

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

	30.09.2018	31.12.2017	1.1.2017
	RM	RM	RM
		(Reported under MFRS)	(Reported under MFRS)
ASSETS			
Property, Plant and Equipment	204,925,262	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	214,943,358	218,365,716	218,769,777
Inventories	217,866	296,911	112,040
Biological Asset	362,035	151,000	314,000
Properties Under Development	29,075	29,075	29,075
Trade and Other Receivables	11,357,371	1,934,832	1,767,457
Income Tax Asset	323,740	400,138	362,749
Short Term Investment	99,264,994	93,777,412	102,405,423
Deposits With Licensed Banks	578,280	8,635,510	616,596
Cash and Bank Balances	1,841,937	3,490,580	3,498,793
Total current assets	113,975,298	108,715,458	109,106,133
Total Assets	328,918,656	327,081,174	327,875,910
EQUITY			
Share Capital	134,496,726	89,664,491	89,664,491
Reserves	177,137,324	223,130,325	225,092,261
Total Equity	311,634,050	312,794,816	314,756,752
LIABILITIES			
Other Provisions	658,170	180,353	169,640
Hire Purchase Liabilities	33,515	63,525	103,536
Deferred Tax Liabilities	12,058,000	12,058,000	11,180,000
Total non-current liabilities	12,749,685	12,301,878	11,453,176
Trade and Other Payables	2,494,909	1,944,469	1,625,970
Short Term Borrowing	2,000,000	-	-
Hire Purchase Liabilities	40,012	40,011	40,012
Total current liabilities	4,534,921	1,984,480	1,665,982
Total liabilities	17,284,606	14,286,358	13,119,158
Total equity and liabilities	328,918,656	327,081,174	327,875,910

(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 SEPTEMBER 2018 - UNAUDITED

	Three months ended 30 September		Period ended 30 September	
	2018 <u>RM</u>	2017 <u>RM</u> (Reported under MFRS)	2018 <u>RM</u>	2017 <u>RM</u> (Reported under MFRS)
Revenue	2,042,445	4,058,149	5,666,723	11,603,839
Cost of sales	(1,475,746)	(2,240,723)	(5,501,247)	(6,539,758)
Gross Profit / (Loss)	566,699	1,817,426	165,476	5,064,081
Other Income	8,627,399	1,416,720	11,398,107	4,181,515
Administrative & other expenses	(3,931,792)	(1,712,355)	(5,480,194)	(4,973,991)
Results from operating activities	5,262,306	1,521,791	6,083,389	4,271,605
Interest income	8,519	11,889	59,041	22,925
Finance costs	(20,834)	(6,336)	(33,356)	(18,899)
Operating Profit / (Loss)	5,249,991	1,527,344	6,109,074	4,275,631
Tax (expense) / income	(3,681)	-	(96,681)	31,754
Profit / (Loss) for the period	5,246,310	1,527,344	6,012,393	4,307,385
Other comprehensive income				
Gain on revaluation of land	-	-	-	-
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the year	5,246,310	1,527,344	6,012,393	4,307,385
Basic earnings per share				
From continuing operations	1.95 sen	0.85 sen	2.24 sen	2.40 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 30 SEPTEMBER 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 / (Loss) for the financial quarter	-	-	-	-	6,012,393	6,012,393	6,012,393
Total comprehensive income for the quarter	-	-	-	-	6,012,393	6,012,393	6,012,393
Final single-tier dividend - 2017 Bonus Issue	44,832,234	(42,349,828)			(7,173,159) (2,482,406)	(7,173,159) (44,832,234)	-
At 30 September 2018	134,496,725	-	-	-	177,137,325	177,137,325	311,634,050
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)	-	-	-	-	4,307,385	4,307,385	4,307,385
Total comprehensive income for the quarter	-	-	-	-	4,307,385	4,307,385	4,307,385
Final single-tier dividend - 2016					(7,173,159)	(7,173,159)	(7,173,159)
At 31 March 2017	89,664,491	42,349,828	-	-	179,876,659	222,226,487	311,890,978

(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 SEPTEMBER 2018 - UNAUDITED

	Period ended 30 September 2018 RM	Period ended 30 September 2017 RM (Restated)
Profit before tax and minority interest	6,109,074	4,275,631
Adjustment for:-		
Non-cash item	(6,964,569)	(1,877,137)
Non operating items (which are investing/financing)	1,720,684	1,035,436
Operating profit before changes in working capital	865,189	3,433,930
Changes in working capital		
(Increase)/Decrease in current assets	(9,258,797)	225,311
(Increase)/Decrease in current liabilities	450,476	115,495
Cash used in operations	(7,943,132)	3,774,736
Payments for tax, retirement benefits, development expenditure and tax refund	(5,017)	39,364
Net cash flow used in operating activities	(7,948,149)	3,814,100
Cash flow (used in) / from investing activities		
- Other investment	3,478,800	6,497,136
	(4,469,349)	10,311,236
Cash flow used in financing activities		
- Dividend paid to shareholders of the company	(7,173,159)	(7,173,159)
- Bank borrowing and interests	1,936,635	(48,908)
Net increase/(decrease) in cash and cash equivalents	(9,705,873)	3,089,169
Cash and cash equivalent at beginning of period	12,126,090	4,115,389
Cash and cash equivalent at end of period	2,420,217	7,204,558
Analysis of cash and cash equivalent:-		
Housing development account	722,554	707,690
Deposits with licensed bank	578,280	617,834
Cash and bank balances	1,119,383	5,879,034
	2,420,217	7,204,558

(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 30 September 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 quarter which have a material effect in the current financial quarter.

6. Capital and reserves

There changes to the capital and reserves in the financial quarter following the issue of bonus shares on 2 August 2018 were reflected in the Condensed Consolidated Statement of Changes in Equity on page 3.

7. Debt and equity securities

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

8. Dividend

A final single-tier dividend amounting to RM7,173,159, which was approved by the shareholders at the 34th Annual General Meeting of the Company held on 26 May 2018 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>	Period ended 30 Sept 2018		Period ended 30 Sept 2017	
	Turnover RM	Profit/(Loss) from operations RM	Turnover RM	Profit/(Loss) from operations RM
Property	-	-	-	-
Plantation	5,666,723	420,191	11,533,915	4,897,366
Others	-	5,688,883	69,924	(621,735)
Consolidated	5,666,723	6,109,074	11,603,839	4,275,631

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>	4 th Quarter 2017	1 st Quarter 2018	2 nd Quarter 2018	3rd Quarter 2018
Planted hecterage	1,155	1,203	1,203	1,203
Fresh Fruit Bunch production output (MT)	6,247	3,912	3,217	4,529
FFB yield per hectare	5.41	3.25	2.67	3.76
Average FFB price (RM)	576.76	526.18	486.74	450.97
Average Production Cost per Hectare (RM)	983	1,680	1,667	1,227

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:

	Period ended 30 Sept 2018 RM	Period ended 30 Sept 2017 RM
Acquisition of :		
Building ó at cost	47,800	-
Plant and Machinery ó at cost	3,200	8,560
Motor Vehicle - at cost	609,550	9,296
Earthmoving equipment ó at cost	57,450	27,500
Office equipment & fittings ó at cost	18,313	32,385
Bearer Plantó at cost	3,216,321	2,251,723
Total	3,952,634	2,329,464
Total proceeds from disposal of assets	10,760,300	1,358,500

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 September 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 September		Changes (%)	Period ended 30 September		Changes (%)
	2018 RM	2017 RM (Reported under MFRS)		2018 RM	2017 RM (Reported under MFRS)	
Revenue	2,042,445	4,058,149	-50%	5,666,723	11,603,839	-51%
Cost of sales	(1,475,746)	(2,240,723)	-34%	(5,501,247)	(6,539,758)	-16%
Gross Profit / (Loss)	566,699	1,817,426	-69%	165,476	5,064,081	-97%
Other Income	8,627,399	1,416,720	509%	11,398,107	4,181,515	173%
Administrative & other expenses	(3,931,792)	(1,712,355)	130%	(5,480,194)	(4,973,991)	10%
Results from operating activities	5,262,306	1,521,791	246%	6,083,389	4,271,605	42%
Interest income	8,519	11,889	-28%	59,041	22,925	158%
Finance costs	(20,834)	(6,336)	229%	(33,356)	(18,899)	76%
Operating Profit / (Loss)	5,249,991	1,527,344	244%	6,109,074	4,275,631	43%
Tax (expense) / income	(3,681)	-		(96,681)	31,754	
Profit / (Loss) for the period	5,246,310	1,527,344	243%	6,012,393	4,307,385	40%

In the quarter ended 30 September 2018, the Group recorded a revenue of **RM2 million** and an operating profit of **RM5.2 million** compared with a revenue of **RM4.1 million** and an operating profit of **RM1.5 million** recorded in the previous corresponding quarter ended 30 September 2017.

The lower revenue recorded in the quarter ended 30 September 2018 was due to lower FFB prices and lower production.

The higher other income recorded in the same quarter was contributed by a disposal of 33.4 hectares of land to Asia Meranti Sdn Bhd, giving a gain of RM7 million.

On the other hand, the fair value of the Group's short-term investments is still low due to the adverse economic condition.

15. Variation of results against immediate preceding quarter

	Current Quarter 30 Sept 2018 RM	Immediate Preceding Quarter 30 June 2018 RM (Reported under MFRS)	Changes (%)
Revenue	2,042,445	1,565,849	30.44%
Profit/(loss) Before Interest and Tax	5,262,306	(1,969,662)	367.17%
Operating Profit	5,249,991	(1,957,244)	368.23%
Profit / (loss) After Tax	5,246,310	(2,050,244)	355.89%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent Company	5,246,310	(2,050,244)	355.89%

The Group recorded a revenue of **RM2.0 million** and operating profit of **RM5.0 million** in the quarter under review compared with a revenue of **RM1.6 million** and operating loss of **RM2.0 million** recorded in the preceding quarter.

Compared with the preceding quarter, the average FFB price dropped from **RM486.74** to **RM450.97** while production increased from **3,217mt** to **4,529mt**, resulting in a net-effect of higher revenue.

Profit in the current quarter was mainly derived from a disposal of **33.4 hectares** of land to Asia Meranti Sdn Bhd, giving a gain of **RM7 million**.

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 30 Sept 2018 RM	Period ended 30 Sept 2017 RM
<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	3,681	1,965
Effect on deferred tax balance due to change in income tax rate from 25% to 24%	-	-
Tax Credit / (Income)	96,681	(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 September 2018 were as follows:

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

24. Status of corporate proposals announced

A bonus issue which was approved by the shareholders of Gopeng at an extraordinary general meeting (EGM) on 26 May 2018 was effected on 2nd 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.

Prior to the bonus issue on 2nd August 2018, 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.

After the bonus issue, the calculation of basic earnings per share is based on the profit for the period and the number of shares in issue of 268,993,452 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 21st November 2018.