

GOPENG BERHAD (109465-X)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017 - UNAUDITED

	31.12.2017	31.12.2016
	RM	RM
ASSETS		
Property, Plant and Equipment	181,096,133	175,806,561
Investment Properties	6,960,000	15,040,000
Biological Assets	26,017,236	23,560,627
Land and Deferred Development Expenditure	4,106,347	4,176,589
Investments	186,000	186,000
Total non-current assets	<u>218,365,716</u>	<u>218,769,777</u>
Inventories	296,911	112,040
Properties Under Development	29,075	29,075
Trade and Other Receivables	2,097,871	1,767,457
Tax Recoverable	400,139	362,749
Short Term Investment	93,777,412	102,405,423
Deposits With Licensed Banks	8,635,510	616,596
Cash and Bank Balances	3,490,579	3,498,793
Total current assets	<u>108,727,497</u>	<u>108,792,133</u>
Total Assets	<u>327,093,213</u>	<u>327,561,910</u>
EQUITY		
Share Capital	89,664,491	89,664,491
Reserves	223,212,525	224,778,261
Total Equity	<u>312,877,016</u>	<u>314,442,752</u>
LIABILITIES		
Other Provisions	180,352	169,640
Deferred Tax Liabilities	11,917,000	11,180,000
Total non-current liabilities	<u>12,097,352</u>	<u>11,349,640</u>
Trade and Other Payables	2,015,309	1,625,970
Hire Purchase Liabilities	103,536	143,548
Short Term Borrowing	-	-
Total current liabilities	<u>2,118,845</u>	<u>1,769,518</u>
Total liabilities	<u>14,216,197</u>	<u>13,119,158</u>
Total equity and liabilities	<u>327,093,213</u>	<u>327,561,910</u>

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statement for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)

GOPENG BERHAD (109465-X)
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2017 - UNAUDITED

	Three months ended 31 December		Year ended 31 December	
	2017 <u>RM</u>	2016 <u>RM</u>	2017 <u>RM</u>	2016 <u>RM</u>
Revenue	3,904,873	3,511,204	15,508,712	11,370,654
Cost of sales	(1,142,526)	(2,052,260)	(7,682,284)	(7,504,661)
Gross profit	2,762,347	1,458,944	7,826,428	3,865,993
Other Income	855,578	1,472,907	5,037,093	7,336,766
Administrative & other expenses	(1,591,275)	(2,098,970)	(6,565,265)	(6,460,139)
Results from operating activities	2,026,650	832,881	6,298,256	4,742,620
Interest income	32,356	12,120	55,281	41,892
Finance costs	(8,102)	(9,730)	(27,001)	(42,912)
Operating Profit	2,050,904	835,271	6,326,536	4,741,600
Tax expense	(816,867)	(76,000)	(785,113)	(302,993)
Profit for the period	1,234,037	759,271	5,541,423	4,438,607
Other comprehensive income				
Gain on revaluation of land	-	23,845,406	-	23,845,406
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the year	1,234,037	24,604,677	5,541,423	28,284,013
Basic earnings per share				
From continuing operations	0.69 sen	13.72 sen	3.09 sen	15.77 sen
Diluted earnings per ordinary share (sen)	NA	NA	NA	NA

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statement for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)

GOPENG BHD (109465-X)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2017 - UNAUDITED

GROUP	Attributable to Equity Holders of the Company						Total Equity
	Share Capital	Share Premium	Capital Reserve	Revaluation Reserve	Retained Profit	Reserve	
	RM	RM	RM	RM	RM	RM	
At 1 January 2017	89,664,491	42,349,828	-	160,589,829	21,838,604	224,778,261	314,442,752
Profit for the year	-	-	-	-	5,541,423	5,541,423	5,541,423
Gain on revaluation of land	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	5,541,423	5,541,423	5,541,423
Depreciation transfer on land, net of tax	-	-	-	(1,257,000)	1,323,000	66,000	66,000
Final single tier dividend - 2016	-	-	-	-	(7,173,159)	(7,173,159)	(7,173,159)
At 31 December 2017	89,664,491	42,349,828	-	159,332,829	21,529,868	223,212,525	312,877,016
At 1 January 2016	89,664,491	42,349,828	-	137,075,423	24,225,156	203,650,407	293,314,898
Profit for the year	-	-	-	-	4,438,607	4,438,607	4,438,607
Gain on revaluation of land	-	-	-	23,845,406	-	23,845,406	23,845,406
Total comprehensive income	-	-	-	23,845,406	4,438,607	28,284,013	28,284,013
Depreciation transfer on land, net of tax	-	-	-	(331,000)	348,000	17,000	17,000
Final single tier dividend - 2015	-	-	-	-	(7,173,159)	(7,173,159)	(7,173,159)
At 31 December 2016	89,664,491	42,349,828	-	160,589,829	21,838,604	224,778,261	314,442,752

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statement for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)

GOPENG BHD (109465-X)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2017 - UNAUDITED

	Year ended 31 Dec 2017 RM	Year ended 31 Dec 2016 RM
Net profit / (Loss) before tax and minority interest	6,326,536	4,741,600
Adjustment for:-		
Non-cash item	(1,861,335)	2,721,524
Non operating items (which are investing/financing)	20,284	(7,396,403)
Operating profit before changes in working capital	4,485,485	66,721
Changes in working capital		
(Increase)/decrease in current assets	(515,348)	(494,938)
(Increase)/decrease in current liabilities	387,979	(455,684)
Cash used in operations	4,358,116	(883,901)
Payments for tax, retirement benefits, development expenditure and tax refund	(19,502)	(349,494)
Net cash flow used in operating activities	4,338,614	(1,233,395)
Cash flow (used in) / from investing activities		
- Other investment	10,912,258	10,604,102
	15,250,872	9,370,707
Cash flow used in financing activities		
- Dividend paid to shareholders of the company	(7,173,159)	(7,173,159)
- Bank borrowing and interests	(67,013)	30,638
Net increase/(decrease) in cash and cash equivalents	8,010,700	2,228,186
Cash and cash equivalent at beginning of period	4,115,389	1,887,203
Cash and cash equivalent at end of period	12,126,089	4,115,389
Analysis of cash and cash equivalent:-		
Housing development account	711,159	697,485
Deposits with licensed bank	8,635,510	616,596
Cash and bank balances	2,779,420	2,801,308
	12,126,089	4,115,389

(The condensed consolidated cash flow statement should be read in conjunction with the audited financial statement for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)

GOPENG BERHAD (109465-X)

Notes to the interim financial report

1. Basis of preparation

This interim financial report is unaudited and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad, including compliance with Financial Reporting Standards (FRS) 134 Interim Financial Reporting, issued by the Malaysian Accounting Standard Board (MASB).

The interim financial report should be read in conjunction with the most recent audited financial statement for the year ended 31 December 2016. The accounting policies and method of computation adopted by the group in the interim financial report are consistent with those adopted in the 2016 annual financial statement.

The preparation of the interim financial report in conformity with FRS 134 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains consolidated financial statements and selected explanatory notes. The note includes explanation of events and transaction that are significant to an understanding of the changes in the financial position and performances of the Group since the 2016 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all the information required for full set of financial statements prepared in accordance with FRSs.

Statutory financial statements for the year ended 31 December 2016 are available from the Company's registered office.

2. Accounting Standards and interpretations

a) Adoption of new and revised FRSs

The accounting policies and methods of computation adopted are consistent with those of the previous financial year except for the adoption of the amendments to FRSs and IC Interpretations that are applicable to the Group and the Company for the financial year beginning 1 January 2017.

The adoption of these amendments to FRSs and IC interpretation does not have any significant impact to the Group and the Company.

b) Standards issued

Effective for financial periods beginning on or after 1 January 2017

- Amendments to FRS 107 : Disclosure Initiative
- Amendments to FRS 112 : Recognition of Deferred Tax Assets for Unrealised Losses
- Annual Improvements to FRS Standards 2014-2016 Cycle

Effective for financial periods beginning on or after 1 January 2018

- Amendments to FRS 2 Classification and Measurement of Share based Payment Transactions
- FRS 9 Financial Instruments

Deferred

- Amendments to FRS 10 & FRS 128 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company will adopt the above pronouncements when they become effective. These pronouncements are not expected to have any effect on the financial statements of the Group and of the Company upon their initial application.

c) Malaysian Financial Reporting Standards (MFRS)

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework). The MFRS Framework is to be applied by all Entities Other than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141ö) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15ö), including its parents, significant investor and venture (herein called Transitioning Entitiesö).

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2017. Early application of MFRS is permitted.

The Group and the Company fall within the scope definition of Transitioning Entities and did not opt for early adoption.

The Group and the Company are in the process of assessing the financial effects of the differences between the accounting standards under Financial Reporting Standards and under the MFRS Framework.

3. Seasonal or cyclical factory

The Group's operations were not affected by any seasonal or cyclical factors.

4. Unusual items due to their nature, size or incidence

There were no unusual items due to their nature, size or incidence in the quarter under review.

5. Changes in estimates

There were no changes in estimates of amounts reported in prior financial years which have a material effect in the financial quarter.

6. Capital and reserves

There was no change in the capital and revaluation reserves in the financial quarter.

7. Debt and equity securities

There were no issuance, cancellation, repurchase and resale of equity securities in the financial quarter.

8. Dividend

The Board had recommended a payment of final single-tier dividend of 4 sen per ordinary share in respect of the year ended 31 December 2016.

This final single-tier dividend amounting to RM7,173,159, was approved by the shareholders at the 33rd Annual General Meeting of the Company held on 20 May 2017 and was paid on 14 July 2017 to shareholders whose names appear in the Record of Depositors as at 30 June 2017.

9. Segment analysis

Segment reporting is presented in respect of the Group's business segment. The activities of the Group are carried out in Malaysia and as such, there was no segmental reporting by geographical location.

<u>Segment</u>	Year ended 31 December 2017		Year ended 31 December 2016	
	Turnover RM	Profit/(Loss) from operations RM	Turnover RM	Profit/(Loss) from operations RM
Property		-	-	-
Plantation	15,136,962	7,321,365	11,370,654	3,715,785
Others	371,750	(994,830)	-	1,025,815
Consolidated	15,508,712	6,326,535	11,370,654	4,741,600

There are no inter-segment elimination and unallocated operating income or expenses.

The activities of the Group are now concentrated on the cultivation of palm oil and the investment in short term funds.

Specific industry information

<u>Plantation</u>	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Planted hecterage	1,155 ha	1,155 ha	1,155 ha	1,155 ha
Fresh Fruit Bunch production output (MT)	5,462	6,383	7,046	6,247
FFB yield per hectare	4.73	5.53	6.10	5.41
Average FFB price (RM)	698.01	573.90	575.95	576.76
Average Production Cost per Hectare (RM)	1,863	1,859	1,940	983

10. Property, motor vehicle, plant and equipment and biological assets

a) Valuations

The costs of biological assets had been brought forward, without amendment from the previous annual financial statements. The Company had adopted the revaluation model in FRS 116 and the costs of land and investment properties are currently measured at fair value.

b) Acquisitions and disposals

Acquisitions and disposals of items of property, motor vehicle, plant and equipment in the current interim period and preceding corresponding period are as follows:

	Year ended 31 December 2017 RM	Year ended 31 December 2016 RM
Acquisition of :		
Building ó at cost	86,600	56,360
Plant and Machinery ó at cost	31,880	14,275
Motor Vehicle - at cost	9,296	109,945
Earthmoving equipment ó at cost	27,500	59,600
Office equipment & fittings ó at cost	30,693	1,110
Biological Asset	3,485,279	2,771,726
Total	3,671,248	3,013,016
Total proceeds from disposal of assets	1,358,500	-

11. Post balance sheet events

The board has proposed a bonus issue which entailed an issuance of 1 new Gopeng Share for every 2 existing Gopeng Shares held by the shareholders of Gopeng on an entitlement date to be determine later.

The proposed bonus issue is subject to the following approval being obtained from :-

1. Bursa Malaysia Securities Berhad , for the listing of and quotation for the Bonus Shares pursuant to the Proposed Bonus Issue on the Main Market of Bursa Malaysia Securities Bhd: and
2. The shareholders of Gopeng at an extraordinary general meeting (EGM) to be convened for the proposed bonus issue.

12. Changes in composition of the Group

Arrangement have been made to dispose Grooved Secretarial Ltd, a wholly owned UK subsidiary which had remain dormant subsequent to the termination of the listing of the company shares on the London Stock Exchange and closure of the UK branch share registrar with effect from 30 December 1994.

13. Associate

The Company's remaining investment in associate is Rimba Raya Sdn Bhd (RRSB), the cost of which had been fully impaired.

The Company had on 12 January 2017, accepted an offer to sell its 20% equity shares in RRSB to the majority shareholder for a total consideration of RM800,000. The full payment was duly received in February.

14. Review of performance

	Three months ended 31 December		Changes (%)	Year ended 31 December		Changes (%)
	2017 RM	2016 RM		2017 RM	2016 RM	
Revenue	3,904,873	3,511,204	11%	15,508,712	11,370,654	36%
Cost of sales	(1,142,526)	(2,052,260)	-44%	(7,682,284)	(7,504,661)	2%
Gross profit	2,762,347	1,458,944	89%	7,826,428	3,865,993	102%
Other Income	855,578	1,472,907	-42%	5,037,093	7,336,766	-31%
Administrative & other expenses	(1,591,275)	(2,098,970)	-24%	(6,565,265)	(6,460,139)	2%
Results from operating activities	2,026,650	832,881	143%	6,298,256	4,742,620	33%
Interest income	32,356	12,120	167%	55,281	41,892	32%
Finance costs	(8,102)	(9,730)	-17%	(27,001)	(42,912)	-37%
Operating Profit	2,050,904	835,271	146%	6,326,536	4,741,600	33%
Tax expense	(816,867)	(76,000)		(785,113)	(302,993)	
Profit for the period	1,234,037	759,271	63%	5,541,423	4,438,607	25%

In the quarter ended 31 December 2017, the Group recorded a revenue of **RM3.9 million** and an operating profit of **RM2.1 million** compared with a revenue of **RM3.5 million** and an operating profit of **RM0.8 million** recorded in the previous corresponding quarter ended 31 December 2016.

The higher revenue recorded in the quarter ended 31 December 2017 was due to higher production of FFB.

15. Variation of results against immediate preceding quarter

	Current Quarter 31 Dec 2017	Immediate Preceding Quarter 30 Sept 2017	Changes (%)
Revenue	3,904,873	4,058,149	-3.78%
Profit Before Interest and Tax	2,026,650	1,521,791	33.18%
Operating Profit	2,050,904	1,527,344	34.28%
Profit After Tax	2,037,037	1,527,344	33.37%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent Company	2,037,037	1,527,344	33.37%

The Group recorded a revenue of **RM3.9 million** and operating profit of **RM2.1 million** in the quarter under review compared with a revenue of **RM4.1 million** and operating profit of **RM1.5 million** recorded in the preceding quarter.

The higher operating profit recorded in the current quarter, compared to the preceding quarter was due to lower cost of sales arising from adjustment of allocation of provision for manuring cost.

16. Contingent liabilities

The company has undertaken to provide financial support to certain subsidiaries to enable them to continue operation on a going concern basis.

17. Capital commitments

There were no capital commitments during the financial quarter.

18. Material related party transactions

There were no material related party transactions during the financial quarter.

19. Future prospects

The Group's performance is dependent on the palm oil prices and production.

20. Profit forecast

Profit forecast is not applicable in the period under review.

21. Taxation

	Year ended 31 Dec 2017 RM	Year ended 31 Dec 2016 RM
<u>Current Taxation</u>		
Income tax (Provision)	-	-
Under/(Over)-provision in prior financial year	-	2,517
<u>Real Property Gain Tax</u>	(21,853)	224,476
<u>Deferred taxation</u>		
Origination and reversal of temporary differences	-	(5,000)
Under provision in prior financial year	3,966	81,000
Effect on deferred tax balance due to change in income tax rate from 25% to 24%	-	-
Tax Income	(17,887)	302,993

The Group's effective tax rate is lower than the statutory tax rate as the profit before taxation is mainly from plantation.

22. Unquoted investments and properties

There was no acquisition or disposal of unquoted investments and properties during the financial quarter.

23. Quoted investments

- i) There was no purchase of quoted securities for the quarter under review and financial year to-date.
- ii) Investments in quoted securities as at 31 December 2017 were as follows:

	<u>RM</u>
Cost	16,738
Impairment of investment	(16,738)
Market Value	<u>0.00</u>

24. Status of corporate proposals announced

There was no announcement on corporate proposals in the quarter under review.

25. Borrowing and debt securities

The Group has a Short Term Revolving Credit Facility (STRC) of RM2 Million from Malayan Banking Berhad, secured with a Fixed Deposit of RM500,000, which is not utilised as at 31 December 2017.

26. Off-balance sheet financial instruments

There were no financial instruments with off-balance sheet risk as at the date of this announcement.

27. Material litigation

There was no material litigation against the Group.

28. Basic earnings per share

The basic earnings per share can be viewed in the Condensed Consolidated Statement of Profit or Loss And Other Comprehensive Income at page 2.

The calculation of basic earnings per share was based on the profit for the period and the number of shares in issue of 179,328,982 shares ranking for dividend during the year.

29. Realised and Unrealised Profits

	Dec 2017 RM,000	Dec 2016 RM,000
Total Group retained profits/(Loss)		
Realised	7,562	7,035
Unrealised	(2,321)	(962)
	5,241	6,073
Total retained profits/(Loss) from associated companies		
Realised	-	-
Unrealised	-	-
Less : Consolidated Adjustment	15,769	15,766
Total Group Retained Profit	20,010	21,839

30. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 21 February 2018.