

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

(Incorporated in Malaysia)

Financial Year End : 30 September 2016

Quarter : Third Quarter

Quarterly report on results for the 3rd quarter ended 30 September 2016. These figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Current Year Quarter 30.09.2016 RM'000</u>	<u>Preceding Year Quarter 30.09.2015 RM'000</u>	<u>Current Year To Date 30.09.2016 RM'000</u>	<u>Preceding Year To Date 30.09.2015 RM'000</u>
Revenue	65,060	58,916	194,951	188,326
Cost Of Sales	(48,012)	(42,232)	(141,832)	(133,285)
<b>Gross Profit</b>	<b>17,048</b>	<b>16,684</b>	<b>53,119</b>	<b>55,041</b>
Other Income	546	3,089	5,737	5,121
Distribution Costs	(2,961)	(3,682)	(10,685)	(13,423)
Administrative Expenses	(3,250)	(6,857)	(12,900)	(16,475)
Finance Costs	-	-	-	-
<b>Profit Before Taxation</b>	<b>11,383</b>	<b>9,234</b>	<b>35,271</b>	<b>30,264</b>
Income Tax Expenses	(3,156)	(2,664)	(8,371)	(8,134)
<b>Profit After Taxation</b>	<b>8,227</b>	<b>6,570</b>	<b>26,900</b>	<b>22,130</b>
<b>Other Comprehensive Income</b>				
- Exchange Translation	(31)	32	103	135
<b>Total Comprehensive Income</b>	<b>8,196</b>	<b>6,602</b>	<b>27,003</b>	<b>22,265</b>
Profit Attributable To:				
- Equity Holders Of The Company	8,227	6,570	26,900	22,130
Total Comprehensive Income Attributable To:				
- Equity Holders Of The Company	8,196	6,602	27,003	22,265
<b>Earnings Per Share Attributable To Equity Holders Of The Parent</b>				
: Basic Earnings Per Share (Sen)	3.60	2.87	11.76	9.67

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 SEPTEMBER 2016**

(These figures have not been audited)

	<b>As At End Of Current Quarter (Unaudited) 30.9.2016</b>	<b>As At Preceding Financial Year (Audited) 31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant And Equipment	122,195	129,642
Investment	1	1
	<u>122,196</u>	<u>129,643</u>
<b>Current Assets</b>		
Inventories	41,107	35,868
Trade Receivables	41,837	42,177
Tax Recoverable	207	562
Other Receivables, Deposit & Prepayment	3,008	2,435
Fixed Deposit With Licensed Bank	209	209
Short Term Deposit	45,363	30,866
Cash & Bank Balances	13,181	9,346
	<u>144,912</u>	<u>121,463</u>
<b>TOTAL ASSETS</b>	<u><u>267,108</u></u>	<u><u>251,106</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Equity Holders Of The Parent</b>		
Share Capital	114,400	114,400
Share Premium	15,755	15,755
Revenue Reserves	92,055	72,019
Exchange Translation Reserves	609	506
Total Equity	<u>222,819</u>	<u>202,680</u>
<b>Non-Current Liabilities</b>		
Deferred Tax Liabilities	9,883	9,941
	<u>9,883</u>	<u>9,941</u>
<b>Current Liabilities</b>		
Trade Payables	24,927	24,070
Other Creditors & Accruals	7,013	10,616
Current Income Tax Liabilities	2,466	3,799
	<u>34,406</u>	<u>38,485</u>
<b>TOTAL LIABILITIES</b>	<u>44,289</u>	<u>48,426</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>267,108</u></u>	<u><u>251,106</u></u>
Net Assets (NA) Per Share (RM)	0.97	0.89

**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
<b>9 months ended 30 September 2015</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>As at 1 January 2015</b>	<b>85,800</b>	<b>44,355</b>	<b>113</b>	<b>88,063</b>	<b>218,331</b>
Foreign currency translation differences			135	-	135
Total comprehensive income	-	-	-	22,130	22,130
Interim single-tier dividend of 5% paid on 3 April 2015	-	-	-	(4,290)	(4,290)
<b>As at 30 September 2015</b>	<b>85,800</b>	<b>44,355</b>	<b>248</b>	<b>105,903</b>	<b>236,306</b>
<b>9 months ended 30 September 2016</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>As at 1 January 2016</b>	<b>114,400</b>	<b>15,755</b>	<b>506</b>	<b>72,019</b>	<b>202,680</b>
Foreign currency translation differences			103	-	103
Total comprehensive income	-	-	-	26,900	26,900
Interim single-tier dividend of 6% paid on 5 April 2016	-	-	-	(6,864)	(6,864)
<b>As at 30 September 2016</b>	<b>114,400</b>	<b>15,755</b>	<b>609</b>	<b>92,055</b>	<b>222,819</b>

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE 9 MONTHS ENDED 30 September 2016  
(These figures have not been audited)**

	<b>Cumulative Current Year To Date 30.09.2016 RM'000</b>	<b>Cumulative Preceding Year To Date 30.09.2015 RM'000</b>
<b>Cash Flow From Operating Activities</b>		
Profit Before Income Taxation	35,271	30,264
Adjustments for:-		
Impairment of slow moving inventories	-	421
Impairment of receivables no longer required	(1,691)	(1,321)
Impairment of receivables	-	4,143
Bad debt written off	-	19
Depreciation of property, plant and equipment	8,341	7,865
Unrealised (gain)/loss on foreign exchange	(371)	54
(Gain) / Loss on disposal of property, plant & equipment	(69)	42
Property, plant and equipment written off	5	15
Dividend income	(1)	-
Interest income	(824)	(1,011)
Operating profit before working capital changes	<u>40,661</u>	<u>40,491</u>
(Increase) / decrease in inventories	(5,239)	1,529
Decrease in receivables	1,829	8,546
Decrease in payables	(2,746)	(566)
Cash generated from operations	<u>34,505</u>	<u>50,000</u>
Interest received	824	1,011
Tax refunded	68	-
Tax paid	(7,610)	(5,075)
Dividends paid	(6,864)	(4,290)
Dividends received	1	-
<b>Net Cash Generated From Operating Activities</b>	<u><b>20,924</b></u>	<u><b>41,646</b></u>
<b>Cash Flow From Investing Activities</b>		
Purchase of property, plant and equipment	(2,662)	(1,866)
Proceeds from disposal of property, plant and equipment	69	34
<b>Net Cash Used In Investing Activities</b>	<u><b>(2,593)</b></u>	<u><b>(1,832)</b></u>
<b>Cash Flow From Financing Activities</b>	-	-
<b>Net Cash Generated From / (Used In) Financing Activities</b>	<u>-</u>	<u>-</u>
Net Change in Cash And Cash Equivalents	18,331	39,814
Effects of Exchange Rate changes	1	158
Cash And Cash Equivalents At Beginning Of The Period	<u>40,421</u>	<u>31,294</u>
<b>Cash And Cash Equivalents At End Of The Period *</b>	<u><b>58,753</b></u>	<u><b>71,266</b></u>
<b>* Cash &amp; cash equivalents consists of:</b>		
Fixed deposit with licensed banks	209	205
Short term deposits with licensed banks	45,363	67,593
Cash and bank balances	<u>13,181</u>	<u>3,468</u>
	<u><b>58,753</b></u>	<u><b>71,266</b></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 2015.

The audited financial statements of the Group for the year ended 31 December 2015 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 2015.

**A2. Qualification of Financial Statements**

The auditors’ reports of the preceding annual financial statements of the Company and its subsidiaries were 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 of the Group because of their nature, size and incidence 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 3<sup>rd</sup> Quarter Ended 30 September 2016**A6. Dividend Paid****For the financial period ended 30 September 2016**

- (i) The third interim single tier dividend of 6.0% or 3.00 sen per ordinary share, on 228,800,000 ordinary shares, amounting to RM6.864 million in respect of the financial year ended 31 December 2015, was paid on 4 April 2016.

**For the financial period ended 30 September 2015**

- (ii) 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.

**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 September 2016 is as below:-

	<b>Individual 3<sup>rd</sup> Quarter</b>		<b>Cumulative 3<sup>rd</sup> Quarter</b>	
	<b>Current Year</b>	<b>Preceding Year</b>	<b>Current Year</b>	<b>Preceding Year</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Group – by business segment :-</b>				
<b>Net revenue</b>				
Manufacturing	51,639	45,670	154,222	148,587
Trading	41,434	37,175	127,814	123,442
Investment holding	-	50,000	10,000	50,000
Less: Inter-segment revenue	(28,013)	(73,929)	(97,085)	(133,703)
<b>Total consolidated revenue</b>	<b>65,060</b>	<b>58,916</b>	<b>194,951</b>	<b>188,326</b>
<b>Segment result</b>				
Manufacturing	2,562	450	9,809	7,852
Trading	8,988	9,149	26,172	23,341
Investment holding	(198)	49,681	9,440	49,303
Less: Elimination	31	(50,046)	(10,150)	(50,232)
<b>Total consolidated profit before tax</b>	<b>11,383</b>	<b>9,234</b>	<b>35,271</b>	<b>30,264</b>

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 3<sup>rd</sup> Quarter Ended 30 September 2016

	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	215,117	202,661
Trading	127,367	116,004
Investment holding	166,945	184,562
Less: Elimination	(242,321)	(220,959)
Consolidated total assets	267,108	282,268
<u>Segment liabilities</u>		
Manufacturing	187,768	185,281
Trading	32,152	39,522
Investment holding	24,828	381
Less: Elimination	(200,459)	(179,222)
Consolidated total liabilities	44,289	45,962

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 2015.

**A10. Subsequent Material Events**

There were no material events subsequent to the reporting period up to 22 November 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.

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 3<sup>rd</sup> Quarter Ended 30 September 2016**A12. Contingent Liabilities or Contingent Assets**

There were no changes in other contingent liabilities or contingent assets since the last annual statement of financial position as at 31 December 2015.

**A13. Capital Commitments**

The outstanding amount of capital commitments as at 30 September 2016 are as follows:-

	RM'000
Property, plant and equipment :- - Approved and contracted for	1,362

**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*	4,461 3,043	4,608 2,494

\* The purchase of ingredients is 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 25 May 2016.



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

**B1. Review of Performance**

For the nine months period ended 30 September 2016, the Group recorded an increase in revenue of RM6.6 million (equivalent to 3.5%) from RM188.3 million for the preceding financial year to RM194.9 million for the current financial year. This was mainly attributable to the increase in gummy and snack products even though the decline in demand of beverage product from Contract Manufacturing Business.

The Group recorded an increase in profit before tax from RM30.2 million for the preceding financial year to RM35.2 million for the current financial year, representing an increase of RM5.0 million (equivalent to 16.5%). This was mainly due to higher profit margin sales mix, lower freight and forwarding charges as well as gain in foreign currencies exchange.

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

Manufacturing segment

Manufacturing segment recorded higher revenue which was mainly due to increase in trading volume from its Contract Manufacturing Business of gummy and beverage production line in domestic market. Profit before tax increased in tandem with incremental revenue which was largely attributable to lower advertisement expense and freight charges incurred.

Trading segment

Trading segment achieved higher revenue which was mainly due to higher demand of gummy and snack products from domestic and overseas markets respectively. Higher profit before tax which was largely attributable to lower freight and forwarding charges as well as higher gain in foreign currencies exchange.

**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	65,060	67,360	-3.4%
Profit before taxation	11,383	13,560	-16.0%

The Group recorded revenue of RM65.0 million for the current quarter as compared to RM67.3 million for the immediate preceding quarter, representing a reduction of 3.4% which was mainly due to declining order of beverage product from Contract Manufacturing Business in overseas market.

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 3<sup>rd</sup> Quarter Ended 30 September 2016

The Group's profit before taxation of the current quarter declined by 16.0% over immediate preceding quarter was mainly due to higher raw material cost as well as higher factory labour cost.

**B3. Commentary On Prospects**

With the Malaysia economy expected to continue to grow in 2017 especially driven by export segment, the Group will continue to develop new overseas market and introduce new products with different flavors and ingredients to adapt the change in contemporary customers' preference.

Premised on the above and barring any unforeseen circumstances, the Group remains optimistic of achieving satisfactory performance result for the coming period.

**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	2,803	2,558	8,445	6,768
• Prior year	(16)	(161)	(16)	(161)
<b>Deferred taxation :</b>				
• Transferred to/(from) deferred taxation	369	267	(58)	1,527
	<b>3,156</b>	<b>2,664</b>	<b>8,371</b>	<b>8,134</b>

**B6. Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at 22 November 2016 which is not earlier than 7 days from the date of issue of this quarterly report.

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 3<sup>rd</sup> Quarter Ended 30 September 2016**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 30.9.2016 RM'000	As At 30.9.2015 RM'000
<b>TOTAL BORROWING</b>	-	-

**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 (30 September 2015: 5% or 2.5 sen per ordinary share).

Total dividend of the current financial year is nil (last financial period till 30 September 2015: 50% or 25 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)	8,227	6,570	26,900	22,130
Weighted average number of ordinary shares of RM0.50 each ('000) #	228,800	228,800	228,800	228,800
Basic earnings per share (sen)	3.60	2.87	11.76	9.67
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 13 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 3<sup>rd</sup> Quarter Ended 30 September 2016**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 30.9.2016 RM'000	As at 31.12 2015 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	133,154	112,373
- Unrealised	(11,584)	(10,845)
Less: Consolidation adjustments	(29,515)	(29,364)
<b>Retained profit as per financial statement</b>	<b>92,055</b>	<b>72,164</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	(316)	(536)
Depreciation of property, plant and equipment	3,133	2,677
Property, plant and equipment written off	5	1
(Gain)/Loss on disposal of property, plant and equipment	(13)	42
Impairment of receivables	-	2,703
Impairment of receivables no longer required	94	(373)
Bad debt recovered	-	-
(Gain)/Loss on foreign exchange		
- realized	(1,024)	(1,606)
- unrealized	(499)	(474)

By order of the Board

**Tai Chun Wah**

Executive Director

Dated: 28 November 2016