE COMPANY		19,192,020	9,819,477
BASIC AND DILUTED EARNINGS PER SHARE (SEN)	18	11.18	7.39

The attached notes form an integral part of the Financial Statements

Consolidated Statement of Changes in Equity

for the Year Ended 31st December 2011

	← Attributable to the equity holders of the Company →				Total RM
	Share capital (Note 11) RM	Share premium (Note 12) RM	Retained profit (Note 12) RM	Exchange translation reserve RM	
At 1st January, 2010	60,000,000	193,919	40,932,612	32,488	101,159,019
Private placements	25,800,000	45,048,000	–	–	70,848,000
Foreign currency translation differences	–	–	–	(1,377)	(1,377)
Private placements expenses	–	(887,380)	–	–	(887,380)
Total comprehensive income	–	–	9,819,477	–	9,819,477
Interim dividend of 5% less 25% income tax paid on 6th April, 2010	–	–	(2,250,000)	–	(2,250,000)
Interim dividend of 5% less 25% income tax paid on 30th June, 2010	–	–	(2,475,000)	–	(2,475,000)
At 31st December, 2010/ 1st January, 2011	85,800,000	44,354,539	46,027,089	31,111	176,212,739
Total comprehensive income	–	–	19,192,020	–	19,192,020
Interim dividend of 3.8% less 25% income tax paid on 11th April, 2011	–	–	(2,445,297)	–	(2,445,297)
Interim dividend of 5% tax exempted paid on 30th December, 2011	–	–	(4,289,998)	–	(4,289,998)
At 31st December, 2011	85,800,000	44,354,539	58,483,814	31,111	188,669,464

The attached notes form an integral part of the Financial Statements.

Consolidated Statement of Cash Flows

for the Year Ended 31st December 2011

	2011 RM	2010 RM
Cash Flow From Operating Activities		
Profit before income tax	21,659,426	8,303,415
Adjustments for:-		
Allowance for doubtful debts	109,836	347,764
Allowance for doubtful debts no longer required	(44,203)	(427,084)
Depreciation		
- current	7,738,945	7,066,156
- reversal	(18,741)	-
Preliminary expenses written off	-	2,400
Loss on disposal of investment in associated company	-	1,614,755
Property, plant and equipment written off	18,948	57,237
Gain on disposal of property, plant and equipment	(179,117)	(141,239)
Exchange translation reserves	-	(1,060)
Share of loss of an associated company	-	216,416
Unrealised (gain)/ loss on foreign exchange	(315,362)	79,027
Interest expense	4,390	8,737
Interest income	(1,535,716)	(379,669)
Dividend income	(435)	-
Operating profit before working capital changes	27,437,971	16,746,855
Increase in inventories	(5,895,660)	(1,904,795)
Increase in receivables	(16,303,793)	(452,286)
Increase in payables	4,111,067	5,443,948
Cash generated from operating activities	9,349,585	19,833,722
Interest paid	(4,390)	(8,737)
Interest received	1,535,716	379,669
Tax paid	(2,176,157)	(4,571,357)
Tax refund	364,515	-
Dividends paid	(6,735,295)	(4,725,000)
Dividend received	326	-
Net cash provided by operating activities	2,334,300	10,908,297
Cash Flow from Investing Activities		
Proceeds from disposal of associated company	-	1,264,514
Proceeds from disposal of property, plant and equipment	301,508	388,676
Private placements	-	70,848,000
Purchase of property, plant and equipment	(31,044,559)	(26,106,585)
Discounts on purchase of property, plant and equipment	305,047	-
Private placement expenses	-	(887,380)
Preliminary expenses	-	(2,400)
Net cash (used in)/ provided by investing activities	(30,438,004)	45,504,825

Consolidated Statement of Cash Flows (cont'd)

	2011 RM	2010 RM
Cash Flow From Financing Activities		
Repayment of term loans	–	(25,684)
Repayment of hire-purchase creditors	(57,933)	(60,274)
Net cash used in financing activities	(57,933)	(85,958)
Net changes in cash and cash equivalents	(28,161,637)	56,327,164
* Cash and cash equivalents brought forward	71,147,674	14,820,510
* Cash and cash equivalents carried forward	42,986,037	71,147,674
Note:		
* Cash and cash equivalents consist of:-		
	2011 RM	2010 RM
Fixed deposits with licensed banks	31,052,943	59,250,953
Short term deposits with licensed banks	8,357,967	3,656,071
Cash and bank balances	3,575,127	8,240,650
	42,986,037	71,147,674
Net cash flow on acquisition of a subsidiary company:-		
	2011 RM	2010 RM
Cash and cash equivalents acquired	–	2
Cash consideration	–	(2)
	–	–

Statement of Financial Position

as at 31st December 2011

	Note	2011 RM	2010 RM
ASSETS			
Non-current assets			
Investment in subsidiary companies	4	40,473,334	40,473,334
		40,473,334	40,473,334
Current assets			
Other receivables, deposits and prepayments	8	7,188	285,263
Amount due from subsidiary companies	9	67,943,808	33,779,082
Deposit and cash balances	10	31,000,772	58,893,994
		98,951,768	92,958,339
Total assets		139,425,102	133,431,673
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	11	85,800,000	85,800,000
Reserves	12	53,162,602	46,659,724
Total equity		138,962,602	132,459,724
LIABILITIES			
Current liabilities			
Other payables and accruals	14	283,851	971,949
Current income tax liabilities		178,649	–
		462,500	971,949
Total liabilities		462,500	971,949
Total equity and liabilities		139,425,102	133,431,673

The attached notes form an integral part of the Financial Statements

Statement of Comprehensive Income

For the Year Ended 31st December 2011

	Note	2011 RM	2010 RM
OPERATING REVENUE		12,750,000	6,025,000
ADMINISTRATIVE EXPENSES		(454,061)	(3,333,620)
OTHER OPERATING INCOME		1,381,650	264,453
PROFIT BEFORE INCOME TAX	16	13,677,589	2,955,833
INCOME TAX	17	(439,416)	(784,261)
TOTAL COMPREHENSIVE INCOME		13,238,173	2,171,572
ATTRIBUTABLE TO:			
EQUITY HOLDERS OF THE COMPANY		13,238,173	2,171,572

The attached notes form an integral part of the Financial Statements

Statement of Changes in Equity

for the Year Ended 31st December 2011

	← Attributable to the equity holders of the Company →			
	Share capital (Note 11) RM	Share premium (Note 12) RM	Retained profit (Note 12) RM	Total RM
At 1st January, 2010	60,000,000	193,919	4,858,613	65,052,532
Private placements	25,800,000	45,048,000	–	70,848,000
Private placements expenses	–	(887,380)	–	(887,380)
Total comprehensive income	–	–	2,171,572	2,171,572
Interim dividend of 5% less 25% income tax paid on 6th April, 2010	–	–	(2,250,000)	(2,250,000)
Interim dividend of 5% less 25% income tax paid on 30th June, 2010	–	–	(2,475,000)	(2,475,000)
At 31st December, 2010/ 1st January, 2011	85,800,000	44,354,539	2,305,185	132,459,724
Total comprehensive income	–	–	13,238,173	13,238,173
Interim dividend of 3.8% less 25% income tax paid on 11th April, 2011	–	–	(2,445,297)	(2,445,297)
Interim dividend of 5% tax exempted paid on 30th December, 2011	–	–	(4,289,998)	(4,289,998)
At 31st December, 2011	85,800,000	44,354,539	8,808,063	138,962,602

Statement of Cash Flows

for the Year Ended 31st December 2011

	2011 RM	2010 RM
Cash Flow From Operating Activities		
Profit before income tax	13,677,589	2,955,833
Adjustments for:-		
Impairment of investment in a subsidiary company	-	2
Allowance for doubtful debts	-	2,861,869
Interest income	(1,381,650)	(264,453)
Dividend income	(12,750,000)	(6,025,000)
Operating loss before working capital changes	(454,061)	(471,749)
Increase in receivables	(34,156,476)	(12,346,571)
Increase in payables	(688,098)	765,812
Cash absorbed by operations activities	(35,298,635)	(12,052,508)
Interest received	1,381,650	264,453
Dividends received	12,562,500	5,268,750
Dividends paid	(6,735,295)	(4,725,000)
Tax refund	196,558	-
Net cash used in operating activities	(27,893,222)	(11,244,305)
Cash Flow From Investing Activities		
Investment in a subsidiary company	-	(2)
Net cash used in investing activities	-	(2)
Cash Flow From Financing Activities		
Private placements	-	70,848,000
Private placements expenses	-	(887,380)
Net cash provided by financing activities	-	69,960,620
Net changes in cash and cash equivalents	(27,893,222)	58,716,313
* Cash and cash equivalents brought forward	58,893,994	177,681
* Cash and cash equivalents carried forward	31,000,772	58,893,994
Note:		
* Cash and cash equivalents consist of:		
Cash and bank balances	31,000,772	58,893,994

The attached notes form an integral part of the Financial Statements

Notes to the Financial Statements

– 31st December 2011

1. GENERAL INFORMATION

- 1.1 The Company is a public limited company, incorporated and domiciled in Malaysia, quoted on the Main Market of the Bursa Malaysia Securities Berhad.
- 1.2 The principal place of business is located at Lot 100, Rawang Integrated Industrial Park, 48000 Rawang, Selangor Darul Ehsan.
- 1.3 The Company's principal activity is that of investment holding. The principal activities of the subsidiary companies are stated in Note 4 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.
- 1.4 The financial statements of the Group and of the Company were authorised for issue on 19th April, 2012.

2. SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following significant accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as disclosed in this summary of significant policies.

The preparation of financial statements in conformity with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported financial year. Although these estimates are based on the directors' best knowledge of current events and actions, actual results could differ from those estimates.

2.2 Standards and Interpretations Effective

MASB had issued the following FRS, amendments and interpretations which were relevant to current financial year with the following effective dates:-

		Effective for financial period beginning on or after
FRS 1	First-time Adoption of Financial Reporting Standards (revised)	1.7.2010
Amendments to FRS 1	- Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters	1.1.2010
	- Additional Exemption for First-time Adopters	
Amendments to FRS 2	Share-based Payment	1.7.2010
	- Group Cash settled Share Based Payment	1.1.2010
FRS 3	Business Combinations (revised)	1.7.2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1.7.2010

Notes to the Financial Statements (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Standards and Interpretations Effective (cont'd)

		Effective for financial period beginning on or after
FRS 7	Financial Instruments: Disclosures	
Amendments to FRS 7	- Improving Disclosures about Financial Instruments	1.1.2010
Amendments to FRS 101	Presentation of financial Statements Improvements to FRSs 2010	1.1.2011
Amendments to FRS 121	Improvements to FRSs2010	1.1.2011
FRS 127	Consolidated and Separate Financial Statements (Revised)	1.1.2011
Amendments to FRS 132	Financial Instruments: Presentation - Classification of Rights Issues	1.3.2010
Amendments to FRS 128	Improvements to FRSs 2010	1.1.2011
Amendments to FRS 131	Improvements to FRSs 2010	1.1.2011
Amendments to FRS 132	Financial Instruments. Presentation - Classification of Rights Issues Improvements to FRSs 2010	1.1.2011
Amendments to FRS 134	Improvements to FRSs2010	1.1.2011
Amendments to FRS 138	Consequential amendments arising from FRS 3 (as revised in 2010)	1.1.2011
Amendments to FRS 139	Improvements to FRSs 2010	1.1.2011
Amendments to FRS 138	Intangible Assets	1.7.2010

MASB had issued the following FRS, amendments and interpretations which were to current relevant financial year with the following effective dates:-

		Effective for financial period beginning on or after
IC Interpretation 4	Determining whether on Arrangement contain a Lease	1.1.2010
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives	1.7.2010
IC Interpretation 12	Service Concession Arrangements	1.7.2010
IC Interpretation 15	Agreements for the Construction of Real Estate	1.7.2012
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operations	1.7.2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1.7.2010
IC Interpretation 18	Transfer of Assets from Customers	1.1.2010

The Group and the Company have adopted the abovementioned relevant new and revised FRSs.

These new and revised FRSs do not have any significant impact on the financial statements of the Group and of the Company.

Notes to the Financial Statements (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

(i) Critical judgement made in applying accounting policies

The directors are of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements in applying the Group and Company's accounting policies other than the basis of preparation of financial statements as disclosed in Note 2.1 to the financial statements.

(ii) Key sources of estimation uncertainty

The directors believes, other than as disclosed in Note 2.1 to the financial statements, that there are no key assumptions made concerning the future and other key sources of estimation uncertainty at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

2.4 Basis of Consolidation

The subsidiary companies have been consolidated using the merger method of accounting. Under this method, the differences between the purchase consideration and nominal value of the share capital of the subsidiary companies acquired are taken to reserve arising from merger or deficit arising from merger. The deficit, if any, are written off against revaluation reserve and retained profit in the financial statements of the subsidiary companies acquired.

Standard on FRS 3 "Business Combinations" states that all business combinations shall be accounted for by applying the purchase method. However, the Group has adopted the exemption allowed to apply FRS 3 on a prospective basis. Accordingly, business combinations entered into prior to 1st January, 2007, have not been restated to comply with this Standard.

All significant intercompany transactions and balances are eliminated on consolidation.

2.5 Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold lands and buildings of the Group have not been revalued since they were first revalued in December, 2003. The directors have not adopted a policy of regular revaluation of such assets and no later valuation has been recorded. As permitted under the transitional provisions of IAS 16 (Revised): Property, Plant and Equipment, these assets continue to be stated at their December, 2003 valuation less accumulated depreciation. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the amount is restated to the revalued amount of the asset.

Leasehold land and buildings are amortised over their respective lease periods which range from 10 to 78 years.

Notes to the Financial Statements (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 Property, Plant and Equipment and Depreciation (cont'd)

Freehold lands are not depreciated as they have infinite useful lives.

No depreciation is provided for properties-in-progress.

Depreciation on other property, plant and equipment is calculated on the straight line method to write off their costs to their residual value over their estimated useful lives at the following annual rates:-

Freehold buildings	Over remaining useful lives of between 28 to 48 years
Motor vehicles	20%
Plant and machinery	10%
Office equipment	10%
Furniture and fittings	10%
Warehouse equipment	10%
Electrical fittings	10%
Renovation	10%
Science lab equipment	10%
Factory equipment	10%

The residual value, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in statement of comprehensive income.

2.6 Leases

i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases

ii) Finance Leases

Assets acquired by way of finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the statement of financial position as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine, otherwise, the Group's or Company's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Notes to the Financial Statements (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.6 Leases (cont'd)

ii) Finance Leases (cont'd)

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in statement of comprehensive income over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

iii) Operating Leases

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

2.7 Investments

Investments in unquoted shares, are stated at cost less accumulated impairment losses, if any.

2.8 Inventories

Inventories are valued at the lower of cost and net realisable value. In general, cost is determined on first-in, first-out basis and comprise purchase cost and other incidental costs including transport and handling costs. In the case of finished goods, costs include all direct expenditure and production overheads based on the normal level of activity.

Net realisable value is the estimated selling price in the ordinary course of business less selling expenses. In arriving at net realisable value, due allowance is made for all obsolete, slow moving or defective inventories.

2.9 Impairment of Assets

The carrying values of assets other than inventories are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. An impairment loss is charged to the statement of comprehensive income immediately unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of depreciation and amortisation) had no impairment loss been recognised. The reversal is recognised in the statement of comprehensive income immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statement of comprehensive income, a reversal of that impairment loss is recognised as income in the statement of comprehensive income.

Notes to the Financial Statements (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.10 Income Tax

Income tax on the profit for the year comprises current and deferred income tax liabilities. Current income tax liabilities is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the statement of financial position date.

Deferred income tax liabilities is provided for, using the liability method, on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred income tax liabilities are recognised for all taxable temporary differences and deferred income tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

A deferred income tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of a deferred income tax asset is reviewed at each statement of financial position date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred income tax asset to be utilised, the carrying amount of the deferred income tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reduction will be reversed to the extent of the taxable profit.

2.11 Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. Allowance is made for doubtful debts based on a review of all outstanding amounts as at the statement of financial position date.

2.12 Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

2.13 Provisions

Provisions are recognised when there is a present obligation, legal or constructive as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

2.14 Hire-Purchase

Property, plant and equipment acquired under hire-purchase are capitalised and are depreciated on the same basis as owned assets as stated in Note 2.5 and the corresponding obligations relating to the remaining capital payments are treated as liabilities. Finance charges are charged to the statement of comprehensive income over the period of the plan and accounted for using the sum of digits method (Rule 78 method).

Notes to the Financial Statements (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.15 Interest-Bearing Borrowings

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs.

Borrowing costs directly attributable to the acquisition of property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use. All other borrowing costs are charged to the statement of comprehensive income as an expense in the period in which they are incurred.

2.16 Share Capital

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost incurred directly attributable to the issuance of the shares are accounted for as a deduction from share premium, otherwise it is charged to the statement of comprehensive income.

Dividends to shareholders are recognised in equity in the period in which they are declared or approved by shareholders at general meeting.

2.17 Cash and Cash Equivalents

Cash and cash equivalents consists of cash in hand, bank balances and short term and fixed deposits with licensed banks which have an insignificant risk of changes in value.

2.18 Financial Instruments

Financial instruments are recognised in the statement of financial position when the Group have become a party to the contractual provisions of the instruments. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group have a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.19 Foreign Currencies

Transactions in foreign currencies are converted into Ringgit Malaysia, the Company's functional currency, at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies at the statement of financial position date have been converted into Ringgit Malaysia at the rate of exchange ruling at that date. Exchange differences are dealt with through the statement of comprehensive income.

Notes to the Financial Statements (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.19 Foreign Currencies (cont'd)

The principal closing rates used in translation of foreign currency amounts are follows:-

Foreign currency	2011 RM	2010 RM
1 US Dollar	3.18	3.05
1 Singapore Dollar	2.44	2.40
100 Chinese Renminbi	50.00	50.00

2.20 Employee Benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non monetary benefits are accrued in the period in which the associated services are rendered by the employees of the Group.

(ii) Post-employment benefits

Defined contribution plan

The Group's contributions to the defined contribution plan ('Employees Provident Fund') are charged to the statement of comprehensive income in the period in which they relate. Once the contributions have been paid, the Group have no further payment obligations.

2.21 Operating Revenue

Operating revenue of the Group represents invoiced value of goods sold, net of returns, discounts and allowances. Operating revenue of the Company represents dividend income from subsidiaries.

2.22 Revenue Recognition

Revenue from sales of goods are recognised upon delivery of products and customer acceptance, if any, or performance of services.

Other revenue earned by the Group and the Company are recognised on the following basis:-

Rental income - on accrual basis over the period of tenancy, unless its collectibility is in doubt.

Interest income - as it accrues taking into account the effective yield on the assets, unless its collectibility is in doubt.

Dividend income - as and when the shareholders' right to receive payment is established.

Other income - on receipt basis.

Notes to the Financial Statements (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT

Group 2011 COST/ VALUATION	Balance at 1.1.2011 RM	Additions RM	Reclassi- fication RM	(Disposals/ Written-off) RM	Reversal RM	Balance at 31.12.2011 RM
At valuation:						
Freehold lands	9,885,132	8,097,503	–	–	–	17,982,635
Freehold buildings	9,218,086	–	–	–	–	9,218,086
Long term leasehold land and building	2,500,000	–	–	–	–	2,500,000
Short term leasehold land and building	3,000,000	–	–	–	–	3,000,000
At cost:						
Long term leasehold land and building	4,440,057	–	–	–	–	4,440,057
Short term leasehold land and building	68,045	–	–	(68,045)	–	–
Freehold building	14,024,525	1,577,513	2,450,952	–	–	18,052,990
Properties-in-progress	1,017,556	9,248,467	(2,450,952)	–	(114,034)	7,701,037
Motor vehicles	4,713,471	1,355,336	–	(784,869)	–	5,283,938
Plant and machinery	59,263,577	7,861,492	–	(624,145)	(3,600)	66,497,324
Office equipment	1,192,393	181,210	–	(112,198)	–	1,261,405
Furniture and fittings	257,944	53,788	–	(130)	–	311,602
Warehouse equipment	914,555	9,100	–	–	–	923,655
Electrical fittings	889,545	6,120	–	–	–	895,665
Renovation	6,639,834	354,214	–	(7,996)	–	6,986,052
Science lab equipment	571,750	188,801	–	–	–	760,551
Factory equipment	18,083,514	2,111,015	–	(166,207)	(187,413)	19,840,909
	136,679,984	31,044,559	–	(1,763,590)	(305,047)	165,655,906

Notes to the Financial Statements (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group 2011	Balance at 1.1.2011 RM	Additions RM	Reclassi- fication RM	(Disposals/ Written-off) RM	Reversal RM	Balance at 31.12.2011 RM
ACCUMULATED DEPRECIATION						
At valuation:						
Freehold lands	–	–	–	–	–	–
Freehold buildings	1,503,766	214,823	–	–	–	1,718,589
Long term leasehold land and building	239,726	75,000	–	–	–	314,726
Short term leasehold land and building	525,000	34,247	–	–	–	559,247
At cost:						
Long term leasehold land and building	313,301	75,694	–	–	–	388,995
Short term leasehold land and building	68,044	–	–	(68,044)	–	–
Freehold buildings	360,773	361,060	–	–	–	721,833
Properties-in-progress	–	–	–	–	–	–
Motor vehicles	3,385,986	529,229	–	(733,211)	–	3,182,004
Plant and machinery	38,492,917	3,933,980	–	(603,413)	–	41,823,484
Office equipment	645,102	100,973	–	(94,424)	–	651,651
Furniture and fittings	179,047	15,902	–	(130)	–	194,819
Warehouse equipment	418,415	69,430	–	–	–	487,845
Electrical fittings	798,129	19,461	–	–	–	817,590
Renovation	4,459,864	484,380	–	(7,996)	–	4,936,248
Science lab equipment	192,205	72,627	–	–	–	264,832
Factory equipment	6,932,436	1,752,139	–	(115,033)	(18,741)	8,550,801
	58,514,711	7,738,945	–	(1,622,251)	(18,741)	64,612,664
	RM					RM
NET BOOK VALUE	78,165,273					101,043,242

Notes to the Financial Statements (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

2010	Balance at 1.1.2010 RM	Additions RM	Reclassi- fication RM	(Disposals/ Written-off) RM	Exchange Difference RM	Balance at 31.12.2010 RM
COST/ VALUATION						
At valuation:						
Freehold lands	9,649,988	235,144	–	–	–	9,885,132
Freehold buildings	9,218,086	–	–	–	–	9,218,086
Long term leasehold land and building	2,500,000	–	–	–	–	2,500,000
Short term leasehold land and building	3,000,000	–	–	–	–	3,000,000
At cost:						
Long term leasehold land and building	4,440,057	–	–	–	–	4,440,057
Short term leasehold land and building	68,045	–	–	–	–	68,045
Freehold building	4,014,144	3,484,694	6,525,687	–	–	14,024,525
Properties-in-progress	6,525,687	1,017,556	(6,525,687)	–	–	1,017,556
Motor vehicles	4,714,775	1,086,308	–	(1,087,315)	(297)	4,713,471
Plant and machinery	48,053,684	11,275,687	–	(65,794)	–	59,263,577
Office equipment	1,032,615	219,735	–	(59,841)	(116)	1,192,393
Furniture and fittings	209,733	56,941	–	(8,730)	–	257,944
Warehouse equipment	946,985	1,420	–	(33,850)	–	914,555
Electrical fittings	889,545	–	–	–	–	889,545
Renovation	6,415,641	235,813	–	(11,620)	–	6,639,834
Science lab equipment	290,763	281,987	–	(1,000)	–	571,750
Factory equipment	9,908,214	8,211,300	–	(36,000)	–	18,083,514
	111,877,962	26,106,585	–	(1,304,150)	(413)	136,679,984

Notes to the Financial Statements (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

2010	Balance at 1.1.2010 RM	Additions RM	Reclassi- fication RM	(Disposals/ Written-off) RM	Exchange Difference RM	Balance at 31.12.2010 RM
ACCUMULATED DEPRECIATION						
At valuation:						
Freehold lands	–	–	–	–	–	–
Freehold buildings	1,288,942	–	–	–	–	1,288,942
Long term leasehold land and building	205,480	34,246	–	–	–	239,726
Short term leasehold land and building	450,000	75,000	–	–	–	525,000
At cost:						
Long term leasehold land and building	237,607	75,694	–	–	–	313,301
Short term leasehold land and building	68,044	–	–	–	–	68,044
Freehold buildings	80,283	495,314	–	–	–	575,597
Properties-in-progress	–	–	–	–	–	–
Motor vehicles	3,897,326	392,474	–	(903,741)	(73)	3,385,986
Plant and machinery	34,824,429	3,625,306	–	(43,682)	–	38,406,053
Office equipment	569,649	88,243	–	(12,765)	(25)	645,102
Furniture and fittings	174,477	10,602	–	(6,032)	–	179,047
Warehouse equipment	344,251	78,034	–	(3,870)	–	418,415
Electrical fittings	778,830	19,299	–	–	–	798,129
Renovation	4,007,706	454,382	–	(2,224)	–	4,459,864
Science lab equipment	139,358	53,747	–	(900)	–	192,205
Factory equipment	5,381,745	1,663,815	–	(26,260)	–	7,019,300
	52,448,127	7,066,156	–	(999,474)	(98)	58,514,711
	RM					RM
NET BOOK VALUE	59,429,835					78,165,273

Notes to the Financial Statements (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

- (i) Details of independent professional valuation of freehold lands and buildings owned by the subsidiary companies at 31st December, 2011 are as follows:-

Year of revaluation	Description of properties	Location	Amount RM	Basis of valuation
2004	Industrial land with a block of single storey factory with 2 storey office annexe, 3 blocks of single storey factory/ warehouses and a 2 storey canteen cum staff quarters	Lot 100, Rawang Integrated Industrial Park, Mukim of Rawang, District of Gombak State of Selangor	10,000,000	Cost method and investment method
2004	Industrial land with a single storey factory/ warehouse with 2 storey office annexe	Lot 5, Rawang Integrated Industrial Park, Mukim of Rawang, District of Gombak State of Selangor	6,160,000	Cost method and investment method
2004	Residential premises (Single – storey Semi – detached)	Title No. Geran 14144, Lot No 75742, Mukim of Kampar, District of Kinta State of Perak	140,000	Comparison method and investment method

The subsidiary companies freehold lands and buildings were valued by a firm of professional valuers, Messrs Colliers Jordan Lee & Jaafar, in December, 2003.

- ii) Details of independent professional valuation of leasehold lands and buildings owned by the subsidiary companies at 31st December, 2011 are as follows:-

Year of revaluation	Description of properties	Location	Amount RM	Basis of valuation
2004	Industrial lot with a double storey warehouse with a 3 storey office annexe	No. 41, Jalan E ¼, Kawasan Perusahaan Taman Ehsan 52100 Kepong Kuala Lumpur	2,500,000	Cost method and investment method
2004	Industrial land with a detached industrial factory complex comprising a main factory building with an annexe, 2 other factory buildings and a host of other support buildings/ structures	Lot 883, Off Jln Degong Mambang Diawan 31950 Kampar Perak Darul Ridzuan	3,000,000	Cost method and investment method.

The subsidiary companies leasehold lands and buildings were valued by a firm of professional valuers, Messrs Colliers Jordan Lee & Jaafar, in December, 2003.

Notes to the Financial Statements (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(iii) Surplus arising from revaluation of the freehold properties and leasehold properties which had been written off upon adopting merger accounting as a basis of consolidation, amounted to RM3,615,748 and RM2,724,819, respectively.

(iv) The title to certain freehold land and buildings and a leasehold land of certain subsidiary companies have not been issued by the relevant authorities and have been alienated to the subsidiary company by way of sales and purchase agreements.

(v) Property, plant and equipment of the Group acquired under hire-purchase instalment plans are as follows:-

At net book value:	2011 RM	2010 RM
Motor vehicles	-	100,000

(vi) The net book value of revalued assets had these assets been carried at historical cost less accumulated depreciation would have been as follows:-

	2011 RM	2010 RM
Long term leasehold and building	1,226,947	1,245,823
Short term leasehold and building	271,509	280,240
Freehold land and buildings	11,215,508	11,399,101

(vii) Cost of assets fully written down but still in use are as follows:-

	2011 RM	2010 RM
Motor vehicles	1,136,334	2,207,895
Plant and machinery	7,985,270	7,138,505
Office equipment and furniture and fittings	253,134	336,315
Electrical fittings and renovation	1,534,845	1,542,841
Factory equipment	673,266	294,990
Store equipment	89,220	89,220
	11,672,069	11,609,766

4. INVESTMENT IN SUBSIDIARY COMPANIES

Company	2011 RM	2010 RM
Unquoted shares, at cost	40,473,336	40,473,336
Less: Impairment of investment	(2)	(2)
	40,473,334	40,473,334

Notes to the Financial Statements (cont'd)

4. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The subsidiary companies, all incorporated in Malaysia, are as follows:-

a) Direct subsidiary companies

Name of company	Country of incorporation	Issued and fully paid-up share capital	Effective equity interest		Principal Activities
			2011 %	2010 %	
Cocoaland Industry Sdn Bhd	Malaysia	*RM1,000,000	100	100	Manufacturing and trading of processed and preserved foods and fruits of all kinds
L.B. Food Sdn Bhd	Malaysia	*RM1,500,000	100	100	Wholesale and retail of processed and preserved foods
B Plus Q Sdn Bhd	Malaysia	*RM500,000	100	100	Manufacturer of fruit juice and foodstuffs
Greenhome Marketing Sdn. Bhd.	Malaysia	*RM2	100	100	Marketing, trading and distributing of all kind of beverages and foodstuff
CCL Food & Beverage Sdn. Bhd.	Malaysia	*RM2	100	100	Dormant
Ω Lot 100 Food Co. Ltd.	People's Republic of China	#RMB1,000,000	100	100	Wholesaling, import and export of gummy products and other product

b) Indirect subsidiary company

(Wholly-owned subsidiary company of B Plus Q Sdn Bhd)

Name of company	Country of incorporation	Issued and fully paid-up share capital	Effective equity interest		Principal Activities
			2011 %	2010 %	
M.I.T.E. Food Enterprise Sdn Bhd	Malaysia	*RM225,000	100	100	Trading and distribution of foodstuffs

* Issued and fully paid up share capital comprising ordinary shares of RM1 each

Issued and fully paid up share capital comprising ordinary shares of RMB1 each

Ω Not audited by Messrs Wong Weng Foo & Co.

Notes to the Financial Statements (cont'd)

5. OTHER INVESTMENT

Group	2011 RM	2010 RM
Unquoted shares, at cost	1,000	1,000

6. INVENTORIES

Group	2011 RM	2010 RM
At cost:		
Work in progress	1,080,118	955,197
Packing materials	8,114,505	7,060,063
Raw materials	7,412,215	5,937,166
Finished goods	8,728,848	5,487,600
	25,335,686	19,440,026

7. TRADE RECEIVABLES

Group	2011 RM	2010 RM
Trade receivables	43,115,239	27,948,029
Less: Allowance for doubtful debts	(2,211,458)	(1,982,971)
	40,903,781	25,965,058

8. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Other receivables	55,059	102,868	—	—
Deposits	6,749,762	5,108,543	1,000	1,000
Prepayments	359,712	372,125	6,188	14,437
Tax recoverable	1,615,945	2,063,149	—	269,826
	8,780,478	7,646,685	7,188	285,263

9. AMOUNT DUE FROM SUBSIDIARY COMPANIES

Company	2011 RM	2010 RM
Amount due from subsidiary companies	70,805,677	36,640,951
Less: Allowance for doubtful debts	(2,861,869)	(2,861,869)
	67,943,808	33,779,082

The amount due from subsidiary companies are interest free, unsecured and have no fixed terms of repayment.

Notes to the Financial Statements (cont'd)

10. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Fixed deposits with licensed banks	31,052,943	59,250,953	31,000,770	58,893,992
φ Short term deposits with licensed banks	8,357,967	3,656,071	–	–
Cash and bank balances	3,575,127	8,240,650	2	2
	42,986,037	71,147,674	31,000,772	58,893,994

The interest rates and maturity periods of fixed deposits as at 31st December, 2011 are as follows:-

Group	2011 RM	2010 RM
Interest rates per annum	3.1% to 3.4%	2.75% to 3.1%
Maturity periods	3 to 12 months	1 to 15 months

φ Short term deposits of the Group are placed at interest rates of between 1.84% to 3.0% (2010 - 2.0% to 3.0%) per annum and maturity periods of between 1 day to 7 days (2010 - 1 days to 31 days).

Fixed deposits of certain subsidiary companies amounting to RM69,352 for the year ended 31st December, 2010 are held in the name of certain directors of the subsidiary companies, in trust on behalf of the subsidiary companies.

11. SHARE CAPITAL

Group and Company	2011		2010	
	Number of ordinary shares of RM0.50 each	RM	Number of ordinary shares of RM0.50 each	RM
Authorised	200,000,000	100,000,000	200,000,000	100,000,000
Issued and fully paid:				
At 1st January	171,600,000	85,800,000	120,000,000	60,000,000
Private placements	–	–	51,600,000	25,800,000
	171,600,000	85,800,000	171,600,000	85,800,000

12. RESERVES

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Non-distributable:				
Share premium	44,354,539	44,354,539	44,354,539	44,354,539
Distributable:				
Retained profit	58,483,814	46,027,089	8,808,063	2,305,185
	102,838,353	90,381,628	53,162,602	46,659,724

Notes to the Financial Statements (cont'd)

13. DEFERRED INCOME TAX LIABILITIES

Group	2011 RM	2010 RM
Balance at 1st January	77,000	3,313,000
Transferred to statement of comprehensive income (Note 17)	(4,000)	(3,236,000)
	<hr/>	<hr/>
Balance at 31st December	73,000	77,000
	<hr/>	<hr/>
The deferred income tax liabilities are principally in respect of the following temporary differences:-		
Temporary differences between tax bases of assets and liabilities and their carrying values in the financial statements	22,823,000	19,329,000
Unabsorbed capital allowance	(66,000)	(2,229,000)
Unabsorbed reinvestment allowance	(22,684,000)	(17,023,000)
	<hr/>	<hr/>
	73,000	77,000
	<hr/>	<hr/>

14. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Other payables	3,383,962	6,049,467	34,351	768,068
Accruals	3,976,968	2,451,737	249,500	203,881
	<hr/>	<hr/>	<hr/>	<hr/>
	7,360,930	8,501,204	283,851	971,949
	<hr/>	<hr/>	<hr/>	<hr/>

15. HIRE-PURCHASE PAYABLES

Group	2011 RM	2010 RM
Minimum payments		
Not later than one year	–	60,878
Later than one year but not later than five years	–	–
	<hr/>	<hr/>
	–	60,878
Less: Future hire-purchase charges	–	(2,945)
	<hr/>	<hr/>
	–	57,933
	<hr/>	<hr/>
Total payable	–	57,933
Less: Payable within one year	–	(57,933)
	<hr/>	<hr/>
Payable after one year	–	–
	<hr/>	<hr/>
Terms	–	3 years
	<hr/>	<hr/>
Borrowing rate per annum	–	3.57%
	<hr/>	<hr/>

The interest rates are fixed at the inception of the hire-purchase arrangements.

Notes to the Financial Statements (cont'd)

16. PROFIT BEFORE INCOME TAX

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
a) Profit before income tax is arrived at after charging/(crediting):-				
Auditors' remuneration	95,300	79,200	16,000	15,000
Depreciation (Note 3)				
- current	7,738,945	7,066,156	-	-
- reversal	(18,741)	-	-	-
Realised loss on foreign exchange	344,197	1,006,132	-	-
Unrealised (gain)/ loss on foreign exchange	(315,362)	79,027	-	-
Rental of premises	331,460	357,409	-	-
Bad debts written off	3,476	13,273	-	-
Bad debts recovered	-	(325)	-	-
Allowance for doubtful debts	109,836	347,764	-	2,861,869
Allowance for doubtful debts no longer required	(44,203)	(427,084)	-	-
Impairment of investment in a subsidiary company	-	-	-	2
Property, plant and equipments written off	18,948	57,237	-	-
Preliminary expenses written off	-	2,400	-	-
(Gain)/ Loss on disposal of property, plant and equipment	(179,117)	(141,239)	-	-
Income from rental of premises	(4,200)	(3,550)	-	-
Loss on disposal of investment	-	1,614,755	-	-
Interest income				
- fixed and short term deposit	(1,532,463)	(379,572)	(1,381,650)	(264,453)
- others	(3,253)	(97)	-	-
	(1,535,716)	(379,669)	(1,381,650)	(264,453)
Dividend income from subsidiary companies				
- non tax exempt	(435)	-	(750,000)	(3,025,000)
- tax exempt	-	-	(12,000,000)	(3,000,000)
Labour costs:				
(Included in cost of sales)				
Salaries, wages, bonus & allowances	14,510,142	12,408,918	-	-
EPF and Socso	898,305	838,947	-	-
Others	1,012,257	580,716	-	-
	16,420,704	13,828,581	-	-

Notes to the Financial Statements (cont'd)

16. PROFIT BEFORE INCOME TAX (cont'd)

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Staff costs:				
Directors' remuneration				
- fees	228,000	190,000	228,000	184,000
- other than fees	2,806,652	2,471,200	35,000	29,000
Salaries, wages, bonus & allowances	3,627,729	3,244,013	-	-
EPF and Socso	942,266	835,935	-	-
Others	231,592	206,823	-	-
	7,836,239	6,947,971	263,000	213,000
Finance cost:				
Interest expense				
- LC charges	1,445	1,370	-	-
- hire-purchase	2,945	6,158	-	-
- term loan interest	-	1,209	-	-
	4,390	8,737	-	-

b) Directors' remuneration

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Directors' remuneration is analysed as follows:				
Directors of the Company				
Executive directors				
- fees	96,000	96,000	96,000	96,000
- salaries and other emoluments	1,765,952	1,454,000	11,500	12,500
Non-executive directors				
- fees	132,000	88,000	132,000	88,000
- other emoluments	23,500	16,500	23,500	16,500
Other directors (on board of subsidiary companies)				
Executive directors				
- fees	-	6,000	-	-
- salaries and other emoluments	1,017,200	1,000,700	-	-
Group		2011		2010
The number of directors whose remuneration fell within the following ranges (per annum):-	Executive	Non-Executive	Executive	Non-Executive
Directors of the Company				
RM1 – RM100,000	-	5	1	5
RM100,001 – RM200,000	-	-	-	-
RM200,001 – RM300,000	-	-	-	-
RM300,001 – RM400,000	-	-	-	-
RM400,001 – RM500,000	4	-	3	-

Notes to the Financial Statements (cont'd)

16. PROFIT BEFORE INCOME TAX (cont'd)

Group The number of directors whose remuneration fell within the following ranges (per annum):-	2011		2010	
	Executive	Non- Executive	Executive	Non- Executive
Other directors (on board of subsidiary companies)				
RM1 – RM100,000	1	–	1	–
RM100,001 – RM200,000	1	–	2	–
RM200,001 – RM300,000	–	–	1	–
RM300,001 – RM400,000	1	–	–	–
RM400,001 – RM500,000	1	–	1	–

17. INCOME TAX

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Current income tax:				
Estimate for the year	2,455,303	1,285,000	447,000	756,250
(Over)/ Underprovision in prior years	16,103	434,938	(7,584)	28,011
	2,471,406	1,719,938	439,416	784,261
Deferred income tax liabilities:				
Transferred from deferred income tax liabilities (Note 13)	(4,000)	(3,236,000)	–	–
	2,467,406	(1,516,062)	439,416	784,261
Reconciliation of effective tax rate:-				
Profit before income tax	21,659,426	8,303,415	13,677,589	2,955,833
Income tax using statutory tax rate of 25%	5,414,856	2,075,854	3,419,397	738,958
Non-deductible expenses for tax purposes	1,942,061	2,413,436	27,269	767,308
Capital allowances utilised	(2,903,675)	(2,396,918)	–	–
Balancing charges	55,217	22,405	–	–
Reinvestment allowance utilised	(1,436,679)	(61,028)	–	–
Tax exempt income	(30,338)	(26,529)	(3,000,000)	(750,000)
Expenses eligible for double deduction	(536,180)	(801,399)	–	–
Unabsorbed tax losses utilised	(44,006)	–	–	–
Current year tax losses not utilised	–	58,071	–	–
Increase in unused tax losses	–	58,071	–	–
Deferred tax assets not recognised	–	(58,071)	–	–
Other items	(5,953)	1,108	334	(16)
Transferred from deferred income tax liabilities	(4,000)	(3,236,000)	–	–
	2,451,303	(1,951,000)	447,000	756,250
Under/ (Over)provision in prior years	16,103	434,938	(7,584)	28,011
	2,467,406	(1,516,062)	439,416	784,261

Notes to the Financial Statements (cont'd)

18. EARNINGS PER SHARE

The basic and diluted earnings per share is calculated by dividing the Group's profit attributable to ordinary equity holders for the year of RM19,192,020 by the issued and paid-up shares capital of 171,600,000 (2010 - RM9,819,477 by the weighted average number of ordinary shares in issue during the financial year of 132,890,959) shares.

19. SEGMENTAL REPORTING

Group – By Geographical	Revenue RM	Profit/ (Loss) before income tax RM	Assets employed RM
2011			
Malaysia	268,204,935	34,223,361	218,256,755
China	2,201,192	311,234	793,469
	270,406,127	34,534,595	219,050,224
Eliminations	(96,412,271)	(12,875,169)	–
	173,993,856	21,659,426	219,050,224
2010			
Malaysia	225,121,798	9,607,507	201,259,094
China	1,383,795	12,229	1,106,622
	226,505,593	9,619,736	202,365,716
Eliminations	(84,246,736)	(1,316,321)	–
	142,258,857	8,303,415	202,365,716

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

20. FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

The operations of the Group are subject to a variety of financial risks, including credit risk, foreign currency exchange risk, interest rate risk, liquidity and cash flow risk and market risk. The Group has formulated guidelines and policies as well as internal controls which seek to minimize the Group's exposure to risks associated with the financing, investing and operating activities of the Group.

(a) Credit risk

The Group has a credit policy in place to evaluate customers requiring credit over a certain amount or period. Credit risk is further minimize and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures.

Notes to the Financial Statements (cont'd)

20. FINANCIAL INSTRUMENTS (cont'd)

(b) Foreign currency exchange risk

The Group is exposed to currency risk as a result of the Group's transactions with foreign vendors of plant and equipment and foreign trade receivables and payables. The Group monitors the movements in foreign currency exchange rates closely to ensure their exposure is minimized.

(c) Interest rate risk

The Group's exposure to interest rate risk arises from interest-bearing borrowings and the placement of excess funds in interest earning deposits of which the Management reviews and monitors the interest rates at regular intervals.

(d) Liquidity risk and cash flow risk

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash and cash equivalents to meet its working capital requirements and prudently balances its portfolio of short term and long term funding requirements.

(e) Market risk

The Group is principally involved in the manufacturing and trading of processed and preserved foods and fruits of all kinds and is therefore subject to certain risks inherent in the food-processing industry. These risks include, inter-alia the possible increase in the operating and capital costs due to increase in the cost of labour and raw materials, changes in consumer demands and changes in general economic conditions. The Group seeks to limit these risks through, inter-alia, expansion of both existing and new markets, developing and maintaining a diversified market network and continues upgrading of machinery to improve efficiency.

Fair values

In the opinion of the directors, the carrying values of financial assets and financial liabilities of the Group as at 31st December, 2011 are not materially different from their fair values.

21. CONTINGENT LIABILITIES

Group	2011 RM	2010 RM
Bank guarantees issued to third party	<u>1,044,800</u>	<u>784,640</u>

22. CAPITAL COMMITMENTS

Group	2011 RM	2010 RM
Capital expenditure authorised and contracted for but not provided in the financial statements in respect of:		
- purchase of property, plant and equipment	<u>20,508,880</u>	<u>2,058,711</u>

Notes to the Financial Statements (cont'd)

23. RELATED PARTY TRANSACTIONS

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
With subsidiary companies				
- Dividend income				
- non tax exempt	-	-	(750,000)	(3,025,000)
- tax exempt	-	-	(12,000,000)	(3,000,000)
- Impairment of investment in a subsidiary	-	-	-	2
- Allowance for doubtful debts	-	-	-	2,861,869
With Fraser and Neave Limited group of companies, companies related to a corporate shareholder				
- Sales to	(16,978,951)	(353,291)	-	-
- Purchase from	5,523,214	943,274	-	-
With persons connected to directors of the Company				
- salaries paid	111,493	63,463	-	-

The related party transaction described above were carried out on negotiated terms and conditions and mutually agreed with respective related parties.

24. PRESENTATION CURRENCY

All amounts are stated in Ringgit Malaysia.

25. SUPPLEMENTARY INFORMATION – BREAKDOWN OF RETAINED PROFIT INTO REALISED AND UNREALISED

The breakdown of the retained profit of the Group and of the Company as at 31st December 2011 into realised and unrealised loss is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25th March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group 2011 RM	Company 2011 RM
Total retained profit of the Company and its subsidiaries		
- Realised	87,251,984	8,808,063
- Unrealised	(294,638)	-
Less: Consolidation adjustments	(28,473,532)	-
Retained profit as per financial statements	58,483,814	8,808,063

Directors' Statement

We, the undersigned, being two directors of the Company, do hereby state that in the opinion of the directors, the financial statements set out on pages 34 to 66 are drawn up in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31st December, 2011 and of their results and cash flow for the year ended on that date.

Signed on behalf of the Board of directors in accordance with a resolution dated 19th April, 2012.

LIEW FOOK MENG

Director

TAI CHUN WAH

Director

Kuala Lumpur

Statutory Declaration

I, **TAI CHUN WAH** being the director responsible for the financial management of **COCOALAND HOLDINGS BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 34 to 66 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared)
 by the abovenamed at Kuala Lumpur)
 This 19th April, 2012)

Before me:-

KAPT (B) AFFANDI BIN AHMAD

Commissioner for Oaths

No. W602

Kuala Lumpur

List of Properties

as at 31st December 2011

Owner / Location	Description of Asset/ Existing Use	Area	Tenure	Approx Age of Building (Years)	Net Book Value / Carrying Value RM'000	Date of Valuation/ Acquisition
L.B. Food Sdn. Bhd. No. 41, Jalan E1/4 Kawasan Perusahaan Taman Ehsan 52100 Kepong Selangor Darul Ehsan	A double-storey warehouse with a 3-storey office annexe	26,000 sq. ft.	Leasehold 99 years Expiring on 09.07.2078	30	2,226	1.12.2003 / Year 1991
L.B. Food Sdn. Bhd. Lot 883, Off Jalan Degong Mambang Diawan 31950 Kampar Perak Darul Ridzuan	A detached industrial factory complex comprising a main factory building with an annexe, 2 other factory buildings and a host of other support buildings/ structures	130,652 sq. ft.	Leasehold 60 years Expiring on 15.04.2046	20 to 24	2,400	1.12.2003/ Year 1988
Cocoaland Industry Sdn. Bhd. Lot 100, Rawang Integrated Industrial Park 48000 Rawang Selangor Darul Ehsan	A block of single storey factory with a 2-storey factory with annexe, 3 blocks of single storey factory/ warehouses and a 2-storey canteen cum staff quarters	190,634 sq. ft.	Freehold	15 to 18	9,112	1.12.2003/ Year 1993
Cocoaland Industry Sdn. Bhd. Lot 5, Rawang Integrated Industrial Park 48000 Rawang Selangor Darul Ehsan	A single storey factory/ warehouse with a 2-storey office annexe	89,371 sq. ft.	Freehold	9	5,506	1.12.2003/ Year 2001
Cocoaland Industry Sdn. Bhd. Geran 57711, No. Lot 1282, Seksyen 20, Bandar Rawang Daerah Gombak Selangor Darul Ehsan	A single warehouse.	130,865 sq. ft.	Freehold	2	6,419	Year 2009

List of Properties (cont'd)

Owner / Location	Description of Asset/ Existing Use	Area	Tenure	Approx Age of Building (Years)	Net Book Value / Carrying Value RM'000	Date of Valuation/ Acquisition
Cocoaland Industry Sdn. Bhd. H.S. (D) 58472, PT5266, Bandar Rawang Daerah Gombak Selangor Darul Ehsan	A double-storey factory	197,811 sq. ft.	Leasehold 99 years Expiring on 28.08.2105	1	17,307	8.12.2005
M.I.T.E. Food Enterprise Sdn. Bhd. No. 309, Golden Dragon Garden 31900 Kampar Perak Darul Ridzuan	A single storey semi- detached house/ Staffs' hostel.	4,230 sq. ft.	Freehold	30	120	1.12.2003/ Year 1982
B Plus Q Sdn. Bhd. No. 324, Taman Diawan Mambang Diawan, 31950 Kampar Perak Darul Ridzuan	A single storey terrace house/ Staffs' hostel.	1,400 sq. ft.	Leasehold 99 years Expiring on 29.12.2081	9	49	18.08.2003
B Plus Q Sdn. Bhd. No. 325, Taman Diawan Mambang Diawan 31950 Kampar Perak Darul Ridzuan	A single storey terrace house/ Staffs' hostel.	1,400 sq. ft.	Leasehold 99 years Expiring on 29.12.2081	9	49	18.08.2003
B Plus Q Sdn. Bhd H.S. (D) B.P 5217 P.T. 1242 Mukim Chenderiang District of Batang Padang Perak Darul Ridzuan	A single storey warehouse.	5,600 sq. ft.	Leasehold 10 years Expiring on 31.12.2016	4	204	1.1.2008
CCL Food & Beverage Sdn. Bhd. Geran 212309 for Lot 21225 Mukim Rawang, District of Gombak, State of Selangor	Vacant	10,257 sq. metres	Freehold	–	7,863	14.03.2011
CCL Food & Beverage Sdn. Bhd. Geran 205539 for Lot 19004 Seksyen 20, Mukim Rawang District of Gombak State of Selangor	Vacant	306 sq. metres	Freehold	–	235	14.03.2011

Analysis of Shareholdings

as at 30th April 2012

SHARE CAPITAL

Authorised Share Capital	:	RM100,000,000.00
Issued and fully paid-up	:	RM85,800,000.00
Class of Shares	:	Ordinary Shares of RM0.50 each
Voting Rights	:	One vote per Ordinary Share held

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	No. of Shares	%
Less than 100	328	12,789	0.01
100 – 1,000	224	152,184	0.09
1,001 – 10,000	680	3,167,896	1.85
10,001 – 100,000	217	6,313,234	3.68
100,001 to less than 5% of issued shares	66	57,068,926	33.25
5% and above of issued shares	2	104,884,971	61.12
Total	1,517	171,600,000	100.00

LIST OF THIRTY LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares	% of Shares
1. Leverage Success Sdn. Bhd.	65,284,971	38.04
2. Fraser & Neave Holdings Bhd.	39,600,000	23.08
3. Fraser & Neave Holdings Bhd.	7,058,600	4.11
4. Amanahraya Trustees Berhad <i>[Public Islamic Optimal Growth Fund]</i>	5,691,700	3.32
5. Lai Ming Chun @ Lai Poh Lin	4,504,000	2.62
6. Liew Fook Meng	4,420,800	2.58
7. Poon Lee Wah	2,443,033	1.42
8. Amanahraya Trustees Berhad <i>[Public Islamic Mixed Asset Fund]</i>	2,423,800	1.41
9. RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>[Pledged Securities Account for Ting Siew Pin (CEB)]</i>	2,108,300	1.23
10. Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>[Pledged Securities Account for Dato' Sri Koh Kin Lip (8058900)]</i>	2,000,000	1.17
11. Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>[Pledged Securities Account for Ting Siew Pin (8059095)]</i>	1,942,300	1.13
12. Chew Pui Ming	1,577,400	0.92
13. Citigroup Nominees (Tempatan) Sdn. Bhd. <i>[Pledged Securities Account for Cheong Siew Chyuan (470322)]</i>	1,500,000	0.87
14. Amanahraya Trustees Berhad <i>[PB Islamic Equity Fund]</i>	1,055,900	0.62
15. Ho Sek Kee Sdn. Bhd.	1,010,000	0.59
16. Tan Booi Charn	1,010,000	0.59

Analysis of Shareholdings (cont'd)

LIST OF THIRTY LARGEST SHAREHOLDERS (cont'd)

Name of Shareholders	No. of Shares	% of Shares
17. Citigroup Nominees (Tempatan) Sdn. Bhd. <i>[Pledged Securities Account for Tan Booi Charn (471694)]</i>	1,000,000	0.58
18. Chew Mun Kah	948,600	0.55
19. Lau Kee Von	932,800	0.54
20. Ting Siew Pin	928,100	0.54
21. Cimsec Nominees (Tempatan) Sdn. Bhd. <i>[CIMB Bank for Mak Tian Meng (MY0343)]</i>	857,100	0.50
22. Lau Yoke Kiew	766,761	0.45
23. Wong Yoke Chou	647,000	0.38
24. Kenanga Nominees (Tempatan) Sdn. Bhd. <i>[Pledged Securities Account for Mak Tian Meng]</i>	623,000	0.36
25. Lau Pa Sin	620,711	0.36
26. Lau Pak Lam	581,333	0.34
27. Kenanga Nominees (Tempatan) Sdn. Bhd. <i>[Pledged Securities Account for Ting Siew Pin (ET)]</i>	520,000	0.30
28. Lee Yoke Choo	506,400	0.30
29. Cimsec Nominees (Tempatan) Sdn. Bhd. <i>[CIMB Bank for Koh Kin Lip (MY0502)]</i>	500,000	0.29
30. Cimsec Nominees (Tempatan) Sdn. Bhd. <i>[CIMB Bank for Rickoh Corporation Sdn. Bhd. (MY0507)]</i>	500,000	0.29

LIST OF SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Leverage Success Sdn. Bhd.	65,284,971	38.04	0	0.00
Fraser & Neave Holdings Bhd.	46,658,600	27.19	0	0.00
Liew Fook Meng	4,979,533	2.90	65,284,971 ^(a)	38.04
Lau Kee Von	1,029,800	0.60	65,284,971 ^(a)	38.04
Liew Yoon Kee	73,333	0.04	65,284,971 ^(a)	38.04
Lau Pak Lam	934,266	0.54	65,284,971 ^(a)	38.04
Lew Foo Chay @ Lau Foo Chay	0	0	65,284,971 ^(a)	38.04
Lau Kwai Choon	20,000	0.01	65,284,971 ^(a)	38.04
Fraser and Neave Limited	0	0	46,658,600 ^(b)	27.19
Oversea-Chinese Banking Corporation Limited	0	0	46,658,600 ^(c)	27.19

(a) Deemed interested by virtue of his shareholding in Leverage Success Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965 ("the Act").

(b) Deemed interested by virtue of its shareholding in Fraser & Neave Holdings Bhd. pursuant to Section 6A of the Act.

(c) Deemed interested pursuant to Section 6A(4)(c) of the Act.

Analysis of Shareholdings (cont'd)**DIRECTORS' SHAREHOLDINGS**

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Dato' Azman Bin Mahmood	393,333	0.23	0	0.00
Dato' Sri Koh Kin Lip	2,500,000	1.46	500,000 ^(a)	0.29
Liew Fook Meng	4,979,533	2.90	65,284,971 ^(b)	38.04
Lau Kee Von	1,029,800	0.60	65,284,971 ^(b)	38.04
Liew Yoon Kee	73,333	0.04	65,284,971 ^(b)	38.04
Lau Pak Lam	934,266	0.54	65,284,971 ^(b)	38.04
Chow Kee Kan @Chow Tuck Kwan	0	0	0	0
Tan Eng Guan	0	0	0	0
Soh Swee Hock @ Soh Say Hock	0	0	0	0
Tai Chun Wah	17,600	0.01	0	0

(a) Deemed interested by virtue of his shareholding in Rickoh Corporation Sdn. Bhd. pursuant to Section 6A of the Act.

(b) Deemed interested by virtue of his shareholding in Leverage Success Sdn. Bhd pursuant to Section 6A of the Act.

Proxy Form

I/We _____

of _____

being a member / members of **Cocoaland Holdings Berhad** hereby appoint the Chairman of the Meeting*

or _____ (NRIC NO :) _____

of _____

or failing him/her, _____ (NRIC NO :) _____

of _____

**Delete the words "the Chairman of the Meeting" if you wish to appoint another person to be your proxy.*

as my/our proxy to vote for me/us on my/our behalf at the Twelfth (12th) Annual General Meeting of the Company to be held at Crystal 1, Level 1, Crystal Crown Hotel Kuala Lumpur, 3, Jalan Jambu Mawar, Off Jalan Kepong, 52000 Kuala Lumpur on Tuesday, 19 June 2012 at 10.00 a.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below:

RESOLUTIONS	FOR	AGAINST
1. Re-election of Dato' Azman bin Mahmood as Director		
2. Re-election of Dato' Sri Koh Kin Lip as Director		
3. Re-election of Liew Fook Meng as Director		
4. Election of Tai Chun Wah as Director		
5. Payment of Directors' fee		
6. Re-appointment of Messrs. Wong Weng Foo & Co. as Auditors		
7. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
8. Proposed Amendments to the Articles of Association of the Company		

(Please indicate with an 'X' in the spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion).

Dated this _____ day of _____ 2012

Signature: _____

Number of Shares held

NOTES:-

- (i) A member of the Company 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 proxies, the appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy. The provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
- (ii) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (iii) 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.
- (iv) The instrument appointing a proxy shall be deposited 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 for holding the meeting or at any adjournment thereof.

Please Fold Along This Line

STAMP

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

Please Fold Along This Line

www.cococaland.com