

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

(Incorporated in Malaysia)

Financial Year End : 31 December 2013
 Quarter : Fourth Quarter

Quarterly report on results for the 4th quarter ended 31 December 2013. These figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2013 RM'000	Preceding Year Quarter 31.12.2012 RM'000	Current Year To Date 31.12.2013 RM'000	Preceding Year To Date 31.12.2012 RM'000
Revenue	66,949	58,210	254,449	223,208
Cost Of Sales	(49,754)	(45,586)	(199,271)	(169,463)
Gross Profit	17,195	12,624	55,178	53,745
Other Income	535	906	3,746	2,027
Distribution Costs	(4,105)	(3,872)	(13,944)	(13,150)
Administrative Expenses	(3,503)	(3,672)	(15,701)	(14,629)
Finance Costs	(2)	(2)	(2)	(2)
Profit Before Taxation	10,120	5,984	29,277	27,991
Income Tax Expenses	(2,157)	(1,569)	(7,227)	(6,772)
Profit After Taxation	7,963	4,415	22,050	21,219
Other Comprehensive Income				
- Exchange Translation	79	-	79	-
Total Comprehensive Income	8,042	4,415	22,129	21,219
Profit attributable to:				
- Equity Holders Of The Parent	7,963	4,415	22,050	21,219
- Non-controlling Interest	-	-	-	-
	<u>7,963</u>	<u>4,415</u>	<u>22,050</u>	<u>21,219</u>
Total comprehensive income attributable to:				
- Equity Holders Of The Parent	8,042	4,415	22,129	21,219
- Non-controlling Interest	-	-	-	-
	<u>8,042</u>	<u>4,415</u>	<u>22,129</u>	<u>21,219</u>
Earnings Per Share Attributable To Equity Holders Of The Parent				
: Basic Earnings Per Share (Sen)	4.64	2.57	12.85	12.37

Notes :

The Condensed Financial Statements should be read in conjunction with the accompanying explanatory notes attached to the financial statements.

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

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS OF 31 DECEMBER 2013****(These figures have not been audited)**

	As At End Of Current Quarter (Unaudited) 31.12.2013 RM'000	As At Preceding Financial Year (Audited) 31.12.2012 RM'000
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	146,932	118,680
Investment	1	1
	<u>146,933</u>	<u>118,681</u>
Current Assets		
Inventories	39,970	32,418
Trade Receivables	39,742	43,026
Tax Recoverable	445	417
Other Debtors, Deposit & Prepayment	1,103	16,676
Fixed Deposit With Licensed Bank	5,862	14,385
Cash & Bank Balances	18,020	11,718
	<u>105,142</u>	<u>118,640</u>
TOTAL ASSETS	<u><u>252,075</u></u>	<u><u>237,321</u></u>
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Parent		
Share Capital	85,800	85,800
Share Premium	44,355	44,355
Revenue Reserves	77,299	65,974
Exchange Translation Reserves	110	31
Total Equity	<u>207,564</u>	<u>196,160</u>
Non-Current Liabilities		
Deferred Income Tax Liabilities	5,082	3,053
	<u>5,082</u>	<u>3,053</u>
Current Liabilities		
Trade Payables	27,104	26,272
Other Creditors & Accruals	10,392	10,740
Current Income Tax Liabilities	1,933	1,096
	<u>39,429</u>	<u>38,108</u>
TOTAL LIABILITIES	<u>44,511</u>	<u>41,161</u>
TOTAL EQUITY AND LIABILITIES	<u><u>252,075</u></u>	<u><u>237,321</u></u>
Net Assets (NA) Per Share (RM)	1.21	1.14

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

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<---Non Distributable--->			<--Distributable-->	
	Share Capital	Share Premium	Exchange Translation Reserve	Retained Profit	Total
12 months ended 31 December 2012	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2012	85,800	44,355	31	58,483	188,669
Total comprehensive income	-	-	-	21,219	21,219
Interim single-tier dividend of 6% paid on 16 April 2012	-	-	-	(5,148)	(5,148)
Interim single-tier dividend of 5% paid on 16 October 2012	-	-	-	(4,290)	(4,290)
Interim single-tier dividend of 5% paid on 31 December 2012	-	-	-	(4,290)	(4,290)
As at 31 December 2012	85,800	44,355	31	65,974	196,160
12 months ended 31 December 2013	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2013	85,800	44,355	31	65,974	196,160
Other comprehensive income					
- Exchange translation			79	-	79
Profit after taxation	-	-		22,050	22,050
Total comprehensive income	-	-	79	22,050	22,129
Interim single-tier dividend of 2.5% paid on 5 April 2013	-	-	-	(2,145)	(2,145)
Interim single-tier dividend of 5% paid on 3 October 2013	-	-	-	(4,290)	(4,290)
Interim single-tier dividend of 5% paid on 31 December 2013	-	-	-	(4,290)	(4,290)
As at 31 December 2013	85,800	44,355	110	77,299	207,564

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

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE 12 MONTHS ENDED 31 DECEMBER 2013**

(These figures have not been audited)

	Cumulative Current Year To Date 31.12.2013 RM'000	Cumulative Preceding Year To Date 31.12.2012 RM'000
Cash Flow From Operating Activities		
Profit Before Taxation	29,277	27,991
Adjustments for:-		
Allowance for doubtful debts no longer required	(10)	(7)
Allowance for doubtful debts	568	987
Bad debt written off	16	12
Bad debt recovered	(609)	-
Depreciation of property, plant and equipment	11,805	9,568
Unrealised loss/(gain) on foreign exchange	(909)	(217)
Gain on disposal of property, plant & equipment	(40)	(16)
Property, plant and equipment written off	282	16
Interest expense	2	2
Interest income	(431)	(906)
Operating profit before working capital changes	<u>39,951</u>	<u>37,430</u>
Increase in inventories	(7,552)	(7,082)
Decrease/(increase) in receivables	19,841	(12,410)
Increase in payables	484	6,883
Cash generated from operations	<u>52,724</u>	<u>24,821</u>
Interest received	431	906
Interest paid	(2)	(2)
Tax refunded	560	1,669
Tax paid	(4,976)	(3,344)
Dividends paid	(10,725)	(13,728)
Net Cash Provided By Operating Activities	<u>38,012</u>	<u>10,322</u>
Purchase of property, plant and equipment	(40,329)	(27,447)
Proceeds from disposal of property, plant and equipment	40	242
Net Cash Used In Investing Activities	<u>(40,289)</u>	<u>(27,205)</u>
Net Change in Cash And Cash Equivalents	(2,277)	(16,883)
Effects of Exchange Rate changes	56	-
Cash And Cash Equivalents At Beginning Of The Period	<u>26,103</u>	<u>42,986</u>
Cash And Cash Equivalents At End Of The Period *	<u>23,882</u>	<u>26,103</u>
* Cash & cash equivalents consists of:		
Fixed deposit with licensed banks	56	10,731
Short term deposits with licensed banks	5,806	3,654
Cash and bank balances	<u>18,020</u>	<u>11,718</u>
	<u>23,882</u>	<u>26,103</u>
	-	-

Part A: Explanatory Notes In Compliance With Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting in Malaysia

A1. Accounting Policies and Basis Of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting in Malaysia issued by the Malaysian Accounting Standards Board and with paragraph 9.22 and Appendix 9B of the of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The interim financial statements should be read in conjunction with the Group’s audited financial statements for year ended 31 December 2012.

The audited financial statement of the Group for the year ended 31 December 2012 were prepared in accordance with MFRS.

There are no new MFRSs or interpretations that are effective for the first time in this quarter that would be expected to have a material effect of the Group.

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statement for the year ended 31 December 2012.

A2. Qualification of Financial Statements

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

A3. Seasonal or Cyclical Factors

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

A4. Nature and Amount of Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

A5. Nature and Amount of Changes in Estimates

There were no changes in the estimates of amounts reported that have a material effect in the current quarter.

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

Quarterly Unaudited Results Of The Group For The 4th Quarter Ended 31 December 2013

A6. Dividend Paid

For the financial period ended 31 December 2013

- (i) The third interim single tier dividend of 2.5% or 1.25 sen per ordinary share, on 171,600,000 ordinary shares, amounting to RM2.145 million in respect of the financial year ended 31 December 2012, was paid on 5 April 2013;
- (ii) The first interim single tier dividend of 5% or 2.5 sen per ordinary share, on 171,600,000 ordinary shares, amounting to RM4.29 million in respect of the financial year ended 31 December 2013, was paid on 3 October 2013; and
- (iii) The second interim single tier dividend of 5% or 2.5 sen per ordinary share, on 171,600,000 ordinary shares, amounting to RM4.29 million in respect of the financial year ended 31 December 2013, was paid on 31 December 2013.

For the financial period ended 31 December 2012

- (i) The second interim single tier dividend of 6% or 3 sen per ordinary share, on 171,600,000 ordinary shares, amounting to RM5.148 million in respect of the financial year ended 31 December 2011, was paid on 16 April 2012;
- (ii) The first interim single tier dividend of 5% or 2.5 sen per ordinary share, on 171,600,000 ordinary shares, amounting to RM4.29 million in respect of the financial year ended 31 December 2012, was paid on 16 October 2012; and
- (iii) The second interim single tier dividend of 5% or 2.5 sen per ordinary share, on 171,600,000 ordinary shares, amounting to RM4.29 million in respect of the financial year ended 31 December 2012, was paid on 31 December 2012.

A7. Debt and Equity Securities

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

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 4th Quarter Ended 31 December 2013**A8. Segmental Reporting**

The Group's segmental report for the current financial period ended 31 December 2013 is as below:-

	<u>Individual 4th Quarter</u>		<u>Cumulative 4th Quarter</u>	
	<u>Current Year</u>	<u>Preceding Year</u>	<u>Current Year</u>	<u>Preceding Year</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Group – by business segment :-</u>				
<u>Net revenue</u>				
Manufacturing	54,674	49,259	215,776	189,761
Trading	41,041	35,381	145,627	131,468
Investment holding	-	-	10,000	10,000
Less: Inter-segment revenue	(28,766)	(26,430)	(116,954)	(108,021)
Total consolidated revenue	66,949	58,210	254,449	223,208
<u>Segment result</u>				
Manufacturing	4,043	3,147	10,714	16,301
Trading	6,116	3,086	19,372	11,808
Investment holding	(199)	(62)	9,435	10,156
Less: Elimination	160	(187)	(10,244)	(10,274)
Total consolidated profit before tax	10,120	5,984	29,277	27,991

	As At Current Year Quarter	As At Preceding Year Quarter
	RM'000	RM'000
<u>Group – by business segment :-</u>		
<u>Segment assets</u>		
Manufacturing	222,689	193,540
Trading	89,236	83,225
Investment holding	134,372	135,650
Less: Elimination	(194,223)	(175,094)
Consolidated total assets	252,074	237,321
<u>Segment liabilities</u>		
Manufacturing	156,879	127,075
Trading	41,352	49,968
Investment holding	464	417
Less: Elimination	(154,184)	(136,299)
Consolidated total liabilities	44,511	41,161

Segmental reporting by geographical location has not been prepared as the Group's operations are substantially carried out in Malaysia.

A9. Valuations of Property, Plant and Equipment

The property, plant and equipment except for freehold land are stated at cost/valuation less accumulated depreciation and impairment losses. There was no revaluation of property, plant and equipment for the current quarter and financial year to date.

The valuation of property, plant and equipment of the Group have been brought forward without amendment from the financial statements for the year ended 31 December 2012.

A10. Subsequent Material Events

There were no material events subsequent to the reporting period up to 24 February 2014 (latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) which have not been reflected in the financial statement for the quarter under review.

A11. Changes in the Composition of the Group

There were no material changes in the composition of the Group for the current financial quarter under review.

A12. Contingent Liabilities or Contingent Assets

There were no changes in other contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2012.

A13. Capital Commitments

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

	RM'000
Property, plant and equipment :- - Approved and contracted for	378

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 4th Quarter Ended 31 December 2013

A14. Significant Related Party Transactions

The Group has the following significant transactions with the related parties during the periods:-

	Current Year Quarter RM'000	Preceding Year Quarter RM'000
Prepare, package, pack and deliver Fraser and Neave Limited group of companies' products :-		
- Sales	3,471	3,353
- Purchase of ingredients*	1,235	1,619

** The purchase of ingredients are exclusively used for the preparing of the Fraser and Neave Limited group of companies products.*

The above transactions had been entered into in the ordinary course of business on normal commercial terms with Fraser and Neave Limited group of companies. These transactions are within the ambit of the mandate approved by the shareholders of the Company on 18 June 2013.

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

Quarterly Unaudited Results Of The Group For The 4th Quarter Ended 31 December 2013

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

B1. Review of Performance

For the whole financial year under review, the Group posted a 14% year-on-year revenue growth from RM223.2 million to RM254.4 million; this was mainly due to the increase in trading volume of beverage product.

The Group's profit before taxation of RM29.3 million for the current whole financial year under review registered a 5% increase over the previous corresponding period. This was mainly due to better sales in gummy and beverage product, neutralize by higher startup cost from its new production line, increase of factory labour cost and higher freight charges incurred.

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

Manufacturing segment

Higher revenue from the Manufacturing segment mainly due to stronger demand from its Contract Manufacturing business of Beverage production line. Lower profit before taxation was mainly due to higher commissioning cost from the new gummy and impact of the implementation of minimum wage.

Trading segment

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

B2. Comparison with Immediate Preceding Quarter's Results

	Current Year Quarter RM'000	Immediate Preceding Quarter RM'000	Difference %
Revenue	66,949	59,941	+11.7%
Profit before taxation	10,120	7,780	+30.0%

Group's revenue of RM66.9 million for the current quarter registered a 11.7% increase over the immediate preceding quarter mainly due to better sales in gummy production line.

The profit before taxation of the current quarter increased by RM2.3 million or 30% to RM10.1 million as a result of better profit margin for gummy products.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 4th Quarter Ended 31 December 2013**B3. Commentary On Prospects**

The Board of Directors expects the operating environment to be challenging for the financial year 2014, in view of the various Malaysian Budget rationalization efforts are expected to have an impact on consumer disposable income. Furthermore, higher electricity cost, reduction of subsidy in sugar leading to increase in cost of production.

Despite the difficulties on the economic condition, the Board is optimistic of achieving satisfactory result in the financial year ending 2014.

B4. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit estimate previously in any public document.

B5. Income Tax

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current</u>	<u>Preceding</u>	<u>Current</u>	<u>Preceding</u>
	<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>
	<u>Quarter</u>	<u>Quarter</u>	<u>To Date</u>	<u>To Date</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Income tax:				
• Current period estimate	1,616	968	5,223	3,803
• Prior year	-	(6)	(26)	(11)
Deferred taxation :				
• Transferred to deferred taxation	541	607	2,030	2,980
	<u>2,157</u>	<u>1,569</u>	<u>7,227</u>	<u>6,772</u>

B6. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 24 February 2014 which is not earlier than 7 days form the date of issue of this quarterly report.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 4th Quarter Ended 31 December 2013**B7. Group Borrowings**

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

	As At 31.12.2013 RM'000	As At 31.12.2012 RM'000
TOTAL BORROWING	-	-

B8. Material Litigation

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

B9. Dividend Payable

The Board has declared a third interim single-tier dividend of 3% or 1.5 sen per ordinary share (31 December 2012: 1.25 sen per ordinary share) on 171,600,000 ordinary shares, amounting to RM2,574,000 in respect of the financial year ending 31 December 2013, which will be paid on 15 April 2014. The entitlement date for the above-mentioned interim dividend is on 18 March 2014.

The total dividend of the current year is 13% or 6.5 sen per ordinary share.

B10. Earnings per share

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter	Preceding Year Quarter	Current Year To Date	Preceding Year To Date
Profit for the period (RM'000)	7,963	4,415	22,050	21,219
Weighted average number of ordinary shares of RM0.50 each ('000)	171,600	171,600	171,600	171,600
Basic earnings per share (sen)	4.64	2.57	12.85	12.37
Diluted earnings per share (sen)*	N.A.	N.A.	N.A	N.A

* *The Group has no potential ordinary shares in issue, therefore diluted earnings per share has not been presented.*

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 4th Quarter Ended 31 December 2013**B11. Supplementary Information on the breakdown of realised and unrealised profits or losses**

The following analysis of realized and unrealized retained profits is prepared pursuant to Paragraph 2.06 and 2.23 of Bursa Malaysia Securities Berhad Listing Requirements and in accordance with the Guidance on Special Matter No.1 – Determination of Realised and Unrealised Profits or Losses as issued by the Malaysian Institute of Accountants. This disclosure is based on the format prescribed by Bursa Malaysia Securities Berhad.

	As at 31.12.2013 RM'000	As at 31.12.2012 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	113,234	98,227
- Unrealised	(6,944)	(3,504)
Less: Consolidation adjustments	(28,991)	(28,749)
Retained profit as per financial statement	77,299	65,974

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

	Current Year Quarter RM'000	Preceding Year Quarter RM'000
Interest income	(64)	(170)
Interest expense	2	2
Depreciation of property, plant and equipment	3,188	2,794
Property, plant and equipment written off	-	12
Gain on disposal of property, plant and equipment	(25)	-
Allowance for doubtful debts	797	198
Bad debt recovered	(609)	-
Bad debt written off	-	12
Loss/(gain) on foreign exchange		
- realized	(1,252)	(639)
- unrealized	(1,117)	(374)

By Order Of The Board

Tai Chun Wah

Executive Director

Dated: 27 February 2014