

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

(Incorporated in Malaysia)

Financial Year End : 30 June 2013  
 Quarter : Second Quarter

Quarterly report on results for the 2nd quarter ended 30 June 2013. These figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Year Quarter 30.06.2013 RM'000</b>	<b>Preceding Year Quarter 30.06.2012 RM'000</b>	<b>Current Year To Date 30.06.2013 RM'000</b>	<b>Preceding Year To Date 30.06.2012 RM'000</b>
Revenue	59,629	58,828	127,559	110,745
Cost Of Sales	<u>(47,935)</u>	<u>(44,116)</u>	<u>(104,222)</u>	<u>(83,138)</u>
<b>Gross Profit</b>	<b>11,694</b>	<b>14,712</b>	<b>23,337</b>	<b>27,607</b>
Other Income	1,811	1,144	2,424	1,206
Distribution Costs	(3,111)	(2,756)	(6,623)	(5,848)
Administrative Expenses	(4,535)	(3,535)	(7,761)	(6,961)
Finance Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Profit Before Taxation</b>	<b>5,859</b>	<b>9,565</b>	<b>11,377</b>	<b>16,004</b>
Income Tax Expenses	<u>(1,663)</u>	<u>(2,248)</u>	<u>(3,077)</u>	<u>(3,735)</u>
<b>Total Comprehensive Income</b>	<b><u>4,196</u></b>	<b><u>7,317</u></b>	<b><u>8,300</u></b>	<b><u>12,269</u></b>
Attributable To:				
- Equity Holders Of The Parent	4,196	7,317	8,300	12,269
- Non-controlling Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b><u>4,196</u></b>	<b><u>7,317</u></b>	<b><u>8,300</u></b>	<b><u>12,269</u></b>
<b>Earnings Per Share Attributable To Equity Holders Of The Parent</b>				
: Basic Earnings Per Share (Sen)	2.45	4.26	4.84	7.15

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 30 JUNE 2013**

(These figures have not been audited)

	<b>As At End Of Current Quarter (Unaudited) 30.06.2013 RM'000</b>	<b>As At Preceding Financial Year (Audited) 31.12.2012 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant And Equipment	133,546	118,680
Investment	1	1
	<u>133,547</u>	<u>118,681</u>
<b>Current Assets</b>		
Inventories	30,484	32,418
Trade Receivables	39,895	43,026
Tax Recoverable	775	417
Other Debtors, Deposit & Prepayment	4,268	16,676
Fixed Deposit With Licensed Bank	23,509	14,386
Cash & Bank Balances	9,365	11,717
	<u>108,296</u>	<u>118,640</u>
<b>TOTAL ASSETS</b>	<u><u>241,843</u></u>	<u><u>237,321</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Equity Holders Of The Parent</b>		
Share Capital	85,800	85,800
Share Premium	44,355	44,355
Revenue Reserves	72,129	65,974
Exchange Translation Reserves	31	31
Total Equity	<u>202,315</u>	<u>196,160</u>
<b>Non-Current Liabilities</b>		
Deferred Income Tax Liabilities	3,915	3,053
	<u>3,915</u>	<u>3,053</u>
<b>Current Liabilities</b>		
Trade Payables	27,365	26,272
Other Creditors & Accruals	6,503	10,740
Current Income Tax Liabilities	1,745	1,096
	<u>35,613</u>	<u>38,108</u>
<b>TOTAL LIABILITIES</b>	<u>39,528</u>	<u>41,161</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>241,843</u></u>	<u><u>237,321</u></u>
Net Assets (NA) Per Share (RM)	1.18	1.14

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<---Non Distributable--->			<--Distributable-->	
	Share Capital	Share Premium	Exchange Translation Reserve	Retained Profit	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>6 months ended 30 June 2012</b>					
<b>As at 1 January 2012</b>	85,800	44,355	31	58,483	188,669
Total comprehensive income	-	-	-	12,269	12,269
Interim single-tier dividend of 6% paid on 16 April 2012	-	-	-	(5,148)	(5,148)
<b>As at 30 June 2012</b>	<u>85,800</u>	<u>44,355</u>	<u>31</u>	<u>65,604</u>	<u>195,790</u>
					-
<b>6 months ended 30 June 2013</b>					
<b>As at 1 January 2013</b>	85,800	44,355	31	65,974	196,160
Total comprehensive income	-	-	-	8,300	8,300
Interim single-tier dividend of 2.5% paid on 5 April 2013	-	-	-	(2,145)	(2,145)
<b>As at 30 June 2013</b>	<u>85,800</u>	<u>44,355</u>	<u>31</u>	<u>72,129</u>	<u>202,315</u>
					-

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE 6 MONTHS ENDED 30 JUNE 2013  
(These figures have not been audited)**

	<b>Cumulative Current Year To Date 30.06.2013 RM'000</b>	<b>Cumulative Preceding Year To Date 30.06.2012 RM'000</b>
<b>Cash Flow From Operating Activities</b>		
Profit Before Taxation	11,377	16,004
Adjustments for:-		
Allowance for doubtful debts no longer required	(1,199)	(700)
Allowance for doubtful debts	557	998
Depreciation of property, plant and equipment	5,538	3,869
Unrealised (gain)/ loss on foreign exchange	(216)	(253)
Gain on disposal of property, plant & equipment	(15)	(27)
Property, plant and equipment written off	53	4
Interest income	(193)	(509)
Operating profit before working capital changes	<u>15,902</u>	<u>19,386</u>
Decrease/ (increase) in inventories	1,934	(2,557)
Decrease/ (increase) in receivables	15,539	(9,480)
(Decrease)/ increase in payables	(3,144)	2,113
Cash generated from operations	<u>30,231</u>	<u>9,462</u>
Interest received	193	509
Tax refunded	152	1,592
Tax paid	(2,002)	(1,018)
Dividends paid	(2,145)	(5,148)
<b>Net Cash Provided By Operating Activities</b>	<b><u>26,429</u></b>	<b><u>5,397</u></b>
Purchase of property, plant and equipment	(19,673)	(7,396)
Proceeds from disposal of property, plant and equipment	15	38
<b>Net Cash Used In Investing Activities</b>	<b><u>(19,658)</u></b>	<b><u>(7,358)</u></b>
<b>Net Cash Used In Financing Activities</b>	<b><u>-</u></b>	<b><u>-</u></b>
Net Change in Cash And Cash Equivalents	6,771	(1,961)
Cash And Cash Equivalents At Beginning Of The Period	26,103	42,986
<b>Cash And Cash Equivalents At End Of The Period *</b>	<b><u>32,874</u></b>	<b><u>41,025</u></b>
<b>* Cash &amp; cash equivalents consists of:</b>		
Fixed deposit with licensed banks	5,834	21,095
Short term deposits with licensed banks	17,675	11,772
Cash and bank balances	9,365	8,158
	<u>32,874</u>	<u>41,025</u>

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

**A1. Accounting Policies and Basis Of Preparation**

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

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

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

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

**A2. Qualification of Financial Statements**

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

**A3. Seasonal or Cyclical Factors**

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

**A4. Nature and Amount of Unusual Items**

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

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2<sup>nd</sup> Quarter Ended 30 June 2013**A5. Nature and Amount of Changes in Estimates**

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

**A6. Dividend Paid**

For the financial period ended 30 June 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.

For the financial period ended 30 June 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.

**A7. Debt and Equity Securities**

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

**A8. Segmental Reporting**

The Group's segmental report for the current financial period ended 30 June 2013 is as below:-

	<u>Individual 2<sup>nd</sup> Quarter</u>		<u>Cumulative 2<sup>nd</sup> 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	52,635	59,398	110,235	94,526
Trading	33,178	30,746	68,431	64,218
Investment holding	-	-	-	-
Less: Inter-segment revenue	(26,184)	(31,316)	(51,107)	(47,999)
Total consolidated revenue	59,629	58,828	127,559	110,745
<u>Segment result</u>				
Manufacturing	2,831	6,236	3,334	9,376
Trading	3,484	3,303	8,487	6,410
Investment holding	(122)	7	(230)	202
Less: Elimination	(334)	19	(214)	16
Total consolidated profit before tax	5,859	9,565	11,377	16,004

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2<sup>nd</sup> Quarter Ended 30 June 2013

	As At Current Year Quarter RM'000	As At Preceding Year Quarter RM'000
<u>Group – by business segment :-</u>		
<u>Segment assets</u>		
Manufacturing	187,840	169,534
Trading	92,322	76,322
Investment holding	136,250	137,482
Less: Elimination	(174,569)	(152,398)
Consolidated total assets	241,843	230,940
<u>Segment liabilities</u>		
Manufacturing	118,923	98,567
Trading	52,767	46,920
Investment holding	598	610
Less: Elimination	(132,760)	(110,947)
Consolidated total liabilities	39,528	35,150

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 19 August 2013 (latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) which have not been reflected in the financial statement for the quarter under review.

**A11. Changes in the Composition of the Group**

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

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2<sup>nd</sup> Quarter Ended 30 June 2013**A12. Contingent Liabilities or Contingent Assets**

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

**A13. Capital Commitments**

The outstanding amount of capital commitments as at 30 June 2013 are as follows:-

	RM'000
Property, plant and equipment :- - Approved and contracted for	3,069

**A14. Significant Related Party Transactions**

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

	Current Year Quarter RM'000	Preceding Year Quarter RM'000
Prepare, package, pack and deliver Fraser and Neave Limited group of companies' products :- - Sales - Purchase of ingredients*	3,980 973	3,561 1,646

\* 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.



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

**B1. Review of Performance**

For the first 6 months under review, the Group posted a 15% year-on-year revenue growth from RM110.7 million to RM127.6 million; this was mainly due to the increase in trading volume of beverage product.

Despite the increase in revenue, the Group's profit before taxation registered a 29% decrease over the previous corresponding period due to 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**

	<b>Current Year Quarter RM'000</b>	<b>Immediate Preceding Quarter RM'000</b>	<b>Difference %</b>
Revenue	59,629	67,930	-12.2%
Profit before taxation	5,859	5,518	+6.2%

Group's revenue of RM59.6 million for the current quarter registered a 12.2% decrease over the immediate preceding quarter mainly due to lower contract manufacturing business, especially from its beverage production line.

The profit before taxation of the current quarter increased slightly by RM0.3 million or 6.2% to RM5.9 million as a result of foreign exchange gain.

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2<sup>nd</sup> Quarter Ended 30 June 2013**B3. Commentary On Prospects**

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

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

**B4. Profit Forecast or Profit Guarantee**

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

**B5. Income Tax**

	<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
<b>Income tax:</b>				
• Current period estimate	967	1,243	2,240	2,171
• Prior year	(26)	(5)	(26)	(5)
<b>Deferred taxation :</b>				
• Transferred to deferred taxation	722	1,010	863	1,569
	1,663	2,248	3,077	3,735

**B6. Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at 19 August 2013 which is not earlier than 7 days form the date of issue of this quarterly report.

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2<sup>nd</sup> Quarter Ended 30 June 2013**B7. Group Borrowings**

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

	<b>As At 31.6.2013 RM'000</b>	<b>As At 31.6.2012 RM'000</b>
<b>TOTAL BORROWING</b>	-	-

**B8. Material Litigation**

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

**B9. Dividend Payable**

The Board has declared a first interim single-tier dividend of 5% or 2.5 sen per ordinary share (30 June 2012: 5%) on 171,600,000 ordinary shares, amounting to RM4,290,000 in respect of the financial year ending 31 December 2013, which will be paid on 3 October 2013. The entitlement date for the above-mentioned interim dividend is on 12 September 2013.

The total dividend of the current year is 5% or 2.5 sen per ordinary share.

**B10. Earnings per share**

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

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter</b>	<b>Preceding Year Quarter</b>	<b>Current Year To Date</b>	<b>Preceding Year To Date</b>
Profit for the period (RM'000)	4,196	7,317	8,300	12,269
Weighted average number of ordinary shares of RM0.50 each ('000)	171,600	171,600	171,600	171,600
Basic earnings per share (sen)	2.45	4.26	4.84	7.15
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 2<sup>nd</sup> Quarter Ended 30 June 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 30.6.2013 RM'000	As at 31.12.2012 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	108,902	98,227
- Unrealised	(5,012)	(3,504)
Less: Consolidation adjustments	(31,761)	(28,749)
<b>Retained profit as per financial statement</b>	<b>72,129</b>	<b>65,974</b>

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

	<b>Current Year Quarter RM'000</b>	<b>Preceding Year Quarter RM'000</b>
Interest income	(99)	(236)
Depreciation of property, plant and equipment	2,807	1,987
Property, plant and equipment written off	53	-
Gain on disposal of property, plant and equipment	-	(20)
Allowance for doubtful debts	309	514
Allowance for doubtful debts no longer required	(385)	(367)
Loss/(gain) on foreign exchange		
- realized	(1,564)	(786)
- unrealized	(94)	(273)

By Order Of The Board

**Tai Chun Wah**

Executive Director

Dated: 26 August 2013