

Annual Report 2015



Delighting You Always

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Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Sixteenth 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, 25 May 2016 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 2015 together with the Reports of the Directors and Auditors thereon.
2. To re-elect the following Directors who retire pursuant to Article 92 of the Company's Articles of Association:-
 - (i) Mr. Lau Kee Von
 - (ii) Mr. Lau Pak Lam
 - (iii) Mr. Chow Kee Kan @ Chow Tuck Kwan
3. To elect Mr. Lim Yew Hoe who retires pursuant to Article 98 of the Company's Articles of Association.
4. To approve the payment of Directors' fees amounting to RM384,000.00 for the financial year ended 31 December 2015.
5. 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 as "Annexure A" in the 2015 Annual Report) has been received by the Company for the nomination of Messrs. UHY, who have given their consent to act, for appointment as Auditors and of the intention to propose the following ordinary resolution:

"THAT Messrs. UHY be hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs. Adam & 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:

6. 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 28 April 2016 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.

Please refer to Explanatory Note (a)

Resolution 1
Resolution 2
Resolution 3

Resolution 4

Resolution 5

Resolution 6

Resolution 7

notice of annual general meeting (cont'd)

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

- (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"

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

By Order of the Board

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

Kuala Lumpur
 Dated: 28 April 2016

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 8
Resolution 9

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 7 – Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (“Proposed Shareholders’ Mandate”)**

The Proposed Resolution 7, if approved, will enable the Company and its subsidiaries to enter into recurrent transactions pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). Further information on the Proposed Shareholders’ Mandate is set out in the Circular to Shareholders dated 28 April 2016, dispatched together with the Company’s 2015 Annual Report.

- (c) **Resolutions 8 and 9 - 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 Sixteenth 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 18 May 2016. Only a depositor whose name appears on the Record of Depositors as at 18 May 2016 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

Statement Accompanying Notice Of Annual General Meeting

The Director standing for election pursuant to Article 98 of the Articles of Association of the Company at the Sixteenth Annual General Meeting is Mr. Lim Yew Hoe. His profile is stated on page 11 of the Annual Report 2015.

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: 28 March 2016

Dear Sirs,

NOTICE OF NOMINATION OF MESSRS. UHY AS AUDITORS

We, being the registered shareholder of 87,046,628 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. UHY for appointment as new Auditors of the Company in place of the retiring Auditors, Messrs. Adam & Co.

Thank you.

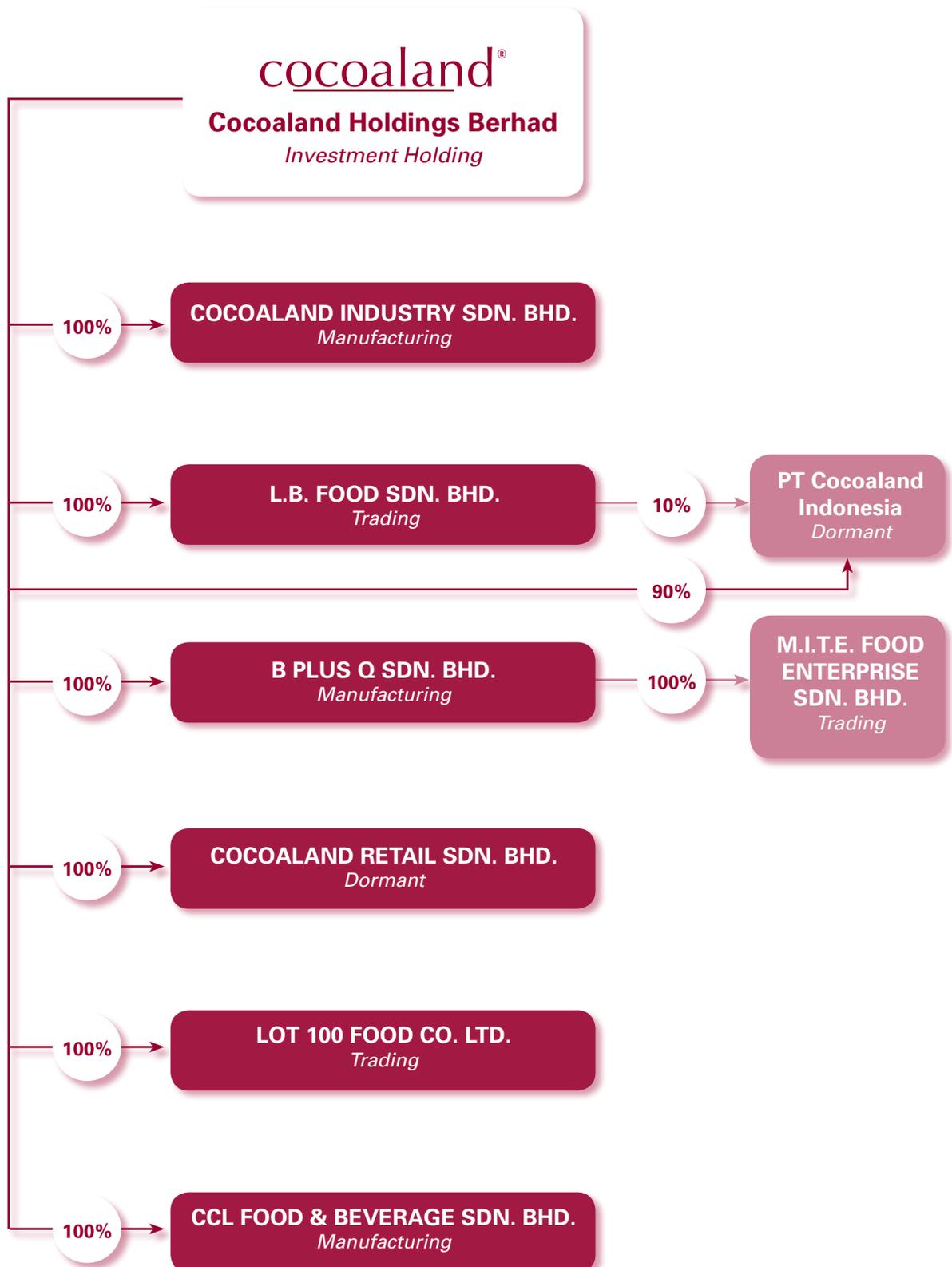
Yours faithfully,
For and on behalf of
Leverage Success Sdn. Bhd.

Liew Fook Meng
Director

Corporate Information

BOARD OF DIRECTORS	<p>Dato' Azman bin Mahmood (<i>Chairman / Independent Non-Executive Director</i>) Tan Sri Dato' Sri Koh Kin Lip (<i>Independent Non-Executive Director</i>) Liew Fook Meng (<i>Executive Director</i>) Lau Kee Von (<i>Executive Director</i>) Lau Pak Lam (<i>Executive Director</i>) Liew Yoon Kee (<i>Executive Director</i>) Tai Chun Wah (<i>Executive Director</i>) Chow Kee Kan @ Chow Tuck Kwan (<i>Independent Non-Executive Director</i>) Lim Yew Hoe (<i>Non-Independent Non-Executive Director</i>) Soh Swee Hock @ Soh Say Hock (<i>Non-Independent Non-Executive Director</i>) Soon Wing Chong (<i>Alternate Director to Lim Yew Hoe</i>)</p>
AUDIT COMMITTEE	<p>Chow Kee Kan @ Chow Tuck Kwan (<i>Chairman / Independent Non-Executive Director</i>) Tan Sri Dato' Sri Koh Kin Lip (<i>Member / Independent Non-Executive Director</i>) Lim Yew Hoe (<i>Member / Non-Independent Non-Executive Director</i>)</p>
REMUNERATION COMMITTEE	<p>Dato' Azman bin Mahmood (<i>Chairman / Independent Non-Executive Director</i>) Tan Sri Dato' Sri Koh Kin Lip (<i>Member / Independent Non-Executive Director</i>) Liew Fook Meng (<i>Member / Executive Director</i>) Chow Kee Kan @ Chow Tuck Kwan (<i>Member / Independent Non-Executive Director</i>) Soh Swee Hock @ Soh Say Hock (<i>Member / Non-Independent Non-Executive Director</i>)</p>
NOMINATING COMMITTEE	<p>Chow Kee Kan @ Chow Tuck Kwan (<i>Chairman / Independent Non-Executive Director</i>) Dato' Azman bin Mahmood (<i>Member / Independent Non-Executive Director</i>) Tan Sri Dato' Sri Koh Kin Lip (<i>Member / Independent Non-Executive Director</i>)</p>
COMPANY SECRETARIES	<p>Ng Heng Hooi (<i>MAICSA 7048492</i>) Wong Mee Kiat (<i>MAICSA 7058813</i>) Yap Foo Teng (<i>MACS 00601</i>)</p>
CORPORATE WEBSITE	<p>www.cocoaland.com</p>
AUDITORS	<p>Adam & Co. Chartered Accountants No. 5-1, Level 5, PV 128, No. 128, Jalan Genting Kelang, 53300 Kuala Lumpur Tel: 03-4141 6242 Fax: 03-4141 6275</p>
PRINCIPAL BANKERS	<p>Citibank Berhad Public Bank Berhad RHB Bank Berhad</p>
CORPORATE OFFICE	<p>Lot 100, Rawang Integrated Industrial Park, 48000 Rawang, Selangor Darul Ehsan Tel: 03-6091 3131 Fax: 03-6091 5131</p>
REGISTERED OFFICE	<p>Lot 6.08, 6th Floor, Plaza First Nationwide, No. 161 Jalan Tun H.S. Lee, 50000 Kuala Lumpur Tel: 03-2072 8100 Fax: 03-2072 8101</p>
SHARE REGISTRAR	<p>Bina Management (M) Sdn. Bhd. Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan Tel: 03-7784 3922 Fax: 03-7784 1988</p>
STOCK EXCHANGE LISTING	<p>Bursa Malaysia Securities Berhad – Main Market Stock Code: 7205</p>

Corporate Structure



Directors' Profile

DATO' AZMAN BIN MAHMOOD

65 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 2016, he has direct shareholdings of 524,444 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

67 years of age, Malaysian

Independent Non-Executive Director

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

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

Currently, he 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 2016, he has direct shareholdings of 3,318,332 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

*68 years of age, Malaysian
Executive Director*

He was appointed to the Board on 8 October 2004.

He has more than 25 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 2016, he does not have any interest in the shares 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.

LAU KEE VON

*63 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 25 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 25 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 2016, he has direct shareholdings of 1,373,066 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

*58 years of age, Malaysian
Executive Director*

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

He has more than 25 years of experience in the manufacturing and wholesale of confectionery products. Having been involved in the convenience food manufacturing industry for over 25 years, he has established long-standing relationships with various local retailers and wholesalers in the same industry.

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

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

As at 31 March 2016, he does not have any interest in the shares 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 YOON KEE

*67 years of age, Malaysian
Executive Director*

He was appointed to the Board on 8 October 2004.

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

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

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

As at 31 March 2016, he has direct shareholdings of 97,777 ordinary shares of RM0.50 each in the Company. He has not entered into any transaction which has a conflict of interest with the Company and has not been convicted of any offences in the past ten years.

**CHOW KEE KAN
@ CHOW TUCK KWAN**

*63 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 was also a council member of the Malaysian Institute of Taxation since 1991 to 2014.

Currently, he is an Independent Non-Executive Director of Hai-O Enterprise 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 2016, 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.

LIM YEW HOE

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

He was appointed to the Board on 1 October 2015. He holds a Bachelor of Science (Estate Management) degree from the National University of Singapore and a MBA (Banking & Finance) from Nanyang Technological University.

He began his career with Civil Aviation Authority of Singapore by taking up various roles in research and performance horticulture and estate management. He joined the Asia Pacific Breweries Limited (now known as Heineken Asia MTN Pte Ltd) group in 1997 as a Project Manager and had held a number of senior positions within the group and was the Managing Director of Asia Pacific Brewery (Hanoi) Limited. He was appointed as the Chief Executive Officer of Fraser & Neave Holdings Bhd on 1 December 2014.

He is a member of the Audit Committee.

As at 31 March 2016, 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

*49 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 and later to Finance Director in 2012. 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 2016, he has direct shareholdings of 23,466 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

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

He was appointed to the Board on 1 December 2010. He holds a Masters Degree in Business Administration, 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 2016, 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

54 years of age, Malaysian

Alternate Director to Lim Yew Hoe

Soon Wing Chong was appointed Alternate Director to Lim Yew Hoe on 1 October 2015. 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 2016, he does not have any interest in the shares of the Company and family relationship with any directors and/or major shareholders of the Company. He has not entered into any transaction which has a conflict of interest with the Company and has not been convicted of any offences in the past ten years.

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors ("the Board") of Cocoaland Holdings Berhad ("Cocoaland" or "the Company"), I am pleased to present the Annual Report and the audited financial statements of the Company and Group for the financial year ended 31 December 2015.

Financial Performance

Group revenue for the financial year ended 31 December 2015 improved marginally by 0.3% from RM260.7 million registered in the preceding year to RM261.6 million. The Group's profit before taxation of RM44.7 million for the current financial year represents a 46.0% increase as compared to RM30.6 million in the preceding year. The increase in profit was mainly contributed by the higher sales volume and better average selling price in the gummy products sold under Cocoaland brand. The increase in profit before taxation was also partly due to higher profit margin sales mix and reduction of raw material cost. The Group's basic earnings per share rose to 14.30 sen from 9.58 sen in the previous financial year while the shareholders' equity declined slightly to RM202.7 million from RM218.3 million in the previous financial year.

Manufacturing segment contributed a lower revenue during the financial year ended 2015 mainly due to the reduction in trading volume from its Contract Manufacturing Business of beverage division. However profit before taxation was higher as compared to previous year mainly attributable to cost reduction in sugar and savings in energy cost.

Trading segment achieved a higher revenue mainly attributable to the increase in gummy's trading volume from overseas market. Higher profit before taxation was recorded as compared to previous year. This is mainly due to higher profit margin sales mix coupled with additional gain on foreign currencies exchange.

Review of Operations

During the financial year, continued focus was directed towards 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 recorded a 13% improvement in sale in fiscal year 2015 compared to the preceding year and is expected to improve further especially for overseas market such as China, Thailand, Vietnam and Indonesia. The export market registered a 23% growth for our own products in the fiscal year 2015 compared to the preceding year. Proactive measures were employed to actively penetrate into the huge potential market in Indonesia via its wholly-owned subsidiary PT Cocoaland Indonesia. Currently it is setting up office and warehouse in Jakarta. Substantial investments will be deployed in advertising and promotion to create better awareness of Cocoaland brands and its products in Indonesia.

As part the product development efforts, Cocoaland has launched new products during the fiscal year. Some of the notable new products are such as Lot 100 New Salt Flavored hard candy and A Fresh Liquorice Pastilles and the response from consumers on these new products are encouraging. During the year, Cocoaland continued to invest heavily in advertising and promotional activities such as TV and Radio commercials, contests, lucky draws, roadshows, distribution of free samples etc.

Dividend

The Company has declared and paid total dividends of 28.0 sen per share in respect of the financial year ended 31 December 2015. The Board does not recommend any final dividend payment for the financial year under review.

Outlook and Prospect

We anticipate the competitive environment will remain intense and the Malaysian Ringgit to remain

chairman's statement (cont'd)

volatile. Any strengthening of US Dollar against the Malaysian Ringgit will serve as an advantage to the Group, albeit not a permanent one. Rising labour cost and volatility of raw material costs will have direct impact on bottom line. Nevertheless, we will deploy our prudent management policy and risk management strategy to mitigate the risks factors and improve our profitability.

On a positive note, our gummy products are gaining popularity and experiencing a rapid growth in China, Vietnam, Thailand and Indonesia. Cocoland is aiming to capture a large portion of these markets which have tremendous growth potentials.

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

Corporate Social Responsibilities

Cocoland continues as in previous years to be a socially responsible partner to our employees, stakeholders, society at large and the environment.

Stringent measures pertaining to occupational health and safety are in place to ensure employees well-being. A Safety and Health Committee is formed to ensure that all practices meet the required safety standards. On top of this, training and development programmes are provided for all levels of staff and their different needs. The Group remains committed to diversity and supports firmly the multi ethnic, multi religion and gender free practice in its working environment.

Significant importance towards preserving the environment and conservation of resources are prioritised. It has observed environment friendly practices in its daily operations to use energy and water resources in a sustainable manner. Similarly great efforts are expended to seek continuous improvement in its operation to achieve sustainability and the same time protect the environment.

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

Acknowledgement & Appreciation

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

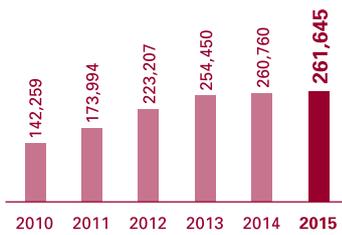
Thank you.

Dato' Azman bin Mahmood

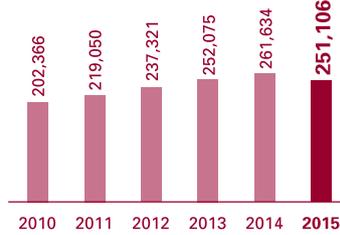
Chairman

Financial Highlights

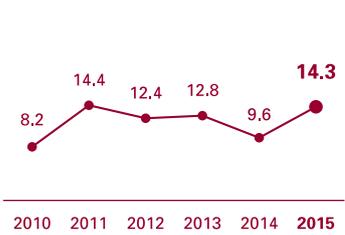
Turnover (RM'000)



Total Assets (RM'000)



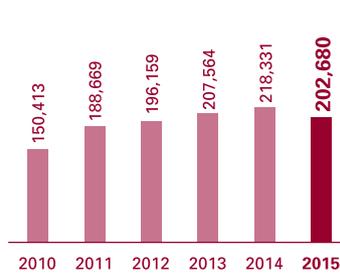
EPS (Sen)



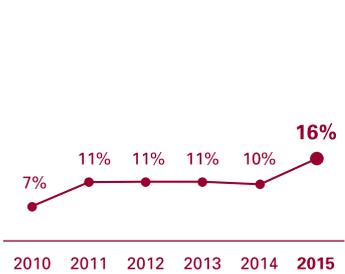
EBITDA (RM'000)



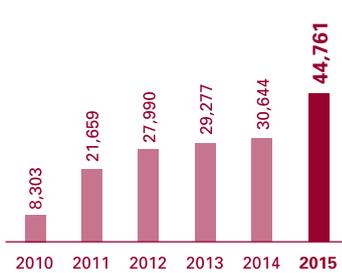
Shareholders' Equity (RM'000)



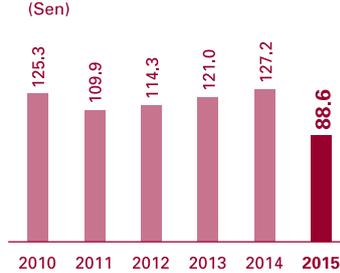
Return on Average Equity



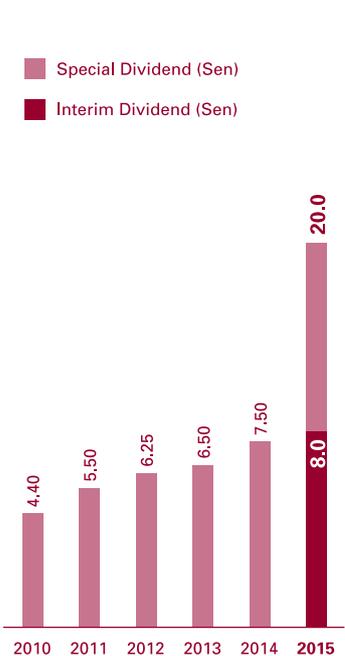
Profit Before Income Tax (RM'000)



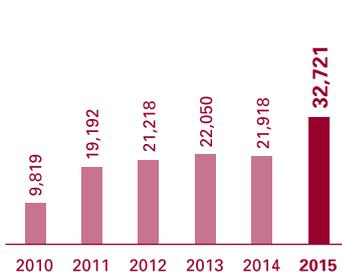
Net Tangible Assets Per Share (Sen)



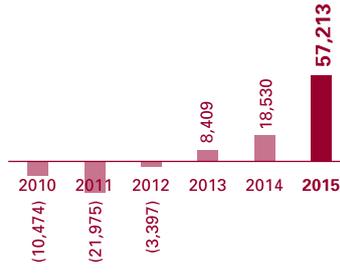
Gross DPS (Sen)



Profit After Income Tax (RM'000)



Free Cash Flow (RM'000)



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

1.1 Clear functions of the Board and Management

The Group acknowledges the pivotal role played by the Board in the stewardship of its direction and operations, and ultimately the enhancement of its shareholders’ value. To fulfil this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for management and monitoring the achievement of these goals. The role and function of the Board, which includes the differing roles of Chairman and Executive Directors are clearly delineated and defined in the Board Charter.

To assist the Board in carrying out its fiduciary duties and to enhance business and operational efficiency, the Board delegates certain duties to its Board Committees, namely Audit Committee, Risk Management Committee, Executive Committee, Nominating Committee and Remuneration Committee.

All Board Committees have written terms of reference which are approved by the Board. The Chairman of the Audit Committee, Executive Committee, Nominating Committee and Remuneration Committee report to the Board subsequent to the respective committee meetings.

The Executive Directors have executive responsibilities for the day-to-day operations of the Company’s business and shall implement policies, strategies and decisions approved by the Board and shall be accountable for the management functions of the Company and/or Group and for the results and performance, including conduct and disciplines, which would include leadership by example.

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.

1.2 Clear Roles and Responsibilities

The Board recognises the key role it plays in charting the strategic direction of the Company and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:

- Review and approve strategies, business plans and significant policies and ensure that the Group’s goals are clearly established, and to monitor implementation and performance of the strategy, policies, plans, legal and fiduciary obligations that affect the business;
- Ensure a competent management by establishing policies for strengthening the performance of the Group with a view to proactively build the business through initiative, technology, new products and the development of its business capital;
- To evaluate whether the business is being properly managed and to ensure that the solvency of the Group and the ability of the Group to meet its contractual obligations and to safeguard the Company’s assets;
- To ensure that the Group has appropriate business risk management process, including adequate control

statement on corporate governance (cont'd)

environment be it the internal control systems and management information systems, systems for compliance with applicable laws, regulations, rules, directives and guidelines and controls in areas of significant financial and business risks;

- Establish various Board Committees and ensure their effectiveness to address specific issues, by considering recommendations of the various board committees and acting on their reports;
- Ensuring that the statutory accounts of the Company and Group are fairly stated and otherwise conform with the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements;
- Ensuring that there is in place an appropriate succession plan for members of the Board and senior management;
- Ensuring that the Group adheres to high standards of ethics and corporate behavior including transparency in the conduct of business. Directors are required to comply with the Directors' Code of Best Practice which among others includes the declaration of any personal, professional or business interests, direct or indirect which may conflict with directors responsibilities as a Board Member and to refrain from voting on such transaction with the Group; and
- Ensuring that there is in place an appropriate investor relations and communications policy.

The Board has a formal schedule of matters reserved to itself for decision, which includes the overall Group strategy and direction, acquisition and investment, consideration of significant financial matters and the review of the financial and operating performance of the Group. The schedule ensures that the governance of the Group is firmly in the Board's hand.

1.3 Formalised Ethical Standards through Code of Business 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.

1.4 Strategies Promoting Sustainability

The Group acknowledges that sustainability is an important aspect of its business and continues to undertake responsible practices that impact the society and environment in a positive manner and to inculcate a culture of responsibility in all aspects of our business. It therefore adopts a business approach to create shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments. The Board ensures that its long-term financial viability, loyalty of key stakeholders and preservation of the environment are achieved.

1.5 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.

1.6 Qualified and Competent Company Secretary

The Company Secretaries play an advisory role to the Board in relation to the Company's compliances to relevant regulatory requirements, guidelines and legislation and are capable of carrying out their duties

statement on corporate governance (cont'd)

efficiently to ensure the effective functioning of the Board. The Company Secretaries are suitably qualified and have attended relevant training and seminars to keep abreast with the statutory and regulatory requirements' updates. The Company Secretaries circulate relevant guidelines and updates on statutory and regulatory requirements from time to time for the Directors' reference. They also ensure that all Board and Board Committee meetings are properly convened and that deliberations, proceedings and resolutions are properly minuted and documented.

1.7 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.

PRINCIPLE 2 – STRENGTHEN COMPOSITION OF THE BOARD

2.1 Nominating Committee ("NC")

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

In addition, the NC 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 in ensuring that the required mix of skills and experience are present on the Board.

The NC is appointed by the Board and consists entirely of Independent Non-Executive Directors. It 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

Among others, the duties and responsibilities of NC are as follows:-

- (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.

During the financial year, the NC convened two meetings to review and recommend to the Board, new appointment of director; assessed the independence and recommended the retention of independent non-executive directors; and carried out assessment on performance of the Board, Board Committees and individual board members.

statement on corporate governance (cont'd)

2.2 Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors**(a) Recruitment or New Appointment of Directors**

The NC recommends to the Board, candidates for all directorships and to review the Board's policies and procedures for the selection of Board members. In making the recommendations, the NC should also consider candidates proposed by the Chairman/Executive Directors, and within the bounds of practicability, by any other senior executive, Director or shareholder. In making its recommendations, the NC shall assess and consider the candidates' skills, knowledge, expertise, experience, professionalism, time commitment to effectively discharge his/her role as a director, contribution and performance, character, integrity and competence;

In the case of candidates for the position of Independent Non-Executive Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors. New Directors are provided with comprehensive information on the Group to enable them to gain a better understanding of the Group's strategies and operations, and hence allow them to effectively contribute to the Board. The NC will ensure that orientation programme is in place for future new recruits to the Board.

(b) Gender, Ethnicity and Age Group Diversity Policy

The Board does not have a specific policy on gender, ethnicity and age group for candidates to be appointed to the Board. The Company does not practice any form of gender, ethnicity and age group biasness as all candidates shall be given fair and equal treatment. The Board believes that there is no detriment to the Company in not adopting a formal gender, ethnicity and age group diversity policy as the Company is committed to provide fair and equal opportunities and nurturing diversity within the Company. In identifying suitable candidates for appointment to the Board, the NC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

(c) Annual Assessment

During the financial year, the NC reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board, including core competencies of the Directors, the contribution of each individual Director as well as their character, integrity and time commitment, independence of the Independent Directors, effectiveness of the Board as a whole, and the Board Committees; and also the retirement of Directors eligible for re-election. Self-evaluations had been conducted by each Director and a summary of the self-evaluation was furnished to the NC prior to the NC meeting.

2.3 Directors' Remuneration

The Remuneration Committee ("RC") reviews and reports to the Board on remuneration and personnel policies, compensation and benefits programmes with the aim to attract, retain and motivate individuals of the highest quality. The remuneration should be aligned with the business strategy and long-term objectives of the Company, and to reflect the Board's responsibilities, expertise and complexity of the Group's activities. The RC shall be appointed by the Board and shall comprise exclusively or a majority of non-executive Directors.

The RC 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

statement on corporate governance (cont'd)

The remuneration package of each Executive Director is structured to reflect his experience, performance and scope of responsibilities. The remuneration of Non-Executive Directors are in the form of annual fees and reflects the experience and the level of responsibilities undertaken by the Non-Executive Director concerned. Executive Directors shall abstain from the deliberation and voting on decisions in respect of their own remuneration package. In the event where the Chairman's remuneration is to be decided, he shall abstain from discussion and voting. The remuneration and entitlements of Non-Executive Directors should be a matter for the Board as a whole. The individuals concerned should abstain from discussions pertaining to their own remuneration. The activities of the RC are developed from year to year by the Committee in consultation with the Board.

The aggregate remuneration of the Directors of the Group for the financial year ended 31 December 2015 is as follows:-

Remuneration	Executive Directors RM	Non-Executive Directors RM	Total RM
Fees	180,000	204,000	384,000
Salaries and Allowances	4,106,400	19,850	4,126,250
Total	4,286,400	223,850	4,510,250

The number of directors whose total remuneration from the Company falls within the following band for the financial year ended 31 December 2015 is as follows:-

Range of Remuneration	Executive Directors	Non-Executive Directors
Below RM50,000	0	5
RM50,001 – RM100,000	0	1
RM300,001 – RM350,000	1	0
RM500,001 – RM550,000	1	0
RM550,001 – RM600,000	1	0
RM600,001 – RM650,000	2	0

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.

The Remuneration Committee convened two (2) meetings during the financial year to review and recommend to the Board, the remuneration package for Executive Directors' & Senior Management and benefit policy.

PRINCIPLE 3 – REINFORCE INDEPENDENCE OF THE BOARD

3.1 Annual Assessment of Independence

The Board recognises the importance of independence and that the Board members are responsible to act in the best interest of the shareholders of the Company. 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.

3.2 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.

The Company does not have term limits for the Independent Non-Executive Directors as the Board believes that experience with the Company's business operations brings benefits to the Board and the long serving Independent Directors possess knowledge of the Company's affairs.

3.3 Shareholders' approval for the retention of Independent Directors who have served more than nine (9) years

Following an assessment by the NC 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.

3.4 Separation of Positions of the Chairman and Executive Directors

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.

3.5 Composition of the Board

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.

PRINCIPLE 4 – FOSTER COMMITMENT OF DIRECTORS

4.1 Time Commitment and Directorship in other companies

The Board usually meets at least four (4) times a year at quarterly intervals with additional meetings convened when necessary. During the financial year, the Board met on five (5) occasions; where it deliberated on matters such as the Group's financial results, strategic decisions, business plan, and strategic direction of the Group among others. Board meetings for each year are scheduled in advance before the end of the preceding year in order for Directors to plan their schedules. The Board is satisfied with the level of time commitment of the Directors from their attendance at the Meetings. The record of the Directors' attendance at Board Meeting and various Committees' Meeting for the financial year ended 31 December 2015 is contained in the table below.

Board Members	Attendance
Dato' Azman bin Mahmood	5/5
Tan Sri Dato' Sri Koh Kin Lip	5/5
Liew Fook Meng	4/5
Lau Kee Von	5/5
Lau Pak Lam	5/5
Liew Yoon Kee	5/5
Chow Kee Kan @ Chow Tuck Kwan	5/5
Soh Swee Hock @ Soh Say Hock	5/5
Tai Chun Wah	5/5
Lim Yew Hoe (appointed on 1 October 2015)	1/1
Dato' Ng Jui Sia (resigned on 1 October 2015)	2/4

None of the Directors of the Company 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.

4.2 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 2015, 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:-

statement on corporate governance (cont'd)

Name	List of Training / Conference / Seminar / Workshop Attended / Participated	Date
Dato' Azman Bin Mahmood	• Directors' Continuing Education Programme 2015	13 August 2015
Tan Sri Dato' Sri Koh Kin Lip	• GST Training • Transition from PERS to Malaysian Private Entities • Reporting Standard • 2016 Budget and Tax Seminar	27 January 2015 10-11 September 2015 11 November 2015
Liew Fook Meng	• Directors' Continuing Education Programme 2015	13 August 2015
Lau Kee Von	• Directors' Continuing Education Programme 2015	13 August 2015
Lau Pak Lam	• Directors' Continuing Education Programme 2015	13 August 2015
Liew Yoon Kee	• Directors' Continuing Education Programme 2015	13 August 2015
Tai Chun Wah	• Getting Accounting Right for GST in Malaysia • Directors' Continuing Education Programme 2015	4-5 March 2015 13 August 2015
Chow Kee Kan @ Chow Tuck Kwan	• Members' Technical Dialogue – GST Focus • Accounting for GST : Preparing System Changes and Tax Code usages • Walking the Ethical Tightrope • Corporate Governance Summit • Directors' Continuing Education Programme 2015 • Seminar Percukaian Kebangsaan 2015 • 2016 Budget Seminar	13 March 2015 14 April 2015 18 May 2015 8 – 9 June 2015 13 August 2015 29 October 2015 23 November 2015
Dato' Ng Jui Sia	• Third ASEAN Business Club Forum 2015 – Road to ASEAN Integration	14 May 2015
Lim Yew Hoe	• Directors' Continuing Education Programme 2015 • Mandatory Accreditation Programme for Directors of Public Listed Companies	13 August 2015 9-10 December 2015
Soh Swee Hock @ Soh Say Hock	• Directors' Continuing Education Programme 2015	13 August 2015
Soon Wing Chong (Alternate Director to Lim Yew Hoe)	• 2015 MFRS Updates • Accounting Seminar • Directors' Continuing Education Programme 2015 • Enterprise Risk Management : The Next Generation	27 March 2015 8 June 2015 13 August 2015 17-18 August 2015

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

5.1 Compliance with Applicable Financial Reporting Standards

The Board is assisted by the Audit Committee (AC) to oversee the Group's financial reporting processes and the quality of its financial reporting and to ensure that the financial statements of the Group and the Company comply with applicable financial reporting standards in Malaysia. Such financial statements comprise the quarterly financial report announced to Bursa Securities and the annual audited financial statements. A Statement by the Board of its responsibilities in respect of the preparation of the annual audited financial

statement on corporate governance (cont'd)

statements is set out on page 27 of this Annual Report. Through the annual audited financial statements, the quarterly financial results as well as the Chairman's statement and review of operations in the Annual Report, the Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects.

5.2 Assessment of Suitability and Independence of External Auditors

The AC oversees and appraises the quality of the audits conducted by the Company's external auditors; maintain open lines of communication between the Board and external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and assess the adequacy of the risk management systems and internal control environment as well as the financial reporting systems based on audit feedback from the external auditors. Key features underlying the relationship between the AC and the external auditors are included in the AC's Report as detailed on pages 32 to 33 of the Annual Report.

The Company had on 28 March 2016 received a notice of nomination on appointment of Messrs. UHY as auditors of the Company in place of the retiring auditors Messrs. Adam & Co., subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

The AC undertook a review on the suitability and independence of the nominated external auditors and had received confirmation from the nominated external auditors on their independence in the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The nominated external auditors may be engaged to perform non-audit services that are not perceived to be in conflict with their role as external auditors.

PRINCIPLE 6 – RECOGNISE AND MANAGE RISK OF THE GROUP

6.1 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.

6.2 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.

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 29 to 31 of this Annual Report.

statement on corporate governance (cont'd)

PRINCIPLE 7 – ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Corporate Disclosure Policy

The Company is committed to provide clear, accurate and timely disclosure of all material information pertaining to its performance and operations to its stakeholders and the general public. The Board does not have a Corporate Disclosure Policy. However, the Company ensure compliance with the disclosure requirements as set out in the Listing Requirements at all times.

7.2 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

PRINCIPLE 8 – STRENGTHEN RELATIONSHIP BETWEEN THE COMPANY AND ITS SHAREHOLDERS

8.1 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.

8.2 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.

8.3 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

Statement On 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 29 March 2016.

Additional Compliance Information

1. Share Buybacks

The Company did not enter into any share buyback transactions during the financial year ended 31 December 2015.

2. Options, Warrants or Convertible Securities

The Company did not issue any options, warrants or convertible securities during the financial year ended 31 December 2015.

3. Depository Receipt Programme

The Company did not sponsor any depository receipt programme during the financial year ended 31 December 2015.

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 2015.

5. Non-audit Fees

During the financial year, the non-audit fees paid by the Group to the External Auditors amounted to RM23,638 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 2015.

7. Material Contracts

There were no material contracts entered into by the Company and / or its subsidiaries during the financial year ended 31 December 2015, 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 Fifteenth Annual General Meeting held on 27 May 2015 and the actual value transacted for the period from 27 May 2015 to 31 March 2016 is as follows:-

Transacting Party	Nature of Relationship	Nature of Transaction	Actual Aggregate Value Incurred (RM'000)
F&N Limited group of companies	Mr. Lim Yew Hoe and Mr. Soh Swee Hock who are the Non-Independent Non-Executive Directors of Cocoland, are officers of F&N, a major shareholder of Cocoland. 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	21,117

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 2015.

Statement On Risk Management And Internal Control

Introduction

This Statement on Risk Management and Internal Control (hereinafter referred to as “this Statement”) is made pursuant to paragraph 15.26(b) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”); and with reference to the “Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers”.

This Statement outlines the key elements of the risk management and internal control systems within the Company and its subsidiaries as a Group (hereinafter referred to as “the Group”) during the financial year ended 31 December 2015.

Board of Director’s Responsibility

The Board acknowledges its responsibility for the Group’s system of risk management and internal control to safeguard shareholders’ investments and the Group’s assets. Thus the Board is committed to ensuring the existence of an appropriate risk management framework and sound, efficient and effective system of internal control that cover the financial report, compliance and operations of the Group. However, it should be appreciated that such a system is designed to manage rather than eliminate the risk of failure to achieve the Group’s objectives and the system by its nature can only provide reasonable but not absolute assurance against material misstatement, fraud or loss.

While the Board has overall responsibility for the Group’s risk management and internal control system, it has delegated and relied on the Management to implement and provide regular reports on risks identified and mitigating action taken to minimise the impact of the identified risk. The Board, through the Audit Committee, periodically reviews the adequacy and integrity of the risk management and internal control system including Management’s mitigating strategies / action to address key identified risks. This process has been in place throughout the financial year up to the date of approval of this Statement for inclusion in the Annual Report of the Company.

Risk Management Framework

The Board reviewed and maintained the Group’s documented risk management policy and framework to continually update, identify, assess and manage the various risk factors that could have a potentially significant impact on the Group’s mid to long term business objectives. Arising from this, a risk-based audit plan was developed and approved by the Audit Committee.

The Risk Management Committee (“RMC”) assisted the Board in ensuring an ongoing and systematic risk management process was undertaken to identify, assess and evaluate key business risks.

The RMC comprised of an Executive Director as the chairman; the Accountant and Quality Compliance Manager as the joint coordinators; other Executive and Non-Executive Directors, Managers and Heads of Departments participates as members of the committee. The RMC had identified and evaluated the significant risks faced by the Group against a defined risk appetite and ensured that appropriate risk treatments are in place to mitigate those risks affecting the achievement of the Group’s business objectives.

Key Elements of Internal Control

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 Treadway Commission (“COSO”) as follows:-

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

1. Control Environment

- A defined organisation structure and reporting responsibilities of all job roles has been established and formalised.
- The Board and Management had clearly defined responsibilities and delegation of authorities across all levels within the Group. This enabled timely response to changes affecting the Group's operations.
- There was a strong inherent corporate culture wherein any and all exceptional matters that require Senior Management's attention and/or decision were communicated / reported accordingly
- Business plans were discussed and approved by Senior Management and communicated to operations for implementation.

2. Risk Assessment

- Potential risks and preventive controls were identified and documented during operational risk management meetings.
- The operational risk management committee members meet quarterly to discuss and update on operational matters as well as the identified risks.
- Corrective actions were formalised and made available to risk owners to ensure appropriate decision and action for smooth operations.

3. Control Activities

- Internal policies, procedures and manuals as well as ISO manuals were established and maintained for critical processes and systems.
- Appropriate control mechanisms were applied to critical processes for risk mitigation.
- Segregation of duties was practised to maintain a healthy check-and-balance mechanism within the Group.
- The Executive Directors were hands-on in managing and overseeing critical business processes of the Group.

4. Information and Communication

- The Executive Committee ("EXCO"), comprised of Executive Directors and Non-Independent Non-Executive Directors, met periodically to share updates and ideas on operations, sales and marketing, projects, new product development and financial performance
- Management and the Board were provided with timely, relevant and reliable management and financial reports.

5. Monitoring

- Periodic meetings were held by Management to discuss result and any arising matters / issues on the Group's performance, activities and financial performance.
- Monthly reports of actual achievement against objective was prepared, documented and presented on quarterly quality meeting.
- The Board met regularly to receive Management's quarterly updates and deliberate on financial and key operations results.

Internal Audit Function

The Group has outsourced its internal audit function to CGRM Infocomm Sdn Bhd ("CGRM"). CGRM is an independent professional firm supports the Audit Committee, and by extension, the Board, by providing an independent assurance on the effectiveness of the Group's systems of internal control.

The risk-based internal audit plan, which reflects the risk profile of the Group's major business sectors 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.

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

During the year under review, CGRM assessed the adequacy and effectiveness of the Group's key business areas in terms of governance, risk assessment and system of internal control. CGRM reports to the Audit Committee, who in turn reports to the Board, on a quarterly basis of its activities, significant audit results or findings and the necessary recommendations or actions needed to be taken by the management to rectify highlighted issues. Several internal control improvements and risk areas were identified by internal auditors during the financial year ended 31 December 2015. These were reviewed by the Audit Committee and Board and closely monitored by Management to ensure the continuous implementation and integrity of internal controls to minimise risks. Management will continue to take adequate measures to strengthen the control environment of the Group.

In the planning and throughout the course of their audit work, CGRM made reference to the guidelines of The International Professional Practices Framework; International Standards for the Professional Practice of Internal Auditing and Code of Ethics as well as the Group's policies.

Review of this Statement by the External Auditors

Pursuant to paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in this annual report for the year ended 31 December 2015.

Conclusion

In addition to the above, the Board had received letters of assurance dated 25 February 2016 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 for the financial year.

In view of the assurance obtained from the Management and external auditors, the Board is of the view that there is a continuous process in evaluating and managing significant risks faced by the Group. Although several internal control improvements and risk areas were identified by the internal auditors during the financial year, these did not result in material losses to the Group.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 29 March 2016.

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 2015.

Membership

During the financial year 2015, 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 2015. At the invitation of the AC, the Executive Directors 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 2015. 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
Lim Yew Hoe (Appointed on 1 October 2015)	Member - Non-Independent Non-Executive Director	0/1
Dato' Ng Jui Sia (Resigned on 1 October 2015)	Member - Non-Independent Non-Executive Director	2/3

Authority

The AC shall have explicit authority to investigate any matter within its terms of reference, the resources to do so, and full and unrestricted access to information. The AC should be able to obtain independent professional or other advice and to invite outsiders with relevant experience to attend, if necessary. The AC shall have direct communication channels with the external auditors and internal auditors and shall also have the authority to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

Duties and Responsibilities

- a) To consider the appointment of the external auditor, the audit fee and any question of resignation or dismissal;
- b) To discuss with the external 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);
- 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 2015:-

- (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.

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 information technology general controls, ERP application and controls, adequacy and effectiveness of the Group's key business areas in terms of governance, risk assessment and system of internal control, maintenance of machinery and production equipment, workshop management, business continuity planning, disaster recovery and crisis management for the Group.

For the financial year ended 31 December 2015, the cost incurred for outsourcing of internal audit function was RM60,591.

FINANCIAL STATEMENTS

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Corporate Information

BOARD OF DIRECTORS	<p>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 Lim Yew Hoe Tai Chun Wah Soon Wing Chong (Alternate to Lim Yew Hoe)</p>
COMPANY SECRETARIES	<p>Ng Heng Hooi Wong Mee Kiat Yap Foo Teng</p>
REGISTERED OFFICE	<p>Lot 6.08, 6th Floor Plaza First Nationwide No 161, Jalan Tun H. S. Lee 50000 Kuala Lumpur</p>
PRINCIPAL PLACE OF BUSINESS	<p>Lot 100, Rawang Integrated Industrial Park 48000 Rawang, Selangor Darul Ehsan</p>
AUDITORS	<p>ADAM & CO. (AF 1250) Chartered Accountants No. 5-1, Level 5, PV128 No. 128, Jalan Genting Kelang 53300 Kuala Lumpur</p>
PRINCIPAL BANKERS	<p>RHB Bank Berhad Citibank Berhad Public Bank Berhad</p>

Directors' Report for the financial year ended 31 December 2015

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 2015.

PRINCIPAL ACTIVITIES

The principal activities of the Company is investment holding. The principal activities of the subsidiaries companies are disclosed in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Net profit after taxation	32,721,242	48,992,762
Retained profit brought forward	88,063,203	9,013,885
	120,784,445	58,006,647
Interim single tier dividend of 5% paid on 3rd April 2015	(4,289,998)	(4,289,998)
Interim single tier dividend of 5% paid on 2nd October 2015	(4,289,998)	(4,289,998)
Special dividend of 40% paid on 2nd October 2015	(34,320,171)	(34,320,171)
Interim single tier dividend of 5% paid on 30th December 2015	(5,719,997)	(5,719,997)
	72,164,281	9,386,483

RESERVES AND PROVISIONS

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

DIVIDENDS

Since the end of the previous financial year, the directors declared and paid third interim single tier dividend of 5% per ordinary share of RM0.50 each on 3rd April, 2015 for the financial year ended 31st December, 2014 and first interim single tier dividend of 5% per ordinary share of RM0.50 on 2nd October, 2015 and special dividend of 40% per ordinary share of RM0.50 on 2nd October, 2015. Second interim single tier dividend of 5% per ordinary share of RM0.50 on 30th December, 2015 for the financial year ended 31st December, 2015, respectively, totaling to RM48,620,164.

The directors has declared a third interim single tier dividend of 6% per ordinary share of RM0.50 each on 25th February, 2016 for the financial year ended 31st December, 2015, which will be paid on 5th April, 2016.

The Directors do not recommend a final dividend to be paid in respect of the financial year ended 31st December 2015.

ISSUE OF SHARES OR DEBENTURES

During the financial year, the Company:

- i) the Company increased its authorized share capital from RM100,000,000 comprising 200,000,000 ordinary shares of RM0.50 each to RM200,000,000 comprising 400,000,000 ordinary shares of RM0.50 each by the creation of 200,000,000 new ordinary shares of RM0.50 each.

- ii) issued 57,200,000 new ordinary shares of RM0.50 each credited as fully paid-up capital on the basis of one (1) new ordinary shares of RM0.50 each for every three (3) existing ordinary shares of RM0.50 by way of capitalising RM28,600,000 from share premium account.

The newly issued shares rank pari passu in all respects with the existing ordinary shares except that they will not be entitled to any dividends, rights, allotment and/or other distribution that may be declared, made or paid prior to the relevant date of allotment and issuance of the Bonus Shares or the warrants exercise date.

OPTIONS GRANTED OVER UNISSUED SHARES

No share option were granted during the financial year.

DIRECTORS

The Directors who served since the date of the last report are: -

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
 Lim Yew Hoe
(Appointed w.e.f 1.10.2015)
 Soon Wing Chong (Alternate to Lim Yew Hoe)
(Appointed w.e.f 1.10.2015)
 Dato' Ng Jui Sia
(Resigned w.e.f 1.10.2015)
 Soon Wing Chong (Alternate to Dato' Ng Jui Sia)
(Resigned w.e.f 1.10.2015)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, the interests of those Directors who held office at the end of the financial year in shares in the Company during the financial year are as follows:-

directors' report (cont'd)

	Ordinary Shares of RM0.50 each				At 31.12.2015
	At 01.01.2015	Bonus Issue	Bought	Sold	
Direct interest:					
Dato' Azman Bin Mahmood	393,333	131,111	-	-	524,444
Tan Sri Dato' Sri Koh Kin Lip	2,500,000	833,332	-	-	3,333,332
Liew Fook Meng	3,479,533	-	-	3,479,533	-
Lau Kee Von	1,029,800	343,266	-	-	1,373,066
Liew Yoon Kee	73,333	24,444	-	-	97,777
Lau Pak Lam	934,266	311,931	-	1,246,197	-
Tai Chun Wah	17,600	5,866	-	-	23,466
Indirect interest:					
Tan Sri Dato' Sri Koh Kin Lip	2,500,000	833,333	-	-	3,333,333
Liew Fook Meng	65,284,971	21,761,657	-	-	87,046,628
Lau Kee Von	65,284,971	21,761,657	-	-	87,046,628
Liew Yoon Kee	65,284,971	21,761,657	-	-	87,046,628
Lau Pak Lam	65,284,971	21,761,657	-	-	87,046,628

By virtue of their shareholdings in the Company, Messrs Liew Fook Meng, Lau Kee Von, Liew Yoon Kee, and Lau Pak Lam are deemed to have interests in shares in all the subsidiary companies during the financial year to the extent of the Company's interest, in accordance with Section 6A of the Companies Act 1965.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director is entitled 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 arrangements 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.

BAD AND DOUBTFUL DEBTS

Before the statements of comprehensive income and statements of financial position 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 written off for bad debts, or the amount of the allowance for impairment, 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 position of the Group and of the Company were made out, the Directors took reasonable steps to ascertain whether any current assets, other than debts, 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 in the financial statements 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 and 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 liabilities in respect of the Group and of the Company that has arisen since the end of the financial year.

In the opinion of the Directors, except disclose in Note 26, no contingent liabilities or other liabilities of the Group and 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, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year, in the opinion of the Directors, were not substantially affected by items, transactions or events 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.

AUDITORS

The auditors, Messrs. ADAM & 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 in accordance with a resolution of the Directors:

.....
LIEW FOOK MENG
 Director

.....
TAI CHUN WAH
 Director

Kuala Lumpur,
 Date: 29 March 2016

Statement By Directors pursuant to Section 169(15) of the Companies Act, 1965

We, LIEW FOOK MENG and TAI CHUN WAH, being two of the Directors of COCOALAND HOLDINGS BERHAD, state that, in the opinion of the Directors, the financial statements set out on pages 44 to 79 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements 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 at 31 December 2015 and of their financial performance and cash flows for the financial year then ended.

The supplementary information on Note 31 on page 79 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 in accordance with a resolution of the Directors:-

.....
LIEW FOOK MENG
Director

.....
TAI CHUN WAH
Director

Kuala Lumpur,
Date: 29 March 2016

Statutory Declaration pursuant to Section 169(16) of the Companies Act, 1965

I, TAI CHUN WAH, the Director primarily responsible for the financial management of COCOALAND HOLDINGS BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 44 to 79 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)

abovenamed TAI CHUN WAH,)

at Kuala Lumpur in the state of)

Wilayah Persekutuan on)

29 March 2016

.....
TAI CHUN WAH
Director

Before me:-

.....
Samsiah bt Ali
Commissioner for Oaths
No. W589
Kuala Lumpur

Independent Auditors' Report to the members of Cocoland Holdings Berhad

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of COCOALAND HOLDINGS BERHAD, which comprise the statements of financial position as at 31st December 2015 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 financial year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 44 to 79.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the 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 about 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 judgement, 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 entity's preparation of financial statements that give a true and fair view 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 entity'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 give a true and fair view of the financial position of the Group and the Company as of 31st December 2015 and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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 have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiaries 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.
- (c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 31 on page 79 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

The 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.

ADAM & CO.
AF 1250
Chartered Accountants

Kuala Lumpur,
Date: 29 March 2016

ADAM SELAMAT BIN MUSA
Approval No.: 2019/03/18(J)
Chartered Accountant

Statement Of Financial Position as at 31 December 2015

	NOTE	Group		Company	
		2015 RM	2014 RM	2015 RM	2014 RM
NON-CURRENT ASSETS					
Property, plant and equipment	4	129,641,488	139,136,674	-	-
Investment in subsidiary companies	5	-	-	41,623,025	41,623,025
Other investments	6	1,000	1,000	-	-
TOTAL NON-CURRENT ASSETS		129,642,488	139,137,674	41,623,025	41,623,025
CURRENT ASSETS					
Inventories	7	35,868,038	38,164,927	-	-
Trade receivables	8	42,177,720	51,358,862	-	-
Other receivables, deposits and prepayments	9	2,997,001	1,677,772	187,440	119,266
Amount due from subsidiary companies	10	-	-	98,232,113	97,865,124
Deposits, cash and bank balances	11	40,421,469	31,294,639	2	2
TOTAL CURRENT ASSETS		121,464,228	122,496,200	98,419,555	97,984,392
TOTAL ASSETS		251,106,716	261,633,874	140,042,580	139,607,417
EQUITY					
Share capital	12	114,400,000	85,800,000	114,400,000	85,800,000
Reserves	13	87,774,400	132,417,742	25,141,022	53,368,424
Exchange translation reserves		506,254	113,402	-	-
Shareholders' equity		202,680,654	218,331,144	139,541,022	139,168,424
TOTAL EQUITY		202,680,654	218,331,144	139,541,022	139,168,424
NON-CURRENT LIABILITIES					
Deferred tax liabilities	14	9,941,204	7,639,800	-	-
TOTAL NON-CURRENT LIABILITIES		9,941,204	7,639,800	-	-
CURRENT LIABILITIES					
Trade payables	15	24,070,062	22,710,918	-	-
Non - trade payables and accruals	16	10,615,796	10,527,012	501,558	438,993
Tax payables		3,799,000	2,425,000	-	-
TOTAL CURRENT LIABILITIES		38,484,858	35,662,930	501,558	438,993
TOTAL LIABILITIES		48,426,062	43,302,730	501,558	438,993
TOTAL EQUITY AND LIABILITIES		251,106,716	261,633,874	140,042,580	139,607,417

The accompanying notes form an integral part of these financial statements.

Statement Of Comprehensive Income for the financial year ended 31 December 2015

	NOTE	Group		Company	
		2015 RM	2014 RM	2015 RM	2014 RM
Revenue	17	261,645,476	260,760,337	50,000,000	17,000,000
Cost of sales		(179,522,913)	(198,175,684)	-	-
Gross profit		82,122,563	62,584,653	50,000,000	17,000,000
Other operating income	18	4,475,517	2,518,704	-	-
Selling and distribution costs		(18,802,794)	(17,188,465)	-	-
Administration expenses		(23,034,150)	(17,268,751)	(1,007,238)	(584,887)
Finance cost	19	-	(1,850)	-	-
Profit before taxation	20	44,761,136	30,644,291	48,992,762	16,415,113
Taxation	23	(12,039,894)	(8,726,238)	-	(116)
Profit for the financial year		32,721,242	21,918,053	48,992,762	16,414,997
Other comprehensive income					
- Exchange translation		392,852	3,431	-	-
- Revaluation reserve		(144,420)	-	-	-
Total comprehensive income		32,969,674	21,921,484	48,992,762	16,414,997
Profit attributable to:					
Owners of the parent		32,721,242	21,918,053	48,992,762	16,414,997
Total comprehensive income attributable to:					
Owners of the parent		32,969,674	21,921,484	48,992,762	16,414,997
Earnings per ordinary share attributable to equity holders of the Company (sen)	24				
- Basic		14.30	9.58		
- Diluted		14.30	9.58		

The accompanying notes form an integral part of these financial statements.

Statement Of Changes In Equity for the financial year ended 31 December 2015

GROUP	NOTE	Attributable to Equity Holders of the Company					Total RM
		Share capital RM	Share premium RM	Exchange translation reserve RM	Revaluation reserve RM	Retained earnings RM	
At 1st January 2014		85,800,000	44,354,539	109,971	-	77,299,145	207,563,655
Net profit for the year ended 2014		-	-	-	-	21,918,053	21,918,053
Other comprehensive income exchange translation		-	-	3,431	-	-	3,431
Total comprehensive income		-	-	3,431	-	21,918,053	21,921,484
Single tier dividend 3% paid on 15th April 2014		-	-	-	-	(2,573,999)	(2,573,999)
Single tier dividend 5% paid on 1st October 2014		-	-	-	-	(4,289,998)	(4,289,998)
Single tier dividend 5% paid on 29th December 2014		-	-	-	-	(4,289,998)	(4,289,998)
At 31st December 2014 / 1st January 2015		85,800,000	44,354,539	113,402	-	88,063,203	218,331,144
Net profit for the year ended 2015		-	-	-	-	32,721,242	32,721,242
Transfer from revaluation reserve		-	-	-	(144,420)	-	(144,420)
Other comprehensive income - exchange translation		-	-	392,852	-	-	392,852
Total comprehensive income		-	-	392,852	(144,420)	32,721,242	32,969,674
Bonus issue exercised at 12th November 2015		28,600,000	(28,600,000)	-	-	-	-
Single tier dividend 5% paid on 3rd April 2015		-	-	-	-	(4,289,998)	(4,289,998)
Special dividend 40% paid on 2nd October 2015		-	-	-	-	(34,320,171)	(34,320,171)
Single tier dividend 5% paid on 2nd October 2015		-	-	-	-	(4,289,998)	(4,289,998)
Single tier dividend 5% paid on 30th December 2015		-	-	-	-	(5,719,997)	(5,719,997)
At 31st December 2015		114,400,000	15,754,539	506,254	(144,420)	72,164,281	202,680,654

The accompanying notes form an integral part of these financial statements.

statement of changes in equity (cont'd)

COMPANY	NOTE	Attributable to Equity Holders of the Company			
		Share capital RM	Share premium RM	Retained earnings RM	Total RM
At 1st January 2014		85,800,000	44,354,539	3,752,883	133,907,422
Net profit for the year ended 2014		-	-	16,414,997	16,414,997
Single tier dividend 3% paid on 15th April 2014		-	-	(2,573,999)	(2,573,999)
Single tier dividend 5% paid on 1st October 2014		-	-	(4,289,998)	(4,289,998)
Single tier dividend 5% paid on 29th December 2014		-	-	(4,289,998)	(4,289,998)
At 31st December 2014 / 1st January 2015		85,800,000	44,354,539	9,013,885	139,168,424
Net profit for the year ended 2015		-	-	48,992,762	48,992,762
Bonus issue exercised at 12th November 2015		28,600,000	(28,600,000)	-	-
Single tier dividend 5% paid on 3rd April 2015		-	-	(4,289,998)	(4,289,998)
Special dividend 40% paid on 2nd October 2015		-	-	(34,320,171)	(34,320,171)
Single tier dividend 5% paid on 2nd October 2015		-	-	(4,289,998)	(4,289,998)
Single tier dividend 5% paid on 30th December 2015		-	-	(5,719,997)	(5,719,997)
At 31st December 2015		114,400,000	15,754,539	9,386,483	139,541,022

The accompanying notes form an integral part of these financial statements.

Statement Of Cash Flows

for the financial year ended 31 December 2015

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before taxation	44,761,136	30,644,291	48,992,762	16,415,113
Adjustment for:-				
Impairment of slow moving inventories	1,041,377	1,098,457	-	-
Impairment of receivables	2,157,657	783,030	-	-
Impairment of receivables no longer required	(248,680)	(736)	-	-
Bad debt recovery	-	(200)	-	-
Bad debt written off	78,885	5,329	-	-
Depreciation of property, plant and equipment	12,090,535	10,777,936	-	-
Property, plant and equipment written off	130,351	138,907	-	-
Loss/(Gain) on disposal of property, plant and equipment	42,327	(10,920)	-	-
Unrealised loss/(gain) on foreign exchange	275,663	(403,750)	-	-
Interest expenses	-	1,850	-	-
Interest income	(1,240,355)	(272,187)	-	-
Dividend income	(810)	(1,170)	(50,000,000)	(17,000,000)
Operating profit/(loss) before working capital changes	59,088,086	42,760,837	(1,007,238)	(584,887)
Changes in working capital:				
Decrease in inventories	1,255,512	706,679	-	-
Decrease/(Increase) in receivables	5,586,080	(12,000,064)	(374,489)	(5,057,937)
Increase/(Decrease) in payables	1,447,928	(4,260,111)	62,565	(25,818)
Cash generated from/(used in) operating activities	67,377,606	27,207,341	(1,319,162)	(5,668,642)
Dividend received	810	1,170	50,000,000	17,000,000
Interest received	1,240,355	272,187	-	-
Tax refunded	32,008	81,646	-	40,318
Dividend paid	(48,620,164)	(11,153,995)	(48,620,164)	(11,153,995)
Tax paid	(8,505,374)	(5,890,366)	(60,674)	(67,988)
Interest paid	-	(1,850)	-	-
Net cash generated from operating activities	11,525,241	10,516,133	-	149,693

The accompanying notes form an integral part of these financial statements.

statement of cash flows (cont'd)

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
CASH FLOW FROM INVESTING ACTIVITIES				
Pre-operating expenses	-	(75,938)	-	-
Proceed from disposal of property, plant and equipment	33,961	29,950	-	-
Investing in subsidiary company	-	-	-	(149,693)
Purchase of property, plant and equipment	(2,932,470)	(3,140,327)	-	-
Net cash used in investing activities	(2,898,509)	(3,186,315)	-	(149,693)
CASH FLOW FROM FINANCING ACTIVITIES	-	-	-	-
Net increase in cash and cash equivalents	8,626,732	7,329,818	-	-
Effect of exchange rate difference	500,098	82,445	-	-
Cash and cash equivalents brought forward	31,294,639	23,882,376	2	2
Cash and cash equivalents at end of the financial year	40,421,469	31,294,639	2	2
Cash and cash equivalents comprise:				
Cash and bank balances	9,346,059	15,023,743	2	2
Fixed deposits with licensed banks	209,397	205,427	-	-
Short term deposits with licensed banks	30,866,013	16,065,469	-	-
	40,421,469	31,294,639	2	2

The accompanying notes form an integral part of these financial statements.

Notes To The Financial Statements

1. GENERAL INFORMATION

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

There have been no significant changes in the principal activities of the Group during the financial year.

The Company is a public listed company, incorporated and domiciled in Malaysia and is listed on the Main Board, Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company is located at Lot 100, Rawang Integrated Industrial Park, 48000 Rawang, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 March 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of the financial statements

The financial statements of the Group and of the Company have been prepared in accordance with applicable Malaysia Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the Companies Act, 1965 in Malaysia.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM).

The preparation of financial statements in conformity with MFRS requires the use of certain accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and reported amounts of revenue and expenses during the reported financial period. It also requires directors' best knowledge of current events and action, and therefore actual results may differ.

2.2 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Title	Effective for the financial period beginning on or after
Amendments to MFRS 5: Non-Current Assets Held for Sale and Discontinued Operations (Annual Improvements to MFRSs 2012 -2014 Cycle)	1 January 2016
Amendments to MFRS 7: Financial Instruments - (Annual Improvements to MFRSs 2012 -2014 Cycle)	1 January 2016
Amendments to MFRS 14: Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods on Depreciation and Amortisation	1 January 2016

notes to the financial statements (cont'd)

Amendments to MFRS 119: Employee Benefits (Annual - Improvements to MFRSs 2012 -2014 Cycle)	1 January 2016
Amendments to MFRS 127: Equity in Separate Financial Statements	1 January 2016
Amendments to MFRS 134: Interim Financial Reporting Annual - (Annual Improvements to MFRSs 2012 -2014 Cycle)	1 January 2016
Amendments to MFRS 138: Clarification of Acceptable - Methods of Depreciation and Amortisation - (Amendments to MFRS 116 and MFRS138)	1 January 2016
Amendments to MFRS 15: Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 9: Financial Instruments.	1 January 2018

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 Significant accounting policies

The financial statements of the Company have been prepared under the historical cost convention other than as disclosed in the notes to the financial statements and in the provisions of the Companies Act, 1965, MFRS and IFRS.

(a) Basis of consolidation and subsidiaries

Subsidiary companies are enterprises controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of the enterprises so as to obtain benefits from their activities.

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.

Disposal groups of which intention to dispose within twelve months or have been contracted for sale but not completed at the statement of financial position date are classified as held for sale in accordance with MFRS 5 Non-current Assets Held for Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

All inter-company balances and transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

(b) 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

notes to the financial statements (cont'd)

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.

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

The Group and the Company categorise the financial instruments as follows:-

(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, or available-for-sale financial assets, as appropriate.

Financial assets at fair value through profit or loss

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

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 gain or loss recognised in profit or loss when held-to-maturity investments are derecognised or impaired, and through the amortisation process.

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.

notes to the financial statements (cont'd)

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 recognised 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.

Loans and receivables

Non-derivative financial assets that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables 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.

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

(ii) Financial liabilities

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

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

(iii) Equity instruments

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

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

(c) 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 derecognized. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

notes to the financial statements (cont'd)

Subsequent to recognition, property, plant and equipment are stated at cost as modified by the revaluation of certain freehold land and buildings and certain plant and machinery less accumulated depreciation and accumulated impairment loss, if any.

No depreciation is provided on freehold land, buildings-in-progress and plant and machinery under installation.

Leasehold land and buildings are amortised over the remaining leasehold period.

Depreciation is provided on the straight-line method in order to write off the cost of each asset to its residual value over its estimated useful life. Depreciation of an asset does not cease when the assets becomes idle or is retired from active use unless the asset is fully depreciated.

The principal rate used is as follow:-

Freehold buildings	Over remaining useful lives of between 28 to 48 years
Motor vehicle	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 values, useful life of assets and depreciation methods are reviewed at each financial year end to ensure they are consistent with expected pattern of consumption of the future economic benefits. The effects of any revisions of the residual values, useful lives and depreciation method are included in profit or loss for the financial year in which the changes arise. Fully depreciated assets are retained in the financial statements until the assets are no longer in use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of comprehensive income in the financial year the asset is derecognised.

(d) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification.

All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

notes to the financial statements (cont'd)

(ii) Finance leases

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

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

(iii) Operating leases

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

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

(e) Impairment of assets**(i) Impairment of financial assets**

All financial assets (except for financial assets categorised as fair value through profit or loss and investment in subsidiaries) are assessed at each reporting date 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. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an 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.

notes to the financial statements (cont'd)

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 or cash generating unit is the higher of value less costs of disposal and their value-in-use, which is measured by reference to discounted future cash flow.

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

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised.

The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statements of comprehensive income, a reversal of that impairment loss is recognised as income in the statements of comprehensive income.

(f) Investments

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

(g) Inventories

Inventories are valued at the lower of cost and net realisable value on the First-In First-Out. Cost of raw materials comprised the cost of purchase plus the cost of bringing the inventories to their present location and condition. For finished goods and work-in-progress cost consist of raw materials, direct labour and an appropriate proportion of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make sale.

notes to the financial statements (cont'd)

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, fixed deposits and short term deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

(i) Share capital

Ordinary shares are equity instruments, recorded at the nominal value of shares issued. Ordinary shares are classified as equity.

Dividends to shareholders are recognised as a liability in the period in which they are declared or approved by the Board of Directors except for the final dividend which is subject to approval by the shareholders at general meeting.

(j) 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.

(k) 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.

(l) Foreign currencies

Foreign currency transactions are converted into Ringgit Malaysia, the Group's functional currency, at the rates of exchange ruling on the transaction dates. Monetary assets and liabilities in foreign currencies at statement of financial position date are translated into Ringgit Malaysia at the exchange rates ruling at that date. All exchange gains and losses are taken up in the statement of comprehensive income.

notes to the financial statements (cont'd)

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

Foreign Currencies	2015 RM	2014 RM
1 US Dollar	4.24	3.50
1 Singapore Dollar	3.02	2.64
100 Chinese Renminbi	66.18	54.22
100 Indonesia Rupiah	0.03	0.03

(m) Employee benefitsShort 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.

Defined contribution plan

The Group's contribution 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 has no further payment obligations.

Equity compensation benefits

The Employees Share Option Scheme allows the employees to acquire shares of the Company. No compensation cost or obligation is recognised. When the options are exercised, equity is increased by the amount of the proceeds received.

(n) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, net of discounts and rebates. Revenue from sales of goods is recognised when significant risks and rewards of ownership have been transferred to the buyer.

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

(i) Interest income

Interest income is recognized on an accrual basis.

(ii) Dividend income

Dividend income is recognized when the Group's right to receive payment is established.

(iii) Rental income

Rental income is recognized on an accrual basis.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The key assumptions 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 amounts of assets and liabilities within the next financial year are as stated below:-

(i) Depreciation of plant and equipment

The residual values for certain major plant and machinery of the Group are ascertained annually at a percentage of cost to reflect their approximate fair value at the end of their estimated useful lives.

Plant and equipment are depreciated on a straight line basis over their estimated useful lives. Management estimates the useful lives of the plant and equipment to be 5 years to 10 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of the plant and equipment. Therefore the future depreciation charges could be revised.

(ii) Net realisable values of inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuations of inventories.

(iii) Impairment of trade receivables

The Group makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment of receivables are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analysed historical bad debts, customer concentrations, customer credit worthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the impairment of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables. The identification of doubtful receivables require use of judgement and estimates.

(iv) Taxation

The Group is subject to income taxes of different jurisdictions. Significant judgment is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions, where applicable, in the period in which such determination is made.

notes to the financial statements (cont'd)

4. PROPERTY, PLANT AND EQUIPMENT

2015

GROUP	At valuation			At group cost				Balance c/f
	Freehold land RM	Freehold buildings RM	Long term leasehold land and building RM	Short term leasehold land and building RM	Long term leasehold land and building RM	Freehold building RM	Properties-in-progress RM	
Cost								
At 1st January 2015	25,729,948	9,150,000	2,500,000	3,000,000	4,440,057	40,044,094	-	84,864,099
Additions	-	-	-	-	-	-	-	-
Disposals / Written off	-	-	-	(270,320)	-	-	-	(270,320)
Exchange difference	-	-	-	-	-	-	-	-
At 31st December 2015	25,729,948	9,150,000	2,500,000	2,729,680	4,440,057	40,044,094	-	84,593,779
Accumulated Depreciation								
At 1st January 2015	-	2,336,309	376,714	825,000	616,075	3,008,162	-	7,162,260
Charge for the year	-	212,392	34,247	68,242	75,693	800,881	-	1,191,455
Disposals	-	-	-	(74,338)	-	-	-	(74,338)
Exchange difference	-	-	-	-	-	-	-	-
At 31st December 2015	-	2,548,701	410,961	818,904	691,768	3,809,043	-	8,279,377
Net book value								
At 31st December 2015	25,729,948	6,601,299	2,089,039	1,910,776	3,748,289	36,235,051	-	76,314,402
At 1st January 2015	25,729,948	6,813,691	2,123,286	2,175,000	3,823,982	37,035,932	-	77,701,839

2015

GROUP	At cost							Balance c/f RM
	Balance b/f RM	Plant and machinery in progress RM	Motor vehicle RM	Plant and machinery RM	Office equipment RM	Furniture and fittings RM	Warehouse equipment RM	
Cost								
At 1st January 2015	84,864,099	-	5,695,091	93,321,041	1,801,475	563,451	1,005,065	187,250,222
Additions	-	477,350	340,688	851,403	108,411	15,129	5,070	1,798,051
Disposals / Written off	(270,320)	-	(381,447)	(2,300,212)	(69,355)	-	-	(3,021,334)
Exchange difference	-	-	40,544	-	12,000	-	-	52,544
At 31st December 2015	84,593,779	477,350	5,694,876	91,872,232	1,852,531	578,580	1,010,135	186,079,483
Accumulated Depreciation								
At 1st January 2015	7,162,260	-	4,454,922	57,003,683	1,021,049	328,266	709,022	70,679,202
Charge for the year	1,191,455	-	954,233	5,844,497	162,118	41,084	77,650	8,271,037
Disposals / Written off	(74,338)	-	(305,158)	(2,236,828)	(57,189)	-	-	(2,673,513)
Exchange difference	-	-	30,683	-	7,921	-	-	38,604
At 31st December 2015	8,279,377	-	5,134,680	60,611,352	1,133,899	369,350	786,672	76,315,330
Net book value								
At 31st December 2015	76,314,402	477,350	560,196	31,260,880	718,632	209,230	223,463	109,764,153
At 1st January 2015	77,701,839	-	1,240,169	36,317,358	780,426	235,185	296,043	116,571,020

notes to the financial statements (cont'd)

2015

GROUP	At cost						Total RM
	Balance b/f RM	Electrical fittings RM	Renovation RM	Science lab equipment RM	Factory equipment RM	Computer software RM	
Cost							
At 1st January 2015	187,250,222	1,115,165	8,010,308	1,222,360	36,419,139	30,995	234,048,189
Additions	1,798,051	18,000	82,933	72,077	961,409	-	2,932,470
Disposals / Written off	(3,021,334)	-	-	(2,700)	(5,070)	-	(3,029,104)
Exchange difference	52,544	-	-	-	-	-	52,544
At 31st December 2015	186,079,483	1,133,165	8,093,241	1,291,737	37,375,478	30,995	234,004,099
Accumulated Depreciation							
At 1st January 2015	70,679,202	876,123	6,107,702	530,281	16,702,941	15,266	94,911,515
Charge for the year	8,271,037	30,069	359,361	114,808	3,312,162	3,098	12,090,535
Disposals / Written off	(2,673,513)	-	-	(1,620)	(2,910)	-	(2,678,043)
Exchange difference	38,604	-	-	-	-	-	38,604
At 31st December 2015	76,315,330	906,192	6,467,063	643,469	20,012,193	18,364	104,362,611
Net book value							
At 31st December 2015	109,764,153	226,973	1,626,178	648,268	17,363,285	12,631	129,641,488
At 1st January 2015	116,571,020	239,042	1,902,606	692,079	19,716,198	15,729	139,136,674

2014

GROUP	At valuation				At group cost			Balance c/f RM
	Freehold land RM	Freehold buildings RM	Long term leasehold land and building RM	Short term leasehold land and building RM	Long term leasehold land and building RM	Freehold building RM	Properties- in-progress RM	
Cost								
At 1st January 2014	25,729,948	9,150,000	2,500,000	3,000,000	4,440,057	40,044,094	113,490	84,977,589
Additions	-	-	-	-	-	-	1,800	1,800
Reclassification	-	-	-	-	-	-	-	-
Disposals / Written off	-	-	-	-	-	-	(115,290)	(115,290)
At 31st December 2014	25,729,948	9,150,000	2,500,000	3,000,000	4,440,057	40,044,094	-	84,864,099
Accumulated Depreciation								
At 1st January 2014	-	2,123,917	342,467	750,000	540,382	2,207,279	-	5,964,045
Charge for the year	-	212,392	34,247	75,000	75,693	800,883	-	1,198,215
Disposals / Written off	-	-	-	-	-	-	-	-
At 31st December 2014	-	2,336,309	376,714	825,000	616,075	3,008,162	-	7,162,260
Net book value								
At 31st December 2014	25,729,948	6,813,691	2,123,286	2,175,000	3,823,982	37,035,932	-	77,701,839
At 1st January 2014	25,729,948	7,026,083	2,157,533	2,250,000	3,899,675	37,836,815	113,490	79,013,544

notes to the financial statements (cont'd)

2014

GROUP	At cost							Balance c/f RM
	Balance b/f RM	Plant and machinery in progress RM	Motor vehicle RM	Plant and machinery RM	Office equipment RM	Furniture and fittings RM	Warehouse equipment RM	
Cost								
At 1st January 2014	84,977,589	75,695	5,735,091	92,561,911	1,614,434	542,691	982,425	186,489,836
Additions	1,800	-	-	875,766	207,341	20,760	22,640	1,128,307
Reclassification	-	(75,695)	-	75,695	-	-	-	-
Disposals / Written off	(115,290)	-	(40,000)	(192,331)	(20,300)	-	-	(367,921)
At 31st December 2014	84,864,099	-	5,695,091	93,321,041	1,801,475	563,451	1,005,065	187,250,222
Accumulated Depreciation								
At 1st January 2014	5,964,045	-	4,078,001	51,771,175	892,602	291,500	631,872	63,629,195
Charge for the year	1,198,215	-	416,921	5,408,029	143,317	36,766	77,150	7,280,398
Disposals / Written off	-	-	(40,000)	(175,521)	(14,870)	-	-	(230,391)
At 31st December 2014	7,162,260	-	4,454,922	57,003,683	1,021,049	328,266	709,022	70,679,202
Net book value								
At 31st December 2014	77,701,839	-	1,240,169	36,317,358	780,426	235,185	296,043	116,571,020
At 1st January 2014	79,013,544	75,695	1,657,090	40,790,736	721,832	251,191	350,553	122,860,641

2014

GROUP	At cost						Total RM
	Balance b/f RM	Electrical fittings RM	Renovation RM	Science lab equipment RM	Factory equipment RM	Computer software RM	
Cost							
At 1st January 2014	186,489,836	895,665	7,190,976	1,055,239	35,656,964	30,995	231,319,675
Additions	1,128,307	219,500	819,332	178,358	794,830	-	3,140,327
Reclassification	-	-	-	-	-	-	-
Disposals / Written off	(367,921)	-	-	(11,237)	(32,655)	-	(411,813)
At 31st December 2014	187,250,222	1,115,165	8,010,308	1,222,360	36,419,139	30,995	234,048,189
Accumulated Depreciation							
At 1st January 2014	63,629,195	847,853	5,815,473	431,779	13,650,989	12,166	84,387,455
Charge for the year	7,280,398	28,270	292,229	107,873	3,066,066	3,100	10,777,936
Disposals / Written off	(230,391)	-	-	(9,371)	(14,114)	-	(253,876)
At 31st December 2014	70,679,202	876,123	6,107,702	530,281	16,702,941	15,266	94,911,515
Net book value							
At 31st December 2014	116,571,020	239,042	1,902,606	692,079	19,716,198	15,729	139,136,674
At 1st January 2014	122,860,641	47,812	1,375,503	623,460	22,005,975	18,829	146,932,220

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, 2015 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/warehouse 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 valuer, 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, 2015 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 freehold lands and buildings were valued by a firm of professional valuer, 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:-

	2015 RM	2014 RM
Long term leasehold land and building	1,151,443	1,170,319
Short term leasehold land and building	236,585	245,316
Freehold land and buildings	10,482,236	10,665,829

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

	2015 RM	2014 RM
Motor vehicles	3,048,233	890,069
Plant and machinery	8,809,192	7,123,120
Office equipment and furniture and fittings	399,529	239,967
Electrical fittings and renovation	1,096,697	1,437,980
Factory equipment	1,855,167	662,586
Store equipment	9,860	89,220
	15,218,678	10,442,942

5. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2015 RM	2014 RM
Unquoted equity shares, at cost	41,623,027	41,623,027
Less: Impairment of investment	(2)	(2)
	41,623,025	41,623,025

The amounts due from subsidiary companies represent advances and payments made on behalf by the company which are unsecured, interest free and is not repayable within the next twelve months.

The subsidiary companies, are as follows:-

notes to the financial statements (cont'd)

a) Direct subsidiary companies

Name of company	Country of incorporation	Issued and fully paid-up share capital	Effective equity interest		Principal Activities
			2015 %	2014 %	
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	ØIDR4,435,200,000	90	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
			2015 %	2014 %	
M.I.T.E. Food Enterprise Sdn. Bhd.	Malaysia	*RM225,000	100	100	Trading and distribution of foodstuffs

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
			2015 %	2014 %	
Ω PT Cocoaland Indonesia	Indonesia	ØIDR492,800,000	10	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

Ø Issued and fully paid up share capital comprising ordinary share of IDR985,600 each

Ω The financial statements of this company were not examined by Messrs Adam & Co.

notes to the financial statements (cont'd)

6. OTHER INVESTMENTS

Unquoted shares at cost in Malaysia

Group	
2015 RM	2014 RM
1,000	1,000

7. INVENTORIES

At cost:

Work in progress

Packing materials

Raw material

Finished goods

Less : Impairment for slowing moving inventories

Group	
2015 RM	2014 RM
1,355,746	1,513,949
12,099,348	10,916,160
12,865,868	14,372,072
11,686,910	12,461,203
38,007,872	39,263,384
(2,139,834)	(1,098,457)
35,868,038	38,164,927

8. TRADE RECEIVABLES

Trade receivables

Movement of impairment of receivables

Balance at 1st January

Impairment during the year

Bad debts set off with trade receivables

Impairment no longer required

Balance at 31st December

Trade receivables - Net

Group	
2015 RM	2014 RM
46,546,186	53,876,297
(2,517,435)	(1,745,597)
(2,157,657)	(783,030)
57,946	10,456
248,680	736
(4,368,466)	(2,517,435)
42,177,720	51,358,862

(i) The foreign currency exposure profile of trade receivables are as follows:

Singapore Dollar

US Dollar

Australian Dollar

Brunei Dollar

Hong Kong Dollar

Group	
2015 RM	2014 RM
173,398	132,238
22,885,650	17,669,011
-	40,657
1,198	34,403
1,886,216	1,939,075

notes to the financial statements (cont'd)

(ii) The aging analysis of trade receivables of the Group is as follows:

	Group	
	2015 RM	2014 RM
Neither past due nor impaired	31,644,715	38,514,970
Past due but not impaired		
- Past due less than 3 months	8,694,786	9,134,693
- Past due 3 to 6 months	1,838,219	3,157,812
- Past due more than 6 months	-	551,387
	10,533,005	12,843,892
Past due and impaired	4,368,466	2,517,435
Trade receivables - Gross	46,546,186	53,876,297

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the trade receivables of the Group that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that past due but not impaired

Based on the Group past experience and owing to the reason that no loss event had occurred to these receivable, such as significant financial difficulties, no impairment was made in respect of these past due trade receivables. These receivables are unsecured in nature.

9. NON – TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Non-trade receivables	389,545	140,911	50,790	50,790
Tax recoverable	562,510	574,818	123,150	62,476
Sundry deposits	686,685	252,644	1,000	1,000
Prepayment	1,358,261	709,399	12,500	5,000
	2,997,001	1,677,772	187,440	119,266

10. AMOUNT DUE FROM SUBSIDIARY COMPANIES

	2015 RM	2014 RM
Amount due from subsidiary companies	98,232,113	97,865,124

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

notes to the financial statements (cont'd)

11. DEPOSIT, CASH AND BANK BALANCES

The average interest rate and maturity periods of fixed deposits at the statement of financial position date are as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash and bank balances	209,397	205,427	-	-
Fixed deposits with licensed banks	30,866,013	16,065,469	-	-
Short term deposits with licensed banks	9,346,059	15,023,743	2	2
	40,421,469	31,294,639	2	2

Group	2015 RM	2014 RM
Fixed deposit		
Interest rates per annum	2.70% to 3.15%	3.2% to 3.45%
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% (2014: 2.00% to 2.15%) per annum and maturity periods of between 1 day to 8 days (2014: 1 to 14 days).

12. SHARE CAPITAL

	Group / Company			
	2015 NUMBER OF SHARES	2014	2015 RM	2014 RM
Authorised:				
Ordinary shares of RM0.50 each				
Balance at 1st January	200,000,000	200,000,000	100,000,000	100,000,000
Increase in authorised ordinary shares	200,000,000	-	100,000,000	-
Balance at 31st December	400,000,000	200,000,000	200,000,000	100,000,000
Issued and fully paid:				
Ordinary shares of RM0.50 each				
Balance at 1st January	171,600,000	171,600,000	85,800,000	85,800,000
Bonus issue	57,200,000	-	28,600,000	-
Balance at 31st December	228,800,000	171,600,000	114,400,000	85,800,000

notes to the financial statements (cont'd)

13. RESERVES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Non-distributable:				
Share premium	44,354,539	44,354,539	44,354,539	44,354,539
Bonus issue	(28,600,000)	-	(28,600,000)	-
Revaluation reserve	(144,420)	-	-	-
Distributable:				
Retained earnings	72,164,281	88,063,203	9,386,483	9,013,885
	87,774,400	132,417,742	25,141,022	53,368,424

14. DEFERRED TAX LIABILITIES

	Group	
	2015 RM	2014 RM
Balance at 1st January	7,639,800	5,081,600
Transferred from statement of comprehensive income (Note 23)	2,301,404	2,558,200
Balance at 31st December	9,941,204	7,639,800
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	12,313,104	15,793,756
Unabsorbed capital allowance	(70,024)	(822,644)
Unabsorbed reinvestment allowance	(2,301,876)	(7,331,312)
Balance at 31st December	9,941,204	7,639,800

15. TRADE PAYABLES

Trade payables are denominated in Ringgit Malaysia.

Trade payables are non-interest bearing and the credit terms granted to the Company is range from 30 to 120 days (2014: 30 to 120 days) from date of invoice.

16. NON - TRADE PAYABLES AND ACCRUALS

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Non-trade payables	6,481,831	6,267,863	43,562	31,993
Accruals	4,133,965	4,259,149	457,996	407,000
	10,615,796	10,527,012	501,558	438,993

notes to the financial statements (cont'd)

17. REVENUE

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Sale of goods	261,645,476	260,760,337	-	-
Dividend Income	-	-	50,000,000	17,000,000

18. OTHER OPERATING INCOME

	Group	
	2015 RM	2014 RM
Impairment of receivable no longer required	248,680	736
Bad debt recovered	-	200
Dividend income	810	1,170
Gain on disposal of property, plant and equipment	-	10,920
Interest income	1,240,355	272,187
Gain of foreign exchange	1,563,837	1,632,250
Rental income	576,000	-
Insurance claim	3,668	-
Others	842,167	601,241
	4,475,517	2,518,704

19. FINANCE COST

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Bank overdrafts interest	-	6	-	-
Letter of credit charge	-	1,844	-	-
	-	1,850	-	-

notes to the financial statements (cont'd)

20. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging / (crediting) amongst other items the following:-

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Auditors' remuneration				
-current year	108,447	117,032	17,000	17,000
-over provision of prior year	(2,120)	-	-	-
Depreciation	12,090,535	10,777,936	-	-
Directors' remuneration - fees (Note 21)	384,000	384,000	384,000	384,000
Impairment of slow moving inventories	1,041,377	1,098,457	-	-
Staff costs (Note 22)	12,044,874	11,011,080	420,350	414,050
Rental received	576,000	-	-	-
Rental of premises	229,201	189,784	-	-
Realised loss/(gain) on foreign exchange	1,290,819	(955,239)	-	-
Unrealised loss/(gain) on foreign exchange	275,663	(403,750)	-	-
Bad debt written off	78,885	5,329	-	-
Bad debt recovered	-	(200)	-	-
Impairment of receivables	2,157,657	783,030	-	-
Property, plant and equipment - written off	130,351	138,907	-	-
Loss/(Gain) on disposal of property, plant & equipment	42,327	(10,920)	-	-

21. DIRECTORS' REMUNERATION

Directors' remuneration is analysed as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Directors of the Company:				
Executive:				
Fees	180,000	180,000	180,000	180,000
Salaries and other emoluments	2,451,000	2,400,500	16,500	13,000
Non executive:				
Fees	204,000	204,000	204,000	204,000
Other emoluments	19,850	17,050	19,850	17,050
	2,854,850	2,801,550	420,350	414,050
Other directors (on board of subsidiary companies)				
Executive directors				
- Salaries and other emoluments	1,655,400	1,687,200	-	-

notes to the financial statements (cont'd)

The number of directors whose remuneration fell within the following ranges (per annum):-

Directors of the Company

RM1 - RM100,000

RM100,001 - RM200,000

RM200,001 - RM400,000

RM400,001 - RM500,000

RM500,001 - RM600,000

RM600,001 - RM700,000

Other directors (on board of subsidiary companies)

RM1 - RM100,000

RM100,001 - RM200,000

RM200,001 - RM300,000

RM300,001 - RM400,000

RM400,001 - RM500,000

RM500,001 - RM600,000

	2015		2014	
	Executive	Non-executive	Executive	Non-executive
Directors of the Company				
RM1 - RM100,000	-	6	-	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	-
Other directors (on board of subsidiary companies)				
RM1 - RM100,000	-	-	-	-
RM100,001 - RM200,000	2	-	2	-
RM200,001 - RM300,000	-	-	-	-
RM300,001 - RM400,000	-	-	-	-
RM400,001 - RM500,000	2	-	2	-
RM500,001 - RM600,000	1	-	1	-

22. STAFF COSTS

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Labour cost:-				
(Include in cost of sales)				
Salaries, wages, bonus & allowance	22,270,255	24,514,591	-	-
EPF and Socso	1,456,850	1,505,142	-	-
Others	555,776	451,182	-	-
	24,282,881	26,470,915	-	-
Staff cost:				
Director remuneration				
-fees	384,000	384,000	384,000	384,000
-other than fees	4,126,250	4,104,750	36,350	30,050
Salaries, wages, bonus & allowance	5,533,593	4,855,073	-	-
EPF and Socso	1,746,518	1,468,283	-	-
Other staff benefits	254,513	198,974	-	-
Total staff costs	12,044,874	11,011,080	420,350	414,050

notes to the financial statements (cont'd)

23. TAXATION

The numerical reconciliation between the tax expense in the income statement and the income tax expense applicable to profit before taxation at the statutory income tax rates of the Group and the Company is as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Tax expense for the year	9,899,013	6,203,715	-	-
(Over)/Under provision of income taxation in prior years	(160,523)	(35,677)	-	116
	9,738,490	6,168,038	-	116
Deferred taxation (Note 14):				
- recognised in the income statement	2,301,404	2,558,200	-	-
Total tax expense	12,039,894	8,726,238	-	116
Profit before taxation	44,761,136	30,644,291	48,992,762	16,415,113
Tax at statutory tax rate of 25% (2014: 25%)	11,190,284	7,661,073	12,248,191	4,103,778
<i>Adjustment for:-</i>				
Expenses not deductible for tax	3,835,289	3,268,098	251,809	146,222
Tax exempt income	-	-	(12,500,000)	(4,250,000)
Utilisation of capital allowances	(3,399,652)	(2,797,400)	-	-
Transferred to deferred tax liabilities	2,301,404	2,558,200	-	-
(Under)/Over provision of income taxation in prior years	(160,523)	(35,677)	-	116
Balancing charges	(3,799)	1,541	-	-
Reinvestment allowance utilised	(1,312,212)	(1,615,194)	-	-
Expenses eligible for double deduction	(408,178)	(810,844)	-	-
Unabsorbed tax losses utilised	(266,947)	(6,124)	-	-
Increased in unused tax losses	264,589	810,584	-	-
Deferred tax assets not recognised	-	(1,137,593)	-	-
Non taxable gain	-	(50)	-	-
Current tax losses not recognised	-	810,584	-	-
Other items	(361)	19,040	-	-
	12,039,894	8,726,238	-	116

Malaysian income tax is calculated at the statutory rate of 25% on chargeable income (2014: 25%)

24. 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 RM32,721,242 (2014: RM21,918,053) by the issued and paid-up share capital of 228,800,000.

notes to the financial statements (cont'd)

25. SIGNIFICANT RELATED PARTIES' TRANSACTIONS

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
With subsidiary companies				
- Dividend income				
- tax exempt	-	-	(50,000,000)	(17,000,000)
With Fraser and Neave Limited group of companies, companies related to a corporate shareholder				
- Sales to	(16,557,282)	(15,784,116)	-	-
- Purchases from	6,836,599	4,785,013	-	-
With persons connected to directors of the company				
- salaries paid	113,300	103,000	-	-
- rental paid	262,896	261,600	-	-

The Directors are of the opinion that all the transactions above have been entered into the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

26. CONTINGENT LIABILITIES

	Group	
	2015 RM	2014 RM
Corporate guarantees given to various financial institutions for facilities granted to subsidiary companies	5,547,088	3,007,800

27. CAPITAL COMMITMENT

	Group	
	2015 RM	2014 RM
Capital expenditure authorised and contracted for but not provided in the financial statements in respect of purchase of property, plant and equipment	584,849	890,717

notes to the financial statements (cont'd)

28. SEGMENTAL REPORTING

For management purposes, the Group is organized into the following operating divisions:

By Business Segment	2015 RM	2014 RM
Revenue		
Manufacturing	201,337,334	214,631,262
Trading	177,154,906	164,079,493
Investment holding	50,000,000	17,000,000
Less: Inter-segment revenue	(166,846,764)	(134,950,418)
Total consolidated revenue	261,645,476	260,760,337
Segment Result		
Manufacturing	11,124,829	9,850,722
Trading	34,834,523	21,413,456
Investment holding	48,992,762	16,415,113
Less: Elimination	(50,190,978)	(17,035,000)
Consolidated profit before income tax	44,761,136	30,644,291
Segment Assets		
Manufacturing	206,078,920	212,957,163
Trading	111,836,359	97,510,466
Investment holding	166,959,884	139,607,417
Less: Elimination	(233,768,447)	(188,441,172)
Total consolidated assets	251,106,716	261,633,874
Segment Liabilities		
Manufacturing	186,435,892	151,470,938
Trading	26,616,965	38,307,926
Investment holding	27,418,862	438,993
Less: Elimination	(192,045,657)	(146,915,127)
Total consolidated liabilities	48,426,062	43,302,730

By Geographical	Revenue RM	Profit before tax RM	Assets employed RM
2015			
Malaysia	420,688,733	94,847,129	480,802,216
China	7,803,507	104,985	4,072,947
Indonesia	-	-	-
	428,492,240	94,952,114	484,875,163
Less: Elimination	(166,846,764)	(50,190,978)	(233,768,447)
	261,645,476	44,761,136	251,106,716
2014			
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: Elimination	(134,950,418)	(17,035,000)	(188,441,172)
	260,760,337	30,644,291	261,633,874

notes to the financial statements (cont'd)

29. 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 minimize 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 8.

(ii) Interest rate risk

The Group's exposure to interest rate risk arises from interest-bearing borrowings of which the Group reviews and monitors the interest rates at regular intervals. The hire-purchase, bank overdraft, bankers' acceptances, trust receipts and term loan bear interest registered at commercial banking rates per annum.

(iii) 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.

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

2015
Financial Liabilities:
Trade and other payables

On demand within 1 year RM	Total RM
34,685,858	34,685,858

notes to the financial statements (cont'd)

2014**Financial Liabilities:**

Trade and other payables

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

Company**2015****Financial Liabilities:**

Trade and other payables

On demand within 1 year RM	Total RM
501,558	501,558

2014**Financial Liabilities:**

Trade and other payables

On demand within 1 year RM	Total RM
438,993	438,993

(iv) 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:

2015

Singapore Dollar
Chinese Renminbi
US Dollar
Brunei Dollar
Hong Kong Dollar
Indonesia Rupiah

Trade receivables RM	Cash and bank balances RM
173,398	-
-	1,648,528
22,885,650	5,345,583
1,198	-
1,886,216	-
-	207,617

2014

Australian Dollar
Singapore Dollar
Chinese Renminbi
US Dollar
Brunei Dollar
Hong Kong Dollar
Indonesian Rupiah

Trade receivables RM	Cash and bank balances RM
40,657	-
132,238	-
-	600,627
17,669,011	13,156,739
34,403	-
1,939,075	-
-	168,474

notes to the financial statements (cont'd)

(b) Classification of financial instruments**(i) Classification of financial instruments is as follows:****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

	Group	
	2015 RM	2014 RM
	1,000	1,000
	42,177,720	51,358,862
	2,997,001	1,677,772
	40,421,469	31,294,639
	85,596,190	84,331,273
	24,070,062	22,710,918
	10,615,796	10,527,012
	34,685,858	33,237,930

(ii) Net gains and losses arising from financial instruments

Net (loss)/gain arising from:

Loans and receivables

Fair value through profit or loss

	Group	
	2015 RM	2014 RM
	(3,554,344)	571,566
	810	1,170
	(3,553,534)	572,736

(c) Fair values

In the opinion of the directors, the carrying amounts of financial assets and financial liabilities of the Group at the statement of financial position date are approximate their fair values except as set out below:

Unrecognised

The Company provides guarantee to lenders for financial facilities extended to subsidiaries which are disclosed in Note 26 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.

30. 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.

notes to the financial statements (cont'd)

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

	2015 RM	2014 RM
Debt		
Trade and other payables	34,685,858	33,237,930
Capital		
Total equity	202,680,654	218,331,144
Debt-to-equity	0.17	0.15

31. SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

The breakdown of the retained profit of the Group and of the Company as at 31 December 2015 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad 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's Listing Requirements, as issued by the Malaysian Institute of Accountants.

The retained earnings as at 31st December 2015 as follow:

	Group RM	Company RM
The retained earnings of the Company and its subsidiaries		
Realised	112,372,828	9,386,483
Unrealised	(10,844,518)	-
Less: Consolidated adjustments	(29,364,029)	-
Total retained earnings	72,164,281	9,386,483

The disclosure of realised and unrealised profits or losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

32. SUBSEQUENT EVENT

The directors had declared a third interim single tier dividend of 6% per ordinary share of RM0.50 each on 25th February, 2016 for the financial year ended 31st December, 2015, which will be paid on 5th April, 2016.

33. COMPARATIVE INFORMATION

The financial statement of the Group and of the Company were audited by a firm other than Adam & Co.

LIST OF PROPERTIES

AS AT 31 December 2015

Owner / Location	Description of Asset / Existing Use	Area	Tenure	Approx Age of Building (Years)	Net Book Value / Carrying Value RM'000	Date of Valuation/ Acquisition
L.B. Food Sdn. Bhd. <i>No. 41, Jalan E1/4, Kawasan Perusahaan Taman Ehsan 52100 Kepong Selangor Darul Ehsan.</i>	A double-storey warehouse with a 3-storey office annexe.	2,415 sq. meter	Leasehold 99 years <i>expiring on 09.07.2078</i>	35	2,089	1.12.2003 / Year 1991
L.B. Food Sdn. Bhd. <i>Lot 883, Off Jalan Degong Mambang Diawan 31950 Kampar Perak Darul Ridzuan</i>	A detached industrial factory complex comprising a main factory building with an annexe, 2 other factory buildings and a host of other support buildings/ structures.	12,138 sq. meter.	Leasehold 60 years <i>expiring on 15.04.2046</i>	25 to 29	1,911	1.12.2003/ Year 1988
Cocoaland Industry Sdn. Bhd. <i>Lot 100, Rawang Integrated Industrial Park, 48000 Rawang Selangor Darul Ehsan</i>	A block of single storey factory with a 2-storey factory with annexe, 3 blocks of single storey factory/ warehouses and a 2-storey canteen.	17,710 sq. meter	Freehold	20 to 23	8,590	1.12.2003/ Year 1993
Cocoaland Industry Sdn. Bhd. <i>Lot 5, Rawang Integrated Industrial Park, 48000 Rawang Selangor Darul Ehsan</i>	A single storey factory/ warehouse with a 2-storey office annexe.	8,303 sq. meter	Freehold	14	5,179	1.12.2003/ Year 2001
Cocoaland Industry Sdn. Bhd. <i>Geran 57711, No. Lot 1282, Seksyen 20, Bandar Rawang Daerah Gombak Selangor Darul Ehsan</i>	A single warehouse	12,158 sq. meter	Freehold	7	6,098	Year 2009
Cocoaland Industry Sdn. Bhd. <i>H.S. (D) 58472, PT5266 Bandar Rawang, Daerah Gombak Selangor Darul Ehsan</i>	A block of double-storey factory and a block of 4 storey factory building	18,377 sq. meter	Leasehold 99 years <i>expiring on 28.08.2105</i>	4-6	32,231	8.12.2005

list of properties (cont'd)

Owner / Location	Description of Asset / Existing Use	Area	Tenure	Approx Age of Building (Years)	Net Book Value / Carrying Value RM'000	Date of Valuation/ Acquisition
B Plus Q Sdn. Bhd. <i>No. 324, Taman Diawan Mambang Diawan 31950 Kampar Perak Darul Ridzuan</i>	A single storey terrace house/ Staffs' hostel.	130 sq. meter	Leasehold 99 years <i>Expiring on 29.12.2081</i>	14	46	18.08.2003
B Plus Q Sdn. Bhd. <i>No. 325, Taman Diawan Mambang Diawan 31950 Kampar Perak Darul Ridzuan</i>	A single storey terrace house/ Staffs' hostel.	130 sq. meter	Leasehold 99 years <i>Expiring on 29.12.2081</i>	14	46	18.08.2003
B Plus Q Sdn. Bhd. <i>H.S. (D) B.P 5217 P.T. 1242 Mukim Chenderiang, District of Batang Padang, Perak Darul Ridzuan</i>	A single storey warehouse	520 sq. meter	Leasehold 10 years <i>Expiring on 31.12.2016</i>	9	68	1.1.2008
CCL Food & Beverage Sdn. Bhd. <i>Geran 212309 for Lot 21225, Mukim Rawang, District of Gombak, State of Selangor</i>	Vacant	10,257 sq. meter	Freehold	-	7,863	14.03.2011
CCL Food & Beverage Sdn. Bhd. <i>Geran 205539 for Lot 19004, Seksyen 20, Mukim Rawang, District of Gombak, State of Selangor</i>	Vacant	306 sq. meter	Freehold	-	235	14.03.2011
CCL Food & Beverage Sdn. Bhd. <i>Geran 212310 for Lot 21226, Mukim Rawang, Selangor</i>	Single storey warehouse and 2 storey office annexed	9,163 sq. meter	Freehold	18	11,958	23.08.2013

Analysis Of Shareholdings

AS AT 31 MARCH 2016

Share Capital

Authorised Share Capital	RM200,000,000.00
Issued and fully paid-up	RM114,400,000.00
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	358	17.732	16,637	0.007
100 – 1,000	219	10.847	130,916	0.057
1,001 - 10,000	990	49.034	4,186,627	1.830
10,001 - 100,000	363	17.979	10,170,839	4.445
100,001 to less than 5% of issued shares	87	4.309	74,448,353	32.539
5% and above of issued shares	2	0.099	139,846,628	61.122
Total	2,019	100.00	228,800,000	100.00

List of Thirty Largest Shareholders

	Name of Shareholders	No. of Shares	% of Shares
1.	Leverage Success Sdn. Bhd.	87,046,628	38.04
2.	Fraser & Neave Holdings Bhd.	52,800,000	23.08
3.	Fraser & Neave Holdings Bhd.	9,411,466	4.11
4.	Tan Booi Charn	5,481,500	2.40
5.	Amanahraya Trustees Berhad <i>[Public Islamic Optimal Growth Fund]</i>	4,280,933	1.87
6.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>[Employees Provident Fund Board (Amundi)]</i>	3,650,000	1.60
7.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>[Pledged Securities Account For Rickoh Corporation Sdn. Bhd.]</i>	3,333,333	1.46
8.	Citigroup Nominees (Asing) Sdn. Bhd. <i>[Exempt An For Citibank New York (Norges Bank 14)]</i>	3,305,600	1.44
9.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>[Pledged Securities Account for Koh Kin Lip (8058900)]</i>	2,651,666	1.16
10.	RHB Nominees (Tempatan) Sdn. Bhd. <i>[RHB Asset Management Sdn. Bhd. For RHB Insurance Berhad]</i>	2,053,333	0.90
11.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>[CIMB Bank for Mak Tian Meng (MY0343)]</i>	1,718,000	0.75

analysis of shareholdings (cont'd)

	Name of Shareholders	No. of Shares	% of Shares
12.	HSBC Nominees (Tempatan) Sdn. Bhd. <i>[HSBC (M) Trustee Bhd For RHB Small Cap Opportunity Unit Trust]</i>	1,645,733	0.72
13.	UOBM Nominees (Tempatan) Sdn. Bhd. <i>[UOB Asset Management (Malaysia) Berhad For Gibraltar Bsn Aggressive Fund]</i>	1,639,466	0.72
14.	Ho Sek Kee Sdn. Bhd.	1,346,666	0.59
15.	Chew Pui Ming	1,246,197	0.54
16.	Lau Kee Von	1,243,733	0.54
17.	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>[Exempt An For Petroliam Nasional Berhad (Amundi Malaysia)]</i>	1,200,000	0.52
18.	HSBC Nominees (Tempatan) Sdn. Bhd. <i>[HSBC (M) Trustee Bhd For Pertubuhan Keselamatan Sosial (Uob Amm6939-406)]</i>	1,188,000	0.52
19.	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>[CIMB Commerce Trustee Berhad-AMB Smallcap Trust Fund]</i>	1,180,000	0.52
20.	Cartaban Nominees (Tempatan) Sdn. Bhd. <i>[RHB Trustees Berhad For KAF Vision Fund]</i>	1,160,000	0.51
21.	HSBC Nominees (Tempatan) Sdn. Bhd. <i>[HSBC (M) Trustee Bhd For RHB Equity Trust]</i>	1,103,566	0.48
22.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad <i>[Exempt An For Kumpulan Sentiasa Cemerlang Sdn Bhd (TSTAC/CLNT)]</i>	1,016,666	0.44
23.	Chai Yune Loong	1,016,266	0.44
24.	HSBC Nominees (Tempatan) Sdn. Bhd. <i>[HSBC (M) Trustee Bhd For RHB Emerging Opportunity Unit Trust]</i>	954,000	0.42
25.	Amsec Nominees (Tempatan) Sdn. Bhd. <i>[Nomura Asset Management Malaysia Sdn Bhd For Tenaga Nasional Berhad Retirement Benefit Trust Fund]</i>	930,000	0.41
26.	Wong Yoke Chou	912,000	0.40
27.	Universal Trustee (Malaysia) Berhad <i>[KAF First Fund]</i>	876,666	0.38
28.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>[Pledged Securities Account For Mak Tian Meng]</i>	830,666	0.36
29.	UOBM Nominees (Tempatan) Sdn. Bhd. <i>[UOB Asset Management (Malaysia) Berhad For Gibraltar BSN Strategic Fund]</i>	821,733	0.36
30.	UOBM Nominees (Tempatan) Sdn. Bhd. <i>[UOB Asset Management (Malaysia) Berhad For Gibraltar BSN Life Berhad (Par Fund)]</i>	795,066	0.35

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.	87,046,628	38.04	0	0.00
Fraser & Neave Holdings Bhd.	62,211,466	27.19	0	0.00
Liew Fook Meng	0	0	87,046,628 (a)	38.04
Lau Kee Von	1,373,066	0.60	87,046,628 (a)	38.04
Liew Yoon Kee	97,777	0.04	87,046,628 (a)	38.04
Lau Pak Lam	0	0	87,046,628 (a)	38.04
Lew Foo Chay @ Lau Foo Chay	0	0	87,046,628 (a)	38.04
Lau Kwai Choon	26,666	0.01	87,046,628 (a)	38.04
Fraser and Neave Limited	0	0	62,211,466 (b)	27.19
InterBev Investment Limited	0	0	62,211,466 (c)	27.19
TCC Assets Limited	0	0	62,211,466 (c)	27.19
Thai Beverage Public Company Limited	0	0	62,211,466 (c)	27.19
International Beverage Holdings Limited	0	0	62,211,466 (c)	27.19
Siriwana Company Limited	0	0	62,211,466 (c)	27.19
Maxtop Management Corp.	0	0	62,211,466 (c)	27.19
Shiny Treasure Holdings Limited	0	0	62,211,466 (c)	27.19
MM Group Limited	0	0	62,211,466 (c)	27.19
Khunying Wanna Sirivadhanabhakdi	0	0	62,211,466 (c)	27.19
Charoen Sirivadhanabhakdi	0	0	62,211,466 (c)	27.19

(a) Deemed interested by virtue of his shareholding in Leverage Success Sdn. Bhd. pursuant to Section 6A(4) of the Companies Act, 1965 ("the Act").

(b) Deemed interested by virtue of its shareholding in Fraser & Neave Holdings Bhd. pursuant to Section 6A(4) of the Act.

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

Directors' Shareholdings

Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Dato' Azman Bin Mahmood	524,444	0.23	0	0.00
Tan Sri Dato' Sri Koh Kin Lip	3,318,332	1.45	3,333,333 (a)	1.46
Liew Fook Meng	0	0	87,046,628 (b)	38.04
Lau Kee Von	1,373,066	0.60	87,046,628 (b)	38.04
Liew Yoon Kee	97,777	0.04	87,046,628 (b)	38.04
Lau Pak Lam	0	0	87,046,628 (b)	38.04
Chow Kee Kan @ Chow Tuck Kwan	0	0	0	0
Lim Yew Hoe	0	0	0	0
Soh Swee Hock @ Soh Say Hock	0	0	0	0
Tai Chun Wah	23,466	0.01	0	0
Soon Wing Chong (alternate to Lim Yew Hoe)	0	0	0	0

(a) Deemed interested by virtue of his shareholding in Rickoh Corporation Sdn. Bhd. pursuant to Section 6A(4) of the Act.

(b) Deemed interested by virtue of his shareholding in Leverage Success Sdn. Bhd pursuant to Section 6A(4) 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 _____ (Passport / NRIC NO : _____)

of _____

or failing him/her, _____ (Passport / 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 Sixteenth (16th) 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, 25 May 2016 at 10.00 a.m.** and at any adjournment thereof.

My/Our proxy is to vote as indicated below:

	RESOLUTIONS	FOR	AGAINST
1.	Re-election of Mr. Lau Kee Von as Director		
2.	Re-election of Mr. Lau Pak Lam as Director		
3.	Re-election of Mr. Chow Kee Kan @ Chow Tuck Kwan as Director		
4.	Election of Mr. Lim Yew Hoe as Director		
5.	Payment of Directors' fees		
6.	Appointment of Messrs. UHY as Auditors		
7.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
8.	Proposed Retention of Dato' Azman Bin Mahmood as Independent Non-Executive Director		
9.	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 _____ 2016

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.

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STAMP

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

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