

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

(Incorporated in Malaysia)

Financial Year End : 30 June 2015
 Quarter : Second Quarter

Quarterly report on results for the 2nd quarter ended 30 June 2015. These figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Current Year Quarter</u> <u>30.06.2015</u> <u>RM'000</u>	<u>Preceding Year Quarter</u> <u>30.06.2014</u> <u>RM'000</u>	<u>Current Year To Date</u> <u>30.06.2015</u> <u>RM'000</u>	<u>Preceding Year To Date</u> <u>30.06.2014</u> <u>RM'000</u>
Revenue	61,668	65,074	129,410	124,328
Cost Of Sales	(43,153)	(51,752)	(91,053)	(97,596)
Gross Profit	18,515	13,322	38,357	26,732
Other Income	1,060	484	2,032	954
Distribution Costs	(3,887)	(3,484)	(9,741)	(8,306)
Administrative Expenses	(5,267)	(4,112)	(9,618)	(8,508)
Finance Costs	-	-	-	-
Profit Before Taxation	10,421	6,210	21,030	10,872
Income Tax Expenses	(2,872)	(1,771)	(5,470)	(3,020)
Profit After Taxation	7,549	4,439	15,560	7,852
Other Comprehensive Income				
- Exchange Translation	3	(29)	103	1
Total Comprehensive Income	7,552	4,410	15,663	7,853
Profit Attributable To:				
- Equity Holders Of The Company	7,549	4,439	15,560	7,852
Total Comprehensive Income Attributable To:				
- Equity Holders Of The Company	7,552	4,410	15,663	7,853
Earnings Per Share Attributable To Equity Holders Of The Parent				
: Basic Earnings Per Share (Sen)	4.40	2.59	9.07	4.58

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 30 JUNE 2015**

(These figures have not been audited)

	As At End Of Current Quarter (Unaudited) 30.6.2015 RM'000	As At Preceding Financial Year (Audited) 31.12.2014 RM'000
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	134,919	139,137
Investment	1	1
	<u>134,920</u>	<u>139,138</u>
Current Assets		
Inventories	38,197	38,165
Trade Receivables	41,520	51,359
Tax Recoverable	404	575
Other Receivables, Deposit & Prepayment	2,424	1,103
Fixed Deposit With Licensed Bank	205	205
Short Term Deposit	53,303	16,065
Cash & Bank Balances	8,248	15,024
	<u>144,301</u>	<u>122,496</u>
TOTAL ASSETS	<u><u>279,221</u></u>	<u><u>261,634</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	99,333	88,063
Exchange Translation Reserves	216	113
Total Equity	<u>229,704</u>	<u>218,331</u>
Non-Current Liabilities		
Deferred Tax Liabilities	8,900	7,640
	<u>8,900</u>	<u>7,640</u>
Current Liabilities		
Trade Payables	28,222	22,711
Other Creditors & Accruals	7,863	10,527
Current Income Tax Liabilities	4,532	2,425
	<u>40,617</u>	<u>35,663</u>
TOTAL LIABILITIES	<u>49,517</u>	<u>43,303</u>
TOTAL EQUITY AND LIABILITIES	<u><u>279,221</u></u>	<u><u>261,634</u></u>
Net Assets (NA) Per Share (RM)	1.34	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
6 months ended 30 June 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			1	-	1
Total comprehensive income	-	-	-	7,852	7,852
Interim single-tier dividend of 3% paid on 15 April 2014	-	-	-	(2,574)	(2,574)
As at 30 June 2014	85,800	44,355	111	82,577	212,843
6 months ended 30 June 2015	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2015	85,800	44,355	113	88,063	218,331
Foreign currency translation differences			103	-	103
Total comprehensive income	-	-	-	15,560	15,560
Interim single-tier dividend of 5% paid on 3 April 2015	-	-	-	(4,290)	(4,290)
As at 30 June 2015	85,800	44,355	216	99,333	229,704

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE 6 MONTHS ENDED 30 JUNE 2015
(These figures have not been audited)**

	Cumulative Current Year To Date 30.06.2015 RM'000	Cumulative Preceding Year To Date 30.06.2014 RM'000
Cash Flow From Operating Activities		
Profit Before Income Taxation	21,030	10,872
Adjustments for:-		
Impairment of slow moving inventories no longer required	(94)	-
Impairment of receivables no longer required	(948)	(703)
Impairment of receivables	1,440	1,035
Depreciation of property, plant and equipment	5,188	5,289
Unrealised loss on foreign exchange	366	42
Gain on disposal of property, plant & equipment	-	(19)
Property, plant and equipment written off	14	7
Interest expense	-	-
Interest income	(475)	(107)
Operating profit before working capital changes	<u>26,521</u>	<u>16,416</u>
Decrease / (Increase) in inventories	62	(2,864)
Decrease / (Increase) in receivables	7,660	(6,950)
Increase / (Decrease) in payables	<u>2,847</u>	<u>(891)</u>
Cash generated from operations	37,090	5,711
Interest received	475	107
Interest paid	-	-
Tax paid	(2,042)	(2,203)
Dividends paid	(4,290)	(2,574)
Net Cash Generated From Operating Activities	<u>31,233</u>	<u>1,041</u>
Cash Flow From Investing Activities		
Purchase of property, plant and equipment	(981)	(1,380)
Proceeds from disposal of property, plant and equipment	-	19
Net Cash Used In Investing Activities	<u>(981)</u>	<u>(1,361)</u>
Cash Flow From Financing Activities		
Net Cash Generated From / (Used In) Financing Activities	<u>-</u>	<u>-</u>
Net Change in Cash And Cash Equivalents	30,252	(320)
Effects of Exchange Rate changes	210	-
Cash And Cash Equivalents At Beginning Of The Period	<u>31,294</u>	<u>23,882</u>
Cash And Cash Equivalents At End Of The Period *	<u>61,756</u>	<u>23,562</u>
* Cash & cash equivalents consists of:		
Fixed deposit with licensed banks	205	56
Short term deposits with licensed banks	53,303	17,182
Cash and bank balances	<u>8,248</u>	<u>6,324</u>
	<u>61,756</u>	<u>23,562</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 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.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2nd Quarter Ended 30 June 2015**A6. Dividend Paid****For the financial period ended 30 June 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.

For the financial period ended 30 June 2014

- (ii) 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.

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 2015 is as below:-

	Individual 2nd Quarter		Cumulative 2nd Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	RM'000	RM'000	RM'000	RM'000
Group – by business segment :-				
Net revenue				
Manufacturing	51,047	53,625	102,917	103,075
Trading	41,100	42,791	86,267	79,745
Investment holding	-	-	-	-
Less: Inter-segment revenue	(30,479)	(31,342)	(59,774)	(58,492)
Total consolidated revenue	61,668	65,074	129,410	124,328
Segment result				
Manufacturing	3,052	1,391	7,402	2,691
Trading	8,187	5,010	14,192	8,653
Investment holding	(216)	(125)	(378)	(303)
Less: Elimination	(602)	(66)	(186)	(169)
Total consolidated profit before tax	10,421	6,210	21,030	10,872

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2nd Quarter Ended 30 June 2015

	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	206,776	218,982
Trading	109,783	92,234
Investment holding	134,775	131,342
Less: Elimination	(172,113)	(185,142)
Consolidated total assets	279,221	257,416
<u>Segment liabilities</u>		
Manufacturing	139,615	151,392
Trading	40,017	37,590
Investment holding	275	311
Less: Elimination	(130,390)	(144,720)
Consolidated total liabilities	49,517	44,573

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 has 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 August 2015 (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 2nd Quarter Ended 30 June 2015**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 30 June 2015 are as follows:-

	RM'000
Property, plant and equipment :- - Approved and contracted for	604

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*	4,433 1,535	4,326 1,500

* 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.

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

B1. Review of Performance

For the first 6 month under review, the Group recorded revenue of RM129.4 million, a increase of RM5.1 million as compared to RM124.3 million in the preceding year corresponding quarter. This was mainly due to the increase in demand from the export of gummy and snack product.

The Group's pre-tax profit for the cumulative quarter recorded RM21.0 million, a 93.4% increase over the previous corresponding period. This was mainly due to lower raw material prices and favorable foreign currencies exchange from export revenue.

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

Manufacturing segment

Manufacturing segment achieved lower revenue due to lower productions in trading volume from its Contract Manufacturing Business of beverage division. However, pre-tax profit was higher which mainly due to lower product advertisement expense and forwarding and freight charges.

Trading segment

Trading segment recorded higher revenue was mainly due to higher demand of gummy and snack products in local and export markets. Higher pre-tax profit can be attributed to higher profit margin sales mix with partly offset by higher product promotion expense.

B2. Comparison with Immediate Preceding Quarter's Results

	Current Year Quarter RM'000	Immediate Preceding Quarter RM'000	Difference %
Revenue	61,668	67,742	-8.9%
Profit before taxation	10,421	10,609	-1.7%

Group's revenue of RM61.6 million for the current quarter registered 8.9% decrease over the immediate preceding quarter which was mainly due to lower trading volume of beverage product from Contract Manufacturing Business.

Profit before taxation of the current quarter registered a slight decrease 1.7% to RM10.4 million in line with the lower revenue achieved from beverage division as well as higher impairment of receivables.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2nd Quarter Ended 30 June 2015**B3. Commentary On Prospects**

The global economic outlook for the year is continue to be uncertain, the Board expects the operating environment to remain challenging and competitive.

Despite the difficulties on the economic condition, the Board will strive to ensure that it continues to achieve satisfactory result in the financial year ending 2015 by improving operational efficiency and implementing prudent measures.

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>	
	Current Year Quarter RM'000	Preceding Year Quarter RM'000	Current Year To Date RM'000	Preceding Year To Date RM'000
Income tax:				
• Current period estimate	1,613	1,272	4,210	2,521
• Prior year	-	-	-	-
Deferred taxation :				
• Transferred to deferred taxation	1,259	499	1,260	499
	2,872	1,771	5,470	3,020

B6. Status of Corporate Proposals

On 2 June 2015, Kenanga Investment Bank Berhad on behalf of the Board of Directors of Cocoaland, announced that Cocoaland has received an indicative non-binding proposal dated 29 May 2015 from First Pacific Company Limited ("First Pacific") outlining a proposal to acquire all the business and undertaking, including all the assets and liabilities of Cocoaland ("Cocoaland Business") for a total cash consideration of RM463,320,000, equivalent to RM2.70 per ordinary share of RM0.50 each in Cocoaland, subject to certain terms and conditions ("Proposal").

On 19 July 2015, Cocoaland received a letter from First Pacific withdrawing its intention to acquire the Cocoaland Business due to the First Pacific group's determination, the proposal is withdrawn.

COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2nd Quarter Ended 30 June 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 30.6.2015 RM'000	As At 30.6.2014 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 an interim dividend of 5% or 2.5 sen per ordinary share (30 June 2014: 5%), and a special interim dividend of 40% or 20 sen per ordinary share (30 June 2014: nil), amounting to RM4,290,000 and RM34,320,000 respectively on 171,600,000 ordinary shares, which will be paid on 2 October 2015. The entitlement date of the above-mentioned interim dividends is on 10 September 2015.

The total dividend of the current year is 45% or 22.5 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)	7,549	4,439	15,560	7,852
Weighted average number of ordinary shares of RM0.50 each ('000)	171,600	171,600	171,600	171,600
Basic earnings per share (sen)	4.40	2.59	9.07	4.58
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 2nd Quarter Ended 30 June 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 30.6.2015 RM'000	As at 31.12 2014 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	138,256	126,123
- Unrealised	(9,708)	(9,031)
Less: Consolidation adjustments	(29,215)	(29,029)
Retained profit as per financial statement	99,333	88,063

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

	Current Year Quarter RM'000	Preceding Year Quarter RM'000
Interest income	(290)	(51)
Depreciation of property, plant and equipment	2,610	2,654
Property, plant and equipment written off	14	2
Gain on disposal of property, plant and equipment	-	(3)
Impairment of receivables	1,125	378
Impairment of receivables no longer required	(519)	(405)
Bad debt recovered	-	-
Bad debt written off	-	-
Loss/(gain) on foreign exchange		
- realized	65	(247)
- unrealized	152	76

By Order Of The Board

Tai Chun Wah

Executive Director

Dated: 24 August 2015