



Together We Achieve Greater Heights

annual report 2012

cocoaland®

COCOALAND HOLDINGS BERHAD
(516019-H)

CONTENT



2	NOTICE OF ANNUAL GENERAL MEETING
5	STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING
6	CORPORATE INFORMATION
7	CORPORATE STRUCTURE
8	DIRECTORS' PROFILE
14	CHAIRMAN'S STATEMENT
17	STATEMENT ON CORPORATE GOVERNANCE
23	STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS
24	ADDITIONAL COMPLIANCE INFORMATION
26	STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
29	REPORT ON AUDIT COMMITTEE
32	FINANCIAL STATEMENTS
78	LIST OF PROPERTIES
80	ANALYSIS OF SHAREHOLDINGS
	PROXY FORM

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirteenth 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, 18 June 2013 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 2012 together with the Reports of the Directors and Auditors thereon.
2. To re-elect the following Directors who retire pursuant to Article 92 of the Company's Articles of Association:-
 - (i) Mr. Lau Kee Von
 - (ii) Mr. Lau Pak Lam
 - (iii) Mr. Chow Kee Kan @ Chow Tuck Kwan
3. To elect Dato' Ng Jui Sia who retires pursuant to Article 98 of the Company's Articles of Association.
4. To approve the payment of Directors' fees amounting to RM252,000 for the financial year ended 31 December 2012.
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 Resolution: -

6. **Ordinary Resolution**
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

"THAT, subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, the Companies Act, 1965 ('the Act'), the Company's Memorandum and Articles of Association, and all other applicable laws, guidelines, rules and regulations, approval be and is hereby given to the Company and its subsidiaries to enter into and to give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.2 of the Circular to Shareholders dated 27 May 2013 which are necessary for the day-to-day operations and carried out in the ordinary course of business and are on terms 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: -

Please refer to
Explanatory
Note (a)

Resolution 1
Resolution 2
Resolution 3

Resolution 4

Resolution 5

Resolution 6

Resolution 7

notice of annual general meeting (cont'd)

- (i) the conclusion of the next Annual General Meeting ("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 of the Company 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;

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."

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

By Order of the Board

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

Kuala Lumpur
Dated: 27 May 2013

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. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Act shall not apply.
- (ii) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- (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.

Explanatory Notes

- (a) The Audited Financial Statements in Agenda 1 is meant for discussion only as the approval of shareholders is not required pursuant to the provision of Section 169(1) of the Companies Act, 1965. Hence, this Agenda is not put forward for voting by shareholders of the Company.
- (b) Resolution 7 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

The Proposed Resolution 7, if approved, will enable the Company and its subsidiaries to enter into recurrent transactions pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities"). Further information on the Proposed Shareholders' Mandate is set out in the Circular to Shareholders dated 27 May 2013, dispatched together with the Company's 2012 Annual Report.

Members Entitled to Attend

For the purpose of determining a member who shall be entitled to attend this Thirteenth AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 57(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 12 June 2013. Only a depositor whose name appears on the Record of Depositors as at 12 June 2013 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

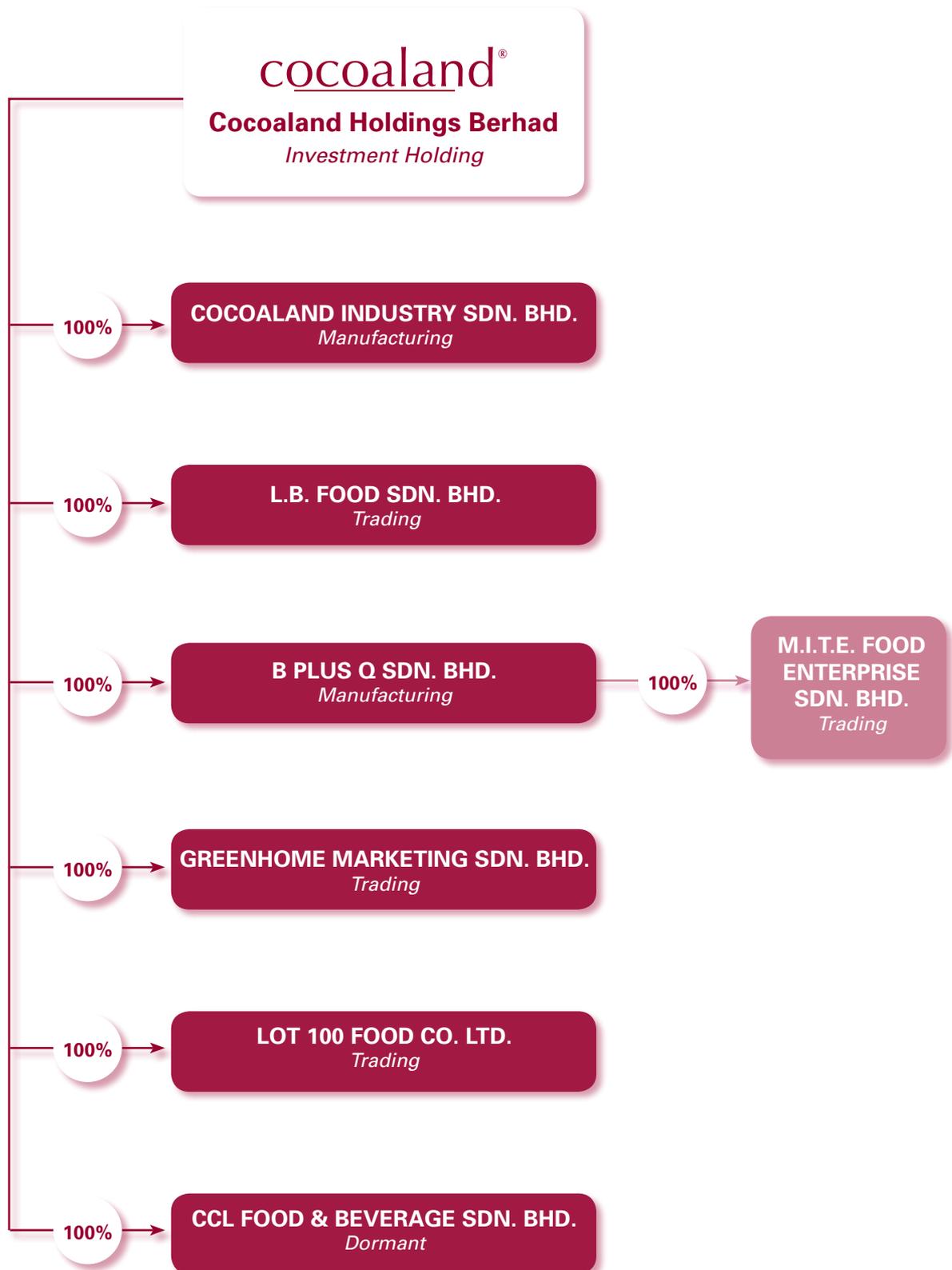
Statement Accompanying Notice Of **Annual General Meeting**

The Director standing for election pursuant to Article 98 of the Articles of Association of the Company at the Thirteenth Annual General Meeting is Dato' Ng Jui Sia. His profile is stated on page 11 of the Annual Report 2012.

Corporate Information

BOARD OF DIRECTORS	<p>Dato' Azman bin Mahmood (<i>Chairman / Independent Non-Executive Director</i>) Dato' Sri Koh Kin Lip (<i>Independent Non-Executive Director</i>) Liew Fook Meng (<i>Executive Director</i>) Lau Kee Von (<i>Executive Director</i>) Lau Pak Lam (<i>Executive Director</i>) Liew Yoon Kee (<i>Executive Director</i>) Tai Chun Wah (<i>Executive Director</i>) Chow Kee Kan @ Chow Tuck Kwan (<i>Independent Non-Executive Director</i>) Dato' Ng Jui Sia (<i>Non-Independent Non-Executive Director</i>) Soh Swee Hock @ Soh Say Hock (<i>Non-Independent Non-Executive Director</i>) Soon Wing Chong (<i>Alternate Director to Dato' Ng Jui Sia</i>)</p>
AUDIT COMMITTEE	<p>Chow Kee Kan @ Chow Tuck Kwan (<i>Chairman / Independent Non-Executive Director</i>) Dato' Sri Koh Kin Lip (<i>Member / Independent Non-Executive Director</i>) Dato' Ng Jui Sia (<i>Member / Non-Independent Non-Executive Director</i>)</p>
REMUNERATION COMMITTEE	<p>Dato' Azman bin Mahmood (<i>Chairman / Independent Non-Executive Director</i>) Dato' Sri Koh Kin Lip (<i>Member / Independent Non-Executive Director</i>) Liew Fook Meng (<i>Member / Executive Director</i>) Chow Kee Kan @ Chow Tuck Kwan (<i>Member / Independent Non-Executive Director</i>) Soh Swee Hock @ Soh Say Hock (<i>Member / Non-Independent Non-Executive Director</i>)</p>
NOMINATING COMMITTEE	<p>Chow Kee Kan @ Chow Tuck Kwan (<i>Chairman / Independent Non-Executive Director</i>) Dato' Azman bin Mahmood (<i>Member / Independent Non-Executive Director</i>) Dato' Sri Koh Kin Lip (<i>Member / Independent Non-Executive Director</i>)</p>
COMPANY SECRETARIES	<p>Ng Heng Hooi (MAICSA 7048492) Wong Mee Kiat (MAICSA 7058813) Yap Foo Teng (MACS 00601)</p>
CORPORATE WEBSITE	www.cocoaland.com
AUDITORS	<p>Wong Weng Foo & Co. (AF:0829) Chartered Accountants 41, Damai Complex, Jalan Dato' Haji Eusoff, 50400 Kuala Lumpur Tel: 03-4042 4280 Fax: 03-4041 3141</p>
PRINCIPAL BANKERS	<p>Citibank Berhad Public Bank Berhad RHB Bank Berhad</p>
CORPORATE OFFICE	<p>Lot 100, Rawang Integrated Industrial Park, 48000 Rawang, Selangor Darul Ehsan Tel: 03-6091 3131 Fax: 03-6091 5131</p>
REGISTERED OFFICE	<p>Lot 6.08, 6th Floor, Plaza First Nationwide No. 161 Jalan Tun H.S. Lee, 50000 Kuala Lumpur Tel: 03-2072 8100 Fax: 03-2072 8101</p>
SHARE REGISTRAR	<p>Bina Management (M) Sdn. Bhd. Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan Tel: 03-7784 3922 Fax: 03-7784 1988</p>
STOCK EXCHANGE LISTING	<p>Bursa Malaysia Securities Berhad – Main Market Stock Code: 7205</p>

Corporate Structure



Directors' Profile

DATO' AZMAN BIN MAHMOOD

62 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 Remuneration Committee and a member of the Nominating Committee.

As at 30 April 2013, 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

64 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. 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 30 April 2013, 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

*65 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 Cocoaland Group of Companies and several other private limited companies. He is a 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 30 April 2013, he has direct shareholdings of 3,479,533 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

*60 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 and Cocoaland Industry 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 Cocoaland 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 30 April 2013, 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.

directors' profile (cont'd)

LAU PAK LAM

*55 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 30 April 2013, 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

*64 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 30 April 2013, 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

*60 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 an Independent Non-Executive Director of Hai-O Enterprise Berhad. He also holds directorships in several other private limited companies.

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

As at 30 April 2013, 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.

DATO' NG JUI SIA

*61 years of age, Singaporean
Non-Independent Non-Executive Director*

He was appointed to the Board on 1 September 2012. He holds a Bachelor's degree in Business Administration from the University of Singapore and is an associate of the Institute of the Chartered Accountants in England & Wales.

He spent his early years in accounting and auditing in London and Singapore with PriceWaterhouse, and has extensive general management experience operating in Hong Kong, China, South Asia, Malaysia and Singapore. Dato' Ng was with Carnaud MetalBox Asia before he joined Fraser & Neave ("F&N") Group in 1995. He was CEO of F&N's Times Publishing Ltd in 2006 until 2010 subsequent to his secondment to general management to the F&N Group's soft drinks business in Singapore and Malaysia from 1996 to 2006.

He was a nominee director in Fung Choi Media Group Ltd, a China based company listed in the Singapore Stock Exchange from August 2009 to July 2010 and PMP Ltd, a company listed in the Australia Stock Exchange, from November 2007 to August 2010.

Currently, he is the Chief Executive Officer and Executive Director of Fraser & Neave Holdings Berhad. He is also an Independent Non-Executive Director of Malaysia Smelting Corporation Berhad.

He is a member of the Audit Committee.

As at 30 April 2013, 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.

directors' profile (cont'd)

TAI CHUN WAH

*46 years of age, Malaysian
Executive Director*

He was appointed to the Board on 3 January 2012. He is a member of the Chartered Institute of Management Accountants (CIMA), United Kingdom and Malaysia Institute of Accountants (MIA).

He joined Cocoland Group in 1996 as an Accountant and was subsequently promoted to Group Accountant in 1998. As the Group Accountant, he is responsible for the Group's daily accounting and corporate finance functions. Prior to joining the Cocoland Group, he was an Accounts Executive in May Plastics Industries Berhad, a public listed company principally involved in the business of plastic injection molding for 4 years.

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

As at 30 April 2013, he has direct shareholdings of 17,600 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.

**SOH SWEE HOCK @
SOH SAY HOCK**

*51 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 Berhad in 2010 as Senior Manager, Projects and he is currently the Head of Group Corporate Services.

He is a member of the Remuneration Committee.

As at 30 April 2013, 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.

SOON WING CHONG

51 years of age, Malaysian

Alternate Director to Dato' Ng Jui Sia

He was appointed Alternate Director to Dato' Ng Jui Sia on 1 September 2012. He holds a Degree in Bachelor's of Arts (majoring in Accountancy) from the University of Stirling, Scotland, UK and is a member of the Malaysian Institute of Certified Public Accountant (MICPA).

He has over 25 years' experience in Finance in various industries. He started his first career at KPMG and subsequently progressed further with Inchcape Eastern Agencies, DHL Worldwide Express, Western Digital and Dutch Lady Industries. Prior to joining Fraser & Neave Holdings Berhad, he was the Chief Financial Officer of Hong Leong Industries Berhad.

As at 30 April 2013, 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 Cocoaland Holdings Berhad ("Cocoaland" 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 2012.

Financial Performance

For the financial year under review, the Group posted a 28.3% year-on-year revenue growth from RM173.9 million to RM223.2 million. The improved revenue is mainly due to an increase in selling price and higher trading volume of our Fruit Gummy and Beverage products, with revenue growth of 18% and 145% respectively.

The Group achieved profit before tax of RM28.0 million for the current financial year, an increase of RM6.3 million or 29.2% from the previous financial year mainly due to higher margin sales mix; whilst profit after tax improved by 10.6% to RM21.2 million, translating to an earnings per share of 12.36 sen, compared to 11.18 sen in the previous financial year. The improvement was attributable to the Group's continued effort in improving production efficiency by way of process automation and better quality control in the manufacturing operation. The Group's shareholders' equity stood at RM196.1 million compared to RM188.7 million in the previous financial year.

Review of Operations

During the financial year under review, the new production line for hard candy was fully installed and has started its operation. The new fruit gummy production line has also commenced commercial run in the first quarter of 2013. The beverage lines installed in 2011 were operating at full capacity during the financial year with strong demand from

its OEM business. With the new facility lines fully installed and commercialised, the Group has boosted its production capacity, which will help in its strategy to widen its existing client base and penetrate more local and overseas markets.

The Group continues to benefit from the strategic partnership of its major shareholder, Fraser & Neave Holdings Berhad ("F&N"). In particular, Cocoaland is currently F&N's non-exclusive contract packer in Malaysia to prepare, package, pack and deliver F&N's products in Malaysia. The participation of F&N via the Board and Executive Committee has contributed substantially towards the commercial and operational achievements of Cocoaland for the year. In this respect, Cocoaland will continue to reap the values of the association with F&N in future years.

Dividend

In tandem with the its strong performance, the Company has declared and paid interim single tier dividends totaling to 6.25 sen per share in respect of FY2012. The Board does not recommend any final dividend payment for FY2012.

Outlook and Prospect

The Group faces challenges in view of the volatile global economy and intense competition in domestic and export markets. In addition, the recent introduction of minimum wage policy by the Government will inadvertently cause an impact on the Group's profitability and impede the progress of

many industries in the country.

Demand is driven by consumer tastes and health considerations. The profitability of individual companies depends on efficient operations, effective marketing, and a strong sales force. Cocoland has the advantages in raw material purchasing, manufacturing efficiencies, distribution, and marketing budgets. With these competitive advantages, Cocoland is confident in mitigating the risk factors. Steps such as improving production capacity, operational efficiency and focus on new product development will remain as priorities to the Group to further strengthen its position in the region as one of the market leaders in the industry.

The Group is currently planning to diversify into new product varieties and to enter into new markets. A new premium chocolate and wafer biscuits with premium ingredients will be launched in the near future and plans are currently being put forward to build a new production line for the new products. The Group will also continue to invest substantially in advertising and promotion activities and engage in more aggressive marketing strategies to boost sales.

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

Corporate Social Responsibilities

Cocoland 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, the Group is also proud of its contribution towards environmental sustainability by encouraging 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 wellbeing.

Corporate Governance

The Board is committed to maintaining high levels of corporate governance in the management and

business direction of Cocoland, and its subsidiaries. Our efforts on this end will be highlighted further in the Corporate Governance Statement in this Annual Report.

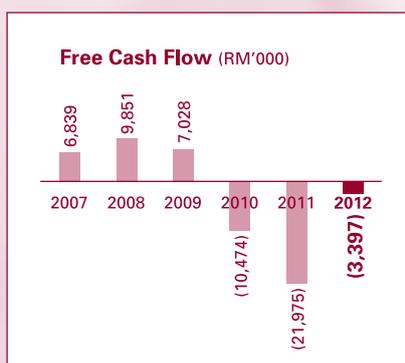
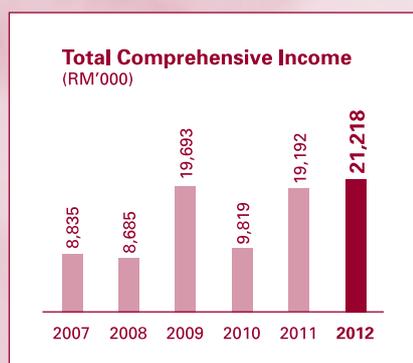
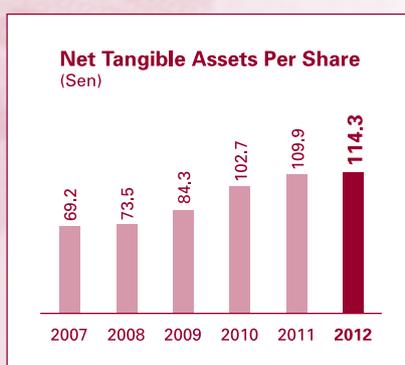
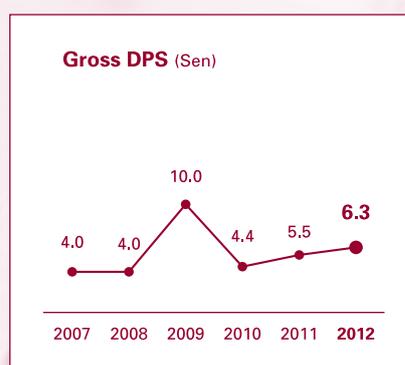
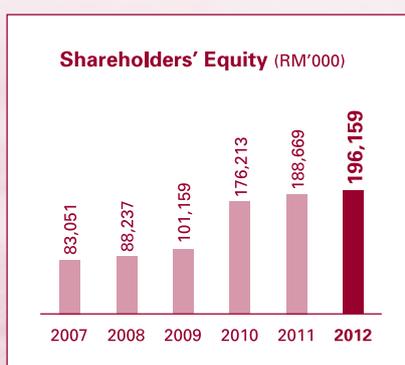
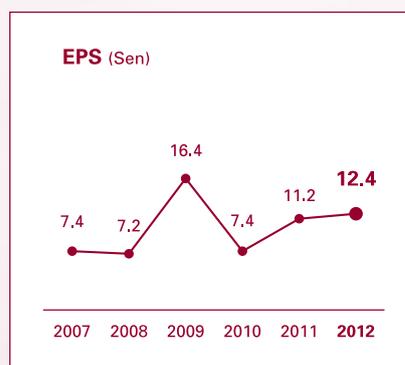
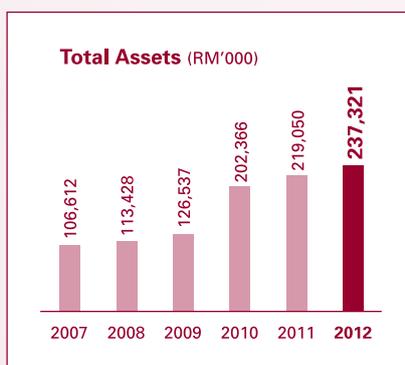
Acknowledgement & Appreciation

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.

Thank you.

Dato' Azman bin Mahmood
Chairman

Financial Highlights



Statement On Corporate Governance

The Board of Directors (“the Board”) is committed to ensure that the highest standards of corporate governance are 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.

To this end, the Board continues to implement the recommendations of the Malaysian Code on Corporate Governance 2012 (“Code”) which sets out the principles and best practices on structures and processes that companies may apply in their operations towards achieving the optimal governance framework.

The statement on corporate governance will set out how the Company has applied the principles and recommendations, and the approach the Board will take to steer the Company to apply such principles and recommendations to governance as prescribed by the Code.

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 ten (10) members comprising five (5) Executive Directors, three (3) Independent Non-Executive Directors and two (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 Malaysia Securities Berhad (“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.

None of the current independent directors have served the Company for more than nine (9) years as per the recommendations of the Code. Should the tenure of an independent director exceeds 9 years, shareholders’ approval will be sought at a General Meeting or if the services of the director concerned are still required, the director concerned will be re-designated as a non-independent director.

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 2012, the Board convened four (4) meetings, with details on the attendance of Directors listed below: -

Board Members	Attendance	Board Members	Attendance
Dato’ Azman bin Mahmood	4/4	Chow Kee Kan @ Chow Tuck Kwan	4/4
Dato’ Sri Koh Kin Lip	4/4	Dato’ Ng Jui Sia (appointed on 1 September 2012)	1/1
Liew Fook Meng	4/4	Soh Swee Hock @ Soh Say Hock	4/4
Lau Kee Von	4/4	Tai Chun Wah	4/4
Lau Pak Lam	4/4	Tan Eng Guan (resigned on 31 August 2012)	3/3
Liew Yoon Kee	4/4		

statement on corporate governance (cont'd)

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. Every Director has access to the advice and services of the Company Secretaries and senior management. The Board, whether as a full board or in their individual capacity, in the furtherance of their duties, may seek independent advice at the Company's expense.

The Board is regularly updated and advised on new statutory as well as regulatory requirements relating to the duties and responsibilities of Directors.

Prior to each meeting, a formal 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.

Board Committees

The Board has established and delegated specific responsibilities to 4 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 29 to page 31 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
Dato' Sri Koh Kin Lip	Member - Independent Non-Executive Director
Chow Kee Kan @ Chow Tuck Kwan	Member - Independent Non-Executive Director
Liew Fook Meng	Member - Executive Director
Soh Swee Hock @ Soh Say Hock	Member – Non-Independent Non-Executive Director

The Remuneration Committee convened one (1) meeting during the financial year to review and recommend the Executive Directors' remuneration packages.

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

The Nominating Committee convened two (2) meetings during the financial year and the following activities were carried out:-

- (i) Reviewing the Board composition and recommending new nominee to the Board as well as Board Committees.
- (ii) Assessing the effectiveness of the Board, Board Committees and the contribution of each director, taking into consideration the required mix of skills, knowledge and expertise and experience and other requisite qualities including core competencies contributed by Non-Executive Directors. All assessment and evaluation are documented for proper records.
- (iii) Reviewing and recommending the re-election of directors who retire by rotation.

The Board supports the recommendation in the Code on the establishment of a gender diversity policy and will endeavour to achieve these targets.

4. Executive Committee

The Executive Committee is to assist the Board to formulate strategic direction and initiatives, including mergers and acquisitions or disposal of businesses, investments and product portfolio, so that the Company achieves its objective of delivering long term shareholder value creation and to facilitate faster decision-making relating to important strategic and major operational issues and thereupon make the appropriate recommendations to the Board for approval.

The Executive Committee comprises the following members: -

Members	Designation
Liew Fook Meng	Chairman - Executive Director
Lau Kee Von	Member - Executive Director
Lau Pak Lam	Member - Executive Director
Liew Yoon Kee	Member - Executive Director
Dato' Ng Jui Sia	Member - Non-Independent Non-Executive Director
Soh Swee Hock @ Soh Say Hock	Member - Non-Independent Non-Executive Director

statement on corporate governance (cont'd)

Appointments to the Board and Re-election of Directors

There is in place a formal and transparent procedure 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 2012, 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:-

- 2013 Budget Proposals and Recent Tax Developments
- Change Management Workshop
- Presentation of Financial Statements and Disclosure Requirements of IFRS/MFRS
- Global Economic Update for 2012
- Tax Planning for Individuals
- Workshop On Reinvestment Allowance Industrial Building Allowance
- Workshop On 2011 Returns Forms B, C, R, E Submission, Challenges, & Implications
- Workshop on Maximizing On Tax Incentives
- National Tax Conference 2012
- Seminar Percukaian Kebangsaan 2012
- 2013 Budget Seminar
- Workshop On Income From Letting Real Properties : For Investment Holding Companies And Other Investors
- Workshop On Criminal Tax Investigations & Anti-Money Laundering
- Workshop On Real Property Gains Tax : The Basics And The Advanced

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 2012 is as follows:-

Remuneration	Executive Director RM	Non-Executive Director RM	Total RM
Fees	120,000	132,000	252,000
Salaries and Allowances	3,793,865	17,200	3,811,065
Total	3,913,865	149,200	4,063,065

statement on corporate governance (cont'd)

The number of directors whose total remuneration from the Company falls within the following band for the financial year ended 31 December 2012 is as follows:-

Range of Remuneration	Executive Director	Non-Executive Director
Below RM50,000	0	6
RM150,001 – RM200,000	1	0
RM450,001 – RM500,000	1	0
RM500,001 – RM550,000	1	0
RM550,001 – RM600,000	2	0

SHAREHOLDERS

Dialogue with Shareholders and Investors

The Board recognises the importance of an effective communications channel between the Board, shareholders and general public. The annual reports, press releases, quarterly results and any announcements on material corporate exercises are the primary modes of disseminating information on the Group's business activities and financial performance. The Group also maintain a website at www.cocoaland.com for shareholders and the public to access information on, amongst others, the Group's background and products, financial performance, and updates on its various promotions. Any query regarding the Group may be conveyed to the following persons:-

Liew Fook Meng
Executive Director
fookmeng@cocoaland.com

Tai Chun Wah
Executive Director
taichunwah@cocoaland.com

The Annual General Meeting ("AGM") remains the principal forum for dialogue with the shareholders of the Company. Shareholders are encouraged to attend and participate at 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.

statement on corporate governance (cont'd)

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 Risk Management and Internal Control is set out on page 26 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 2012.

2. **Options, Warrants or Convertible Securities**

The Company did not issue any options, warrants or convertible securities during the financial year ended 31 December 2012.

3. **Depository Receipt Programme**

The Company did not sponsor any depository receipt programme during the financial year ended 31 December 2012.

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 2012.

5. **Non-audit Fees**

During the financial year, the non-audit fees paid by the Group to the external auditors amounted to RM34,700 mainly for tax services rendered.

6. **Profit Guarantee**

There were no profit guarantees given by the Company or its subsidiaries during the financial year ended 31 December 2012.

7. **Material Contracts**

There were no material contracts entered into by the Company and / or its subsidiaries during the financial year ended 31 December 2012, which involves the interests of Directors and major shareholders.

8. **Status of Utilisation of Proceeds raised from Corporate Proposals**

All proceeds raised from the issuance of 39,600,000 new ordinary shares to Fraser & Neave Holdings Berhad on 25 November 2010 had been fully utilized during the financial year.

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

The Company had obtained from its shareholders the mandate for the following RRPT at the Twelfth Annual General Meeting held on 19 June 2012 and the actual value transacted for the period from 19 June 2012 to 13 May 2013 is as follows:-

additional compliance information (cont'd)

Transacting Party	Nature of Relationship	Nature of Transaction	Actual Aggregate Value Incurred (RM'000)
F&N Limited group of companies	Dato' Ng Jui Sia and Mr. Soh Swee Hock both of whom are the non-independent non-executive directors of Cocoaland, are officers of F&N, a major shareholder of Cocoaland. F&N Limited is the holding company of F&N.	Prepare, package, pack and deliver F&N Limited group of companies' products:- - Sales - Purchase of Ingredients	16,314

10. Variation in results

There were no material variations between the unaudited results previously announced and the audited results for the financial year ended 31 December 2012.

Statement On Risk Management And Internal Control

1. Introduction

This Statement on Risk Management and Internal Control is made in accordance with the Malaysian Code on Corporate Governance 2012 and paragraph 15.26(b) of the Bursa Malaysia Securities Berhad Listing Requirements, which requires Malaysian public listed companies to make a statement in their annual report about the state of their internal control, as a Group.

In preparing this statement, the Board of Directors of Cocoaland Holdings Berhad (“the Board”) referred to the Guidelines (i.e. “Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers”) issued by an industry task force established to revise the original Guidance issued in December 2000.

The Board believes the practice of good corporate governance is an important continuous process and not just a matter of compliance for its Annual Report purposes. Hence, the Board endeavors to maintain an adequate risk management and internal control system that is designed to manage, rather than eliminate risk, and to improve the governance process of the Group.

2. Board Responsibility

The Board is committed to ensuring the existence of an appropriate risk management framework and sound, efficient and effective system of internal control that cover the financial reporting, compliance and operations of the Group to safeguard shareholders' investment and the Group's assets. However, it should be noted that such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

However, material associated company have not been dealt with as part of the Group for purposes of applying the above guidance as it has its own system of internal controls in place. Nevertheless, the Board obtained operational and financial updates from Group management to monitor the investment.

3. Risk Management Framework

The Board had been consistent in maintaining its overall responsibility to ensure that systems are in place that effectively monitor and manage the Group's business risk and to continually update and identify the various and continuously changing risk factors that could have a potentially significant impact on profitability and long term business objectives. Arising from this, a risk-based audit plan was developed and approved by the Audit Committee to ensure that significant risk areas were adequately managed.

There is no formal framework established for risk assessment but risks are usually discussed during Executive Committee (“EXCO”) and Management Review meetings by way of business strengths, weaknesses, opportunities, analysis and guidelines and policies to mitigate identified risks affecting the achievement of the Group's business objectives. Several identified financial risks were disclosed in Note 20 of the Notes to the Accounts.

4. Internal Audit Function

CGRM Infocomm Sdn Bhd (“CGRM”), an independent professional firm, supports the Audit Committee, and by extension, the Board, by providing independent assurance on the effectiveness of the Group's system of internal control.

In particular, CGRM appraises and contributes towards improving the Group's risk management and control systems and reports to the Audit Committee on a quarterly basis. In assessing the adequacy and effectiveness

statement on risk management and internal control (cont'd)

of the system of internal control and financial control procedures of the Group, the Audit Committee reports to the Board on its activities, significant audit results or findings and the necessary recommendations or actions needed to be taken by management to rectify those issues.

The internal audit work plan, which reflects the risk profile of the Group's major business operations is routinely reviewed and approved by the Audit Committee. The scope of CGRM's function covered the audit and review of governance, risk assessment, compliance, operational and financial control across all business units.

CGRM refers to the Guidelines on the Internal Audit Function issued by The Institute of Internal Auditors Malaysia, the Standards for the Professional Practice of Internal Auditing (SPPIA) and the Code of Ethics issued by The Institute of Internal Auditors Inc.

5. Key Process

The Group's key internal control processes are outlined based on Committee of Sponsoring Organisations of the Treadway Commission (COSO) principles benchmarking as follows:

Control Environment

- The Board had delegated specific responsibilities to the relevant committees such as Audit Committee, Nomination Committee, Executive Committee and Remuneration Committee to implement and monitor the Board's policies and controls within the Group.
- The Management were hands-on and demonstrated strong commitment towards team work, integrity, aptitude and ethical behaviour by example in their daily conduct. Other positive attributes noted were discipline and trust which were instilled and continuously reinforced at all levels within the organisation.
- A functional organisational framework was adopted which reflected the level of specialization within the Group. This resulted in efficiency and high productivity of the Group's operations.
- A Business Plan together with Quality Objectives was established to monitor operational performance. The actual performances were compared to by the Management; to ensure that the Group activities were aligned to these established plan and objectives.
- The Group ensured that employees were continuously trained in line with predetermined development programmes to ensure the employees remain competent and efficient.

Risk Assessment

- The EXCO met at least five times a year and regular Management Reviews were conducted during the financial year to assess existing and identify improvements required with regards to operational risk and controls.
- Management of individual subsidiaries and departments continuously assessed risks within their business environment and formulated mitigating strategies / corrective actions to minimise negative outcomes, i.e. reduce losses and prevent erosion of business profit margin.

Control Activities

- Management continuously ensure existing documented internal policies, procedures and manuals as well as ISO Manuals were continuously reviewed and revised to reflect the Group's on-going practice of adopting better and relevant practices in line with our vision, mission and quality objectives. These improvements were subject to regular review and improvements to meet changing business, operational and statutory needs.
- The Group had adopted a comprehensive annual budgeting process wherein operating units prepared budgets which were compiled by the Finance Department. Discussions were held between Management and the heads of operating units to ensure the budgets were attainable and realistic prior to deliberation by the EXCO and the Board's approval.
- Management adopted a prudent approach and exercised careful consideration in the preparation of

statement on risk management and internal control (cont'd)

accounting records and financial statements by making adequate provision and allowances for doubtful recovery.

Information and Communication

- Employees, especially functional heads, were aware of the company's intent and directives which they then implemented and further cascaded to the line functions.
- Prior to each quarterly Board meeting, the members of the Board were provided an agenda and the relevant documents and information for better understanding of the matters to be considered to enable them to arrive at an informed decision.
- The Group has in place a systematic management reporting system utilising an enterprise resource planning system for its operating units.
Data were timely updated into the system that improves procurement, inbound, outbound, warehouse and transportation management.
- Management accounts were simultaneously prepared and reviewed on a monthly basis for better decision making and monitoring.
- Multiple and direct communication channels were practiced to ensure operational issues were immediately addressed to create more value for customers with optimal (fewer) utilisation of resources.

Monitoring

- Analysis, data comparison and reporting of variances against targets were presented during the EXCO and Management Review meetings at Group and subsidiary level, which provided the framework for monitoring and controlling.
- During the financial year, the EXCO met five (5) times to discuss progress and chart the strategic business direction of the Group.
- Management constantly monitored the gaps and issues highlighted through close follow-up of issues highlighted by the various assurance / audit groups and had shown commitment to improve on current processes and internal controls.

6. Conclusion

In accordance to the Guidelines, the Board received regular updates and assurance with regards to the adequacy and effectiveness of the Group risk management and system of internal control in place throughout the financial year.

During the year, the Board opines that there were no material losses caused by breakdown in the risk management and internal controls systems. It should be appreciated that the system of internal control only provide reasonable assurance in managing business risks rather than eliminating them and there is no absolute assurance towards material misstatement or loss.

Pursuant to Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this statement for inclusion in the Annual Report for the financial year ended 31 December 2012 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

This statement was made in accordance with a resolution of the Board dated 30 April 2013.

Report On **Audit Committee**

The Board of Directors is pleased to present the report of the Audit Committee (“AC”) for the financial year ended 31 December 2012.

Membership

During the financial year 2012, the AC had three members, all of who are non-executive directors, a majority of whom are independent, including the AC Chairman. The current composition complies with the Listing Requirements of Bursa Malaysia Securities Berhad.

Meetings and Attendance

A total of four (4) AC meetings were held during the financial year 2012. At the invitation of the AC, the Executive Directors, Group Accountant and Internal Auditors attended the meetings. The Group’s external auditors attended two of the meetings where they were invited to discuss matters related to the statutory audit for the financial year 2012. The AC also had private discussions with both the External and Internal Auditors without the presence of the Executive Directors. The attendance of each member at the AC meetings is as follows:-

Members	Designation	Attendance
Chow Kee Kan @ Chow Tuck Kwan	Chairman – Independent Non-Executive Director	4/4
Dato’ Sri Koh Kin Lip	Member – Independent Non-Executive Director	4/4
Dato’ Ng Jui Sia (Appointed on 1 September 2012)	Member – Non-Independent Non-Executive Director	1/1
Tan Eng Guan (Resigned on 31 August 2012)	Member – Non-Independent Non-Executive Director	3/3

Authority

The AC 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 AC should be able to obtain independent professional or other advice and to invite outsiders with relevant experience to attend, if necessary. The AC shall have direct communication channels with the external auditors and internal auditors and 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, whenever deemed necessary.

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

report on audit committee (cont'd)

- compliance with accounting standards and other legal requirements.
- 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 evaluate the system of internal controls and management information systems;
- 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; and
- j) To consider and review other topics as defined by the Board.

Summary Of Activities

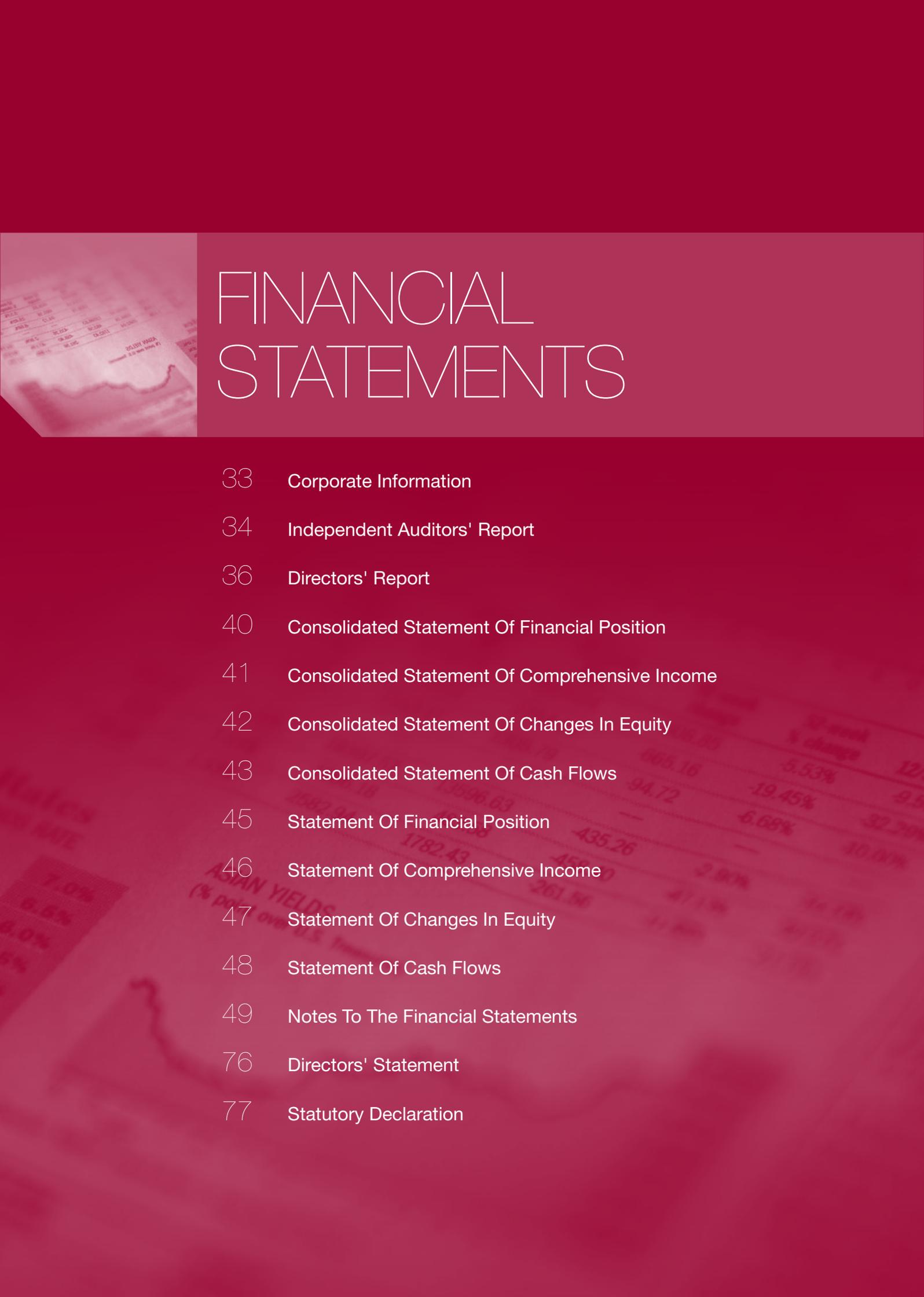
In line with the AC Terms of Reference, the following activities were carried out during the financial year 2012:-

- (i) Reviewed the external auditors' scope of work and audit planning memorandum;
- (ii) 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;
- (iii) Reviewed the unaudited quarterly financial statements 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;
- (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 adequacy of the scope, functions, competency and resources of the internal audit functions.
- (vi) 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;

- (vii) Considered the re-appointment of the external auditors and make recommendation to the Board for approval;
and
- (viii) 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 policies/procedures, accounts receivables, credit control and collection process, capital asset management, inventory control management for the Group. For the financial year ended 31 December 2012, the cost incurred for outsourcing of internal audit function was RM58,787.90.



FINANCIAL STATEMENTS

33	Corporate Information
34	Independent Auditors' Report
36	Directors' Report
40	Consolidated Statement Of Financial Position
41	Consolidated Statement Of Comprehensive Income
42	Consolidated Statement Of Changes In Equity
43	Consolidated Statement Of Cash Flows
45	Statement Of Financial Position
46	Statement Of Comprehensive Income
47	Statement Of Changes In Equity
48	Statement Of Cash Flows
49	Notes To The Financial Statements
76	Directors' Statement
77	Statutory Declaration

Corporate Information

BOARD OF DIRECTORS	<p>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 Soh Swee Hock @ Soh Say Hock Tai Chun Wah Dato' Ng Jui Sia Soon Wing Chong (Alternate to Dato' Ng Jui Sia)</p>
COMPANY SECRETARIES	<p>Ng Heng Hooi Wong Mee Kiat Yap Foo Teng</p>
AUDITORS	<p>Wong Weng Foo & Co. Chartered Accountants</p>
REGISTERED OFFICE	<p>Lot 6.08, 6th Floor Plaza First Nationwide No 161, Jalan Tun H. S. Lee 50000 Kuala Lumpur</p>
PRINCIPAL BANKERS	<p>RHB Bank Berhad Citibank Berhad Public Bank Berhad HSBC Bank Malaysia Berhad</p>

Independent Auditors' Report to the members of Cocoland Holdings Berhad

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Cocoland Holdings Berhad, which comprise the statements of financial position as at 31st December, 2012, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 40 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 the Malaysian Financial Reporting Standards, International 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 Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31st December, 2012 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 4 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 25 on page 74 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 : 19 April 2013

ABD HALIM BIN HUSIN
2095/12/14 (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, 2012.

PRINCIPAL ACTIVITIES

The Company's principal activity is that of investment holding. The principal activities of the subsidiary companies are stated in Note 4 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	21,218,139	9,998,006
Retained profit brought forward	58,483,814	8,808,063
	79,701,953	18,806,069
Interim single tier dividend of 6% paid on 16th April, 2012	(5,148,000)	(5,148,000)
Interim single tier dividend of 5% paid on 16th October, 2012	(4,289,998)	(4,289,998)
Interim single tier dividend of 5% paid on 31st December, 2012	(4,289,998)	(4,289,998)
Retained profit carried forward	65,973,957	5,078,073

DIVIDENDS

Since the end of the previous financial year, the directors declared and paid second interim single tier dividend of 6% per ordinary share of RM0.50 each on 16th April, 2012 for the financial year ended 31st December, 2011, first interim single tier dividend of 5% per ordinary share of RM0.50 each on 16th October, 2012 and second interim single tier dividend of 5% per ordinary share of RM0.50 on 31st December, 2012 for the financial year ended 31st December, 2012, respectively, totalling to RM13,727,996.

The directors has declared a third interim single tier dividend of 2.5% per ordinary share of RM0.50 each on 27th February, 2013 amounting to RM2,145,000 for the financial year ended 31st December, 2012, which will be paid on 5th April, 2013.

The directors do not recommend a final dividend for the financial year ended 31st December, 2012.

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.

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 (Resigned on 31.8.2012)
 Soh Swee Hock @ Soh Say Hock
 Tai Chun Wah
 Dato' Ng Jui Sia (Appointed on 1.9.2012)
 Soon Wing Chong (Alternate to Dato' Ng Jui Sia) (Appointed on 1.9.2012)

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, 2012 are follows:-

The Company	← No of Ordinary Shares of RM0.50 each →			Balance at 31.12.2012
	Balance at 1.1.2012	Bought	(Sold)	
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	2,000,000	-	2,500,000
Liew Fook Meng				
- direct	4,979,533	-	(1,500,000)	3,479,533
- indirect	65,284,971	-	-	65,284,971
Lau Kee Von				
- direct	1,029,800	-	-	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 31.12.2012
	Balance at 1.1.2012	Bought	(Sold)	
The Company				
Lau Pak Lam				
- direct	934,266	-	-	934,266
- indirect	65,284,971	-	-	65,284,971
Chow Kee Kan @ Chow Tuck Kwan				
- direct	-	-	-	-
- indirect	-	-	-	-
Soh Swee Hock @ Soh Say Hock				
- direct	-	-	-	-
- indirect	-	-	-	-
Tai Chun Wah				
- direct	17,600	-	-	17,600
- indirect	-	-	-	-
Dato' Ng Jui Sia				
- direct	-	-	-	-
- indirect	-	-	-	-
Soon Wing Chong (Alternate to Dato' Ng Jui Sia)				
- direct	-	-	-	-
- indirect	-	-	-	-

By virtue of their substantial shareholdings in the Company, Messrs Liew Fook Meng, Lau Kee Von, Liew Yoon Kee and Lau Pak Lam are also deemed interested in the shareholdings of the subsidiary companies to the extent the ultimate holding company has an interest.

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 19 April 2013.

LIEW FOOK MENG

Director

TAI CHUN WAH

Director

KUALA LUMPUR

Consolidated Statement Of Financial Position as at 31st december 2012

ASSETS	Note	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Non-current assets				
Property, plant and equipment	3	118,679,710	101,043,242	78,165,273
Other investment	5	1,000	1,000	1,000
		118,680,710	101,044,242	78,166,273
Current assets				
Inventories	6	32,418,122	25,335,686	19,440,026
Trade receivables	7	43,025,967	40,903,781	25,965,058
Other receivables, deposits and prepayments	8	17,093,149	8,780,478	7,646,685
Deposits, cash and bank balances	10	26,102,787	42,986,037	71,147,674
		118,640,025	118,005,982	124,199,443
Total assets		237,320,735	219,050,224	202,365,716
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	11	85,800,000	85,800,000	85,800,000
Reserves	12	110,328,496	102,838,353	90,381,628
Exchange translation reserves		31,111	31,111	31,111
Total equity		196,159,607	188,669,464	176,212,739
LIABILITIES				
Non-current liabilities				
Deferred income tax liabilities	13	3,053,000	73,000	77,000
		3,053,000	73,000	77,000
Current liabilities				
Trade payables		26,272,234	22,768,181	17,516,840
Other payables and accruals	14	10,739,450	7,360,930	8,501,204
Hire-purchase payables	15	-	-	57,933
Current income tax liabilities		1,096,444	178,649	-
		38,108,128	30,307,760	26,075,977
Total liabilities		41,161,128	30,380,760	26,152,977
Total equity and liabilities		237,320,735	219,050,224	202,365,716

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

Consolidated Statement Of Comprehensive Income

for the year ended 31st december 2012

	Note	2012 RM	2011 RM
OPERATING REVENUE		223,207,717	173,993,856
COST OF SALES		(169,462,859)	(130,675,410)
GROSS PROFIT		53,744,858	43,318,446
SELLING & DISTRIBUTION EXPENSES		(13,150,687)	(12,429,107)
ADMINISTRATIVE EXPENSES		(14,628,863)	(11,847,271)
OTHER OPERATING INCOME		2,026,515	2,621,748
PROFIT FROM OPERATIONS		27,991,823	21,663,816
FINANCE COST	16	(1,552)	(4,390)
PROFIT BEFORE INCOME TAX	16	27,990,271	21,659,426
INCOME TAX	17	(6,772,132)	(2,467,406)
TOTAL COMPREHENSIVE INCOME		21,218,139	19,192,020
ATTRIBUTABLE TO:			
EQUITY HOLDERS OF THE COMPANY		21,218,139	19,192,020
BASIC AND DILUTED EARNINGS PER SHARE (SEN)	18	12.36	11.18

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

Consolidated Statement Of Changes In Equity for the year ended 31st december 2012

	← Attributable to the equity holders of the Company →				Total RM
	Share capital (Note 11) RM	Share premium (Note 12) RM	Retained profit (Note 12) RM	Exchange translation reserve RM	
At 1st January, 2011	85,800,000	44,354,539	46,027,089	31,111	176,212,739
Interim dividend of 3.8% less 25% income tax paid on 11th April, 2011	-	-	(2,445,297)	-	(2,445,297)
Interim single tier dividend of 5% paid on 30th December, 2011	-	-	(4,289,998)	-	(4,289,998)
Total comprehensive income	-	-	19,192,020	-	19,192,020
At 31st December, 2011/ 1st January, 2012	85,800,000	44,354,539	58,483,814	31,111	188,669,464
Interim single tier dividend of 6% paid on 16th April, 2012	-	-	(5,148,000)	-	(5,148,000)
Interim single tier dividend of 5% paid on 16th October, 2012	-	-	(4,289,998)	-	(4,289,998)
Interim single tier dividend of 5% paid on 31st December, 2012	-	-	(4,289,998)	-	(4,289,998)
Total comprehensive income	-	-	21,218,139	-	21,218,139
At 31st December, 2012	85,800,000	44,354,539	65,973,957	31,111	196,159,607

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

Consolidated Statement Of Cash Flows

for the year ended 31st december 2012

	2012 RM	2011 RM
Cash Flow From Operating Activities		
Profit before income tax	27,990,271	21,659,426
Adjustments for:-		
Allowance for doubtful debts	987,275	109,836
Allowance for doubtful debts no longer required	(6,704)	(44,203)
Bad debts recovered	(200)	-
Bad debts written off	11,915	3,476
Depreciation		
- current	9,567,915	7,738,945
- reversal	-	(18,741)
Property, plant and equipment written off	16,396	18,948
Gain on disposal of property, plant and equipment	(15,772)	(179,117)
Unrealised gain on foreign exchange	(216,797)	(315,362)
Interest expense	1,552	4,390
Interest income	(906,477)	(1,535,716)
Dividend income	(345)	(435)
Operating profit before working capital changes	37,429,029	27,441,447
Increase in inventories	(7,082,435)	(5,895,660)
Increase in receivables	(12,409,523)	(16,307,269)
Increase in payables	6,882,573	4,111,067
Cash generated from operating activities	24,819,644	9,349,585
Interest paid	(1,552)	(4,390)
Interest received	906,477	1,535,716
Tax paid	(3,343,937)	(2,176,157)
Tax refund	1,668,775	364,515
Dividends paid	(13,727,996)	(6,735,295)
Dividend received	345	326
Net cash provided by operating activities	10,321,756	2,334,300
Cash Flow from Investing Activities		
Proceeds from disposal of property, plant and equipment	242,477	301,508
Purchase of property, plant and equipment	(27,447,483)	(31,044,559)
Discounts on purchase of property, plant and equipment	-	305,047
Net cash used in investing activities	(27,205,006)	(30,438,004)

consolidated statement of cash flows (cont'd)

	2012 RM	2011 RM
Cash Flow From Financing Activities		
Repayment of hire-purchase payables	-	(57,933)
Net cash used in financing activities	-	(57,933)
Net changes in cash and cash equivalents	(16,883,250)	(28,161,637)
*Cash and cash equivalents brought forward	42,986,037	71,147,674
*Cash and cash equivalents carried forward	26,102,787	42,986,037
Note:		
*Cash and cash equivalents consist of:-		
Fixed deposits with licensed banks	10,731,103	31,052,943
Short term deposits with licensed banks	3,654,199	8,357,967
Cash and bank balances	11,717,485	3,575,127
	26,102,787	42,986,037

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

Statement Of Financial Position

as at 31st december 2012

	Note	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
ASSETS				
Non-current assets				
Investment in subsidiary companies	4	40,473,334	40,473,334	40,473,334
		40,473,334	40,473,334	40,473,334
Current assets				
Other receivables, deposits and prepayments	8	1,000	7,188	285,263
Amount due from subsidiary companies	9	84,498,179	67,943,808	33,779,082
Deposit and cash balances	10	10,677,204	31,000,772	58,893,994
		95,176,383	98,951,768	92,958,339
Total assets		135,649,717	139,425,102	133,431,673
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	11	85,800,000	85,800,000	85,800,000
Reserves	12	49,432,612	53,162,602	46,659,724
Total equity		135,232,612	138,962,602	132,459,724
LIABILITIES				
Current liabilities				
Other payables and accruals	14	325,689	283,851	971,949
Current income tax liabilities		91,416	178,649	-
		417,105	462,500	971,949
Total liabilities		417,105	462,500	971,949
Total equity and liabilities		135,649,717	139,425,102	133,431,673

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

Statement Of Comprehensive Income for the year ended 31st december 2012

	Note	2012 RM	2011 RM
OPERATING REVENUE		10,000,000	12,750,000
ADMINISTRATIVE EXPENSES		(564,494)	(454,061)
OTHER OPERATING INCOME		721,166	1,381,650
PROFIT BEFORE INCOME TAX	16	10,156,672	13,677,589
INCOME TAX	17	(158,666)	(439,416)
TOTAL COMPREHENSIVE INCOME		9,998,006	13,238,173
ATTRIBUTABLE TO:			
EQUITY HOLDERS OF THE COMPANY		9,998,006	13,238,173

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

Statement Of Changes In Equity for the year ended 31st december 2012

	← Attributable to the equity holders of the Company →			
	Share capital (Note 11) RM	Share premium (Note 12) RM	Retained profit (Note 12) RM	Total RM
At 1st January, 2011	85,800,000	44,354,539	2,305,185	132,459,724
Interim dividend of 3.8% less 25% income tax paid on 11th April, 2011	-	-	(2,445,297)	(2,445,297)
Interim single tier dividend of 5% paid on 30th December, 2011	-	-	(4,289,998)	(4,289,998)
Total comprehensive income	-	-	13,238,173	13,238,173
At 31st December, 2011/ 1st January, 2012	85,800,000	44,354,539	8,808,063	138,962,602
Total comprehensive income	-	-	9,998,006	9,998,006
Interim single tier dividend of 6% paid on 16th April, 2012	-	-	(5,148,000)	(5,148,000)
Interim single tier dividend of 5% paid on 16th October, 2012	-	-	(4,289,998)	(4,289,998)
Interim single tier dividend of 5% paid on 31st December, 2012	-	-	(4,289,998)	(4,289,998)
At 31st December, 2012	85,800,000	44,354,539	5,078,073	135,232,612

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

Statement Of Cash Flows

for the year ended 31st december 2012

	2012 RM	2011 RM
Cash Flow From Operating Activities		
Profit before income tax	10,156,672	13,677,589
Adjustments for:-		
Allowance for doubtful debts no longer required	(60,632)	-
Interest income	(660,534)	(1,381,650)
Dividend income	(10,000,000)	(12,750,000)
Operating loss before working capital changes	(564,494)	(454,061)
Increase in receivables	(16,487,551)	(34,156,476)
Decrease/ (Increase) in payables	41,838	(688,098)
Cash absorbed by operations activities	(17,010,207)	(35,298,635)
Interest received	660,534	1,381,650
Dividends received	10,000,000	12,562,500
Dividends paid	(13,727,996)	(6,735,295)
Tax paid	(319,166)	-
Tax refund	73,267	196,558
Net cash used in operating activities	(20,323,568)	(27,893,222)
Cash Flow From Investing Activities	-	-
Cash Flow From Financing Activities	-	-
Net changes in cash and cash equivalents	(20,323,568)	(27,893,222)
*Cash and cash equivalents brought forward	31,000,772	58,893,994
*Cash and cash equivalents carried forward	10,677,204	31,000,772

Note:

*Cash and cash equivalents consist of:

Cash and bank balances	2	2
Fixed deposits with a licensed bank	10,677,202	31,000,770
	10,677,204	31,000,772

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

Notes To The Financial Statements

31st december 2012

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 4 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 19th April, 2013.

2. SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following 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 in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the Companies Act, 1965 in Malaysia. These are the Company's first financial statements prepared in accordance with MFRSs and MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* has been applied.

In the previous financial years, the financial statements of the Group and of the Company were prepared in accordance with Financial Reporting Standards ("FRSs") in Malaysia. The financial impacts on transition to MFRSs are disclosed in note 26.

The financial statements, other than for financial instruments, have been prepared on the historical cost convention except as disclosed in this summary of significant policies. Certain financial instruments are carried at fair value in accordance with MFRS 139 *Financial Instruments: Recognition and Measurement*.

The preparation of financial statements in conformity with MFRSs, International Financial Reporting Standards and the Companies Act, 1965 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.

2.2 Standards Issued But Not Yet Effective

As at the date of authorisation of these financial statements, the following Standards, Amendments and Issues Committee ("IC") Interpretations have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group and the Company:

Effective for financial periods beginning on or after 1 July 2012

Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income
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Effective for financial periods beginning on or after 1 January 2013

MFRS 3	Business Combinations
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (revised)
MFRS 127	Consolidated and Separate Financial Statements (revised)
MFRS 128	Investments in Associates and Joint Ventures (revised)
Amendments to MFRS 1	First-time Adoption of MFRS - Government Loans
Amendments to MFRS 7	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11	Joint Arrangements: Transition Guidance
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Transition Guidance
Annual Improvements to IC Interpretations and MFRSs 2009 - 2011 Cycle	

Effective for financial periods beginning on or after 1 January 2014

Amendments to MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
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Effective for financial periods beginning on or after 1 January 2015

Amendments to MFRS 9	Mandatory Effective Date of MFRS 9 and Transition Disclosures
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The Group and the Company will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group and of the Company upon their initial application.

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.

(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

notes to the financial statements (cont'd)

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 MFRS 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 MFRS 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.

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 Investments

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

2.7 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.

2.8 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.

2.9 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.

2.10 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.

2.11 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.

2.12 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).

2.13 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.

2.14 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.

2.15 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.

2.16 Financial Instruments

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments. 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 a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(i) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

• *Financial Assets at Fair Value Through Profit or Loss*

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

As at the end of the reporting period, there were no financial assets classified under this category.

• *Held-to-maturity Investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with revenue recognised on an effective yield basis.

As at the end of the reporting period, there were no financial assets classified under this category.

• *Loans and Receivables Financial Assets*

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

• *Available-for-sale Financial Assets*

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

As at the end of the reporting period, there were no financial assets classified under this category.

(ii) Financial Liabilities

All financial liabilities are initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

(iii) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation

2.17 Impairment

(i) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment. An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss

and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

(ii) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period 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. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a 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 amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statements of comprehensive income, a reversal of that impairment loss is recognised as income in the statements of comprehensive income.

2.18 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	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
1 US Dollar	3.06	3.18	3.05
1 Singapore Dollar	2.50	2.44	2.40
100 Chinese Renminbi	50.00	50.00	50.00

2.19 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.

2.20 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.

2.21 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.

3. PROPERTY, PLANT AND EQUIPMENT

Group

2012

COST/ VALUATION

At valuation:

	Balance at 1.1.2012 RM	Additions RM	Reclassi- fication RM	(Disposals/ Written-off) RM	Balance at 31.12.2012 RM
Freehold lands	17,982,635	-	-	(71,913)	17,910,722
Freehold buildings	9,218,086	-	-	(68,086)	9,150,000
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
Freehold building	18,052,990	8,489,866	7,685,277	-	34,228,133
Properties-in-progress	7,701,037	60,030	(7,685,277)	-	75,790
Motor vehicles	5,283,938	151,376	-	(157,029)	5,278,285
Plant and machinery	66,497,324	12,660,028	-	(950,032)	78,207,320
Office equipment	1,261,405	175,793	-	-	1,437,198
Furniture and fittings	311,602	62,933	-	-	374,535
Warehouse equipment	923,655	145	-	-	923,800
Electrical fittings	895,665	-	-	-	895,665
Renovation	6,986,052	174,486	-	-	7,160,538
Science lab equipment	760,551	132,204	-	-	892,755
Factory equipment	19,840,909	5,540,622	-	(14,900)	25,366,631
	165,655,906	27,447,483	-	(1,261,960)	191,841,429

notes to the financial statements (cont'd)

ACCUMULATED DEPRECIATION	Balance at 1.1.2012 RM	Additions RM	(Disposals/ Written-off) RM	Balance at 31.12.2012 RM
At valuation:				
Freehold lands	-	-	-	-
Freehold buildings	1,718,589	212,392	(19,456)	1,911,525
Long term leasehold land and building	273,973	34,247	-	308,220
Short term leasehold land and building	600,000	75,000	-	675,000
At cost:				
Long term leasehold land and building	388,995	75,693	-	464,688
Freehold buildings	721,833	684,563	-	1,406,396
Properties-in-progress	-	-	-	-
Motor vehicles	3,182,004	504,542	(65,539)	3,621,007
Plant and machinery	41,823,484	4,965,419	(921,265)	45,867,638
Office equipment	651,651	116,492	-	768,143
Furniture and fittings	194,819	20,922	-	215,741
Warehouse equipment	487,845	69,082	-	556,927
Electrical fittings	817,590	19,007	-	836,597
Renovation	4,936,248	490,134	-	5,426,382
Science lab equipment	264,832	76,787	-	341,619
Factory equipment	8,550,801	2,223,635	(12,600)	10,761,836
	<u>64,612,664</u>	<u>9,567,915</u>	<u>(1,018,860)</u>	<u>73,161,719</u>
	RM			RM
NET BOOK VALUE	<u>101,043,242</u>			<u>118,679,710</u>

notes to the financial statements (cont'd)

Group**2011****COST/ VALUATION****At valuation:**

	Balance at 1.1.2011 RM	Additions RM	Reclassi- fication RM	(Disposals/ Written-off) RM	Reversal RM	Balance at 31.12.2011 RM
Freehold lands	9,885,132	8,097,503	-	-	-	17,982,635
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	14,024,525	1,577,513	2,450,952	-	-	18,052,990
Properties-in-progress	1,017,556	9,248,467	(2,450,952)	-	(114,034)	7,701,037
Motor vehicles	4,713,471	1,355,336	-	(784,869)	-	5,283,938
Plant and machinery	59,263,577	7,861,492	-	(624,145)	(3,600)	66,497,324
Office equipment	1,192,393	181,210	-	(112,198)	-	1,261,405
Furniture and fittings	257,944	53,788	-	(130)	-	311,602
Warehouse equipment	914,555	9,100	-	-	-	923,655
Electrical fittings	889,545	6,120	-	-	-	895,665
Renovation	6,639,834	354,214	-	(7,996)	-	6,986,052
Science lab equipment	571,750	188,801	-	-	-	760,551
Factory equipment	18,083,514	2,111,015	-	(166,207)	(187,413)	19,840,909
	136,679,984	31,044,559	-	(1,763,590)	(305,047)	165,655,906

notes to the financial statements (cont'd)

ACCUMULATED DEPRECIATION	Balance at 1.1.2011 RM	Additions RM	Reclassi- fication RM	(Disposals/ Written-off) RM	Reversal RM	Balance at 31.12.2011 RM
At valuation:						
Freehold lands	-	-	-	-	-	-
Freehold buildings	1,503,766	214,823	-	-	-	1,718,589
Long term leasehold land and building	239,726	34,247	-	-	-	273,973
Short term leasehold land and building	525,000	75,000	-	-	-	600,000
At cost:						
Long term leasehold land and building	313,301	75,694	-	-	-	388,995
Short term leasehold land and building	68,044	-	-	(68,044)	-	-
Freehold buildings	360,773	361,060	-	-	-	721,833
Properties-in-progress	-	-	-	-	-	-
Motor vehicles	3,385,986	529,229	-	(733,211)	-	3,182,004
Plant and machinery	38,492,917	3,933,980	-	(603,413)	-	41,823,484
Office equipment	645,102	100,973	-	(94,424)	-	651,651
Furniture and fittings	179,047	15,902	-	(130)	-	194,819
Warehouse equipment	418,415	69,430	-	-	-	487,845
Electrical fittings	798,129	19,461	-	-	-	817,590
Renovation	4,459,864	484,380	-	(7,996)	-	4,936,248
Science lab equipment	192,205	72,627	-	-	-	264,832
Factory equipment	6,932,436	1,752,139	-	(115,033)	(18,741)	8,550,801
	58,514,711	7,738,945	-	(1,622,251)	(18,741)	64,612,664
	RM					RM
NET BOOK VALUE	<u>78,165,273</u>					<u>101,043,242</u>

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, 2012 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

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, 2012 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) The net book value of revalued assets had these assets been carried at historical cost less accumulated depreciation would have been as follows:-

	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Long term leasehold and building	1,208,071	1,226,947	1,245,823
Short term leasehold and building	262,778	271,509	280,240
Freehold land and buildings	11,031,915	11,215,508	11,399,101

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

	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Motor vehicles	1,109,079	1,136,334	2,207,895
Plant and machinery	7,461,670	7,985,270	7,138,505
Office equipment and furniture and fittings	243,767	253,134	336,315
Electrical fittings and renovation	1,437,980	1,534,845	1,542,841
Factory equipment	667,006	673,266	294,990
Store equipment	89,220	89,220	89,220
	11,008,722	11,672,069	11,609,766

4. INVESTMENT IN SUBSIDIARY COMPANIES

Company	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Unquoted shares, at cost	40,473,336	40,473,336	40,473,336
Less: Impairment of investment	(2)	(2)	(2)
	40,473,334	40,473,334	40,473,334

notes to the financial statements (cont'd)

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
			31.12.2012 %	31.12.2011 %	1.1.2011 %	
Cocoaland Industry Sdn Bhd	Malaysia	*RM1,000,000	100	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	100	Wholesale and retail of processed and preserved foods
B Plus Q Sdn Bhd	Malaysia	*RM500,000	100	100	100	Manufacturer of fruit juice and foodstuffs
Greenhome Marketing Sdn. Bhd.	Malaysia	*RM2	100	100	100	Marketing, trading and distributing of all kind of beverages and foodstuff
CCL Food & Beverage Sdn. Bhd.	Malaysia	*RM2	100	100	100	Dormant
Ω Lot 100 Food Co. Ltd.	People's Republic of China	#RMB1,000,000	100	100	100	Wholesaling, import and export of gummy products and other product

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
			31.12.2012 %	31.12.2011 %	1.1.2011 %	
M.I.T.E. Food Enterprise Sdn. Bhd.	Malaysia	*RM225,000	100	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.

notes to the financial statements (cont'd)

5. OTHER INVESTMENT

Group	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Unquoted shares, at cost	1,000	1,000	1,000

6. INVENTORIES

Group	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
At cost:			
Work in progress	1,301,604	1,080,118	955,197
Packing materials	8,694,533	8,114,505	7,060,063
Raw materials	10,584,268	7,412,215	5,937,166
Finished goods	11,837,717	8,728,848	5,487,600
	32,418,122	25,335,686	19,440,026

7. TRADE RECEIVABLES

Group	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Trade receivables	44,822,673	43,115,239	27,948,029
Less: Allowance for doubtful debts	(1,796,706)	(2,211,458)	(1,982,971)
	43,025,967	40,903,781	25,965,058

8. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group			Company		
	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Other receivables	86,623	55,059	102,868	-	-	-
Deposits	15,958,856	6,749,762	5,108,543	1,000	1,000	1,000
Prepayments	630,902	359,712	372,125	-	6,188	14,437
Tax recoverable	416,768	1,615,945	2,063,149	-	-	269,826
	17,093,149	8,780,478	7,646,685	1,000	7,188	285,263

9. AMOUNT DUE FROM SUBSIDIARY COMPANIES

Company	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Amount due from subsidiary companies	87,299,416	70,805,677	36,640,951
Less: Allowance for doubtful debts	(2,801,237)	(2,861,869)	(2,861,869)
	84,498,179	67,943,808	33,779,082

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

notes to the financial statements (cont'd)

10. DEPOSITS, CASH AND BANK BALANCES

	Group			Company		
	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Fixed deposits with licensed banks	10,731,103	31,052,943	59,250,953	10,667,202	31,000,770	58,893,992
∅ Short term deposits with licensed banks	3,654,199	8,357,967	3,656,071	-	-	-
Cash and bank balances	11,717,485	3,575,127	8,240,650	2	2	2
	26,102,787	42,986,037	71,147,674	10,677,204	31,000,772	58,893,994

The interest rates and maturity periods of fixed deposits as at 31st December, 2012 are as follows:-

Group	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Interest rates per annum	3.2% to 3.3%	3.1% to 3.4%	2.75% to 3.1%
Maturity periods	3 to 12 months	3 to 12 months	1 to 15 months

∅ Short term deposits of the Group are placed at interest rates of between 1.4% to 2.5% (31.12.2011 - 1.84% to 3.0%; 1.1.2011 - 2.0% to 3.0%) per annum and maturity periods of between 1 day to 7 days (31.12.2011 - 1 day to 7 days; 1.1.2011 - 1 day to 31 days).

11. SHARE CAPITAL

Group and Company	31.12.2012		31.12.2011		1.1.2011	
	Number of ordinary shares of RM0.50 each	RM	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	200,000,000	100,000,000
Issued and fully paid:	171,600,000	85,800,000	171,600,000	85,800,000	171,600,000	85,800,000

12. RESERVES

	Group			Company		
	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Non-distributable:						
Share premium	44,354,539	44,354,539	44,354,539	44,354,539	44,354,539	44,354,539
Distributable:						
Retained profit	65,973,957	58,483,814	46,027,089	5,078,073	8,808,063	2,305,185
	110,328,496	102,838,353	90,381,628	49,432,612	53,162,602	46,659,724

notes to the financial statements (cont'd)

13. DEFERRED INCOME TAX LIABILITIES

Group	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Balance at 1st January, 2012/ 2011	73,000	77,000	77,000
Transferred from/ (to) statement of comprehensive income (Note 17)	2,980,000	(4,000)	-
Balance at 31st December, 2012/ 2011/1st January, 2011	3,053,000	73,000	77,000
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	20,081,144	22,823,000	19,329,000
Unabsorbed capital allowance	(65,846)	(66,000)	(2,229,000)
Unabsorbed reinvestment allowance	(16,962,298)	(22,684,000)	(17,023,000)
	3,053,000	73,000	77,000

14. OTHER PAYABLES AND ACCRUALS

	Group			Company		
	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Other payables	5,490,344	3,383,962	6,049,467	43,889	34,351	768,068
Accruals	5,249,106	3,976,968	2,451,737	281,800	249,500	203,881
	10,739,450	7,360,930	8,501,204	325,689	283,851	971,949

15. HIRE-PURCHASE PAYABLES

Group	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Minimum payments			
Not later than one year	-	-	60,878
Later than one year but not later than five years	-	-	-
	-	-	60,878
Less: Future hire-purchase charges	-	-	(2,945)
	-	-	57,933
Total payable	-	-	57,933
Less: Payable within one year	-	-	(57,933)
Payable after one year	-	-	-
Terms	-	-	3 years
Borrowing rate per annum	-	-	3.57%

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

notes to the financial statements (cont'd)

16. PROFIT BEFORE INCOME TAX

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
a) Profit before income tax is arrived at after charging/ (crediting):-				
Auditors' remuneration	104,300	95,300	17,000	16,000
Depreciation (Note 3)				
- current	9,567,915	7,738,945	-	-
- reversal	-	(18,741)	-	-
Realised (gain)/ loss on foreign exchange	(383,858)	344,197	-	-
Unrealised gain on foreign exchange	(216,797)	(315,362)	-	-
Rental of premises	66,640	331,460	-	-
Bad debts written off	11,915	3,476	-	-
Bad debts recovered	(200)	-	-	-
Allowance for doubtful debts	987,275	109,836	-	-
Allowance for doubtful debts no longer required	(6,704)	(44,203)	(60,632)	-
Property, plant and equipments written off	16,396	18,948	-	-
Gain on disposal of property, plant and equipment	(15,772)	(179,117)	-	-
Income from rental of premises	(700)	(4,200)	-	-
Interest income				
- fixed and short term deposit	(902,630)	(1,532,463)	(660,534)	(1,381,650)
- others	(3,847)	(3,253)	-	-
	(906,477)	(1,535,716)	(660,534)	(1,381,650)
Dividend income				
- non tax exempt	(345)	(435)	-	(750,000)
- tax exempt	-	-	(10,000,000)	(12,000,000)
Labour costs: (Included in cost of sales)				
Salaries, wages, bonus & allowances	18,051,242	14,510,142	-	-
EPF and Socso	1,015,464	898,305	-	-
Others	2,083,148	1,012,257	-	-
	21,149,854	16,420,704	-	-
Staff costs:				
Directors' remuneration				
- fees	252,000	228,000	252,000	228,000
- other than fees	3,811,065	2,806,652	31,200	35,000
Salaries, wages, bonus & allowances	3,746,360	3,627,729	-	-
EPF and Socso	1,188,251	942,266	-	-
Others	287,458	231,592	-	-
	9,285,134	7,836,239	283,200	263,000

notes to the financial statements (cont'd)

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Finance cost:				
Interest expense				
- LC charges	1,552	1,445	-	-
- hire-purchase	-	2,945	-	-
	1,552	4,390	-	-
b) Directors' remuneration				
Directors' remuneration is analysed as follows:				
Directors of the Company				
Executive directors				
- fees	120,000	96,000	120,000	96,000
- salaries and other emoluments	2,208,665	1,765,952	14,000	11,500
Non-executive directors				
- fees	132,000	132,000	132,000	132,000
- other emoluments	17,200	23,500	17,200	23,500
Other directors (on board of subsidiary companies)				
Executive directors				
- salaries and other emoluments	1,585,200	1,017,200	-	-

Group	2012		2011	
	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	-	6	-	5
RM100,001 – RM200,000	1	-	-	-
RM200,001 – RM400,000	-	-	-	-
RM400,001 – RM500,000	1	-	4	-
RM500,001 – RM600,000	3	-	-	-
Other directors (on board of subsidiary companies)				
RM1 – RM100,000	-	-	1	-
RM100,001 – RM200,000	2	-	1	-
RM200,001 – RM300,000	-	-	-	-
RM300,001 – RM400,000	2	-	1	-
RM400,001 – RM500,000	-	-	1	-
RM500,001 – RM600,000	1	-	-	-

notes to the financial statements (cont'd)

17. INCOME TAX

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Current income tax:				
Estimate for the year	3,803,956	2,455,303	159,000	447,000
(Over)/ Underprovision in prior years	(11,824)	16,103	(334)	(7,584)
	3,792,132	2,471,406	158,666	439,416
Deferred income tax liabilities:				
Transferred to/ (from) deferred income tax liabilities (Note 13)	2,980,000	(4,000)	-	-
	6,772,132	2,467,406	158,666	439,416
Reconciliation of effective tax rate:-				
Profit before income tax	27,990,271	21,659,426	10,156,672	13,677,589
Income tax using statutory tax rate of 25%	6,997,568	5,414,856	2,539,168	3,419,397
Non-deductible expenses for tax purposes	2,512,240	1,942,061	120,040	27,269
Capital allowances utilised	(3,778,170)	(2,903,675)	-	-
Balancing charges	25,620	55,217	-	-
Reinvestment allowance utilised	(1,449,189)	(1,436,679)	-	-
Tax exempt income	-	(30,338)	(2,500,000)	(3,000,000)
Expenses eligible for double deduction	(531,038)	(536,180)	-	-
Unabsorbed tax losses utilised	-	(44,006)	-	-
Current year tax losses not utilised	83	-	-	-
Increase in unused tax losses	83	-	-	-
Deferred tax assets not recognised	(83)	-	-	-
Other items	26,842	(5,953)	(208)	334
Transferred to/ (from) deferred income tax liabilities	2,980,000	(4,000)	-	-
	6,783,956	2,451,303	159,000	447,000
(Over)/ Underprovision in prior years	(11,824)	16,103	(334)	(7,584)
	6,772,132	2,467,406	158,666	439,416

18. 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 RM21,218,139 by the issued and paid-up shares capital of 171,600,000 (2011 – RM19,192,020 by the issued and paid-up shares capital of 171,600,000) shares.

19. SEGMENTAL REPORTING**Group**

Segment information is presented in respect of Group's business segment and geographically as follows:-

i) By Business Segment

	2012 RM	2011 RM
Revenue		
Manufacturing	189,761,064	147,245,579
Trading	131,468,053	120,798,996
Investment holding	10,000,000	12,750,000
Less: Inter-segment revenue	(108,021,400)	(106,800,719)
Total consolidated revenue	223,207,717	173,993,856
Segment result		
Manufacturing	16,301,375	14,415,025
Trading	11,808,155	6,441,981
Investment holding	10,156,672	13,677,589
Less: Eliminations	(10,275,931)	(12,875,169)
Consolidated profit before income tax	27,990,271	21,659,426
Segment assets		
Manufacturing	193,539,793	152,113,042
Trading	83,224,831	61,092,094
Investment holding	135,649,717	139,425,102
Less: Eliminations	(175,093,606)	(133,580,014)
Consolidated total assets	237,320,735	219,050,224
Segment liabilities		
Manufacturing	127,075,015	88,350,530
Trading	49,967,917	36,544,679
Investment holding	417,105	462,500
Less: Eliminations	(136,298,909)	(94,976,949)
Consolidated total liabilities	41,161,128	30,380,760

notes to the financial statements (cont'd)

ii) By Geographical

	Revenue RM	Profit before income tax RM	Assets employed RM
2012			
Malaysia	326,817,570	37,763,348	410,866,894
China	4,411,547	502,854	1,547,447
	<u>331,229,117</u>	<u>38,266,202</u>	<u>412,414,341</u>
Less: Eliminations	<u>(108,021,400)</u>	<u>(10,275,931)</u>	<u>(175,093,606)</u>
	<u>223,207,717</u>	<u>27,990,271</u>	<u>237,320,735</u>
2011			
Malaysia	278,593,383	34,223,361	351,836,769
China	2,201,192	311,234	793,469
	<u>280,794,575</u>	<u>34,534,595</u>	<u>352,630,238</u>
Less: Eliminations	<u>(106,800,719)</u>	<u>(12,875,169)</u>	<u>(133,580,014)</u>
	<u>173,993,856</u>	<u>21,659,426</u>	<u>219,050,224</u>

20. 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.

(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.

notes to the financial statements (cont'd)

(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, 2012 are not materially different from their fair values.

21. CONTINGENT LIABILITIES

Group	2012 RM	2011 RM
Bank guarantees issued to third party	1,293,840	1,044,800

22. CAPITAL COMMITMENTS

Group	2012 RM	2011 RM
Capital expenditure authorised and contracted for but not provided in the financial statements in respect of:		
- purchase of property, plant and equipment	4,383,526	20,508,880

23. RELATED PARTY TRANSACTIONS

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
With subsidiary companies				
- Dividend income				
- non tax exempt	-	-	-	(750,000)
- tax exempt	-	-	(10,000,000)	(12,000,000)
With Fraser and Neave Limited group of companies, companies related to a corporate shareholder				
- Sales to	(14,785,467)	(16,978,951)	-	-
- Purchase from	5,375,959	5,523,214	-	-
With persons connected to directors of the Company				
- salaries paid	109,226	111,493	-	-
- rental paid	19,200	-	-	-

The related party transaction described above were carried out on negotiated terms and conditions and mutually agreed with respective related parties.

24. PRESENTATION CURRENCY

All amounts are stated in Ringgit Malaysia.

25. 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 2012 into realised and unrealised profit 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 2012 RM	Company 2011 RM
Total retained profit of the Company and its subsidiaries		
- Realised	98,227,623	5,078,073
- Unrealised	(3,504,203)	-
Less: Consolidation adjustments	(28,749,463)	-
Retained profit as per financial statements	65,973,957	5,078,073

26. EXPLANATION OF TRANSITION TO MFRSS

As stated in note 2.1, these are the first financial statements of the Group and of the Company prepared in accordance with MFRSs.

The accounting policies set out in note 2 have been applied in preparing the financial statements of the Company for the financial year ended 31 December 2012, the comparative information presented in these financial statements for the financial year ended 31 December 2011 and in the preparation of the opening MFRSs statement of financial position at 1 January 2011 (the Company's date of transition to MFRSs).

The transition to MFRSs does not have financial impact to the separate financial statements of the Group and of the Company.

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 40 to 75 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965 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, 2012 and of their results and cash flow for the year ended on that date.

The supplementary information on Note 25 on page 74 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.

Signed on behalf of the Board of directors in accordance with a resolution dated 19 April 2013.

LIEW FOOK MENG
Director

KUALA LUMPUR

TAI CHUN WAH
Director

LIST OF PROPERTIES

AS AT 31 December 2012

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>	32	2,192	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>	22 to 26	2,325	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 with annexe, 3 blocks of single storey factory / warehouses and a 2-storey canteen cum staff quarters.	190,634 sq. ft.	Freehold	17 to 20	8,981	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	11	5,424	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	4	6,339	Year 2009
Cocoaland Industry Sdn. Bhd. <i>H.S. (D) 58472, PT5266, Bandar Rawang Daerah Gombak Selangor Darul Ehsan</i>	A block of double-storey factory and a block of 4 storey factory building	197,811 sq. ft.	Leasehold 99 years <i>Expiring on 28.08.2105</i>	1-3	32,837	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
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>	11	48	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>	11	48	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>	6	170	1.1.2008
CCL Food & Beverage Sdn. Bhd. <i>Geran 212309 for Lot 21225, Mukim Rawang, District of Gombak, State of Selangor</i>	Vacant	10,257 sq. metres	Freehold	-	7,863	14.03.2011
CCL Food & Beverage Sdn. Bhd. <i>Geran 205539 for Lot 19004, Seksyen 20, Mukim Rawang, District of Gombak, State of Selangor</i>	Vacant	306 sq. metres	Freehold	-	235	14.03.2011

Analysis Of Shareholdings

AS AT 30 APRIL 2013

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	326	18.55	12,321	0.01
100 – 1,000	243	13.83	171,359	0.10
1,001 - 10,000	847	48.21	3,973,089	2.31
10,001 - 100,000	253	14.40	7,356,267	4.29
100,001 to less than 5% of issued shares	86	4.90	55,201,993	32.17
5% and above of issued shares	2	0.11	104,884,971	61.12
Total	1,757	100.00	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.	Fraser & Neave Holdings Bhd.	7,058,600	4.11
4.	Amanahraya Trustees Berhad <i>[Public Islamic Optimal Growth Fund]</i>	3,210,700	1.87
5.	Liew Fook Meng	2,920,800	1.70
6.	Lai Ming Chun @ Lai Poh Lin	2,504,000	1.46
7.	Cimsec Nominees (Tempatan) Sdn. Bhd. <i>[CIMB Bank for Rickoh Corporation Sdn. Bhd. (MY0507)]</i>	2,500,000	1.46
8.	RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>[Pledged Securities Account for Ting Siew Pin (CEB)]</i>	2,108,300	1.23
9.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>[Pledged Securities Account for Koh Kin Lip (8058900)]</i>	2,000,000	1.17
10.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>[Pledged Securities Account for Ting Siew Pin (8059095)]</i>	1,974,300	1.15

analysis of shareholdings (cont'd)

	Name of Shareholders	No. of Shares	% of Shares
11.	Chew Pui Ming	1,577,400	0.92
12.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>[Pledged Securities Account for Cheong Siew Chyuan (470322)]</i>	1,500,000	0.87
13.	Cimsec Nominees (Tempatan) Sdn. Bhd. <i>[CIMB Bank for Mak Tian Meng (MY0343)]</i>	1,119,500	0.65
14.	Chew Mun Kah	1,056,100	0.62
15.	Ho Sek Kee Sdn. Bhd.	1,010,000	0.59
16.	Tan Booi Charn	1,010,000	0.59
17.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>[Pledged Securities Account for Tan Booi Charn (471694)]</i>	1,000,000	0.58
18.	Amanahraya Trustees Berhad <i>[PB Islamic Equity Fund]</i>	997,100	0.58
19.	Lau Kee Von	932,800	0.54
20.	Ting Siew Pin	928,100	0.54
21.	Lau Yoke Kiew	766,761	0.45
22.	Wong Yoke Chou	684,000	0.40
23.	Cartaban Nominees (Asing) Sdn. Bhd. <i>[Exempt an for RBC Investor Services Trust (Clients Account)]</i>	674,700	0.39
24.	Lo Keng Yip	654,000	0.38
25.	Chow Dai Ying	641,400	0.37
26.	HSBC Nominees (Asing) Sdn. Bhd. <i>[BBH and Co Boston for Prusik Asian Smaller Companies Fund Public Limited Company]</i>	641,300	0.37
27.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>[Pledged Securities Account for Mak Tian Meng]</i>	623,000	0.36
28.	Lau Pa Sin	620,711	0.36
29.	Lau Pak Lam	581,333	0.34
30.	Universal Trustee (Malaysia) Berhad <i>[Hong Leong Sectoral Funds for Consumer Products Sector Fund]</i>	541,000	0.32

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.	46,658,600	27.19	0	0.00
Liew Fook Meng	3,479,533	2.03	65,284,971 (a)	38.04
Lau Kee Von	1,029,800	0.60	65,284,971 (a)	38.04
Liew Yoon Kee	73,333	0.04	65,284,971 (a)	38.04
Lau Pak Lam	934,266	0.54	65,284,971 (a)	38.04
Lew Foo Chay @	0	0	65,284,971 (a)	38.04
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	46,658,600 (b)	27.19
InterBev Investment Limited	0	0	46,658,600 (c)	27.19
TCC Assets Limited	0	0	46,658,600 (c)	27.19
Thai Beverage Public Company Limited	0	0	46,658,600 (c)	27.19
International Beverage Holdings Limited	0	0	46,658,600 (c)	27.19
Siriwana Company Limited	0	0	46,658,600 (c)	27.19
Maxtop Management Corp.	0	0	46,658,600 (c)	27.19
Shiny Treasure Holdings Limited	0	0	46,658,600 (c)	27.19
MM Group Limited	0	0	46,658,600 (c)	27.19
Khunying Wanna Sirivadhanabhakdi	0	0	46,658,600 (c)	27.19
Charoen Sirivadhanabhakdi	0	0	46,658,600 (c)	27.19

(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	2,500,000 (a)	1.46
Liew Fook Meng	3,479,533	2.03	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 @	0	0	0	0
Chow Tuck Kwan	0	0	0	0
Dato' Ng Jui Sia	0	0	0	0
Soh Swee Hock @				
Soh Say Hock	0	0	0	0
Tai Chun Wah	17,600	0.01	0	0
Soon Wing Chong (alternate to Dato' Ng Jui Sia)	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 Thirteenth (13th) 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, 18 June 2013 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 Mr. Lau Kee Von as Director		
2.	Re-election of Mr. Lau Pak Lam as Director		
3.	Re-election of Mr. Chow Kee Kan @ Chow Tuck Kwan as Director		
4.	Election of Dato' Ng Jui Sia as Director		
5.	Payment of Directors' fee		
6.	Re-appointment of Messrs. Wong Weng Foo & Co. as Auditors		
7.	Proposed Renewal of 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 _____ 2013

Signature: _____

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. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
- (ii) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- (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.

Please Fold Along This Line



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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