

GOPENG BERHAD (109465-X)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018 - UNAUDITED

	31.03.2018	31.12.2017	1.1.2017
	RM	RM	RM
		(Reported under MFRS)	(Reported under MFRS)
ASSETS			
Property, Plant and Equipment	208,367,830	207,113,369	199,367,188
Investment Properties	6,960,000	6,960,000	15,040,000
Land and Deferred Development Expenditure	2,872,096	4,106,347	4,176,589
Investments	186,000	186,000	186,000
Total non-current assets	<u>218,385,926</u>	<u>218,365,716</u>	<u>218,769,777</u>
Inventories	86,103	296,911	112,040
Biological Asset	322,000	151,000	314,000
Properties Under Development	29,075	29,075	29,075
Trade and Other Receivables	4,759,360	1,934,832	1,767,457
Income Tax Asset	230,973	400,138	362,749
Short Term Investment	95,119,816	93,777,412	102,405,423
Deposits With Licensed Banks	5,635,928	8,635,510	616,596
Cash and Bank Balances	4,539,991	3,490,580	3,498,793
Total current assets	<u>110,723,246</u>	<u>108,715,458</u>	<u>109,106,133</u>
Total Assets	<u>329,109,172</u>	<u>327,081,174</u>	<u>327,875,910</u>
EQUITY			
Share Capital	89,664,491	89,664,491	89,664,491
Reserves	224,200,021	223,130,325	225,092,261
Total Equity	<u>313,864,512</u>	<u>312,794,816</u>	<u>314,756,752</u>
LIABILITIES			
Other Provisions	723,244	180,353	169,640
Hire Purchase Liabilities	30,000	63,525	103,536
Deferred Tax Liabilities	12,058,000	12,058,000	11,180,000
Total non-current liabilities	<u>12,811,244</u>	<u>12,301,878</u>	<u>11,453,176</u>
Trade and Other Payables	2,369,884	1,944,469	1,625,970
Hire Purchase Liabilities	63,533	40,011	40,012
Total current liabilities	<u>2,433,417</u>	<u>1,984,480</u>	<u>1,665,982</u>
Total liabilities	<u>15,244,661</u>	<u>14,286,358</u>	<u>13,119,158</u>
Total equity and liabilities	<u>329,109,173</u>	<u>327,081,174</u>	<u>327,875,910</u>

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 MARCH 2018 - UNAUDITED

	Three months ended		Period ended	
	31 March		31 March	
	2018	2017	2018	2017
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
		(Reported under MFRS)		(Reported under MFRS)
Revenue	2,058,429	3,812,544	2,058,429	3,812,544
Cost of sales	(2,020,464)	(2,152,213)	(2,020,464)	(2,152,213)
Gross profit	37,965	1,660,331	37,965	1,660,331
Other Income	2,752,780	1,664,603	2,752,780	1,664,603
Administrative & other expenses	(1,746,630)	(1,776,967)	(1,746,630)	(1,776,967)
Results from operating activities	1,044,115	1,547,967	1,044,115	1,547,967
Interest income	31,766	5,666	31,766	5,666
Finance costs	(6,185)	(6,227)	(6,185)	(6,227)
Operating Profit	1,069,696	1,547,406	1,069,696	1,547,406
Tax credit	-	33,719	-	33,719
Profit for the period	1,069,696	1,581,125	1,069,696	1,581,125
Other comprehensive income				
Gain on revaluation of land	-	-	-	-
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the year	1,069,696	1,581,125	1,069,696	1,581,125
Basic earnings per share				
From continuing operations	0.01 sen	0.03 sen	0.01 sen	0.03 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 statements for the year ended 31 December 2017 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 MARCH 2018 - 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	
Balance at 1 January 2018, as previously stated	89,664,491	42,349,828	-	159,073,829	21,555,668	222,979,325	312,643,816
Effect on adoption of MFRS	-	-	-	(159,073,829)	159,224,829	151,000	151,000
Balance at 1 January 2018, as reported under MFRS	89,664,491	42,349,828	-	-	180,780,497	223,130,325	312,794,816
Profit for the financial quarter	-	-	-	-	1,069,696	1,069,696	1,069,696
Total comprehensive income for the quarter	-	-	-	-	1,069,696	1,069,696	1,069,696
At 31 March 2018	89,664,491	42,349,828	-	-	181,850,193	224,200,021	313,864,512
Balance at 1 January 2017, as previously stated	89,664,491	42,349,828	-	160,589,829	21,838,604	224,778,261	314,442,752
Effect on adoption of MFRS	-	-	-	(160,589,829)	160,903,829	314,000	314,000
Balance at 1 January 2017, as reported under MFRS	89,664,491	42,349,828	-	-	182,742,433	225,092,261	314,756,752
Profit for the financial quarter (restated)	-	-	-	-	1,581,125	1,581,125	1,581,125
Total comprehensive income for the quarter	-	-	-	-	1,581,125	1,581,125	1,581,125
At 31 March 2017	89,664,491	42,349,828	-	-	184,323,558	226,673,386	316,337,877

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 MARCH 2018 - UNAUDITED

	Period ended 31 March 2018 RM	Period ended 31 March 2017 RM (Restated)
Profit before tax and minority interest	1,069,696	1,776,406
Adjustment for:-		
Non-cash item	720,399	867,828
Non operating items (which are investing/financing)	925,862	(915,056)
Operating profit before changes in working capital	2,715,957	1,566,178
Changes in working capital		
(Increase)/Decrease in current assets	(2,529,023)	(471,156)
(Increase)/Decrease in current liabilities	340,717	(14,744)
Cash used in operations	527,651	1,080,278
Payments for tax, retirement benefits, development expenditure and tax refund	169,166	5,719
Net cash flow used in operating activities	696,817	1,085,997
Cash flow (used in) / from investing activities		
- Other investment	(2,630,800)	3,345,253
	(1,933,983)	4,431,250
Cash flow used in financing activities		
- Dividend paid to shareholders of the company	-	-
- Bank borrowing and interests	(16,188)	(16,230)
Net increase/(decrease) in cash and cash equivalents	(1,950,171)	4,415,020
Cash and cash equivalent at beginning of period	12,126,090	4,115,389
Cash and cash equivalent at end of period	10,175,919	8,530,409
Analysis of cash and cash equivalent:-		
Housing development account	715,738	699,671
Deposits with licensed bank	5,635,928	616,596
Cash and bank balances	3,824,253	7,214,142
	10,175,919	8,530,409

(The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 Malaysian Financial Reporting Standards (MFRS) 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 2017. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2017.

Statutory financial statements for the year ended 31 December 2017 are available from the Company's registered office.

The financial statements of the Group for the financial period ended 31 March 2018 are the first set of financial statements prepared in accordance with the Malaysian Financial Reporting Standards (MFRS) Framework. The date of transition to the MFRS Framework was on 1 January 2017.

The Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 January 2018 and throughout all comparable interim periods presented, as if these policies had always been in effect. Comparative information in these interim financial statements have been restated to give effect to these changes and the financial impact on transition from FRS in Malaysia to MFRS as disclosed as follows:

a) Bearer plants

The amendments to MFRS 115 and MFRS 141 Agriculture: Bearer Plants change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will be within the scope of MFRS 116. After initial recognition, bearer plants will now be measured under MFRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). As the Group is currently measuring the bearer biological assets at cost less amortization, the change in accounting policies is limited to reclassification of the bearer assets from biological assets to property, plant and equipment and thus, the change will not impact comprehensive income or equity.

b) Biological assets

Prior to the adoption of the Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants, biological assets which form part of the bearer plants were not recognised. With the adoption of the Amendments to MFRS 116 and MFRS 141, the biological assets within the scope of MFRS 141 are measured at fair value less cost to sell. The changes in fair value less cost to sell of the biological assets was recognised in profit or loss.

c) Property, plant and equipment

As part of its transition to MFRS, the Group elected to measure the land and buildings at the date of transition to MFRSs at its fair value and use that fair value as its deemed cost as that date.

The impact of the changes in accounting policy on the financial statements as a result of the transition to the MFRS Framework are as follows:

(RM)	As at 31 December 2017			As at 31 December 2016		
	Previously reported under FRS	Effects on adoption of MFRS	Reported under MFRS	Previously reported under FRS	Effects on adoption of MFRS	Reported under MFRS
Non current assets						
Property, plant and equipment	181,096,133	26,017,236	207,113,369	175,806,561	23,560,627	199,367,188
Biological assets	26,017,236	(26,017,236)	-	23,560,627	(23,560,627)	-
Current assets						
Biological assets	-	151,000	151,000	-	314,000	314,000
Equity						
Other reserves	159,332,829	(159,332,829)	-	160,589,829	(160,589,829)	-
Retained profits	21,555,668	159,483,829	181,039,497	21,838,604	160,903,829	182,742,433
Corresponding quarter						
(RM)				Previously reported under FRS	Effects on adoption of MFRS	Reported under MFRS
Administrative & other expenses				1,547,967	229,000	1,776,967
Operating profit				1,776,406	(229,000)	1,547,406
Income tax credit				33,719	-	33,719
Profit for the quarter				1,810,125	(229,000)	1,581,125

2. Accounting Standards and interpretations

At the date of authorization of these interim financial statements, the following MFRS, IC Interpretations and Amendments to IC Interpretations were issued, but not yet effective and have not been applied by the Group:

Effective for financial periods beginning on or after 1 January 2019

- MFRS 16 : Leases
- Amendments to MFRS 128 : Long term interest in Associates and joint ventures

Effective for financial periods beginning on or after 1 January 2021

- MFRS 17 : Insurance Contracts

Deferred

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

The Group 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.

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 material change in the capital and 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 2017.

This final single-tier dividend amounting to RM7,173,159, was approved by the shareholders at the 34th Annual General Meeting of the Company held on 26 May 2018 and will be paid on 16 July 2018 to shareholders whose names appear in the Record of Depositors as at 29 June 2018.

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>	Period ended 31 March 2018		Period ended 31 March 2017	
	Turnover RM	Profit/(Loss) from operations RM	Turnover RM	Profit/(Loss) from operations RM
Property	-	-	-	-
Plantation	2,058,429	173,276	3,812,544	1,401,436
Others	-	896,420	-	145,970
Consolidated	2,058,429	1,069,696	3,812,544	1,547,406

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>	2 nd Quarter 2017	3 rd Quarter 2017	4 th Quarter 2017	1 st Quarter 2018
Planted hectareage	1,155	1,155	1,155	1,203
Fresh Fruit Bunch production output (MT)	6,383	7,046	6,247	3,912
FFB yield per hectare	5.53	6.10	5.41	3.25
Average FFB price (RM)	573.90	575.95	576.76	526.18
Average Production Cost per Hectare (RM)	1,859	1,940	983	1,679

10. Property, plant and equipment

a) Valuations

As part of its transition to MFRS, the Group elected to measure the land and buildings at the date of transition to MFRSs at its fair value and use that fair value as its deemed cost as that date in accordance to MFRS 116.

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:

	Period ended 31 March 2018 RM	Period ended 31 March 2017 RM
Acquisition of :		
Building ó at cost	47,800	-
Plant and Machinery ó at cost		-
Motor Vehicle - at cost	600,000	9,296
Earthmoving equipment ó at cost	57,450	-
Office equipment & fittings ó at cost	14,947	8,165
Bearer Plantó at cost	1,295,887	540,673
Total	2,016,084	558,134
Total proceeds from disposal of assets	60,000	2,500

11. Post balance sheet events

There were no material events after the end of the quarter which had not been reflected in the financial statements for the quarter ended 31 March 2018.

12. Changes in composition of the Group

There was no change to the composition of the group since the last reporting.

13. Associate

The Company disposed-off its investment in an associate company, Rimba Raya Sdn Bhd in February 2018, resulting in a gain of RM800,000.

14. Review of performance

	Three months ended 31 March		Changes (%)	Period ended 31 March		Changes (%)
	2018 <u>RM</u>	2017 <u>RM</u> (Reported under MFRS)		2018 <u>RM</u>	2017 <u>RM</u> (Reported under MFRS)	
Revenue	2,058,429	3,812,544	-46%	2,058,429	3,812,544	-46%
Cost of sales	(2,020,464)	(2,152,213)	-6%	(2,020,464)	(2,152,213)	-6%
Gross profit	37,965	1,660,331	-98%	37,965	1,660,331	-98%
Other Income	2,752,780	1,664,603	65%	2,752,780	1,664,603	65%
Administrative & other expenses	(1,746,630)	(1,776,967)	-2%	(1,746,630)	(1,776,967)	-2%
Results from operating activities	1,044,115	1,547,967	-33%	1,044,115	1,547,967	-33%
Interest income	31,766	5,666	461%	31,766	5,666	461%
Finance costs	(6,185)	(6,227)	-1%	(6,185)	(6,227)	-1%
Operating Profit	1,069,696	1,547,406	-31%	1,069,696	1,547,406	-31%
Tax credit	-	33,719		-	33,719	
Profit for the period	1,069,696	1,581,125	-32%	1,069,696	1,581,125	-32%

In the quarter ended 31 March 2018, the Group recorded a revenue of **RM2.1 million** and an operating profit of **RM1.1 million** compared with a revenue of **RM3.8 million** and an operating profit of **RM1.5 million** recorded in the previous corresponding quarter ended 31 March 2017.

The lower revenue and operating profit recorded in the quarter ended 31 March 2018 was due to bagworm attack, resulting in lower production of FFB and higher cost of sales.

Due to adverse economic condition, the other income was badly affected when the fair value of the Group's short-term investment has dropped. However, it was mitigated by a gain on sale of an associate company, Rimba Raya Sdn Bhd and a sale of property development land in Gopeng Land & Properties Sdn Bhd.

15. Variation of results against immediate preceding quarter

	Current Quarter 31 March 2018 RM	Immediate Preceding Quarter 31 Dec 2017 RM (Reported under MFRS)	Changes (%)
Revenue	2,058,429	3,904,873	-47.29%
Profit Before Interest and Tax	1,044,155	1,863,650	-43.97%
Operating Profit	1,069,696	1,887,904	-43.34%
Profit After Tax	1,069,696	1,071,037	-0.13%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent Company	1,069,696	1,071,037	-0.13%

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

Due to bagworm attack, the production in the current quarter compared to the preceding quarter had reduced substantially from **6,247mt** to **3,912mt**, resulting in a lower revenue and lower operating profit.

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

	Period ended 31 March 2018 RM	Period ended 31 March 2017 RM
<u>Current Taxation</u>		
Income tax (Provision)	-	-
Under/(Over)-provision in prior financial year	-	-
<u>Real Property Gain Tax</u>	-	33,719
<u>Deferred taxation</u>		
Origination and reversal of temporary differences	-	-
Under provision in prior financial year	-	-
Effect on deferred tax balance due to change in income tax rate from 25% to 24%	-	-
Tax Credit	-	33,719

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 March 2018 were as follows:

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

24. Status of corporate proposals announced

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 has been approved by 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 still subject to the approval by the shareholders of Gopeng at an extraordinary general meeting (EGM) to be convened on 26 May 2018.

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 March 2018.

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. 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 26 May 2018.