

**GOPENG BERHAD (109465-X)**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2018 - UNAUDITED**

	<b>30.06.2018</b>	<b>31.12.2017</b>	<b>1.1.2017</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
		(Reported under MFRS)	(Reported under MFRS)
<b>ASSETS</b>			
Property, Plant and Equipment	208,588,933	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
<b>Total non-current assets</b>	<b>218,607,029</b>	<b>218,365,716</b>	<b>218,769,777</b>
Inventories	77,078	296,911	112,040
Biological Asset	264,570	151,000	314,000
Properties Under Development	29,075	29,075	29,075
Trade and Other Receivables	1,468,196	1,934,832	1,767,457
Income Tax Asset	269,724	400,138	362,749
Short Term Investment	99,944,029	93,777,412	102,405,423
Deposits With Licensed Banks	578,280	8,635,510	616,596
Cash and Bank Balances	5,895,706	3,490,580	3,498,793
<b>Total current assets</b>	<b>108,526,658</b>	<b>108,715,458</b>	<b>109,106,133</b>
<b>Total Assets</b>	<b>327,133,687</b>	<b>327,081,174</b>	<b>327,875,910</b>
<b>EQUITY</b>			
Share Capital	89,664,491	89,664,491	89,664,491
Reserves	222,149,778	223,130,325	225,092,261
<b>Total Equity</b>	<b>311,814,269</b>	<b>312,794,816</b>	<b>314,756,752</b>
<b>LIABILITIES</b>			
Other Provisions	1,300,041	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
<b>Total non-current liabilities</b>	<b>13,388,041</b>	<b>12,301,878</b>	<b>11,453,176</b>
Trade and Other Payables	1,877,847	1,944,469	1,625,970
Hire Purchase Liabilities	53,530	40,011	40,012
<b>Total current liabilities</b>	<b>1,931,377</b>	<b>1,984,480</b>	<b>1,665,982</b>
<b>Total liabilities</b>	<b>15,319,418</b>	<b>14,286,358</b>	<b>13,119,158</b>
<b>Total equity and liabilities</b>	<b>327,133,687</b>	<b>327,081,174</b>	<b>327,875,910</b>

(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 30 JUNE 2018 - UNAUDITED**

	Three months ended		Period ended	
	30 June		30 June	
	2018	2017	2018	2017
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
		(Reported under MFRS)		(Reported under MFRS)
<b>Revenue</b>	<b>1,565,849</b>	<b>3,733,146</b>	<b>3,624,278</b>	<b>7,545,690</b>
Cost of sales	(2,005,037)	(2,146,822)	(4,025,501)	(4,299,035)
<b>Gross Profit / (Loss)</b>	<b>(439,188)</b>	<b>1,586,324</b>	<b>(401,223)</b>	<b>3,246,655</b>
Other Income	17,928	1,100,192	2,770,708	2,764,795
Administrative & other expenses	(1,548,402)	(1,713,669)	(3,295,032)	(3,261,636)
<b>Results from operating activities</b>	<b>(1,969,662)</b>	<b>972,847</b>	<b>(925,547)</b>	<b>2,749,814</b>
Interest income	18,756	5,370	50,522	11,036
Finance costs	(6,338)	(6,336)	(12,522)	(12,563)
<b>Operating Profit / (Loss)</b>	<b>(1,957,244)</b>	<b>971,881</b>	<b>(887,547)</b>	<b>2,748,287</b>
Tax (expense) / income	(93,000)	(1,965)	(93,000)	31,754
<b>Profit / (Loss) for the period</b>	<b>(2,050,244)</b>	<b>969,916</b>	<b>(980,547)</b>	<b>2,780,041</b>
<b>Other comprehensive income</b>				
Gain on revaluation of land	-	-	-	-
Other comprehensive income, net of tax	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>(2,050,244)</b>	<b>969,916</b>	<b>(980,547)</b>	<b>2,780,041</b>
<b>Basic earnings per share</b>				
From continuing operations	<b>(1.14) sen</b>	<b>0.54 sen</b>	<b>(0.55) sen</b>	<b>1.55 sen</b>
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 30 JUNE 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	
<b>Balance at 1 January 2018, as previously stated</b>	<b>89,664,491</b>	<b>42,349,828</b>	-	<b>159,073,829</b>	<b>21,555,668</b>	<b>222,979,325</b>	<b>312,643,816</b>
Effect on adoption of MFRS	-	-	-	<b>(159,073,829)</b>	<b>159,224,829</b>	<b>151,000</b>	<b>151,000</b>
Balance at 1 January 2018, as reported under MFRS	<b>89,664,491</b>	<b>42,349,828</b>	-	-	<b>180,780,497</b>	<b>223,130,325</b>	<b>312,794,816</b>
Profit / (Loss) for the financial quarter	-	-	-	-	(980,547)	(980,547)	(980,547)
Total comprehensive income for the quarter	-	-	-	-	(980,547)	(980,547)	(980,547)
<b>At 30 June 2018</b>	<b>89,664,491</b>	<b>42,349,828</b>	-	-	<b>179,799,950</b>	<b>222,149,778</b>	<b>311,814,269</b>
<b>Balance at 1 January 2017, as previously stated</b>	<b>89,664,491</b>	<b>42,349,828</b>	-	<b>160,589,829</b>	<b>21,838,604</b>	<b>224,778,261</b>	<b>314,442,752</b>
Effect on adoption of MFRS	-	-	-	<b>(160,589,829)</b>	<b>160,903,829</b>	<b>314,000</b>	<b>314,000</b>
Balance at 1 January 2017, as reported under MFRS	<b>89,664,491</b>	<b>42,349,828</b>	-	-	<b>182,742,433</b>	<b>225,092,261</b>	<b>314,756,752</b>
Profit for the financial quarter (restated)	-	-	-	-	2,780,041	2,780,041	2,780,041
Total comprehensive income for the quarter	-	-	-	-	<b>2,780,041</b>	<b>2,780,041</b>	<b>2,780,041</b>
<b>At 31 March 2017</b>	<b>89,664,491</b>	<b>42,349,828</b>	-	-	<b>185,522,474</b>	<b>227,872,302</b>	<b>317,536,793</b>

(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 30 JUNE 2018 - UNAUDITED**

	<b>Period ended 30 June 2018 RM</b>	<b>Period ended 30 June 2017 RM (Restated)</b>
<b>Profit before tax and minority interest</b>	<b>(887,547)</b>	<b>2,748,287</b>
Adjustment for:-		
Non-cash item	596,460	1,423,203
Non operating items (which are investing/financing)	2,388,240	(1,716,608)
<b>Operating profit before changes in working capital</b>	<b>2,097,153</b>	<b>2,454,882</b>
Changes in working capital		
(Increase)/Decrease in current assets	771,165	467,469
(Increase)/Decrease in current liabilities	(151,320)	(46,578)
<b>Cash used in operations</b>	<b>2,716,998</b>	<b>2,875,773</b>
Payments for tax, retirement benefits, development expenditure and tax refund	37,415	84,364
<b>Net cash flow used in operating activities</b>	<b>2,754,413</b>	<b>2,960,137</b>
Cash flow (used in) / from investing activities		
- Other investment	(8,373,990)	6,324,273
	<b>(5,619,577)</b>	<b>9,284,410</b>
Cash flow used in financing activities		
- Dividend paid to shareholders of the company	-	-
- Bank borrowing and interests	(32,527)	(32,555)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(5,652,104)</b>	<b>9,251,855</b>
Cash and cash equivalent at beginning of period	12,126,090	4,115,389
<b>Cash and cash equivalent at end of period</b>	<b>6,473,986</b>	<b>13,367,244</b>
<b>Analysis of cash and cash equivalent:-</b>		
Housing development account	718,694	704,223
Deposits with licensed bank	578,280	9,617,413
Cash and bank balances	5,177,012	3,045,608
	<b>6,473,986</b>	<b>13,367,244</b>

**(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
<b>Non current assets</b>						
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)	-
<b>Current assets</b>						
Biological assets	-	151,000	151,000	-	314,000	314,000
<b>Equity</b>						
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
<b>Corresponding quarter</b>						
(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
<b>Profit for the quarter</b>				<b>1,810,125</b>	<b>(229,000)</b>	<b>1,581,125</b>

## **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 quarter which have a material effect in the current 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 payment of a 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 was 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>	<b>Period ended 30 June 2018</b>		<b>Period ended 30 June 2017</b>	
	<b>Turnover RM</b>	<b>Profit/(Loss) from operations RM</b>	<b>Turnover RM</b>	<b>Profit/(Loss) from operations RM</b>
Property	-	-	-	-
Plantation	3,624,278	(208,146)	7,475,766	3,113,902
Others	-	(679,401)	69,924	(365,615)
Consolidated	3,624,278	(887,547)	7,545,690	2,748,287

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>	3 <sup>rd</sup> Quarter 2017	4 <sup>th</sup> Quarter 2017	1 <sup>st</sup> Quarter 2018	2 <sup>nd</sup> Quarter 2018
Planted hectareage	1,155	1,155	1,203	1,203
Fresh Fruit Bunch production output (MT)	7,046	6,247	3,912	3,217
FFB yield per hectare	6.10	5.41	3.25	2.67
Average FFB price (RM)	575.95	576.76	526.18	486.74
Average Production Cost per Hectare (RM)	1,940	983	1,680	1,667



## 10. Property, plant and equipment

### a) Valuations

As part of its transition to MFRS, the Group has 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 at 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:

	<b>Period ended 30 June 2018 RM</b>	<b>Period ended 30 June 2017 RM</b>
Acquisition of :		
Building ó at cost	47,800	-
Plant and Machinery ó at cost		-
Motor Vehicle - at cost	609,550	9,296
Earthmoving equipment ó at cost	57,450	-
Office equipment & fittings ó at cost	18,313	14,685
Bearer Plantó at cost	2,287,212	1,374,954
Total	3,020,325	1,398,935
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 30 June 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 30 June		Changes (%)	Period ended 30 June		Changes (%)
	2018 <b>RM</b>	2017 <b>RM</b> (Reported under MFRS)		2018 <b>RM</b>	2017 <b>RM</b> (Reported under MFRS)	
<b>Revenue</b>	<b>1,565,849</b>	<b>3,733,146</b>	<b>-58%</b>	<b>3,624,278</b>	<b>7,545,690</b>	<b>-52%</b>
Cost of sales	(2,005,037)	(2,146,822)	-7%	(4,025,501)	(4,299,035)	-6%
<b>Gross Profit / (Loss)</b>	<b>(439,188)</b>	<b>1,586,324</b>	<b>-128%</b>	<b>(401,223)</b>	<b>3,246,655</b>	<b>-112%</b>
Other Income	17,928	1,100,192	-98%	2,770,708	2,764,795	0%
Administrative & other expenses	(1,548,402)	(1,713,669)	-10%	(3,295,032)	(3,261,636)	1%
<b>Results from operating activities</b>	<b>(1,969,662)</b>	<b>972,847</b>	<b>-302%</b>	<b>(925,547)</b>	<b>2,749,814</b>	<b>-134%</b>
Interest income	18,756	5,370	<b>249%</b>	50,522	11,036	358%
Finance costs	(6,338)	(6,336)	<b>0%</b>	(12,522)	(12,563)	0%
<b>Operating Profit / (Loss)</b>	<b>(1,957,244)</b>	<b>971,881</b>	<b>-301%</b>	<b>(887,547)</b>	<b>2,748,287</b>	<b>-132%</b>
Tax (expense) / income	(93,000)	(1,965)		(93,000)	31,754	
<b>Profit / (Loss) for the period</b>	<b>(2,050,244)</b>	<b>969,916</b>	<b>-311%</b>	<b>(980,547)</b>	<b>2,780,041</b>	<b>-135%</b>

In the quarter ended 30 June 2018, the Group recorded a revenue of **RM1.6 million** and an operating loss of **RM2.0 million** compared with a revenue of **RM3.7 million** and an operating profit of **RM1.0 million** recorded in the previous corresponding quarter ended 30 June 2017.

The lower revenue and the operating loss recorded in the quarter ended 30 June 2018 were due to lower FFB price and lower production due to bagworm attack.

Other income was also badly affected by the adverse economic condition, resulting in a steep drop in the fair value of the Group's short-term investments.

## 15. Variation of results against immediate preceding quarter

	Current Quarter 30 June 2018 RM	Immediate Preceding Quarter 31 March 2018 RM (Reported under MFRS)	Changes (%)
Revenue	1,565,849	2,058,429	-23.93%
Profit/(loss) Before Interest and Tax	(1,969,662)	1,044,115	-288.64%
Operating Profit	(1,957,244)	1,069,696	-282.97%
Profit / (loss) After Tax	(2,050,244)	1,069,696	-291.67%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent Company	(2,050,244)	1,069,696	-291.67%

The Group recorded a revenue of **RM1.6 million** and operating loss of **RM2.0 million** in the quarter under review compared with a revenue of **RM2.1 million** and operating profit of **RM1.1 million** recorded in the preceding quarter.

For the first two quarter of 2018, the average FFB price has dropped from **RM526.18** to **RM486.74** while production dropped from **3,912mt** to **3,217mt**, resulting in the loss.

Profit in the preceding quarter was mainly due to 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.

## 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

	<b>Period ended 30 June 2018 RM</b>	<b>Period ended 30 June 2017 RM</b>
<u>Current Taxation</u>		
Income tax (Provision)	-	-
Under/(Over)-provision in prior financial year	-	-
<u>Real Property Gain Tax</u>	93,000	(33,719)
<u>Deferred taxation</u>		
Origination and reversal of temporary differences	-	-
Under provision in prior financial year	-	1,965
Effect on deferred tax balance due to change in income tax rate from 25% to 24%	-	-
Tax Credit / (Income)	93,000	(31,754)

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 30 June 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.

The proposed bonus issue was approved by the shareholders of Gopeng at an extraordinary general meeting (EGM) on 26 May 2018. The effective date of the transaction was 2<sup>nd</sup> August 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. The facility has been utilised in full for the purpose of the Group's dividend payment.

#### **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 on 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 28 August 2018.