

COCOALAND HOLDINGS BERHAD Registration No. 200001013413 (516019-H)

(Incorporated in Malaysia)

Financial Year End : 31 March 2022
 Quarter : First Quarter

Quarterly report on results for the 1st quarter ended 31 March 2022. These figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<u>INDIVIDUAL QUARTER</u>			<u>CUMULATIVE QUARTER</u>		
	<u>Current Year Quarter</u>	<u>Preceding Year Quarter</u>	<u>% chg</u>	<u>Current Year To Date</u>	<u>Preceding Year To Date</u>	<u>% chg</u>
	<u>31.3.2022</u>	<u>31.3.2021</u>		<u>31.3.2022</u>	<u>31.3.2021</u>	
	<u>RM'000</u>	<u>RM'000</u>		<u>RM'000</u>	<u>RM'000</u>	
Revenue	65,744	54,118	21.5%	65,744	54,118	21.5%
Cost Of Sales	(46,156)	(40,653)	13.5%	(46,156)	(40,653)	13.5%
Gross Profit	19,588	13,465	45.5%	19,588	13,465	45.5%
Other Income	1,894	2,043	-7.3%	1,894	2,043	-7.3%
Net Loss on Impairment of Financial Instruments	(15)	(43)	-65.1%	(15)	(43)	-65.1%
Distribution Costs	(2,661)	(2,833)	-6.1%	(2,661)	(2,833)	-6.1%
Administrative Expenses	(5,037)	(5,586)	-9.8%	(5,037)	(5,586)	-9.8%
Finance Cost	(3)	(3)	0.0%	(3)	(3)	0.0%
Profit Before Taxation	13,766	7,043	95.5%	13,766	7,043	95.5%
Taxation	(3,221)	(1,355)	137.7%	(3,221)	(1,355)	137.7%
Profit For the Financial Period	10,545	5,688	85.4%	10,545	5,688	85.4%
Other Comprehensive Income						
<i>Items that are or may be reclassified subsequently to profit or loss</i>						
- Exchange Translation Differences For Foreign Operations	7	4		7	4	
Other Comprehensive Income For The Financial Period	7	4		7	4	
Total Comprehensive Income For The Financial Period	10,552	5,692		10,552	5,692	
Profit For The Financial Period Attributable To: Owners Of The Company	10,545	5,688		10,545	5,688	
Total Comprehensive Income Attributable To: Owners Of The Company	10,552	5,692		10,552	5,692	
Earnings Per Share						
Basic And Diluted Earnings Per Ordinary Share (Sen)	2.35	1.26		2.35	1.26	

Notes :

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

COCOALAND HOLDINGS BERHAD Registration No. 200001013413 (516019-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**AS AT 31 MARCH 2022**

(These figures have not been audited)

	As At End Of Current Month (Unaudited) 31.3.2022 RM'000	As At End of Financial Year (Audited) 31.12.2021 RM'000
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	80,844	78,886
Right-Of-Use Assets	34,336	34,605
Investment Properties	1,875	1,884
	<u>117,055</u>	<u>115,375</u>
Current Assets		
Assets Held For Sale	1,501	1,501
Inventories	40,899	39,480
Trade Receivables	37,036	35,868
Tax Recoverable	258	248
Other Receivables	2,555	6,078
Fixed Deposits With Licensed Bank	78,825	64,578
Cash & Bank Balances	13,728	16,038
	<u>174,802</u>	<u>163,791</u>
TOTAL ASSETS	<u><u>291,857</u></u>	<u><u>279,166</u></u>
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Company		
Share Capital	130,154	130,154
Treasury Shares	(6,145)	(7,348)
Revenue Reserves	130,448	120,351
Exchange Translation Reserves	171	164
TOTAL EQUITY	<u>254,628</u>	<u>243,321</u>
Non-Current Liabilities		
Lease Liabilities	175	296
Deferred Tax Liabilities	3,786	4,045
	<u>3,961</u>	<u>4,341</u>
Current Liabilities		
Trade Payables	18,519	20,004
Other Payables	10,491	9,429
Lease Liabilities	500	501
Tax Payable	3,758	1,570
	<u>33,268</u>	<u>31,504</u>
TOTAL LIABILITIES	<u>37,229</u>	<u>35,845</u>
TOTAL EQUITY AND LIABILITIES	<u><u>291,857</u></u>	<u><u>279,166</u></u>
Net Assets Per Share (RM) Attributable to Owners of the Company	0.57	0.54

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	<-----Non Distributable----->			<--Distributable-->	
	Share Capital	Treasury Shares	Foreign Currency Translation Reserve	Retained Earnings	Total Equity
3 months ended 31 March 2021	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	130,154	(3,663)	188	120,950	247,629
Foreign Currency Translation Differences	-	-	4	-	4
Profit For the Financial Period	-	-	-	5,688	5,688
Total comprehensive income for the period	-	-	4	5,688	5,692
Transactions with owners:					
Shares Repurchased	-	(2,427)	-	-	(2,427)
Reissued for the Vesting of Share under Share Grant Scheme	-	-	-	68	68
Total transactions with owners of the Company	-	(2,427)	-	68	(2,359)
At 31 March 2021	130,154	(6,090)	192	126,706	250,962
3 months ended 31 March 2022	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	130,154	(7,348)	164	120,351	243,321
Foreign Currency Translation Differences	-	-	7	-	7
Profit For the Financial Period	-	-	-	10,545	10,545
Total comprehensive income for the period	-	-	7	10,545	10,552
Transactions with owners:					
Disposal of Treasury Shares	-	1,203	-	-	1,203
Reissued for the Vesting of Share under Share Grant Scheme	-	-	-	(448)	(448)
Total transactions with owners of the Company	-	1,203	-	(448)	755
A 31 March 2022	130,154	(6,145)	171	130,448	254,628

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 3 MONTHS ENDED 31 MARCH 2022
(These figures have not been audited)**

	Cumulative Current Year To Date 31.3.2022 RM'000	Cumulative Preceding Year To Date 31.3.2021 RM'000
Cash Flows From Operating Activities		
Profit before taxation	13,766	7,043
Adjustments for:-		
Inventories written down	178	-
Reversal of inventories written down	-	(39)
Reversal of impairment loss on trade receivables	(14)	(2)
Impairment loss on trade receivables	29	45
Depreciation of property, plant and equipment	2,253	2,197
Depreciation of investment property	9	26
Depreciation of right-of-use assets	140	129
Unrealised gain on foreign exchange	(95)	(1,141)
Property, plant and equipment written off	-	11
Interest expense	1	3
Interest income	(371)	(357)
Operating profit before working capital changes	15,896	7,915
Changes in working capital:		
(Increase) / Decrease in inventories	(1,419)	4,591
Decrease in receivables	2,345	6,450
Decrease in payables	(423)	(3,303)
	503	7,738
Cash generated from operations	16,399	15,653
Interest received	371	357
Interest paid	(1)	(3)
Tax refund	500	-
Tax paid	(1,802)	(2,040)
	(932)	(1,686)
Net Cash Generated From Operating Activities	15,467	13,967
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(4,066)	(3,029)
Decrease in fixed deposits with maturity more than three months	(140)	(4,280)
Net Cash Used In Investing Activities	(4,206)	(7,309)
Cash Flows From Financing Activities		
Payment of lease liabilities	(142)	(132)
Purchase of treasury shares	-	(3,718)
Net Cash Used In Financing Activities	(142)	(3,850)
Net Increase in Cash And Cash Equivalents	11,119	2,808
Effect of Exchange Translation Differences on Cash and Cash Equivalents	679	112
Cash And Cash Equivalents At Beginning Of The Period	66,627	48,932
Cash And Cash Equivalents At End Of The Period *	78,425	51,852
* Cash & cash equivalents consists of:		
Fixed deposits with licensed banks	78,825	71,500
Cash and bank balances	13,728	12,831
	92,553	84,331
Less: Fixed deposits with maturity more than three months	(14,128)	(32,479)
	78,425	51,852

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 Main Market 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 financial year ended 31 December 2021.

The audited financial statements of the Group for the financial year ended 31 December 2021 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 statements for the financial year ended 31 December 2021.

A2. Qualification of Financial Statements

The auditors’ report in respect of the audited financial statements for the financial year ended 31 December 2021 was not subjected to any qualification.

A3. Seasonal or Cyclical Factors

The Group’s business operation results for the current quarter under review 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 of the Group 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

There was no dividend paid during the quarter under review (2021: nil)

A7. Changes in Debt and Equity Securities

There were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities except for the following:-

During the current financial quarter and period to date, the Company did not repurchase ordinary shares of its issued share capital from the open market. However, the Company awarded a total of 698,800 ordinary shares of the Company under the Share Grant Scheme (“SGS”) to the eligible employees of the Group in transfer price of RM1.0805 per ordinary share on 24 January 2022.

As at 31 March 2022, the number of treasury shares held was 7,746,000 ordinary shares.

A8. Segmental Reporting

Group – by business segment:-

The Group’s segmental report for the current financial period ended 31 March 2022 is as below:-

Manufacturing	Trading	Investment Holding	Elimination	Total
RM'000	RM'000	RM'000	RM'000	RM'000

1st quarter ended 31 March 2022

Revenue:

External	19,885	45,859	-	-	65,744
Inter-segment	25,739	1,453	-	(27,192)	-
Total revenue	45,624	47,312	-		65,744
Profit before tax	4,533	9,135	(171)	269	13,766

1st quarter ended 31 March 2021

Revenue:

External	15,706	38,412	-	-	54,118
Inter-segment	23,481	2,137	-	(25,618)	-
Total revenue	39,187	40,549	-		54,118
Profit before tax	2,983	4,016	(222)	266	7,043

Manufacturing	Trading	Investment Holding	Elimination	Total
RM'000	RM'000	RM'000	RM'000	RM'000

Cumulative 1st quarter ended 31 March 2022

Revenue:

External	19,885	45,859	-	-	65,744
Inter-segment	25,739	1,453	-	(27,192)	-
Total revenue	<u>45,624</u>	<u>47,312</u>	-		<u>65,744</u>
Profit before tax	<u>4,533</u>	<u>9,135</u>	<u>(171)</u>	<u>269</u>	<u>13,766</u>

Cumulative 1st quarter ended 31 March 2021

Revenue:

External	15,706	38,412	-	-	54,118
Inter-segment	23,481	2,137	-	(25,618)	-
Total revenue	<u>39,187</u>	<u>40,549</u>	-		<u>54,118</u>
Profit before tax	<u>2,983</u>	<u>4,016</u>	<u>(222)</u>	<u>266</u>	<u>7,043</u>

Assets and liabilities as at 31 March 2022

Segment assets	<u>173,957</u>	<u>145,348</u>	<u>133,393</u>	<u>(160,841)</u>	<u>291,857</u>
Segment liabilities	<u>91,090</u>	<u>76,924</u>	<u>648</u>	<u>(131,433)</u>	<u>37,229</u>

Group – by geographical segment:-

In preparing information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment non-current assets are based on geographical location of the assets.

	Revenue		Non-current assets	
	for the period ended		as at	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	RM'000	RM'000	RM'000	RM'000
Malaysia	32,526	24,707	116,987	120,518
Eastern Asia	15,140	13,766	68	157
South East Asia	10,890	9,459	-	-
Middle East	5,888	5,429	-	-
Others	1,300	757	-	-
	<u>65,744</u>	<u>54,118</u>	<u>117,055</u>	<u>120,675</u>

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 valuations of property, plant and equipment of the Group have been brought forward without amendments from the audited financial statements for the financial year ended 31 December 2021.

A10. Subsequent Events

There were no other material events subsequent to the reporting period up to 25 May 2022 (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 statements 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 quarter under review.

A12. Contingent Liabilities or Contingent Assets

There were no material changes in contingent liabilities or contingent assets arising since the last audited consolidated statement of financial position as at 31 December 2021.

A13. Capital Commitments

Capital commitments of the Group in respect of property, plant and equipment as at 31 March 2022 are as follows:-

	RM'000
Property, plant and equipment :-	
- Approved and contracted for	3,306
- Authorized but not contracted for	6,492

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	1,673	1,826
- Purchase of ingredients*	626	168

** 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 22 September 2021.

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

B1. Review of Performance

The first three months of group's revenue recorded RM 65.7 million, an improvement of RM 11.6 million or 21.5% as compared to RM 54.1 million recorded in the preceding year's corresponding period.

The rising revenue in the current year under review was mainly attributable to the stronger demand for gummy of both housed brand and Contract Manufacturing Business in Malaysia. Besides, the rise in Group's revenue was also contributed by higher demand of snack in Saudi Arabia.

The first three months Group's profit before taxation registered RM 13.8 million, a rise of 95.5% if compared to RM 7.0 million achieved in the preceding year's corresponding period. The rise in the pre-tax profit for the current year under review was mainly attributable to the improved revenue despite a surge in material price, energy and fuel costs as well as freight charges as a consequence of the global supply chain disruption.

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

Manufacturing segment

The rising revenue for the current year under review was mainly attributable to higher orders of fortified gummy from Contract Manufacturing Business. Higher pre-tax profit was aligned with the improved revenue earned despite higher energy and fuel costs.

Trading segment

The rising revenue for the current year under review was mainly attributable to house brand gummy in domestic market, and snack in Saudi Arabia. Higher pre-tax profit was aligned with the higher revenue earned in spite of higher freight charges.

B2. Comparison with Immediate Preceding Quarter's Results

	Current Year Quarter RM'000	Immediate Preceding Quarter RM'000	Difference %
Revenue	65,744	62,686	4.9%
Gross Profit	19,588	19,156	2.3%
Profit Before Tax	13,766	12,524	9.9%
Profit After Tax	10,545	8,841	19.3%
Profit Attributable to Owners of The Company	10,545	8,841	19.3%

Higher revenue for the current quarter, an increase of RM 3.1 million or 4.9% from the immediate preceding quarter was mainly attributable to rising demand for gummy from Contract Manufacturing Business in domestic market and snack products in Saudi Arabia.

The pre-tax profit recorded a rise of RM 1.2 million over the immediate preceding quarter, which was principally due to higher revenue earned despite higher depreciation, energy costs and fuel costs.

B3. Commentary On Prospects

The global environment remains very challenging, with widespread inflation gaining traction across the world, aggravated by the war in Ukraine impacting further global supply chain disruptions. However, the reopened borders and relaxation of quarantine requirements in Malaysia and other countries are expected to spur economic and consumer spending. The Group is cautiously optimistic business revenue will gradually be improved to pre-pandemic level.

The Group will continue to monitor the development of the Covid-19 pandemic, impact of the implementation on the RM1,500 minimum wage starting 1 May 2022 as well as geopolitical tension and will take the necessary measures to mitigate against any potential impact on the financial position and operating results of the Group.

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</u> <u>Quarter</u> <u>RM'000</u>	<u>Preceding Year</u> <u>Quarter</u> <u>RM'000</u>	<u>Current Year</u> <u>To Date</u> <u>RM'000</u>	<u>Preceding Year</u> <u>To Date</u> <u>RM'000</u>
Income tax:				
• Current period estimate	3,481	1,438	3,481	1,438
• Under/ (Over) provision in prior year	-	-	-	-
Deferred taxation:				
• Transferred from deferred taxation	(260)	(83)	(260)	(83)
	<u>3,221</u>	<u>1,355</u>	<u>3,221</u>	<u>1,355</u>

B6. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 25 May 2022 which is not earlier than 7 days from the date of issue of this quarterly report.

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 31.03.2022 RM'000	As At 31.03.2021 RM'000
Total Borrowing	-	-

B8. Material Litigation

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

B9. Dividend Payable

No interim dividend has been declared for the current quarter under review (31 March 2021: nil).

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)	10,545	5,688	10,545	5,688
Weighted average number of ordinary shares ('000) #	449,675	450,571	449,675	450,571
Basic earnings per share (sen)	2.35	1.26	2.35	1.26
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.*

Inclusion the effect on Bonus Issue of 228,800,000 ordinary shares which was allotted on 8 October 2021.

B11. Profit before tax is stated after charging/(crediting):-

	Current Year Quarter RM'000	Preceding Year Quarter RM'000
Interest income	(371)	(357)
Interest expense	1	3
Inventories written down	178	-
Reversal of Inventories written down	-	(39)
Depreciation of property, plant and equipment	2,253	2,197
Depreciation of investment property	9	26
Depreciation of right-of-use assets	140	129
Property, plant and equipment written off	-	11
Net loss on impairment of financial instruments		
- Impairment loss on trade receivables	29	45
- Reversal of impairment loss on trade receivables	(14)	(2)
Gain on foreign exchange		
- Realized	(925)	(29)
- Unrealized	(95)	(1,141)

By Order Of The Board

Dated: 31 May 2022