



cocoa<sup>®</sup>land

COCOALAND HOLDINGS BERHAD

(516019-H)

# CONTENT

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

# Notice Of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Fifteenth 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 Wednesday, 27 May 2015 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 2014 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) Dato' Azman Bin Mahmood
  - (ii) Tan Sri Dato' Sri Koh Kin Lip
  - (iii) Mr. Tai Chun Wah
3. To approve the payment of Directors' fees amounting to RM384,000.00 for the financial year ended 31 December 2014.
4. To appoint Auditors and authorise the Directors to fix their remuneration.

Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965 (a copy of which is annexed and marked "Annexure A" as in the 2014 Annual Report) has been received by the Company for the nomination of Messrs. Adam & Co., who have given their consent to act, for appointment as Auditors and of the intention to propose the following ordinary resolution:

"**THAT** Messrs. Adam & Co. be hereby appointed as the Auditors of the Company in place of the retiring Auditors, Messrs. Wong Weng Foo & Co., to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Directors."

### AS SPECIAL BUSINESS:

5. To consider and if thought fit, to pass the following ordinary resolutions: -
  - a. **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 5 May 2015 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**

## 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."

**b. Proposed Retention of Independent Non-Executive Directors**

"**THAT** the following Directors, who have served the Board as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years be and are hereby retained as Independent Non-Executive Directors of the Company:-

- (i) Dato' Azman Bin Mahmood
- (ii) Mr. Chow Kee Kan @ Chow Tuck Kwan

6. 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: 5 May 2015

**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.

**Resolution 7**  
**Resolution 8**

## notice of annual general meeting (cont'd)

### 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 Act. Hence, this Agenda is not put forward for voting by shareholders of the Company.
- (b) Resolution 6 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

The Proposed Resolution 6, 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 5 May 2015, dispatched together with the Company's 2014 Annual Report.

- (c) Resolutions 7 and 8 - Proposed Retention of Independent Non-Executive Directors

In line with the Malaysian Code on Corporate Governance 2012, the Nominating Committee (save for the interested Directors) has assessed the independence of Dato' Azman Bin Mahmood and Mr. Chow Kee Kan @ Chow Tuck Kwan, who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine years, and upon its recommendation, the Board of Directors has recommended both the Directors to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

- They fulfill the criteria under the definition on independent director as stated in the Listing Requirements of Bursa Securities; and hence, they would be able to provide an element of objectivity, independent judgment and balance to the Board;
- Their experiences in the financial and other relevant sections enable them to provide the Board and Audit Committee with pertinent expertise, skills and competence; and
- They have been with the Company since 2004 and therefore understand the Company's business operations which enable them to contribute actively and effectively during deliberations or discussions at Audit Committee and Board meetings.

### Members Entitled to Attend

For the purpose of determining a member who shall be entitled to attend this Fifteenth 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 21 May 2015. Only a depositor whose name appears on the Record of Depositors as at 21 May 2015 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

## notice of annual general meeting (cont'd)

## Annexure A

**Leverage Success Sdn. Bhd.** (632682-K)  
Lot 100, Rawang Integrated Industrial Park  
48000 Rawang, Selangor Darul Ehsan

**The Board of Directors**  
**Cocoaland Holdings Bhd**  
Lot 100, Rawang Integrated Industrial Park  
48000 Rawang, Selangor Darul Ehsan

Date: 9 April 2015

Dear Sirs,

**NOTICE OF NOMINATION OF MESSRS. ADAM & CO AS AUDITORS**

We, being the registered shareholder of 65,284,971 ordinary shares of RM0.50 each, representing 38.04% of the total issued and paid-up share capital of Cocoaland Holdings Berhad, hereby give notice pursuant to Section 172(11) of the Companies Act, 1965, of our intention to nominate Messrs. Adam & Co., for appointment as new Auditors of the Company in place of the retiring Auditors, Messrs. Wong Weng Foo & Co.

Therefore, we propose that the following resolution as an Ordinary Resolution at the forthcoming Fifteenth Annual General Meeting of the Company:

**Ordinary Resolution**

**“THAT** Messrs. Adam & Co. be hereby appointed as the Auditors of the Company in place of the retiring Auditors, Messrs. Wong Weng Foo & Co., to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Directors.”

Thank you.

Yours faithfully,  
For and on behalf of  
Leverage Success Sdn. Bhd.

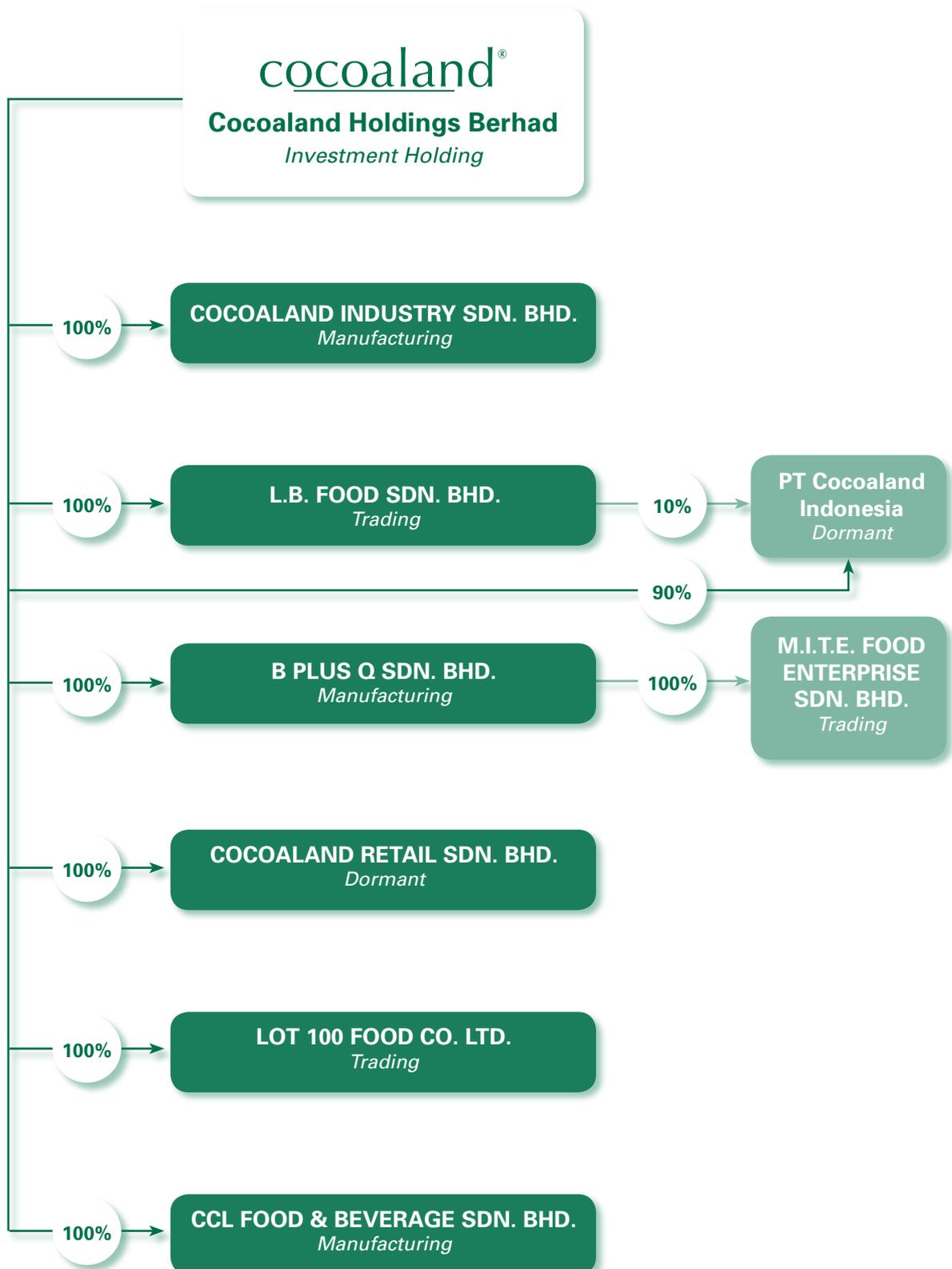
---

**LIEW FOOK MENG**  
Director

# Corporate Information

<b>BOARD OF DIRECTORS</b>	<p><b>Dato' Azman bin Mahmood</b> (<i>Chairman / Independent Non-Executive Director</i>)  <b>Tan Sri Dato' Sri Koh Kin Lip</b> (<i>Independent Non-Executive Director</i>)  <b>Liew Fook Meng</b> (<i>Executive Director</i>)  <b>Lau Kee Von</b> (<i>Executive Director</i>)  <b>Lau Pak Lam</b> (<i>Executive Director</i>)  <b>Liew Yoon Kee</b> (<i>Executive Director</i>)  <b>Tai Chun Wah</b> (<i>Executive Director</i>)  <b>Chow Kee Kan @ Chow Tuck Kwan</b> (<i>Independent Non-Executive Director</i>)  <b>Dato' Ng Jui Sia</b> (<i>Non-Independent Non-Executive Director</i>)  <b>Soh Swee Hock @ Soh Say Hock</b> (<i>Non-Independent Non-Executive Director</i>)  <b>Soon Wing Chong</b> (<i>Alternate Director to Dato' Ng Jui Sia</i>)</p>
<b>AUDIT COMMITTEE</b>	<p><b>Chow Kee Kan @ Chow Tuck Kwan</b> (<i>Chairman / Independent Non-Executive Director</i>)  <b>Tan Sri Dato' Sri Koh Kin Lip</b> (<i>Member / Independent Non-Executive Director</i>)  <b>Dato' Ng Jui Sia</b> (<i>Member / Non-Independent Non-Executive Director</i>)</p>
<b>REMUNERATION COMMITTEE</b>	<p><b>Dato' Azman bin Mahmood</b> (<i>Chairman / Independent Non-Executive Director</i>)  <b>Tan Sri Dato' Sri Koh Kin Lip</b> (<i>Member / Independent Non-Executive Director</i>)  <b>Liew Fook Meng</b> (<i>Member / Executive Director</i>)  <b>Chow Kee Kan @ Chow Tuck Kwan</b> (<i>Member / Independent Non-Executive Director</i>)  <b>Soh Swee Hock @ Soh Say Hock</b> (<i>Member / Non-Independent Non-Executive Director</i>)</p>
<b>NOMINATING COMMITTEE</b>	<p><b>Chow Kee Kan @ Chow Tuck Kwan</b> (<i>Chairman / Independent Non-Executive Director</i>)  <b>Dato' Azman bin Mahmood</b> (<i>Member / Independent Non-Executive Director</i>)  <b>Tan Sri Dato' Sri Koh Kin Lip</b> (<i>Member / Independent Non-Executive Director</i>)</p>
<b>COMPANY SECRETARIES</b>	<p>Ng Heng Hooi (<i>MAICSA 7048492</i>)  Wong Mee Kiat (<i>MAICSA 7058813</i>)  Yap Foo Teng (<i>MACS 00601</i>)</p>
<b>CORPORATE WEBSITE</b>	<p><a href="http://www.cocoaland.com">www.cocoaland.com</a></p>
<b>AUDITORS</b>	<p>Wong Weng Foo &amp; Co.  Chartered Accountants  41, Damai Complex, Jalan Dato' Haji Eusoff, 50400 Kuala Lumpur  Tel: 03-4042 4280 Fax: 03-4041 3141</p>
<b>PRINCIPAL BANKERS</b>	<p>Citibank Berhad  Public Bank Berhad  RHB Bank Berhad</p>
<b>CORPORATE OFFICE</b>	<p>Lot 100, Rawang Integrated Industrial Park, 48000 Rawang, Selangor Darul Ehsan  Tel: 03-6091 3131 Fax: 03-6091 5131</p>
<b>REGISTERED OFFICE</b>	<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>
<b>SHARE REGISTRAR</b>	<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>
<b>STOCK EXCHANGE LISTING</b>	<p>Bursa Malaysia Securities Berhad – Main Market  Stock Code: 7205</p>

# Corporate Structure



## Directors' Profile

### **DATO' AZMAN BIN MAHMOOD**

*64 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 of Jaks Resources Berhad.

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

As at 31 March 2015, 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.

### **TAN SRI DATO' SRI KOH KIN LIP**

*66 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. In 1985, he assumed the role as Chief Executive Officer of the family business. In 1987, he was pivotal and instrumental in the formation of Rickoh Holdings Sdn. Bhd., the flagship company of the family businesses. Rickoh Holdings Sdn. Bhd. and group of companies had since continued to grow via diversifying its business activities which is now comprising, amongst others, 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, car park operator, insurance agency, 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 is a Non-Independent Non-Executive Director of NPC Resources Berhad and an Independent Non-Executive Director of Daya Materials Berhad.

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

As at 31 March 2015, 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

*67 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 31 March 2015, 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

*62 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 31 March 2015, 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**

*57 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 Cocoland 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 31 March 2015, 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**

*66 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 Cocoland 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 31 March 2015, 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.

## directors' profile (cont'd)

**CHOW KEE KAN @ CHOW TUCK KWAN**

*62 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 Entrepise Berhad and 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 31 March 2015, 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**

*63 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. He was the Chief Executive Officer and Executive Director of Fraser & Neave Holdings Berhad from July 2010 till July 2013.

Currently, he is the Chief Executive Officer (Non Alcoholic Beverage) of Fraser & Neave Limited and Non-Independent Non-Executive Director of Fraser & Neave Holdings Berhad. He is also an Independent Non-Executive Director of Malaysia Smelting Corporation Berhad and a Nominee Director of Vinamilk (Vietnam Dairy Products Joint Stock Company).

He is a member of the Audit Committee.

As at 31 March 2015, 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**

*48 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. He is responsible for the Group's daily accounting, corporate finance, human resources and administrative 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 31 March 2015, 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**

*53 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, F&N Corporate Services (F&B Division).

He is a member of the Remuneration Committee.

As at 31 March 2015, 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**

*53 years of age, Malaysian | Alternate Director to Dato' Ng Jui Sia*

Soon Wing Chong 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. He 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 Bhd, he was the Chief Financial Officer of Hong Leong Industries Berhad.

As at 31 March 2015, 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

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 2014.

## Financial Performance

Group revenue for the financial year ended 31 December 2014 is RM260.8 million which has improved marginally by 2.5% from RM254.4 million registered in 2013. This is mainly attributed to the higher trading volume of gummy for exports. The Group profit before tax of RM30.6 million for the current financial year has increased by 4.6% from the previous year. This was contributed mainly by the increased revenue in the gummy and snacks together with the improved sales mix where more higher margin products were sold. The Group's shareholders' equity is up to RM218.3 million compared to RM207.5 million in 2013.

## Review of Operations

During the financial year, the Group continued to focus on maximizing the production of its core products with its newly expanded production lines. The expanded production capacity for gummy segment continues to boost supply to support local and overseas expansion. Gummy products continue to do well and is expected to improve further especially for overseas market such as China, Thailand, Vietnam and Indonesia. The Group has started to actively penetrate into the huge potential market in Indonesia. A new marketing team will be set up in Jakarta where substantial investments will be made especially in advertising and promotions. These are targeted to create better awareness of Cocoaland's brands and its products.

The Contract Manufacturing business segment remained stable during 2014. Cocoaland is optimistic that contract manufacturing will be able to secure the available potential especially with its readily available production lines and capacity.

As part of Cocoaland's product development efforts, focus is now on producing high quality and healthy products in addition to those with ordinary flavours.

These new products are expected to appeal to the health conscious consumers and will provide a strong competitive advantage.

At the domestic front, Cocoaland continued during the year, to invest heavily in advertising and promotional activities. It also exerted efforts to increase its marketing distribution network.

## Dividend

The Company has declared and paid total dividends of 7.5 sen per share in respect of the financial year ended 31 December 2014. The Board does not recommend any final dividend payment for the financial year under review.

## Outlook and Prospect

We expect continuous pressure to remain during 2015, from competitors within and outside the country. Raw material costs remain volatile while Malaysian Ringgit is expected to remain weak. With the impending GST implementation, cost of living is expected to rise and consumers' spending could be adversely affected. To mitigate these risks we will continue to exercise prudent management including periodically reassessing our risks and their management. Both of these measures are designed to safeguard and improve our growth and profitability.

On a positive note, our gummy products are gaining popularity and experiencing a rapid growth in China, Vietnam, Thailand, Philippines and Indonesia. Cocoaland is aiming to capture a large portion of the market in these countries whose potentials we believe, will add tremendous growth to the Group.

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

## chairman's statement (cont'd)

### Corporate Social Responsibilities

Cocoaland has been committed and will continue to be a socially responsible partner to our employees, stakeholders, society at large and the environment.

For our employees, the Group practices stringent measures pertaining to occupational health and safety to ensure their wellbeing. The Group has set up a Safety and Health Committee which ensures that all practices meet the required safety standards. Besides, the Group also continues to implement training and human development programme to align with the training needs for all levels of employees. The Group remains committed to workplace diversity as we do not discriminate stakeholders on account of race, age, gender and ethnicity.

The Group places significant importance towards preserving the environment by adopting good practices in waste management and conserving resources. Cocoaland in its daily operation is guided by its desire to adopt sustainability in all its utility resources like water, energy and air.

For the community, the Group continues to play its role as a caring corporate citizen by contributing to local charities, community functions and events in the form of employees' time and skills, gifts in kind and cash donations.

### Corporate Governance

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

### Acknowledgement & Appreciation

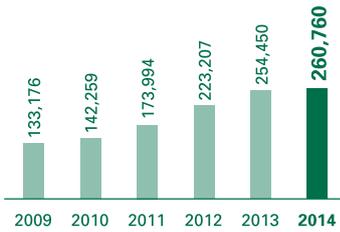
On behalf of the Board, I would like to acknowledge and recognise the contributions by all Directors, management and employees of the Group, and thank them for their continuous support and commitment towards our achievements. I would also like to thank our shareholders, customers, suppliers, business associates, Government and regulatory authorities for their support to the Group.

Thank you.

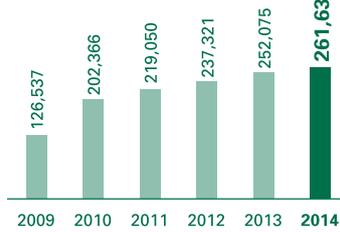
**Dato' Azman bin Mahmood**  
*Chairman*

# Financial Highlights

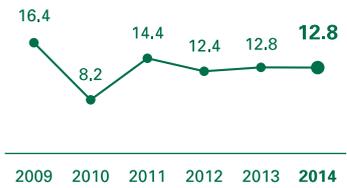
**Turnover (RM'000)**



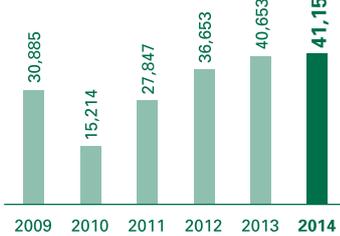
**Total Assets (RM'000)**



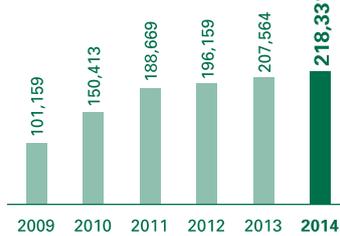
**EPS (Sen)**



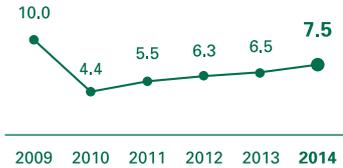
**EBITDA (RM'000)**



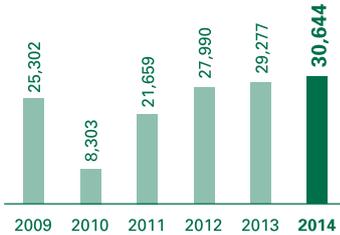
**Shareholders' Equity (RM'000)**



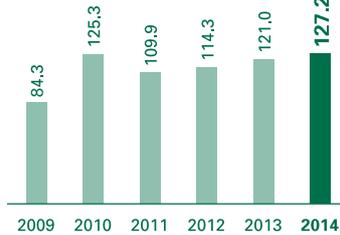
**Gross DPS (Sen)**



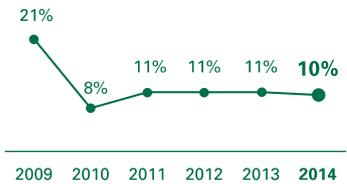
**Profit Before Income Tax (RM'000)**



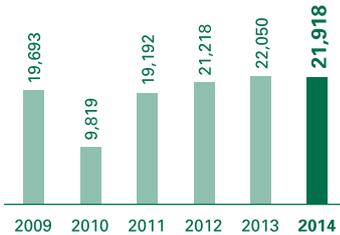
**Net Tangible Assets Per Share (Sen)**



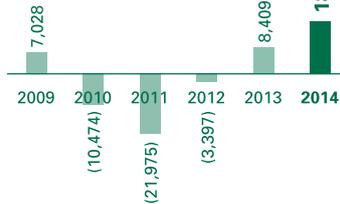
**Return on Average Equity**



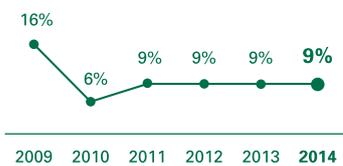
**Profit After Income Tax (RM'000)**



**Free Cash Flow (RM'000)**



**Return on Average Assets**



# Statement On **Corporate Governance**

The Board of Directors (“the Board”) is committed in ensuring good corporate governance is practiced throughout the Group as a fundamental part of discharging its fiduciary responsibilities to protect and enhance shareholders’ value and the financial performance of the Group.

The Board is pleased to disclose below the Company and its subsidiaries (“Group”)’s application of the Principles and Recommendations of the Malaysian Code on Corporate Governance 2012 (“Code”) throughout the financial year.

## **PRINCIPLE 1 – ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD**

### **Clear functions and Roles and Responsibilities of the Board**

The Board’s main responsibility is to lead and manage the Group in an effective manner including developing strategic directions and objectives in line with its vision and missions, implement plans and supervise the conduct of the Group’s business as a whole. The Board’s role is to provide leadership of the Group within a framework of prudent and effective controls whilst ensuring risks are consistently assessed and controlled.

The Board conducts ongoing review and evaluation of the Group’s strategic plans to ensure the Group’s focus is in line with the constantly evolving market conditions as well as identifying new businesses and opportunities. The Board also ensures that an adequate system of internal controls is in place and adopts appropriate measures to mitigate any foreseeable and/or unexpected risks. In addition, the Board also focuses on succession planning for senior management, investor relations programme and shareholders communication policy.

The Board delegates the authorities and responsibilities for the day-to-day operation of business to the Executive Directors who are representing the management. The executive directors lead the senior management team in making and implementing Board decisions, managing resources and risks in pursuing the corporate objective of the Group.

The independent directors are independent from management and are free from any business or other relationships which could interfere with the exercise of independent judgment or ability to act in the best interest of the Company. The presence of independent directors ensures that objectivity in decision making is achieved and that no single party can dominate such decision making in the Company.

### **Board Charter**

The Board Charter sets out the composition and balance, roles and responsibilities and processes of the Board and is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members.

The Board Charter shall be reviewed by the Board as and when required to ensure its relevance in assisting the Board to discharge its duties with the changes in the corporate laws and regulations that may arise from time to time and to remain consistent with the Board’s objectives and responsibilities.

The Board Charter is published on the Company’s website at [www.cocoaland.com](http://www.cocoaland.com)

### **Code of Conduct and Ethics**

The Board acknowledges the importance of establishing a healthy corporate culture and has formalised in writing a Code of Conduct and Ethics for the Board, which sets out the standards of good behaviour by underscoring the core ethical values that are vital for their business decisions.

### **Sustainability of Business**

The Board recognises the need for the Company’s strategy to include sustainability on the operations. A sustainability process would help the Company to set goals, measure its performance and manage changes in its business. The effort would continue to be monitored by the Board in helping to shape the Company’s strategy and policy and ultimately to improve the overall performance.

## statement on corporate governance (cont'd)

### Access to Information and Advice

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

All Board members have 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 professional advice in discharge of their duties and responsibilities at the Company's expense.

The Board is supported by suitably qualified company secretaries who are responsible for ensuring the effective functioning of the Board and that rules and regulations are complied with. The company secretaries also act as secretaries of all Board Committees.

### PRINCIPLE 2 – STRENGTHEN COMPOSITION OF THE BOARD

#### Board Composition

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.

#### Re-election of Directors

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.

The following Directors shall retire at the forthcoming Fifteenth Annual General Meeting of the Company. Being eligible, they have offered themselves for re-election:-

- (i.) Dato' Azman Bin Mahmood
- (ii.) Tan Sri Dato' Sri Koh Kin Lip
- (iii.) Mr. Tai Chun Wah

A brief description on the profile of each Director and their respective attendance in Board Meetings are presented in the Annual Report.

#### Board Committees

The Board has established and delegated specific responsibilities to five (5) Committees of the Board, which operate within clearly defined written Terms of Reference. The various Committees report the outcome of their meetings to the Board, which are then incorporated in the Board's minutes. Details of the membership, objectives, duties and responsibilities, authorities and meetings are set out below:

## statement on corporate governance (cont'd)

**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 Board as a whole determines the remuneration of Non-Executive Directors with individual Director abstaining from decisions in respect of their individual remuneration.

The policy practiced on Directors' remuneration by the Remuneration Committee is to provide the remuneration packages necessary to attract, retain and motivate Directors of the quality required to manage the business of the Company and to align the interest of the Directors with those of the shareholders.

The Remuneration Committee comprises the following members: -

Members	Designation
Dato' Azman bin Mahmood	Chairman - Independent Non-Executive Director
Tan Sri 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.

The aggregate remuneration of the Directors of the Group for the financial year ended 31 December 2014 is as follows:-

Remuneration	Executive Directors RM	Non-Executive Directors RM	Total RM
Fees	180,000	204,000	384,000
Salaries and Allowances	4,087,700	17,050	4,104,750
Total	4,267,700	221,050	4,488,750

The number of directors whose total remuneration from the Company falls within the following band for the financial year ended 31 December 2014 is as follows:-

Range of Remuneration	Executive Directors	Non-Executive Directors
Below RM50,000	0	4
RM50,001 – RM100,000	0	1
RM250,001 – RM300,000	1	0
RM500,001 – RM550,000	1	0
RM550,001 – RM600,000	1	0
RM600,001 – RM650,000	2	0

## statement on corporate governance (cont'd)

On the non-disclosure of detailed remuneration of each Director, the Board is of the view that the transparency of Directors' remuneration has been sufficiently dealt with by the band disclosure presented in this Statement.

### 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
Tan Sri Dato' Sri Koh Kin Lip	Member - Independent Non-Executive Director

The Nominating Committee convened one (1) meeting during the financial year and the following activities were carried out:-

- (i) 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 is properly documented.
- (ii) Reviewing and recommended the re-election of Directors who retire by rotation.
- (iii) Assess the independence and recommended the retention of Independent Non-Executive Directors.

The Board supports non-discrimination on gender, ethnicity and age group of candidates to be appointed as Board members although no formal policy has been formed. The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with skills, experience, time commitment and other qualities in meeting the future needs of the Company.

### 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)

### 5. Risk Management Committee

The Risk Management Committee is to assist the Board to manage and maintain a sound risk management practice to ensure adequate risk management process that provide for continuous risk monitoring and embedded risk management in the activities of the Group's business as well as internal controls and assurance processes linked by key risks of the Group.

In addition, the Risk Management Committee is also responsible to ensure that there is an ongoing process for identification, evaluation and management of risks.

### PRINCIPLE 3 – REINFORCE INDEPENDENCE OF THE BOARD

The Chairman is an Independent Non-Executive Director. The roles of the Chairman and Executive Directors are distinct and separate with individual responsibilities. Each of them has clearly defined duties and authority thus ensuring balance of power and greater capacity for independent decision-making. The separation of powers ensures a balance of power and authority and provides a safeguard against the exercise of unfettered power in decision-making.

The Board does not consider it necessary to nominate a recognized senior independent non-executive director to whom any concerns may be conveyed, in view of the present independent element of the Board composition and the segregation of the roles of the Chairman and Executive Directors.

#### Annual Assessment of Independent Directors

On an annual basis, the Board carries out an assessment of the independence of its independent directors. When assessing independence, the Board focuses on the independent director's background, family relationships and considers whether the independent director can continue to bring independent and objective judgment to board deliberations.

During the financial year, the Board carried out the assessment and is satisfied with the level of independence demonstrated by the Independent Directors and their ability to act in the best interest of the Company.

#### Tenure of Independent Directors

The tenure of Independent Non-Executive Director shall be for accumulative term of nine (9) years. The Independent Non-Executive Director may continue to serve on the Board beyond the nine (9) years tenure provided the Independent Non-Executive is re-designated as a Non-Independent Director. Where the Board is of the view that the Independent Non-Executive Director can continue beyond the nine (9) years tenure, it must justify and seek shareholders' approval.

Following an assessment by the Nominating Committee and the Board, Dato' Azman Bin Mahmood and Mr. Chow Kee Kan @ Chow Tuck Kwan who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years as at the end of the financial year under review, have been recommended by the Board to continue to act as Independent Non-Executive Directors, subject to shareholders' approval at the forthcoming Annual General Meeting of the Company, based on the following justifications:-

- They fulfill the criteria under definition on independent director as stated in the Listing Requirements of Bursa Securities; and hence, they would be able to provide an element of objectivity, independent judgment and balance to the Board;
- Their experiences in the financial and other relevant sections enable them to provide the Board and Audit Committee with pertinent expertise, skills and competence; and
- They have been with the Company since 2004 and therefore understand the Company's business operations which enable them to contribute actively and effectively during deliberations or discussions at Audit Committee and Board meetings.

## statement on corporate governance (cont'd)

**PRINCIPLE 4 – FOSTER COMMITMENT OF DIRECTORS**

## Time Commitment and Directorship in other companies

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 2014, the Board convened four (4) meetings, with details on the attendance of Directors listed below: -

Board Members	Attendance
Dato' Azman bin Mahmood	4/4
Tan Sri Dato' Sri Koh Kin Lip	4/4
Liew Fook Meng	4/4
Lau Kee Von	4/4
Lau Pak Lam	4/4
Liew Yoon Kee	4/4
Chow Kee Kan @ Chow Tuck Kwan	4/4
Dato' Ng Jui Sia	4/4
Soh Swee Hock @ Soh Say Hock	4/4
Tai Chun Wah	4/4

Directors of the Company do not hold more than five (5) directorships in public listed companies and there is no restriction on number of directorships in non-public listed companies, as stipulated in the Listing Requirements.

The Directors observe the recommendation of the Code that they are required to notify the Chairman of the Board before accepting any new directorships and to indicate the time expected to be spent on the new appointment. Generally, Directors are at liberty to accept other Board appointments so long as such appointments are not in conflict with the business of the Company and do not adversely affect the Director's performance as a member of the Board.

**Directors' Training**

All the Directors of the Company have completed the Mandatory Accreditation Programme prescribed by Bursa Securities. The Directors will continue to participate in relevant training programmes to keep abreast with the latest developments in the food industry, particularly in areas of corporate governance and regulatory changes so that they would be able to discharge their duties as directors effectively.

During the financial year ended 31 December 2014, the Directors attended individually or collectively various training programmes, conferences, seminars and courses organised by the Group, the relevant regulatory authorities and professional bodies as follows:-

- 2015 Budget Seminar & Recent Tax Developments
- Directors' Continuing Education Programme 2014
- Risk Management and Facilitation Workshop
- Advocacy Session on Corporate Disclosure for Directors
- Enhanced Understanding of Risk Management and Internal Control for CFOs, IAs and ROs
- GST Workshop
- Latest Developments on Real Property Gains Tax in 2014
- Practical GST Seminar : Framework of GST
- National Tax Conference 2014
- Annual Conference 2014 (Preparing for the GST Practice Environment)
- Seminar Percukaian Kabangsaan 2014

## statement on corporate governance (cont'd)

- Risk Management – Walking the Talk
- Performance Review Economic and Business Challenges for 2014
- Preparation for Goods and Services Tax Application
- Regional Outlook Forum, Vietnam
- TRI Tin Conference
- 11th Malaysia International Branding Showcase

The Company Secretary regularly updates the Board on changes to Listing Requirements and other relevant guidelines/legislation at Board meetings. The External Auditors also briefed the Board members on changes to the Malaysian Financial Reporting Standards that would affect the Group's financial statements during the financial year under review. The Directors will continue to undergo relevant training programmes to further enhance their skills and knowledge in the discharge of their stewardship role.

### **PRINCIPLE 5 – UPHOLD INTEGRITY IN FINANCIAL REPORTING BY THE COMPANY**

#### **Financial Reporting Standards**

The Board has overall responsibility for the quality and completeness of the financial statements of the Company and the Group, both on a quarterly and full year basis, and has a duty to ensure that those financial statements are prepared based on appropriate and consistently applied accounting policies, supported by reasonably prudent judgment and estimates and in accordance to the applicable financial reporting standards.

The Audit Committee plays a crucial role in assisting the Board to scrutinize the information for disclosure to shareholders to ensure material accuracy, adequacy and timeliness.

#### **Independence of External Auditors**

The Audit Committee undertakes an annual review of the suitability and independence of the external auditors. The External Auditors have confirmed that they were, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The External Auditors can be engaged to perform non-audit services that are not perceived to be in conflict with their role as External Auditors.

Having assessed their performance, the Audit Committee is satisfied with the competence and independence of the External Auditors and had recommended to the Board, upon which the shareholders' approval will be sought at the forthcoming Annual General Meeting of the Company.

### **PRINCIPLE 6 – RECOGNISE AND MANAGE RISK OF THE GROUP**

#### **Establish a sound framework to manage risks**

The Board acknowledges its responsibilities of setting up and maintaining an effective system in ensuring a proper risk management environment. In achieving this, the Board has ensured that the system of internal control has taken into account the process of identifying key risks, the likelihood of occurrence and materiality. The Board believes that the internal control systems and procedures provide reasonable but not absolute assurance that assets are safeguarded, transactions are authorised and recorded properly and that material errors and irregularities are either detected or minimised to prevent recurrence.

#### **Internal Audit function to report directly to the Audit Committee**

The internal auditors perform its functions with impartiality, proficiency and due professional care. It undertakes regular monitoring of the Group's key controls and procedures, which is an integral part of the Group's system of internal control.

## statement on corporate governance (cont'd)

The internal audit reports are presented to the Audit Committee for its review and deliberation. The Audit Committee will be briefed on the progress made in respect of each recommendation, and of each corrective measure taken as recommended by the audit findings. The internal auditors report directly to the Audit Committee to ensure independency.

Details of the Group's internal control systems and the state of internal controls are further elaborated under the Statement on Risk Management and Internal Control, which has been reviewed by the Company's external auditors, provided separately on pages 26 to 28 of this Annual Report.

### **PRINCIPLE 7 – ENSURE TIMELY AND HIGH QUALITY DISCLOSURE**

#### **Corporate Disclosure Policy**

The Board practices timely disclosure of material information to shareholders of the Company. The Board is supported by qualified and competent company secretaries in ensuring such disclosures are done timely and accurately in accordance with the Listing Requirements of Bursa Securities. The Executive Director has been delegated with the authority to approve all announcements for release to Bursa Securities.

#### **Usage of information technology for effective dissemination of information.**

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 Board ensures that shareholders are kept fully informed through information provided on the Company's website at [www.cocoaland.com](http://www.cocoaland.com)

### **PRINCIPLE 8 – STRENGTHEN RELATIONSHIP BETWEEN THE COMPANY AND ITS SHAREHOLDERS**

#### **Shareholders participation at general meetings**

The Company encourages its shareholders to attend the Annual General Meeting ("AGM"). The Annual Report and Notice of the AGM are sent to all shareholders in accordance with the provisions of the Listing Requirements. The Notice of AGM is also published in a national newspaper. The Notice would include explanatory statements for proposed resolutions to facilitate understanding and evaluation of issues involving the shareholders.

The AGM is the primary forum for the Directors to communicate with shareholders. The Board provides opportunities for shareholders to raise questions pertaining to issues in the Annual Report, corporate developments in the Group, the resolutions being proposed and the business of the Group.

#### **Poll voting**

The Chairman of the Meeting would inform the shareholders, proxies and corporate representatives on their rights to demand for a poll vote at the commencement of the general meeting for any resolution in accordance with the Articles of Association of the Company.

#### **Effective communication and engagements with shareholders**

The Board recognises the importance of an effective communication channel between the Board and shareholders. The Company's website is updated regularly with the latest corporate developments of the Group and is accessible to shareholders, investors and the public. Shareholders may also send their queries to the Company's Executive Director, Mr. Tai Chun Wah at [taichunwah@cocoaland.com](mailto:taichunwah@cocoaland.com)

## 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.

This statement is made in accordance with a resolution of the Board dated 31 March 2015.

## Additional Compliance Information

### 1. Share Buybacks

The Company did not enter into any share buyback transactions during the financial year ended 31 December 2014.

### 2. Options, Warrants or Convertible Securities

The Company did not issue any options, warrants or convertible securities during the financial year ended 31 December 2014.

### 3. Depository Receipt Programme

The Company did not sponsor any depository receipt programme during the financial year ended 31 December 2014.

### 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 2014.

### 5. Non-audit Fees

During the financial year, the non-audit fees paid by the Group to the External Auditors amounted to RM27,600 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 2014.

### 7. Material Contracts

There were no material contracts entered into by the Company and / or its subsidiaries during the financial year ended 31 December 2014, which involves the interests of Directors and major shareholders.

### 8. 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 Fourteenth Annual General Meeting held on 18 June 2014 and the actual value transacted for the period from 18 June 2014 to 6 April 2015 is as follows:-

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 who 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	17,015

### 9. 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 2014.

# Statement On Risk Management And Internal Control

## 1. Introduction

This Statement on 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.

The Board of Directors of Cocoaland Holdings Berhad ("the Board") is pleased to present the Statement on Risk Management and Internal Control which was prepared with reference to the 2013 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 2000 Guidance.

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 ensure 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 has reviewed the adequacy and effectiveness of the established risk management framework and confirms that an ongoing process of identifying, evaluating and managing the Group's risks exists and has operated throughout the year covered in this Annual Report and up to the date of its approval.

The risk assessment and management exercise was performed by the Risk Management Committee ("RMC") comprising the Executive Directors and Departmental Managers / Heads. The RMC had identified and evaluated the significant risks which could potentially affect the strategic and operational objectives of faced by the Group against a defined risk appetite and ensured that appropriate risk treatments were in place to mitigate those risks affecting the achievement of the Group's business objectives. The RMC then puts in place controls and plans to mitigate the risks faced by the Group. The RMC met once during the financial year to review and update the Group's principal risks. The RMC reports to the Board on the identified risks, its evaluation and actions taken in managing the significant risks faced by the Group.

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.

## 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.

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

In particular, CGRM appraises and contributes towards improving the Group's governance, risk assessment and control systems. They report to the Audit Committee on a quarterly basis. In assessing the adequacy and effectiveness of the governance, risk assessment and system of internal controls 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 significant risks and 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

In order to achieve a sound control environment, the key elements in the framework of the Group's internal control systems are identified and categorised based on the framework of internal controls recommended by the Committee of Sponsoring Organisations of the Tread way Commission (COSO) 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 specialisation within the Group. This resulted in clearly defined job functions which was efficient and positively expedited the Group's operations.
- Authority limits of the approval parties for the Group's operational activities are clearly identified in the Chart of Authority. It provides guidance on the division of responsibilities between the Board and Management and is periodical reviewed and updated to reflect changes in the business, operational and organisational environment.
- The Group ensured that employees were continuously trained in line with predetermined development programmes to ensure the employees remain competent and efficient.
- The Group utilised an in-house developed enterprise resource planning ("ERP") system to coordinate and capture essential information arising from activities of all operational units. During the financial year, the ERP underwent an upgrading process to ensure compliance of its system to the GST requirements which will come into force on 1 April 2015.

#### Risk Assessment

- During the financial year, the EXCO met five times to assess existing and identify improvements required with regards to operational and financial reporting requirements.
- 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.
- Adequate insurance coverage was obtained for all significant business assets.

#### Control Activities

- The Management continuously ensures the existing documented internal policies, procedures and

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

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 the Group's vision, mission and quality objectives. These improvements were subject to regular reviews and improvements to meet changing business, operational and statutory needs.

- The Group had adopted a comprehensive annual budgeting process 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 Audit Committee and the Board's approval.
- Management adopted a prudent approach and exercised careful consideration in the preparation of accounting records and financial statements by making adequate provision and allowances for doubtful recovery.
- Cash flow was prepared on quarterly basis.

### Information and Communication

- Submission of regular, timely and comprehensive flow of information and reports to the Board and Management on all aspects of the Group's operations facilitated monitoring of performance against budget.
- 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.
- 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.
- At management level, direct (formal and informal) discussions were held for status and progress updates.
- Employees, especially functional heads, were aware of the company's intent and directives which they then implemented and further cascaded to the line functions.
- Regular updates and communication with customers ensured that all debts were kept current and collections were timely.

### 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 controls.
- During the financial year, the EXCO met five times to discuss progress and chart the strategic business direction of the Group.
- Management constantly monitored the gaps and issues highlighted through the conduct of follow-up audits and had shown commitment to improve on current processes and internal controls. Areas for improvement identified during the course of internal and statutory audits were brought to the attention of the Audit Committee through audit reports and at Audit Committee meetings.

## 6. Conclusion

In accordance to the Guidelines, the Board received written assurance from the Executive Director and Finance Director 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, there were no material losses caused by breakdown in internal controls. 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 2014 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 31 March 2015.

# 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 2014.

## Membership

During the financial year 2014, the AC comprised of three (3) members, all of whom are non-executive directors with a majority of them being independent directors. The AC Chairman is an Independent Non-Executive Director. 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 2014. 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 2014. 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
Tan Sri Dato' Sri Koh Kin Lip	Member / Independent Non-Executive Director	4/4
Dato' Ng Jui Sia	Member - Non-Independent Non-Executive Director	4/4

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

## report on audit committee (cont'd)

- 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 2014:-

- (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 Risk Management and 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.

## report on audit committee (cont'd)

**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 AC 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 financial control, procurement (raw and packaging materials), human resources, manufacturing/production (processing and packaging), cleanliness, health and safety, sales and billing, collections and accounts receivable, inventory and store management (finished goods) for the Group. For the financial year ended 31 December 2014, the cost incurred for outsourcing of internal audit function was RM59,813.00.

# 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
78	Directors' Statement
79	Statutory Declaration

## Corporate Information

### BOARD OF DIRECTORS

**Dato' Azman Bin Mahmood**  
**Tan Sri 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)**

### COMPANY SECRETARIES

**Ng Heng Hooi**  
**Wong Mee Kiat**  
**Yap Foo Teng**

### AUDITORS

**Wong Weng Foo & Co.**  
**Chartered Accountants**

### REGISTERED OFFICE

**Lot 6.08, 6th Floor**  
**Plaza First Nationwide**  
**No 161, Jalan Tun H. S. Lee**  
**50000 Kuala Lumpur**

### PRINCIPAL BANKERS

**RHB Bank Berhad**  
**Citibank Berhad**  
**Public Bank Berhad**

# 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, 2014, of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 40 to 77.

### 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, 2014 and of its financial performance and cash flows for the year then ended.

## independent auditors' report (cont'd)

**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 and its subsidiaries of which we have acted as auditors 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 companies 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 to be made under Section 174(3) of the Act.

**Other Reporting Responsibilities**

The supplementary information on Note 25 on page 77 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. 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.

**Other Matters**

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 :

**ABD HALIM BIN HUSIN**  
2095/12/16 (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, 2014.

### 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	21,918,053	16,414,997
Retained profit brought forward	77,299,145	3,752,883
	99,217,198	20,167,880
Interim single tier dividend of 3% paid on 15th April, 2014	(2,573,999)	(2,573,999)
Interim single tier dividend of 5% paid on 1st October, 2014	(4,289,998)	(4,289,998)
Interim single tier dividend of 5% paid on 29th December, 2014	(4,289,998)	(4,289,998)
Retained profit carried forward	88,063,203	9,013,885

### DIVIDENDS

Since the end of the previous financial year, the directors declared and paid third interim single tier dividend of 3% per ordinary share of RM0.50 each on 15th April, 2014 for the financial year ended 31st December, 2013 and first interim single tier dividend of 5% per ordinary share of RM0.50 on 1st October, 2014 and second interim single tier dividend of 5% per ordinary share of RM0.50 on 29th December, 2014 for the financial year ended 31st December, 2014, respectively, totalling to RM11,153,995.

The directors has declared a third interim single tier dividend of 5% per ordinary share of RM0.50 each on 26th February, 2015 for the financial year ended 31st December, 2014, which will be paid on 3rd April, 2015.

The directors do not recommend a final dividend for the financial year ended 31st December, 2014.

### 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 statements of comprehensive income and statements of financial positions of the Group and of the Company were made out, the directors took reasonable steps to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of impairment of receivables and are satisfied that all known bad debts have been written off and adequate impairment 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 impairment of receivables in the financial statements of the Group and of the Company inadequate to any substantial extent.

**CURRENT ASSETS**

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

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

**VALUATION METHODS**

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

**CONTINGENT AND OTHER LIABILITIES**

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

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

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

**CHANGE OF CIRCUMSTANCES**

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

## directors' report (cont'd)

### ITEMS OF AN UNUSUAL NATURE

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

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

### DIRECTORS OF THE COMPANY

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

Dato' Azman Bin Mahmood  
 Tan Sri 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)

### 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, 2014 are follows:-

The Company	← No of Ordinary Shares of RM0.50 each →			Balance at 31.12.2014
	Balance at 1.1.2014	Bought	(Sold)	
Dato' Azman Bin Mahmood				
- direct	393,333	-	-	393,333
- indirect	-	-	-	-
Tan Sri Dato' Sri Koh Kin Lip				
- direct	2,500,000	-	-	2,500,000
- indirect	2,500,000	-	-	2,500,000
Liew Fook Meng				
- direct	3,479,533	-	-	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' report (cont'd)

The Company	← No of Ordinary Shares of RM0.50 each →			Balance at 31.12.2014
	Balance at 1.1.2014	Bought	(Sold)	
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., retire at the forthcoming annual general meeting of the Company and do not wish to seek re-election as auditors of the Company.

Signed on behalf of the Board of directors in accordance with a resolution dated

**LIEW FOOK MENG**  
Director

**TAI CHUN WAH**  
Director

KUALA LUMPUR

## Consolidated Statement Of Financial Position as at 31st december 2014

ASSETS	Note	2014 RM	2013 RM
<b>Non-current assets</b>			
Property, plant and equipment	3	139,136,674	146,932,220
Other investment	5	1,000	1,000
		<b>139,137,674</b>	<b>146,933,220</b>
<b>Current assets</b>			
Inventories	6	38,164,927	39,970,063
Trade receivables	7	51,358,862	39,743,213
Other receivables, deposits and prepayments	8	1,677,772	1,546,798
Deposits, cash and bank balances	10	31,294,639	23,882,376
		<b>122,496,200</b>	<b>105,142,450</b>
<b>Total assets</b>		<b>261,633,874</b>	<b>252,075,670</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital	11	85,800,000	85,800,000
Reserves	12	132,417,742	121,653,684
Exchange translation reserves		113,402	109,971
<b>Total equity</b>		<b>218,331,144</b>	<b>207,563,655</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities	13	7,639,800	5,081,600
		<b>7,639,800</b>	<b>5,081,600</b>
<b>Current liabilities</b>			
Trade payables		22,710,918	27,104,898
Other payables and accruals	14	10,527,012	10,393,144
Current income tax liabilities		2,425,000	1,932,373
		<b>35,662,930</b>	<b>39,430,415</b>
<b>Total liabilities</b>		<b>43,302,730</b>	<b>44,512,015</b>
<b>Total equity and liabilities</b>		<b>261,633,874</b>	<b>252,075,670</b>

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

## Consolidated Statement Of Comprehensive Income for the year ended 31st december 2014

	Note	2014 RM	2013 RM
OPERATING REVENUE		<b>260,760,337</b>	254,449,588
COST OF SALES		<b>(198,175,684)</b>	(199,270,258)
GROSS PROFIT		<b>62,584,653</b>	55,179,330
SELLING & DISTRIBUTION EXPENSES		<b>(17,188,465)</b>	(13,944,124)
ADMINISTRATIVE EXPENSES		<b>(17,268,751)</b>	(15,701,665)
OTHER OPERATING INCOME		<b>2,518,704</b>	3,745,854
PROFIT FROM OPERATIONS		<b>30,646,141</b>	29,279,395
FINANCE COST	15	<b>(1,850)</b>	(1,904)
PROFIT BEFORE INCOME TAX	15	<b>30,644,291</b>	29,277,491
INCOME TAX	16	<b>(8,726,238)</b>	(7,227,309)
PROFIT AFTER INCOME TAX		<b>21,918,053</b>	22,050,182
OTHER COMPREHENSIVE INCOME			
- Exchange translation		<b>3,431</b>	78,860
TOTAL COMPREHENSIVE INCOME		<b>21,921,484</b>	22,129,042
PROFIT ATTRIBUTABLE TO:			
EQUITY HOLDERS OF THE COMPANY		<b>21,918,053</b>	22,050,182
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
EQUITY HOLDERS OF THE COMPANY		<b>21,921,984</b>	22,129,042
BASIC AND DILUTED EARNINGS PER SHARE (SEN)	17	<b>12.77</b>	12.85

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

## Consolidated Statement Of Changes In Equity for the year ended 31st december 2014

	← 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, 2013	85,800,000	44,354,539	65,973,957	31,111	196,159,607
Profit after tax	-	-	22,050,182	-	22,050,182
Other comprehensive income - exchange translation	-	-	-	78,860	78,860
Total comprehensive income	-	-	22,050,182	78,860	22,129,042
Interim single tier dividend of 2.5% paid on 5th April, 2013	-	-	(2,144,998)	-	(2,144,998)
Interim single tier dividend of 5% paid on 3rd October, 2013	-	-	(4,289,998)	-	(4,289,998)
Interim single tier dividend of 5% paid on 31st December, 2013	-	-	(4,289,998)	-	(4,289,998)
At 31st December, 2013/ 1st January, 2014	85,800,000	44,354,539	77,299,145	109,971	207,563,655
Profit after tax	-	-	21,918,053	-	21,918,053
Other comprehensive income - exchange translation	-	-	-	3,431	3,431
Total comprehensive income	-	-	21,918,053	3,431	21,921,484
Interim single tier dividend of 3% paid on 15th April, 2014	-	-	(2,573,999)	-	(2,573,999)
Interim single tier dividend of 5% paid on 1st October, 2014	-	-	(4,289,998)	-	(4,289,998)
Interim single tier dividend of 5% paid on 29th December, 2014	-	-	(4,289,998)	-	(4,289,998)
At 31st December, 2014	85,800,000	44,354,539	88,063,203	113,402	218,331,144

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

## Consolidated Statement Of Cash Flows

### for the year ended 31st december 2014

	2014 RM	2013 RM
<b>Cash Flow From Operating Activities</b>		
Profit before income tax	30,644,291	29,277,491
Adjustments for:-		
Impairment of slow moving inventories	1,098,457	-
Impairment of receivables	783,030	1,582,129
Impairment of receivables no longer required	(736)	(1,633,238)
Bad debts recovered	(200)	(609,482)
Bad debts written off	5,329	22,041
Depreciation	10,777,936	11,805,158
Property, plant and equipment written off	138,907	281,573
Gain on disposal of property, plant and equipment	(10,920)	(40,029)
Unrealised gain on foreign exchange	(403,750)	(909,574)
Interest expense	1,850	1,904
Interest income	(272,187)	(431,049)
Dividend income	(1,170)	(458)
Operating profit before working capital changes	42,760,837	39,346,466
Decrease/ (Increase) in inventories	706,679	(7,551,941)
(Increase)/ Decrease in receivables	(12,000,064)	20,445,075
(Decrease)/ Increase in payables	(4,260,111)	486,358
Cash generated from operating activities	27,207,341	52,725,958
Interest paid	(1,850)	(1,904)
Interest received	272,187	431,049
Tax paid	(5,890,366)	(4,976,862)
Tax refund	81,646	560,372
Dividends paid	(11,153,995)	(10,724,995)
Dividend received	1,170	458
Net cash provided by operating activities	10,516,133	38,014,076
<b>Cash Flow From Investing Activities</b>		
Pre-operating expenses	(75,938)	-
Proceeds from disposal of property, plant and equipment	29,950	40,030
Purchase of property, plant and equipment	(3,140,327)	(40,329,633)
Net cash used in investing activities	(3,186,315)	(40,289,603)

## consolidated statement of cash flows (cont'd)

	2014 RM	2013 RM
<b>Cash Flow From Financing Activities</b>	-	-
<b>Net changes in cash and cash equivalents</b>	<b>7,329,818</b>	<b>(2,275,527)</b>
<b>Effect of exchange rate differences</b>	<b>82,445</b>	<b>55,116</b>
<b>*Cash and cash equivalents brought forward</b>	<b>23,882,376</b>	<b>26,102,787</b>
<b>*Cash and cash equivalents carried forward</b>	<b>31,294,639</b>	<b>23,882,376</b>
*Cash and cash equivalents consist of:-		
Fixed deposits with licensed banks	205,427	55,618
Short term deposits with licensed banks	16,065,469	5,806,430
Cash and bank balances	15,023,743	18,020,328
	<b>31,294,639</b>	<b>23,882,376</b>
Analysis of acquisition of a subsidiary company		
Net assets acquired	172,830	-
Exchange difference	(6,506)	-
	<b>166,324</b>	-
Purchase consideration	(166,324)	-
Net cash flow on acquisition	-	-

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

# Statement Of Financial Position

## as at 31st december 2014

	Note	2014 RM	2013 RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in subsidiary companies	4	41,623,025	41,473,332
		<b>41,623,025</b>	<b>41,473,332</b>
<b>Current assets</b>			
Other receivables, deposits and prepayments	8	119,266	48,422
Amount due from subsidiary companies	9	97,865,124	92,850,477
Deposit and cash balances	10	2	2
		<b>97,984,392</b>	<b>92,898,901</b>
<b>Total assets</b>		<b>139,607,417</b>	<b>134,372,233</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital	11	85,800,000	85,800,000
Reserves	12	53,368,424	48,107,422
<b>Total equity</b>		<b>139,168,424</b>	<b>133,907,422</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables and accruals	14	438,993	464,811
<b>Total liabilities</b>		<b>438,993</b>	<b>464,811</b>
<b>Total equity and liabilities</b>		<b>139,607,417</b>	<b>134,372,233</b>

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

## Statement Of Comprehensive Income

for the year ended 31st december 2014

	Note	2014 RM	2013 RM
<b>OPERATING REVENUE</b>		<b>17,000,000</b>	10,000,000
<b>ADMINISTRATIVE EXPENSES</b>		<b>(584,887)</b>	(714,188)
<b>OTHER OPERATING INCOME</b>		-	149,200
<b>PROFIT BEFORE INCOME TAX</b>	<b>15</b>	<b>16,415,113</b>	9,435,012
<b>INCOME TAX</b>	<b>16</b>	<b>(116)</b>	(35,208)
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>16,414,997</b>	9,399,804
<b>ATTRIBUTABLE TO:</b>			
<b>EQUITY HOLDERS OF THE COMPANY</b>		<b>16,414,997</b>	9,399,804

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

## Statement Of Changes In Equity for the year ended 31st december 2014

	← 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, 2013	85,800,000	44,354,539	5,078,073	135,232,612
Total comprehensive income	-	-	9,399,804	9,399,804
Interim single tier dividend of 2.5% paid on 5th April, 2013	-	-	(2,144,998)	(2,144,998)
Interim single tier dividend of 5% paid on 3rd October, 2013	-	-	(4,289,998)	(4,289,998)
Interim single tier dividend of 5% paid on 31st December, 2013	-	-	(4,289,998)	(4,289,998)
At 31st December, 2013/ 1st January, 2014	85,800,000	44,354,539	3,752,883	133,907,422
Total comprehensive income	-	-	16,414,997	16,414,997
Interim single tier dividend of 3% paid on 15th April, 2014	-	-	(2,573,999)	(2,573,999)
Interim single tier dividend of 5% paid on 1st October, 2014	-	-	(4,289,998)	(4,289,998)
Interim single tier dividend of 5% paid on 29th December, 2014	-	-	(4,289,998)	(4,289,998)
At 31st December, 2014	85,800,000	44,354,539	9,013,885	139,168,424

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

## Statement Of Cash Flows

for the year ended 31st december 2014

	2014 RM	2013 RM
<b>Cash Flow From Operating Activities</b>		
Profit before income tax	16,415,113	9,435,012
Adjustments for:-		
Bad debt written off	-	40,832
Interest income	-	(149,200)
Dividend income	(17,000,000)	(10,000,000)
Operating loss before working capital changes	(584,887)	(673,356)
Increase in receivables	(5,057,937)	(8,405,630)
(Decrease)/ Increase in payables	(25,818)	139,122
Cash absorbed by operations	(5,668,642)	(8,939,864)
Interest received	-	149,200
Dividends received	17,000,000	10,000,000
Dividends paid	(11,153,995)	(10,724,995)
Tax paid	(67,988)	(161,545)
Tax refund	40,318	-
Net cash provided by/ (used in) operating activities	149,693	(9,677,204)
<b>Cash Flow From Investing Activities</b>		
Investment in subsidiary company	(149,693)	(999,998)
Net cash used in investing activities	(149,693)	(999,998)
<b>Cash Flow From Financing Activities</b>	-	-
<b>Net changes in cash and cash equivalents</b>	-	(10,677,202)
*Cash and cash equivalents brought forward	2	10,677,204
*Cash and cash equivalents carried forward	2	2
Note:		
*Cash and cash equivalents consist of:		
Cash and bank balances	2	2

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

# Notes To The Financial Statements

## 31st december 2014

### 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

### 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 Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

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 January 2016

Amendments to MFRS 5	Non-Current Assets Held for Sale and Discontinued Operations (Annual Improvements to MFRSs 2012 -2014 Cycle)
Amendments to MFRS 7	Financial Instruments (Annual Improvements to MFRSs 2012 -2014 Cycle)
Amendments to MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods on Depreciation and Amortisation
Amendments to MFRS 119	Employee Benefits (Annual Improvements to MFRSs 2012 -2014 Cycle)
Amendments to MFRS 127	Equity in Separate Financial Statements
Amendments to MFRS 134	Interim Financial Reporting Annual (Annual Improvements to MFRSs 2012 -2014 Cycle)
Amendments to MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to MFRS 116 and MFRS138)

## notes to the financial statements (cont'd)

### Effective for financial periods beginning on or after 1 January 2017

Amendments to MFRS 15 Revenue from Contracts with Customers

### Effective for financial periods beginning on or after 1 January 2018

Amendments to MFRS 9 Financial Instruments:

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 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.

## notes to the financial statements (cont'd)

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%
Computer software	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.

## notes to the financial statements (cont'd)

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. Impairment of receivables 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).

## notes to the financial statements (cont'd)

**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.

## notes to the financial statements (cont'd)

### • *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.

### • *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.

### • *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.

## (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.

## notes to the financial statements (cont'd)

**(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

## notes to the financial statements (cont'd)

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.

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

Foreign currency	2014 RM	2013 RM
1 US Dollar	3.50	3.28
1 Singapore Dollar	2.64	2.59
100 Chinese Renminbi	54.22	54.22
100 Indonesia Rupiah	0.03	-

### 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.

## notes to the financial statements (cont'd)

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

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

## notes to the financial statements (cont'd)

Reclassification

## 3. PROPERTY, PLANT AND EQUIPMENT

## Group

2014

## COST/ VALUATION

## At valuation:

	Balance at 1.1.2014 RM	Additions RM	Reclassi- fication RM	(Disposals/ Written-off) RM	Balance at 31.12.2014 RM
Freehold lands	25,729,948	-	-	-	25,729,948
Freehold buildings	9,150,000	-	-	-	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	40,044,094	-	-	-	40,044,094
Properties-in-progress	113,490	1,800	-	(115,290)	-
Plant & Machinery in progress	75,695	-	(75,695)	-	-
Motor vehicles	5,735,091	-	-	(40,000)	5,695,091
Plant and machinery	92,561,911	875,766	75,695	(192,331)	93,321,041
Office equipment	1,614,434	207,341	-	(20,300)	1,801,475
Furniture and fittings	542,691	20,760	-	-	563,451
Warehouse equipment	982,425	22,640	-	-	1,005,065
Electrical fittings	895,665	219,500	-	-	1,115,165
Renovation	7,190,976	819,332	-	-	8,010,308
Science lab equipment	1,055,239	178,358	-	(11,237)	1,222,360
Factory equipment	35,656,964	794,830	-	(32,655)	36,419,139
Computer software	30,995	-	-	-	30,995
	<b>231,319,675</b>	<b>3,140,327</b>	<b>-</b>	<b>(411,813)</b>	<b>234,048,189</b>

## notes to the financial statements (cont'd)

## 2014

ACCUMULATED  
DEPRECIATION

## At valuation:

	Balance at 1.1.2014 RM	Additions RM	(Disposals/ Written-off) RM	Balance at 31.12.2014 RM
Freehold lands	-	-	-	-
Freehold buildings	2,123,917	212,392	-	2,336,309
Long term leasehold land and building	342,467	34,247	-	376,714
Short term leasehold land and building	750,000	75,000	-	825,000

## At cost:

Long term leasehold land and building	540,382	75,693	-	616,075
Freehold building	2,207,279	800,883	-	3,008,162
Properties-in-progress	-	-	-	-
Plant & Machinery in progress	-	-	-	-
Motor vehicles	4,078,001	416,921	(40,000)	4,454,922
Plant and machinery	51,771,175	5,408,029	(175,521)	57,003,683
Office equipment	892,602	143,317	(14,870)	1,021,049
Furniture and fittings	291,500	36,766	-	328,266
Warehouse equipment	631,872	77,150	-	709,022
Electrical fittings	847,853	28,270	-	876,123
Renovation	5,815,473	292,229	-	6,107,702
Science lab equipment	431,779	107,873	(9,371)	530,281
Factory equipment	13,650,989	3,066,066	(14,114)	16,702,941
Computer software	12,166	3,100	-	15,266
	84,387,455	10,777,936	(253,876)	94,911,515

**NET BOOK VALUE**

**RM**  
146,932,220

**RM**  
139,136,674

## notes to the financial statements (cont'd)

**Group****2013****COST/ VALUATION****At valuation:**

	<b>Balance at 1.1.2013 RM</b>	<b>Additions RM</b>	<b>Exchange translation difference RM</b>	<b>(Disposals/ Written-off) RM</b>	<b>Balance at 31.12.2013 RM</b>
Freehold lands	17,910,722	7,819,226	-	-	25,729,948
Freehold buildings	9,150,000	-	-	-	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	34,228,133	5,815,961	-	-	40,044,094
Properties-in-progress	75,790	37,700	-	-	113,490
Plant & machinery in progress	-	75,695	-	-	75,695
Motor vehicles	5,278,285	633,083	2,733	(179,010)	5,735,091
Plant and machinery	78,207,320	14,546,433	-	(191,842)	92,561,911
Office equipment	1,437,198	192,865	12,728	(28,357)	1,614,434
Furniture and fittings	374,535	107,449	-	60,707	542,691
Warehouse equipment	923,800	58,625	-	-	982,425
Electrical fittings	895,665	-	-	-	895,665
Renovation	7,160,538	30,438	-	-	7,190,976
Science lab equipment	892,755	162,484	-	-	1,055,239
Factory equipment	25,366,631	10,846,704	-	(556,371)	35,656,964
Computer software	-	2,970	-	28,025	30,995
	<b>191,841,429</b>	<b>40,329,633</b>	<b>15,461</b>	<b>(866,848)</b>	<b>231,319,675</b>

## notes to the financial statements (cont'd)

## 2013

ACCUMULATED  
DEPRECIATION

## At valuation:

	Balance at 1.1.2013 RM	Additions RM	Exchange translation difference RM	(Disposals/ Written-off) RM	Balance at 31.12.2013 RM
Freehold lands	-	-	-	-	-
Freehold buildings	1,911,525	212,392	-	-	2,123,917
Long term leasehold land and building	308,220	34,247	-	-	342,467
Short term leasehold land and building	675,000	75,000	-	-	750,000

## At cost:

Long term leasehold land and building	464,688	75,694	-	-	540,382
Freehold building	1,406,396	800,883	-	-	2,207,279
Properties-in-progress	-	-	-	-	-
Plant & machinery in progress	-	-	-	-	-
Motor vehicles	3,621,007	634,183	1,820	(179,009)	4,078,001
Plant and machinery	45,867,638	6,095,378	-	(191,841)	51,771,175
Office equipment	768,143	131,559	4,031	(11,131)	892,602
Furniture and fittings	215,741	34,786	-	40,973	291,500
Warehouse equipment	556,927	74,945	-	-	631,872
Electrical fittings	836,597	11,256	-	-	847,853
Renovation	5,426,382	389,091	-	-	5,815,473
Science lab equipment	341,619	90,160	-	-	431,779
Factory equipment	10,761,836	3,142,484	-	(253,331)	13,650,989
Computer & software	-	3,100	-	9,066	12,166
	<u>73,161,719</u>	<u>11,805,158</u>	<u>5,851</u>	<u>(585,273)</u>	<u>84,387,455</u>

## NET BOOK VALUE

RM  
118,679,710

RM  
84,387,455

## 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, 2014 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	Lot 100, Rawang Integrated 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 Integrated 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, 2014 are as follows:-

Year of revaluation	Description of properties	Location	Amount RM	Basis of valuation
2004	Industrial lot with a double storey factory/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:-

	2014 RM	2013 RM
Long term leasehold and building	1,170,319	1,189,195
Short term leasehold and building	245,316	254,047
Freehold land and buildings	<b>10,665,829</b>	<b>10,849,422</b>

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

	2014 RM	2013 RM
Motor vehicles	890,069	930,069
Plant and machinery	7,123,120	5,212,741
Office equipment and furniture and fittings	239,967	234,551
Electrical fittings and renovation	1,437,980	1,443,396
Factory equipment	662,586	667,006
Store equipment	89,220	89,220
	<b>10,442,942</b>	<b>8,576,983</b>

#### 4. INVESTMENT IN SUBSIDIARY COMPANIES

Company	2014 RM	2013 RM
Unquoted shares, at cost	41,623,027	41,473,334
Less: Impairment of investment	(2)	(2)
	<b>41,623,025</b>	<b>41,473,332</b>

## notes to the financial statements (cont'd)

The subsidiary companies, 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
			2014 %	2013 %	
Cocoaland Industry Sdn. Bhd.	Malaysia	*RM1,000,000	100	100	Manufacturing and trading of processed and preserved foods and fruits of all kinds
L.B. Food Sdn. Bhd.	Malaysia	*RM1,500,000	100	100	Wholesale and retail of processed and preserved foods
B Plus Q Sdn. Bhd.	Malaysia	*RM500,000	100	100	Manufacturer of fruit juice and foodstuffs
Cocoaland Retail Sdn. Bhd.	Malaysia	*RM2	100	100	Marketing, trading and distributing of all kind of beverages and foodstuff
CCL Food & Beverage Sdn. Bhd.	Malaysia	*RM1,000,000	100	100	Manufacturing and trading of processed and preserved foods and fruits of all kinds
Ω Lot 100 Food Co. Ltd.	People's Republic of China	#RMB1,000,000	100	100	Wholesaling, import and export of gummy products and other product
Ω PT Cocoaland Indonesia	Indonesia	□IDR4,435,200,000	90	-	Dormant

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
			2014 %	2013 %	
M.I.T.E. Food Enterprise Sdn. Bhd.	Malaysia	*RM225,000	100	100	Trading and distribution of foodstuffs

## notes to the financial statements (cont'd)

- c) Indirect subsidiary company  
(Partly owned subsidiary company of L. B. Food Sdn. Bhd.)

Name of company	Country of incorporation	Issued and fully paid-up share capital	Effective equity interest		Principal Activities
			2014 %	2013 %	
Ω PT Cocoland Indonesia	Indonesia	□IDR492,800,000	10	-	Dormant

- \* 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  
□ Issued and fully paid up share capital comprising ordinary share of IDR985,600 each  
Ω Not audited by Messrs Wong Weng Foo & Co.

## 5. OTHER INVESTMENT

Group	2014 RM	2013 RM
Unquoted shares, at cost	1,000	1,000

## 6. INVENTORIES

Group	2014 RM	2013 RM
At cost:		
Work in progress	1,513,949	1,491,466
Packing materials	10,916,160	10,927,650
Raw materials	14,372,072	13,453,571
Finished goods	12,461,203	14,097,376
	39,263,384	39,970,063
Impairment for slowing moving inventories	(1,098,457)	-
	38,164,927	39,970,063

## 7. TRADE RECEIVABLES

Group	2014 RM	2013 RM
Trade receivables	53,876,297	41,488,810
Movement of impairment of receivables		
Balance at 1st January	(1,745,597)	(1,796,706)
Impairment during the year	(783,030)	(1,582,129)
Bad debts set off with trade receivables	10,456	-
Impairment no longer required	736	1,633,238
Balance at 31st December	(2,517,435)	(1,745,597)
	51,358,862	39,743,213

## notes to the financial statements (cont'd)

The foreign currency exposure profile of trade receivables at the statement of financial position date are as follows:

	2014 RM	2013 RM
Euro	-	42,497
Singapore Dollar	132,238	870,536
US Dollar	17,669,011	9,296,759
Australian Dollar	40,657	619,997
Brunei Dollar	34,403	34,971
Hong Kong Dollar	1,939,075	3,660,204
New Zealand Dollar	-	29,503

The ageing analysis of the Group's trade receivables is as follows:-

Group	2014 RM	2013 RM
Neither past due nor impaired	38,514,970	34,070,220
Past due but not impaired:-		
- Past due less than 3 months	9,134,693	3,950,505
- Past due 3 to 6 months	3,157,812	1,610,504
- Past due more than 6 months	551,387	111,984
	12,843,892	5,672,993
Impaired	2,517,435	1,745,597
	<b>53,876,297</b>	<b>41,488,810</b>

#### Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy trade receivables with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

#### Receivables that are past due but not impaired

The Group has trade receivables amounting to RM12,843,892 (2013 : RM5,672,993) that past due at the end of the reporting period but not impaired because there have been no significant changes in credit quality of the receivables and the amounts are still considered recoverable. The Group does not hold any collateral or credit enhancements over these balances.

## notes to the financial statements (cont'd)

**8. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

Group	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Other receivables	140,911	29,670	50,790	-
Deposits	252,644	517,009	1,000	1,000
Prepayments	709,399	555,533	5,000	12,500
Tax recoverable	574,818	444,586	62,476	34,922
	<b>1,677,772</b>	<b>1,546,798</b>	<b>119,266</b>	<b>48,422</b>

**9. AMOUNT DUE FROM SUBSIDIARY COMPANIES**

Company	2014 RM	2013 RM
Amount due from subsidiary companies	97,865,124	92,850,477

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

**10. DEPOSITS, CASH AND BANK BALANCES**

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Fixed deposits with licensed banks	205,427	55,618	-	-
∅ Short term deposits with licensed banks	16,065,469	5,806,430	-	-
Cash and bank balances	15,023,743	18,020,328	2	2
	<b>31,294,639</b>	<b>23,882,376</b>	<b>2</b>	<b>2</b>

The interest rates and maturity periods of fixed deposits as at 31st December, 2014 are as follows:-

Group	2014	2013
Interest rates per annum	3.2% to 3.45%	3.2% to 3.3%
Maturity periods	3 to 12 months	3 to 12 months

∅ Short term deposits of the Group are placed at interest rates of between 2.00% to 2.15% (2013 - 1.4% to 2.5%) per annum and maturity periods of between 1 day to 14 days.

## notes to the financial statements (cont'd)

**11. SHARE CAPITAL**

Group and Company	2014		2013	
	Number of ordinary shares of RM0.50 each	RM	Number of ordinary shares of RM0.50 each	RM
Authorised:	200,000,000	100,000,000	200,000,000	100,000,000
Issued and fully paid:	171,600,000	85,800,000	171,600,000	85,800,000

**12. RESERVES**

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Non-distributable:				
Share premium	44,354,539	44,354,539	44,354,539	44,354,539
Distributable:				
Retained profit	88,063,203	77,299,145	9,013,885	3,752,883
	<b>132,417,742</b>	<b>121,653,684</b>	<b>53,368,424</b>	<b>48,107,422</b>

**13. DEFERRED INCOME TAX LIABILITIES**

Group	2014 RM	2013 RM
Balance at 1st January	5,081,600	3,053,000
Transferred from statement of comprehensive income (Note 16)	2,558,200	2,028,600
Balance at 31st December	<b>7,639,800</b>	5,081,600
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	15,793,756	19,681,041
Unabsorbed capital allowance	(822,644)	(434,406)
Unabsorbed reinvestment allowance	(7,331,312)	(14,165,035)
	<b>7,639,800</b>	5,081,600

**14. OTHER PAYABLES AND ACCRUALS**

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Other payables	6,267,863	6,059,181	31,993	52,011
Accruals	4,259,149	4,333,963	407,000	412,800
	<b>10,527,012</b>	<b>10,393,144</b>	<b>438,993</b>	<b>464,811</b>

## notes to the financial statements (cont'd)

## 15. PROFIT BEFORE INCOME TAX

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
a) Profit before income tax is arrived at after charging/ (crediting):-				
Auditors' remuneration				
- current	117,032	104,960	17,000	17,000
- overprovision	-	(2,000)	-	-
Depreciation (Note 3)	10,777,936	11,805,158	-	-
Realised gain on foreign exchange	(955,239)	(2,137,611)	-	-
Unrealised gain on foreign exchange	(403,750)	(909,574)	-	-
Rental of premises	189,784	190,990	-	-
Bad debts written off	5,329	22,041	-	40,832
Bad debts recovered	(200)	(609,482)	-	-
Impairment of receivables	783,030	1,582,129	-	-
Impairment for slow moving inventories	1,098,457	-	-	-
Impairment of receivables no longer required	(736)	(1,633,238)	-	-
Property, plant and equipments written off	138,907	281,573	-	-
Gain on disposal of property, plant and equipment	(10,920)	(40,029)	-	-
Interest income				
- fixed and short term deposit	(265,986)	(425,906)	-	(149,200)
- others	(6,201)	(5,143)	-	-
	(272,187)	(431,049)	-	(149,200)
Dividend income				
- non tax exempt	(1,170)	(458)	-	-
- tax exempt	-	-	(17,000,000)	(10,000,000)
Labour costs: (Included in cost of sales)				
Salaries, wages, bonus & allowances	24,514,591	23,265,936	-	-
EPF and Socso	1,505,142	1,323,571	-	-
Others	451,182	1,562,925	-	-
	26,470,915	26,152,432	-	-
Staff costs:				
Directors' remuneration				
- fees	384,000	384,000	384,000	384,000
- other than fees	4,104,750	4,193,150	30,050	30,200
Salaries, wages, bonus & allowances	4,855,073	4,351,469	-	-
EPF and Socso	1,468,283	1,485,797	-	-
Others	198,974	231,840	-	-
	11,011,080	10,646,256	414,050	414,200

## notes to the financial statements (cont'd)

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Finance cost:				
Interest expense				
- LC charges	1,844	1,904	-	-
- bank overdraft	6	-	-	-
	<b>1,850</b>	<b>1,904</b>	<b>-</b>	<b>-</b>
b) Directors' remuneration				
Directors' remuneration is analysed as follows:				
<b>Directors of the Company</b>				
Executive directors				
- fees	180,000	180,000	180,000	180,000
- salaries and other emoluments	2,400,500	2,456,750	13,000	14,000
Non-executive directors				
- fees	204,000	204,000	204,000	204,000
- other emoluments	17,050	16,200	17,050	16,200
<b>Other directors (on board of subsidiary companies)</b>				
Executive directors				
- salaries and other emoluments	1,687,200	1,720,200	-	-
<b>Group</b>				
The number of directors whose remuneration fell within the following ranges (per annum):-				
	<b>2014</b>		<b>2013</b>	
	<b>Executive</b>	<b>Non-Executive</b>	<b>Executive</b>	<b>Non-Executive</b>
<b>Directors of the Company</b>				
RM1 – RM100,000	-	5	-	5
RM100,001 – RM200,000	-	-	-	-
RM200,001 – RM400,000	1	-	1	-
RM400,001 – RM500,000	-	-	-	-
RM500,001 – RM600,000	2	-	2	-
RM600,001 – RM700,000	2	-	2	-
<b>Other directors (on board of subsidiary companies)</b>				
RM1 – RM100,000	-	-	-	-
RM100,001 – RM200,000	2	-	2	-
RM200,001 – RM300,000	-	-	-	-
RM300,001 – RM400,000	-	-	2	-
RM400,001 – RM500,000	2	-	-	-
RM500,001 – RM600,000	1	-	1	-

## notes to the financial statements (cont'd)

## 16. INCOME TAX

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
<b>Current income tax:</b>				
Estimate for the year	6,203,715	5,186,582	-	35,000
(Over)/ Underprovision in prior years	(35,677)	12,127	116	208
	<b>6,168,038</b>	<b>5,198,709</b>	<b>116</b>	<b>35,208</b>
Deferred income tax liabilities:				
Transferred to deferred income tax liabilities (Note 13)	2,558,200	2,028,600	-	-
	<b>8,726,238</b>	<b>7,227,309</b>	<b>116</b>	<b>35,208</b>
Reconciliation of effective tax rate:-				
Profit before income tax	30,644,291	29,277,491	16,415,113	9,435,012
Income tax using statutory tax rate of 25%	7,661,073	7,319,373	4,103,778	2,358,753
Non-deductible expenses for tax purposes	3,268,098	3,369,840	146,222	176,635
Capital allowances utilised	(2,797,400)	(4,383,914)	-	-
Balancing charges	1,541	41,327	-	-
Reinvestment allowance utilised	(1,615,194)	(713,768)	-	-
Non-taxable gain	(50)	(55,850)	-	-
Tax exempt income	-	-	(4,250,000)	(2,500,000)
Expenses eligible for double deduction	(810,844)	(557,449)	-	-
Unabsorbed tax losses utilised	(6,124)	263,492	-	-
Current year tax losses not utilised	810,584	-	-	-
Increase in unused tax losses	810,584	272,166	-	-
Deferred tax assets not recognised	(1,137,593)	(369,801)	-	-
Other items	19,040	1,166	-	(388)
Transferred to deferred income tax liabilities	2,558,200	2,028,600	-	-
	<b>8,761,915</b>	<b>7,215,182</b>	<b>-</b>	<b>35,000</b>
(Over)/ Underprovision in prior years	(35,677)	12,127	116	208
	<b>8,726,238</b>	<b>7,227,309</b>	<b>116</b>	<b>35,208</b>

## 17. 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 RM21,918,053 by the issued and paid-up share capital of 171,600,000 (2013 – RM22,050,182 by the issued and paid-up shares capital of 171,600,000) shares.

## notes to the financial statements (cont'd)

**18. SEGMENTAL REPORTING****Group**

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

**i) By Business Segment**

	<b>2014 RM</b>	<b>2013 RM</b>
<b>Revenue</b>		
Manufacturing	<b>214,631,262</b>	215,776,636
Trading	<b>164,079,493</b>	145,627,424
Investment holding	<b>17,000,000</b>	10,000,000
Less: Inter-segment revenue	<b>(134,950,418)</b>	(116,954,472)
Total consolidated revenue	<b>260,760,337</b>	254,449,588
<b>Segment result</b>		
Manufacturing	<b>9,850,722</b>	10,714,570
Trading	<b>21,413,456</b>	19,372,077
Investment holding	<b>16,415,113</b>	9,435,012
Less: Eliminations	<b>(17,035,000)</b>	(10,244,168)
Consolidated profit before income tax	<b>30,644,291</b>	29,277,491
<b>Segment assets</b>		
Manufacturing	<b>212,957,163</b>	222,690,036
Trading	<b>97,510,466</b>	89,235,992
Investment holding	<b>139,607,417</b>	134,372,233
Less: Eliminations	<b>(188,441,172)</b>	(194,222,591)
Consolidated total assets	<b>261,633,874</b>	252,075,670
<b>Segment liabilities</b>		
Manufacturing	<b>151,470,938</b>	156,878,858
Trading	<b>38,307,926</b>	41,352,074
Investment holding	<b>438,993</b>	464,811
Less: Eliminations	<b>(146,915,127)</b>	(154,183,728)
Consolidated total liabilities	<b>43,302,730</b>	44,512,015

## notes to the financial statements (cont'd)

## ii) By Geographical

	Revenue RM	Profit before income tax RM	Assets employed RM
<b>2014</b>			
Malaysia	389,510,305	47,511,857	446,290,826
China	6,200,450	167,434	2,307,560
Indonesia	-	-	1,476,660
	395,710,755	47,679,291	450,075,046
Less: Eliminations	(134,950,418)	(17,035,000)	(188,441,172)
	260,760,337	30,644,291	261,633,874
<b>2013</b>			
Malaysia	365,243,521	38,919,319	443,718,798
China	6,160,539	602,340	2,579,463
Indonesia	-	-	-
	371,404,060	39,521,659	446,298,261
Less: Eliminations	(116,954,472)	(10,244,168)	(194,222,591)
	254,449,588	29,277,491	252,075,670

## 19. FINANCIAL INSTRUMENTS

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

## a) Financial Risk Management Objectives and Policies

## i) Credit risk

Deposits, cash and bank balances placed with major financial institutions of which the Directors believe that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

Therefore, credit risk arises mainly from the inability of its customers to make payments when due. The Group has a credit policy in place to evaluate customers requiring credit over a certain amount or period. Credit risk is further minimized and is 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.

The Group does not hold any collateral and thus, the credit exposure is continuously monitored by the directors.

The ageing analysis of trade receivable and movement of impairment of trade receivables are as disclosed in Note 7.

## notes to the financial statements (cont'd)

**ii) Foreign currency exchange risk**

The Group is exposed to foreign currency on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The Group monitors the movements in foreign currency exchange rates closely to ensure their exposure is minimized.

The net unhedged financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows:

	Trade receivables RM	Cash and bank balances RM
<b>2014</b>		
Euro	-	-
Australian Dollar	40,657	-
Singapore Dollar	132,238	-
Chinese Reminbi	-	600,627
US Dollar	17,669,011	13,156,739
Brunei Dollar	34,403	-
Hong Kong Dollar	1,939,075	-
New Zealand Dollar	-	-
Indonesian Rupiah	-	168,474

	Trade receivables RM	Cash and bank balances RM
<b>2013</b>		
Euro	42,497	-
Australian Dollar	619,997	-
Singapore Dollar	870,536	-
Chinese Reminbi	-	1,874,805
US Dollar	9,296,759	13,346,074
Brunei Dollar	34,971	-
Hong Kong Dollar	3,660,204	-
New Zealand Dollar	29,503	-

**iii) Interest rate risk**

The Group's exposure to interest rate risk is minimal as the Group utilised a low bank borrowing facilities.

**iv) 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.

## notes to the financial statements (cont'd)

The table below summarises the maturity profile of the Group's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

**Group****2014****Financial liabilities:**

Trade and other payables

On demand within 1 year RM	Total RM
33,237,930	33,237,930

**2013****Financial liabilities:**

Trade and other payables

On demand within 1 year RM	Total RM
37,498,042	37,498,042

**b) Classification of Financial Instruments****i) Classification of financial instruments is as follows:****Group****FINANCIAL ASSETS****Fair value through profit or loss**

Other investment

**Loans and receivables financial assets**

Trade receivables

Other receivables, deposits and prepayments

Cash and bank balances

**FINANCIAL LIABILITIES****Other financial liabilities**

Trade payables

Other payables and accruals

2014 RM	2013 RM
1,000	1,000
51,358,862	39,743,213
1,677,772	1,546,798
31,294,639	23,882,376
84,331,273	65,172,387
22,710,918	27,104,898
10,527,012	10,393,144
33,237,930	37,498,042

**ii) Net gains and losses arising from financial instruments****Group**

Net gains arising from:

Loans and receivables

Fair value through profit or loss

2014 RM	2013 RM
571,566	3,685,735
1,170	458
572,736	3,686,193

## notes to the financial statements (cont'd)

**c) Fair values**

In the opinion of the directors, the carrying values of financial assets and financial liabilities of the Company as at 31st December, 2014 are not materially different from their fair values.

**Unrecognised**

The Company provides guarantee to lenders for financial facilities extended to subsidiaries which are disclosed in Note 21 to the financial statements. The fair value of the financial corporate guarantee is negligible as the probability of the subsidiaries defaulting on the financing facilities is remote.

**20. CAPITAL MANAGEMENT****Group**

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as trade and other payables.

During the year, no significant changes were made in the objectives, policies or processes for managing capital.

The debts-to-equity ratio at the reporting date was as follows:

	2014 RM	2013 RM
<b>Debts</b>		
Trade and other payables	33,237,930	37,498,042
<b>Capital</b>		
Total Equity	218,331,144	207,563,655
Debts-to-equity	0.15	0.18

**21. CONTINGENT LIABILITIES**

	2014 RM	2013 RM
<b>Group</b>		
Bank guarantees issued to third party	3,007,800	1,700,000

**22. CAPITAL COMMITMENTS**

	2014 RM	2013 RM
<b>Group</b>		
Capital expenditure authorised and contracted for but not provided in the financial statements in respect of:		
- purchase of property, plant and equipment	890,717	379,284

## notes to the financial statements (cont'd)

**23. RELATED PARTY TRANSACTIONS**

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
With subsidiary companies				
- Dividend income				
- tax exempt	-	-	(17,000,000)	(10,000,000)
With Fraser and Neave Limited group of companies, companies related to a corporate shareholder				
- Sales to	(15,784,116)	(13,934,397)	-	-
- Purchase from	4,785,013	4,350,780	-	-
With persons connected to directors of the Company				
- salaries paid	103,000	93,000	-	-
- rental paid	261,600	230,000	-	-

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 2014 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 2014 RM	Company 2014 RM
Total retained profit of the Company and its subsidiaries		
- Realised	126,123,384	9,013,885
- Unrealised	(9,031,550)	-
Less: Consolidation adjustments	(29,028,631)	-
Retained profit as per financial statements	88,063,203	9,013,885

**26. SUBSEQUENT EVENT**

Subsequent to statement of financial position date, on 26th February, 2015 the directors declared a third interim single tier dividend of 5% per ordinary shares of RM0.50 each on for the financial year ended 31st December, 2014 to be paid on 3rd April, 2015.

## 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 77 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, 2014 and of their results and cash flow for the year ended on that date.

The supplementary information on Note 25 on page 77 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

**LIEW FOOK MENG**  
Director

KUALA LUMPUR

**TAI CHUN WAH**  
Director



# LIST OF PROPERTIES

AS AT 31 December 2014

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>L.B. Food Sdn. Bhd.</b> <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.	2,415 sq. meter	Leasehold 99 years <i>expiring on 09.07.2078</i>	34	2,123	1.12.2003 / Year 1991
<b>L.B. Food Sdn. Bhd.</b> <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.	12,138 sq. meter.	Leasehold 60 years <i>expiring on 15.04.2046</i>	24 to 28	2,175	1.12.2003/ Year 1988
<b>Cocoaland Industry Sdn. Bhd.</b> <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.	17,710 sq. meter	Freehold	19 to 22	8,720	1.12.2003/ Year 1993
<b>Cocoaland Industry Sdn. Bhd.</b> <i>Lot 5, Rawang Integrated Industrial Park, 48000 Rawang Selangor Darul Ehsan</i>	A single storey factory/ warehouse with a 2-storey office annexe.	8,303 sq. meter	Freehold	13	5,261	1.12.2003/ Year 2001
<b>Cocoaland Industry Sdn. Bhd.</b> <i>Geran 57711, No. Lot 1282, Seksyen 20, Bandar Rawang Daerah Gombak Selangor Darul Ehsan</i>	A single warehouse	12,158 sq. meter	Freehold	6	6,178	Year 2009
<b>Cocoaland Industry Sdn. Bhd.</b> <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	18,377 sq. meter	Leasehold 99 years <i>expiring on 28.08.2105</i>	3-5	32,904	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>B Plus Q Sdn. Bhd.</b> <i>No. 324, Taman Diawan Mambang Diawan 31950 Kampar Perak Darul Ridzuan</i>	A single storey terrace house/ Staffs' hostel.	130 sq. meter	Leasehold 99 years  <i>Expiring on 29.12.2081</i>	13	46	18.08.2003
<b>B Plus Q Sdn. Bhd.</b> <i>No. 325, Taman Diawan Mambang Diawan 31950 Kampar Perak Darul Ridzuan</i>	A single storey terrace house/ Staffs' hostel.	130 sq. meter	Leasehold 99 years  <i>Expiring on 29.12.2081</i>	13	46	18.08.2003
<b>B Plus Q Sdn. Bhd.</b> <i>H.S. (D) B.P 5217 P.T. 1242 Mukim Chenderiang, District of Batang Padang, Perak Darul Ridzuan</i>	A single storey warehouse	520 sq. meter	Leasehold 10 years  <i>Expiring on 31.12.2016</i>	8	104	1.1.2008
<b>CCL Food &amp; Beverage Sdn. Bhd.</b> <i>Geran 212309 for Lot 21225, Mukim Rawang, District of Gombak, State of Selangor</i>	Vacant	10,257 sq. meter	Freehold	-	7,863	14.03.2011
<b>CCL Food &amp; Beverage Sdn. Bhd.</b> <i>Geran 205539 for Lot 19004, Seksyen 20, Mukim Rawang, District of Gombak, State of Selangor</i>	Vacant	306 sq. meter	Freehold	-	235	14.03.2011
<b>CCL Food &amp; Beverage Sdn. Bhd.</b> <i>Geran 212310 for Lot 21226, Mukim Rawang, Selangor</i>	Single storey warehouse and 2 storey office annexed	9,163 sq. meter	Freehold	17	12,047	23.08.2013

# Analysis Of Shareholdings

AS AT 31 MARCH 2015

## 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	15.22	11,860	0.01
100 – 1,000	301	14.05	216,979	0.13
1,001 - 10,000	1,072	50.05	5,206,422	3.03
10,001 - 100,000	365	17.04	11,053,075	6.44
100,001 to less than 5% of issued shares	76	3.55	50,226,693	29.27
5% and above of issued shares	2	0.09	104,884,971	61.12
Total	2,142	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.	Tan Booi Charn	3,339,100	1.95
5.	Amanahraya Trustees Berhad <i>[Public Islamic Optimal Growth Fund]</i>	3,210,700	1.87
6.	Citigroup Nominees (Asing) Sdn. Bhd. <i>[Exempt an for Citibank New York (Norges Bank 14)]</i>	3,093,500	1.80
7.	Liew Fook Meng	2,920,800	1.70
8.	Lai Ming Chun @ Lai Poh Lin	2,504,000	1.46
9.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>[Pledged Securities Account for Rickoh Corporation Sdn. Bhd.]</i>	2,500,000	1.46
10.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>[Pledged Securities Account for Koh Kin Lip (8058900)]</i>	2,000,000	1.17
11.	Chew Pui Ming	1,632,400	0.95

## analysis of shareholdings (cont'd)

	Name of Shareholders	No. of Shares	% of Shares
12.	Cimsec Nominees (Tempatan) Sdn. Bhd. <i>[CIMB Bank for Mak Tian Meng (MY0343)]</i>	1,345,200	0.78
13.	Ho Sek Kee Sdn. Bhd.	1,010,000	0.59
14.	Amanahraya Trustees Berhad <i>[PB Islamic Equity Fund]</i>	997,100	0.58
15.	Lau Kee Von	932,800	0.54
16.	Lau Yoke Kiew	773,761	0.45
17.	Sim Sian Hiap	707,000	0.41
18.	Wong Yoke Chou	684,000	0.40
19.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>[Pledged Securities Account for Mak Tian Meng]</i>	623,000	0.36
20.	Lau Pa Sin	620,711	0.36
21.	Chew Mun Kah	584,400	0.34
22.	Lau Pak Lam	581,333	0.34
23.	Teo Kwee Hock	530,200	0.31
24.	Cimsec Nominees (Tempatan) Sdn. Bhd. <i>[CIMB Bank for Koh Kin Lip (MY0502)]</i>	500,000	0.29
25.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>[Pledged Securities Account for Cheong Siew Chyuan (470322)]</i>	500,000	0.29
26.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>[Pledged Securities Account for Tan Booi Charn (471694)]</i>	500,000	0.29
27.	Low Yoon Sun	466,495	0.27
28.	Liew Fook Meng	465,300	0.27
29.	HSBC Nominees (Tempatan) Sdn. Bhd. <i>[HSBC (M) Trustee Bhd. for Pertubuhan Keselamatan Sosial (UOB AMM6939-406)]</i>	448,800	0.26
30.	Lok Siew Dhan	410,000	0.24

## 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 @ 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
Tan Sri 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 @ 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 Fifteenth (15th) 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 **Wednesday, 27 May 2015** 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 Dato' Azman Bin Mahmood as Director		
2.	Re-election of Tan Sri Dato' Sri Koh Kin Lip as Director		
3.	Re-election of Mr. Tai Chun Wah as Director		
4.	Payment of Directors' fees		
5.	Appointment of Messrs. Adam & Co. as Auditors		
6.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
7.	Proposed Retention of Dato' Azman Bin Mahmood as Independent Non-Executive Director		
8.	Proposed Retention of Mr. Chow Kee Kan @ Chow Tuck Kwan as Independent Non-Executive Director		

(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 \_\_\_\_\_ 2015

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

---

Please Fold Along This Line

