



A better land, a better tomorrow.

ANNUAL REPORT 2010

cocoaland*

COCOALAND HOLDINGS BERHAD
(516019-H)

CONTENT

02	NOTICE OF ANNUAL GENERAL MEETING
05	STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING
06	CORPORATE INFORMATION
07	CORPORATE STRUCTURE
08	DIRECTORS' PROFILE
13	CHAIRMAN'S STATEMENT
16	STATEMENT ON CORPORATE GOVERNANCE
21	STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS
22	ADDITIONAL COMPLIANCE INFORMATION
24	STATEMENT ON INTERNAL CONTROL
26	REPORT ON AUDIT COMMITTEE
30	FINANCIAL STATEMENTS
78	LIST OF PROPERTIES
80	ANALYSIS OF SHAREHOLDINGS
	PROXY FORM

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 11th Annual General Meeting of the Company will be held at Crystal 1, Level 1, Crystal Crown Hotel Kuala Lumpur, 3, Jalan Jambu Mawar, Off Jalan Kepong, 52000 Kuala Lumpur on Tuesday, 21 June 2011 at 10.00 a.m. for the following purposes: -

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2010 together with the Reports of the Directors and Auditors thereon.
2. To re-elect the following Directors who shall retire in accordance with Article 92 of the Company's Articles of Association and being eligible, offer themselves for re-election:-
 - (i) Liew Yoon Kee
 - (ii) Chow Kee Kan @ Chow Tuck Kwan
3. To elect the following Directors who shall retire in accordance with Article 98 of the Company's Articles of Association and being eligible, offer themselves for election:-
 - (i) Mr. Tan Eng Guan
 - (ii) Mr. Soh Swee Hock @ Soh Say Hock
4. To approve the payment of Directors' fees amounting to RM184,000 in respect of the financial year ended 31 December 2010.
5. To re-appoint Messrs. Wong Weng Foo & Co. as Auditors of the Company for the ensuing financial year, and to authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESS:

To consider and if thought fit, to pass the following Ordinary Resolutions: -

6. **Authority to Issue and Allot Shares Pursuant to Section 132D of the Companies Act, 1965.**

"THAT, subject to the Companies Act, 1965 ("Act"), the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, where such approval is necessary, the Directors be and are hereby empowered pursuant to Section 132D of the Act, to issue and allot shares in the Company, from time to time and upon such terms and conditions and for such purposes the Directors may deem fit and expedient in the interest of the Company, provided that the aggregate of number of shares issued pursuant to this resolution does not exceed 10% of the issued and paid-up capital of the Company for the time being and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company."

Resolution 1
Resolution 2

Resolution 3
Resolution 4

Resolution 5

Resolution 6

Resolution 7

7. Proposed Shareholders' Ratification and Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

"THAT all the recurrent related party transactions of a revenue or trading nature ("Recurrent Transactions") entered into prior to the date of this resolution by the Company and/or its subsidiaries with its related parties ("Related Parties") as specified in Section 2.2 of the Circular to Shareholders dated 30 May 2011, which are necessary for its day-to-day operations and carried out in the ordinary course of business on arms' length basis on normal commercial terms, be and is hereby approved and ratified on the basis that the transactions are entered into on terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

"THAT pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), authority be and is hereby given to the Company and/or its subsidiaries to enter into and to give effect to the Recurrent Transactions with the Related Parties as set out in Section 2.2 of the Circular to Shareholders dated 30 May 2011, which are necessary for the day-to-day operations and carried out in the ordinary course of business on arms' length basis and are on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to minority shareholders of the Company.

AND THAT such approval shall continue to be in force until: -

- (i) the conclusion of the next AGM of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM;
- (ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in a general meeting before the next AGM;

whichever is earlier.

AND THAT, authority be and is hereby given to the Directors of the Company to complete and do all such acts and things as they may consider necessary or expedient in the best interest of the Company (including executing all such documents as may be required) to give effect to the transactions contemplated and/or authorised by this resolution."

8. To transact any other ordinary business for which due notice shall have been given.

By Order of the Board

NG HENG HOOI (MAICSA 7048492)
YAP FOO TENG (MACS 00601)
WONG MEE KIAT (MAICSA 7058813)
Company Secretaries

Kuala Lumpur
Dated: 30 May 2011

Resolution 8

notice of annual general meeting (cont'd)

Notes:-

- (i) A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member appoints two proxies, the appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy. The provision of Section 149(1)(b) of the Act shall not apply.
- (ii) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (iii) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.
- (iv) The instrument appointing a proxy shall be deposited at the Registered Office of the Company at Lot 6.08, 6th Floor, Plaza First Nationwide, No. 161, Jalan Tun H.S. Lee, 50000 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting or at any adjournment thereof.
- (v) Explanatory Note on Special Business

Resolution 7 – Authority to Issue and Allot Shares Pursuant to Section 132D of the Act

The Proposed Resolution 7, if approved, will give the Directors of the Company, from the date of the above AGM, authority to issue and allot shares from the unissued capital of the Company for such purposes as the Directors may deem fit and in the interest of the Company. The authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

The Company is seeking the approval from shareholders on the renewal of the above mandate for the purpose of possible fund raising exercise including but not limited to further placement of shares for purpose of funding future investment project(s), working capital and/or acquisitions. The Company did not exercise the mandate under Section 132D of the Act given by the shareholders at the Tenth Annual General Meeting held on 15 June 2010.

Resolution 8 – Proposed Shareholders' Ratification and Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (collectively known as "Proposed Shareholders' Mandate")

The Ordinary Resolution 8, if approved, will ratify all recurrent related party transactions for a revenue of trading nature ("Recurrent Transactions") entered into prior to the date of this resolution by the Company and/or its subsidiaries with its related parties. Further, it will allow the Company and/or its subsidiaries to enter into Recurrent Transactions pursuant to Paragraph 10.09 of the Listing Requirements of Bursa Securities. Further information on the Proposed Shareholders' Mandate is set out in the Circular to Shareholders dated 30 May 2011, dispatched together with the Company's 2010 Annual Report.

Statement Accompanying Notice Of Annual General Meeting

Directors standing for election pursuant to Article 98 of the Articles of Association of the Company at the Eleventh Annual General Meeting:

- (i) Mr. Tan Eng Guan
- (ii) Mr. Soh Swee Hock @ Soh Say Hock

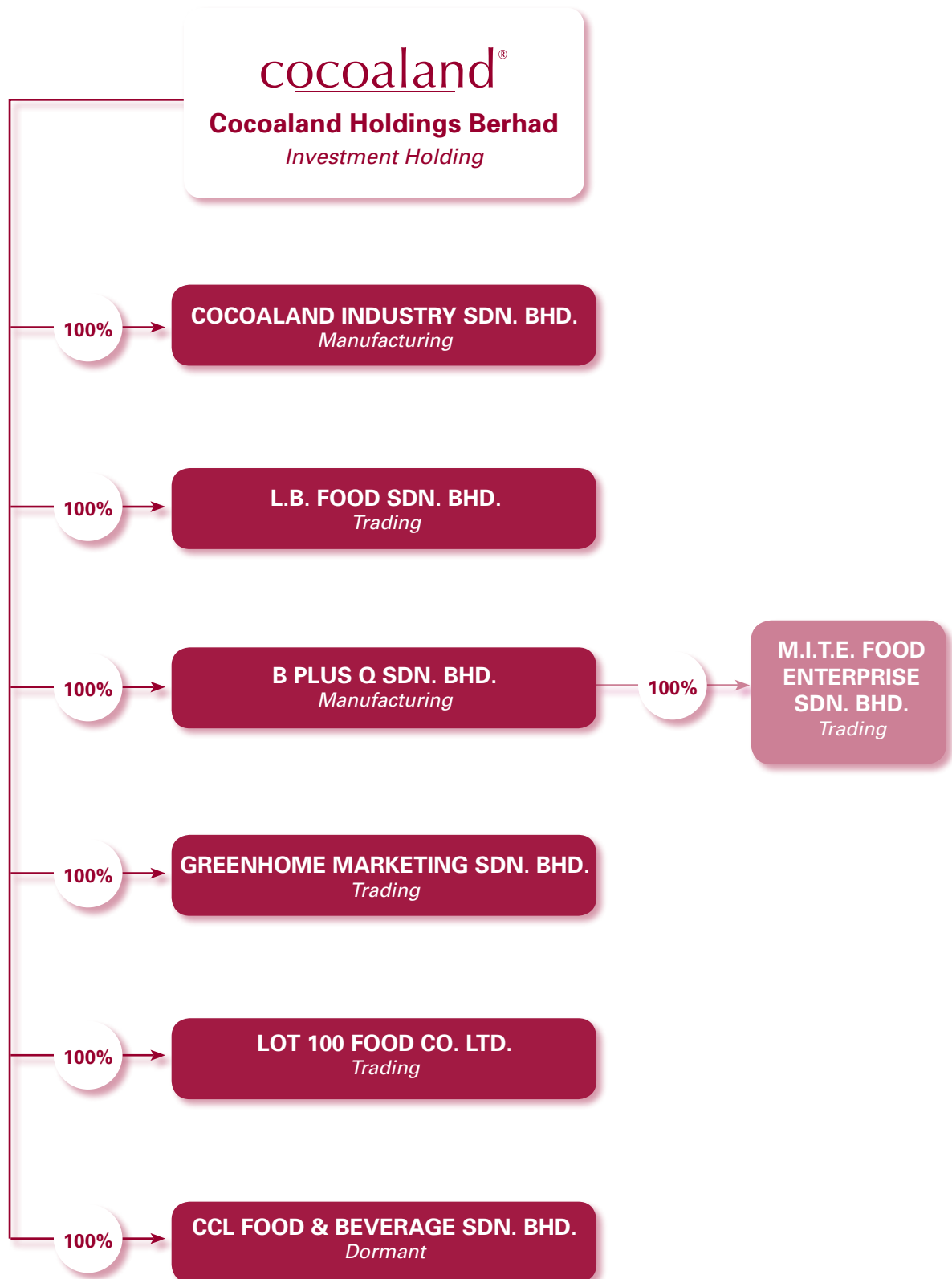
Details of the above Directors who are standing for election are provided for in the respective Directors' Profile of the Annual Report.



Corporate Information

BOARD OF DIRECTORS	<p>Dato' Azman bin Mahmood <i>(Chairman / Independent Non-Executive Director)</i></p> <p>Dato' Sri Koh Kin Lip <i>(Independent Non-Executive Director)</i></p> <p>Liew Fook Meng <i>(Executive Director)</i></p> <p>Lau Kee Von <i>(Executive Director)</i></p> <p>Lau Pak Lam <i>(Executive Director)</i></p> <p>Liew Yoon Kee <i>(Executive Director)</i></p> <p>Chow Kee Kan @ Chow Tuck Kwan <i>(Independent Non-Executive Director)</i></p> <p>Tan Eng Guan <i>(Non-Independent Non-Executive Director)</i></p> <p>Soh Swee Hock @ Soh Say Hock <i>(Non-Independent Non-Executive Director)</i></p>
COMPANY SECRETARIES	<p>Ng Heng Hooi (MAICSA 7048492)</p> <p>Yap Foo Teng (MACS 00601)</p> <p>Wong Mee Kiat (MAICSA 7058813)</p>
REGISTERED OFFICE	<p>Lot 6.08, 6th Floor, Plaza First Nationwide</p> <p>No. 161, Jalan Tun H.S. Lee, 50000 Kuala Lumpur</p> <p>Tel: 03-2072 8100 Fax: 03-2072 8101</p>
CORPORATE OFFICE	<p>Lot 100, Rawang Integrated Industrial Park</p> <p>48000 Rawang, Selangor Darul Ehsan</p> <p>Tel: 03-6091 3131 Fax: 03-6091 5131</p>
PRINCIPAL BANKERS	<p>Citibank Berhad</p> <p>Public Bank Berhad</p> <p>RHB Bank Berhad</p> <p>HSBC Bank Malaysia Berhad</p>
AUDITORS	<p>Wong Weng Foo & Co.</p> <p>Chartered Accountants</p> <p>41, Damai Complex</p> <p>Jalan Dato' Haji Eusoff</p> <p>50400 Kuala Lumpur</p> <p>Tel: 03-4042 4280 Fax: 03-4041 3141</p>
SHARE REGISTRAR	<p>Bina Management (M) Sdn. Bhd.</p> <p>Lot 10, The Highway Centre, Jalan 51/205</p> <p>46050 Petaling Jaya</p> <p>Selangor Darul Ehsan</p> <p>Tel: 03-7784 3922 Fax: 03-7784 1988</p>
STOCK EXCHANGE LISTING	<p>Main Market of the Bursa Malaysia Securities Berhad</p> <p>Stock Code: 7205</p>

Corporate Structure



Directors' Profile

DATO' AZMAN BIN MAHMOOD

60 years of age, Malaysian

Chairman and Independent Non-Executive Director

He was appointed to the Board on 8 October 2004. He is a member of the Institute of Chartered Accountants in England & Wales.

He began his career with Lim, Ali & Co., an auditing firm based in Johor from 1975 to 1978. He later worked with RD Neville & Co., a firm of Chartered Accountants in Essex, England up to 1980. From 1981 to 1983, he worked for MMC Services Limited, London, a subsidiary of Malaysian Mining Corporation Berhad. In 1983, he was the Senior Manager of MUI Bank Berhad (now known as Hong Leong Bank Berhad). From 1983 to 1990, he was in charge of the Finance Division of Kumpulan Perangsang Selangor Berhad. From 1990 to 1996, he was the Managing Director of Worldwide Holdings Berhad, after which he was appointed as the Chairman of Fine Access Sdn. Bhd., an investment holding company with interest in property development business in Kuala Lumpur and Klang Valley.

Currently, he is an Independent Non-Executive Director for Jaks Resources Berhad and Kumpulan Hartanah Selangor Berhad.

He is the Chairman of the Audit Committee and Remuneration Committee. He is also a member of the Nominating Committee.

As at 29 April 2011, he has direct shareholdings of 393,333 ordinary shares of RM0.50 each in the Company. He does not have any family relationship with any directors and/or major shareholders of the Company. He has not entered into any transaction which has a conflict of interest with the Company and has not been convicted of any offences in the past ten years.

DATO' SRI KOH KIN LIP

62 years of age, Malaysian

Independent Non-Executive Director

He was appointed to the Board on 15 January 2010. He received his early education in Sabah prior to his pursuit of higher education in Plymouth Polytechnic, United Kingdom. Upon completion, he was awarded a Higher National Diploma in Business Studies and a Council's Diploma in Management Studies.

He returned to Malaysia in 1977 and joined The Standard Chartered Bank, Sandakan as a trainee assistant. In 1978, he joined his family business and was principally involved in administrative and financial matters of the family business. In 1985, he assumed the role as Chief Executive Officer for the family business. In 1987, he was pivotal and instrumental in the formation of Rickoh Holdings Sdn. Bhd., the flagship company of the family business which engaged in various core business activities ranging from properties investments, properties letting, securities investments, oil palm plantations, sea and land transportation for crude palm oil and palm kernel, information technology, property development, hotel business, trading in golf equipment and accessories, and quarry operations. He is also involved in similar enterprises in his personal capacity with some of his business associates. He is holding numerous directorships in most of these companies.

Currently, he sits on the boards as Non-Independent Non-Executive Director of NPC Resources Berhad, Malaysian AE Models Holdings Berhad and H-Displays (MSC) Berhad. He is also an Independent Non-Executive Director of Daya Materials Berhad.

He is a member of the Audit Committee, Nominating Committee and Remuneration Committee.

As at 29 April 2011, he has direct shareholdings of 2,500,000 ordinary shares of RM0.50 each in the Company. He does not have any family relationship with any directors and/or major shareholders of the Company. He has not entered into any transaction which has a conflict of interest with the Company and has not been convicted of any offences in the past ten years.

LIEW FOOK MENG

*63 years of age, Malaysian
Executive Director*

He was appointed to the Board on 8 October 2004.

He has more than 20 years of experience in the manufacturing and marketing of confectionery products. He oversees product development through his active involvement in introducing new ideas and flavouring processes.

Currently, he also holds other directorship in Cocoland Group of Companies and several other private limited companies. He is the member of the Remuneration Committee.

His siblings, Mr. Lau Kee Von, Mr. Lau Pak Lam and Mr. Liew Yoon Kee are also members of the Board. He also has a direct shareholding in the Company's substantial shareholder, Leverage Success Sdn. Bhd.

As at 29 April 2011, he has direct shareholdings of 4,979,533 ordinary shares of RM0.50 each in the Company. He has not entered into any transaction which has a conflict of interest with the Company and has not been convicted of any offences in the past ten years.

LAU KEE VON

*58 years of age, Malaysian
Executive Director*

He was appointed to the Board on 8 October 2004 and holds a Master degree in Business Administration from American Liberty University, USA.

He has more than 20 years of experience in the manufacturing and wholesale of confectionery products. He started out as a partner of Lau Brothers Food Trading Co. in 1976, which was primarily involved in the distribution of confectionery products. In 1984, he and the other partners incorporated L.B. Food Sdn. Bhd., currently one of the subsidiaries within the Group to take over the operations of the partnership. At the same time, he was appointed as the Managing Director of L.B. Food Sdn. Bhd. Under his stewardship over the past 20 years, the Group has grown from a family business concern into one of the largest confectionery manufacturers and distributors in Malaysia.

Currently, he also holds other directorship in Cocoland Group of Companies and several other private limited companies.

His siblings, Mr. Liew Fook Meng, Mr. Lau Pak Lam and Mr. Liew Yoon Kee are also members of the Board. He also has a direct shareholding in the Company's substantial shareholder, Leverage Success Sdn. Bhd.

As at 29 April 2011, he has direct shareholdings of 1,029,800 ordinary shares of RM0.50 each in the Company. He has not entered into any transaction which has a conflict of interest with the Company and has not been convicted of any offences in the past ten years.

LAU PAK LAM

*53 years of age, Malaysian
Executive Director*

He was appointed to the Board on 8 October 2004 and holds a Master degree in Business Administration from American Liberty University, USA.

He has more than 20 years of experience in the manufacturing and wholesale of confectionery products. Having been involved in the convenience food manufacturing industry for over 20 years, he has established long-standing relationships with various local retailers and wholesalers in the same industry.

Currently, he also holds other directorship in Cocoaland Group of Companies and several other private limited companies.

His siblings, Mr. Liew Fook Meng, Mr. Lau Kee Von and Mr. Liew Yoon Kee are also members of the Board. He also has a direct shareholding in the Company's substantial shareholder, Leverage Success Sdn. Bhd.

As at 29 April 2011, he has direct shareholdings of 934,266 ordinary shares of RM0.50 each in the Company. He has not entered into any transaction which has a conflict of interest with the Company and has not been convicted of any offences in the past ten years.

LIEW YOON KEE

*62 years of age, Malaysian
Executive Director*

He was appointed to the Board on 8 October 2004.

He was the Sales Executive for L.B. Food Sdn. Bhd., currently one of the subsidiaries within the Group for 5 years from 1979 to 1984. Since then, he joined B Plus Q Sdn. Bhd., currently one of the subsidiaries within the Group as Factory Manager until 2008.

Currently, he also holds other directorship in Cocoaland Group of Companies and several other private limited companies.

His siblings, Mr. Liew Fook Meng, Mr. Lau Kee Von and Mr. Lau Pak Lam are also members of the Board. He also has a direct shareholding in the Company's substantial shareholder, Leverage Success Sdn. Bhd.

As at 29 April 2011, he has direct shareholdings of 73,333 ordinary shares of RM0.50 each in the Company. He has not entered into any transaction which has a conflict of interest with the Company and has not been convicted of any offences in the past ten years.

**CHOW KEE KAN @
CHOW TUCK KWAN**

*58 years of age, Malaysian
Independent Non-Executive Director*

He was appointed to the Board on 8 October 2004. He is an approved Company Auditor and Chartered Accountant.

He has his own audit and tax practices and has more than 30 years of practical experience in the same field. He is also a Malaysian Insurance Institute Certified Trainer.

He was a council member of the Malaysian Institute of Accountants from 1987 to 1994. Currently, he serves as a Trustee for the Malaysian Accountancy Research and Education Foundation. He is also a council member of the Malaysian Institute of Taxation since 1991.

Currently, he is also an Independent Non-Executive Director of Merge Housing Berhad and Hai-O Enterprise Berhad. He also holds directorships in several other private limited companies.

He is the Chairman of the Nominating Committee, member of the Audit Committee and Remuneration Committee.

As at 29 April 2011, he does not have any interest in the shares of the Company and family relationship with any directors and/or major shareholders of the Company. He has not entered into any transaction which has a conflict of interest with the Company and has not been convicted of any offences in the past ten years.

TAN ENG GUAN

*54 years of age, Malaysian
Non-Independent Non-Executive Director*

He was appointed to the Board on 1 December 2010. He holds a Masters Degree in Business Administration, University of Bath, United Kingdom and is a member of Malaysian Institute of Accountants.

He started his career in taxation, auditing and management consultancy among the big four accountancy firms. In 1984, he joined Tan Chong Motor Holdings Bhd, served in several capacity covering operations, sales, marketing and general management and was appointed as General Manager, Group Finance cum Company Secretary. He then joined Fraser & Neave Holdings Bhd ("F&N") in 2007 as Chief Financial Officer and also act as joint Company Secretary and is a Director in all the major subsidiaries of the F&N Group.

He is the member of the Audit Committee.

As at 29 April 2011, he does not have any interest in the shares of the Company and family relationship with any directors and/or major shareholders of the Company. He has not entered into any transaction which has a conflict of interest with the Company and has not been convicted of any offences in the past ten years.

**SOH SWEE HOCK @
SOH SAY HOCK**

49 years of age, Malaysian

Non-Independent Non-Executive Director

He was appointed to the Board on 1 December 2010. He holds a Masters Degree in Business Administration, State University of New York at Buffalo, New York, United States of America.

He joined IBM Malaysia in 1988, last held position as Planning Analyst. In 1992, he joined Lion Group of Malaysia as Senior Business Analyst and held various management positions within Lion Group of Companies of which his last appointment was General Manager, China Investment Division. He then joined Asia Pacific Breweries Limited in 2004 as Assistant General Manager (Projects) and his last appointment was General Manager (Business Development, China). He joined Fraser & Neave Holdings Bhd in 2010 as Senior Manager, Projects and he is currently the Group Corporate Services Manager.

He is the member of the Remuneration Committee.

As at 29 April 2011, he does not have any interest in the shares of the Company and family relationship with any directors and/or major shareholders of the Company. He has not entered into any transaction which has a conflict of interest with the Company and has not been convicted of any offences in the past ten years.

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors ("the Board") of Cocoland Holdings Berhad ("Cocoland" or "the Company"), I am pleased to present the Annual Report and the audited financial statements of the Company and Group for the financial year ended 31 December 2010 ("FY2010").

FINANCIAL PERFORMANCE

The Group achieved revenue of RM142.3 million, an increase of 6.8% from last year's revenue of RM133.2 million. Profit before tax decreased by 67.2% to RM8.3 million, from RM25.3 million in FY2009; while profit after tax was reduced by 50.3% to RM9.8 million, from RM19.7 million in FY2009. The decline in profits was mainly due to higher material costs, the strengthening of Ringgit Malaysia against US Dollars, losses incurred from the disposal of investment in China and higher operation costs incurred for the new beverage production line.

The basic earnings per share (EPS) stood at 7.39 sen, 55.0% lower than the previous year's 16.41 sen.

REVIEW OF OPERATIONS

The Group continues to achieve commendable progressive increase in operating revenue in FY2010. However, external factors such as higher material costs and currency fluctuation has affected the Group's bottom line. Nevertheless, the Group continues to improve the production capacity and efficiency from increased automation and energy savings to help improve its profits.

Being the market leader in gummy products, Cocoland continues to enjoy success from its edge over its competitors in recent years. Our fruit gummy continued to record higher sales. We have also launched new flavours for our "Lot 100" brand and the responses from consumers have been encouraging. The other fast-growing product – "Cocopie", a snack product – was one of the Group's fastest growing products for the year under review. The investment in A&P activities for this chocolate-coated marshmallow-filled snack is now paying off.

Going forward, we will continue to invest in targeted A&P to position our products for increased market penetration in Malaysia as well as in the export markets. The Group will also continue to focus on new product development to further strengthen its position in the region.

As part of the Group's strategy to further expand its business, it has recently entered into an agreement to acquire two pieces of freehold industrial land in order to build a new factory and warehouse to further expand the production capacity of snack products. The cost of investment for the land parcels is RM7.8 million, and will be funded from internally generated sources. Barring unforeseen circumstances, we expect the construction of the new factory and warehouse to complete in the first quarter of 2012.

The Group's expansion plan is further boosted by the subscription of 23.08% stake in Cocoland by Fraser & Neave Holdings Berhad ("F&N"), a strategic partnership that will broaden Cocoland's growth prospects as well as open new horizons in terms of product and market development. We look forward to leveraging F&N's 128-year heritage and success to explore synergistic platforms in specific areas in which we have a competitive advantage. To date, the Group has entered into several Contract Packing Agreements with F&N Group for the appointment as F&N's non-exclusive contract packer in Malaysia to prepare, package, pack and deliver F&N's products in Malaysia.

CORPORATE DEVELOPMENTS

During the financial year, the Company completed a private placement exercise and raised RM16.2 million from the issuance of 12.0 million new ordinary shares. In addition, the Company further raised

chairman's statement (cont'd)

RM54.6 million from the subscription of 39.6 million new ordinary shares in Cocoaland by F&N. The fund raisings aims to provide the Group with additional working capital as well as to strengthen the Group's balance sheet.

DIVIDEND

The Company has declared and paid total dividends of 4.4 sen per share, less 25% income tax, in respect of FY2010. The Board does not recommend any final dividend payment for FY2010.

PROSPECT

Economic conditions and external demand improved in 2010. The recovery in the global economy will provide further impetus for growth in 2011. In view of the above, consumer confidence is likely to sustain in 2011. However, the Group faces greater challenges ahead with the escalating raw material prices and the strengthening of Ringgit Malaysia against US Dollars in which export sales are mainly denominated. Nevertheless, we will continue with the Company's prudent management policy and risk management strategy to mitigate the uncertainty and volatility in the market.

The Group is continuously expanding its production capacity. With the construction of the new factory and warehouse in the pipeline, we are optimistic with the revenue growth to be generated from the new production line.

Over the years, Cocoaland has grown steadily and has built a good reputation and brand loyalty in its customers. On top of the steady growth in domestic market, the Group is also optimistic with the growth in Indochina market.

Barring unforeseen circumstances, we are confident that the prospects for the Group remain positive.

CORPORATE SOCIAL RESPONSIBILITIES

Cocoaland is committed to being a socially responsible partner to our employees, shareholders and other parties within the communities we operate in. Our initiatives include donations and sponsorship

of local events. On the environmental front, we have encouraged best practices in our operations that reduce waste and pollution. As for our employees, we practice stringent measures pertaining to occupational health and safety to ensure their well-being.

CORPORATE GOVERNANCE

The Board is committed to maintaining high levels of corporate governance in the management and business direction of Cocoaland, and its subsidiaries. Our efforts on this end will be highlighted further in the Corporate Governance Statement in this Annual Report.

ACKNOWLEDGEMENT & APPRECIATION

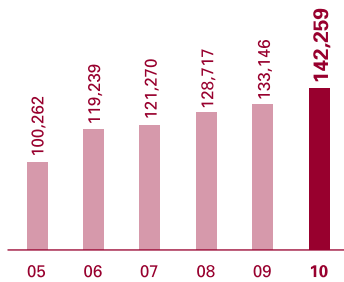
On behalf of the Board, I would like to acknowledge and recognise the contributions by all Directors, management and employees of the Group, and thank them for their continuous support and commitment towards our achievements. I would also like to thank our shareholders, customers, suppliers, business associates, Government and regulatory authorities for their support to the Group. Lastly, I would like to welcome Mr. Tan Eng Guan and Mr. Soh Swee Hock @ Soh Say Hock on board as Non-Independent Non-Executive Directors. Collectively, they bring with them a wide range of experience and expertise, and the Board has no doubt that they will contribute positively to the Group.

Thank you.

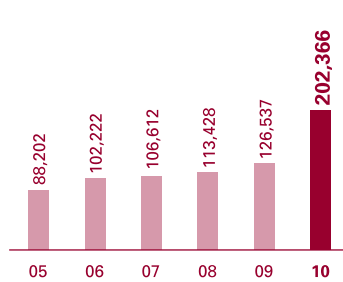
Dato' Azman bin Mahmood
Chairman

Financial Highlights

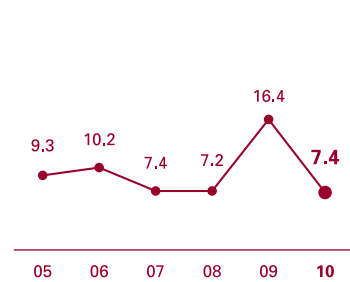
Turnover (RM'000)



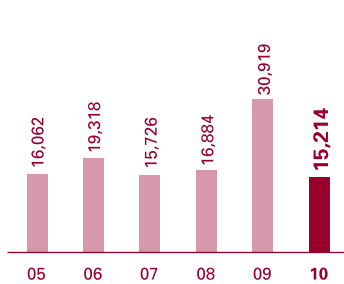
Total Assets (RM'000)



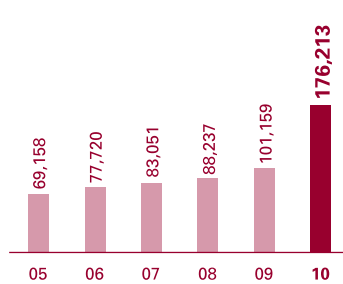
EPS (Sen)



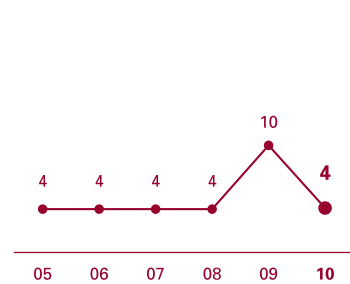
EBITDA (RM'000)



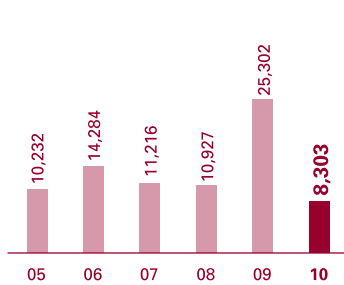
Shareholders' Equity (RM'000)



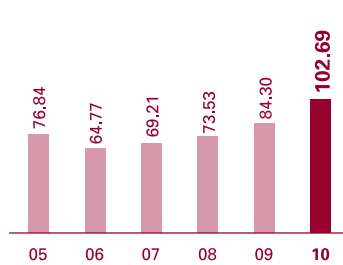
Gross DPS (Sen)



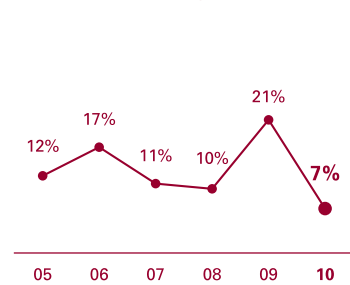
Profit Before Tax (RM'000)



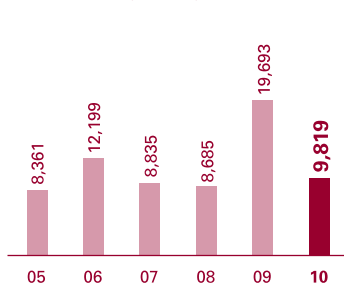
Net Tangible Assets Per Share (Sen)



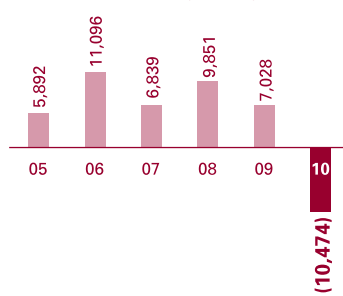
Return on Average Equity



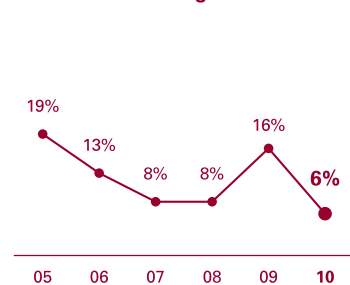
Net Profit (RM'000)



Free Cash Flow (RM'000)



Return on Average Assets



Statement On **Corporate Governance**

The Board of Directors ("the Board") is committed to ensuring a high standard of corporate governance is practiced throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholder's value and the financial performance of the Group.

The Board is pleased to present the following report on the application of the principles and compliance with best practices as set out in the Malaysian Code on Corporate Governance.

BOARD OF DIRECTORS

Board Composition and Balance

The Board has the ultimate and overall responsibility for the strategic direction, internal control systems, risk management, corporate governance and overseeing the investments of the Group.

The Board currently has 9 members comprising 4 Executive Directors, 3 Independent Non-Executive Directors and 2 Non-Independent Non-Executive Directors. The Chairman of the Board is an independent non-executive director. The current composition of the Board is in compliance with the Listing Requirements of Bursa Securities, which states that at least 2 directors or 1/3 of the board of directors, whichever is higher, must be independent directors. The Board members, with different background and specialisation, collectively bring with them a wide range of experience and expertise to lead and control the Company. With their intimate knowledge of the Group's business, all Board members are committed to take on the primary responsibilities to direct towards successful growth of the Company and ultimately the enhancement of long-term shareholders' value.

There is a clear division of responsibilities between the executive directors and the non-executive directors to ensure a balance of authority and power. The executive directors are responsible for the day-to-day operations, implementation of Board policies and making operational decisions, while the non-executive directors play a pivotal role in ensuring corporate accountability as they provide an essential source of impartial and professional advice and judgement.

Meetings

The Board meets at least four (4) times a year at quarterly intervals with additional meetings to be convened as and when required. During the financial year ended 31 December 2010, the Board convened five (5) meetings, with details on the attendance of Directors listed below: -

Board Members	Attendance
Dato' Azman bin Mahmood	5/5
Dato' Sri Koh Kin Lip	5/5
Liew Fook Meng	5/5
Lau Kee Von	5/5
Lau Pak Lam	5/5
Liew Yoon Kee	5/5
Chow Kee Kan @ Chow Tuck Kwan	5/5
Tan Eng Guan	N/A
Soh Swee Hock @ Soh Say Hock	N/A

Supply of Information

The Board recognises that the decision making process is highly dependent on the quality of information furnished. As such, in discharging their duties, the Directors have full and timely access to all information concerning the Company and the Group. Prior to each Board meeting, the agenda together with relevant reports and Board papers would be circulated to all Directors in sufficient time to enable effective discussions and decision making during Board meetings. In addition, the Board is also notified of any corporate announcements released to the Bursa Securities.

All the Directors have full access to the advice and services of the Company Secretaries, senior management staff, external auditors and other independent professionals at all times in the discharge of their duties and responsibilities.

Board Committees

The Board has established and delegated specific responsibilities to 3 Committees of the Board, which operate within clearly defined written Terms of Reference. The Board Committees deliberate issues on a broad and in-debt basis before putting up any recommendation to the Board for approval.

1. Audit Committee

The Audit Committee reviews issues of accounting policy and presentation for external financial reporting, monitors the work of the internal audit function and ensures that an objective and professional relationship is maintained with the external auditors. Its principal function is to assist the Board in maintaining a sound system of internal control. The Committee has full access to the auditors both internal and external who, in turn, have access at all times to the Chairman of the Committee. The Committee meets with the external auditors without any executive present at least twice a year.

The Audit Committee Report is presented on page 26 to page 29 of the Annual Report.

2. Remuneration Committee

The Remuneration Committee is delegated the responsibility to develop the Group's remuneration policy and to review and recommend to the Board the remuneration packages and terms of employment of the executive directors.

The Remuneration Committee comprises the following members: -

Members	Designation
Dato' Azman bin Mahmood	Chairman - Independent Non-Executive Director
Chow Kee Kan @ Chow Tuck Kwan	Member - Independent Non-Executive Director
Liew Fook Meng	Member - Executive Director
Dato' Sri Koh Kin Lip	Member - Independent Non-Executive Director
Soh Swee Hock @ Soh Say Hock (Appointed on 22 February 2011)	Member – Non-Independent Non-Executive Director

statement on corporate governance (cont'd)

3. Nominating Committee

The Nominating Committee is delegated the responsibility to ensure a formal and transparent procedure for the appointment of new directors to the Board. The Nominating Committee will review and assess the proposed appointment of new directors, and thereupon make the appropriate recommendations to the Board for approval.

In addition, the Nominating Committee is also responsible for reviewing candidates for appointment to the Board Committees and making appropriate recommendations to the Board for approval. It is also tasked with assessing the competencies and effectiveness of the Board, the Board Committees and the performance of individual directors ensuring that the required mix of skills and experience are present on the Board.

The Nominating Committee comprises the following members: -

Members	Designation
Chow Kee Kan @ Chow Tuck Kwan	Chairman - Independent Non-Executive Director
Dato' Azman bin Mahmood	Member - Independent Non-Executive Director
Dato' Sri Koh Kin Lip	Member - Independent Non-Executive Director

Appointments to the Board and Re-election of Directors

There is in place a formal and transparent procedures for appointment of Directors to the Board. The proposed appointment of member(s) of the Board as well as the proposed re-election of Directors seeking re-election at the Annual General Meeting are recommended by the Nominating Committee to the Board for its approval.

The Company's Articles of Association provides that at each Annual General Meeting, one-third (1/3) of the Directors for the time being shall retire from office and an election of Directors shall take place provided always that each Director shall retire at least once in every three (3) years but shall be eligible for re-election. Any Directors appointed during the year shall hold office only until the next Annual General Meeting and then be eligible for re-election.

Directors' Training

All the Directors of the Company have completed the Mandatory Accreditation Programme prescribed by Bursa Securities. All Directors are encouraged to undergo relevant training programmes from time to time to further enhance their knowledge to enable them to discharge their duties more effectively.

During the financial year ended 31 December 2010, the Directors attended individually or collectively various training programmes, conferences, seminars and courses organized by the Group, the relevant regulatory authorities and professional bodies as follows:-

- CITM Workshop on Real Property Gains Tax
- Seminar on Goods & Services Tax – The Way Forward
- Workshop on Investment Incentives
- Workshop on Goods and Services Tax – Mechanism and Compliance
- Seminar on Cross Border Transaction Issues
- Management Corporation of Properties held under Strata
- ISP National Seminar 2010
- Green Technology Financing
- 2011 Budget Proposals and Recent Tax Development

DIRECTORS' REMUNERATION

The Remuneration Committee evaluates and recommends to the Board the remuneration packages of the Executive Directors. It is, nevertheless, the ultimate responsibility of the Board to approve the remuneration of the Executive Directors. The Board as a whole determines the remuneration packages of non-executive directors with the Director concerned abstaining from the deliberations on decisions in respect of his remuneration.

The aggregate remuneration of the Directors of the Group for the financial year ended 31 December 2010 is as follows:-

Remuneration	Executive Director RM	Non-Executive Director RM	Total RM
Fees	102,000	88,000	190,000
Salaries and Allowances	2,454,700	16,500	2,471,200
Total	2,556,700	104,500	2,661,200

The number of directors whose total remuneration from the Company falls within the following band for the financial year ended 31 December 2010 is as follows:-

Range of Remuneration	Executive Director	Non-Executive Director	Total
Below RM50,000	0	5	5
RM50,001 – RM100,000	1	0	1
RM450,001 – RM500,000	3	0	3

SHAREHOLDERS

Dialogue with Shareholders and Investors

The Board is responsible for ensuring that high quality and relevant information are made available to shareholders and investors to keep them abreast of all material business matters affecting the Group. Announcements, annual reports, quarterly financial results and other relevant information are released timely to the Bursa Securities and are also accessible via the Company's website at www.cocoaland.com. Any query regarding the Group may be conveyed to the following persons:-

Liew Fook Meng
Executive Director
fookmeng@cocoaland.com

Tai Chun Wah
Group Accountant
taichunwah@cocoaland.com

The Annual General Meeting

The AGM remains the principal forum for dialogue with the shareholders of the Company. Shareholders are encouraged to attend the AGM and any other meetings of the shareholders where it provides the opportunity for shareholders to raise questions or concerns with regards to the Group as a whole. It also serves as a platform for shareholders to have direct access to the Board.

ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual financial statements and quarterly announcements of financial results, the Board aims to present a balanced and comprehensive assessment of the Group's financial positions and prospects. The Board is assisted by the Audit Committee in overseeing the Group's financial reporting processes and accuracy of its financial reporting.

Internal Control

The Board firmly believes in maintaining a sound system of internal control with a view to safeguard shareholders' investment and the Group's assets. The Group's inherent system of internal control is designed to provide reasonable and not absolute assurance against the risk of material misstatement or loss.

The Statement on Internal Control is set out on page 24 to page 25 of the Annual Report.

Relationship with Auditors

The Group has established a transparent and an appropriate relationship with the external auditors through the Audit Committee. The auditors would highlight to the Audit Committee and the Board from time to time on matters that require the Board's attention. The Audit Committee meets the external auditors without the presence of Executive Director or the management at least twice a year.

Statement Of Directors' Responsibility In Relation To The Financial Statements

The Directors are required under the Companies Act, 1965 ("the Act") to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group and the results and cash flows of the Company and of the Group for that period.

Hence, the Directors have ensured that the financial statements have been prepared in accordance with applicable accounting standards in Malaysia, the requirements of the Act and other statutory requirements. In preparing the financial statements, the Directors have applied appropriate accounting policies on a consistent basis and made judgments and estimates that are reasonable and prudent.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the Group and the Company to enable them to ensure that the financial statements comply with the Act. The Directors have overall responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.



Additional **Compliance Information**

1. Share Buybacks

The Company did not enter into any share buyback transactions during the financial year ended 31 December 2010.

2. Options, Warrants or Convertible Securities

The Company did not issue any options, warrants or convertible securities during the financial year ended 31 December 2010.

3. Depository Receipt Programme

The Company did not sponsor any depository receipt programme during the financial year ended 31 December 2010.

4. Imposition of Sanctions and / or Penalties

There were no sanctions and / or penalties imposed on the Company and its subsidiaries, Directors or Management by relevant regulatory bodies during the financial year ended 31 December 2010.

5. Non-audit Fees

There were no non-audit fees paid or payable to the external auditors during the financial year ended 31 December 2010.

6. Profit Guarantee

There were no profit guarantees given by the Company or its subsidiaries during the financial year ended 31 December 2010.

7. Material Contracts

There were no material contracts entered into by the Company and / or its subsidiaries during the financial year ended 31 December 2010, which involves the interests of Directors and major shareholders.

8. Revaluation Policy

The Company does not adopt a policy of regular revaluation.

9. Status of Utilisation of Proceeds raised from Corporate Proposals

(a) Private Placement

During the financial year ended 31 December 2010, the Company undertook Private Placement exercise and raised of RM16,200,000. The entire proceeds had been fully utilised as working capital as of 31 December 2010.

(b) Subscription of shares by Fraser & Neave Holdings Bhd ("F&N")

During the financial year ended 31 December 2010, the Company raised RM54,648,000 from the issuance of 39,600,000 new ordinary shares to F&N. The status of utilisation of proceeds as at 31 December 2010 is set out below:-

additional compliance information (cont'd)

Purposes	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Transfer to Working Capital (RM'000)	Balance (RM'000)	Intended Timeframe for Utilisation (RM'000)
Acquisition of machinery	36,000	(4,450)	-	31,550	Within 12 months
Acquisition of property	10,000	-	-	10,000	Within 6 months
Working Capital	8,538	-	12*	8,550	Within 6 months
Estimated expenses relating to the share subscription	110	(98)	(12)*	-	Upon completion
Total	54,648	(4,548)	-	50,100	

*Any increase or decrease in the actual expenses related to the share subscription would be clawed back from or to the working capital.

10. Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPTs")

F&N, a substantial shareholder of the Company had via its related companies entered into contract packaging agreements with the Cocoland Group on 30 December 2010 ("First Transaction Date") and 5 January 2011.

Bursa Securities had, on 12 January 2011, granted the Company with an extension of time from the First Transaction Date to the 11th AGM to obtain the shareholders' ratification for RRPTs entered or to be entered into by Cocoland and/ or its subsidiaries.

The Company will seek its shareholders' approval to ratify the RRPTs at the 11th AGM.

Statement On Internal Control

INTRODUCTION

The Board of Directors ("the Board") recognises the importance of sound internal controls to safeguard shareholders' investments and the Group's assets. The Board continues with its commitment to maintain a sound system of internal control and good corporate governance in the Group, and is pleased to provide the following Statement of Internal Control that was prepared in accordance with Bursa Malaysia's Statement on Internal Control – Guidance for Directors of Public Listed Companies. The Board believes the practice of good corporate governance is an important continuous process and not just a matter to be covered as compliance in the Annual Report.

As there are limitations that are inherent in any system of internal controls, this system is designed to manage rather than eliminate risks that may impede the achievement of the Group's business objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss.

Board Responsibility

The Board acknowledges the importance of sound internal controls and risk management practices to good corporate governance and it affirms its overall responsibility for the Group's system of internal control and for reviewing its effectiveness, adequacy and integrity. The system of internal control covers financial, organizational, management information system, operational and compliance controls.

The Group has engaged external advisers to advise and assist in the internal audit functions of the Group. The external advisers report directly to the Audit Committee. There were no material losses reported during the current financial year as a result of weaknesses in internal control. The Management of the Group continues to take measures to strengthen the internal control environment.

The following activities are the key internal control measures of the Group's system:

1. Clear Lines of Accountability & Reporting Within the Organisation

Key responsibilities and accountability in the organisational structure are clearly defined, with clear reporting lines up to the Board and its Committees. Established delegation of authority sets out the appropriate authority levels for decision-making, including matters requiring Board approval.

2. Formalised & Documented Policies and Procedures

Internal policies and procedures which are set out in a series of clearly documented standard operating manuals covering a majority of areas within the Group are maintained and subject to review as and when necessary.

3. Financial Performance

The preparation of periodic and annual results and state of affairs of the Group, as published to shareholders, are reviewed and approved by the Board. The financial statements of each financial year end are also audited by the external auditors.

4. Insurance and Physical Safeguard

Adequate insurance and physical security of major assets are in place to ensure that the assets of the Group are sufficiently covered against any mishap that will result in material losses to the Group.

5. Other matters

Regular meetings are held between the Board and the senior management staff to discuss, analyse, review and resolve strategic, operational, financial and key management issues.

INTERNAL AUDIT FUNCTION

The periodic reviews carried out by the Internal Audit function on the Group's processes and state of internal control as part of its internal audit plan are reported to the Board through the Audit Committee.

The systems of internal control described in this statement are considered by the Board to be adequate and the risks are considered by the Board to be at an acceptable level within the context of the business environment throughout the Group's business. However, such systems do not eliminate the possibility of human error, collusion or deliberate circumvention of control procedures by employees and others, nor the occurrence of unforeseeable circumstances due to poor judgement in decision making. Nevertheless, the systems of internal control that exist throughout the financial year provide a level of confidence on which the Board relies for assurance.

The duties of the Internal Auditors are as follows:-

- To review and appraise the adequacy and effectiveness of the internal control systems;
- To review the means of safeguarding assets and, as appropriate, verify the existence of such assets;
- To carry out regular visits to operating units, which aims to monitor compliance with procedures and controls, as well as to assess the integrity of financial information; and
- To appraise the economy, efficiency and effectiveness with which resources are employed.

Review of the Statement by External Auditors

As required by paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Internal Control. Their review was performed in accordance with Recommended Practice Guide (RPG) 5 issued by the Malaysian Institute of Accountants. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process of the Board had adopted in their review of the adequacy and integrity of internal controls of the Group.

This statement is made in accordance with the resolution passed at the Board of Directors' meeting held on 18 April 2011.



Report On **Audit Committee**

The Board of Directors is pleased to present the report of the Audit Committee for the financial year ended 31 December 2010.

MEMBERSHIP AND ATTENDANCE

The Audit Committee consists of three (3) independent non-executive directors and one (1) non-independent non-executive director. A total of 5 Audit Committee meetings were held during the financial year. Details of the Audit Committee membership and the attendance of each member at the Audit Committee meetings are as follows:-

Members	Designation	Attendance
Dato' Azman bin Mahmood	Chairman - Independent Non-Executive Director	5/5
Dato' Sri Koh Kin Lip	Member - Independent Non-Executive Director	5/5
Chow Kee Kan @ Chow Tuck Kwan	Member - Independent Non-Executive Director	5/5
Tan Eng Guan (Appointed on 22 February 2011)	Member – Non-Independent Non-Executive Director	N/A

TERMS OF REFERENCE

Composition

- The Audit Committee shall be appointed from amongst the Board of Directors ("the Board") and shall comprise of at least three (3) members, a majority of whom are independent. All members of the Audit Committee must be non-executive directors.
- All members of the Audit Committee should be financially literate and at least one member of the Audit Committee:-
 - must be a member of the Malaysian Institute of Accountants (MIA); or
 - if he is not a member of the MIA, he must have at least three (3) years' working experience and:-
 - he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
 - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or
 - fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad.
- No alternate director of the Board shall be appointed as a member of the Audit Committee.
- If a member of the Audit Committee for any reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall within three (3) months of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.
- The Board must review the term of office and performance of the Audit Committee and each of its members at least once every three (3) years to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference.

Chairman

The Chairman, who shall be elected by the Audit Committee, shall be an independent director.

Secretary

The Company Secretary shall be the Secretary of the Audit Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.

The Secretary shall also be responsible for maintaining the minutes of meetings of Audit Committee and circulating them to members of the Audit Committee.

Meetings

The Audit Committee shall meet at least four (4) times a year, with due notice of issues to be discussed, and should record its conclusion in discharging its duties and responsibilities.

The head of finance, the head of internal audit and a representative of the external auditors should normally be invited to attend the meetings. Other board members may attend meetings upon invitation of the Audit Committee.

The quorum for a meeting shall be two (2) members, provided that the majority of members present at the meeting shall be independent.

Authority

The Audit Committee shall have explicit authority to investigate any matter within its terms of reference, the resources to do so, and full and unrestricted access to information. The Audit Committee should be able to obtain independent professional or other advice and to invite outsiders with relevant experience to attend, if necessary.

The Audit Committee shall have direct communication channels with the external auditors and internal auditors. The Audit Committee shall also have the authority to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, at least twice a year.

Duties and Responsibilities

- a) To consider the appointment of the external auditor, the audit fee and any question of resignation or dismissal;
- b) To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- c) To review the quarterly and year-end financial statements prior to the approval by the Board, focusing particularly on: -
 - any change in accounting policies and practices;
 - significant adjustments arising from the audit;
 - the going concern assumption; and
 - compliance with accounting standards and other legal requirements.

report on audit committee (cont'd)

- d) To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary);
- e) To review the external auditor's management letter and management's response;
- f) To review with the external auditors:-
 - their audit plan;
 - evaluation of the system of internal controls and management information systems;
 - problems and reservation arising from their audits; and
 - audit report;
- g) To do the following, in relation to the internal audit function:-
 - review the adequacy of the scope, functions, competency and resources of the internal audit functions, and that it has the necessary authority to carry out its work;
 - review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
 - review any appraisal or assessment of the performance of members of the internal audit function;
 - approve any appointment or termination of senior staff members of the internal audit function; and
 - take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- h) To review any related party transactions and conflict of interest situation that may arise within the Company or Group;
- i) To consider and review the major findings of internal investigations and management's response;
- j) To review and verify that the allocation of options pursuant to Employees' Share Option Scheme complies with the criteria of allocation;
- k) To consider and review other topics as defined by the Board; and
- l) The Chairman of the Audit Committee should engage on a continuous basis with senior management, such as the chairman, the chief executive officer, the head of finance, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Company.

SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE

In line with the Terms of Reference of the Audit Committee, the following activities were carried out by the Audit Committee during the financial year ended 31 December 2010 in the discharge of its functions and duties:-

- (i) Reviewed the external auditors' scope of work and audit planning memorandum;
- (ii) Reviewed the unaudited quarterly financial results of the Group, focusing particularly on the financial reporting and compliance with the disclosure requirements prior to making recommendation to the Board for consideration and approval;
- (iii) Reviewed the Audited Financial Statements, focusing particularly on any changes in accounting policies and practices, significant adjustments arising from audit or unusual events, the going concern assumption and compliance with the accounting standards and other requirements, prior to making recommendation to the

Board for consideration and approval;

- (iv) Reviewed and received the Internal Audit Plan and Reports and assessed the Internal Auditors' findings and the Management's responses thereto and thereafter, making the necessary recommendations or changes to the Board;
- (v) Reviewed the Corporate Governance Statement, Statement on Internal Control and Report on Audit Committee prior to the Board's approval for inclusion in the Company's annual report;
- (vi) Meeting with the external and internal auditors without the presence of any executive board member;
- (vii) Considered and recommended to the Board for approval of the audit fees payable to the external auditors;
- (viii) Considered the re-appointment of the external auditors and make recommendation to the Board for approval; and
- (ix) Reviewed the related party transactions entered into by the Group.

INTERNAL AUDIT FUNCTION

The Company recognises that an internal audit function is essential to ensuring the effectiveness of the Group's system of internal control and is an integral part of the risk management process. The internal audit function of the Group is being outsourced to an independent professional firm. The internal auditors report directly to the Audit Committee on a quarterly basis by presenting the internal audit plans and reports. During the financial year, the internal auditors conducted reviews on the areas such as human resources procedures, inventory control management, marketing and distribution system, purchasing functions for the Group. For the financial year ended 31 December 2010, the cost incurred for outsourcing of internal audit function was RM37,505.20.



Financial Statements

31	Corporate Information
32	Auditors' Report
34	Directors' Report
38	Consolidated Statement Of Financial Position
39	Consolidated Statement Of Comprehensive Income
40	Consolidated Statement Of Changes In Equity
41	Consolidated Statement Of Cash Flows
43	Statement Of Financial Position
44	Statement Of Comprehensive Income
45	Statement Of Changes In Equity
46	Statement Of Cash Flows
47	Notes To The Financial Statements
76	Directors' Statement
77	Statutory Declaration

corporate information

BOARD OF DIRECTORS	Dato' Azman Bin Mahmood Dato' Sri Koh Kin Lip Liew Fook Meng Lau Kee Von Liew Yoon Kee Lau Pak Lam Chow Kee Kan @ Chow Tuck Kwan Tan Eng Guan Soh Swee Hock @ Soh Say Hock
COMPANY SECRETARIES	Ng Heng Hooi Wong Mee Kiat Yap Foo Teng
AUDITORS	Wong Weng Foo & Co. Chartered Accountants
REGISTERED OFFICE	Lot 6.08, 6th Floor Plaza First Nationwide No 161, Jalan Tun H. S. Lee 50000 Kuala Lumpur
PRINCIPAL BANKERS	RHB Bank Berhad Citibank Berhad Public Bank Berhad HSBC Bank Malaysia Berhad

Independent Auditors' Report to the members of Cocaland Holdings Berhad

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Cocaland Holdings Berhad, which comprise the statement of financial position as at 31st December, 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 47 to 75.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies, Act 1965 and Financing Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2010 and of its financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.
- b) We have considered the financial statements and the auditors' report of the subsidiary company of which we have not acted as auditors, which is indicated in note 5 to the financial statements.
- c) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

The supplementary information on Note 30 on page 75 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS

KUALA LUMPUR
Dated this : 18th April 2011

ABD HALIM BIN HUSIN
2095/12/12 (J)
CHARTERED ACCOUNTANT

Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31st December, 2010.

PRINCIPAL ACTIVITIES

The Company's principal activity is that of investment holding. The principal activities of the subsidiary companies are stated in Note 5 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	Group RM	Company RM
Profit after income tax	9,819,477	2,171,572
Retained profit brought forward	40,932,612	4,858,613
	50,752,089	7,030,185
Interim dividend of 5% less 25% income tax paid on 6th April, 2010	(2,250,000)	(2,250,000)
Interim dividend of 5% less 25% income tax paid on 30th June, 2010	(2,475,000)	(2,475,000)
Retained profit carried forward	46,027,089	2,305,185

DIVIDENDS

Since the end of the previous financial year, the directors declared and paid interim dividends of 5% per ordinary share of RM0.50 each less 25% income tax on 6th April, 2010 for the financial year ended 31st December, 2009 and 5% per ordinary share of RM0.50 each less 25% income tax on 30th June, 2010 for the financial year ended 31st December, 2010, respectively, totalling to RM4,725,000. On 22nd February, 2011, a further dividend of 3.8% per ordinary shares of 0.50 each less 25% income tax amounting to RM2,445,300 was declared and paid on 11th April, 2011 in respect of the financial year ended 31st December, 2010.

The directors do not recommend a final dividend for the financial year ended 31st December, 2010.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year have been disclosed in the financial statements.

ISSUE OF SHARES OR DEBENTURES

There were no issue of shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No share options were granted during the financial year.

BAD AND DOUBTFUL DEBTS

Before the statement of comprehensive income and statement of financial positions of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and are satisfied that all known bad debts have been written off and adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would render the amount of bad debts written off or allowance made for doubtful debts inadequate to any substantial extent.

CURRENT ASSETS

Before the statement of comprehensive income and statement of financial positions of the Group and of the Company were made out, the directors took reasonable steps to ascertain whether any current assets which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Group and of the Company and to the extent so ascertained were written down to an amount that they might be expected to realise.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or in the financial statements of the Group and of the Company that would render any amount stated in the respective financial statements misleading.

directors' report (cont'd)

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS OF THE COMPANY

The directors who served since the date of the last report are as follows:-

Dato' Azman Bin Mahmood
Dato' Sri Koh Kin Lip
Liew Fook Meng
Lau Kee Von
Liew Yoon Kee
Lau Pak Lam
Chow Kee Kan @ Chow Tuck Kwan
Tan Eng Guan (Appointed on 1.12.2010)
Soh Swee Hock @ Soh Say Hock (Appointed on 1.12.2010)

DIRECTORS' INTEREST

According to the register of directors shareholdings, the interest of directors in office at the end of the financial year in shares of the Company during the financial year ended 31st December, 2010 are follows:-

	← No of Ordinary Shares of RM0.50 each →			
	Balance at 1.1.2010	Bought	Sold	Balance at 31.12.2010
The Company				
Dato' Azman Bin Mahmood				
- direct	393,333	-	-	393,333
- indirect	-	-	-	-
Dato' Sri Koh Kin Lip				
- direct	2,500,000	-	-	2,500,000
- indirect	500,000	-	-	500,000
Liew Fook Meng				
- direct	4,979,533	-	-	4,979,533
- indirect	65,284,971	-	-	65,284,971
Lau Kee Von				
- direct	932,800	120,300	(23,300)	1,029,800
- indirect	65,284,971	-	-	65,284,971
Liew Yoon Kee				
- direct	73,333	-	-	73,333
- indirect	65,284,971	-	-	65,284,971

DIRECTORS' INTEREST (cont'd)

	No of Ordinary Shares of RM0.50 each			
	Balance at 1.1.2010	Bought	Sold	Balance at 31.12.2010
The Company				
Lau Pak Lam				
- direct	721,966	212,300	-	934,266
- indirect	65,284,971	-	-	65,284,971
Chow Kee Kan @ Chow Tuck Kwan				
- direct	-	-	-	-
- indirect	-	-	-	-
Tan Eng Guan				
- direct	-	-	-	-
- indirect	-	-	-	-
Soh Swee Hock @ Soh Say Hock				
- direct	-	-	-	-
- indirect	-	-	-	-

DIRECTORS' BENEFITS

Since the end of previous financial year, no director of the Company has received or become entitled to receive any benefit (other than as disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

AUDITORS

The auditors, Messrs Wong Weng Foo & Co., have expressed their willingness to continue in office.

Signed on behalf of the Board of directors in accordance with a resolution dated 18th April, 2011.

LIEW FOOK MENG
Director

LAU KEE VON
Director

KUALA LUMPUR

Consolidated Statement Of Financial Position

as at 31st december 2010

			2010 RM	As restated 2009 RM
ASSETS	Note			
Non-current assets				
Property, plant and equipment	3		78,165,273	59,429,835
Prepaid lease payments	4		-	-
Investment in an associated company	6		-	3,095,685
Other investment	7		1,000	1,000
			78,166,273	62,526,520
Current assets				
Inventories	8		19,440,026	17,535,231
Trade receivables	9		25,965,058	21,574,004
Other receivables, deposits and prepayments	10		7,646,685	10,080,907
Deposits, cash and bank balances	12		71,147,674	14,820,510
			124,199,443	64,010,652
Total assets			202,365,716	126,537,172
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	13		85,800,000	60,000,000
Reserves	14		90,381,628	41,126,531
Exchange translation reserves			31,111	32,488
Total equity			176,212,739	101,159,019
LIABILITIES				
Non-current liabilities				
Hire-purchase payables	15		-	57,933
Term loans	16		-	10,764
Deferred income tax liabilities	17		77,000	3,313,000
			77,000	3,381,697
Current liabilities				
Trade payables			17,516,840	13,605,689
Other payables and accruals	18		8,501,204	6,968,407
Hire-purchase payables	15		57,933	60,274
Term loans	16		-	14,920
Current income tax liabilities			-	1,347,166
			26,075,977	21,996,456
Total liabilities			26,152,977	25,378,153
Total equity and liabilities			202,365,716	126,537,172

The attached notes form an integral part of the Financial Statements.

Consolidated Statement Of Comprehensive Income

for the year ended 31st december 2010

	Note	2010 RM	2009 RM
OPERATING REVENUE		142,258,857	133,175,505
COST OF SALES		(108,485,842)	(86,471,381)
GROSS PROFIT		33,773,015	46,704,124
SELLING & DISTRIBUTION EXPENSES		(12,550,127)	(12,062,064)
ADMINISTRATIVE EXPENSES		(13,715,904)	(9,555,337)
OTHER OPERATING INCOME		1,021,584	1,051,721
PROFIT FROM OPERATIONS		8,528,568	26,138,444
FINANCE COST	19	(8,737)	(104,297)
SHARE OF LOSS OF AN ASSOCIATED COMPANY		(216,416)	(732,017)
PROFIT BEFORE INCOME TAX	19	8,303,415	25,302,130
INCOME TAX	20	1,516,062	(5,609,112)
TOTAL COMPREHENSIVE INCOME		9,819,477	19,693,018
ATTRIBUTABLE TO:			
EQUITY HOLDERS OF THE COMPANY		9,819,477	19,693,018
BASIC AND DILUTED EARNINGS PER SHARE (SEN)	21	7.39	16.41

The attached notes form an integral part of the Financial Statements

Consolidated Statement Of Changes In Equity for the year ended 31st december 2010

	← Attributable to the equity holders of the Company →				
	Share capital (Note 13) RM	Share premium (Note 14) RM	Retained profit (Note 14) RM	Exchange translation reserve RM	Total RM
At 1st January, 2009	60,000,000	193,919	27,989,594	53,193	88,236,706
Foreign currency translation differences	-	-	-	(20,705)	(20,705)
Total comprehensive income	-	-	19,693,018	-	19,693,018
Interim dividend of 10% less 25% income tax paid on 25th September, 2009	-	-	(4,500,000)	-	(4,500,000)
Interim dividend of 5% less 25% income tax paid on 31st December, 2009	-	-	(2,250,000)	-	(2,250,000)
At 31st December, 2009/ 1st January, 2010	60,000,000	193,919	40,932,612	32,488	101,159,019
Private placements	25,800,000	45,048,000	-	-	70,848,000
Foreign currency translation differences	-	-	-	(1,377)	(1,377)
Private placements expenses	-	(887,380)	-	-	(887,380)
Total comprehensive income	-	-	9,819,477	-	9,819,477
Interim dividend of 5% less 25% income tax paid on 6th April, 2010	-	-	(2,250,000)	-	(2,250,000)
Interim dividend of 5% less 25% income tax paid on 30th June, 2010	-	-	(2,475,000)	-	(2,475,000)
At 31st December, 2010	85,800,000	44,354,539	46,027,089	31,111	176,212,739

The attached notes form an integral part of the Financial Statements.

Consolidated Statement Of Cash Flows

for the year ended 31st december 2010

	2010 RM	As restated 2009 RM
Cash Flow From Operating Activities		
Profit before income tax	8,303,415	25,302,130
Adjustments for:-		
Property, plant and equipment written off	57,237	13,275
Allowance for doubtful debts	347,764	25,520
Allowance for doubtful debts no longer required	(427,084)	(424,086)
Depreciation	7,066,156	5,070,838
Preliminary expenses written off	2,400	-
Loss on disposal of investment in associated company	1,614,755	-
(Gain)/ Loss on disposal of property, plant and equipment	(141,239)	626
Exchange translation reserves	(1,060)	(50,797)
Share of loss of an associated company	216,416	732,017
Interest expense	8,737	104,297
Interest income	(379,669)	(292,136)
Operating profit before working capital changes	16,667,828	30,481,684
Increase in inventories	(1,904,795)	(2,916,137)
Increase in receivables	(373,259)	(8,007,939)
Increase in payables	5,443,948	1,227,651
Cash generated from operating activities	19,833,722	20,785,259
Interest paid	(8,737)	(104,297)
Interest received	379,669	292,136
Tax paid	(4,571,357)	(3,730,135)
Dividends paid	(4,725,000)	(6,750,000)
Net cash provided by operating activities	10,908,297	10,492,963
Cash Flow from Investing Activities		
Proceeds from disposal of associated company	1,264,514	-
Proceeds from disposal of property, plant and equipment	388,676	472,690
Private placements	70,848,000	-
Purchase of property, plant and equipment	(26,106,585)	(10,215,329)
Private placement expenses	(887,380)	-
Preliminary expenses	(2,400)	-
Net cash provided by/ (used in) investing activities	45,504,825	(9,742,639)

consolidated statement of cash flows (cont'd)

	2010 RM	As restated 2009 RM
Cash Flow From Financing Activities		
Repayment of term loans	(25,684)	(1,989,905)
Repayment of hire-purchase creditors	(60,274)	(61,125)
Net cash used in financing activities	(85,958)	(2,051,030)
Net changes in cash and cash equivalents	56,327,164	(1,300,706)
*Cash and cash equivalents brought forward	14,820,510	16,121,216
*Cash and cash equivalents carried forward	71,147,674	14,820,510
Note:		
*Cash and cash equivalents consist of:-		
Fixed deposits with licensed banks	59,250,953	464,444
Short term deposits with licensed banks	3,656,071	5,532,552
Cash and bank balances	8,240,650	8,823,514
	71,147,674	14,820,510
Net cash flow on acquisition of a subsidiary company:-		
Cash and cash equivalents acquired	2	-
Cash consideration	(2)	-
	-	-

The attached notes form an integral part of the Financial Statements

Statement Of Financial Position

as at 31st december 2010

	Note	2010 RM	2009 RM
ASSETS			
Non-current assets			
Investment in subsidiary companies	5	40,473,334	40,473,334
		40,473,334	40,473,334
Current assets			
Other receivables, deposits and prepayments	10	285,263	298,837
Amount due from subsidiary companies	11	33,779,082	24,308,817
Deposit, cash and bank balances	12	58,893,994	177,681
		92,958,339	24,785,335
Total assets		133,431,673	65,258,669
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	13	85,800,000	60,000,000
Reserves	14	46,659,724	5,052,532
Total equity		132,459,724	65,052,532
LIABILITIES			
Current liabilities			
Other payables and accruals	18	971,949	206,137
		971,949	206,137
Total liabilities		971,949	206,137
Total equity and liabilities		133,431,673	65,258,669

The attached notes form an integral part of the Financial Statements

Statement Of Comprehensive Income

for the year ended 31st december 2010

	Note	2010 RM	2009 RM
OPERATING REVENUE		6,025,000	15,000,050
ADMINISTRATIVE EXPENSES		(3,333,620)	(376,760)
OTHER OPERATING INCOME		264,453	-
PROFIT BEFORE INCOME TAX	19	2,955,833	14,623,290
INCOME TAX	20	(784,261)	(3,676,739)
TOTAL COMPREHENSIVE INCOME		2,171,572	10,946,551
ATTRIBUTABLE TO:			
EQUITY HOLDERS OF THE COMPANY		2,171,572	10,946,551

The attached notes form an integral part of the Financial Statements

Statement Of Changes In Equity for the year ended 31st december 2010

	← Attributable to the equity holders of the Company →			
	Share capital (Note 13) RM	Share premium (Note 14) RM	Retained profit (Note 14) RM	Total RM
At 1st January, 2009	60,000,000	193,919	662,062	60,855,981
Total comprehensive income	-	-	10,946,551	10,946,551
Interim dividend of 10% less 25% income tax paid on 25th September, 2009	-	-	(4,500,000)	(4,500,000)
Interim dividend of 5% less 25% income tax paid on 31st December, 2009	-	-	(2,250,000)	(2,250,000)
At 31st December, 2009/ 1st January, 2010	60,000,000	193,919	4,858,613	65,052,532
Private placements	25,800,000	45,048,000	-	70,848,000
Private placements expenses	-	(887,380)	-	(887,380)
Total comprehensive income	-	-	2,171,572	2,171,572
Interim dividend of 5% less 25% income tax paid on 6th April, 2010	-	-	(2,250,000)	(2,250,000)
Interim dividend of 5% less 25% income tax paid on 30th June, 2010	-	-	(2,475,000)	(2,475,000)
At 31st December, 2010	85,800,000	44,354,539	2,305,185	132,459,724

The attached notes form an integral part of the Financial Statements

Statement Of Cash Flows

for the year ended 31st december 2010

	2010 RM	2009 RM
Cash Flow From Operating Activities		
Profit before income tax	2,955,833	14,623,290
Adjustment for:-		
Impairment of investment in a subsidiary company	2	-
Allowance for doubtful debts	2,861,869	-
Interest income	(264,453)	-
Dividend income	(6,025,000)	(15,000,050)
Operating loss before working capital changes	(471,749)	(376,760)
Increase in receivables	(12,346,571)	(4,101,351)
Increase in payables	765,812	132,651
Cash absorbed by operations activities	(12,052,508)	(4,345,460)
Interest received	264,453	-
Dividends received	5,268,750	11,250,037
Dividends paid	(4,725,000)	(6,750,000)
Net cash (used in)/ provided by operating activities	(11,244,305)	154,577
Cash Flow From Investing Activities		
Investment in a subsidiary company	(2)	-
	(2)	-
Cash Flow From Financing Activities		
Private placements	70,848,000	-
Private placements expenses	(887,380)	-
Net cash provided by financing activities	69,960,620	-
Net changes in cash and cash equivalents	58,716,313	154,577
*Cash and cash equivalents brought forward	177,681	23,104
*Cash and cash equivalents carried forward	58,893,994	177,681
Note:		
*Cash and cash equivalents consist of:		
Cash and bank balances	58,893,994	177,681

The attached notes form an integral part of the Financial Statements

Notes To The Financial Statements

31st december 2010

1. GENERAL INFORMATION

- 1.1 The Company is a public limited company, incorporated and domiciled in Malaysia, quoted on the Main Market of the Bursa Malaysia Securities Berhad.
- 1.2 The principal place of business is located at Lot 100, Rawang Integrated Industrial Park, 48000 Rawang, Selangor Darul Ehsan.
- 1.3 The Company's principal activity is that of investment holding. The principal activities of the subsidiary companies are stated in Note 5 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.
- 1.4 The financial statements of the Group and of the Company were authorised for issue on 18th April, 2011.
- 1.5 In the previous financial year, the directors had regarded Leverage Success Sdn. Bhd. ("LSSB"), incorporated in Malaysia as the ultimate holding company. Subsequent to the private placements undertaken during the current financial year the effective interest of LSSB had been diluted to 38%, therefore LSSB is no longer the ultimate holding company.

2. SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following significant accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as disclosed in this summary of significant policies.

The preparation of financial statements in conformity with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported financial year. Although these estimates are based on the directors' best knowledge of current events and actions, actual results could differ from those estimates.

notes to the financial statements (cont'd)

2.2 Change in Accounting Policies and Effects From Adoption Of New Standard and Interpretations.

i) Standards and interpretation issued and effective for period on or after 1st January, 2010.

The following FRS, amendments and interpretations were issued and effective for the Group's and Company's current financial year:-

FRS 1	First-time Adoption of Financial Reporting Standards (revised)
Amendments to FRS 2	Share-based Payment - Vesting Conditions and Cancellations
FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (revised)
Amendments to FRS 101	- Puttable Financial Instruments and Obligation Arising on Liquidation
Amendments to FRS 117	Leases
FRS 123	Borrowing Costs (revised)
Amendments to FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 132	Financial Instruments: Presentation - Puttable Financial Instruments and Obligation Arising on Liquidation - Separation of Compound Instrument
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 139	- Reclassification of Financial Assets - Collective Assessment of Impairment for Banking Institutions
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS2 – Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements' and Their Interaction

Other than as discussed below on amendment to FRS 117, Leases, the adoption of the above FRSs, amendments and interpretations does not have significant financial impact on the Group.

Prior to the adoption of the Amendment to FRS 117, leasehold lands were treated as operating leases. The considerations paid were classified and presented as prepaid lease payments in the statement of financial position. With the adoption of the Amendment to FRS 117, the Group has reassessed and determined that all leasehold land of the Group which is in substance financial leases and has reclassified the leasehold land to property, plant and equipment.

The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment. The effect of the reclassification to the comparative of the prior financial year's consolidated statement of financial position has been accounted for retrospectively and as disclosed in Note 28.

notes to the financial statements (cont'd)

ii) Standards and interpretations issued but not yet effective.

The directors of the Group have chosen not to early adopt the following FRS, amendments and interpretation which were in issue but not yet effective:-

		Effective for financial period beginning on or after
FRS 1	First-time Adoption of Financial Reporting Standards (revised)	1.7.2010
Amendments to FRS 1	- Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters - Additional Exemption for First-time Adopters	1.1.2011
FRS 3	Business Combinations (revised)	1.7.2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1.7.2010
Amendments to FRS 7	Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments	1.1.2011
Amendments to FRS 132	Financial Instruments: Presentation - Classification of Rights Issues	1.3.2010
Amendments to FRS 138	Intangible Assets	1.7.2010
IC Interpretation 4	Determining whether an Arrangement contains a Lease	1.1.2011
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives	1.7.2010
IC Interpretation 12	Service Concession Arrangements	1.7.2010
IC Interpretation 15	Agreements for the Construction of Real Estate	1.7.2012
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operations	1.7.2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1.7.2010
IC Interpretation 18	Transfer of Assets from Customers	1.1.2011

These new and revised FRS are not expected to have any significant impact on the financial statements of the Group and of the Company.

2.3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

(i) Critical judgement made in applying accounting policies

The directors are of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements in applying the Group and Company's accounting policies other than the basis of preparation of financial statements as disclosed in Note 2.1 to the financial statements.

notes to the financial statements (cont'd)

(ii) Key sources of estimation uncertainty

The directors believes, other than as disclosed in Note 2.1 to the financial statements, that there are no key assumptions made concerning the future and other key sources of estimation uncertainty at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

2.4 Basis of Consolidation

The subsidiary companies have been consolidated using the merger method of accounting. Under this method, the differences between the purchase consideration and nominal value of the share capital of the subsidiary companies acquired are taken to reserve arising from merger or deficit arising from merger. The deficit, if any, are written off against revaluation reserve and retained profit in the financial statements of the subsidiary companies acquired.

Standard on FRS 3 "Business Combinations" states that all business combinations shall be accounted for by applying the purchase method. However, the Group has adopted the exemption allowed to apply FRS 3 on a prospective basis. Accordingly, business combinations entered into prior to 1st January, 2007, have not been restated to comply with this Standard.

All significant intercompany transactions and balances are eliminated on consolidation.

2.5 Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold lands and buildings of the Group have not been revalued since they were first revalued in December, 2003. The directors have not adopted a policy of regular revaluation of such assets and no later valuation has been recorded. As permitted under the transitional provisions of IAS 16 (Revised): Property, Plant and Equipment, these assets continue to be stated at their December, 2003 valuation less accumulated depreciation. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the amount is restated to the revalued amount of the asset.

Leasehold land and buildings are amortised over their respective lease periods which range from 10 to 78 years.

Freehold lands are not depreciated as they have infinite useful lives.

No depreciation is provided for properties-in-progress.

notes to the financial statements (cont'd)

Depreciation on other property, plant and equipment is calculated on the straight line method to write off their costs to their residual value over their estimated useful lives at the following annual rates:-

Freehold buildings	Over remaining useful lives of between 28 to 48 years
Motor vehicles	20%
Plant and machinery	10%
Office equipment	10%
Furniture and fittings	10%
Warehouse equipment	10%
Electrical fittings	10%
Renovation	10%
Science lab equipment	10%
Factory equipment	10%

The residual value, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in statement of comprehensive income.

2.6 Leases

i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases

ii) Finance Leases

Assets acquired by way of finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the statement of financial position as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine, otherwise, the Group's or Company's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in statement of comprehensive income over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

notes to the financial statements (cont'd)

iii) Operating Leases

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

2.7 Associated Company

Associated company is defined as a company in which the Group has a long term equity interest of between 20% - 50% and is in a position to exercise significant influence over, and participate in, the financial and operating policy decisions of the associated company.

2.8 Investments

Investments in unquoted shares, are stated at cost less accumulated impairment losses, if any.

2.9 Inventories

Inventories are valued at the lower of cost and net realisable value. In general, cost is determined on first-in, first-out basis and comprise purchase cost and other incidental costs including transport and handling costs. In the case of finished goods, costs include all direct expenditure and production overheads based on the normal level of activity.

Net realisable value is the estimated selling price in the ordinary course of business less selling expenses. In arriving at net realisable value, due allowance is made for all obsolete, slow moving or defective inventories.

2.10 Impairment of Assets

The carrying values of assets other than inventories are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. An impairment loss is charged to the statement of comprehensive income immediately unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of depreciation and amortisation) had no impairment loss been recognised. The reversal is recognised in the statement of comprehensive income immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statement of comprehensive income, a reversal of that impairment loss is recognised as income in the statement of comprehensive income.

2.11 Income Tax

Income tax on the profit for the year comprises current and deferred income tax liabilities. Current income tax liabilities is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the statement of financial position date.

Deferred income tax liabilities is provided for, using the liability method, on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred income tax liabilities are recognised for all taxable temporary differences and deferred income tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

A deferred income tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of a deferred income tax asset is reviewed at each statement of financial position date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred income tax asset to be utilised, the carrying amount of the deferred income tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reduction will be reversed to the extent of the taxable profit.

2.12 Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. Allowance is made for doubtful debts based on a review of all outstanding amounts as at the statement of financial position date.

2.13 Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

2.14 Provisions

Provisions are recognised when there is a present obligation, legal or constructive as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

2.15 Hire-Purchase

Property, plant and equipment acquired under hire-purchase are capitalised and are depreciated on the same basis as owned assets as stated in Note 2.5 and the corresponding obligations relating to the remaining capital payments are treated as liabilities. Finance charges are charged to the statement of comprehensive income over the period of the plan and accounted for using the sum of digits method (Rule 78 method).

notes to the financial statements (cont'd)

2.16 Interest-Bearing Borrowings

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs.

Borrowing costs directly attributable to the acquisition of property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use. All other borrowing costs are charged to the statement of comprehensive income as an expense in the period in which they are incurred.

2.17 Share Capital

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost incurred directly attributable to the issuance of the shares are accounted for as a deduction from share premium, otherwise it is charged to the statement of comprehensive income.

Dividends to shareholders are recognised in equity in the period in which they are declared or approved by shareholders at general meeting.

2.18 Cash and Cash Equivalents

Cash and cash equivalents consists of cash in hand, bank balances and short term and fixed deposits with licensed banks which have an insignificant risk of changes in value.

2.19 Financial Instruments

Financial instruments are recognised in the statement of financial position when the Group have become a party to the contractual provisions of the instruments. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group have a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.20 Foreign Currencies

Transactions in foreign currencies are converted into Ringgit Malaysia, the Company's functional currency, at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies at the statement of financial position date have been converted into Ringgit Malaysia at the rate of exchange ruling at that date. Exchange differences are dealt with through the statement of comprehensive income.

notes to the financial statements (cont'd)

The principal closing rates used in translation of foreign currency amounts are follows:-

Foreign currency	2010 RM	2009 RM
1 US Dollar	3.05	3.50
1 Singapore Dollar	2.40	2.50
100 Chinese Renminbi	50.00	50.20

2.21 Employee Benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non monetary benefits are accrued in the period in which the associated services are rendered by the employees of the Group.

(ii) Post-employment benefits

Defined contribution plan

The Group's contributions to the defined contribution plan ('Employees Provident Fund') are charged to the statement of comprehensive income in the period in which they relate. Once the contributions have been paid, the Group have no further payment obligations.

2.22 Operating Revenue

Operating revenue of the Group represents invoiced value of goods sold, net of returns, discounts and allowances. Operating revenue of the Company represents dividend income from subsidiaries.

2.23 Revenue Recognition

Revenue from sales of goods are recognised upon delivery of products and customer acceptance, if any, or performance of services.

Other revenue earned by the Group and the Company are recognised on the following basis:-

Rental income	- on accrual basis over the period of tenancy, unless its collectibility is in doubt.
Interest income	- as it accrues taking into account the effective yield on the assets, unless its collectibility is in doubt.
Dividend income	- as and when the shareholders' right to receive payment is established.
Other income	- on receipt basis.

notes to the financial statements (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT

Group

2010

COST/ VALUATION

At valuation:

	Balance at 1.1.2010 RM	Additions RM	Reclassi- fication RM	(Disposals/ Written-off) RM	Exchange Difference RM	Balance at 31.12.2010 RM
Freehold lands	9,649,988	235,144	-	-	-	9,885,132
Freehold buildings	9,218,086	-	-	-	-	9,218,086
Long term leasehold land and building	2,500,000	-	-	-	-	2,500,000
Short term leasehold land and building	3,000,000	-	-	-	-	3,000,000

At cost:

Long term leasehold land and building	4,440,057	-	-	-	-	4,440,057
Short term leasehold land and building	68,045	-	-	-	-	68,045
Freehold building	4,014,144	3,484,694	6,525,687	-	-	14,024,525
Properties-in-progress	6,525,687	1,017,556	(6,525,687)	-	-	1,017,556
Motor vehicles	4,714,775	1,086,308	-	(1,087,315)	(297)	4,713,471
Plant and machinery	48,053,684	11,275,687	-	(65,794)	-	59,263,577
Office equipment	1,032,615	219,735	-	(59,841)	(116)	1,192,393
Furniture and fittings	209,733	56,941	-	(8,730)	-	257,944
Warehouse equipment	946,985	1,420	-	(33,850)	-	914,555
Electrical fittings	889,545	-	-	-	-	889,545
Renovation	6,415,641	235,813	-	(11,620)	-	6,639,834
Science lab equipment	290,763	281,987	-	(1,000)	-	571,750
Factory equipment	9,908,214	8,211,300	-	(36,000)	-	18,083,514
	111,877,962	26,106,585	-	(1,304,150)	(413)	136,679,984

notes to the financial statements (cont'd)

ACCUMULATED DEPRECIATION	Balance at 1.1.2010 RM	Additions RM	Reclassification RM	(Disposals/ Written-off) RM	Exchange Difference RM	Balance at 31.12.2010 RM
At valuation:						
Freehold lands	-	-	-	-	-	-
Freehold buildings	1,288,942	-	-	-	-	1,288,942
Long term leasehold land and building	205,480	34,246	-	-	-	239,726
Short term leasehold land and building	450,000	75,000	-	-	-	525,000
At cost:						
Long term leasehold land and building	237,607	75,694	-	-	-	313,301
Short term leasehold land and building	68,044	-	-	-	-	68,044
Freehold buildings	80,283	495,314	-	-	-	575,597
Properties-in-progress	-	-	-	-	-	-
Motor vehicles	3,897,326	392,474	-	(903,741)	(73)	3,385,986
Plant and machinery	34,824,429	3,625,306	-	(43,682)	-	38,406,053
Office equipment	569,649	88,243	-	(12,765)	(25)	645,102
Furniture and fittings	174,477	10,602	-	(6,032)	-	179,047
Warehouse equipment	344,251	78,034	-	(3,870)	-	418,415
Electrical fittings	778,830	19,299	-	-	-	798,129
Renovation	4,007,706	454,382	-	(2,224)	-	4,459,864
Science lab equipment	139,358	53,747	-	(900)	-	192,205
Factory equipment	5,381,745	1,663,815	-	(26,260)	-	7,019,300
	52,448,127	7,066,156	-	(999,474)	(98)	58,514,711
	RM					RM
NET BOOK VALUE	<u>59,429,835</u>					<u>78,165,273</u>

notes to the financial statements (cont'd)

As restated

2009

COST/ VALUATION

At valuation:

	Balance at 1.1.2009 RM	Additions RM	Reclassi- fication RM	(Disposals/ Written-off) RM	Exchange Difference RM	Balance at 31.12.2009 RM
Freehold lands	9,649,988	-	-	-	-	9,649,988
Freehold buildings	9,218,086	-	-	-	-	9,218,086

Effects of adopting the
amendment to FRS117

Long term leasehold land and building	2,500,000	-	-	-	-	2,500,000
Short term leasehold land and building	3,000,000	-	-	-	-	3,000,000
	5,500,000	-	-	-	-	5,500,000

At cost:

Effects of adopting the
amendment to FRS117

Long term leasehold land and building	4,440,057	-	-	-	-	4,440,057
Short term leasehold land and building	68,045	-	-	-	-	68,045
	4,508,102	-	-	-	-	4,508,102
Freehold building	-	-	4,014,144	-	-	4,014,144
Properties-in-progress	3,474,118	7,065,713	(4,014,144)	-	-	6,525,687
Motor vehicles	4,717,853	315,010	-	(315,010)	(3,078)	4,714,775
Plant and machinery	46,227,286	2,249,470	-	(423,072)	-	48,053,684
Office equipment	1,000,986	66,681	-	(34,350)	(702)	1,032,615
Furniture and fittings	195,140	14,593	-	-	-	209,733
Warehouse equipment	816,394	133,091	-	(2,500)	-	946,985
Electrical fittings	895,545	-	-	(6,000)	-	889,545
Renovation	6,260,675	154,966	-	-	-	6,415,641
Science lab equipment	222,813	67,950	-	-	-	290,763
Factory equipment	9,810,359	147,855	-	(50,000)	-	9,908,214
	102,497,345	10,215,329	-	(830,932)	(3,780)	111,877,962

notes to the financial statements (cont'd)

ACCUMULATED DEPRECIATION

At valuation:

Freehold lands	-	-	-	-	-
Freehold buildings	1,074,118	214,824	-	-	1,288,942

Effects of adopting the amendment to FRS117

Long term leasehold land and building	171,234	34,246	-	-	205,480
Short term leasehold land and building	375,000	75,000	-	-	450,000
	546,234	109,246	-	-	655,480

At cost:

Effects of adopting the amendment to FRS117

Long term leasehold land and building	161,913	75,694	-	-	237,607
Short term leasehold land and building	68,044	-	-	-	68,044
	229,957	75,694	-	-	305,651
Freehold buildings	-	80,283	-	-	80,283
Properties-in-progress	-	-	-	-	-
Motor vehicles	3,720,947	176,437	-	(58)	3,897,326
Plant and machinery	32,132,621	2,974,592	(282,784)	-	34,824,429
Office equipment	525,393	75,159	(30,846)	(57)	569,649
Furniture and fittings	163,764	10,713	-	-	174,477
Warehouse equipment	258,724	85,839	(312)	-	344,251
Electrical fittings	763,135	21,095	(5,400)	-	778,830
Renovation	3,559,168	448,538	-	-	4,007,706
Science lab equipment	113,810	25,548	-	-	139,358
Factory equipment	4,633,875	772,870	(25,000)	-	5,381,745
	47,721,746	5,070,838	(344,342)	(115)	52,448,127

NET BOOK VALUE

RM
54,775,599

RM
59,429,835

notes to the financial statements (cont'd)

- (i) Details of independent professional valuation of freehold lands and buildings owned by the subsidiary companies at 31st December, 2010 are as follows:-

Year of revaluation	Description of properties	Location	Amount RM	Basis of valuation
2004	Industrial land with a block of single storey factory with 2 storey office annexe, 3 blocks of single storey factory/ warehouses and a 2 storey canteen cum staff quarters	Lot 100, Rawang Intergrated Industrial Park, Mukim of Rawang, District of Gombak State of Selangor	10,000,000	Cost method and investment method
2004	Industrial land with a single storey factory/ warehouse with 2 storey office annexe	Lot 5, Rawang Intergrated Industrial Park, Mukim of Rawang, District of Gombak State of Selangor	6,160,000	Cost method and investment method
2004	Residential premises (Single – storey Semi – detached)	Title No. Geran 14144, Lot No 75742, Mukim of Kampar, District of Kinta State of Perak	140,000	Comparison method and investment method

The subsidiary companies freehold lands and buildings were valued by a firm of professional valuers, Messrs Colliers Jordan Lee & Jaafar, in December, 2003.

- ii) Details of independent professional valuation of leasehold lands and buildings owned by the subsidiary companies at 31st December, 2010 are as follows:-

Year of revaluation	Description of properties	Location	Amount RM	Basis of valuation
2004	Industrial lot with a double storey warehouse with a 3 storey office annexe	No. 41, Jalan E ¼, Kawasan Perusahaan Taman Ehsan 52100 Kepong Kuala Lumpur	2,500,000	Cost method and investment method
2004	Industrial land with a detached industrial factory complex comprising a main factory building with an annexe, 2 other factory buildings and a host of other support buildings/ structures	Lot 883, Off Jln Degong Mambang Diawan 31950 Kampar Perak Darul Ridzuan	3,000,000	Cost method and investment method.

The subsidiary companies leasehold lands and buildings were valued by a firm of professional valuers, Messrs Colliers Jordan Lee & Jaafar, in December, 2003.

notes to the financial statements (cont'd)

- (iii) Surplus arising from revaluation of the freehold properties and leasehold properties which had been written off upon adopting merger accounting as a basis of consolidation, amounted to RM3,615,748 and RM2,724,819, respectively.
- (iv) The title to certain freehold land and buildings and a leasehold land of certain subsidiary companies have not been issued by the relevant authorities and have been alienated to the subsidiary company by way of sales and purchase agreements.
- (v) Property, plant and equipment of the Group acquired under hire-purchase instalment plans are as follows:-

	2010 RM	2009 RM
At net book value:		
Motor vehicles	100,000	150,000

- (vi) The net book value of revalued assets had these assets been carried at historical cost less accumulated depreciation would have been as follows:-

	2010 RM	2009 RM
Long term leasehold and building	1,245,823	1,264,699
Short term leasehold and building	280,240	288,971
Freehold land and buildings	11,399,101	11,582,694

- (vii) Cost of assets fully written down but still in use are as follows:-

	2010 RM	2009 RM
Motor vehicles	2,207,895	2,845,327
Plant and machinery	7,138,505	10,249,459
Office equipment and furniture and fittings	336,315	366,529
Electrical fittings and renovation	1,542,841	1,580,732
Factory equipment	294,990	294,990
Store equipment	89,220	89,220
	11,609,766	15,426,257

notes to the financial statements (cont'd)

4. PREPAID LEASE PAYMENTS

Group

At 1st January
Effects of adopting the amendment to FRS117
At 31st December

2010 RM	As restated 2009 RM
-	9,231,911
-	(9,231,911)
-	-

5. INVESTMENT IN SUBSIDIARY COMPANIES

Company

Unquoted shares, at cost
Less: Impairment of investment

2010 RM	2009 RM
40,473,336	40,473,334
(2)	-
40,473,334	40,473,334

The subsidiary companies, all incorporated in Malaysia, are as follows:-

a) Direct subsidiary companies

Name of company	Country of incorporation	Issued and fully paid-up share capital	Effective equity interest		Principal Activities
			2010 %	2009 %	
Cocoaland Industry Sdn Bhd	Malaysia	*RM1,000,000	100	100	Manufacturing and trading of processed and preserved foods and fruits of all kinds
L.B. Food Sdn Bhd	Malaysia	*RM1,500,000	100	100	Wholesale and retail of processed and preserved foods
B Plus Q Sdn Bhd	Malaysia	*RM500,000	100	100	Manufacturer of fruit juice and foodstuffs
Greenhome Marketing Sdn. Bhd.	Malaysia	*RM2	100	100	Marketing, trading and distributing of all kind of beverages and foodstuff
ø CCL Food & Beverage Sdn. Bhd.	Malaysia	*RM2	100	-	Dormant
Ω Lot 100 Food Co. Ltd.	People's Republic of China	#RMB1,000,000	100	100	Wholesaling, import and export of gummy products and other product

notes to the financial statements (cont'd)

- b) Indirect subsidiary company
(Wholly-owned subsidiary company of B Plus Q Sdn Bhd)

Name of company	Country of incorporation	Issued and fully paid-up share capital	Effective equity interest		Principal Activities
			2010 %	2009 %	
M.I.T.E. Food Enterprise Sdn Bhd	Malaysia	*RM225,000	100	100	Trading and distribution of foodstuffs

- * Issued and fully paid up share capital comprising ordinary shares of RM1 each
 # Issued and fully paid up share capital comprising ordinary shares of RMB1 each
 Ω Not audited by Messrs Wong Weng Foo & Co.
 ∅ Not audited as the Company was newly incorporated on 15th November, 2010 and dormant.

6. INVESTMENT IN AN ASSOCIATED COMPANY

Group	2010 RM	2009 RM
Unquoted shares, at cost	-	4,935,925
Less: Share of loss	-	(1,840,240)
	-	3,095,685

The associated company, incorporated in Fujian, People's Republic of China is as follows:-

Name of company	Equity interest		Principal Activities
	2010 %	2009 %	
Coco (Fujian) Foods Company Limited	-	50	Manufacturing and distributing of gummy candy products

7. OTHER INVESTMENT

Group	2010 RM	2009 RM
Unquoted shares, at cost	1,000	1,000

notes to the financial statements (cont'd)

8. INVENTORIES

Group	2010 RM	2009 RM
At cost:		
Work in progress	955,197	779,763
Packing materials	7,060,063	7,359,463
Raw materials	5,937,166	4,686,476
Finished goods	5,487,600	4,709,529
	19,440,026	17,535,231

9. TRADE RECEIVABLES

Group	2010 RM	2009 RM
Trade receivables	27,948,029	23,619,923
Less: Allowance for doubtful debts	(1,982,971)	(2,045,919)
	25,965,058	21,574,004

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Other receivables	102,868	64,941	-	-
Deposits	5,108,543	9,329,469	1,000	1,000
Prepayments	372,125	127,601	14,437	-
Tax recoverable	2,063,149	558,896	269,826	297,837
	7,646,685	10,080,907	285,263	298,837

11. AMOUNT DUE FROM SUBSIDIARY COMPANIES

Company	2010 RM	2009 RM
Amount due from subsidiary companies	36,640,951	24,308,817
Less: Allowance for doubtful debts	(2,861,869)	-
	33,779,082	24,308,817

The amount due from subsidiary companies are interest free, unsecured and have no fixed terms of repayment.

notes to the financial statements (cont'd)

12. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Fixed deposits with licensed banks	59,250,953	464,444	58,893,992	-
φ Short term deposits with licensed banks	3,656,071	5,532,552	-	-
Cash and bank balances	8,240,650	8,823,514	2	177,681
	71,147,674	14,820,510	58,893,994	177,681

The interest rates and maturity periods of fixed deposits as at 31st December, 2010 are as follows:-

Group	2010 RM	2009 RM
Interest rates per annum	2.75% to 3.1%	1.5% to 2.5%
Maturity periods	1 to 15 months	1 to 15 months

φ Short term deposits of the Group are placed at interest rates of between 2.0% to 3.0% (2009 - 2.0% to 3.0%) per annum and maturity periods of between 1 day to 31 days (2009 - 14 days to 42 days).

Fixed deposits of certain subsidiary companies amounting to RM69,352 (2009 – RM116,469) are held in the name of certain directors of the subsidiary companies, in trust on behalf of the subsidiary companies.

13. SHARE CAPITAL

Group and Company	2010		2009	
	Number of ordinary shares of RM0.50 each	RM	Number of ordinary shares of RM0.50 each	RM
Authorised	200,000,000	100,000,000	200,000,000	100,000,000
Issued and fully paid:				
At 1st January	120,000,000	60,000,000	120,000,000	60,000,000
Private placements during the year	51,600,000	25,800,000	-	-
	171,600,000	85,800,000	120,000,000	60,000,000

14. RESERVES

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Non-distributable:				
Share premium	44,354,539	193,919	44,354,539	193,919
Distributable:				
Retained profit	46,027,089	40,932,612	2,305,185	4,858,613
	90,381,628	41,126,531	46,659,724	5,052,532

notes to the financial statements (cont'd)

15. HIRE-PURCHASE PAYABLES

Group	2010 RM	2009 RM
Minimum payments		
Not later than one year	60,878	66,432
Later than one year but not later than five years	-	60,879
	60,878	127,311
Less: Future hire-purchase charges	(2,945)	(9,104)
	57,933	118,207
Total payable	57,933	118,207
Less: Payable within one year	(57,933)	(60,274)
Payable after one year	-	57,933
Terms	3 years	3 years
Borrowing rate per annum	3.57%	3.57%

The interest rates are fixed at the inception of the hire-purchase arrangements.

16. TERM LOANS, BANK OVERDRAFTS AND OTHER CREDIT FACILITIES (SECURED)

Group	2010 RM	2009 RM
Secured:		
Term loan I at 2% per annum above the bank's base lending rate with monthly rest, repayable by 84 equal monthly instalments of RM686 each commencing 2nd February 2004	-	12,842
Term loan II at 2% per annum above the bank's base lending rate with monthly rest, repayable by 84 equal monthly instalments of RM686 each commencing 2nd February 2004	-	12,842
	-	25,684
Repayable as follows:-		
Within twelve months	-	14,920
Later than one year and not later than two years	-	10,764
	-	10,764
	-	25,684

notes to the financial statements (cont'd)

The term loans, bank overdrafts and other credit facilities are secured as follows:-

- a) First party legal charge for a freehold single-storey semi-detached house located at Golden Dragon Garden, 31900 Kampar, Perak;
- b) First party legal charge for RM44,000 over a freehold single storey terrace house located at PT 4324, Taman Diawan, 31900 Kampar, Perak;
- c) First party legal charge for RM44,000 over a freehold single storey terrace house located at PT 4325, Taman Diawan, 31900 Kampar, Perak; and
- d) Against fixed deposits belonging to certain directors of certain subsidiary companies.

These securities were discharged during the financial year.

17. DEFERRED INCOME TAX LIABILITIES

Group	2010 RM	2009 RM
Balance at 1st January	3,313,000	3,242,000
Transferred (to)/ from statement of comprehensive income (Note 20)	(3,236,000)	71,000
Balance at 31st December	77,000	3,313,000
The deferred income tax liabilities are principally in respect of the following temporary differences:-		
Temporary differences between tax bases of assets and liabilities and their carrying values in the financial statements	19,329,000	3,313,000
Unabsorbed capital allowance	(2,229,000)	-
Unabsorbed reinvestment allowance	(17,023,000)	-
	77,000	3,313,000

18. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Other payables	6,049,467	4,837,101	768,068	13,137
Accruals	2,451,737	2,116,646	203,881	193,000
Deposits	-	14,660	-	-
	8,501,204	6,968,407	971,949	206,137

notes to the financial statements (cont'd)

19. PROFIT BEFORE INCOME TAX

	Group		Company	
	2010 RM	As restated 2009 RM	2010 RM	2009 RM
a) Profit before income tax is arrived at after charging/ (crediting):-				
Auditors' remuneration	79,200	70,507	15,000	13,000
Depreciation (Note 3)	7,066,156	5,070,838	-	-
Realised (gain) / loss on foreign exchange	1,006,132	(180,908)	-	-
Unrealised loss on foreign exchange	79,027	-	-	-
Rental of premises	357,409	364,370	-	-
Bad debts written off	13,273	26,143	-	-
Bad debts recovered	(325)	-	-	-
Allowance for doubtful debts	347,764	25,520	2,861,869	-
Allowance for doubtful debts no longer required	(427,084)	(424,086)	-	-
Impairment of investment in a subsidiary company	-	-	2	-
Property, plant and equipments written off	57,237	13,275	-	-
Preliminary expenses written off	2,400	-	-	-
(Gain)/ Loss on disposal of property, plant and equipment	(141,239)	626	-	-
Income from rental of premises	(3,550)	(3,600)	-	-
Loss on disposal of investment	1,614,755	-	-	-
Interest income				
- fixed and short term deposit	(379,572)	(291,042)	(264,453)	-
- others	(97)	(1,094)	-	-
Dividend income from subsidiary companies				
- non tax exempt	-	-	(3,025,000)	(15,000,050)
- tax exempt	-	-	(3,000,000)	-
Labour costs:				
(Included in cost of sales)				
Salaries, wages, bonus & allowances	12,408,918	10,186,712	-	-
EPF and Socso	838,947	605,447	-	-
Others	580,716	506,578	-	-
	13,828,581	11,298,737	-	-

notes to the financial statements (cont'd)

	Group		Company	
	2010 RM	As restated 2009 RM	2010 RM	2009 RM
Staff costs:				
Directors' remuneration				
- fees				
- current directors	190,000	216,000	184,000	180,000
- past director	-	24,000	-	-
- other than fees	2,471,200	2,489,700	29,000	25,500
Salaries, wages, bonus & allowances	3,244,013	3,149,924	-	-
EPF and Socso	835,935	780,952	-	-
Others	206,823	197,520	-	-
	6,947,971	6,858,096	213,000	205,500
Finance cost:				
Interest expense				
- LC charges	1,370	1,200	-	-
- bank overdrafts	-	17	-	-
- hire-purchase	6,158	9,581	-	-
- overdue interest	-	46	-	-
- term loan interest	1,209	91,794	-	-
- bank interest	-	1,659	-	-
	8,737	104,297	-	-
b) Directors' remuneration				
Directors' remuneration is analysed as follows:				
Directors of the Company				
Executive directors				
- fees	96,000	96,000	96,000	96,000
- salaries and other emoluments	1,454,000	1,387,500	12,500	12,000
Non-executive directors				
- fees				
- current directors	88,000	60,000	88,000	60,000
- past director	-	24,000	-	24,000
- other emoluments				
- current directors	16,500	9,500	16,500	9,500
- past director	-	4,000	-	4,000
Other directors (on board of subsidiary companies)				
Executive directors				
- fees	6,000	60,000	-	-
- salaries and other emoluments	1,000,700	1,088,700	-	-

notes to the financial statements (cont'd)

Group	2010		2009	
	Executive	Non-Executive	Executive	Non-Executive
The number of directors whose remuneration fell within the following ranges (per annum):-				
Directors of the Company				
RM1 – RM100,000	1	5	1	3
RM100,001 – RM200,000	-	-	-	-
RM200,001 – RM300,000	-	-	-	-
RM300,001 – RM400,000	-	-	-	-
RM400,001 – RM500,000	3	-	3	-
Other directors (on board of subsidiary companies)				
RM1 – RM100,000	1	-	-	-
RM100,001 – RM200,000	2	-	3	-
RM200,001 – RM300,000	1	-	1	-
RM300,001 – RM400,000	-	-	-	-
RM400,001 – RM500,000	1	-	1	-

20. INCOME TAX

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Current income tax:				
Estimate for the year	1,285,000	5,450,987	756,250	3,677,000
Under/ (Over)provision in prior years	434,938	87,125	28,011	(261)
	1,719,938	5,538,112	784,261	3,676,739
Deferred income tax liabilities:				
Transferred (from)/ to deferred income tax liabilities (Note 17)	(3,236,000)	71,000	-	-
	(1,516,062)	5,609,112	784,261	3,676,739

notes to the financial statements (cont'd)

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Reconciliation of effective tax rate:-				
Profit before income tax	8,303,415	25,302,130	2,955,833	14,623,290
Income tax using statutory tax rate of 25%	2,075,854	6,325,533	738,958	3,655,823
Non-deductible expenses for tax purposes	2,413,436	1,521,239	767,308	20,922
Capital allowances utilised	(2,396,918)	(1,273,953)	-	-
Balancing charges	22,405	15,711	-	-
Reinvestment allowance utilised	(61,028)	(1,009,282)	-	-
Tax exempt income	(26,529)	-	(750,000)	-
Expenses eligible for double deduction	(801,399)	(526,048)	-	-
Capital allowances unutilised	-	8,380	-	-
Current year tax losses not utilised	58,071	361,168	-	-
Increase in unused tax losses	58,071	396,531	-	-
Deferred tax assets not recognised	(58,071)	(369,548)	-	-
Other items	1,108	1,256	(16)	255
Transferred (from)/ to deferred income tax liabilities	(3,236,000)	71,000	-	-
	(1,951,000)	5,521,987	756,250	3,677,000
Under/ (Over)provision in prior years	434,938	87,125	28,011	(261)
	(1,516,062)	5,609,112	784,261	3,676,739

Subject to agreement by the Inland Revenue Board, the Company has sufficient tax exempt and tax credit under section 108 of the Income Tax Act, 1967 to frank in full its retained profits as at 31st December, 2010 if distributed as dividends.

The Company is given the option to make an irrevocable election to move to a single tier tax system with effect from year of assessment 2008. The Company has decided not to make this election as such, the Section 108 tax credit as at 31st December, 2007 will be available to the Company until such time the credit is fully utilised or upon expiry of the six year transitional period on 31st December, 2013, whichever is earlier.

notes to the financial statements (cont'd)

21. EARNINGS PER SHARE

The basic and diluted earnings per share is calculated by dividing the Group's profit attributable to ordinary equity holders for the year of RM9,819,477 (2009 – RM19,693,018) by the weighted average number of ordinary shares in issue during the financial year of 132,890,959 (2009 – 120,000,000) shares.

22. SEGMENTAL REPORTING

Group – By Geographical	Revenue RM	Profit/ (Loss) before income tax RM	Assets employed RM
2010			
Malaysia	225,121,798	9,607,507	201,259,094
China	1,383,795	12,229	1,106,622
	226,505,593	9,619,736	202,365,716
Eliminations	(84,246,736)	(1,316,321)	-
	142,258,857	8,303,415	202,365,716
2009			
Malaysia	232,632,972	41,212,648	123,038,292
China	905,148	(873,468)	3,498,880
	233,538,120	40,339,180	126,537,172
Eliminations	(100,362,615)	(15,037,050)	-
	133,175,505	25,302,130	126,537,172

The Group operates principally in the business of manufacturing and trading of processed and preserved foods and other related foodstuffs. Accordingly, information by segment on the Group's operations is not presented.

23. FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

The operations of the Group are subject to a variety of financial risks, including credit risk, foreign currency exchange risk, interest rate risk, liquidity and cash flow risk and market risk. The Group has formulated guidelines and policies as well as internal controls which seek to minimize the Group's exposure to risks associated with the financing, investing and operating activities of the Group.

notes to the financial statements (cont'd)

(a) Credit risk

The Group has a credit policy in place to evaluate customers requiring credit over a certain amount or period. Credit risk is further minimize and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures.

(b) Foreign currency exchange risk

The Group is exposed to currency risk as a result of the Group's transactions with foreign vendors of plant and equipment and foreign trade receivables and payables. The Group monitors the movements in foreign currency exchange rates closely to ensure their exposure is minimized.

(c) Interest rate risk

The Group's exposure to interest rate risk arises from interest-bearing borrowings and the placement of excess funds in interest earning deposits of which the Management reviews and monitors the interest rates at regular intervals.

(d) Liquidity risk and cash flow risk

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash and cash equivalents to meet its working capital requirements and prudently balances its portfolio of short term and long term funding requirements.

(e) Market risk

The Group is principally involved in the manufacturing and trading of processed and preserved foods and fruits of all kinds and is therefore subject to certain risks inherent in the food-processing industry. These risks include, inter-alia the possible increase in the operating and capital costs due to increase in the cost of labour and raw materials, changes in consumer demands and changes in general economic conditions. The Group seeks to limit these risks through, inter-alia, expansion of both existing and new markets, developing and maintaining a diversified market network and continues upgrading of machinery to improve efficiency.

Fair values

In the opinion of the directors, the carrying values of financial assets and financial liabilities of the Group as at 31st December, 2010 are not materially different from their fair values.

24. CONTINGENT LIABILITIES

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Bank guarantees issued to third party	784,640	600,000	-	-

notes to the financial statements (cont'd)

25. CAPITAL COMMITMENTS

Group	2010 RM	2009 RM
Capital expenditure authorised and contracted for but not provided in the financial statements in respect of:		
- purchase of property, plant and equipment	2,058,711	3,744,229
- further capital outlay of USD1,000,000 (2009 - USD1,000,000) in Coco (Fujian) Foods Company Limited, China *	-	3,500,000

* On 21st May, 2007 and 11th December, 2007, the Company's wholly-owned subsidiary, Cocoland Industry Sdn. Bhd. ("CISB") entered into a Joint-venture Agreement ("JVA") and Supplementary Agreement ("SA") with La Bi Xiao Xin International Company Ltd ("LBXX Intl") and Labixiaoxin Investments Company Ltd ("LBXX Inv"), respectively, to change its joint venture partner from LBXX Intl to LBXX Inv, to manufacture and to distribute gummy candy products through a joint-venture company in Fujian, People's Republic of China.

The joint-venture company has been incorporated under the name of Coco (Fujian) Foods Company Limited ("JV Company") on 16th November, 2007. Subsequent to the incorporation of the JV Company, CISB has on 10th December, 2007, 18th January, 2008 and 2nd June, 2008, injected USD750,000, USD550,000 and USD200,000, respectively, into the JV Company, in total, representing 50% of the fully paid up share capital of the JV Company as at 31st December, 2009.

In accordance to the JVA and the SA, CISB will eventually hold USD2,500,000 (50%) of the registered capital of the JV Company whilst the remaining will be held by its joint venture partner, LBXX Inv.

The JV Company was disposed on 20th May, 2010 for USD425,000.

26. SUBSEQUENT EVENTS

Subsequent to the statement of financial position date:-

- on 22nd February, 2011, a second interim dividend of 3.8% per ordinary shares of RM0.50 each less 25% income tax amounting to RM2,445,300 was declared and paid on 11th April, 2011 in respect of the financial year ended 31st December, 2010.
- as announced to Bursa Malaysia Securities Berhad on 14th March, 2011, 16th March, 2011 and 17th March, 2011, a wholly owned subsidiary of the Company, CCL Food & Beverage Sdn. Bhd., has on 14th March, 2011, entered into a Sale and Purchase Agreement with Riviera Properties Sdn. Bhd. to acquire two (2) pieces of freehold industrial lands free from all encumbrances with vacant possession for a total consideration of RM7,845,500.

27. RELATED PARTY TRANSACTIONS

Company	2010 RM	2009 RM
With subsidiary companies		
- Dividend income		
- non tax exempt	(3,025,000)	(15,000,050)
- tax exempt	(3,000,000)	-
- Impairment of investment in a subsidiary	2	-
- Allowance for doubtful debts	2,861,869	-

notes to the financial statements (cont'd)

28. COMPARATIVE FIGURES

Arising from the Amendment to FRS 117: Leases, during the current financial year, the effect of the reclassification to the comparative figures have been restated accordingly:-

	As previously reported RM	Reclassification RM	As restated RM
31st December, 2009			
Consolidated Statement of Financial Position			
Property, plant & equipment	50,382,864	9,046,971	59,429,835
Prepaid lease payments	9,046,971	(9,046,971)	-
Consolidated Statement of Comprehensive Income and Statement of Cash Flow			
Depreciation of property, plant and equipment	4,885,898	184,940	5,070,838
Amortisation of prepaid lease payments	184,940	(184,940)	-

29. PRESENTATION CURRENCY

All amounts are stated in Ringgit Malaysia.

30. SUPPLEMENTARY INFORMATION – BREAKDOWN OF RETAINED PROFIT INTO REALISED AND UNREALISED

The breakdown of the retained profit of the Group and of the Company as at 31st December 2010 into realised and unrealised loss is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25th March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group 2010 RM	Company 2009 RM
Total retained profit of the Company and its subsidiaries		
- Realised	79,015,563	2,305,185
- Unrealised	68,569	-
Less: Consolidation adjustments	(33,057,043)	-
Retained profit as per financial statements	46,027,089	2,305,185

Directors' Statement

We, the undersigned, being two directors of the Company, do hereby state that in the opinion of the directors, the financial statements set out on pages 38 to 75 are drawn up in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31st December, 2010 and of their results and cash flow for the year ended on that date.

Signed on behalf of the Board of directors in accordance with a resolution dated 18th April, 2011.

LIEW FOOK MENG
Director

KUALA LUMPUR

LAU KEE VON
Director

Statutory Declaration

I, **LIEW FOOK MENG** being the director responsible for the financial management of **COCOALAND HOLDINGS BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 38 to 75 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared)
)
by the abovenamed at Kuala Lumpur)
)
this 18th April, 2011)

Before me:-

Asmah Bt Buroh
Commisioner for Oaths
No. W456

Kuala Lumpur

LIST OF PROPERTIES

AS AT 31 December 2010

Owner / Location	Description of Asset / Existing Use	Area	Tenure	Approx Age of Building (Years)	Net Book Value / Carrying Value RM'000	Date of Valuation/ Acquisition
L.B. Food Sdn. Bhd. <i>No. 41, Jalan E1/4 Kawasan Perusahaan Taman Ehsan 52100 Kepong Selangor Darul Ehsan.</i>	A double-storey warehouse with a 3-storey office annexe.	26,000 sq. ft.	Leasehold 99 years <i>Expiring on 09.07.2078</i>	29	2,261	1.12.2003 / Year 1991
L.B. Food Sdn. Bhd. <i>Lot 883, Off Jalan Degong Mambang Diawan 31950 Kampar Perak Darul Ridzuan</i>	A detached industrial factory complex comprising a main factory building with an annexe, 2 other factory buildings and a host of other support buildings / structures.	130,652 sq. ft.	Leasehold 60 years <i>Expiring on 15.04.2046</i>	19 to 23	2,475	1.12.2003 / Year 1988
Cocoaland Industry Sdn. Bhd. <i>Lot 100, Rawang Integrated Industrial Park, 48000 Rawang Selangor Darul Ehsan</i>	A block of single storey factory with a 2-storey factory withannexe, 3 blocks of single storey factory / warehouses and a 2-storey canteen cum staff quarters.	190,634 sq. ft.	Freehold	14 to 17	9,242	1.12.2003 / Year 1993
Cocoaland Industry Sdn. Bhd. <i>Lot 5, Rawang Integrated Industrial Park 48000 Rawang Selangor Darul Ehsan</i>	A single storey factory / warehouse with a 2-storey office annexe.	89,371 sq. ft.	Freehold	8	5,587	1.12.2003 / Year 2001
Cocoaland Industry Sdn. Bhd. <i>Geran 57711, No. Lot 1282, Seksyen 20, Bandar Rawang Daerah Gombak Selangor Darul Ehsan</i>	A single warehouse	130,865 sq. ft.	Freehold	1	6,500	Year 2009
Cocoaland Industry Sdn. Bhd. <i>H.S. (D) 58472, PT5266, Bandar Rawang Daerah Gombak Selangor Darul Ehsan</i>	Vacant.	197,811 sq. ft.	Leasehold 99 years <i>Expiring on 28.08.2105</i>	1	13,600	8.12.2005

list of properties (cont'd)

Owner / Location	Description of Asset / Existing Use	Area	Tenure	Approx Age of Building (Years)	Net Book Value / Carrying Value RM'000	Date of Valuation/ Acquisition
M.I.T.E. Food Enterprise Sdn. Bhd. <i>No. 309, Golden Dragon Garden 31900 Kampar Perak Darul Ridzuan</i>	A single storey semi-detached house / Staffs' hostel.	4,230 sq. ft.	Freehold	29	122	1.12.2003/ Year 1982
B Plus Q Sdn. Bhd. <i>No. 324, Taman Diawan Mambang Diawan 31950 Kampar Perak Darul Ridzuan</i>	A single storey terrace house / Staffs' hostel.	1,400 sq. ft.	Leasehold 99 years <i>Expiring on 29.12.2081</i>	8	50	18.08.2003
B Plus Q Sdn. Bhd. <i>No. 325, Taman Diawan Mambang Diawan 31950 Kampar Perak Darul Ridzuan</i>	A single storey terrace house / Staffs' hostel.	1,400 sq. ft.	Leasehold 99 years <i>Expiring on 29.12.2081</i>	8	50	18.08.2003
B Plus Q Sdn. Bhd. <i>H.S. (D) B.P 5217 P.T. 1242, Mukim Chenderiang, District of Batang Padang, Perak Darul Ridzuan</i>	A single storey warehouse	5,600 sq. ft.	Leasehold 10 years <i>Expiring on 31.12.2016</i>	3	238	1.1.2008

Analysis Of Shareholdings

AS AT 29 April 2011

Share Capital

Authorised Share Capital	RM100,000,000.00
Issued and fully paid-up	RM85,800,000.00
Class of Shares	Ordinary Shares of RM0.50 each
Voting Rights	One vote per ordinary share held

Distribution of Shareholdings

Size of Holdings	No. of Holders	No. of Shares	%
Less than 100	318	13,042	0.01
100 – 1,000	238	171,432	0.10
1,001 - 10,000	778	3,612,961	2.10
10,001 - 100,000	232	7,014,868	4.09
100,001 to less than 5% of issued shares	66	55,902,726	32.58
More than 5% of issued shares	2	104,884,971	61.12
Total	1,634	171,600,000	100.00

List of Thirty Largest Shareholders

	Name of Shareholders	No. of Shares	% of Shares
1.	Leverage Success Sdn. Bhd.	65,284,971	38.04
2.	Fraser & Neave Holdings Bhd.	39,600,000	23.08
3.	Amanahraya Trustees Berhad <i>[Public Islamic Optimal Growth Fund]</i>	5,459,000	3.18
4.	Citigroup Nominees (Asing) Sdn. Bhd. <i>[UBS AG Singapore for Lee Beng Hong]</i>	5,000,000	2.91
5.	Lai Ming Chun @ Lai Poh Lin	4,504,000	2.62
6.	Liew Fook Meng	4,420,800	2.58
7.	Poon Lee Wah	2,445,033	1.42
8.	Amanahraya Trustees Berhad <i>[Public Islamic Balanced Fund]</i>	2,423,800	1.41
9.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>[Pledged Securities Account for Ting Siew Pin (8059095)]</i>	2,120,700	1.24
10.	Tan Booi Charn	2,010,000	1.17

analysis of shareholdings (cont'd)

	Name of Shareholders	No. of Shares	% of Shares
11.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>[Pledged Securities Account for Dato' Sri Koh Kin Lip (8058900)]</i>	2,000,000	1.17
12.	RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>[Pledged Securities Account for Ting Siew Pin (CEB)]</i>	1,865,100	1.09
13.	Chew Pui Ming	1,596,400	0.93
14.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>[Pledged Securities Account for Cheong Siew Chyuan (470322)]</i>	1,500,000	0.87
15.	Amanahraya Trustees Berhad <i>[PB Islamic Equity Fund]</i>	1,055,900	0.62
16.	Ho Sek Kee Sdn. Bhd.	1,010,000	0.59
17.	Chew Mun Kah	948,600	0.55
18.	Lau Kee Von	932,800	0.54
19.	Ting Siew Pin	928,100	0.54
20.	Lau Yoke Kiew	766,761	0.45
21.	Chow Dai Ying	724,500	0.42
22.	Hon Yew Chong	684,400	0.40
23.	Cimsec Nominees (Tempatan) Sdn. Bhd. <i>[CIMB Bank for Mak Tian Meng (MY0343)]</i>	652,000	0.38
24.	Wong Yoke Chou	637,000	0.37
25.	Lau Pa Sin	620,711	0.36
26.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>[Pledged Securities Account for Mak Tian Meng]</i>	609,200	0.36
27.	Chow Dai Ying	600,000	0.35
28.	Lau Pak Lam	581,333	0.34
29.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>[Pledged Securities Account for Ting Siew Pin (ET)]</i>	520,000	0.30
30.	Lee Yoke Choo	506,400	0.30

analysis of shareholdings (cont'd)

List of Substantial Shareholders

Name of Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Leverage Success Sdn. Bhd.	65,284,971	38.04	0	0.00
Fraser & Neave Holdings Bhd.	39,600,000	23.08	0	0.00
Liew Fook Meng	4,979,533	2.90	65,284,971 (a)	38.04
Lau Kee Von	1,029,800	0.60	65,284,971 (a)	38.04
Lau Pak Lam	934,266	0.54	65,284,971 (a)	38.04
Liew Yoon Kee	73,333	0.04	65,284,971 (a)	38.04
Lew Foo Chay @ Lau Foo Chay	0	0	65,284,971 (a)	38.04
Lau Kwai Choon	20,000	0.01	65,284,971 (a)	38.04
Fraser and Neave Limited	0	0	39,600,000 (b)	23.08
Oversea-Chinese Banking Corporation Limited	0	0	39,600,000 (c)	23.08
Great Eastern Holdings Limited	0	0	39,600,000 (c)	23.08

(a) Deemed interested by virtue of his shareholding in Leverage Success Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965 ("the Act").

(b) Deemed interested by virtue of its shareholding in Fraser & Neave Holdings Bhd. pursuant to Section 6A of the Act.

(c) Deemed interested pursuant to Section 6A(4)(c) of the Act.

Directors' Shareholdings

Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Dato' Azman Bin Mahmood	393,333	0.23	0	0.00
Dato' Sri Koh Kin Lip	2,500,000	1.46	500,000 (a)	0.29
Liew Fook Meng	4,979,533	2.90	65,284,971 (b)	38.04
Lau Kee Von	1,029,800	0.60	65,284,971 (b)	38.04
Liew Yoon Kee	73,333	0.04	65,284,971 (b)	38.04
Lau Pak Lam	934,266	0.54	65,284,971 (b)	38.04
Chow Kee Kan @ Chow Tuck Kwan	0	0	0	0
Tan Eng Guan	0	0	0	0
Soh Swee Hock @ Soh Say Hock	0	0	0	0

(a) Deemed interested by virtue of his shareholding in Rickoh Corporation Sdn. Bhd. pursuant to Section 6A of the Act.

(b) Deemed interested by virtue of his shareholding in Leverage Success Sdn. Bhd pursuant to Section 6A of the Act.

Form Of Proxy

Number of Shares held

I/We _____
 of _____

being a member / members of **Cocoaland Holdings Berhad** hereby appoint the Chairman of the Meeting*

or _____ (NRIC NO : _____)

of _____

or failing him/her, _____ (NRIC NO : _____)

of _____

**Delete the words "the Chairman of the Meeting" if you wish to appoint another person to be your proxy.*

as my/our proxy to vote for me/us on my/our behalf at the 11th Annual General Meeting of the Company to be held at **Crystal 1, Level 1, Crystal Crown Hotel Kuala Lumpur, 3, Jalan Jambu Mawar, Off Jalan Kepong, 52000 Kuala Lumpur** on **Tuesday, 21 June 2010** at **10.00 a.m.** and at any adjournment thereof.

My/Our proxy is to vote as indicated below:

RESOLUTIONS		FOR	AGAINST
1.	Re-election of Liew Yoon Kee as Director		
2.	Re-election of Chow Kee Kan @ Chow Tuck Kwan as Director		
3.	Election of Tan Eng Guan as Director		
4.	Election of Soh Swee Hock @ Soh Say Hock as Director		
5.	Payment of Directors' fee		
6.	Re-appointment of Messrs. Wong Weng Foo & Co. as Auditors		
7.	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965		
8.	Proposed Shareholders' Ratification and Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

(Please indicate with an 'X' in the spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion).

Dated this _____ day of _____ 2011

Signature: _____

NOTES:-

- A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member appoints two proxies, the appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy. The provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.
- The instrument appointing a proxy shall be deposited at the Registered Office of the Company at Lot 6.08, 6th Floor, Plaza First Nationwide, No. 161, Jalan Tun H.S. Lee, 50000 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting or at any adjournment thereof.

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STAMP

The Company Secretary
COCOALAND HOLDINGS BERHAD
Lot 6.08, 6th Floor
Plaza First Nationwide
No. 161, Jalan Tun H.S. Lee
50000 Kuala Lumpur

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