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ANNUAL REPORT 2016

cocoaland®

COCOALAND HOLDINGS BERHAD
(516019-H)

CONTENTS

Notice Of **Annual General Meeting**

NOTICE IS HEREBY GIVEN that the Seventeenth Annual General Meeting of the Company will be held at Crystal 1, Level 1, Crystal Crown Hotel Kuala Lumpur, 3, Jalan Jambu Mawar, Off Jalan Kepong, 52000 Kuala Lumpur on Tuesday, 30 May 2017 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 2016 together with the Reports of the Directors and Auditors thereon. — Please refer to Explanatory Note (a)

2. To re-elect the following Directors who retire pursuant to Article 92 of the Company's Articles of Association:-

   (i) Mr. Liew Fook Meng — **Resolution 1**
   (ii) Mr. Liew Yoon Kee — **Resolution 2**
   (iii) Mr. Soh Swee Hock @ Soh Say Hock — **Resolution 3**

3. To approve the payment of Directors' fees amounting to RM384,000 for the financial year ended 31 December 2016. — **Resolution 4**

4. To approve the payment of Directors' fees of up to RM586,500 and benefits of up to RM30,600 from 1 January 2017 until the next Annual General Meeting of the Company. — **Resolution 5**

5. To re-appoint Messrs. UHY as Auditors of the Company for the ensuing financial year, and to authorise the Directors to fix their remuneration. — **Resolution 6**

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 2016 ("the Act"), the Company's Articles of Association, and all other applicable laws, guidelines, rules and regulations, approval be and is hereby given to the Company and its subsidiaries to enter into and to give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.2 of the Circular to Shareholders dated 27 April 2017 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. — **Resolution 7**

   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 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) 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 **Resolution 8**
(ii) Mr. Chow Kee Kan @ Chow Tuck Kwan" **Resolution 9**

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

By Order of the Board

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

Kuala Lumpur
Dated: 27 April 2017

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.

(ii) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.

(iii) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.

(iv) The instrument appointing a proxy shall be deposited at the Registered Office of the Company at Lot 6.08, 6th Floor, Plaza First Nationwide, No. 161, Jalan Tun H.S. Lee, 50000 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting or at any adjournment thereof.

Explanatory Notes

(a) The Audited Financial Statements in Agenda 1 is meant for discussion only as the approval of shareholders is not required pursuant to the provision of Section 340(1)(a) of the Act. Hence, this Agenda is not put forward for voting by shareholders of the Company.

(b) **Resolution 5 - Payment of Directors' fees and benefits**

Pursuant to Section 230(1) of the Companies Act 2016 which came into force on 31 January 2017, fees and benefits ("Remuneration") payable to the Directors of the Company will have to be approved by the shareholders at a general meeting. The Company is requesting shareholders' approval for the payment of Remuneration for the period commencing 1 January 2017 up till the next Annual General Meeting of the Company in 2018. The Remuneration comprises of fees and meeting allowances payable to directors.

(c) **Resolution 7 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")**

The Proposed Resolution 7, if approved, will enable the Company and its subsidiaries to enter into recurrent transactions pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). Further information on the Proposed Shareholders' Mandate is set out in the Circular to Shareholders dated 27 April 2017, dispatched together with the Company's 2016 Annual Report.

(d) **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.

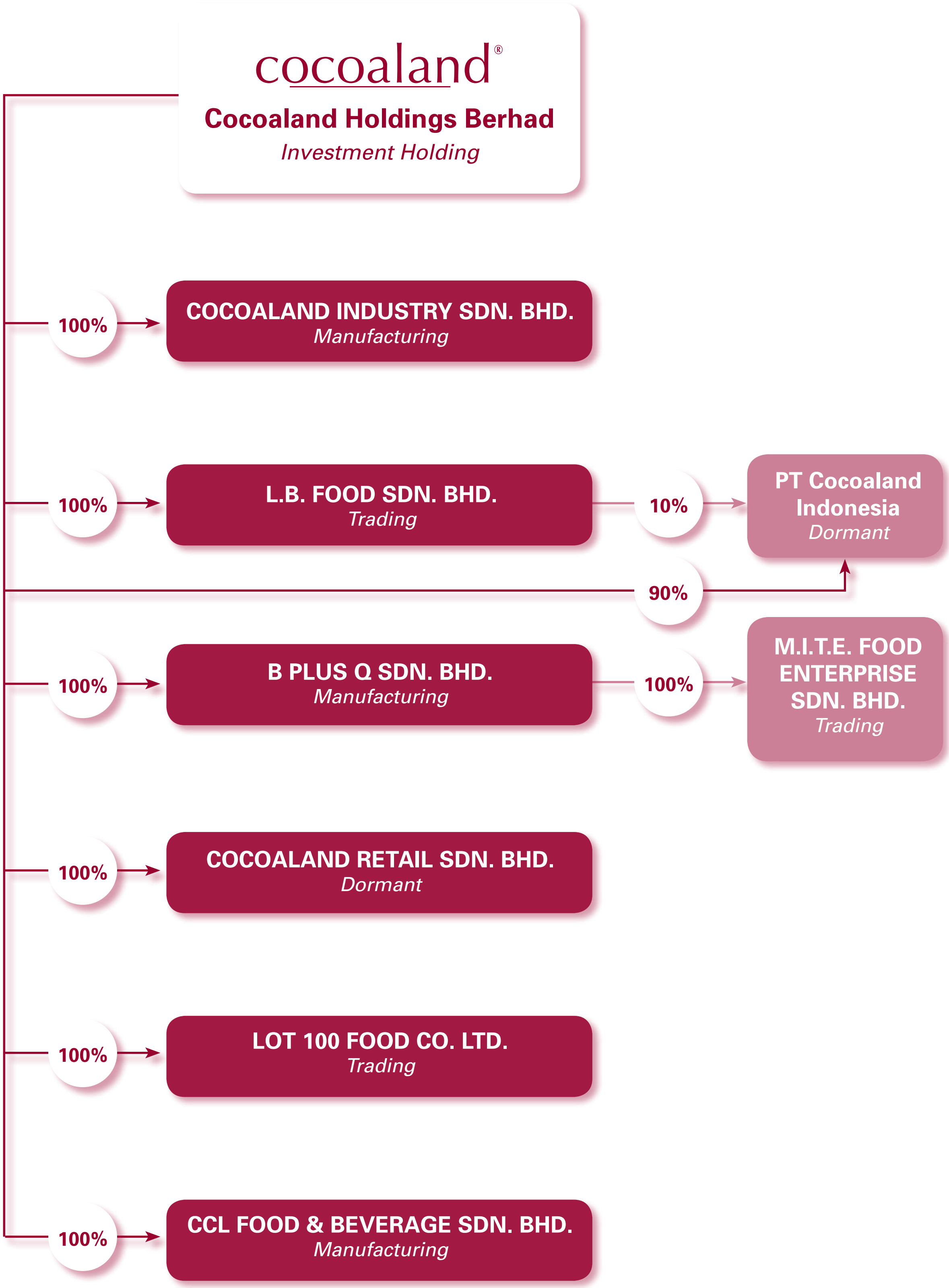
Members Entitled to Attend

For the purpose of determining a member who shall be entitled to attend this Seventeenth 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 23 May 2017. Only a depositor whose name appears on the Record of Depositors as at 23 May 2017 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

Corporate **Information**

BOARD OF DIRECTORS	**Dato' Azman bin Mahmood** *(Chairman / Independent Non-Executive Director)* **Tan Sri Dato' Sri Koh Kin Lip** *(Independent Non-Executive Director)* **Liew Fook Meng** *(Executive Director)* **Lau Kee Von** *(Executive Director)* **Lau Pak Lam** *(Executive Director)* **Liew Yoon Kee** *(Executive Director)* **Tai Chun Wah** *(Executive Director)* **Chow Kee Kan @ Chow Tuck Kwan** *(Independent Non-Executive Director)* **Lim Yew Hoe** *(Non-Independent Non-Executive Director)* **Soh Swee Hock @ Soh Say Hock** *(Non-Independent Non-Executive Director)* **Lau Cheng Yew** *(Alternate Director to Lim Yew Hoe)*
AUDIT COMMITTEE	**Chow Kee Kan @ Chow Tuck Kwan** *(Chairman / Independent Non-Executive Director)* **Tan Sri Dato' Sri Koh Kin Lip** *(Member / Independent Non-Executive Director)* **Mr. Lim Yew Hoe** *(Member / Non-Independent Non-Executive Director)*
REMUNERATION COMMITTEE	**Dato' Azman bin Mahmood** *(Chairman / Independent Non-Executive Director)* **Tan Sri Dato' Sri Koh Kin Lip** *(Member / Independent Non-Executive Director)* **Liew Fook Meng** *(Member / Executive Director)* **Chow Kee Kan @ Chow Tuck Kwan** *(Member /Independent Non-Executive Director)* **Soh Swee Hock @ Soh Say Hock** *(Member / Non-Independent Non-Executive Director)*
NOMINATING COMMITTEE	**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)*
COMPANY SECRETARIES	Ng Heng Hooi *(MAICSA 7048492)* Wong Mee Kiat *(MAICSA 7058813)* Yap Foo Teng *(MACS 00601)*
CORPORATE WEBSITE	www.cocoaland.com
AUDITORS	**UHY** *(Chartered Accountants)* Suite 11.05, Level 11, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur Tel: 03-2279 3088 Fax: 03-2279 3099
PRINCIPAL BANKERS	Citibank Berhad Public Bank Berhad RHB Bank Berhad
CORPORATE OFFICE	Lot 100, Rawang Integrated Industrial Park, 48000 Rawang, Selangor Darul Ehsan Tel: 03-6091 3131 Fax: 03-6091 5131
REGISTERED OFFICE	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
SHARE REGISTRAR	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
STOCK EXCHANGE LISTING	Bursa Malaysia Securities Berhad – Main Market Stock Code: 7205

Corporate **Structure**



DATO' AZMAN BIN MAHMOOD

66 years of age, Male, 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.

TAN SRI DATO' SRI KOH KIN LIP

68 years of age, Male, 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.

He is a Non-Independent Non-Executive Director of NPC Resources Berhad. He also sits on the Board of Daya Materials Berhad and IOI Properties Group Berhad as Independent Non-Executive Director.

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

LIEW FOOK MENG

69 years of age, Male, Malaysian
Executive Director

He was appointed to the Board on 8 October 2004.

He has more than 30 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.

LAU KEE VON

64 years of age, Male, 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 30 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 30 years, the Group has grown from a family business converted 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.

LAU PAK LAM

59 years of age, Male, 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 30 years of experience in the manufacturing and wholesale of confectionery products. Having been involved in the convenience food manufacturing industry for over 30 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.

LIEW YOON KEE

68 years of age, Male, 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.

CHOW KEE KAN @ CHOW TUCK KWAN

64 years of age, Male, 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 a Senior 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.

LIM YEW HOE

51 years of age, Male, 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.

TAI CHUN WAH

50 years of age, Male, 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 Cocoaland 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 Cocoaland 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 Cocoaland Group of Companies.

SOH SWEE HOCK @ SOH SAY HOCK

55 years of age, Male, Malaysian
Non-Independent Non-Executive Director

He was appointed to the Board on 1 December 2010. He holds a Master 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 First Vice President Export Division of Fraser & Neave Holdings Bhd.

He is a member of the Remuneration Committee.

LAU CHENG YEW

54 years of age, Male, Malaysian
Alternate Director to Lim Yew Hoe

Lau Cheng Yew was appointed Alternate Director to Lim Yew Hoe on 1 April 2017. He holds the Certificate in Marketing Management from Universiti Teknologi MARA (formerly known as Institut Teknologi MARA).

He has over 31 years' experience in Sales, Marketing & Business Development in various industries. He started his first career at Rothmans of Pall Mall (M) Sdn Bhd and subsequently progressed further with Sebor Marketing & Service (Sarawak) Sdn Bhd and Diethelm (M) Sdn Bhd. He is currently the Vice President - Commercial & Business Development of F&N Beverages Marketing Sdn Bhd.

Notes:

1. *Save as disclosed, none of the Directors have any family relationship with any Director and/or major shareholder of the Company.*
2. *None of the Directors have been convicted of any offence (other than traffic offences) within the past 5 years and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.*
3. *None of the Directors have any conflict of interest with the Company.*
4. *Save as disclosed, none of the Directors hold any directorships in other public companies.*
5. *Number of board meetings attended by each Director during the financial year are disclosed in the Statement on Corporate Governance of this Report.*

KEY SENIOR MANAGEMENTS' **Profile**

LEW FOO CHAY
71 years of age, Male, Malaysian

He was appointed as a Director of Cocoaland Industry Sdn Bhd on 4 January 2012. He graduated from National Taiwan University in the early of 1970s with a Bachelor of Science degree. He has extensive experience in manufacturing industry of confectionary products.

After graduation, he joined Cheong Chan Hup Kee Sdn. Bhd. in 1974 as a Food Technologist. He served Vite Canning Sdn. Bhd. as a consultant from 1979 to 1982. Prior to joining Cocoaland Group, he was the Production Manager of Hudson Sdn. Bhd. for a year. Presently, he is responsible for the Group's research and development unit.

His siblings, Mr. Liew Fook Meng, 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.

LAU KWAI CHOON
56 years of age, Male, Malaysian

He was appointed as a Director of Cocoaland Industry Sdn Bhd on 20 October 1990. He also sits on the Board of L.B Food Sdn. Bhd. and CCL Food and Beverage Sdn. Bhd. He has more than 30-year experience in manufacturing operations, overseeing supply chain management, inventory management and adherence of product quality standards.

His siblings, Mr. Liew Fook Meng, 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.

LAU KIM CHEW
52 years of age, Male, Malaysian

He was appointed as a Director of Cocoaland Industry Sdn. Bhd. on 20 October 1990. He also sits on the Board of CCL Food and Beverage Sdn. Bhd. He is actively involved in manufacturing operations specializing in product development.

His siblings, Mr. Liew Fook Meng, 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.

TAN CHONG HIN
57 years of age, Male, Malaysian

He was appointed as the General Manager of beverage sales division of L.B. Food Sdn Bhd on 9 December 2010. He holds Master degree in Business Administration from Charles Stuart University, Australia and double post-graduate Diploma in Sales and Marketing Management.

He has acquired more than 20 years of working experience in a variety of management and development functions especially in FMCG like supply and logistic operations, distribution, sales, marketing and general management. Prior to this, he had served in various executive positions at established organizations.

He does not have any family relationship with any director and/or major shareholder of the Company.

Notes:

1. *None of the Key Senior Management have been convicted of any offence (other than traffic offences) within the past 5 years and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.*
2. *None of the Key Senior Management have any conflict of interest with the Company.*
3. *None of the Key Senior Management hold any directorships in other public companies.*

Management **Discussion And Analysis**

OVERVIEW OF GROUP'S BUSINESS AND OPERATION

Cocoaland group (or the "Group") is principally engaged in manufacturing and trading of candies, beverages and other related food stuffs. The flagship products comprise of Lot 100 fruit gummy, COCOPIE, KOKO Jelly chocolate candy, Diction snack, Mum's Bake cookies and Fruit 10 fruit juice, etc. Our group has five (5) manufacturing plants of which four (4) are located in Selangor and one (1) is located in Perak.

At the financial year ended 2016, Malaysia remained as COCOALAND's main market in which it reached 44.8% out of the total revenue of the year. East Asia, ASEAN and Middle East remained in the top spot as the Group's largest export market that achieved 26.7%, 14.6% and 10.6% respectively. Currently, the Group is growing its market footprint not only in Asia but also to any other part of the World.

The Group's revenue for the financial year 2016 was RM 272.6 million, an increase of 4.2% compared with RM 261.6 million in the previous year. The higher group revenue was mainly attributable to higher demand from gummy product in local market although decrease in beverage's revenue of the contract manufacturing business.

In financial year 2016, the Group invested in product advertising, exhibition and promotion which reported 18% increment as compared to 2015 to further enhance market share. The main focus was mainly in billboard, radio and TV advertisement. The move was to soften the negative impacts arose from the upward escalating raw material price which drove the declining gross margin from 31.4% in 2015 to 28.8% in 2016.

Coupled with a generally soft economic sentiment in Malaysia, the Group further enhanced existing own brand customers' portfolio especially in South Korea, Indonesia and Vietnam that reported double digit growth in revenue. This was propelled by effective branding and successful trade programs

Other income increased by 147.7% to RM 11.1 million as compared to the preceding financial year. The increase was primarily due to the impact of favorable foreign exchange movement of US Dollar against Malaysian Ringgit resulted from export trades.

Profit before tax("PBT") for the Group was RM 55.3 million for 2016, an increase of 23.7% as compared to RM 44.7 million for 2015. Profit after tax ("PAT") of the Group was RM 43.8 million for 2016, an increase of 33.9 % compared to RM 32.7 million for 2015.

Besides an increase in Group's revenue, higher PBT and PAT were also contributed by having the successful program in controlling operating cost especially in forwarding and freight charges. On the other hand, lower impairment on receivables was another contributory factor which was mainly due to more tightening of credit control procedures.

KEY PRINCIPAL BUSINESS SEGMENT

COCOALAND has 2 key principal business segments namely, manufacturing and trading segments. The Group's manufacturing segment is principally operated in Malaysia whereas the trading segment is strategically diversified not only in Malaysia but also in China and Indonesia.

Manufacturing Segment

In financial year 2016, the segmental sales have improved by 3.9% as compared to the previous year through an increase in sales volume from its Contract Manufacturing Business of gummy division. Due to weaken purchasing power in Malaysia after GST implementation, more efforts will be put in COCOALAND's subsidiary in Indonesia to escalate sales channels to seek better sales performance in overseas markets.

Trading Segment

The increase in revenue of the trading segment has registered by 4.3% as compared to last year due to improved trading volume from own brand gummy division in domestic market. In the coming financial year, other than increasing sales through existing distribution channels, COCOALAND is immersed in focusing on popularity of online shopping experience by creating a platform in order to generate more earnings.

GROUP OPERATING ACTIVITIES

Capital structure and resources

COCOALAND has had its long lasting record of being a non-gearing entity. Backdated from 2005, COCOALAND principally has been financing its operations through internally generated funds. As at 31 December 2016, the Group retained adequate cash and cash equivalent of RM 65.4 million for working capital despite cash outlay for dividend payments over these years of RM146.3 million from 2005. The Group remains prudent in maintaining this sound financial position which enables the execution of the Group's strategic objectives in creating values in the approaching future.

Challenges and Opportunity

As one of the key players in the snack industry, the major challenge the Group faces immediately is the fluctuation in foreign currency exchange rates. Coupled with highly probable upward lifting in US interest rate, the further depreciation of Malaysia Ringgit in relation to US Dollar will negatively influence raw material prices especially gelatine and sugar. Fluctuations in foreign currency exchange rates will also affect the recruitment of general labours from foreign countries.

The second major challenge the Group faces is the shortage of skilled workers. COCOALAND will need to continue to re-train and retain experienced production workforce, hence the required qualities can still meet the stringent requirements mainly from local authorities, as well as customers' needs.

Although the Group faces a number of risks, which are evolving in operating environment and market conditions, the Group forms a dedicated Risk Management Committee that meets regularly to discuss the emerging risks and their mitigation plans. To manage fluctuating prices of commodities, the Group employs forward foreign exchange contract and natural hedge to cushion the adverse impact of depreciating Ringgit Malaysia.

While dealing with the uncertainty in the foreign labour movement, the Group took initiative to install state-of-the-art automated machineries to enhance efficiency, profitability and operational excellence.

Moving forward, the Group recognises that there will be growing demand from customers toward naturally healthy foods and beverages, the management will strengthen the existing product portfolio, expand brand new healthy product ranges with new packaging, and will also launch more products so as to meet the contemporary market trend by enhancing in house research and development basic infrastructure.

Future prospect

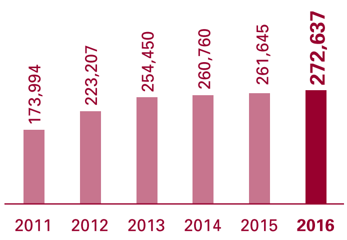
Due to weak consumer confidence and the rising cost of living, local consumers are more carefully selective in their spending decision although global growth is expected to pick up in 2017. Despite unfavorable market condition, the Group will continue to leverage on its strengths to further develop its business and maintain its market position satisfactorily through costs control and deepening of existing market sentiment via organic growth.

Raw material cost and operating cost control are the focus in the Group's plan for financial year 2017. The Group will drive cost efficiency by tightening raw material cost control in manufacturing segment especially gelatine and sugar, and operational efficiency by improving promotional cost in trading segment such as establishing the electronic commerce platform

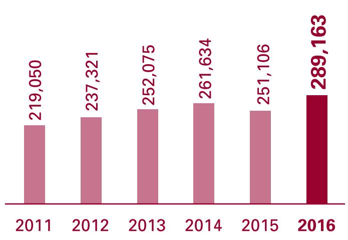
In response to trade liberalization in ASEAN Economic Community, the Group has operationalized its subsidiary in Indonesia, PT Cocoaland Indonesia and strengthened existing sales channel in Vietnam. Besides this, market outside of Malaysia will be COCOALAND's major growth driver in coming years, and more resources will be put in place to establish COCOALAND footprints in this region. Coupled with strong presence in China market which contributed very significantly for the financial year 2015 and 2016, the Group expects further growth in 2017.

Financial **Highlights**

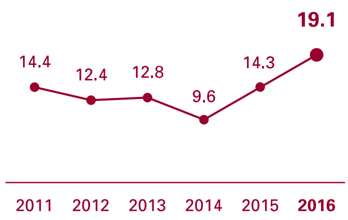
Turnover (RM'000)



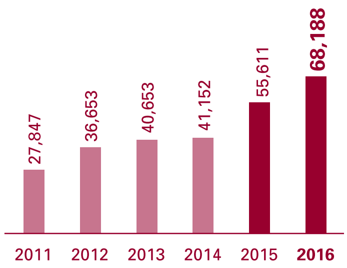
Total Assets (RM'000)



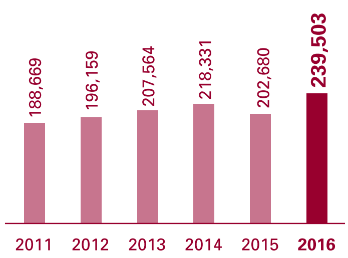
EPS (Sen)



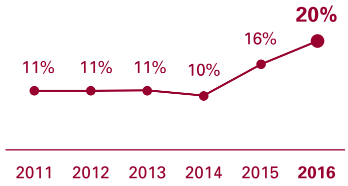
EBITDA (RM'000)



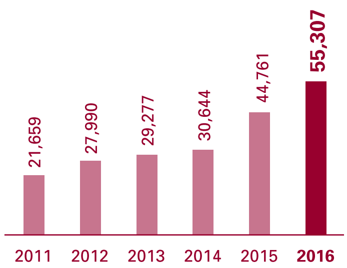
Shareholders' Equity (RM'000)



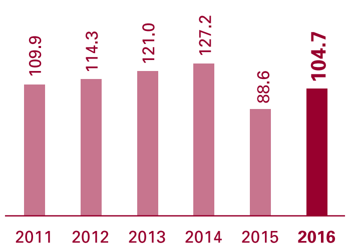
Return on Average Equity



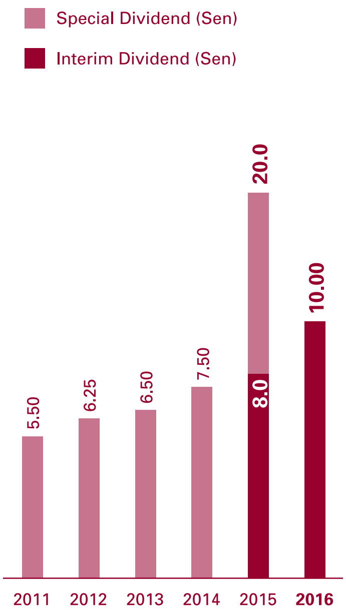
Profit Before Income Tax (RM'000)



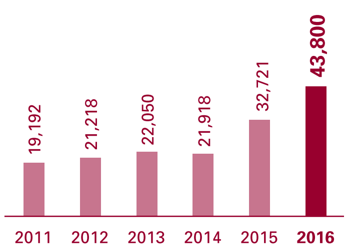
Net Tangible Assets Per Share (Sen)



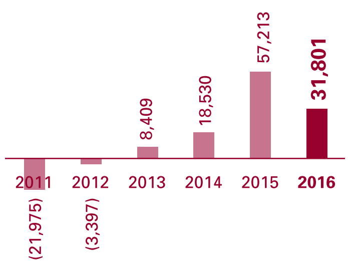
Gross DPS (Sen)



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, Risk Management 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;
- 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;
- Ensure that the Group has appropriate business risk management process, including adequate control 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;
- Ensure 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;
- Ensure that there is in place an appropriate succession plan for members of the Board and senior management;
- Ensure 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
- Ensure 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 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) Assess 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) Review and recommended the re-election of Directors who retire by rotation.
(iii) Assess the independence and recommend the retention of Independent Non-Executive Directors.

During the financial year, the NC convened one meeting with full attendance of its members and carried out the following activities:-

- Reviewed and recommended the re-election of Members of the Board who were retiring at the AGM for shareholders' approval, pursuant to the Articles of Association of the Company;
- Assessed the annual effectiveness of the Board as a whole, the committees of the Board, the contribution of each individual director, including independent non-executive directors; and
- Assessed the independence of independent directors and recommended their retention.

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

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 stall 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 Company for the financial year ended 31 December 2016 is as follows:-

Group

Remuneration	Executive Directors RM	Non-Executive Directors RM	Total RM
Fees	180,000	204,000	384,000
Salaries	3,063,600	-	3,063,600
Other emoluments	13,500	16,700	30,200
Total	3,257,100	220,700	3,477,800

Company

Remuneration	Executive Directors RM	Non-Executive Directors RM	Total RM
Fees	180,000	204,000	384,000
Salaries	-	-	-
Other emoluments	13,500	16,700	30,200
Total	193,500	220,700	414,200

The number of directors whose total remuneration from the Company falls within the following band for the financial year ended 31 December 2016 is as follows:-

Range of Remuneration	Executive Directors	Non-Executive Directors
Below RM50,000	0	4
RM50,001 – RM100,000	0	1
RM400,001 – RM450,000	1	0
RM600,001 – RM650,000	1	0
RM700,001 – RM750,000	3	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 one meeting 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 four 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 2016 is contained in the table below.

Board Members	Attendance
Dato' Azman bin Mahmood	4/4
Tan Sri Dato' Sri Koh Kin Lip	4/4
Liew Fook Meng	4/4
Lau Kee Von	4/4
Lau Pak Lam	3/4
Liew Yoon Kee	4/4
Chow Kee Kan @ Chow Tuck Kwan	4/4
Soh Swee Hock @ Soh Say Hock	4/4
Tai Chun Wah	4/4
Lim Yew Hoe	4/4

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 2016, 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:-

Name	List of Training / Conference / Seminar / Workshop Attended / Participated	Date
Dato' Azman Bin Mahmood	• Directors' Continuing Education Programme 2016	16 August 2016
Tan Sri Dato' Sri Koh Kin Lip	• FX & Economic Outlook Briefing • 2017 Budget and Tax Conference • Launch of the AGM Guide & CG Breakfast Series : "How to Leverage on AGMs for better Engagement with Shareholders" • Sustainability Reporting 2016 • Briefing on the new Companies Act 2016	3 March 2016 4 November 2016 21 November 2016 23 November 2016 9 December 2016
Liew Fook Meng	• SIAL Interfood 2016	9 November 2016
Lau Kee Von	• Directors' Continuing Education Programme 2016	16 August 2016
Lau Pak Lam	• SIAL Interfood 2016	9 November 2016
Liew Yoon Kee	• Directors' Continuing Education Programme 2016	16 August 2016
Tai Chun Wah	• Transfer Pricing – Application, Enforcement and Documentation • The Interplay between CG, Non-Financial Information (NFI) and Investment Decision • Transitioning existing Business in Compliance with Companies Bill 2015 • Directors' Continuing Education Programme 2016 • ISO 9001: 2015 Awareness Program	12 January 2016 9 May 2016 26 May 2016 16 August 2016 21 September 2016
Chow Kee Kan @ Chow Tuck Kwan	• Comprehending Financial Statements for Directors and Senior Management • MFPC Forum "Professionalism and Ethics in Financial Planning" • Directors' Continuing Education Programme 2016 • Seminar Percukaian Kebangsaan 2016	17 February 2016 14 May 2016 16 August 2016 27 October 2016
Lim Yew Hoe	• Sustainability Engagement Series for Directors/ CEOs • Directors' Continuing Education Programme 2016 • Spokesperson Media Training	1 June 2016 16 August 2016 22 September 2016
Soh Swee Hock @ Soh Say Hock	•Directors' Continuing Education Programme 2016	16 August 2016

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 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 Management Discussion And Analysis 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.

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.

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 ensures 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

Pursuant to the Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company is required to ensure that any resolution set out in the notice of general meetings is voted by poll. All resolutions set out in the notice of AGM will be voted by way of poll.

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 3 April 2017.

Additional **Compliance Information**

1. **Utilisation of Proceeds**

   There were no proceeds raised from any corporate proposals during the financial year ended 31 December 2016.

2. **Audit and Non-Audit Fees**

   The total amount of audit fees paid or payable to the external auditors by the Company and Group during the financial year ended 31 December 2016 were RM17,000 and RM127,300 respectively.

   There are no non-audit fees paid or payable to the external auditors, or a firm or corporation affiliated to the auditors' firm by the Company and Group during the financial year ended 31 December 2016

3. **Material Contracts**

   There were no material contracts entered into by the Company and / or its subsidiaries involving the interests of Directors and major shareholders, which subsisted at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

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

   The RRPTs of the Group have been entered into in the normal course of business. Further details of the RRPTs of a revenue or trading nature conducted during the financial year are disclosed in page 76 of the financial statements of the Annual Report.

   Please refer to Section 2.2 of the Circular to Shareholders dated 27 April 2017 on the name of the related parties and the Company's relationship with the related parties.

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 2016.

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

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; other Executive and Non-Executive Directors, Managers and Heads of Departments participate as members of the committee. The RMC met half-yearly to identify and evaluate the significant risks faced by the Group against a defined risk appetite and to ensure that appropriate risk treatments are in place to mitigate those risks affecting the achievement of the Group's business objectives.

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.

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 2016. 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.

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:-

1. **Control Environment**
    - A defined organisation structure and reporting responsibilities of all job roles has been established and formalised.
    - Job responsibilities and duties were clearly stipulated in respective job descriptions.
    - The Group had formalised and adopted an Anti-Bribery and Corruption Policy and Code of Ethical Business Conduct to reinforce the Group's stand on good professional and ethical business conduct.
    - 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.

2. **Risk Assessment**
    - Potential risks and preventive controls were identified and documented during operational risk management meetings.
    - The operational risk management committee members meet half-yearly to discuss and update on operational matters as well as the identified risks.
    - Policy in safeguarding the Group's confidential and sensitive information was established and available to all employees for reference.

3. **Control Activities**
    - Internal quality control policies and procedures were clearly outlined.
    - The Group's key policies, rules, and regulations were communicated to all employees and available for reference in employee handbook.
    - Confidential documents and information were securely located and safeguarded.
    - Non-conformance and discrepancies in activities were duly informed to Management for prompt actions.
    - Necessary maintenances on critical machinery and equipment were scheduled, monitored, and performed.
    - 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 and relevant management and operational reports.
- Inter and intra department communications were maintained allowing transmission of necessary information.

5. Monitoring

- Periodic meetings were held by Management to discuss results and any arising matters / issues on the Group's performance and activities.
- Discussions and meetings results were documented for reference.
- The Board met regularly to receive Management's quarterly updates and deliberate on financial and key operations results.

Assurance from Management

In addition to the above, the Board had received letters of assurance dated 28 February 2017 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.

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 2016. This was performed in accordance with Recommended Practice Guide [RPG] 5 (Revised) issued by the Malaysian Institute of Accountants. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of the risk management and internal controls of the Group. RPG 5 does not require the external auditors to, and they did not, consider whether this statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems.

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 3 April 2017

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 2016.

Membership

During the financial year 2016, 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 2016. 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 2016. 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
Mr. Lim Yew Hoe	Member - Non-Independent Non-Executive Director	4/4

Authority

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

Duties and Responsibilities

a) To consider the appointment of the external auditor, the audit fee and any question of resignation or dismissal;
b) To discuss with the external auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
c) To review the quarterly and year-end financial statements prior to the approval by the Board, focusing particularly on: -
   - any change in accounting policies and practices;
   - significant adjustments arising from the audit;
   - the going concern assumption; and
   - compliance with accounting standards and other legal requirements.
d) To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary);
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 2016:-
(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 2016, the cost incurred for outsourcing of internal audit function was RM76,286.

FINANCIAL STATEMENTS

The Directors have pleasure to submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiary 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
Profit for the financial year attributable to owners of the Company	43,800,078	9,282,809

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

DIVIDENDS

Since the end of the last financial year, the Company paid:

	RM
A third interim single-tier dividend of 6% per ordinary share of RM0.50 each in respect of the financial year ended 31 December 2015 on 5th April 2016	6, 864,179

On 28 February 2017, the Directors declared a first interim single-tier dividend of 10 sen per ordinary share amounting to RM22.88 million in respect of the financial year ended 31 December 2016, which will be paid on 6th April 2017.

The Directors do not recommend a final dividend to be paid in respect of the financial year ended 31 December 2016.

ISSUE OF SHARES AND DEBENTURES

There was no issuance of shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

The Directors in office 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
Lau Cheng Yew (appointed on 1 April 2017)
Soon Wing Chong (Alternate to Lim Yew Hoe, resigned on 31 March 2017)

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM0.50 each			
	At 1.1.2016	Acquired	Disposed	At 31.12.2016
Interests in the Company				
Direct interests				
Dato' Azman Bin Mahmood	524,444	-	-	524,444
Tan Sri Dato' Sri Koh Kin Lip	3,333,332	-	(15,000)	3,318,332
Lau Kee Von	1,373,066	-	-	1,373,066
Liew Yoon Kee	97,777	-	-	97,777
Tai Chun Wah	23,466	-	-	23,466
Indirect interests :				
Tan Sri Dato' Sri Koh Kin Lip [a]	3,333,333	-	-	3,333,333
Liew Fook Meng [b]	87,046,628	-	-	87,046,628
Lau Kee Von [b]	87,046,628	-	-	87,046,628
Liew Yoon Kee [b]	87,046,628	-	-	87,046,628
Lau Pak Lam [b]	87,046,628	-	-	87,046,628

(a) Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Rickoh Corporation Sdn. Bhd.

(b) Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Leverage Success Sdn. Bhd.

DIRECTORS' INTERESTS

By virtue of their interests in the shares of the Company, Messrs Liew Fook Meng, Lau Kee Von, Liew Yoon Kee and Lau Pak Lam are also deemed interested in the shares of all the subsidiary companies during the financial year to the extent that the Company has an interest under Section 6A of the Companies Act, 1965.

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown 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, except as disclosed in Note 23 to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was 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.

OTHER STATUTORY INFORMATION

(a) Before the statements of financial position and statements of profit or loss and other comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps:

- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

- (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
- (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the date of this report, there does not exist:

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

(d) In the opinion of the Directors:

- (i) no contingent liability or other liability 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 affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
- (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (iii) 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 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 UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 3 April 2017.

....	....
LIEW FOOK MENG	**TAI CHUN WAH**

Kuala Lumpur

Statement By Directors

Pursuant to Section 169(15) of the Companies Act, 1965

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 44 to 85 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 2016 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out in Note 30 to the financial statements on page 85 have been compiled in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 3 April 2017.

....
LIEW FOOK MENG

....
TAI CHUN WAH

Kuala Lumpur

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

I, TAI CHUN WAH, being the Director primarily responsible for the financial management of COCOALAND HOLDINGS BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 44 to 85 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)

the abovenamed at Kuala Lumpur in the)

Federal Territory on)

3 April 2017.)

....

TAI CHUN WAH

Before me,

....

Commissioner for Oaths

Independent Auditors' Report
to the members of Cocoaland Holdings Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of COCOALAND HOLDINGS BERHAD, which comprise the statements of financial position as at 31 December 2016 of the Group and of the Company, and the statements of profit or loss and other 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 44 to 85.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By- Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Inventory valuation and provision The carrying amount of packing materials inventory of the Group as at 31 December 2016 is RM10,447,875. As described in the Accounting Policies in Note 3(h) to the financial statements, inventories are carried at the lower of cost and net realisable value. Assessing valuation of packing materials inventory is an area of significant judgement as there is a risk in estimating the net realisable value of the inventory, as well as assessing which items may be slow-moving or obsolete.	**Our audit procedures included, amongst others:** • Checking the effectiveness of controls associated with the existence and condition of inventory by attending inventory counts at year end in all locations; • Identifying and assessing a sample of aged and obsolete inventory; • Analysing the level of slow-moving inventory and the associated provision; • Testing the expected volume and price of future sales of inventory by reviewing the price of a sample of inventory sold after the balance sheet date;

Key audit matter	How our audit addressed the key audit matter
Due to the significance of packing materials inventory and the corresponding uncertainty inherent in such an estimate, we considered this as a key audit matter. Refer to significant accounting estimates and judgment in Note 2(d) and the disclosures of inventories in Note 7 to the financial statements.	• Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the financial year; and • Assessed the adequacy and reasonableness of the disclosures in the financial statements. Based on the above procedures performed, we did not note any significant exceptions.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that 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 of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiary companies of which we have not acted as auditors, which are indicated in Note 5 to the financial statements, being financial statements that have been included in the consolidated financial statements.

(c) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiary companies 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 30 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad

OTHER MATTERS

The financial statements of the Group and of the Company as at and for the financial year ended 31 December 2015 were audited by another auditor who expressed an unmodified opinion on those statements on 29 March 2016.

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

UHY
Firm Number: AF 1411
Chartered Accountants

LAI WONG CHUNG
Approved Number: 3277/08/18(J)
Chartered Accountant

KUALA LUMPUR
3 April 2017

Statements Of Financial Position
as at 31 December 2016

	NOTE	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	**119,580,184**	129,641,488	**-**	-
Investments in subsidiary companies	5	**-**	-	**41,623,025**	41,623,025
Other investments	6	**1,000**	1,000	**-**	-
		119,581,184	129,642,488	**41,623,025**	41,623,025
Current Assets					
Inventories	7	**44,557,351**	35,868,038	**-**	-
Trade receivables	8	**55,580,355**	42,177,720	**-**	-
Other receivables, deposits and prepayments	9	**3,798,719**	2,434,491	**6,000**	64,290
Amounts due from subsidiary companies	10	**-**	-	**125,213,665**	98,232,113
Tax recoverable		**201,986**	562,510	**115,150**	123,150
Deposits, cash and bank balances	11	**65,444,186**	40,421,469	**2**	2
		169,582,597	121,464,228	**125,334,817**	98,419,555
Total Assets		**289,163,781**	251,106,716	**166,957,842**	140,042,580
EQUITY					
Share capital	12	**114,400,000**	114,400,000	**114,400,000**	114,400,000
Reserves	13	**124,854,719**	87,918,820	**27,559,652**	25,141,022
Exchange translation reserves		**248,591**	361,834	**-**	-
Total equity attribute to owners of the Company		**239,503,310**	202,680,654	**141,959,652**	139,541,022
LIABILITIES					
Non-Current Liability					
Deferred tax liabilities	14	**8,540,000**	9,941,204	**-**	-
		8,540,000	9,941,204	**-**	-
Current Liabilities					
Trade payables	15	**28,946,172**	24,070,062	**-**	-
Other payables	16	**9,111,496**	10,615,796	**410,700**	501,558
Amounts due to subsidiary companies	10	**-**	-	**24,587,490**	-
Tax payable		**3,062,803**	3,799,000	**-**	-
		41,120,471	38,484,858	**24,998,190**	501,558
Total Liabilities		**49,660,471**	48,426,062	**24,998,190**	501,558
Total Equity and Liabilities		**289,163,781**	251,106,716	**166,957,842**	140,042,580

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

Statements Of Profit Or Loss And Other Comprehensive Income

for the financial year ended 31 December 2016

	NOTE	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Revenue	17	**272,637,646**	261,645,476	**10,000,000**	50,000,000
Cost of sales		**(193,999,512)**	(179,522,913)	**-**	-
Gross profit		**78,638,134**	82,122,563	**10,000,000**	50,000,000
Other income	18	**11,088,951**	4,475,517	**-**	-
Distribution costs		**(14,784,662)**	(18,802,794)	**-**	-
Administrative expenses		**(19,635,191)**	(23,034,150)	**(717,191)**	(1,007,238)
Profit before taxation	19	**55,307,232**	44,761,136	**9,282,809**	48,992,762
Taxation	20	**(11,507,154)**	(12,039,894)	**-**	-
Profit for the financial year		**43,800,078**	32,721,242	**9,282,809**	48,992,762
Other comprehensive income:					
Items that are or may be reclassified subsequently to profit or loss					
Exchange translation differences for foreign operations		**(113,243)**	248,432	**-**	-
Other comprehensive income for the financial year		**(113,243)**	248,432	**-**	-
Total comprehensive income for the financial year		**43,686,835**	32,969,674	**9,282,809**	48,992,762
Profit for the financial year attributable to:					
Owners of the Company		**43,800,078**	32,721,242	**9,282,809**	48,992,762
Total comprehensive income attributable to:					
Owners of the Company		**43,686,835**	32,969,674	**9,282,809**	48,992,762
Earnings per share					
Basic and diluted earnings per ordinary share (sen):	22	**19.14**	14.30		

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

Statements Of Changes In Equity
for the financial year ended 31 December 2016

	NOTE	Share Capital RM	Share Premium RM	Exchange Translation Reserve RM	Retained Earnings RM	Total RM
		Attributable to Owners of the Company				
		Non-Distributable			Distributable	
Group						
At 1 January 2015		85,800,000	44,354,539	113,402	88,063,203	218,331,144
Exchange translation differences for foreign operations		-	-	248,432	-	248,432
Total other comprehensive income for the financial year		-	-	248,432	-	248,432
Profit for the financial year		-	-	-	32,721,242	32,721,242
Total comprehensive income for the financial year		-	-	248,432	32,721,242	32,969,674
Contributions by and distributions to owners of the Company						
Dividends to owners of the Company:	25					
- 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)
Bonus issue		28,600,000	(28,600,000)	-	-	-
Total transactions with owners of the Company		28,600,000	(28,600,000)	-	(48,620,164)	(48,620,164)
At 31 December 2015		114,400,000	15,754,539	361,834	72,164,281	202,680,654
At 1 January 2016		114,400,000	15,754,539	361,834	72,164,281	202,680,654
Exchange translation differences for foreign operations		-	-	(113,243)	-	(113,243)
Total other comprehensive income for the financial year		-	-	(113,243)	-	(113,243)
Profit for the financial year		-	-	-	43,800,078	43,800,078
Total comprehensive income for the financial year		-	-	(113,243)	43,800,078	43,686,835
Contributions by and distributions to owners of the Company						
Dividends to owners of the Company	25					
- Single tier dividend 6% paid on 5th April 2016		-	-	-	(6,864,179)	(6,864,179)
Total transactions with owners of the Company		-	-	-	(6,864,179)	(6,864,179)
At 31 December 2016		114,400,000	15,754,539	248,591	109,100,180	239,503,310

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

	NOTE	← Non-Distributable → Share Capital RM	Share Premium RM	← Distributable → Retained Earnings RM	Total RM
Company					
At 1 January 2015		85,800,000	44,354,539	9,013,885	139,168,424
Net profit for the financial year, representing total comprehensive income for the financial year		-	-	48,992,762	48,992,762
Contributions by and distributions to owners of the Company					
Dividends to owners of the Company:	25				
- 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)
Bonus issue		28,600,000	(28,600,000)	-	-
Total transactions with owners of the Company		28,600,000	(28,600,000)	(48,620,164)	(48,620,164)
At 31 December 2015		114,400,000	15,754,539	9,386,483	139,541,022
At 1 January 2016		114,400,000	15,754,539	9,386,483	139,541,022
Net profit for the financial year, representing total comprehensive income for the financial year		-	-	9,282,809	9,282,809
Contributions by and distributions to owners of the Company					
Dividends to owners of the Company:	25				
- Single tier dividend 6% paid on 5th April 2016		-	-	(6,864,179)	(6,864,179)
Total transactions with owners of the Company		-	-	(6,864,179)	(6,864,179)
At 31 December 2016		114,400,000	15,754,539	11,805,113	141,959,652

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

Statements Of Cash Flows
for the financial year ended 31 December 2016

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	**55,307,232**	44,761,136	**9,282,809**	48,992,762
Adjustments for:				
Write-down of inventory	**109,878**	1,041,377	**-**	-
Bad debts written off	**2,388**	78,885	**-**	-
Depreciation of property, plant and equipment	**14,128,078**	12,090,535	**-**	-
Dividend income	**(900)**	(810)	**(10,000,000)**	(50,000,000)
(Gain)/Loss on disposal of property, plant and equipment	**(145,690)**	42,327	**-**	-
Reversal of inventories written down	**(430,276)**	-	**-**	-
Impairment loss on trade receivables	**-**	2,157,657	**-**	-
Reversal of impairment loss on trade receivables	**(2,802,713)**	(248,680)	**-**	-
Interest income	**(1,247,475)**	(1,240,355)	**-**	-
Property, plant and equipment written off	**47,691**	130,351	**-**	-
Unrealised (gain)/loss on foreign exchange	**(1,204,584)**	275,663	**-**	-
Operating profit/(loss) before working capital changes	**63,763,629**	59,088,086	**(717,191)**	(1,007,238)
Changes in working capital				
Inventories	**(8,411,583)**	1,255,512	**-**	-
Subsidiary companies	**-**	-	**(2,394,062)**	(366,989)
Receivables	**(10,761,954)**	5,586,080	**58,290**	(7,500)
Payables	**3,371,809**	1,447,928	**(90,858)**	62,565
	(15,801,728)	8,289,520	**(2,426,630)**	(311,924)
Cash generated from /(used in) operations	**47,961,901**	67,377,606	**(3,143,821)**	(1,319,162)
Dividend received	**900**	810	**10,000,000**	50,000,000
Dividend paid	**(6,864,179)**	(48,620,164)	**(6,864,179)**	(48,620,164)
Interest received	**1,247,475**	1,240,355	**-**	-
Tax (paid)/refund	**(13,284,031)**	(8,473,366)	**8,000**	(60,674)
	(18,899,835)	(55,852,365)	**3,143,821**	1,319,162
Net cash generated from operating activities	**29,062,066**	11,525,241	**-**	-

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

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceed from disposal of property, plant and equipment	**155,163**	33,961	**-**	-
Purchase of property, plant and equipment	**(4,125,626)**	(2,932,470)	**-**	-
Net cash used in investing activities	**(3,970,463)**	(2,898,509)	**-**	-
CASH FLOWS FROM FINANCING ACTIVITIES	**-**	-	**-**	-
Net increase in cash and cash equivalents	**25,091,603**	8,626,732	**-**	-
Effect of exchange translation differences on cash and cash equivalents	**(68,886)**	500,098	**-**	-
Cash and cash equivalents at beginning of the financial year	**40,421,469**	31,294,639	**2**	2
Cash and cash equivalents at end of the financial year	**65,444,186**	40,421,469	**2**	2
Cash and cash equivalents at the end of the financial year comprises:				
Cash and bank balances	**13,601,919**	9,346,059	**2**	2
Fixed deposits with licensed banks	**49,051,416**	209,397	**-**	-
Short term deposits with licensed banks	**2,790,851**	30,866,013	**-**	-
	65,444,186	40,421,469	**2**	2

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

1. CORPORATE INFORMATION

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

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

The registered office of the Company is at Lot 6.08, 6th Floor, Plaza First Nationwide, No. 161, Jalan Tun H.S. Lee, 50000 Kuala Lumpur.

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.

2. BASIS OF PREPARATION

a) Statement of compliance

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

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following MFRSs and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 101	Disclosure Initiative
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception
Annual Improvements to MFRSs 2012–2014 Cycle	

Adoption of above MFRS and amendments to MFRSs did not have any significant impact on the financial statements of the Group and the Company.

Standards issued but not yet effective

The Group and the Company have not applied the following new MFRSs, IC Interpretation and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 107	Disclosure Initiative	1 January 2017
Annual Improvements to MFRS Standards 2014-2016 Cycle:		
Amendments to MFRS 12	Disclosure of Interests in Other Entities	1 January 2017
Amendments to MFRS 1	First time Adoption of Malaysian Financial Reporting Standards	1 January 2018
Amendments to MFRS 128	Investments in Associates and Joint Ventures	1 January 2018
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Clarification to MFRS 15 Revenue from Contracts with Customers		1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
MFRS 16	Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

The Group and the Company intend to adopt the above MFRSs and IC Interpretation when they become effective.

The initial application of the abovementioned MFRSs and IC Interpretation are not expected to have any significant impacts on the financial statements of the Group and the Company except as mentioned below:

MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)
MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of MFRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. MFRS 9 when effective will replace MFRS 139 Financial Instruments: Recognition and Measurement.

MFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income without subsequent recycling to profit or loss. There is now a new expected credit losses model that replaces the incurred loss impairment model used in MFRS 139. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. MFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under MFRS 139.

The Group is currently assessing the financial impact that may arise from the adopting MFRS 9.

MFRS 15 Revenue from Contracts with Customers
MFRS 15 replaces MFRS 118 Revenue, MFRS 111 Construction Contracts and related IC Interpretations. The Standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Group is currently assessing the financial impact that may arise from the adopting MFRS 15.

MFRS 16 Leases
MFRS 16, which upon the effective date will supersede MFRS 117 Leases, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Group is currently assessing the financial impact that may arise from the adopting MFRS 16.

b) Basis of measurement
The financial statements of the Group and of the Company have been prepared on the historical cost basis other than as disclosed in Note 3 to the financial statements.

c) **Functional and presentation currency**
These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM.

d) **Significant accounting judgements, estimates and assumptions**
The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives of plant and equipment (Note 4)
The Group regularly reviews the estimated useful lives of plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of plant and equipment would increase the recorded depreciation and decrease the value of plant and equipment.

Inventories valuation
Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 7.

Impairment of loans and receivables
The Group assesses at end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of the Group's and of the Company's loans and receivables at the reporting date are disclosed in Notes 8, 9 and 10 respectively.

Income taxes
Judgment is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and / or deferred tax provisions in the period in which such determination is made. The carrying amounts of tax recoverable, tax payable and deferred tax at reporting date are disclosed in the statements of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiary companies are consolidated using the acquisition method except for those subsidiary companies acquired under common control which were accounted for using merger method of accounting.

Under merger method of accounting, profit or loss and other comprehensive income include the results of each of the combining entities from the earliest date presented or from the date when these entities came under the control of the common controlling party (if later). The assets and liabilities of the combining entities are accounted for based on the carrying amounts from the perspective of the common controlling party, or the combining entities if the common controlling party does not prepare consolidated financial statements. The difference in cost of acquisition over the aggregate carrying value of the assets and liabilities of the combining entities as of the date of the combination is taken to equity.

Under the acquisition method, subsidiary companies are consolidated from the date on which control is transferred to the Group and de-consolidated from the date when control ceases. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed off in profit or loss as incurred.

If the business combination is achieved in stages, previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instruments and within the scope of MFRS 139 Financial Instruments: Recognition and Measurement, is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3 (j) to the financial statements on impairment of non-financial assets.

(ii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(j) to the financial statements on impairment of non-financial assets.

(b) Foreign currency translation

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than Ringgit Malaysia "RM", including goodwill and fair value adjustments arising on acquisition, are translated to RM at the rate of exchange prevailing at the reporting date, except for goodwill and fair value adjustments arising from business combinations before 1 January 2012 (the date of transition to MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the exchange translation reserve ("ETR") in equity. However, if the operation is a non-wholly owned subsidiary company, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed off such that control, significant influence or joint control is lost, the cumulative amount in the ETR related that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(j).

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight line basis to write off the cost of each asset to its residual value over its estimated useful life. Freehold land is not depreciated. Leased assets are depreciated over the shorter of the lease term and their useful lives. Property, plant and equipment under construction are not depreciated until the assets are ready for its intended use.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Buildings	Over the remaining useful lives of between 28 to 48 years
Leasehold land and buildings	Over the remaining lease period
Motor vehicles	20%
Plant and machinery	10%
Office equipment	10%
Furniture and fittings	10%
Warehouse equipment	10%
Electrical fittings	10%
Renovation	10%
Science lab equipment	10%
Factory equipment	10%
Computer software	10%

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

(d) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As lessee

(i) Finance Lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as a property, plant and equipment.

(ii) Operating Lease

Leases, where the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid land lease payments.

As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(e) Financial assets

Financial assets are recognised on the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in profit or loss.

The Group and the Company classify their financial assets depends on the purpose for which the financial assets were acquired at initial recognition, into the following categories:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, contingent consideration in a business combination or financial assets that are designated into this category upon initial recognition. A financial asset is classified in this category if it is acquired principally for the purpose of selling it in the near term. Derivatives, including separated embedded derivatives, are also categorised as held for trading unless they are designated as effective hedging instruments. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

After initial recognition, financial assets in this category are measured at fair value with any gains or losses arising from changes in the fair values recognised in profit or loss in the period in which the changes arise.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturing later than 12 months after the end of the reporting period which are classified as non-current assets.

After initial recognition, financial assets categorised as loans and receivables are measured at amortised cost using the effective interest method, less impairment losses. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the end of the reporting period.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risk of fair value hedges which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends from an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment loss.

Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

(f) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of financial liabilities.

Financial liabilities are recognised on the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

The Group and the Company classify their financial liabilities at initial recognition into the following categories:

(i) Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading, contingent consideration in a business combination or financial liabilities designated into this category upon initial recognition.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivatives financial instruments that are not designated as effective hedging instruments. Separated embedded derivatives are also categorised as held for trading unless they are designated as effective hedging instruments.

Gains or losses on financial liabilities held for trading are recognised in profit or loss.

(ii) Other financial liabilities measured at amortised cost
The Group's and the Company's other financial liabilities comprise trade and other payables.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gains and losses on financial liabilities measured at amortised cost are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Financial guarantee contracts
A financial guarantee contract is a contract that requires the issuer to make specific payment to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

Derecognition
A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(g) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(h) Inventories

Raw materials, work-in-progress and finished goods are stated at the lower of cost and net realisable value.

Cost of raw material is determined on a first-in-first out basis. Cost of finished goods and work-in-progress consists of direct material, direct labour and an appropriate proportion of production overheads (based on normal operating capacity).

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 the sale.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdraft and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(j) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

All financial assets, other than those categorised as fair value through profit or loss, investments in subsidiary companies, associates and joint ventures, 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.

Financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with defaults on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in profit or loss. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery.

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 in profit or loss, the impairment loss is reversed, to the extent that the carrying amount of the asset does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of reversal is recognised in profit or loss.

Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on unquoted equity instruments carried at cost has been incurred, the amount of the loss is measured as the difference between the carrying amount of the financial asset and the Group's share of net assets or the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(k) Share capital

Ordinary shares

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the nominal value of shares issued. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(l) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The relating expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

(m) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the

Employee Provident Fund ("EPF"). Some of the Group's foreign subsidiary companies also make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(n) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(i) Sale of goods
Revenue is recognised when significant risks and rewards of ownership of the goods have been passed to the buyer. Revenue is recognised net of sales or goods and service tax and service tax and discount, where applicable.

(ii) Rental income
Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(iii) Dividend income
Dividend income is recognised when the Group's right to receive payment is established.

(iv) Interest income
Interest income is recognised on accruals basis using the effective interest method.

(o) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(p) Income tax

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

(q) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the senior management of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(r) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Freehold buildings RM	Short term leasehold land and building RM	Long term leasehold land and building RM	Plant and machinery in progress RM	Motor vehicle RM	Plant and machinery RM	Office equipment RM
2016								
Cost								
At 1 January	25,729,948	49,194,094	2,729,680	6,940,057	477,350	5,694,876	91,872,232	1,852,531
Additions	-	-	-	-	329,950	376,973	1,063,304	353,095
Disposals	-	-	-	-	-	(2,417,649)	-	-
Written off	-	-	-	-	-	-	-	(145,766)
Reclassification	-	-	-	-	(501,599)	-	501,599	-
Exchange difference	-	-	-	-	-	(11,010)	-	(3,521)
At 31 December	25,729,948	49,194,094	2,729,680	6,940,057	305,701	3,643,190	93,437,135	2,056,339
Accumulated depreciation								
At 1 January	-	6,357,744	818,904	1,102,729	-	5,134,680	60,611,352	1,133,899
Charge for the financial year	-	1,013,272	34,247	143,933	-	300,422	7,740,535	162,829
Disposals	-	-	-	-	-	(2,417,626)	-	-
Written off	-	-	-	-	-	-	-	(137,310)
Exchange difference	-	-	-	-	-	(10,482)	-	(2,453)
At 31 December	-	7,371,016	853,151	1,246,662	-	3,006,994	68,351,887	1,156,965
Carrying amount								
At 31 December	25,729,948	41,823,078	1,876,529	5,693,395	305,701	636,196	25,085,248	899,374

Group	Furniture and fittings RM	Warehouse equipment RM	Electrical fittings RM	Renovation RM	Science lab equipment RM	Factory equipment RM	Computer software RM	Total RM
2016								
Cost								
At 1 January	578,580	1,010,135	1,133,165	8,093,241	1,291,737	37,375,478	30,995	234,004,099
Additions	23,484	65,547	135,376	519,813	43,400	1,214,684	-	4,125,626
Disposals	-	-	-	-	-	(13,500)	-	(2,431,149)
Written off	(12,350)	(74,477)	(76,566)	(315,885)	-	(46,000)	-	(671,044)
Reclassification	-	-	-	-	-	-	-	-
Exchange difference	-	-	-	-	-	-	(92)	(14,623)
At 31 December	589,714	1,001,205	1,191,975	8,297,169	1,335,137	38,530,662	30,903	235,012,909
Accumulated depreciation								
At 1 January	369,350	786,672	906,192	6,467,063	643,469	20,012,193	18,364	104,362,611
Charge for the financial year	45,083	90,434	68,473	640,337	132,223	3,753,189	3,101	14,128,078
Disposals	-	-	-	-	-	(4,050)	-	(2,421,676)
Written off	(12,094)	(66,576)	(76,102)	(289,871)	-	(41,400)	-	(623,353)
Exchange difference	-	-	-	-	-	-	-	(12,935)
At 31 December	402,339	810,530	898,563	6,817,529	775,692	23,719,932	21,465	115,432,725
Carrying amount								
At 31 December	187,375	190,675	293,412	1,479,640	559,445	14,810,730	9,438	119,580,184

Group	Freehold land RM	Freehold buildings RM	Short term leasehold land and building RM	Long term leasehold land and building RM	Plant and machinery in progress RM	Motor vehicle RM	Plant and machinery RM	Office equipment RM
2015								
Cost								
At 1 January	25,729,948	49,194,094	3,000,000	6,940,057	-	5,695,091	93,321,041	1,801,475
Additions	-	-	-	-	477,350	340,688	851,403	108,411
Disposals/Written off	-	-	(270,320)	-	-	(381,447)	(2,300,212)	(69,355)
Exchange difference	-	-	-	-	-	40,544	-	12,000
At 31 December	25,729,948	49,194,094	2,729,680	6,940,057	477,350	5,694,876	91,872,232	1,852,531
Accumulated depreciation								
At 1 January	-	5,344,471	825,000	992,789	-	4,454,922	57,003,683	1,021,049
Charge for the financial year	-	1,013,273	68,242	109,940	-	954,233	5,844,497	162,118
Disposals/Written off	-	-	(74,338)	-	-	(305,158)	(2,236,828)	(57,189)
Exchange difference	-	-	-	-	-	30,683	-	7,921
At 31 December	-	6,357,744	818,904	1,102,729	-	5,134,680	60,611,352	1,133,899
Carrying amount								
At 31 December	25,729,948	42,836,350	1,910,776	5,837,328	477,350	560,196	31,260,880	718,632

Group	Furniture and fittings RM	Warehouse equipment RM	Electrical fittings RM	Renovation RM	Science lab equipment RM	Factory equipment RM	Computer software RM	Total RM
2015								
Cost								
At 1 January	563,451	1,005,065	1,115,165	8,010,308	1,222,360	36,419,139	30,995	234,048,189
Additions	15,129	5,070	18,000	82,933	72,077	961,409	-	2,932,470
Disposals/Written off	-	-	-	-	(2,700)	(5,070)	-	(3,029,104)
Exchange difference	-	-	-	-	-	-	-	52,544
At 31 December	578,580	1,010,135	1,133,165	8,093,241	1,291,737	37,375,478	30,995	234,004,099
Accumulated depreciation								
At 1 January	328,266	709,022	876,123	6,107,702	530,281	16,702,941	15,266	94,911,515
Charge for the financial year	41,084	77,650	30,069	359,361	114,808	3,312,162	3,098	12,090,535
Disposals/Written off	-	-	-	-	(1,620)	(2,910)	-	(2,678,043)
Exchange difference	-	-	-	-	-	-	-	38,604
At 31 December	369,350	786,672	906,192	6,467,063	643,469	20,012,193	18,364	104,362,611
Carrying amount								
At 31 December	209,230	223,463	226,973	1,626,178	648,268	17,363,285	12,631	129,641,488

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

5. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2016 RM	**2015 RM**
Unquoted equity shares, at cost	**41,623,027**	41,623,027
Less: Impairment loss	**(2)**	**(2)**
	41,623,025	**41,623,025**

Details of the subsidiary companies are as follows:

Name of company	Country of incorporation	Effective interest 2016 %	Effective interest 2015 %	Principal Activities
DIRECT HOLDING:				
Cocoaland Industry Sdn. Bhd.	Malaysia	**100**	100	Manufacturing and trading of processed and all kinds of preserved foods and fruits
L.B. Food Sdn. Bhd.	Malaysia	**100**	100	Wholesaling and retailing processed and preserved foods
B Plus Q Sdn. Bhd.	Malaysia	**100**	100	Manufacturing fruit juice and foodstuffs
Cocoaland Retail Sdn. Bhd.	Malaysia	**100**	100	Dormant
CCL Food & Beverage Sdn. Bhd.	Malaysia	**100**	100	Manufacturing and trading all kinds of processed and preserved foods and fruits
Lot 100 Food Co. Ltd. *	China	**100**	100	Wholesaling, importing and exporting gummy products and other products
PT Cocoaland Indonesia *	Indonesia	**90**	90	Dormant
HELD THROUGH B PLUS Q SDN. BHD.				
M.I.T.E. Food Enterprise Sdn. Bhd.	Malaysia	**100**	100	Trading and distributing foodstuffs
HELD THROUGH L.B. FOOD SDN. BHD				
PT Cocoaland Indonesia *	Indonesia	**10**	10	Dormant

* Subsidiary companies not audited by UHY

6. OTHER INVESTMENTS

	Group	
	2016 RM	**2015 RM**
Available-for-sale financial asset		
Unquoted shares at cost in Malaysia	**1,000**	1,000

7. INVENTORIES

	Group	
	2016 RM	**2015 RM**
Work-in-progress	**1,741,802**	1,355,746
Packing materials	**10,447,875**	9,959,514
Raw materials	**17,586,940**	12,865,868
Finished goods	**14,780,734**	11,686,910
	44,557,351	35,868,038

	Group	
	2016 RM	**2015 RM**
Recognised in profit or loss:		
Inventories recognised as cost of sales	**194,319,910**	178,481,536
Inventories written down	**109,878**	1,041,377
Reversal of inventories written down	**(430,276)**	-

The reversal of inventories written down was made during the year when the related inventories were re-used.

8. TRADE RECEIVABLES

	Group	
	2016 RM	**2015 RM**
Trade receivables	**57,132,655**	46,546,186
Less: Accumulated impairment losses	**(1,552,300)**	(4,368,466)
At 31 December	**55,580,355**	42,177,720

Trade receivables are non-interest bearing and are generally on 30 to 60 days (2015: 30 to 60 days) term.

Movements in the allowance for impairment losses of trade receivables are as follows:

	Group	
	2016 RM	**2015 RM**
At 1 January	**(4,368,466)**	(2,517,435)
Impairment losses recognised	**-**	(2,157,657)
Amount written off	**13,453**	57,946
Impairment losses reversed	**2,802,713**	248,680
At 31 December	**(1,552,300)**	(4,368,466)

Analysis of the trade receivables ageing as at the end of the financial year is as follow:

	Group	
	2016 RM	**2015 RM**
Neither past due nor impaired	**45,327,080**	31,644,715
Past due but not impaired:		
Less than 3 months	**8,463,813**	8,694,786
3 to 6 months	**1,051,961**	1,838,219
More than 6 months	**737,501**	-
	10,253,275	10,533,005
Impaired	**1,552,300**	4,368,466
	57,132,655	46,546,186

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

As at 31 December 2016, trade receivables of RM10,253,275 (2015: RM10,533,005) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

Included in trade receivables of the Group is RM4,087,841 (2015: RM3,713,890) due from entities with significant influence over the Company. The amount is unsecured.

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

	Group	
	2016 RM	**2015 RM**
Singapore Dollar	**85,595**	173,398
US Dollar	**15,672,581**	22,885,650
China Reminbi	**9,568,160**	-
Brunei Dollar	**49,254**	1,198
Hong Kong Dollar	**2,321,732**	1,886,216

9. NON – TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2016 RM	**2015 RM**	**2016 RM**	**2015 RM**
Other receivables	**1,612,670**	389,545	**-**	50,790
Deposits	**676,656**	686,685	**1,000**	1,000
Prepayments	**1,509,393**	1,358,261	**5,000**	12,500
	3,798,719	2,434,491	**6,000**	64,290

10. AMOUNTS DUE FROM/(TO) SUBSIDIARY COMPANIES

The amounts due from/(to) subsidiary companies are unsecured, interest free advances and repayable on demand.

11. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Cash and bank balances	**13,601,919**	9,346,059	**2**	2
Fixed deposits with licensed banks	**49,051,416**	209,397	**-**	-
Short term deposits with licensed banks	**2,790,851**	30,866,013	**-**	-
	65,444,186	40,421,469	**2**	2

	Group	
	2016 RM	2015 RM
Fixed deposits		
Interest rates per annum	**3.15% to 3.70%**	3.15% to 3.70%
Maturity periods	**3 to 12 months**	3 to 12 months

Short term deposits of the Group are placed at interest rate of between 2.70% to 2.80% (2015: 2.00% to 2.15%) per annum and maturity periods of between 1 day to 4 days (2015: 1 to 8 days).

12. SHARE CAPITAL

	Group and Company			
	Number Of Shares		Amount	
	2016 Units	2015 Units	2016 RM	2015 RM
Authorised				
Ordinary share of RM0.50 each:				
At 1 January	400,000,000	200,000,000	200,000,000	100,000,000
Created during the financial year	-	200,000,000	-	100,000,000
At 31 December	400,000,000	400,000,000	200,000,000	200,000,000
Issued and fully paid shares				
Ordinary share of RM0.50 each:				
At 1 January	228,800,000	171,600,000	114,400,000	85,800,000
Bonus issue	-	57,200,000	-	28,600,000
At 31 December	228,800,000	228,800,000	114,400,000	114,400,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

13. RESERVES

The nature of reserves of the Group and the Company is as follows:

(a) Share premium
Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of the shares.

(b) Exchange translation reserve
The exchange translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(c) Retained earnings
The entire retained earning of the Company is available for distribution as single-tier dividends.

14. DEFERRED TAX LIABILITIES

	Group	
	2016 RM	2015 RM
At 1 January	**9,941,204**	7,639,800
Recognised in profit or loss	**(665,285)**	2,301,404
Over provision in prior year	**(735,919)**	-
At 31 December	**8,540,000**	9,941,204

The components and movements of deferred tax liabilities and assets are as follows:

Group **Deferred tax liabilities**	Accelerated Capital Allowances RM
At 1 January 2016	9,941,204
Recognised in profit or loss	(521,200)
Over provision in prior years	(735,919)
At 31 December 2016	8,684,085
At 1 January 2015	7,639,800
Recognised in profit or loss	2,301,404
At 31 December 2015	9,941,204

Group **Deferred tax assets**	Unutilised Tax Losses RM
At 1 January 2016	-
Recognised in profit or loss	(144,085)
At 31 December 2016	(144,085)

Deferred tax assets have not been recognized in respect of the following items:

	Group	
	2016 RM	2015 RM
Unutilised tax losses	**2,478,747**	-
Unabsorbed reinvestment allowances	**1,344,806**	-
	3,823,553	-

15. TRADE PAYABLES

Included in trade payables of the Group is RM584,594 (2015: RM490,800) due from entities with significant influence over the Company. The amount is unsecured.

Credit terms of trade payables of the Group ranged from 30 to 120 days (2015: 30 to 120 days) from date of invoice.

16. OTHER PAYABLES

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Other payables	**3,653,605**	6,481,831	**3,700**	43,562
Deposits	**360,193**	-	**-**	-
Accruals	**5,097,698**	4,133,965	**407,000**	457,996
	9,111,496	10,615,796	**410,700**	501,558

17. REVENUE

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Sales of goods	272,637,646	261,645,476	-	-
Dividend income	-	-	10,000,000	50,000,000
	272,637,646	261,645,476	10,000,000	50,000,000

18. OTHER OPERATING INCOME

	Group	
	2016 RM	2015 RM
Reversal of impairment loss on trade receivables	**2,802,713**	248,680
Dividend income	**900**	810
Gain on disposal of property, plant and equipment	**147,240**	-
Gain of foreign exchange	**3,857,159**	1,563,837
Rental income	**576,000**	576,000
Interest income	**1,247,475**	1,240,355
Insurance claim	**1,820,602**	3,668
Others	**636,862**	842,167
	11,088,951	4,475,517

19. PROFIT BEFORE TAXATION

Profit before taxation is determined after charging / (crediting) amongst other, the following items:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Auditors' remuneration				
- statutory audits				
- current year	**127,300**	108,447	**17,000**	17,000
- over provision in prior years	**(2,000)**	(2,120)	**-**	-
Bad debts written off	**2,388**	78,885	**-**	-
Depreciation of property, plant and equipment	**14,128,078**	12,090,535	**-**	-
Loss on disposal of property, plant and equipment	**1,550**	42,327	**-**	-
(Gain)/Loss on foreign exchange				
- Realised	**(2,578,011)**	1,290,819	**-**	-
- Unrealised	**(1,204,584)**	275,663	**-**	-
Impairment loss on				
- Trade receivables	**-**	2,157,657	**-**	-
Inventories written down	**109,878**	1,041,377	**-**	-
Reversal of inventories written down	**(430,276)**	-	**-**	-
Property, plant and equipment written off	**47,691**	130,351	**-**	-
Rental of premises	**133,598**	229,201	**-**	-
Fair value loss on derivative	**20,776**	-	**-**	-
Staff costs (Note 21)	**41,497,510**	36,225,787	**193,500**	196,500

20. TAXATION

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Tax expenses recognised in profit or loss				
Current tax	**12,969,288**	9,899,013	**-**	-
Over provision in prior years	**(60,930)**	(160,523)	**-**	-
	12,908,358	9,738,490	**-**	-
Deferred tax				
- Origination and reversal of temporary differences	**(311,554)**	2,301,404	**-**	-
- Reduction in Malaysian income tax rate	**(353,731)**	-	**-**	-
- Over provision in prior years	**(735,919)**	-	**-**	-
	(1,401,204)	2,301,404	**-**	-
Total tax expense	**11,507,154**	12,039,894	**-**	-

Malaysian income tax is calculated at the statutory tax rate of 24% (2015: 25%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expenses applicable to profit before tax at the statutory tax rate to income tax expenses at the effective income tax of the Group and the Company are as follows:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Profit before taxation	55,307,232	44,761,136	9,282,809	48,992,762
At Malaysian statutory tax rate of 24% (2015: 25%)	13,273,736	11,190,284	2,227,874	12,248,191
Effect of change in tax on deferred tax	(353,731)	-	-	-
Expenses not deductible for tax purposes	660,494	3,835,289	172,126	251,809
Tax exempt income	-	-	(2,400,000)	(12,500,000)
Income not subject to tax	(508,071)	-	-	-
Utilisation of capital allowances	(1,147)	(1,102,047)	-	-
Utilisation of previously unrecognised unutilised reinvestment allowances	(210,611)	(1,312,212)	-	-
Utilisation of current year's reinvestment allowances	(318,974)	-	-	-
Other items	-	(361)	-	-
Expenses eligible for double deduction	(341,916)	(408,178)	-	-
Unabsorbed tax loses utilised	(4,391)	(266,947)	-	-
Increased in unused tax losess	108,614	264,589	-	-
Over provision of taxation of prior years	(796,849)	(160,523)	-	-
	11,507,154	12,039,894	-	-

21. STAFF COSTS

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Labour cost (included in cost of sales):				
Salaries, wages and others	**25,864,790**	23,532,737	**-**	-
EPF	**1,461,457**	1,347,927	**-**	-
	27,326,247	24,880,664	**-**	-
Staff cost				
Salaries, wages and others	**12,271,480**	9,839,952	**193,500**	196,500
EPF	**1,899,783**	1,505,171	**-**	-
	14,171,263	11,345,123	**193,500**	196,500
Total staff costs	**41,497,510**	36,225,787	**193,500**	196,500

22. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The basic earnings per share are calculated based on the consolidated profit for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2016 RM	2015 RM
Profit attributable to owners of the Company	43,800,078	32,721,242
Weighted average number of ordinary shares in issue	228,800,000	228,800,000
Basic earnings per ordinary share (sen):	19.14	14.30

Diluted earnings per ordinary share

The diluted earnings per ordinary share is the same as the basic earnings per ordinary share of the Group, as the Group has no dilutive potential ordinary shares during the current and prior financial years.

23. RELATED PARTY DISCLOSURES

a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors of the Group entities, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	2016 RM	2015 RM
Group		
Sales of trading goods to entities with significant influence over the company	**(17,700,373)**	(16,557,282)
Purchase of trading goods from entities with significant influence over the company	**8,169,873**	6,836,599
Transactions with persons connected to Directors of the Company		
- salaries paid	**123,650**	113,300
- rental paid	**271,200**	262,896
Company		
Gross dividend income received/receivable from subsidiary company		
-tax exempt	**(10,000,000)**	(50,000,000)

c) **Compensation of key management personnel**

The key management personnel compensation is as follows:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Directors of the Company				
Executive:				
Fees	**180,000**	180,000	**180,000**	180,000
Salaries and other emoluments	**3,077,100**	2,451,000	**13,500**	16,500
Total short-term employee benefits	**3,257,100**	2,631,000	**193,500**	196,500
EPF	**579,888**	467,667	**-**	-
	3,836,988	3,098,667	**193,500**	196,500
Non-Executive:				
Fees	**204,000**	204,000	**204,000**	204,000
Other emolumments	**16,700**	19,850	**16,700**	19,850
Total short-term employee benefits	**220,700**	223,850	**220,700**	223,850
Other Directors (on board of subsidiary companies)				
Executive:				
Salaries and other emoluments	**2,128,800**	1,655,400	**-**	-
EPF	**409,912**	343,604	**-**	-
	2,538,712	1,999,004	**-**	-

24. CAPITAL COMMITMENT

	Group	
	2016 RM	2015 RM
Capital expenditure authorised and contracted for but not provided in the financial statements in respect of purchase of property, plant and equipment	**740,177**	584,849

25. DIVIDENDS

	Group and Company	
	2016 RM	2015 RM
Dividends to owners of the Company	**6,864,179**	48,620,164

On 28 February 2017, the Directors have declared a first interim single-tier dividend of 10 sen per ordinary share amounting to RM22.88 million in respect of the financial year ended 31 December 2016, which will be paid on 6th April 2017.

The Directors do not recommend a final dividend to be paid in respect of the financial year ended 31 December 2016.

26. OPERATING SEGMENTS

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the senior management of the Group reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

Manufacturing	Manufacturing and trading all kinds of processed and preserved foods and fruits
Trading	Wholesaling and retailing processed and preserved foods

Other non-reportable segment comprises of investment holding activities.

There are varying levels of integration between the segments such as the transfer of raw materials and shared distribution and administrative services. Inter-segment pricing is determined on negotiated basis.

Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the senior management of the Group. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets and liabilities

The total of segment assets and liabilities are measured based on all assets and liabilities of a segment, as included in the internal management reports that are reviewed by the senior management of the Group.

	Manufacturing RM	Trading RM	Investment holding RM	Elimination / adjustments* RM	Total RM
2016					
Revenue					
External customers	95,090,911	177,546,735	-	-	272,637,646
Inter-segment	116,630,193	3,285,270	10,000,000	(129,915,463)	-
Total revenue	211,721,104	180,832,005	10,000,000	(129,915,463)	272,637,646
Results					
Segment profit before tax	15,464,161	40,545,438	9,282,809	(9,985,176)	55,307,232
Segment assets	226,665,460	138,352,032	166,957,842	(242,811,553)	289,163,781
Segment liabilities	193,428,819	33,603,674	24,998,190	(202,370,212)	49,660,471
2015					
Revenue					
External customers	91,528,268	170,117,208	-	-	261,645,476
Inter-segment	109,809,066	7,037,698	50,000,000	(166,846,764)	-
Total revenue	201,337,334	177,154,906	50,000,000	(166,846,764)	261,645,476
Results					
Segment profit before tax	11,124,829	34,834,523	48,992,762	(50,190,978)	44,761,136
Segment assets	206,078,920	111,836,359	166,959,884	(233,768,447)	251,106,716
Segment liabilities	186,435,892	26,616,965	27,418,862	(192,045,657)	48,426,062

* Inter-segment revenue, profit and transactions are eliminated on consolidation

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment non-current assets are based on geographical location of the assets. The amount of non-current assets do not include financial instruments (i.e. other investments):

	Revenue		Non-current assets	
	2016 RM	2015 RM	2016 RM	2015 RM
Malaysia	**122,390,286**	109,376,970	**119,547,164**	129,609,183
Eastern Asia	**73,016,158**	71,451,681	**29,048**	32,305
South East Asia	**39,887,348**	44,901,760	**3,972**	-
Middle East	**29,135,580**	26,352,039	**-**	-
Others	**8,208,274**	9,563,026	**-**	-
	272,637,646	261,645,476	**119,580,184**	129,641,488

27. FINANCIAL INSTRUMENTS

a) Classification of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

Group	Loans and receivables/ Financial liabilities measured at amortised cost RM	Available-for-sale RM	Total RM
Financial Assets			
2016			
Other investments	-	1,000	1,000
Trade receivables	55,580,355	-	55,580,355
Other receivables and deposits	2,289,326	-	2,289,326
Deposits, cash and bank balances	65,444,186	-	65,444,186
Total financial assets	123,313,867	1,000	123,314,867
2015			
Other investments	-	1,000	1,000
Trade receivables	42,177,720	-	42,177,720
Other receivables and deposits	1,076,230	-	1,076,230
Deposits, cash and bank balances	40,421,469	-	40,421,469
Total financial assets	83,675,419	1,000	83,676,419
Financial Liabilities			
2016			
Trade payables	28,946,172	-	28,946,172
Other payables and accruals	9,111,496	-	9,111,496
Total financial liabilities	38,057,668	-	38,057,668
2015			
Trade payables	24,070,062	-	24,070,062
Other payables and accruals	10,615,796	-	10,615,796
Total financial liabilities	34,685,858	-	34,685,858

Company	Loans and receivables RM
Financial Assets	
2016	
Other receivables and deposits	1,000
Amounts due from subsidiary companies	125,213,665
Deposits, cash and bank balances	2
Total financial assets	125,214,667
2015	
Other receivables and deposits	51,790
Amounts due from subsidiary companies	98,232,113
Deposits, cash and bank balances	2
Total financial assets	98,283,905

Company	Financial liabilities at amortised cost RM
Financial Liabilities	
2016	
Other payables and accruals	410,700
Amounts due to subsidiary companies	24,587,490
Total financial liabilities	24,998,190
2015	
Other payables and accruals	501,558
Total financial liabilities	501,558

b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from loans and advances to subsidiary companies.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured loans and advances to subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the Group's and the Company's maximum exposure to credit risk.

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profiles of the Group's trade receivables at the end of financial year are as follows:

	Group	
	2016 RM	2015 RM
Malaysia	**27,883,033**	17,231,258
China	**9,682,893**	6,975,273
Other countries	**18,014,429**	17,971,189
	55,580,355	42,177,720

The Company has no significant concentration of credits risks except for unsecured advances to its subsidiary companies where risks of default have been assessed to be low.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's exposure to liquidity risk arises primarily from its various payables.

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 following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	Total contractual cash flows RM	Total carrying amount RM
Group			
2016			
Trade payables	28,946,172	28,946,172	28,946,172
Other payables	9,111,496	9,111,496	9,111,496
	38,057,668	38,057,668	38,057,668
2015			
Trade payables	24,070,062	24,070,062	24,070,062
Other payables	10,615,796	10,615,796	10,615,796
	34,685,858	34,685,858	34,685,858
Company			
2016			
Other payables	410,700	410,700	410,700
2015			
Other payables	501,558	501,558	501,558

(iii) Market risks

(a) Foreign currency exchange risk

The Group is exposed to foreign currency risk through normal trading activities on sales transactions that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Singapore Dollar (SGD), United States Dollar (USD), Brunei Dollar (BND), Hong Kong Dollar (HKD) and China Renminbi (RMB).

The Group monitors regularly its exchange exposures and may hedge its position selectively depending on the size of the exposure and the future outlook of the particular currency unit. The Group uses forward exchange contracts to hedge its foreign currency risk. Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward exchange contracts are rolled over at maturity.

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Denominated In					
	SGD RM	USD RM	BND RM	HKD RM	RMB RM	Total RM
Group						
2016						
Trade receivables	85,595	15,672,581	49,254	2,321,732	9,568,160	27,697,322
Deposits, cash and bank balances	-	5,363,508	-	-	1,560,376	6,923,884
Net exposure	85,595	21,036,089	49,254	2,321,732	11,128,536	34,621,206
2015						
Trade receivables	173,398	22,885,650	1,198	1,886,216	-	24,946,462
Deposits, cash and bank balances	-	5,345,583	-	-	1,648,528	6,994,111
Net exposure	173,398	28,231,233	1,198	1,886,216	1,648,528	31,940,573

Foreign currency sensitivity analysis

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the SGD, USD, BND, HKD and RMB exchange rates against RM, with all other variables held constant.

		Effect on profit before tax	
Group	**Change in currency rate**	**2016 RM**	**2015 RM**
SGD	Strengthened 5%	**4,280**	8,670
	Weakened 5%	**(4,280)**	(8,670)
USD	Strengthened 5%	**1,051,804**	1,411,562
	Weakened 5%	**(1,051,804)**	(1,411,562)
BMD	Strengthened 5%	**2,463**	60
	Weakened 5%	**(2,463)**	(60)
HKD	Strengthened 5%	**116,087**	94,311
	Weakened 5%	**(116,087)**	(94,311)
RMB	Strengthened 5%	**556,427**	82,426
	Weakened 5%	**(556,427)**	(82,426)

(b) Interest rate risk

The Group's fixed rate deposits placed with licensed banks are exposed to a risk of change in their fair value due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long term deposits.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2016 RM	2015 RM
Group		
Fixed rate instruments		
Financial Assets		
- Fixed deposits with licensed banks	51,842,267	31,075,410

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(c) Fair value of financial instruments

The carrying amounts of receivables and payables, cash and cash equivalents approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

It was not practicable to estimate the fair value of investment in unquoted equity due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

28. CAPITAL MANAGEMENT

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

The Group monitors capital using debt-to-equity ratio. The Group's policy is to maintain a prudent level of debt-to-equity ratio that complies with regulatory requirements. The debt-to-equity ratios at end of the reporting period are as follows:

	Group	
	2016 RM	2015 RM
Debt		
Trade and other payables	**38,057,668**	34,685,858
Capital -		
Total equity	**239,503,310**	202,680,654
Debt-to-equity ratio	**0.16**	0.17

There were no changes in the Group's approach to capital management during the financial year.

29. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 3 April 2017.

30. SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

The following analysis of realised and unrealised retained earnings of the Group and of the Company as at the reporting date is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	2016 RM	2015 RM
Group		
Retained Profits		
- Realised	**148,049,551**	111,193,851
- Unrealised	**(9,744,584)**	(9,665,541)
	138,304,967	101,528,310
Less: Consolidation adjustments	**(29,204,787)**	(29,364,029)
	109,100,180	72,164,281
Company		
Retained Profit		
- Realised	**11,805,113**	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.

LIST OF **PROPERTIES**
AS AT 31 December 2016

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. *No. 41, Jalan E1/4, Kawasan Perusahaan Taman Ehsan 52100 Kepong Selangor Darul Ehsan.*	A double-storey warehouse with a 3-storey office annexe.	2,415 sq. meter	Leasehold 99 years *expiring on 09.07.2078*	36	2,055	1.12.2003 / Year 1991
L.B. Food Sdn. Bhd. *Lot 883, Off Jalan Degong Mambang Diawan 31950 Kampar Perak Darul Ridzuan*	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 *expiring on 15.04.2046*	26 to 30	1,842	1.12.2003/ Year 1988
Cocoaland Industry Sdn. Bhd. *Lot 100, Rawang Integrated Industrial Park, 48000 Rawang Selangor Darul Ehsan*	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	21 to 24	8,459	1.12.2003/ Year 1993
Cocoaland Industry Sdn. Bhd. *Lot 5, Rawang Integrated Industrial Park, 48000 Rawang Selangor Darul Ehsan*	A single storey factory/ warehouse with a 2-storey office annexe.	8,303 sq. meter	Freehold	15	5,097	1.12.2003/ Year 2001
Cocoaland Industry Sdn. Bhd. *H.S. (D) 81124, PT9010 Seksyen 20, Bandar Rawang Daerah Gombak Selangor Darul Ehsan*	A single warehouse, a block of double-storey factory and a block of 4 storey factory building	30,326 sq. meter	Leasehold 99 years *expiring on 07.01.2114*	8	37,577	8.12.2005/ Year 2009

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. *No. 324, Taman Diawan Mambang Diawan 31950 Kampar Perak Darul Ridzuan*	A single storey terrace house/ Staffs' hostel.	130 sq. meter	Leasehold 99 years *Expiring on 29.12.2081*	15	45	18.08.2003
B Plus Q Sdn. Bhd. *No. 325, Taman Diawan Mambang Diawan 31950 Kampar Perak Darul Ridzuan*	A single storey terrace house/ Staffs' hostel.	130 sq. meter	Leasehold 99 years *Expiring on 29.12.2081*	15	45	18.08.2003
B Plus Q Sdn. Bhd. *H.S. (D) B.P 5217 P.T. 1242 Mukim Chenderiang, District of Batang Padang, Perak Darul Ridzuan*	A single storey warehouse	520 sq. meter	Leasehold 10 years *Expiring on 31.12.2016*	10	34	1.1.2008
CCL Food & Beverage Sdn. Bhd. *Geran 212309 for Lot 21225, Mukim Rawang, District of Gombak, State of Selangor*	Vacant	10,257 sq. meter	Freehold	-	7,863	14.03.2011
CCL Food & Beverage Sdn. Bhd. *Geran 205539 for Lot 19004, Seksyen 20, Mukim Rawang, District of Gombak, State of Selangor*	Vacant	306 sq. meter	Freehold	-	235	14.03.2011
CCL Food & Beverage Sdn. Bhd. *Geran 212310 for Lot 21226, Mukim Rawang, Selangor*	Single storey warehouse and 2 storey office annexed	9,163 sq. meter	Freehold	19	11,871	23.08.2013

Analysis Of **Shareholdings**
AS AT 31 MARCH 2017

Share Capital

Issued and fully paid-up	RM114,400,000.00
Class of Shares	Ordinary Shares
Voting Rights	One vote per ordinary share held

Distribution of Shareholdings

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100	396	15.301	17,578	0.008
100 – 1,000	327	12.635	217,772	0.095
1,001 - 10,000	1,329	51.352	5,939,655	2.596
10,001 - 100,000	450	17.388	13,343,717	5.832
100,001 to less than 5% of issued shares	84	3.246	69,434,650	30.347
5% and above of issued shares	2	0.077	139,846,628	61.122
Total	2,588	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	5,430,000	2.37
5.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad *(Deutsche Trustees Malaysia Berhad For Eastspring Investments Small-Cap Fund)*	4,351,400	1.90
6.	Amanahraya Trustees Berhad *(Public Islamic Optimal Growth Fund)*	4,280,933	1.87
7.	Maybank Nominees (Tempatan) Sdn. Bhd. *[Pledged Securities Account For Rickoh Corporation Sdn. Bhd.]*	3,333,333	1.46
8.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. *[Pledged Securities Account for Koh Kin Lip (8058900)]*	2,651,666	1.16
9.	Citigroup Nominees (Asing) Sdn. Bhd. *[Exempt An For Citibank New York (Norges Bank 14)]*	2,467,700	1.08
10.	Citigroup Nominees (Tempatan) Sdn. Bhd. *[Kumpulan Wang Persaraan (Diperbadankan)(ESPG IV SC E)]*	2,137,400	0.93
11.	HSBC Nominees (Tempatan) Sdn. Bhd. *[HSBC (M) Trustee Bhd For RHB Small Cap Opportunity Unit Trust]*	1,645,733	0.72

	Name of Shareholders	No. of Shares	% of Shares
12.	Amanahraya Trustees Berhad *(Public Islamic Emerging Opportunities Fund)*	1,607,100	0.70
13.	Citigroup Nominees (Asing) Sdn. Bhd. *[Exempt An For Citibank New York (Norges Bank 12)]*	1,386,000	0.61
14.	Ho Sek Kee Sdn. Bhd.	1,346,666	0.59
15.	Citigroup Nominees (Tempatan) Sdn. Bhd. *(Employees Provident Fund Board)*	1,295,100	0.57
16.	Chew Pui Ming	1,246,197	0.54
17.	Lau Kee Von	1,243,733	0.54
18.	CIMB Group Nominees (Tempatan) Sdn. Bhd. *[CIMB Commerce Trustee Berhad-AMB Smallcap Trust Fund]*	1,128,000	0.49
19.	CIMSEC Nominees (Tempatan) Sdn. Bhd. *[CIMB Bank For Mak Tian Meng (MY0343)]*	1,058,300	0.46
20.	HSBC Nominees (Asing) Sdn. Bhd. *(TNTC For APS Fund)*	1,055,500	0.46
21.	Wong Yoke Chou	912,000	0.40
22.	HSBC Nominees (Tempatan) Sdn. Bhd. *(HSBC (M) Trustee Bhd For RHB Equity Trust)*	876,266	0.38
23.	Kenanga Nominees (Tempatan) Sdn. Bhd. *(Pledged Securities Account For Mak Tian Meng)*	830,666	0.36
24.	RHB Nominees (Tempatan) Sdn. Bhd. *[RHB Asset Management Sdn. Bhd. For RHB Insurance Berhad]*	827,633	0.36
25.	Amanahraya Trustees Berhad *[Public Ehsan Mixed Asset Growth Fund]*	782,300	0.34
26.	HSBC Nominees (Tempatan) Sdn. Bhd. *(HSBC (M) Trustee Bhd For RHB Emerging Opportunity Unit Trust)*	754,000	0.33
27.	Kok Geok Lian	710,000	0.31
28.	Universal Trustee (Malaysia) Berhad *(KAF DANA ADIB)*	679,400	0.30
29.	CIMSEC Nominees (Tempatan) Sdn. Bhd. *[CIMB Bank For Koh Kin Lip (MY0502)]*	666,666	0.29
30.	DB (Malaysia) Nominee (Asing) Sdn. Bhd. *(The Bank Of New York Mellon For Commonwealth Of Pennsylvania State Employees' Retirement System)*	637,000	0.28

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	1,274,666	0.56	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 8(4) of the Companies Act, 2016 ("the Act").

(b) Deemed interested by virtue of its shareholding in Fraser & Neave Holdings Bhd. pursuant to Section 8(4)(b) of the Act.

(c) Deemed interested pursuant to Section 8(4)(c) 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	1,274,666	0.56	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
Lau Cheng Yew (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 8(4) of the Act.

(b) Deemed interested by virtue of his shareholding in Leverage Success Sdn. Bhd pursuant to Section 8(4) of the Act.

cocoaland®
Cocoaland Holdings Berhad
(Company No. 516019-H)
(Incorporated in Malaysia)

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 Seventeenth (17th) Annual General Meeting of the Company to be held at **Crystal 1, Level 1, Crystal Crown Hotel Kuala Lumpur, 3, Jalan Jambu Mawar, Off Jalan Kepong, 52000 Kuala Lumpur** on **Tuesday, 30 May 2017** 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. Liew Fook Meng as Director		
2.	Re-election of Mr. Liew Yoon Kee as Director		
3.	Re-election of Mr. Soh Swee Hock @ Soh Say Hock as Director		
4.	Payment of Directors' fees for the financial year ended 31 December 2016		
5.	Payment of Directors' fees and benefits from 1 January 2017 until the next Annual General Meeting		
6.	Re-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___________________2017

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.

(ii) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.

(iii) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.

(iv) The instrument appointing a proxy shall be deposited at the Registered Office of the Company at Lot 6.08, 6th Floor, Plaza First Nationwide, No. 161, Jalan Tun H.S. Lee, 50000 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting or at any adjournment thereof.

Please Fold Along This Line

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

Please Fold Along This Line

www.cocoaland.com