

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

	31.12.2018 RM	31.12.2017 RM (Reported under MFRS)	1.1.2017 RM (Reported under MFRS)
ASSETS			
Property, Plant and Equipment	204,539,261	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>214,557,357</u>	<u>218,365,716</u>	<u>218,769,777</u>
Inventories	68,001	296,911	112,040
Biological Asset	175,662	151,000	314,000
Properties Under Development	29,075	29,075	29,075
Trade and Other Receivables	2,028,695	1,934,832	1,767,457
Income Tax Asset	347,226	400,138	362,749
Short Term Investment	96,235,106	93,777,412	102,405,423
Deposits With Licensed Banks	10,227,052	8,635,510	616,596
Cash and Bank Balances	1,960,025	3,490,580	3,498,793
Total current assets	<u>111,070,842</u>	<u>108,715,458</u>	<u>109,106,133</u>
Total Assets	<u>325,628,199</u>	<u>327,081,174</u>	<u>327,875,910</u>
EQUITY			
Share Capital	134,496,725	89,664,491	89,664,491
Reserves	158,825,342	208,543,325	211,211,261
Total Equity	<u>293,322,067</u>	<u>298,207,816</u>	<u>300,875,752</u>
LIABILITIES			
Other Provisions	248,100	180,353	169,640
Hire Purchase Liabilities	23,512	63,525	103,536
Deferred Tax Liabilities	29,358,000	26,645,000	25,061,000
Total non-current liabilities	<u>29,629,612</u>	<u>26,888,878</u>	<u>25,334,176</u>
Trade and Other Payables	2,636,508	1,944,469	1,625,970
Short Term Borrowing	-	-	-
Hire Purchase Liabilities	40,012	40,011	40,012
Total current liabilities	<u>2,676,520</u>	<u>1,984,480</u>	<u>1,665,982</u>
Total liabilities	<u>32,306,132</u>	<u>28,873,358</u>	<u>27,000,158</u>
Total equity and liabilities	<u>325,628,199</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 DECEMBER 2018 - UNAUDITED

	Three months ended 31 December		Year ended 31 December	
	2018 <u>RM</u>	2017 <u>RM</u> (Reported under MFRS)	2018 <u>RM</u>	2017 <u>RM</u> (Reported under MFRS)
Revenue	1,788,753	3,904,873	7,455,476	15,508,712
Cost of sales	(1,315,260)	(1,142,526)	(6,816,507)	(7,682,284)
Gross Profit / (Loss)	473,493	2,762,347	638,969	7,826,428
Other Income	512,039	777,236	11,910,146	4,958,751
Administrative & other expenses	(2,005,177)	(1,768,132)	(7,485,371)	(6,742,123)
Results from operating activities	(1,019,645)	1,771,451	5,063,744	6,043,056
Interest income	20,936	32,356	79,977	55,281
Finance costs	(13,274)	(8,102)	(46,630)	(27,001)
Operating Profit / (Loss)	(1,011,983)	1,795,705	5,097,091	6,071,336
Tax expense	(2,713,000)	(1,597,867)	(2,809,681)	(1,566,113)
Profit / (Loss) for the period	(3,724,983)	197,838	2,287,410	4,505,223
Other comprehensive income				
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive (loss)/income for the year	(3,724,983)	197,838	2,287,410	4,505,223
Basic earnings per share				
From continuing operations	(1.39) sen	0.07 sen	0.85 sen	1.68 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 DECEMBER 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)	144,637,829	(14,436,000)	(14,436,000)
Balance at 1 January 2018, as reported under MFRS	89,664,491	42,349,828	-	-	166,193,497	208,543,325	298,207,816
Profit / (Loss) for the financial quarter	-	-	-	-	2,287,410	2,287,410	2,287,410
Total comprehensive income for the quarter	-	-	-	-	2,287,410	2,287,410	2,287,410
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)	(7,173,159) -
At 31 December 2018	134,496,725	-	-	-	158,825,342	158,825,342	293,322,067
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)	147,022,829	(13,567,000)	(13,567,000)
Balance at 1 January 2017, as reported under MFRS	89,664,491	42,349,828	-	-	168,861,433	211,211,261	300,875,752
Profit for the financial quarter (restated)	-	-	-	-	4,505,223	4,505,223	4,505,223
Total comprehensive income for the quarter	-	-	-	-	4,505,223	4,505,223	4,505,223
Final single-tier dividend - 2016	-	-	-	-	(7,173,159)	(7,173,159)	(7,173,159)
At 31 December 2017	89,664,491	42,349,828	-	-	166,193,497	208,543,325	298,207,816

(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 DECEMBER 2018 - UNAUDITED

	Year ended 31 December 2018 RM	Year ended 31 December 2017 RM (Restated)
Profit before tax and minority interest	5,097,091	6,071,336
Adjustment for:-		
Non-cash item	(6,222,885)	(1,906,344)
Non operating items (which are investing/financing)	1,302,952	2,563
Operating profit before changes in working capital	177,158	4,167,555
Changes in working capital		
(Increase)/Decrease in current assets	219,744	(372,378)
(Increase)/Decrease in current liabilities	607,341	517,219
Cash used in operations	1,004,243	4,312,396
Payments for tax, retirement benefits, development expenditure and tax refund	(43,768)	(55,221)
Net cash flow used in operating activities	960,475	4,257,175
Cash flow (used in) / from investing activities		
- Other investment	6,360,313	10,993,698
	7,320,788	15,250,873
Cash flow used in financing activities		
- Dividend paid to shareholders of the company	(7,173,159)	(7,173,159)
- Bank borrowing and interests	(86,642)	(67,013)
Net increase/(decrease) in cash and cash equivalents	60,987	8,010,701
Cash and cash equivalent at beginning of period	12,126,090	4,115,389
Cash and cash equivalent at end of period	12,187,077	12,126,090
Analysis of cash and cash equivalent:-		
Housing development account	-	711,159
Deposits with licensed bank	10,227,052	8,635,510
Cash and bank balances	1,960,025	2,779,421
	12,187,077	12,126,090

(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 December 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	159,073,829	(159,073,829)	-	160,589,829	(160,589,829)	-
Retained profits	21,555,668	144,637,829	166,193,497	21,838,604	147,022,829	168,861,433
Non-current liabilities						
Deferred tax liabilities	12,058,000	14,587,000	26,645,000	11,180,000	13,881,000	25,061,000
<hr/>						
(RM)	Corresponding quarter			Corresponding period		
	Previously reported under FRS	Effects on adoption of MFRS	Reported under MFRS	Previously reported under FRS	Effects on adoption of MFRS	Reported under MFRS
Administrative & other expenses	1,605,132	163,000	1,768,132	(6,579,123)	163,000	(6,416,123)
Operating profit	1,958,705	(163,000)	1,795,705	6,234,336	(163,000)	6,071,336
Income tax credit	(698,867)	(899,000)	(1,597,867)	(667,113)	(898,000)	(1,565,113)
Profit for the quarter	1,259,838	(1,062,000)	197,838	5,567,223	(1,061,000)	4,506,223

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>	Year ended 31 Dec 2018		Year ended 31 Dec 2017	
	Turnover RM	Profit/(Loss) from operations RM	Turnover RM	Profit/(Loss) from operations RM
Property	-	-	-	-
Plantation	7,455,476	671,324	15,136,962	7,158,365
Others	-	4,425,767	371,750	(1,087,029)
Consolidated	7,455,476	5,097,091	15,508,712	6,071,336

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>	1st Quarter 2018	2nd Quarter 2018	3rd Quarter 2018	4th Quarter 2018
Planted hecterage	1,203	1,203	1,203	1,203
Fresh Fruit Bunch production output (MT)	3,912	3,217	4,529	4,687
FFB yield per hectare	3.25	2.67	3.76	3.90
Average FFB price (RM)	526.18	486.74	450.97	381.64
Average Production Cost per Hectare (RM)	1,680	1,667	1,227	1,093

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:

	Year ended 31 Dec 2018 RM	Year ended 31 Dec 2017 RM
Acquisition of :		
Building ó at cost	47,800	86,600
Plant and Machinery ó at cost	3,200	31,880
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	30,693
Bearer Plant ó at cost	4,072,781	3,485,279
Total	4,809,094	3,671,248
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 31 December 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 December		Changes (%)	Year ended 31 December		Changes (%)
	2018 <u>RM</u>	2017 <u>RM</u> (Reported under MFRS)		2018 <u>RM</u>	2017 <u>RM</u> (Reported under MFRS)	
Revenue	1,788,753	3,904,873	-54%	7,455,476	15,508,712	-52%
Cost of sales	(1,315,260)	(1,142,526)	15%	(6,816,507)	(7,682,284)	-11%
Gross Profit / (Loss)	473,493	2,762,347	-83%	638,969	7,826,428	-92%
Other Income	512,039	777,236	-34%	11,910,146	4,958,751	140%
Administrative & other expenses	(2,005,177)	(1,768,132)	13%	(7,485,371)	(6,742,123)	11%
Results from operating activities	(1,019,645)	1,771,451	-158%	5,063,744	6,043,056	-16%
Interest income	20,936	32,356	-35%	79,977	55,281	45%
Finance costs	(13,274)	(8,102)	64%	(46,630)	(27,001)	73%
Operating Profit / (Loss)	(1,011,983)	1,795,705	-156%	5,097,091	6,071,336	-16%
Tax expense	(2,713,000)	(1,597,867)		(2,809,681)	(1,566,113)	
Profit / (Loss) for the period	(3,724,983)	197,838	-1983%	2,287,410	4,505,223	-49%

In the quarter ended 31 December 2018, the Group recorded a revenue of **RM1.8 million** and an operating loss of **RM1.0 million** compared with a revenue of **RM3.9 million** and an operating profit of **RM2.0 million** recorded in the previous corresponding quarter ended 31 December 2017.

The lower revenue recorded in the quarter ended 31 December 2018 was due to lower FFB prices and lower production.

The lower other income recorded in the same quarter was due to write-down to market value of the Group's short term investment. The fair value of the Group's short-term investments is still low due to the adverse economic condition.

Revenue for the year ended 31 December 2018 was down by 48% compared to 31 December 2017 due to low prices and low production throughout the year.

Higher other income contributed by a disposal of 33.4 hectares of land to Asia Meranti Sdn Bhd, giving a gain of RM7 million.

15. Variation of results against immediate preceding quarter

	Current Quarter 31 Dec 2018 RM	Immediate Preceding Quarter 30 Sept 2018 RM (Reported under MFRS)	Changes (%)
Revenue	1,788,753	2,042,445	(12.42%)
Profit/(loss) Before Interest and Tax	(1,019,645)	5,262,306	(119.38%)
Operating Profit	(1,011,983)	5,249,991	(119.28%)
Profit / (loss) After Tax	(3,724,983)	5,246,310	(171.00%)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent Company	(3,724,983)	5,246,310	(171.00%)

The Group recorded a revenue of **RM1.8 million** and operating loss of **RM1.0 million** in the quarter under review compared with a revenue of **RM2.0 million** and operating profit of **RM5.2 million** recorded in the preceding quarter.

Compared with the preceding quarter, the average FFB price dropped from **RM450.97** to **RM381.64** while production increased from **4,529mt** to **4,687mt**, resulting in a net-effect of lower revenue.

The fair value of the Group's short-term investments, after write-down to market value is still low due to the adverse economic condition.

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 2018 RM	Year ended 31 Dec 2017 RM (Restated)
<u>Current Taxation</u>		
Income tax (Provision)	-	-
Under/(Over)-provision in prior financial year	3,681	3,966
<u>Real Property Gain Tax</u>	93,000	(21,853)
<u>Deferred taxation</u>		
Origination and reversal of temporary differences	2,828,000	1,563,000
Under provision in prior financial year	(115,000)	21,000
Effect on deferred tax balance due to change in income tax rate from 25% to 24%	-	-
Tax expense	2,809,681	1,566,113

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 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 February 2019.