

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

(Incorporated in Malaysia)

Financial Year End : 31 December 2015
Quarter : Fourth Quarter

Quarterly report on results for the 4th quarter ended 31 December 2015. These figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2015 RM'000	Preceding Year Quarter 31.12.2014 RM'000	Current Year To Date 31.12.2015 RM'000	Preceding Year To Date 31.12.2014 RM'000
Revenue	73,319	72,650	261,645	260,760
Cost Of Sales	(46,237)	(53,040)	(179,522)	(198,175)
Gross Profit	27,082	19,610	82,123	62,585
Other Income	(646)	1,523	4,475	2,519
Distribution Costs	(5,380)	(3,884)	(18,803)	(17,189)
Administrative Expenses	(6,560)	(4,185)	(23,035)	(17,269)
Finance Costs	-	(2)	-	(2)
Profit Before Taxation	14,496	13,062	44,760	30,644
Income Tax Expenses	(3,906)	(3,216)	(12,040)	(8,726)
Profit After Taxation	10,590	9,846	32,720	21,918
Other Comprehensive Income				
- Exchange Translation	257	(1)	392	4
Total Comprehensive Income	10,847	9,845	33,112	21,922
Profit Attributable To:				
- Equity Holders Of The Company	10,590	9,846	32,720	21,918
Total Comprehensive Income Attributable To:				
- Equity Holders Of The Company	10,847	9,845	33,112	21,922
Earnings Per Share Attributable To Equity Holders Of The Parent				
: Basic Earnings Per Share (Sen)	4.63	4.30	14.30	9.58

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 2015****(These figures have not been audited)**

	As At End Of Current Quarter (Unaudited) 31.12.2015 RM'000	As At Preceding Financial Year (Audited) 31.12.2014 RM'000
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	129,642	139,137
Investment	1	1
	<u>129,643</u>	<u>139,138</u>
Current Assets		
Inventories	35,868	38,163
Trade Receivables	42,177	51,360
Tax Recoverable	562	575
Other Receivables, Deposit & Prepayment	2,435	1,104
Fixed Deposit With Licensed Bank	209	205
Short Term Deposit	30,866	16,065
Cash & Bank Balances	9,346	15,024
	<u>121,463</u>	<u>122,496</u>
TOTAL ASSETS	<u><u>251,106</u></u>	<u><u>261,634</u></u>
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Parent		
Share Capital	114,400	85,800
Share Premium	15,755	44,355
Revenue Reserves	72,019	88,063
Exchange Translation Reserves	506	114
Total Equity	<u>202,680</u>	<u>218,332</u>
Non-Current Liabilities		
Deferred Tax Liabilities	<u>9,941</u>	<u>7,640</u>
	9,941	7,640
Current Liabilities		
Trade Payables	24,070	22,710
Other Creditors & Accruals	10,616	10,527
Current Income Tax Liabilities	3,799	2,425
	<u>38,485</u>	<u>35,662</u>
TOTAL LIABILITIES	<u>48,426</u>	<u>43,302</u>
TOTAL EQUITY AND LIABILITIES	<u><u>251,106</u></u>	<u><u>261,634</u></u>
Net Assets (NA) Per Share (RM)	0.89	1.27

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 2014	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2014	85,800	44,355	110	77,299	207,564
Foreign currency translation differences			4	-	4
Total comprehensive income	-	-	-	21,918	21,918
Interim single-tier dividend of 3% paid on 15 April 2014	-	-	-	(2,574)	(2,574)
Interim single-tier dividend of 5% paid on 1 October 2014	-	-	-	(4,290)	(4,290)
Interim single-tier dividend of 5% paid on 29 December 2014	-	-	-	(4,290)	(4,290)
As at 31 December 2014	85,800	44,355	114	88,063	218,332
12 months ended 31 December 2015	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2015	85,800	44,355	114	88,063	218,332
Foreign currency translation differences			392	-	392
Total comprehensive income	-	-	-	32,720	32,720
Transferred from Revaluation Reserve				(144)	(144)
Bonus Issue	28,600	(28,600)			-
Interim single-tier dividend of 5% paid on 3 April 2015	-	-	-	(4,290)	(4,290)
Interim single-tier dividend of 5% paid on 2 October 2015	-	-	-	(4,290)	(4,290)
Special dividend of 40% paid on 2 October 2015	-	-	-	(34,320)	(34,320)
Interim single-tier dividend of 5% paid on 30 December 2015	-	-	-	(5,720)	(5,720)
As at 31 December 2015	114,400	15,755	506	72,019	202,680

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE 12 MONTHS ENDED 31 DECEMBER 2015
(These figures have not been audited)**

	Cumulative Current Year To Date 31.12.2015 RM'000	Cumulative Preceding Year To Date 31.12.2014 RM'000
Cash Flow From Operating Activities		
Profit Before Income Taxation	44,760	30,644
Adjustments for:-		
Impairment of slow moving inventories	1,041	1,099
Impairment of receivables no longer required	(2,911)	-
Impairment of receivables	4,820	782
Bad debt written off	79	5
Bad debt recovered	(1)	-
Depreciation of property, plant and equipment	12,092	10,777
Unrealised gain / (loss) on foreign exchange	276	(403)
Gain / (loss) on disposal of property, plant & equipment	42	(11)
Property, plant and equipment written off	131	139
Dividend income	(1)	(1)
Interest expense	-	2
Interest income	(1,241)	(272)
Operating profit before working capital changes	59,087	42,761
Decrease in inventories	1,254	706
(Increase) / Decrease in receivables	5,588	(12,000)
Increase / (Decrease) in payables	1,448	(4,260)
Cash generated from operations	67,377	27,207
Interest received	1,241	272
Interest paid	-	(2)
Tax refunded	32	81
Tax paid	(8,505)	(5,890)
Dividends paid	(48,620)	(11,153)
Dividends received	1	1
Net Cash Generated From Operating Activities	11,526	10,516
Cash Flow From Investing Activities		
Pre-operating expenses	-	(76)
Purchase of property, plant and equipment	(2,934)	(3,140)
Proceeds from disposal of property, plant and equipment	34	30
Net Cash Used In Investing Activities	(2,900)	(3,186)
Net Cash Generated From / (Used In) Financing Activities	-	-
Net Change in Cash And Cash Equivalents	8,626	7,330
Effects of Exchange Rate changes	501	82
Cash And Cash Equivalents At Beginning Of The Period	31,294	23,882
Cash And Cash Equivalents At End Of The Period *	40,421	31,294

*** Cash & cash equivalents consists of:**

Fixed deposit with licensed banks	209	205
Short term deposits with licensed banks	30,866	16,065
Cash and bank balances	9,346	15,024
	40,421	31,294

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 2014.

The audited financial statements of the Group for the year ended 31 December 2014 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 2014.

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.

A6. Dividend Paid

For the financial period ended 31 December 2015

- (i) The third interim single tier dividend of 5.0% or 2.50 sen per ordinary share, on 171,600,000 ordinary shares, amounting to RM4.290 million in respect of the financial year ended 31 December 2014, was paid on 3 April 2015.
- (ii) The first interim single tier dividend of 5.0% or 2.50 sen per ordinary share, and a special interim dividend of 40% or 20 sen per ordinary share, amounting to RM4.290 million and RM34.320 million respectively on 171,600,000 ordinary shares, in respect of the financial year ended 31 December 2015, was paid on 2 October 2015.
- (iii) The second interim single tier dividend of 5.0% or 2.50 sen per ordinary share, on 228,800,000 ordinary shares, amounting to RM5.720 million in respect of the financial year ended 31 December 2015, was paid on 30 December 2015.

For the financial period ended 31 December 2014

- (i) The third interim single tier dividend of 3.0% or 1.50 sen per ordinary share, on 171,600,000 ordinary shares, amounting to RM2.574 million in respect of the financial year ended 31 December 2013, was paid on 15 April 2014.
- (ii) The first interim single tier dividend of 5.0% or 2.50 sen per ordinary share, on 171,600,000 ordinary shares, amounting to RM4.290 million in respect of the financial year ended 31 December 2014, was paid on 1 October 2014; and
- (iii) The second interim single tier dividend of 5.0% or 2.50 sen per ordinary share, on 171,600,000 ordinary shares, amounting to RM4.290 million in respect of the financial year ended 31 December 2014, was paid on 29 December 2014

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 2015**A8. Segmental Reporting**

The Group's segmental report for the current financial period ended 31 December 2015 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	52,750	58,256	201,337	214,631
Trading	53,713	47,918	177,155	164,079
Investment holding	-	6,000	50,000	17,000
Less: Inter-segment revenue	(33,144)	(39,524)	(166,847)	(134,950)
Total consolidated revenue	73,319	72,650	261,645	260,760

Segment result

Manufacturing	3,272	4,559	11,124	9,851
Trading	11,494	8,791	34,835	21,413
Investment holding	(310)	5,843	48,993	16,415
Less: Elimination	40	(6,131)	(50,192)	(17,035)
Total consolidated profit before tax	14,496	13,062	44,760	30,644

As At Current	As At Preceding
Year	Year
Quarter	Quarter
RM'000	RM'000

Group – by business segment :-Segment assets

Manufacturing	206,076	212,955
Trading	111,837	97,512
Investment holding	166,960	139,608
Less: Elimination	(233,767)	(188,441)
Consolidated total assets	251,106	261,634

Segment liabilities

Manufacturing	186,434	151,469
Trading	26,616	38,308
Investment holding	27,419	440
Less: Elimination	(192,043)	(146,915)
Consolidated total liabilities	48,426	43,302

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 2014.

A10. Subsequent Material Events

There were no material events subsequent to the reporting period up to 18 February 2016 (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 2014.

A13. Capital Commitments

The outstanding amount of capital commitments as at 31 December 2015 are as follows:-

	RM'000
Property, plant and equipment :- - Approved and contracted for	585

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 4th Quarter Ended 31 December 2015

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	3,879	3,866
- Purchase of ingredients*	2,262	857

** 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 27 May 2015.

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

Quarterly Unaudited Results Of The Group For The 4th Quarter Ended 31 December 2015

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

B1. Review of Performance

The Group recorded revenue of RM261.6 million during the 12 months ended 31 December 2015, which represents a 0.3% increase as compared to the preceding year corresponding period's revenue of RM260.7 million.

The Group's profit before taxation of RM44.7 million for the current financial year represents a 46.0% increase as compared to RM 30.6 million the same period last year. The increase in profit was mainly contributed by the higher sales volume and better average selling price in own brand's gummy although decrease in beverage's revenue from Contract Manufacturing Business. The increase in profit before taxation was also partly due to higher profit margin sales mix and reduction of raw material cost.

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

Manufacturing segment

The Group's manufacturing segment contributed lower revenue was mainly due to the reduction in trading volume from its Contract Manufacturing Business of beverage division. Profit before taxation was higher as compared to its previous year's corresponding period. It was mainly attributable to cost reduction in sugar and savings in energy cost.

Trading segment

Trading segment achieved higher revenue which was mainly attributable to the increase in gummy's trading volume from overseas. Higher profit before taxation as compared to its previous year's corresponding period was mainly due to higher profit margin sales mix coupled with as well as additional gain on foreign currencies exchange.

B2. Comparison with Immediate Preceding Quarter's Results

	Current Year Quarter RM'000	Immediate Preceding Quarter RM'000	Difference %
Revenue	73,319	58,916	+24.4%
Profit before taxation	14,496	9,234	+56.9%

For the fourth quarter under review, the Group's achieved higher revenue of RM73.3 million for the current quarter registered a 24.4% increment over the immediate preceding quarter. It was mainly attributable to favorable demand in gummy especially in overseas. Profit before taxation of the current quarter increased by +56.9% to RM14.4 million which was mainly attributable to higher profit margin sales mix and gain on foreign currencies exchange from export revenue.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 4th Quarter Ended 31 December 2015**B3. Commentary On Prospects**

The Board anticipates the competitive environment will remain intense and the Malaysian Ringgit will remain volatile, and if any strengthening US Dollar will serve as an advantage to the Group, its impact will not be permanent. Nevertheless, the Board remains confident that the demand for our products will be stable, and expects the Group will perform satisfactorily financial results in the next financial year.

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 Year Quarter</u> RM'000	<u>Preceding Year Quarter</u> RM'000	<u>Current Year To Date</u> RM'000	<u>Preceding Year To Date</u> RM'000
Income tax:				
• Current period estimate	3,132	1,161	9,900	6,203
• Prior year	-	(35)	(161)	(35)
Deferred taxation :				
• Transferred to/(from) deferred taxation	774	2,090	2,301	2,558
	<u>3,906</u>	<u>3,216</u>	<u>12,040</u>	<u>8,726</u>

B6. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 18 February 2016 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 2015**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 31.12.2015 RM'000	As At 31.12.2014 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 6% or 3.0 sen per ordinary share (31 December 2014: 2.5 sen) on 228,800,000 ordinary shares, amounting to RM6.864 million in respect of the financial year ended 31 December 2015, which will be paid on 5 April 2016. The entitlement date for the above-mentioned interim dividend is on 15 March 2016.

The total dividend of the current year is 28.0 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)	10,590	9,846	32,720	21,918
Weighted average number of ordinary shares of RM0.50 each ('000) #	228,800	228,800	228,800	228,800
Basic earnings per share (sen)	4.63	4.30	14.30	9.58
Diluted earnings per share (sen) *	N.A.	N.A.	N.A.	N.A.

Inclusion the effect on Bonus Issue of 57,200,000 ordinary shares of RM0.50 each, which was allotted on 12 November 2015

* 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 2015**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 31.12.2015 RM'000	As at 31.12.2014 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	112,229	126,124
- Unrealised	(10,844)	(9,032)
Less: Consolidation adjustments	(29,366)	(29,029)
Retained profit as per financial statement	72,019	88,063

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

	Current Year Quarter RM'000	Preceding Year Quarter RM'000
Interest income	(230)	(86)
Interest expense	-	2
Depreciation of property, plant and equipment	4,227	2,777
Property, plant and equipment written off	116	116
(Gain)/loss on disposal of property, plant and equipment	-	(1)
Bad debt written off	-	5
Bad debt recovered	(1)	-
Impairment of receivables	677	12
Impairment of receivables no longer required	(1,590)	-
Loss/(gain) on foreign exchange		
- realized	3,181	(1,115)
- unrealized	222	29

By Order Of The Board

Tai Chun Wah

Executive Director

Dated: 25 February 2016