



**GOPENG BERHAD**

---

**ANNUAL  
REPORT  
2015**



# **GOPENG BERHAD**

## **ANNUAL REPORT 2015**

Directorate and Administration	<b>2</b>
Board of Directors	<b>3</b>
Management Team	<b>7</b>
Notice of Meeting	<b>9</b>
Statement on Corporate Governance	<b>12</b>
Statement on Risk Management and Internal Control	<b>20</b>
Report of the Audit Committee	<b>22</b>
5 Year Financial Highlights	<b>25</b>
Chairman's Statement	<b>26</b>
Directors' Report	<b>29</b>
Statement by Directors	<b>34</b>
Statutory Declaration	<b>34</b>
Independent Auditors' Report	<b>35</b>
Statements of Profit or Loss and other Comprehensive Income	<b>37</b>
Statements of Financial Position	<b>39</b>
Statements of Changes in Equity	<b>41</b>
Statements of Cash Flows	<b>43</b>
Notes to the Financial Statements	<b>46</b>
List of Group Properties	<b>98</b>
Shareholdings Statistics	<b>100</b>
Proxy Form	

# DIRECTORATE AND ADMINISTRATION

## BOARD OF DIRECTORS

Dato' Mohd Salleh bin Hashim  
DPMP, PCM, PMP  
Executive Chairman

Dato' Haji Mohamad Tahiruddin bin Mohd Tahir  
DPMP, PMP, PPT  
Member

Dato' Shahrudin bin Haron  
DPCM, JSM, PCM, KMN  
Member

Haji Abdullah bin Yusof  
Member

Dato' Chew Chee Kin  
DPMT  
Member

Dato' Robert Lim Git Hooi  
DPMP, JP, C.A. [M], CPA[M]  
Member

Manohar Hasan bin Ameer Ali  
Member

Ong Pang Yen  
Member [resigned on 13/2/15]

Chong Chang Choong  
Member [appointed on 16/2/15]

## SECRETARY

Liew Thong Sin [MIA 1310]

## REGISTERED OFFICE

6A, Jalan Sultan Iskandar  
30000 Ipoh  
Perak Darul Ridzuan  
Tel No : 05-241 4620  
Fax No : 05-243 1923

## REGISTRARS

Symphony Share Registrars Sdn Bhd  
Level 6, Symphony House  
Block D13, Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor  
Tel No : 03-7841 8000  
Fax No : 03-7841 8151

## CORPORATE OFFICE

A-17-15, Level 17  
Menara UOA Bangsar  
No. 5, Jalan Bangsar Utama 1  
59000 Kuala Lumpur, Malaysia  
Tel No : 603-2287 7577  
Fax No : 603-2287 7578  
Website : [www.gopeng.com.my](http://www.gopeng.com.my)

## PRINCIPAL BANKERS

Malayan Banking Berhad  
Standard Chartered Bank [Malaysia] Berhad

## AUDITORS

HLB Ler Lum  
Chartered Accountants  
A member of HLB International

## SOLICITORS

Azman, Davidson & Co.  
Kuala Lumpur

Wan & Wan  
Ipoh

## STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad Main Board  
Tel No : 03-2034 7000 / 03-2332 7000  
Fax No : 03-2026 4122

## BOARD OF DIRECTORS



### FROM LEFT TO RIGHT

Chong Chang Choong  
Haji Abdullah bin Yusof  
Dato' Chew Chee Kin  
Dato' Mohd Salleh bin Hashim  
Dato' Shahrudin bin Haron  
Dato' Robert Lim Git Hooi  
Manohar Hasan bin Ameer Ali



## BOARD OF DIRECTORS - (CON'T)



**Dato' Mohd Salleh bin Hashim**



**Dato' Haji Mohamad Tahiruddin  
Bin Mohd Tahir**



**Dato' Shaharuddin bin Haron**



**Haji Abdullah bin Yusof**



**Manohar Hasan bin Ameer Ali**



**Dato' Chew Chee Kin**



**Dato' Robert Lim Git Hooi**



**Chong Chang Choong**

## **DATO' MOHD SALLEH BIN HASHIM**

Dato' Mohd Salleh bin Hashim, aged 68, is a Non-Independent Executive Director. He graduated from the University of Malaya in 1970 with a degree in Bachelor of Economics. He was appointed a Director on 31 March 1993 and was the Managing Director from 22 June 1996 to 26 February 2006. He was appointed Executive Chairman on 27 February 2006. Prior to joining Gopeng, he was with the Perak State Development Corporation (PSDC) and its subsidiaries.

Dato' Salleh attended all the 5 board meetings held during the financial year ended 31 December 2015. He has had no convictions for any offences within the past 10 years. As at 31 December 2015, Dato' Salleh held a total of 32.9% direct and indirect interests in Gopeng. He is not related to any director of the Company.

## **DATO' HAJI MOHAMAD TAHIRUDDIN BIN MOHD TAHIR**

Dato' Haji Mohamad Tahiruddin bin Mohd Tahir, aged 73, is a Non-Independent Non-Executive Director. He graduated with a Bachelor of Economics degree from the University of Malaya in 1970. He also holds a Master of Business Administration obtained from the Drake University in the United States of America in 1983. He attended the Oxford Advanced Management Programme (AMP) in January 1998. Prior to his appointment as Director of Gopeng on 4 October 1988, he was the Deputy General Manager of the Perak State Development Corporation (PSDC). He was the Managing Director of Gopeng from 1989 to 1992.

He attended 4 out of the 5 board meetings held during the financial year ended 31 December 2015. He has had no convictions for any offences within the past 10 years. As at 31 December 2015, Dato' Tahiruddin had a direct interest of 5.78% in Gopeng. He is not related to any director of the Company and has no personal interest in any business arrangement involving the Gopeng group.

## **DATO' SHAHARUDDIN BIN HARON**

Dato' Shaharuddin bin Haron, aged 77, is the Senior Independent Non-Executive Director. He graduated with a Bachelor of Arts (Economics) [Honours] degree from the University of Malaya in 1963 and a Master degree [Economics] from the University of Pittsburgh, USA. He was in government service for 30 years until he retired in 1993. His last position with the Government was as Secretary-General to the Ministry of Domestic Trade and Consumer Affairs, a position he held from May 1992 to September 1993. During his years of service with the Government, he was appointed a Director of several entities, namely, Petronas (1990-1992), Permodalan Nasional Berhad (1990-1992), MIDA (1968-1990), Johore State Economic Development Corporation (1986-1993) and the Perak State Development Corporation (1986-1990). He was appointed to the Board of Gopeng on 30 November 1993 and he is the Chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee. He also holds directorship in Malayan Flour Mills Berhad and Latitude Tree Holdings Berhad.

He attended all the 5 board meetings held during the financial year ended 31 December 2015. He has had no convictions for any offences within the past 10 years. Dato' Shaharuddin does not have any family relationship with any director and/or major shareholder of Gopeng, nor any personal interest in any business arrangement involving the Gopeng group.

## **HAJI ABDULLAH BIN YUSOF**

Haji Abdullah bin Yusof, aged 79, is an Independent Non-Executive Director. He is a mining engineer who graduated from the Camborne School of Mines, United Kingdom in 1961. He has over 35 years experience in mining and related activities covering mine management and consultancy both locally and at international level. He is a Fellow of the Institute of Mining and Metallurgy UK, Fellow of the Institute of Mineral Engineers Malaysia.

He was appointed to the Board of Gopeng on 9 November 1983. He is the Chairman of the Remuneration Committee and the Nomination Committee and is a member of the Audit Committee.

He attended 4 out of the 5 board meetings held during the financial year ended 31 December 2015. He has had no convictions for any offences within the past 10 years. As at 31 December 2015, Haji Abdullah bin Yusof's spouse held 300,000 shares in Gopeng. He has no family relationship with any director and/or major shareholder of the Company and has no personal interest in any business arrangement involving the Gopeng group.

## BOARD OF DIRECTORS - (CON'T)

### **DATO' CHEW CHEE KIN**

Dato' Chew Chee Kin, aged 70, is a Non-Independent Non-Executive Director. He is the President of the Sunway Group of Companies. He graduated with a Bachelor of Economics (Hons) degree from the University of Malaya. He attended the PMD program at the Harvard Business School in 1980. Dato' Chew was first appointed to the Board of Gopeng on 18 May 1998. He is a director of Sunway Berhad.

He attended 4 out of the 5 board meetings held during the financial year ended 31 December 2015. He has had no conviction for any offences within the past 10 years. Dato' Chew represents a substantial shareholder on the Board of Gopeng. As at 31 December 2015, Dato' Chew had a direct and indirect interests in 369,000 shares in Gopeng. He does not have any family relationship with any director and has no personal interest in any business arrangement involving the Gopeng group.

### **DATO' ROBERT LIM GIT HOOI**

Dato' Robert Lim Git Hooi, aged 77, is an Independent Non-Executive Director. He is a Chartered Accountant and has more than 30 years of extensive experience in all aspects of the accounting profession. From 1990 to 1996, he was the Partner-In-Charge of Messrs Ernst & Young's Ipoh office until he retired on 31 December, 1996. Currently Dato' Robert Lim is a member of the Board of Governors of Kolej Yayasan UEM. He holds directorship in Kar Sin Berhad, YNH Property Bhd and other private limited companies. Dato' Robert Lim is a member of the Malaysia Association of Certified Public Accountants and the Malaysian Institute of Accountants. He was appointed Director of the Company on 15 November 2001 and is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee.

Dato' Robert Lim attended all the 5 board meetings held during the financial year ended 31 December 2015. He has had no convictions for any offences within the past 10 years. As at 31 December 2015, Dato' Robert Lim's spouse held 20,000 shares in Gopeng. He does not have any family relationship with any director and/or major shareholder of Gopeng and has no personal interest in any business arrangement involving the Gopeng group.

### **MANOHAR HASAN BIN AMEER ALI**

Manohar Hasan bin Ameer Ali, aged 60, is an Independent Non-Executive Director. He obtained a degree in Mechanical Engineering and Business Administration from the University of Aston, Birmingham, United Kingdom in 1978 and in 1979, he obtained a Post Graduate Diploma in Operational Research, from the University of Lancaster, United Kingdom. He further obtained a Masters Degree in Management Science from the University of Warwick, United Kingdom in 1980. In 2009, he obtained a Post Graduate Certificate in Accounting and Financial Management from Charles Sturt University, Australia. He joined Anderson Consulting & Co in 1980 and in 1981 he joined Amanah Merchant Bank Berhad. His last position with the bank was as Manager of Project Finance. In 1991, he joined Shapadu Corporation Sdn Bhd as the Assistant General Manager, Corporate Affairs up to 1992 when he left for Gopeng after accumulating a total of 14 years of experience in corporate affairs. He was the General Manager of Gopeng from 1 January 1993 until 22 June 1996 when he was appointed Executive Director. He relinquished his executive functions effective 1 January 2010. He, however, remained as Director.

He attended all the 5 board meetings held during the financial year ended 31 December 2015. He has had no convictions for any offences within the past 10 years. As at 31 December 2015, Encik Hasan had a direct interest of 0.56% in Gopeng. He has no family relationship with any director and/or major shareholder of the Company and has no personal interest in any business arrangement involving the Gopeng group.

### **CHONG CHANG CHOONG**

Mr Chong Chang Choong, aged 58, was appointed a Non-Independent Non-Executive Director with effect from 16 February 2015. Mr Chong is a member of the Institute of Chartered Accountants in England and Wales and has more than 20 years of experience in banking, stocking, corporate finance and portfolio fund management.

He graduated with a Bachelor of Arts (Hons) in Economics and Accounting from the University of Newcastle Upon Tyne, England in 1980. After working for 5 years for Robson Rhodes, a Chartered Accountants Firm in London, he returned to Malaysia in 1984 and was a Corporate Banking Officer with Bumiputera Merchant Bankers Bhd. Subsequently he held various positions in different financial institutions, including John Hancock Life Insurance Berhad and DMG K&K Kenanga Berhad. His last position prior to joining the Sunway Group was the General Manager - Investments of Public Mutual Berhad from 1995 to 2004. Mr Chong joined the Sunway Group as the Director of Group Corporate Affairs on 1 December 2010 and he is responsible for overseeing the corporate finance and treasury functions. Upon the listing of Sunway, he was redesignated to Chief Financial Officer of Sunway.

Mr Chong attended all the 5 board meetings held during the financial year ended 31 December 2015. He has no convictions for any offences within the past 10 years. Mr. Chong represents a substantial shareholder on the Board and does not have any family relationship with any director and has no personal interest in any business arrangement involving the Gopeng Group.

## MANAGEMENT TEAM



**Hj Nordin Bin Jalani**  
General Manager,  
Operations



**Syerleena Bt Mohd Salleh**  
General Manager,  
Corporate Affairs & Human Resource



**Mohamad Shukri Bin Ishak**  
General Manager,  
Finance



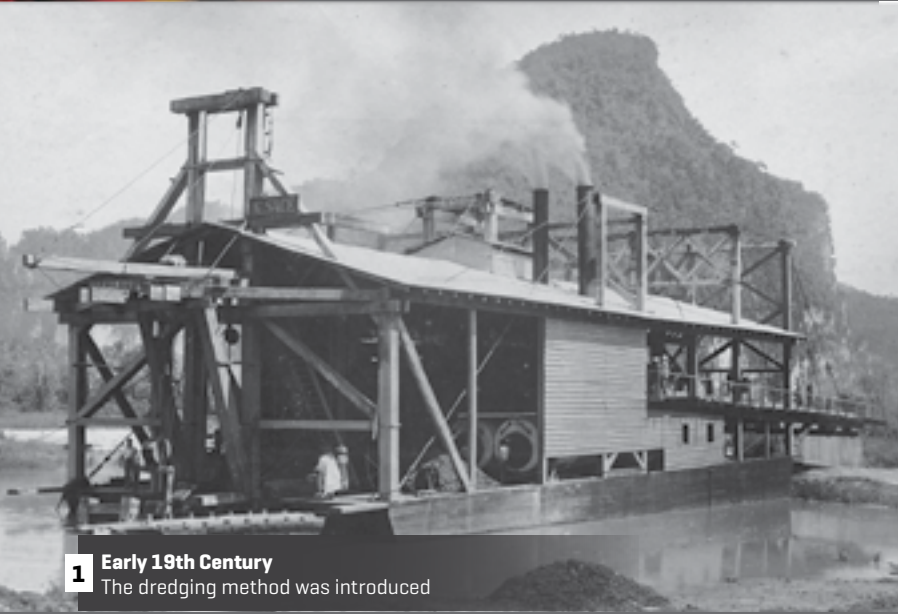
**Mohd Fauzi Bin Parno**  
Manager,  
Kota Bahroe Estate



**Liew Thong Sin**  
Company Secretary



# HISTORY OF GOPENG BERHAD



**1** **Early 19th Century**  
The dredging method was introduced

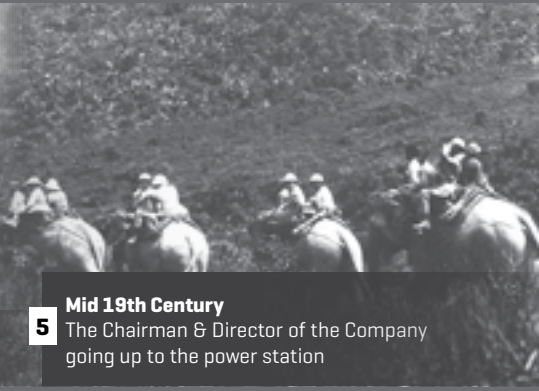


**2** **Early 19th Century**  
Employees at work at Tekka



**3** **Early 19th Century**  
The electric power station

**4** **Early 19th Century**  
Monitors cutting the ground



**5** **Mid 19th Century**  
The Chairman & Director of the Company going up to the power station



**6** **1948 - 1990**  
Early 20th century  
Gopeng Consolidated palong No 2



**7** **1990**  
Prime Minister Dr Mahathir visited Gopeng Berhad

NOTICE IS HEREBY GIVEN that the Thirty Second Annual General Meeting of the Company will be held at Room 5, First Floor, Impiana Hotel Ipoh, 18, Jalan Sultan Nazrin Shah, 30250 Ipoh, Perak Darul Ridzuan on Saturday, 28 May 2016 at 12.00 noon for the following purposes :

## Ordinary Business

To consider, and if thought fit, to pass the following Ordinary Resolutions :

1. "That the financial statements for the year ended 31 December 2015 together with the reports of the Directors and Auditors, be and are hereby received and adopted."
2. "That the final single tier dividend of 4 sen per RM0.50 ordinary share in respect of the year ended 31 December 2015 as recommended by the Directors, be and is hereby approved."
3. "That Encik Manohar Hasan bin Ameer Ali, who retires in accordance with Article 70 of the Company's Articles of Association, be and is hereby re-elected a Director of the Company."
4. "That Haji Abdullah bin Yusof, who retires in accordance with Section 129 [6] of the Companies Act 1965, be and is hereby re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting."
5. "That Dato' Robert Lim Git Hooi, who retires in accordance with Section 129[6] of the Companies Act 1965, be and is hereby re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting."
6. "That Dato' Shahrudin bin Haron, who retires in accordance with Section 129[6] of the Companies Act 1965, be and is hereby re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting."
7. "That Dato' Haji Mohamad Tahiruddin bin Mohd Tahir, who retires in accordance with Section 129[6] of the Companies Act 1965, be and is hereby re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting."
8. "That Dato' Chew Chee Kin, who retires in accordance with Section 129[6] of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting."
9. "That pursuant to Article 76 of the Company's Articles of Association, the amount payable to the Directors out of funds of the Company in respect of the year ended 31 December 2015 by way of remuneration for their services, be and is hereby determined at a sum of RM40,000.00 to each of the Directors and RM50,000.00 to the Executive Chairman."
10. "That HLB Ler Lum, who are eligible and have given their consent for re-appointment, be and are hereby re-appointed the Company's Auditors for the period until the conclusion of the next Annual General Meeting and that the remuneration to be paid to them be fixed by the Board."

## Special Business

To consider and if thought fit, to pass the following resolutions with or without modifications as Ordinary Resolutions :

11. "That subject to the passing of Ordinary Resolution 4, Haji Abdullah bin Yusof, who has served the Board as an Independent Non-Executive Director of the Company for a term of more than nine years be and is hereby retained as an Independent Non-Executive Director of the Company."
12. "That subject to the passing of Ordinary Resolution 5, Dato' Robert Lim Git Hooi, who has served the Board as an Independent Non-Executive Director of the Company for a term of more than nine years, be and is hereby retained as an Independent Non-Executive Director of the Company."
13. That subject to the passing of Ordinary Resolution 6, Dato' Shahrudin bin Haron, who has served the Board as an Independent Non-Executive Director of the Company for a term of more than nine years, be and is hereby retained as an Independent Non-Executive Director of the Company."

## NOTICE OF MEETING - (CON'T)

14. "That subject always to the Companies Act 1965, the Company's Articles of Association and the approval of the relevant authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965 to issue shares in the Company from time to time, at such price, upon such terms and conditions, for such purposes, to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued and paid-up capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

### NOTICE OF DIVIDEND PAYMENT AND CLOSURE OF BOOKS

**NOTICE IS ALSO HEREBY GIVEN** that subject to the approval of the shareholders at the 32nd Annual General Meeting to be held on 28 May 2016, the final single tier dividend of 4.0 sen per RM0.50 ordinary share in respect of the year ended 31 December 2015, will be paid on 15 July 2016 to shareholders whose names appear in the Record of Depositors on 30 June 2016.

A depositor shall qualify for entitlement for the dividend only in respect of :-

- a) Shares deposited to the Depositor's Securities Account before 12.30 p.m. on 27 June 2016 in respect of the shares exempted from mandatory deposit;
- b) Shares transferred to the Depositor's Securities Account on or before 4.00 p.m. on 30 June 2016 in respect of ordinary transfers; and
- c) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

**Liew Thong Sin** [MIA1310]

Secretary

Ipoh, Perak Darul Ridzuan

Date : 29 April 2016

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll to vote instead of him.
2. The proxy form [as enclosed] must be deposited at the Registered Office of the Company not less than forty-eight [48] hours before the time appointed for the meeting or any adjournment thereof.
3. A corporation must complete the proxy form under its common seal or under the hand of a duly authorised officer or attorney.
4. The profile of the Directors [together with their attendance in Board Meetings] standing for re-election/re-appointment as Directors of the Company under Resolutions 3 to 8 are shown on pages 5 and 6 of the Company's 2015 Annual Report.

# STATEMENT ACCOMPANYING NOTICE OF MEETING

## Explanatory Notes on Special Businesses

### **Retention of Directors as Independent Non-Executive Directors of the Company in accordance with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012.**

The ordinary resolutions proposed under items 11, 12 and 13, if passed, will enable Haji Abdullah bin Yusof, Dato' Shaharuddin bin Haron and Dato' Robert Lim Git Hooi to continue as Independent Non-Executive Directors notwithstanding that they had served the Board as Independent Non-Executive Directors for a term of more than nine years. The Board strongly believes that a director's independence cannot be determined arbitrarily with reference only to the tenure of service. To qualify as independent, a director must be independent in character and judgment, independent of management and free from any relationship or circumstances as set out in Chapter 1 of the Listing Requirements, which are likely to affect or appear to affect his or her independent judgment. Following an assessment, the Board concluded that the three Directors' length of service does not interfere with their exercise of independent judgment and ability to act in the best interests of the shareholders. In addition, the Board believes that their knowledge of the Group's businesses and their proven commitment, experience and competence will greatly benefit the Company. The three Directors concerned had declared their independence and their desire to continue as Independent Non-Executive Directors of the Company.

### **Authority to allot shares**

The Ordinary Resolution proposed under item 14 of the Agenda, if passed, will give a renewed mandate to the Directors of the Company from the date of the forthcoming AGM, to allot and issue ordinary shares from the unissued share capital of the Company pursuant to Section 132D of the Companies Act, 1965.

As at the date of the Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on 30 May 2015 which will lapse at the conclusion of the forthcoming AGM.

The Board is always on the lookout for opportunities to broaden the Company's operating base and earnings potential. If any of the expansion/diversification proposals involves the issuance of new shares, the Directors will have to convene a general meeting to approve the issuance of new shares even though the number may be less than 10% of the issued share capital.

In order to avoid any delay and costs involved in convening a general meeting to approve such issuance of shares, it is considered expedient that the Directors be empowered, as proposed in Resolution 14, to allot and issue shares in the Company, up to an amount not exceeding in aggregate ten percent [10%] of the issued share capital of the Company for the time being. This authority, unless revoked or varied at a general meeting will expire at the conclusion of the next AGM of the Company.

The renewed mandate will provide flexibility to the Company for any possible fund raising activities for the purpose of funding investment project[s] and/or acquisition[s].



# STATEMENT ON CORPORATE GOVERNANCE

The Board welcomes the Malaysian Code on Corporate Governance 2012 [MCCG 2012] as it sets out the principles and recommendations on structures and processes the Group may use in their operations towards achieving the optimal framework in the discharge of its responsibilities to protect and enhance shareholders value and the financial performance of the Group.

## Compliance Statement

The Board is pleased to report that the Group has throughout the year ended 31 December 2015 complied with the principles and recommendations of the MCCG 2012, except for three of the recommendations in Principle 3 on Reinforce Independence namely recommendation 3.2 that the tenure of an independent director should not exceed a cumulative term of nine years, recommendation 3.4 that the positions of chairman and CEO should be held by different individuals, and the chairman must be a non-executive member of the Board and recommendation 3.5 that the Board must comprise a majority of independent directors where the chairman of the Board is not an independent director.

## A. BOARD OF DIRECTORS

### Board Responsibilities

The Board has the overall responsibility for corporate governance, strategic direction and overseeing the investment and business of the Company.

The Board meets at least four [4] times a year, with additional meetings convened as necessary. Among the topics for deliberation are the financial statements and results of the Company and its subsidiaries, operational activities, strategic and corporate initiatives as well as matters specifically reserved for the Board's decision. The deliberations of the Board in terms of the issues discussed, and the conclusions in discharging its duties and responsibilities are recorded. During the year ended 31 December 2015, five [5] scheduled Board meetings were held. The attendance record of each of the directors is as follows :

Name of Director	Attendance
Dato' Mohd Salleh bin Hashim	5/5
Dato' Haji Mohamad Tahiruddin bin Mohd Tahir	4/5
Dato' Shahrudin bin Haron	5/5
Haji Abdullah bin Yusof	4/5
Dato' Chew Chee Kin	4/5
Dato' Robert Lim Git Hooi	5/5
Manohar Hasan bin Ameer Ali	5/5
Chong Chang Chong [appointed on 16 February 2015]	5/5

### Board Balance

There was no change to the size and in the balance of the Board in 2015. The Board has eight members, comprising one Non-Independent Executive Director, three Non-Independent Non-Executive Directors and four Independent Non-Executive Directors. Dato' Shahrudin bin Haron is the Senior Independent Non-Executive Director, to whom any concern regarding the Company should be addressed. The directors have brought together to represent a blend of business, financial and technical experiences that has been vital to the successful direction of the Group.



**Non-Independent Executive Chairman**

Dato' Mohd Salleh bin Hashim

**Non-Independent Non-Executive Directors**

Dato' Haji Mohamad Tahiruddin bin Mohd Tahir

Dato' Chew Chee Kin

Chong Chang Choong [appointed on 16 February 2015]

**Independent Non-Executive Directors**

Dato' Shaharuddin bin Haron [Senior]

Haji Abdullah bin Yusof

Dato' Robert Lim Git Hooi

Manohar Hasan bin Ameer Ali

The personal profiles of the directors are set out in pages 5 and 6.

Recommendation 3.2 of MCCG 2012 states that the tenure of an independent director should not exceed a cumulative term of 9 years. However, the Board had determined that following an assessment conducted, Dato' Shaharuddin bin Haron, Haji Abdullah bin Yusof and Dato' Robert Lim Git Hooi, all of whom had served the Board for more than 9 years remain objective and independent in expressing their views and in participating in deliberations and decision making of the Board and Board Committees. Their length of service does not in any way affect with their exercise of independent judgement and ability to act independently in the best interests of the Company and its shareholders. All the three directors, being above 70 years old, are subject to re-appointment by shareholders at the annual general meeting in accordance with Section 129 [6] of the Companies Act, 1967. The three Directors have declared their independence and their desire to continue as Independent Non-Executive Directors of the Company. To this end, resolutions have been proposed for shareholders to decide whether to retain them as Independent Non-Executive Directors of the Company at the Company's 32nd Annual General Meeting.

Recommendation 3.4 states that the positions of chairman and CEO should be held by different individuals, and the chairman must be a non-executive member and recommendation 3.5 states that the Board must comprise a majority of independent directors where the chairman of the board is not an independent director. Although Dato' Mohd Salleh bin Hashim, is both the Executive Chairman and CEO of the Company, the Board had determined that his role as Chairman of the Board does not affect his role as CEO of the Company taking into account the size, the nature of operations and accepted practices of the Group and it would not be expedient for the Company to increase the size of its Board to accommodate additional independent directors. The Board had resolved that Dato' Mohd Salleh bin Hashim is capable and had acted equally well in carrying out his duties as Chairman of the Board and as CEO of the Company.

The Executive Chairman, who is also the chief executive officer of the Group, is responsible for ensuring Board effectiveness and conduct. He has overall responsibilities over the operating units, organizational effectiveness and implementation of Board policies and decisions. The presence of the independent non-executive directors fulfills a pivotal role in corporate accountability. The role of the independent non-executive directors is particularly important in providing unbiased and independent views, advice and judgment notwithstanding that all the directors have an equal responsibility for the Group's operations.

**Supply of Information**

The directors have full and timely access to information with an agenda and Board papers distributed in advance of the meetings. They are issued in sufficient time to enable the directors to obtain further explanation/clarification, where necessary, in order to be properly briefed before the meeting. The Board papers include, amongst others, the quarterly financial report and a report on the Group's cash and funds position and the minutes of the meetings of the Board Committees.

Directors may obtain independent professional advice in the furtherance of their duties, at the Company's expense. All directors have access to the advice and services of the Company Secretary in carrying out their duties.

## Board Committees

To assist the Board in discharging of its duties, three (3) Board Committees were established. The functions and terms of references of the Board Committees are clearly defined and, where applicable, comply with the recommendations of the Code.

## Appointments to the Board

### Nominating Committee

The Nominating Committee held two (2) meetings during the financial year which were attended by all members. The Committee consists of three independent non-executive directors as follows;

Haji Abdullah bin Yusof (Chairman)	Independent Non-Executive Director
Dato' Shaharuddin bin Haron	Independent Non-Executive Director
Dato' Robert Lim Git Hooi	Independent Non-Executive Director

### Appointment Process

The Committee is authorised to propose new nominees to the Board. The actual decision as to who shall be appointed a director remained the responsibility of the full Board after considering the recommendations of the Committee. In making its recommendations, the Committee should consider the candidates' :-

- leadership;
- skills, knowledge, expertise and experience;
- work ethics;
- professionalism;
- integrity; and
- in the case of candidates for the position of independent non-executive directors, the Committee should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors.

The Board appoints its members through a formal and transparent selection process. The Company Secretary will ensure that all appointments are properly made, that all information necessary is obtained, as well as all legal and regulatory obligations are met

The Nominating Committee, through a process implemented by the Board, assess the effectiveness of the Board as a whole, the Committees of the Board, and the contribution of each individual director, including independent non-executive directors as well as the chief executive officer annually. All assessments and evaluations carried out by the Nominating Committee in the discharge of all its functions are properly documented.

## Directors' Training

The Board through the Nominating Committee ensures that it recruits to the Board individuals of sufficient calibre, knowledge and experience to fulfil the duties of a director. All the directors had attended and completed the Mandatory Accreditation Programme ["MAP"] conducted by the Research Institute of Investment Analysis Malaysia ["RIIAM"]. The directors had also attended the relevant Continuing Education Programme ["CEP"] in the manner prescribed by the Bursa Malaysia Securities Bhd.

Following the repeal of the CEP requirements with effect from 1 January 2005, the Board has to evaluate and determine the training needs of its directors on a continuous basis. The directors are mindful that they should continuously update their knowledge and skills and to keep abreast with developments in the marketplace as well as the new statutory and regulatory requirements. The seminars and briefings attended by the directors during the year are set out below :

Name of Directors		Seminars/Briefings
Dato' Mohd Salleh bin Hashim Manohar Hasan bin Ameer Ali	] ]	Tax issues for Land Traders, Investors and Property Developers
Dato' Shahrudin bin Haron Haji Abdullah bin Yusof Dato' Robert Lim Git Hooi	] ] ]	Audit Committee Conference 2015
Dato' Haji Mohamad Tahiruddin bin Mohd Tahir	]	Shares with No Par Value, Shares Buybacks and Redeemable Preference Shares - Proposed Companies Bill 2013
Dato' Chew Chee Kin	]	Sunway Managers Conference 2015
Chong Chang Choong	] ] ] ] ] ] ] ] ]	HSBC Asian Outlook 2015 Conference Daiwa Mini Asean Corporate day Business Connect 2015 Invest Asean Invest Malaysia Citi Asean Investor Conference 2015 RMB and China's Global Future - HSBC Khazanah Megatrends Forum 2015 Sunway Managers Conference 2015

## Re-election

The Articles of Association provide that at least one-third of the Board are subject to retirement by rotation at each Annual General Meeting and the directors to retire in each year are the directors who have been longest in office since their appointment or re-appointment. A retiring director is eligible for re-appointment. The Articles of Association also provides for all directors to retire at least once in each three years and shall be eligible for re-appointment. These provide an opportunity for shareholders to renew their mandates. The election of each director is voted on separately. To assist shareholders in their decision, sufficient information such as personal profile, meetings attendance and the shareholdings of each director are furnished.

Directors over seventy years of age are required to submit themselves for re-appointment annually in accordance with Section 129 [6] of the Companies Act 1965.

# STATEMENT ON CORPORATE GOVERNANCE - (CON'T)

## B. DIRECTORS' REMUNERATION

### Remuneration Committee

The Remuneration Committee held two (2) meetings during the financial year which were attended by all members. The Committee consists of three independent non-executive directors as follows :

Haji Abdullah bin Yusof (Chairman)	Independent Non-Executive Director
Dato' Shaharuddin bin Haron	Independent Non-Executive Director
Dato' Robert Lim Git Hooi	Independent Non-Executive Director

The remuneration package of the executive director has been structured to commensurate with the Company and individual performance. The remuneration of the non-executive directors is a matter for the Board as a whole and it should reflect their experience and level of responsibilities.. The fees payable to the directors will be recommended by the Board for approval by shareholders at each Annual General Meeting.

The aggregate directors' remuneration paid or payable or otherwise made to all directors of the Company who served during the financial year are as follows:-

Category	*Fees (RM'000)	Salaries (RM'000)	**Other Emoluments (RM'000)
Executive Directors (1)	52.5	1,228	439
Non-Executive Directors (7)	427	-	-

\* included Audit Committee fees

\*\* included benefits in kind and gratuity payable to executive directors

The number of Directors whose total remuneration falls within the following bands is as follows:

## STATEMENT ON CORPORATE GOVERNANCE - (CON'T)

Range of Remuneration	Executive Director	Non-Executive Director
RM50,000 - below		4
RM50,001 - RM100,000		3
RM100,001 - RM150,000		
RM150,001 - RM200,000		
RM200,001 - RM250,000		
RM250,001 - RM300,000		
RM300,001 - RM350,000		
RM350,001 - RM400,000		
RM400,001 - RM450,000		
RM450,001 - RM500,000		
RM500,001 - RM550,000		
RM550,001 - RM600,000		
RM600,001 - RM650,000		
RM650,001 - RM700,000		
RM700,001 - RM750,000		
RM750,001 - RM800,000		
RM800,001 - RM850,000		
RM850,001 - RM900,000		
RM900,001 - RM950,000		
RM950,001 - RM1,000,000		
RM1,000,001 - RM1,050,000	1	

The Board is of the view that the transparency and accountability aspects of the Corporate Governance as applicable to directors' remuneration are adequately served by the band disclosure above.

### C. SHAREHOLDERS

The Board acknowledges the need of shareholders to be informed of all material business matters affecting the Company. In addition to the announcements made during the year, the timely release of financial results on a quarterly basis provides shareholders with an overview of the Group's performance and operations. The Company has been using the Annual General Meeting usually held in May each year, as a means of communicating with shareholders. Shareholders who are unable to attend are allowed to appoint proxies and representatives to attend and vote on their behalf. Members of the Board and the auditors of the Company are present to answer questions raised at the meeting.

### D. ACCOUNTABILITY AND AUDIT

#### Financial Reporting

In presenting the annual financial statements and quarterly announcement of results to shareholders, the directors aim to present a balanced and understandable assessment of the Group's position and prospects.

#### Directors' responsibility statement in respect of the preparation of the audited financial statements

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the accounting period and of their operations and cash-flows for the period then ended. In preparing the financial statements, the directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been applied.



## STATEMENT ON CORPORATE GOVERNANCE - (CON'T)

In preparing the financial statements, the directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgements and estimates.

The directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

### **Audit Committee**

The Audit Committee's terms of reference, which outline the Committee's functions and duties and a summary of the Committee's activities, are furnished in the Audit Committee report. The Committee reviews issues of accounting policies and presentation for external financial reporting. The Committee will meet with the external auditors without the presence of the executive director at least twice a year. The Committee has full access to the external auditors, who in turn have access at all times to the Chairman of the Audit Committee. The Chairman of the Audit Committee should engage on a continuous basis with senior management, such as the chairman, the chief executive officer, the finance director, the head of the internal audit and the external auditors in order to be kept informed of matters affecting the Group.

### **Relationship with the Auditors**

The role of the Audit Committee in relation to the external auditors is stated on pages 22 to 24.

### **State of Internal Control**

The directors acknowledge their responsibility of maintaining a sound system of internal control and the need to review its effectiveness regularly to safeguard the Group's assets and shareholders' investments. This system, by nature, can provide reasonable and not absolute assurance against misstatement, fraud or loss.

The Statement on Risk Management and Internal Control set out in the Annual Report provides an overview of the Group's approach in maintaining a sound system of internal control to safeguard shareholders' investment and the Group's assets.

## **E. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company remains committed to contribute to the well being of its communities and for its CSR initiatives, the Company contributed RM46,460.00 to nine orphanages, RM12,000.00 to the Kelantan Flood Relief and token contributions to some sports events. The total contributions for the year amounted to RM73,020.00.

## **F. OTHER INFORMATION**

### **Material Contracts**

There was no material contract other than in the ordinary course of business entered into by the Company or its subsidiaries involving directors' and major shareholders' interests during the financial year.

### **Recurrent Related Party Transactions of a Revenue or Trading Nature**

There was no recurrent related party transaction of a revenue or trading nature conducted for the year ended 31 December 2015.

## **Share Buybacks**

During the financial year, there was no share buyback by the Company.

## **Options, Warrants or Convertible Securities**

The Company did not issue any options, warrants or convertible securities during the financial year.

## **Imposition of Sanctions/Penalties**

There were no sanctions and or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant authorities.

## **Non-audit Fees**

There were payment of non-audit fees amounting to RM8,000 to the external auditors and RM15,000 to their affiliated company, Revenue Merchant Consultants [Taxation] Sdn Bhd for the financial year ended 31 December 2015.

## **Variation in Results**

There was no material variation between the results for the financial year and the unaudited results previously announced. The Company did not release any profit estimate, forecast or projection.

## **Profit Guarantees**

The Company did not give any profit guarantee during the financial year.

## **Revaluation Policy of Landed Properties**

The Company's policy is to value landed properties as and when the Directors deem necessary. There was no revaluation performed on any landed properties of the Group during the year.

## **American Depository Receipt (ADR) or Global Depository Receipt (GDR) Programme**

The Company did not sponsor any ADR or GDR programme during the financial year.

*This statement is made in accordance with a resolution of the Board of Directors dated 11 April 2016.*

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## Introduction

Paragraphs 15.26(b) of the Bursa Malaysia Listing Requirements require the Board of Directors [“the Board”] of public listed companies to include in its annual reports a “statement about the state of internal control of the listed issuer as a group”. The Board of Gopeng Berhad [“Gopeng” or “the Group”] is committed to maintaining a sound system of internal control in the Group and is pleased to provide the following statement, which outlines the nature and scope of internal control of the Group during the year.

## Board Responsibility

The Board acknowledges its ultimate responsibility on the Group’s system of Risk Management and Internal Control [“RMIC”] and for reviewing the adequacy and effectiveness of internal control systems to ensure shareholders’ interests and the Group’s assets are safeguarded. The responsibility on reviewing the adequacy and effectiveness of the internal control system has been delegated to the Audit Committee, which seeks the assurance on the adequacy and effectiveness of the RMIC system through reports from independent reviews conducted by internal audit function and the Management. The Board has received assurances from the Management which comprises of the Executive Chairman and the Managers that the Group’s system if RMIC is operating adequately and effectively in all material aspects. The Board also considers the performance improvement observations from external auditors. The Board acknowledges that the RMIC system can only provide reasonable and not absolute assurance against material misstatement or loss.

## Enterprise Risk Management Framework

Management is responsible for the management of risk on the internal control system in accordance with the Risk Management Policies adopted by the Board to provide reasonable assurance to the Board. The key elements of the enterprise risk management framework:-

- Risk Management Policy, which outlines guidance to employees on risk management issues; and
- A database of all risks and controls encompassing a detailed risk register, and individual risk profiles of the Group [excluding associates]. Key risks to each business unit’s objectives were identified and scored for likelihood of the risks occurring and the magnitude of the impact.

During the year, the Risk Management Policy together with its database, were revised and updated, taking into consideration the changes in the business environment of the Group. The Board considers the enterprise risk management framework is robust, but is still subject to continuous improvement on the framework taking into consideration better practices and changes in business environment.

## Other Key Components of Internal Control System

### Internal Audit Function

The Group outsourced its internal audit function to a professional firm to carry out its internal audit function which aims to provide the Board with reasonable assurance regarding the adequacy and effectiveness of the RMIC system based on the Group’s financial manual.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL - (CON'T)

The internal auditors carried out the following audit exercise during the year:-

- “Security Management System at Kota Bahroe Group Estate”, in February 2015. The objectives of this audit was to evaluate the adequacy of the system of internal control over the security management system to review the following :-
  - adequacy of policies and procedures governing security management;
  - adequacy of internal controls over Occupational Safety & Health issues and compliance with Government regulations;
  - security coverage such as patrolling and CCTV surveillance to ensure that assets are properly safeguarded;
  - adequate training and resources are provided to security guards; and
  - compliance with all the required procedures.
- “Follow-Up Audit on Control Over Expenditure Cycle at Kota Bahroe Group Estate”, in February 2015. The objective of this audit was to ensure that corrective actions on the audit recommendations have been effectively implemented by the Management.
- “Upkeep & Cultivation of Immature Oil Palms at Kota Bahroe Group Estate”, in April 2015. The objective of this audit was to evaluate the adequacy of the system of internal control over the upkeep and cultivation of immature oils palms to review the following :-
  - adequacy of policies and procedures governing upkeep and cultivation of immature oil palms;
  - chemical and manual weeding maintenance are done in timely manner;
  - water management process such as drainage, irrigation and water conservation measures to ensure palms are properly grown; and
  - accounting and inventory records are correctly and promptly updated.
- “Follow-Up Audit on Human Resource – Payroll at Kota Bahroe Group Estate”, in August 2015. The objective of this audit was to ensure that corrective actions on the audit recommendations have been effectively implemented by the Management.

All the above audit findings and recommendations were duly reported to the Group’s audit committee.

## Other risks and control processes

The other key elements of the Group’s internal control systems are as follows:

- an organizational structure with defined delegation of responsibilities to committees of the Board;
- all purchases and payments are approved according to formalised limits of authority. There are defined authorisation levels for management, including limits of authority for all aspects of the business;
- the Board reviews the operational and financial performance of the Group every quarter; and
- budgets are prepared annually and variances from the budgets are monitored on monthly basis by Management and discussed during the management meetings.

The Audit Committee reviews the reports from Management before submission to the Board for consideration.

## Conclusion

The Board is of the view that the existing RMIC system is adequate and effective. There were no material losses incurred and contingencies requiring disclosure in the Group’s annual report during the current financial year as a result of weaknesses in internal control. Nevertheless, the Management will continue taking measures in strengthening the internal control environment.

# REPORT OF THE AUDIT COMMITTEE

The Board of Directors of Gopeng Berhad is pleased to present the report of the Audit Committee of the Board for the year ended 31 December 2015.

The Audit Committee was established in 1994. For the financial year ended 31 December 2015, the Audit Committee, which comprised three Directors, met a total of five [5] times. The composition of the Audit Committee and the attendance of meetings are listed below.

Name	Status of Directorship	Attendance of Meetings
Dato' Shaharuddin bin Haron [Chairman]	Independent Non-Executive Director	Attended all 5 meetings
Haji Abdullah bin Yusof	Independent Non-Executive Director	Attended all 4 out of 5 meeting
Dato' Robert Lim Git Hooi	Independent Non-Executive Director	Attended all 5 meetings

The Audit Committee consists of Independent Non-Executive Directors who have sound knowledge in finance and accounting. Dato' Robert Lim Git Hooi is a member of Malaysian Institute of Accountants.

## Terms of Reference

### Membership

The Committee shall be appointed by the Board from amongst their numbers and shall consists of not less than three [3] members, all of whom shall be independent directors and at least one of whom shall be a member of the Malaysian Institute of Accountants or one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967. The Chairman of the Committee shall be an independent non-executive director.

### Meetings and Minutes

Meetings shall be held not less than four [4] times a year and the head of finance, the internal audit and representatives of the external auditors shall normally be invited to attend meetings. However, at least twice a year, the Committee shall meet with the external auditors without any Executive Board member present. The external auditor or any member of the Committee may request a meeting if they consider one necessary. A quorum shall be two [2] members present. The minutes of each meeting shall be kept and distributed to each member of the Committee and of the Board. The Chairman of the Committee shall report to the Board as and when deem necessary. The Company Secretary shall be the Secretary to the Committee.

### Authority

The Committee is authorised by the Board :

- i) to investigate any activity within its terms of reference and shall have unrestricted access to both the internal and external auditors and to all employees of the Group;
- ii) to have the resources in order to perform its duties as set out in its terms of reference;
- iii) to have full and unrestricted access to information pertaining to the Company and the Group;
- iv) to have direct communication channels with the external auditors and persons carrying out the internal audit function; and
- v) to obtain external legal or other independent professional advice as necessary.



## Responsibility

Where the Committee is of the view that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Malaysia Securities Bhd, the Committee shall promptly report such matter to Bursa Malaysia Securities Bhd. The Chairman of the Audit Committee should engage on a continuous basis with senior management, such as the chairman, the chief executive officer, the finance director, the head of the internal and external auditors in order to be kept informed of matters affecting the Company.

## Duties

The duties of the Committee are :

- i) to consider the appointment, resignation and dismissal of the external auditors and the audit fees;
- ii) to discuss with the external auditors before the audit commences, the nature and scope of the audit and ensure co-ordination where more than one audit firm is involved;
- iii) to review the quarterly and annual financial statements of the Company and the Group before submission to the Board of Directors, focusing particularly on ;
  - any changes in or implementation of major accounting policy changes
  - significant and unusual events
  - significant adjustments resulting from the audit
  - the going concern assumption
  - compliance with accounting standards
  - compliance with Bursa Malaysia Securities Bhd's Listing Requirements, the Capital Markets and Services Act, 2007 and other legal requirements.
- iv) to discuss problems and reservations arising from the interim and final audits, and any matters the auditors may wish to discuss [in the absence of management if necessary]
- v) to review the external auditor's management letter and management's response thereto;
- vi) To do the following, in relation to the internal audit function :-
  - review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
  - review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
  - review any appraisal or assessment of the performance of members of the internal audit function;
  - approve any appointment or termination of senior staff members of the internal audit function; and
  - take cognizance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- vii) to consider any related party transaction and conflict of interest situation that may arise within the Company and the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- viii) to consider the major findings of internal investigations and management's response; and;
- ix) to review the evaluation of the systems of internal control with the auditors; and

## REPORT OF THE AUDIT COMMITTEE - (CON'T)

x] to consider other topics as defined by the Board.

### Activities during the year :

Pursuant to the terms of reference of the Audit Committee, the following activities were carried out by the Committee during the year ended 31 December 2015 in the discharge of its functions and duties:

- i] review of audit plans for the Company and its subsidiaries for the year prepared by the external auditors;
- ii] review of the audit reports for the Company and its subsidiaries prepared by the external auditors and consideration of the major findings by the external auditors and management response thereto;
- iii] review of unaudited quarterly interim reports and year end audited annual reports of the Company and the Group prior to submission to the Board for consideration and approval. The review was to ensure that the quarterly interim reports and the year-end annual report were in compliance with the Listing Requirements of Bursa Malaysia Securities Bhd, the Malaysian Accounting Standards Board and other relevant legal and regulatory requirements ; and
- iv] review of the internal audit reports for the Company and the Group and approved recommendations to management on improvements in internal control process and procedures.

### Internal Audit Function

The internal audit function includes an evaluation of the processes by which significant risks are identified, assessed and managed, thereby ensuring that the instituted controls are appropriate and effectively applied and that the risk exposure are in line with the Group's risk management policies. The Audit Committee had reviewed the risk profile and register of the Group and the soundness and adequacy of the system of internal controls in the Company and its subsidiaries with management and had recommended improvements whenever expedient. In the discharge of its duties and responsibilities under the internal audit function of the Group, the Audit Committee was assisted by the services of a consulting firm acting as the internal auditors of the Company.

During the year the Company's internal auditors carried out two cycles of audit on Kota Bahroe Group Estates. In February 2015, the internal auditors reviewed the 'Security Management System at Kota Bahroe Group Estates' and conducted a follow up audit on the 'Control Over Expenditure Cycle at Kota Bahroe Group Estates'. In April 2015, the internal auditors reviewed the 'Upkeep and Cultivation of Immature Oil Palms at Kota Bahroe Group Estates' and conducted a follow up audit on 'Human Resource – Payroll at Kota Bahroe Group Estates'. The follow up audits were to ensure that the recommendations made in 2014 and agreed to be implemented by management had been implemented. In addition, the internal auditors also assessed and updated the Risk Profile and Register of the Group. Some areas which required changes to improve the internal control environment were identified and the findings were reported to the Audit Committee which recommended appropriate actions to be taken to address the weaknesses identified. A follow-up system is in place to ensure that all the agreed remedial actions would be effectively implemented.

The total cost incurred in managing the internal audit function in 2015 was RM37,000.00

This report is made in accordance with a resolution of the Board of Directors dated 11 April 2016.

# 5-YEAR GROUP FINANCIAL HIGHLIGHTS

		2015	2014	2013	2012	2011
		RM'000	RM'000	RM'000	RM'000	RM'000
<b>FINANCIAL PERFORMANCE</b>						
Revenue		9,237	9,491	10,200	14,896	17,477
Profit before tax		7,384	773	4,102	2,654	10,021
Profit for the financial year		7,970	1,017	3,607	2,634	9,597
Profit attributable to shareholders		7,970	1,017	3,607	2,634	9,597
Earning per share	sen	4.44	0.57	2.01	1.47	5.35
Return on equity	%	2.72	0.35	1.22	0.95	3.35
Return on assets	%	2.61	0.33	1.17	0.90	3.20

<b>DIVIDENDS</b>						
Dividend payment		5,380	5,380	5,380	13,181	73,973

<b>GEARINGS</b>						
Borrowings		70	89	-	33	182
Finance Costs		22	60	5	21	227
Gearing	times	0.0002	0.0003	-	0.0001	0.0006
Interest Cover	times	335.52	13.95	912.11	130.36	45.15

<b>OTHER FINANCIAL STATISTICS</b>						
Net assets per share	sen	164	162	164	155	160
Paid up share capital		89,665	89,665	89,665	89,665	89,665
Total equity attributable to shareholders		293,315	290,664	294,963	278,019	286,197
Total assets		305,675	304,456	309,393	291,683	299,938
Total liabilities		12,360	13,792	14,430	13,664	13,741

## CHAIRMAN'S STATEMENT



"On behalf of the Board of Directors of Gopeng Berhad, it gives me great pleasure in presenting the Annual Report and the Audited Financial Statements of the Group and of the Company for the year ended 31 December 2014."

### Financial Results

The Group's income is principally generated from oil palm plantation, returns from short term investments and sale of investment properties.

For the year ended 31 December 2015, the Group recorded a revenue of RM9.2 million and an operating profit of RM7.4 million compared with a revenue of RM9.5 million and an operating profit of RM0.8 million in the year ended 31 December 2014. The after-tax profit was RM8.0 million compared with RM1.0 million in the previous year.

## Group's Highlights

In spite of the challenging economic environment, particularly in the plantation sector over the last couple of years, the Group delivered a good underlying performance in 2015.

The Group made substantial returns from our short term investments, an increase of 19% compared to what we achieved in the previous year.

The Group also recorded another substantial gain through a disposal of 96.8 acres (39.17 hectares) of investment property. After that disposal, the Group still has 260 acres (105.2 hectares) of investment property remaining.

## Future Outlook

The Group's plantation sector continues its tough and unexciting outlook since the last few years. Nevertheless, we will keep developing this sector by making efforts to improve the yields of the Estates. I believe that very soon, the plantation sector would be able to provide steady income to the Group again.

Gains from the Group's short term investments appeared to be the compensating factor to the Group's income.

## Dividends

For the year ended 31 December 2015, the Board has recommended payment of a final single tier dividend of 4 sen per RM0.50 ordinary share. This final single tier dividend, if approved by the shareholders at the 32nd Annual General Meeting scheduled to be held on 28 May 2016, will be paid on 15 July 2016 to shareholders whose names appear in the Record of Depositors as at 30 June 2016. Payment of the final dividend will cost the Company RM7,173,159.

## Acknowledgement

On behalf of the Board of Directors again, I wish to extend my sincere appreciation to the Management and staff for their continuous dedication, passion and hard work.

I would also like to thank all our valuable customers, suppliers, business associates, government authorities and shareholders for their continuous confidence and support to the Company.

Finally, I wish to express my heartfelt thanks to my fellow colleagues on the Board and the Directors of the subsidiaries for their relentless advice and guidance.

## Dato' Mohd Salleh bin Hashim

Executive Chairman

Kuala Lumpur

Date : 11 April 2016



# CORPORATE SOCIAL RESPONSIBILITY



The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

## PRINCIPAL ACTIVITIES

The principal activities of the Company consist of the business of cultivation of oil palm, investment holding and deriving income therefrom and property development.

The principal activities of the subsidiaries and associates are disclosed respectively in Note 15 and Note 16 to the Financial Statements.

There has been no significant change in the nature of these activities during the financial year.

## FINANCIAL RESULTS

	Group RM	Company RM
<u>Attributable to owners of the parent</u>		
Profit for the year	<u>7,970,121</u>	<u>7,774,832</u>

## DIVIDENDS

The amount of dividends paid since the end of the last financial year are as follows :-

	RM
In respect of the financial year ended 31 December 2014 :-	
Final single-tier dividend of 3.0 sen per ordinary share paid on 16 July 2015	<u>5,379,869</u>
	<u>5,379,869</u>

The Board of Directors recommends the payment of a final single tier dividend of 4 sen per RM0.50 ordinary share in respect of the financial year ended 31 December 2015, subject to shareholders' approval.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

# DIRECTORS' REPORT - (CON'T)

## DIRECTORS

Directors who served on the Board of the Company since the date of the last report are :-

Dato' Mohd Salleh bin Hashim  
Dato' Haji Mohamad Tahiruddin bin Mohd Tahir  
Dato' Shahrudin bin Haron  
Haji Abdullah bin Yusof  
Dato' Chew Chee Kin  
Dato' Robert Lim Git Hooi  
Manohar Hasan bin Ameer Ali  
Chong Chang Choong [appointed on 16.2.2015]  
Ong Pang Yen [resigned on 13.2.2015]

## DIRECTORS' INTERESTS

The Directors of the Company who held office at the end of the financial year had, according to the register required to be kept under Section 134 of the Companies Act, 1965, interests in the shares of the Company as follows :-

	NUMBER OF ORDINARY SHARES OF RM0.50 EACH			
	AT 1.1.2015	ADDITIONS	DISPOSALS	AT 31.12.2015
<b>Direct shareholdings in the Company</b>				
Dato' Mohd Salleh bin Hashim	37,250,000	-	-	37,250,000
Dato' Haji Mohamad Tahiruddin bin Mohd Tahir	10,364,366	-	-	10,364,366
Manohar Hasan bin Ameer Ali	1,000,000	-	-	1,000,000
Dato' Chew Chee Kin	180,000	-	-	180,000
<b>Indirect shareholdings in the Company</b>				
Dato' Mohd Salleh bin Hashim	21,800,000	-	-	21,800,000
Dato' Chew Chee Kin	189,000	-	-	189,000
Haji Abdullah bin Yusof	300,000	-	-	300,000
Dato' Robert Lim Git Hooi	20,000	-	-	20,000

Dato' Mohd Salleh bin Hashim is deemed to have an indirect interest in the shares in the Company by virtue of his shareholdings in the substantial corporate shareholder of the Company, Juitaneka Sdn Bhd.

By virtue of Dato' Mohd Salleh bin Hashim's interest in the shares in the Company, he is deemed to be interested in the shares of the subsidiaries during the financial year to the extent of that the Company has an interest.



## **DIRECTORS' INTERESTS - (Continued)**

Dato' Chew Chee Kin is deemed to have an indirect interest in the shares in the Company by virtue of his spouse's shareholdings in the Company pursuant to Section 134(12)(c) of the Companies Act, 1965.

Dato' Robert Lim Git Hooi is deemed to have an indirect interest in the shares in the Company by virtue of his spouse's shareholdings in the Company pursuant to Section 134(12)(c) of the Companies Act, 1965.

Haji Abdullah bin Yusof is deemed to have an indirect interest in the shares in the Company by virtue of his spouse's shareholdings in the Company pursuant to Section 134(12)(c) of the Companies Act, 1965.

Other than as disclosed above, none of the other Directors in office at the end of the financial year held any interest in shares in the Company or its related corporations during the financial year.

## **DIRECTORS' BENEFITS**

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit [other than benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements of the Group and of the Company] by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

## **ISSUE OF SHARES AND DEBENTURES**

There was no change in the issued and paid-up share capital of the Company during the financial year.

There was no debenture issued during the financial year.

## **OPTIONS GRANTED OVER UNISSUED SHARES**

No option was granted to any person to take up unissued shares of the Company during the financial year.

## **STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS**

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

- [a] to ascertain that proper action has been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts have been written off and that adequate allowance has been made for doubtful debts; and
- [b] to ensure that any current assets which were unlikely to realise their values as shown in the accounting records of the Group and of the Company in the ordinary course of business have been written down to an amount which they might be expected so to realise.

# DIRECTORS' REPORT - (CON'T)

## STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS - (Continued)

At the date of this report, the Directors are not aware of any circumstances :-

- [a] which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- [b] which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- [c] which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this report, there does not exist :-

- [a] any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- [b] any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

## OTHER STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

The Directors state that :-

At the date of this report, they are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

In their opinion,

- [a] the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- [b] there has not arisen in the interval between the end of the financial year and the date of this Report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this Report is made.

## SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

There were no significant events during the financial year except as disclosed in the financial statements.

## AUDITORS

The auditors, Messrs. HLB Ler Lum, Chartered Accountants, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors,

**Dato' Mohd Salleh bin Hashim**

**Dato' Shaharuddin bin Haron**

Dated : 11 April 2016  
Kuala Lumpur

# STATEMENT BY DIRECTORS

We, DATO' MOHD SALLEH BIN HASHIM and DATO' SHAHARUDDIN BIN HARON, being two of the Directors of GOPENG BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Financial Reporting Standards ["FRS"] and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2015 and of the results of the operations and cash flows of the Group and of the Company for the year then ended.

The supplementary information set out in the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by Malaysia Institute of Accountants, and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the Directors,

**Dato' Mohd Salleh bin Hashim**

**Dato' Shaharuddin bin Haron**

Dated : 11 April 2016  
Kuala Lumpur

## STATUTORY DECLARATION

I, MOHAMAD SHUKRI BIN ISHAK, being the Officer primarily responsible for the financial management of GOPENG BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

**Mohamad Shukri Bin Ishak (MIA 23190)**

Subscribed and solemnly declared by the abovenamed MOHAMAD SHUKRI BIN ISHAK at Kuala Lumpur on 11 April 2016

Before me :

Commissioner for Oaths



# INDEPENDENT AUDITORS' REPORT

## to The Members Of Gopeng Berhad

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of GOPENG BERHAD, which comprise the Statements of Financial Position of the Group and of the Company as at 31 December 2015, and the Statements of Profit or Loss and Other Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other information notes, as set out on pages 37 to 96.

### DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### OPINION

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

# INDEPENDENT AUDITORS' REPORT

## to The Members Of Gopeng Berhad - (CON'T)

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following :-

- [a] In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- [b] We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 15 to the Financial Statements.
- [c] We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- [d] The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

### OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in page 97 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ["MIA Guidance"] and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

### OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

#### **HLB LER LUM**

AF 0276

Chartered Accountants

#### **DATO' LER CHENG CHYE**

871/3/17[J/PH]

Chartered Accountant

Dated : 11 April 2016

Kuala Lumpur

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for The Financial Year ended 31 December 2015

	Note	GROUP		COMPANY	
		2015	2014	2015	2014
		RM	RM	RM	RM
Revenue	6	9,236,979	9,491,242	9,236,979	9,491,242
Cost of sales		<u>(8,212,807)</u>	<u>(7,732,173)</u>	<u>(8,212,807)</u>	<u>(7,732,173)</u>
Gross profit		1,024,172	1,759,069	1,024,172	1,759,069
Other income		12,632,227	5,140,085	12,632,227	5,140,085
Administrative expenses		<u>(4,782,346)</u>	<u>(4,612,854)</u>	<u>(4,947,882)</u>	<u>(4,974,286)</u>
Other expenses		<u>(1,567,443)</u>	<u>(1,521,762)</u>	<u>(1,566,290)</u>	<u>(1,519,921)</u>
		7,306,610	764,538	7,142,227	404,947
Interest income		99,080	67,925	82,755	50,567
Finance costs		<u>(22,072)</u>	<u>(59,666)</u>	<u>(22,072)</u>	<u>(59,666)</u>
<b>Operating profit</b>	<b>7</b>	<b>7,383,618</b>	<b>772,797</b>	<b>7,202,910</b>	<b>395,848</b>
Share of result of associates		-	-	-	-
Profit before tax		7,383,618	772,797	7,202,910	395,848
Tax credit	9	586,503	244,680	571,922	250,929
<b>Profit for the financial year</b>		<b><u>7,970,121</u></b>	<b><u>1,017,477</u></b>	<b><u>7,774,832</u></b>	<b><u>646,777</u></b>
Profit attributable to: - Owners of the parent		<u>7,970,121</u>	<u>1,017,477</u>	<u>7,774,832</u>	<u>646,777</u>
Earnings per share attributable to owners of the parent					
Basic earnings per ordinary share [sen]	10	<u>4.44</u>	<u>0.57</u>		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for The Financial Year ended 31 December 2015 - (CON'T)

	Note	GROUP		COMPANY	
		2015	2014	2015	2014
		RM	RM	RM	RM
Profit for the financial year		7,970,121	1,017,477	7,774,832	646,777
Other comprehensive income for the financial year, net of tax		-	-	-	-
Total comprehensive income for the financial year		<u>7,970,121</u>	<u>1,017,477</u>	<u>7,774,832</u>	<u>646,777</u>
Total comprehensive income attributable to: - Owners of the parent		<u>7,970,121</u>	<u>1,017,477</u>	<u>7,774,832</u>	<u>646,777</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF FINANCIAL POSITION

as at 31 December 2015

GROUP	Note	2015	2014
		RM	RM
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	152,316,458	153,718,158
Biological assets	12	21,716,832	19,982,327
Investment properties	13	13,895,000	18,695,000
Land and deferred development expenditure	14	4,051,647	3,889,637
Investment in associates	16	-	-
Available-for-sale investments	17	186,000	186,000
Deferred tax assets	18	-	555,000
		<u>192,165,937</u>	<u>197,026,122</u>
<b>CURRENT ASSETS</b>			
Inventories	19	38,036	43,897
Properties under development	20	29,075	172,476
Trade and other receivables	21	1,346,518	1,707,878
Tax recoverable		240,249	282,249
Short term investments	22	109,967,716	102,443,612
Deposits, cash and bank balances	23	1,887,204	2,779,753
		<u>113,508,798</u>	<u>107,429,865</u>
<b>TOTAL ASSETS</b>		<b>305,674,735</b>	<b>304,455,987</b>
<b>EQUITY</b>			
Share capital	24	89,664,491	89,664,491
Reserves		203,650,407	200,999,155
<b>TOTAL EQUITY</b>		<u>293,314,898</u>	<u>290,663,646</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	25	49,995	71,478
Provision for retirement benefits	26	284,187	186,872
Deferred tax liabilities	18	9,924,000	10,923,000
		<u>10,258,182</u>	<u>11,181,350</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	27	2,081,653	2,592,350
Borrowings	25	20,002	18,521
Current tax liabilities		-	120
		<u>2,101,655</u>	<u>2,610,991</u>
<b>TOTAL LIABILITIES</b>		<u>12,359,837</u>	<u>13,792,341</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>305,674,735</b>	<b>304,455,987</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial state-ments.

# STATEMENTS OF FINANCIAL POSITION

as at 31 December 2015 - (CON'T)

COMPANY	Note	2015	2014
		RM	RM
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	152,316,458	153,717,006
Biological assets	12	21,716,832	19,982,327
Investment properties	13	13,895,000	18,695,000
Investment in subsidiaries	15	-	-
Investment in associates	16	-	-
Available-for-sale investments	17	186,000	186,000
		<u>188,114,290</u>	<u>192,580,333</u>
<b>CURRENT ASSETS</b>			
Inventories	19	38,036	43,897
Properties under development	20	29,075	172,476
Trade and other receivables	21	1,338,536	1,699,896
Tax recoverable		240,000	281,999
Short term investments	22	109,967,716	102,443,612
Deposits, cash and bank balances	23	1,094,166	2,002,976
		<u>112,707,529</u>	<u>106,644,856</u>
<b>TOTAL ASSETS</b>		<b><u>300,821,819</u></b>	<b><u>299,225,189</u></b>
<b>EQUITY</b>			
Share capital	24	89,664,491	89,664,491
Reserves		<u>199,011,586</u>	<u>196,555,623</u>
<b>TOTAL EQUITY</b>		<u>288,676,077</u>	<u>286,220,114</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	25	49,995	71,478
Provision for retirement benefits	26	284,187	186,872
Deferred tax liabilities	18	9,924,000	10,923,000
		<u>10,258,182</u>	<u>11,181,350</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	27	1,864,057	1,801,703
Amount due to subsidiary	15	3,501	3,501
Borrowings	25	20,002	18,521
Current tax liabilities		-	-
		<u>1,887,560</u>	<u>1,823,725</u>
<b>TOTAL LIABILITIES</b>		<u>12,145,742</u>	<u>13,005,075</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>300,821,819</u></b>	<b><u>299,225,189</u></b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

for the Financial Year ended 31 December 2015

GROUP	Attributable to owners of parent ----->					
	<-----Non-distributable----->		Distributable			
	Share capital RM	Share premium RM	Revaluation reserve RM	Retained profits RM	Total reserve RM	Total equity RM
<b>Balance at 1 January 2015</b>	<b>89,664,491</b>	<b>42,349,828</b>	<b>138,265,747</b>	<b>20,383,580</b>	<b>200,999,155</b>	<b>290,663,646</b>
Total comprehensive income for the financial year	-	-	-	7,970,121	7,970,121	7,970,121
Depreciation transfer on land, net of tax	-	-	(1,190,324)	1,251,324	61,000	61,000
Final single-tier dividend-2014	-	-	-	(5,379,869)	(5,379,869)	(5,379,869)
<b>Balance at 31 December 2015</b>	<b>89,664,491</b>	<b>42,349,828</b>	<b>137,075,423</b>	<b>24,225,156</b>	<b>203,650,407</b>	<b>293,314,898</b>
<b>Balance at 1 January 2014</b>	<b>89,664,491</b>	<b>42,349,828</b>	<b>139,390,719</b>	<b>23,558,000</b>	<b>205,298,547</b>	<b>294,963,038</b>
Total comprehensive income for the financial year	-	-	-	1,017,477	1,017,477	1,017,477
Depreciation transfer on land, net of tax	-	-	(1,124,972)	1,187,972	63,000	63,000
Final dividend-2013	-	-	-	(5,379,869)	(5,379,869)	(5,379,869)
<b>Balance at 31 December 2014</b>	<b>89,664,491</b>	<b>42,349,828</b>	<b>138,265,747</b>	<b>20,383,580</b>	<b>200,999,155</b>	<b>290,663,646</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



# STATEMENTS OF CHANGES IN EQUITY

for the Financial Year ended 31 December 2015 - (CON'T)

COMPANY	Attributable to owners of parent ----->					
	Share capital RM	Non-distributable----->		Distributable		Total equity RM
		Share premium RM	Revaluation reserve RM	Retained profits RM	Total reserve RM	
<b>Balance at 1 January 2015</b>	<b>89,664,491</b>	<b>42,349,828</b>	<b>138,265,747</b>	<b>15,940,048</b>	<b>196,555,623</b>	<b>286,220,114</b>
Total comprehensive income for the financial year	-	-	-	7,774,832	7,774,832	7,774,832
Depreciation transfer on land, net of tax	-	-	(1,190,324)	1,251,324	61,000	61,000
Final single-tier dividend-2014	-	-	-	(5,379,869)	(5,379,869)	(5,379,869)
<b>Balance at 31 December 2015</b>	<b>89,664,491</b>	<b>42,349,828</b>	<b>137,075,423</b>	<b>19,586,335</b>	<b>199,011,586</b>	<b>288,676,077</b>
<b>Balance at 1 January 2014</b>	<b>89,664,491</b>	<b>42,349,828</b>	<b>139,390,719</b>	<b>19,485,168</b>	<b>201,225,715</b>	<b>290,890,206</b>
Total comprehensive income for the financial year	-	-	-	646,777	646,777	646,777
Depreciation transfer on land, net of tax	-	-	(1,124,972)	1,187,972	63,000	63,000
Final dividend-2013	-	-	-	(5,379,869)	(5,379,869)	(5,379,869)
<b>Balance at 31 December 2014</b>	<b>89,664,491</b>	<b>42,349,828</b>	<b>138,265,747</b>	<b>15,940,048</b>	<b>196,555,623</b>	<b>286,220,114</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF OF CASH FLOWS

for the Financial Year ended 31 December 2015

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
<b>Cash flows from operating activities</b>				
<b>Profit before tax</b>	7,383,618	772,797	7,202,910	395,848
Adjustments for: -				
Amortisation/Depreciation	1,567,442	1,521,763	1,566,290	1,519,921
Amortisation of biological assets	764,007	599,526	764,007	599,526
Impairment loss on subsidiaries	-	-	187,165	412,449
Provision for retirement benefits	97,315	-	97,315	-
Fair value gain on investment properties	-	-	-	-
Fair value gain on short term investments	(4,448,367)	(3,732,474)	(4,448,367)	(3,732,474)
Gain on disposal of property, plant and equipment	(7,833)	(642,526)	(7,833)	(642,526)
Gain on disposal of investment property	(8,056,600)	(263,460)	(8,056,600)	(263,460)
Interest expenses	22,072	59,666	22,072	59,666
Interest income	(99,080)	(67,925)	(82,755)	(50,567)
	(10,161,044)	(2,525,430)	(9,958,706)	(2,097,465)
<b>Operating loss before changes in working capital</b>	(2,777,426)	(1,752,633)	(2,755,796)	(1,701,617)
Change in properties under development	-	(13,383)	-	(13,383)
Change in inventories	5,861	43,834	5,861	43,834
Change in trade and other receivables	361,360	459,982	361,360	344,790
Change in trade and other payables	84,357	229,890	86,276	314,599
	451,578	720,323	453,497	689,840
<b>Cash absorbed by operations</b>	(2,325,848)	(1,032,310)	(2,302,299)	(1,011,777)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF OF CASH FLOWS

for the Financial Year ended 31 December 2015 - (CON'T)

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
<b>Cash flows from operating activities - (Continued)</b>				
<b>Cash absorbed by operations</b>	[2,325,848]	[1,032,310]	[2,302,299]	[1,011,777]
Income tax paid	[141,670]	[170,749]	[140,000]	[164,500]
Income tax refunded	182,000	213,750	182,000	213,750
Real property gain tax paid	[390,000]	[643,194]	[390,000]	[643,194]
	[349,670]	[600,193]	[348,000]	[593,944]
Net cash used in operating activities	[2,675,518]	[1,632,503]	[2,650,299]	[1,605,721]
<b>Cash flows from investing activities</b>				
Placement of short term investments	[35,000,000]	[71,215,084]	[35,000,000]	[71,215,084]
Redemption/withdrawal of short term investment	31,924,263	79,557,459	31,924,263	79,557,459
Land and deferred development expenditure	[162,010]	[270,493]	-	-
Biological assets incurred	[2,498,512]	[1,832,067]	[2,498,512]	[1,832,067]
Acquisition of property, plant and equipment	[168,309]	[277,662]	[168,309]	[277,662]
Proceeds from disposal of property, plant and equipment	10,400	30,000	10,400	30,000
Proceeds from disposal of investment property	13,000,000	47,846	13,000,000	47,846
Advance to subsidiaries	-	-	[187,165]	[412,449]
Repo and fixed deposits interest received	85,395	67,925	69,070	50,567
Interest received on late payment	13,685	-	13,685	-
<b>Net cash flows from investing activities</b>	7,204,912	6,107,924	7,163,432	5,948,610

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF OF CASH FLOWS

for the Financial Year ended 31 December 2015 - (CON'T)

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
<b>Cash flows from financing activities</b>				
Repayment of hire purchase liabilities	(20,002)	(10,001)	(20,002)	(10,001)
Repayment of short term borrowing	-	-	-	-
Dividend paid	(5,379,869)	(5,379,869)	(5,379,869)	(5,379,869)
Hire purchase interests	(2,510)	(1,255)	(2,510)	(1,255)
Interest on bank overdraft	-	(316)	-	(316)
Interest on short term borrowings	(19,562)	(58,095)	(19,562)	(58,095)
Net cash used in financing activities	<u>(5,421,943)</u>	<u>(5,449,536)</u>	<u>(5,421,943)</u>	<u>(5,449,536)</u>
Net changes in cash and cash equivalents	(892,549)	(974,115)	(908,810)	(1,106,647)
Cash and cash equivalents brought forward	<u>2,779,753</u>	<u>3,753,868</u>	<u>2,002,976</u>	<u>3,109,623</u>
Cash and cash equivalents carried forward (Note 23)	<u>1,887,204</u>	<u>2,779,753</u>	<u>1,094,166</u>	<u>2,002,976</u>
<b>NOTE TO THE STATEMENTS OF CASH FLOWS</b>				
Analysis of acquisition of property, plant and equipment :-				
Cash	168,309	277,662	168,309	277,662
Finance lease arrangement	-	100,000	-	100,000
	<u>168,309</u>	<u>377,662</u>	<u>168,309</u>	<u>377,662</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

Gopeng Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Board of Bursa Malaysia Securities Berhad. The addresses of its principal place of business and registered office of the Company are as follows :-

Principal place of business

A-17-15, 17th Floor  
Menara UOA Bangsar  
5 Jalan Bangsar Utama 1  
59000 Kuala Lumpur

Registered office

6A Jalan Sultan Iskandar  
30000 Ipoh  
Perak Darul Ridzuan

The principal activities of the Company consist of the business of cultivation of oil palm, investment holding and deriving income therefrom and property development.

The principal activities of the subsidiaries and associates are disclosed respectively in Note 15 and Note 16 to the Financial Statements.

## 2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared under historical cost convention [unless stated otherwise in the significant accounting policies below] and in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The preparation of financial statements in conformity with the FRS and the Companies Act, 1965 requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. It also requires the Directors to exercise their judgements in the process of applying the Group's accounting policies. Although these estimates and judgements are based on Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 3. ACCOUNTING STANDARDS AND INTERPRETATIONS

### 3.1 Adoption of new and revised FRSs

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous year, except as follows:

Amendments to FRS 119	Defined Benefit Plans: Employee Contributions
Annual Improvements to FRSs 2010-2012 Cycle	
Annual Improvements to FRSs 2011-2013 Cycle	

The adoption of the above pronouncements did not have any impact on the financial statements of the Group and of the Company.

### 3.2 Standards issued but not yet effective

As at the date of authorisation of these financial statements, the following Amendments to Standards and IC Interpretations have been issued by the Malaysian Accounting Standards Board [MASB] but are not yet effective and have not been adopted by the Group and the Company:

Effective for financial periods beginning on or after 1 January 2016	
FRS 14	Regulatory Deferral Accounts
Amendments to FRS 10	Consolidated Financial Statements: Investment Entities - Applying the Consolidation Exception
Amendments to FRS 11	Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 12	Disclosure of Interests in Other Entities: Investment Entities - Applying the Consolidation Exception
Amendments to FRS 101	Presentation of Financial Statements
Amendments to FRS 116	Property, Plant and Equipment: Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 127	Consolidated and Separate Financial Statements: Equity Method in Separate Financial Statements



# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 3. ACCOUNTING STANDARDS AND INTERPRETATIONS - (CONTINUED)

### 3.2 Standards early adopted by the Group and the Company- (Continued)

Effective for financial periods beginning on or after 1 January 2016	
Amendments to FRS 128	Investments in Associates: Investment Entities - Applying the Consolidation Exception
Amendments to FRS 138	Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation
Annual Improvements to FRSs 2012-2014 Cycle	

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.

### 3.3 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 141"] and IC Interpretation 15 Agreements for Construction of Real Estate ["IC 15"], including its parents, significant investor and venture [herein called "Transitioning Entities"].

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.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 4.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all its subsidiaries made up to the end of the financial year and are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

#### [a] Subsidiaries

Subsidiaries are all entities [including structured entities] over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the financial statements of subsidiaries are consolidated from the date on which control is transferred to the Group and are de-consolidated from the date when control ceases. The consideration is measured as the fair value of the assets given, equity instruments issued and liabilities incurred. Contingent consideration is recorded at fair value as a component of the purchase consideration with subsequent adjustment resulting from events after the acquisition date taken to profit or loss. Acquisition related costs are recognised as expenses when incurred.

Identifiable assets, liabilities and contingent liabilities assumed in a business combination are measured at their fair value, at the date of acquisition. The excess of the consideration and the fair value of previously held equity interests over the Group's share of the fair value of the identifiable net assets acquired at the date of acquisition is reflected as goodwill [see accounting policy Note 4.7 on goodwill]. Any gain from bargain purchase is recognised directly in the profit or loss.

All inter-company transactions and balances are eliminated on consolidation. Unrealised losses on transactions with and between Group companies are eliminated on consolidation to the extent of the cost of the asset that can be recovered, and the balance that provides evidence of reduction in net realisable value or an impairment of the asset transferred are recognised in the profit or loss.

When control ceases, the disposal proceeds, if any, and the fair value of any retained investment are compared to the Group's share of its net assets as of that date. The difference together with the carrying amount of allocated goodwill and the cumulative amount of any exchange differences that relate to the subsidiary is recognised in the profit or loss as gain or loss on disposal of the subsidiary.

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

### 4.1 Basis of consolidation - (Continued)

#### (a) Subsidiaries - (Continued)

Non-controlling interests are presented on the Statements of Financial Position and changes in equity separate from equity attributable to owners of the Company. Non-controlling interests in the results of the Group are presented in the Statements of Profit or Loss and Other Comprehensive Income as an allocation of the total profit or loss and total comprehensive income for the financial year between owners of non-controlling interests and the Company.

Transactions with owners of non-controlling interests without a change in control are treated as transactions with equity owners of the Group. For purchases of additional interests from owners of non-controlling interests, the difference between the consideration paid and the non-controlling interests acquired is recorded in equity.

Similarly, in the case of partial disposal of interests to owners of non-controlling interests, the difference between the consideration received and the amount by which the non-controlling interest is adjusted is recognised in equity.

#### (b) Associates

In the Company's separate financial statements, investment in associated companies is stated at cost less accumulated impairment losses in the Company's Statement of Financial Position. On disposal of investments in associated companies, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

#### (i) Acquisitions

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associate over the Group's share of the fair value of the identifiable net assets of the associate and is included in the carrying amount of the investments.

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

### 4.1 Basis of consolidation - (Continued)

#### (b) Associates - (Continued)

##### (ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured noncurrent receivables, the Group does not recognise further losses, unless it has obligations to make or has made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

##### (iii) Disposals

Investments in associated companies are derecognised when the Group loses significant influence and any retained interest in the former associate is a financial asset. Such retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost and its fair value is recognised in profit or loss.

Gains and losses arising from partial disposals or dilutions in investments in associated companies in which significant influence is retained are recognised in profit or loss.

### 4.2 Property, plant and equipment

Property, plant and equipment are initially stated at cost. Land and buildings are subsequently shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation and impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

### 4.2 Property, plant and equipment - (Continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Surpluses arising on revaluation are credited to revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is charged to profit or loss. Each year, the difference between the depreciation based on the revalued carrying amount of the asset charged to the profit or loss and depreciation based on the asset's original cost is transferred from 'revaluation reserve' to 'retained profits'.

Freehold land is not depreciated as it has an infinite life. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Depreciation on assets under construction commences when the assets are ready for their intended use. Other property, plant and equipment are depreciated on the straight line basis to write off the cost of the assets to their residual values over their estimated useful lives.

The principal annual rates of depreciation used are as follows :-

Leasehold land	30 - 99 years
Other properties	2% - 15%
Plant and equipment	10% - 20%
Earthmoving equipment	20%
Motor vehicles	20%

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision of the residual values and useful lives are included in the profit or loss for the financial year in which the changes arise.

At the end of each reporting period, the Group assesses whether there is any indication of impairment. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount [see accounting policy Note 4.11(a) on impairment].

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the profit or loss. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained profits.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

### 4.3 Biological assets

New planting and replanting expenditure incurred on land clearing and upkeep of trees to maturity is capitalised at cost as biological assets and is amortised at maturity of the crop on the straight line basis over the economic useful lives of the trees of 20 years.

### 4.4 Investment properties

Investment properties are land and buildings held for rental income and/or capital appreciation which are not substantially occupied for use by the Group. Property that is being constructed for future use as investment property is classified under properties under development until construction is completed, at which time the property is reclassified to investment property.

Investment properties are stated at fair value, representing open-market value determined by external valuers. Fair value is based on active market prices, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair value are recorded in the profit or loss.

On disposal of an investment property or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised. The difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss in the period of retirement or disposal.

### 4.5 Land and deferred development expenditure

Land and deferred development expenditure consist of land or such portions thereof on which no development activities have been carried out or where development activities are not expected to be completed within the Group's normal operating cycle of 2 to 3 years. Such land is classified as non-current assets and is stated at cost less accumulated impairment losses.

Land and deferred development expenditure is reclassified as property development expenditure at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the Group's normal operating cycle of 2 to 3 years.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

### 4.6 Investments

Investments in subsidiaries, jointly controlled entities and associates are stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount [see accounting policy Note 4.11(a) on impairment].



# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

### 4.7 Goodwill

Goodwill represents the excess of the consideration and the fair value of previously held interests over the Group's share of the fair value of identifiable assets, liabilities and contingent liabilities of the acquiree at the date of acquisition.

Goodwill on acquisition of subsidiaries is recognised as an intangible asset. Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing [see accounting policy Note 4.11(a) on impairment]. When control of a subsidiary ceases, the gains and losses on disposal includes the carrying amount of allocated goodwill.

Goodwill on acquisition of jointly controlled entities and associates is included as part of cost of investments in jointly controlled entities and associates. Such goodwill is tested for impairment as part of the overall net investment in each jointly controlled entity and associate.

### 4.8 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost includes all direct expenses and attributable overheads incurred in the production. Cost is determined on weighted average cost and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost consists of costs associated with the acquisition of land, direct costs and appropriate proportions of common costs attributable to developing the properties to completion.

Net realisable value is the estimated selling price in the ordinary course of business, less cost to completion and selling expenses.

### 4.9 Properties under development

Properties under development comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable and will be recoverable and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any unexpected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Properties under development not recognised as an expense are recognised as an asset, and is stated at the lower of cost and net realisable value.

At the end of each reporting period, the cumulative revenue recognised and progress billings made for each development unit sold are compared. Where the revenue recognised exceeds the billings to the purchaser, the net amount is shown as accrued billings within trade receivables. Where the billings to the purchaser exceed revenue recognised, the net amount is shown as progress billings within trade payables.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

### 4.10 Financial assets

Financial assets are recognised in the Statements of Financial Position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of its financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The Group and the Company have not classified any of its financial assets as held-to-maturity.

#### (a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

#### (b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the end of the reporting period which are classified as non-current.

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

### 4.10 Financial assets - (Continued)

#### (c) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the two preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the end of the reporting period.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require the delivery of assets within the period generally established by regulation or convention in marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e. the date that the Group and the Company commit to purchase or sell the asset.

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

### 4.11 Impairment

#### (a) Non-financial assets

The carrying amounts of assets, other than inventories, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

An impairment loss is charged to the profit or loss immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Any subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the profit or loss immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

#### (b) Receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

### 4.11 Impairment - (Continued)

#### (b) Receivables and other financial assets carried at amortised cost - (Continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

#### (c) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost [net of any principal payment and amortisation] and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

### 4.12 Cash and cash equivalents

For the purpose of the Statements of Cash Flows, cash and cash equivalents comprise cash in hand, bank balances, other short term, highly liquid investments with original maturities of three months or less, net of pledged deposits, which have an insignificant risk of changes in value. Bank overdrafts are included within borrowings in current liabilities in the Statements of Financial Position.

### 4.13 Share capital

Proceeds from ordinary shares issued are accounted for as equity, with the nominal value of the shares being separately disclosed as share capital. Costs incurred directly attributable to the issuance of shares are accounted for as a deduction from equity.

Dividends to shareholders are recognised in the Statements of Changes In Equity in the period in which they are declared.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

### 4.14 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangement entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the Statements of Financial Position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

#### Other financial liabilities

The Group's and the Company's other financial liabilities include payables, amount due to a subsidiary and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

### 4.15 Borrowing costs

Borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

### 4.16 Employee benefits

#### (a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial year when employees have rendered their services to the Group and the Company.

Short term accumulating compensated absences such as paid annual leave are recognised as expenses when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.



# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

### 4.16 Employee benefits - (Continued)

#### (b) Defined contribution plan

A defined contribution plan is a pension plan under which the Group and the Company pay fixed contributions into a separate entity [a fund] and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ["EPF"]. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

#### (c) Retirement benefits

The Group and the Company provide for retirement benefits for eligible employees on an unfunded defined benefit basis. Full provision has been made for retirement benefits payable to all eligible employees based on the last drawn salaries at the year end and the length of service rendered. The present value of the defined benefit obligations as required by FRS 119, Employee Benefits has not been used in arriving at the provision, as the amount involved is insignificant to the Group and the Company. Accordingly no further disclosure as required by the standard is made.

### 4.17 Revenue recognition

#### (a) Property development

Revenue from property development activities is recognised based on the stage of completion method as described in Note 4.9.

#### (b) Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the goods.

#### (c) Dividend income

Dividend income is recognised when the right to receive payment is established.

#### (d) Rental income

Rental income is recognised on accrual basis.

#### (e) Interest income

Interest income is recognised on an accrual basis, using the effective interest method.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

### 4.18 Income tax and deferred tax

Income tax on the profit or loss for the financial year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributable to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences or unabsorbed tax losses can be utilised.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognised in the profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and the Company intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

### 4.19 Functional and presentation currency

The financial statements of the Group and of the Company are prepared using the functional currency i.e. the currency of the primary economic environment in which the Group and the Company operate.

The financial statements are presented in Ringgit Malaysia ["RM"], which is also the Group's and Company's functional and presentation currency.

### 4.20 Segment reporting

Segment information is presented in a manner that is consistent with the internal reporting provided to management for the allocation of resources and assessment of its performance. These are affected predominantly by differences in the products and services provided. The Group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Segment revenue, expenses, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Inter-segment pricing is based on similar terms as those available to other external parties.

### 4.21 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event[s] not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the Statements of Financial Position of the Group and of the Company.

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact to the Group's result and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year are outlined below.

### 5.1 Impairment of property, plant and equipment

Determining whether the property, plant and equipment are impaired requires an estimation of value-in-use of the property, plant and equipment. The value-in-use calculation requires the management to estimate the future cash flows and an appropriate discount rate in order to calculate the present value of future cash flows. The management has evaluated such estimates and is confident that no allowance for impairment is necessary.

The Group management follows its accounting policy set out in Note 4.2 in determining when property, plant and equipment are considered impaired.

Impairment is recognised when events and circumstances indicate that these assets may be impaired and the carrying amount of these assets exceed the recoverable amounts. In determining the recoverable amount of these assets, certain estimates regarding cash flows of these assets are made.

### 5.2 Estimated residual values and useful lives of property, plant and equipment

The Group and the Company review the residual values and useful lives of property, plant and equipment at the end of each reporting period in accordance with the accounting policy. The review is based on factors such as expected level of usage, business plans and strategies and future regulatory changes. The estimation of the residual values and useful lives involves significant judgment. The carrying amounts of property, plant and equipment at the end of the reporting period are disclosed in Note 11.

### 5.3 Biological assets

Biological assets comprise pre-cropping expenditure incurred from land clearing to the point of maturity. Such expenditure is capitalised and is amortised at maturity of the crop over the useful economic lives of the crop. Management estimated the useful economic lives of the Group's and the Company's oil palm to be 20 years.

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS - (CONTINUED)

### 5.4 Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies. Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transaction. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the Statements of Financial Position and the amount of unrecognised tax losses and unrecognised temporary differences.

## 6. REVENUE

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Property development	-	-	-	-
Plantation	9,236,979	9,491,242	9,236,979	9,491,242
Dividend income	-	-	-	-
	<u>9,236,979</u>	<u>9,491,242</u>	<u>9,236,979</u>	<u>9,491,242</u>

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 7. OPERATING PROFIT

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
<b>Operating profit is arrived at after charging :-</b>				
Impairment loss on subsidiaries	-	-	187,165	412,449
Amortisation/Depreciation	1,567,442	1,521,763	1,566,290	1,519,921
Amortisation of biological assets	764,007	599,526	764,007	599,526
Auditors' remuneration:				
- audit fees	55,800	63,000	50,000	50,000
- non audit fees				
- current financial year	8,000	8,000	8,000	8,000
- under provision in prior year	-	5,000	-	5,000
Interest expenses on				
- bank overdrafts	-	316	-	316
- finance lease liabilities	2,510	1,255	2,510	1,255
- short-term borrowing	19,562	58,095	19,562	58,095
Rental of office	295,614	295,614	295,614	295,614
Rental of equipment	2,575	540	2,575	540
Personnel expenses [excluding key management personnel]				
- contributions to EPF	273,451	226,770	273,451	226,770
- provision on retirement benefit	97,315	-	97,315	-
- wages, salaries and others	1,993,868	1,679,139	1,993,868	1,679,139
<b>and after crediting [other than those disclosed in Note 6]:-</b>				
Fair value gain on short term investments	4,448,367	3,732,474	4,448,367	3,732,474
Gain on disposal of investments property	8,056,600	263,460	8,056,600	263,460
Gain on disposal of property, plant and equipment	7,833	642,526	7,833	642,526
Interest income				
- deposits with licensed financial institutions	85,395	67,925	69,070	50,567
- others	13,685	-	13,685	-
Rental income	54,405	55,000	54,405	55,000

The gain on disposal of investment property during the year is net of property under development cost [Note 20] amounting to RM143,400 [2014: RM Nil].

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 8. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensations are as follows :-

	GROUP / COMPANY	
	2015	2014
	RM	RM
Executive Directors		
- fees	52,500	52,500
- remuneration	1,412,200	1,090,200
- other short term benefits (including estimated monetary value of benefits-in-kind)	439,268	440,915
Non-executive Directors		
- fees	427,000	416,562
Total short-term Directors' remuneration	<u>2,330,968</u>	<u>2,000,177</u>
Other key management personnel :-		
- short-term employee benefits	176,800	156,800
	<u>2,507,768</u>	<u>2,156,977</u>

Other key management personnel comprises persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.



# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 9. TAX CREDIT

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
<b>Current taxation</b>				
Malaysian income tax				
- current financial year	-	-	-	-
- under-provision in prior financial year	(569,581)	6,249	-	-
	<u>(569,581)</u>	<u>6,249</u>	<u>-</u>	<u>-</u>
Real property gains tax				
- current financial year	390,000	232,071	390,000	232,071
- over-provision in prior financial year	(23,922)	-	(23,922)	-
	<u>366,078</u>	<u>232,071</u>	<u>366,078</u>	<u>232,071</u>
	<u>(203,503)</u>	<u>238,320</u>	<u>366,078</u>	<u>232,071</u>
<b>Deferred taxation</b>				
Origination and reversal of temporary differences	(922,000)	(365,014)	(922,000)	(395,000)
Under/(Over)-provision in prior financial years	539,000	50,000	(16,000)	50,000
Effect on deferred tax balance due to change in income tax rate from 25% to 24%	-	(167,986)	-	(138,000)
	<u>(383,000)</u>	<u>(483,000)</u>	<u>(938,000)</u>	<u>(483,000)</u>
	<u>(586,503)</u>	<u>(244,680)</u>	<u>(571,922)</u>	<u>(250,929)</u>

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 9. TAX CREDIT - (CONTINUED)

A reconciliation of tax income applicable to profit before tax at the statutory income tax rate to tax income at the effective income tax rate of the Group and of the Company are as follows :-

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Profit before tax	7,383,618	772,797	7,202,910	395,848
Tax at Malaysian tax rate of 25% (2014: 25%)	1,845,905	193,199	1,800,728	98,962
Non-deductible expenses	1,308,549	651,256	1,353,726	715,507
Income not subject to tax	[4,076,454]	[1,209,469]	[4,076,454]	[1,209,469]
Under-provision for income tax in prior financial years	[569,581]	6,249	-	-
Under/(Over)-provision for deferred tax in prior financial years	539,000	50,000	[16,000]	50,000
Effect on deferred tax balance due to change in income tax rate from 25% to 24%	-	[167,986]	-	[138,000]
Real property gains tax	366,078	232,071	366,078	232,071
Tax credit	<u>[586,503]</u>	<u>[244,680]</u>	<u>[571,922]</u>	<u>[250,929]</u>

Effective from the Year of Assessment 2016, the corporate tax will be reduced from 25% to 24% as announced in Malaysian Budget 2015.

## 10. EARNINGS PER SHARE

### 10.1 Basic earnings per ordinary share

The basic earnings per share of the Group is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	COMPANY	
	2015	2014
	RM	RM
Profit attributable to owners of the parent (RM)	7,970,121	1,017,477
Weighted average number of ordinary shares in issue	179,328,982	179,328,982
Basic earnings per share (sen)	<u>4.44</u>	<u>0.57</u>

11. PROPERTY, PLANT AND EQUIPMENT

GROUP	Cost/Valuation						Total
	Freehold estates	Leasehold land	Other properties	Motor vehicles and earthmoving equipment	Plant and equipment	RM	
At 1 January 2014	85,855,000	67,103,555	2,490,544	1,053,851	3,104,098	159,607,048	
Additions	-	-	42,250	286,090	49,322	377,662	
Disposals	-	(73,566)	-	-	-	(73,566)	
Written off	-	-	-	-	(1,401,331)	(1,401,331)	
At 31 December 2014/1 January 2015	85,855,000	67,029,989	2,532,794	1,339,941	1,752,089	158,509,813	
Additions	-	-	13,400	116,000	38,909	168,309	
Disposals	-	-	-	(76,400)	-	(76,400)	
Written off	-	-	(209,498)	-	-	(209,498)	
At 31 December 2015	85,855,000	67,029,989	2,336,696	1,379,541	1,790,998	158,392,224	

11. PROPERTY, PLANT AND EQUIPMENT - (CONTINUED)

GROUP	Freehold estates	Leasehold land	Other properties	Motor vehicles and earthmoving equipment	Plant and equipment	Total
	RM	RM	RM	RM	RM	RM
Accumulated depreciation/amortisation						
At 1 January 2014						
- Accumulated depreciation	-	-	-	913,660	2,418,775	3,332,435
- Accumulated amortisation	-	321,347	822,221	-	-	1,143,568
	-	321,347	822,221	913,660	2,418,775	4,476,003
Charge for the financial year	-	1,252,680	44,234	85,182	139,667	1,521,763
Disposals	-	(1,708)	-	-	-	(1,708)
Written off	-	-	-	-	(1,401,331)	(1,401,331)
At 31 December 2014						
- Accumulated depreciation	-	-	-	998,842	1,157,111	2,155,953
- Accumulated amortisation	-	1,572,319	866,455	-	-	2,438,774
	-	1,572,319	866,455	998,842	1,157,111	4,594,727
Charge for the financial year	-	1,251,324	44,268	128,771	143,079	1,567,442
Disposals	-	-	(12,570)	(73,833)	-	(86,403)
Written off	-	-	-	-	-	-
At 31 December 2015						
- Accumulated depreciation	-	-	-	1,053,780	1,300,190	2,353,970
- Accumulated amortisation	-	2,823,643	898,153	-	-	3,721,796
	-	2,823,643	898,153	1,053,780	1,300,190	6,075,766

11. PROPERTY, PLANT AND EQUIPMENT - (CONTINUED)

GROUP	Freehold estates	Leasehold land	Other properties	Motor vehicles and earthmoving equipment	Plant and equipment	Total
	RM	RM	RM	RM	RM	RM
<b>Accumulated impairment loss</b>						
At 31 December 2014	-	-	196,928	-	-	196,928
Written off	-	-	[196,928]	-	-	[196,928]
At 31 December 2015	-	-	-	-	-	-
<b>Net carrying value</b>						
At 31 December 2014	85,855,000	65,457,670	1,469,411	341,099	594,978	153,718,158
At 31 December 2015	85,855,000	64,206,346	1,438,543	325,761	490,808	152,316,458

11. PROPERTY, PLANT AND EQUIPMENT - (CONTINUED)

COMPANY	Freehold estates	Leasehold land	Other properties	Motor vehicles and earthmoving equipment	Plant and equipment	Total
	RM	RM	RM	RM	RM	RM
Cost/Valuation						
At 1 January 2014	85,855,000	67,103,555	2,281,046	1,053,851	2,943,832	159,237,284
Additions	-	-	42,250	286,090	49,322	377,662
Disposals	-	(73,566)	-	-	-	(73,566)
Written off	-	-	-	-	(1,401,331)	(1,401,331)
At 31 December 2014/1 January 2015	85,855,000	67,029,989	2,323,296	1,339,941	1,591,823	158,140,049
Additions	-	-	13,400	116,000	38,909	168,309
Disposals	-	-	-	(76,400)	-	(76,400)
Written off	-	-	-	-	-	-
At 31 December 2015	85,855,000	67,029,989	2,336,696	1,379,541	1,630,732	158,231,958



11. PROPERTY, PLANT AND EQUIPMENT - (CONTINUED)

COMPANY	Freehold estates	Leasehold land	Other properties	Motor vehicles and earthmoving equipment	Plant and equipment	Total
	RM	RM	RM	RM	RM	RM
<b>Accumulated depreciation/amortisation</b>						
At 1 January 2014						
- Accumulated depreciation	-	-	-	913,660	2,261,503	3,175,163
- Accumulated amortisation	-	321,347	809,651	-	-	1,130,998
	-	321,347	809,651	913,660	2,261,503	4,306,161
Charge for the financial year	-	1,252,680	44,234	85,182	137,825	1,519,921
Disposals	-	(1,708)	-	-	-	(1,708)
Written off	-	-	-	-	(1,401,331)	(1,401,331)
At 31 December 2014						
- Accumulated depreciation	-	-	-	998,842	997,997	1,996,839
- Accumulated amortisation	-	1,572,319	853,885	-	-	2,426,204
	-	1,572,319	853,885	998,842	997,997	4,423,043
Charge for the financial year	-	1,251,324	44,268	128,771	141,927	1,566,290
Disposals	-	-	-	(73,833)	-	(73,833)
Written off	-	-	-	-	-	-
At 31 December 2015						
- Accumulated depreciation	-	-	-	1,053,780	1,139,924	2,193,704
- Accumulated amortisation	-	2,823,643	898,153	-	-	3,721,796
	-	2,823,643	898,153	1,053,780	1,139,924	5,915,500

11. PROPERTY, PLANT AND EQUIPMENT - (CONTINUED)

COMPANY	Freehold estates	Leasehold land	Other properties	Motor vehicles and earthmoving equipment	Plant and equipment	Total
	RM	RM	RM	RM	RM	RM
Net carrying value						
At 31 December 2014	85,855,000	65,457,670	1,469,411	341,099	593,826	153,717,006
At 31 December 2015	85,855,000	64,206,346	1,438,543	325,761	490,808	152,316,458

- (i) The carrying amounts of motor vehicle of the Group and of the Company acquired under hire purchase arrangements are RM111,912 (2014: RM137,559)
- (ii) On 20 October 2013, the Group's freehold estates and leasehold land had been revalued. Valuations were made on the basis of recent market transactions using the comparison method. The revaluation surplus net of applicable deferred taxes was credited to other comprehensive income and accumulated in revaluation reserve.

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 11. PROPERTY, PLANT AND EQUIPMENT - (CONTINUED)

Analysis of cost and valuation	Freehold estates and leasehold land	
	GROUP/COMPANY	
	2015	2014
	RM	RM
Cost	103,555	103,555
Valuation	152,781,434	152,781,434
	<u>152,884,989</u>	<u>152,884,989</u>

If the Group's and the Company's freehold estates and leasehold land were stated on the historical cost basis, the carrying amounts would be as follows:-

	GROUP/COMPANY	
	2015	2014
	RM	RM
Freehold estate	4,017,926	4,017,926
Leasehold land	1,853,794	1,883,018
At 31 December	<u>5,871,720</u>	<u>5,900,944</u>

## 12. BIOLOGICAL ASSETS

	GROUP/COMPANY	
	2015	2014
	RM	RM
<b>Cost</b>		
At 1 January	24,246,341	22,414,274
Additions	2,498,512	1,832,067
Disposal	-	-
At 31 December	<u>26,744,853</u>	<u>24,246,341</u>
<b>Accumulated amortisation</b>		
At 1 January	4,264,014	3,664,488
Amortisation for the financial year	764,007	599,526
At 31 December	<u>5,028,021</u>	<u>4,264,014</u>
<b>Carrying amount</b>		
At 31 December	<u>21,716,832</u>	<u>19,982,327</u>

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 13. INVESTMENT PROPERTIES

Cost/Valuation	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
At 1 January	18,695,000	18,910,000	18,695,000	18,910,000
Gain on fair value	-	-	-	-
Disposal	(4,800,000)	(215,000)	(4,800,000)	(215,000)
At 31 December	<u>13,895,000</u>	<u>18,695,000</u>	<u>13,895,000</u>	<u>18,695,000</u>

Fair value hierarchy	Fair value measurements at 31 December 2015 using		
	Quoted prices in active markets for identical assets [Level 1]	Significant other observable inputs [Level 2]	Significant unobservable inputs [Level 3]
	RM	RM	RM
Recurring fair value measurements			
- Investment properties:			
- land	-	13,895,000	-

There were no transfers between levels 1 and 2 during the year.

### Valuation techniques used to derive Level 2 fair values

Level 2 fair values of the Group's properties have been generally derived using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is selling price per square metre.

### Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the group's properties at the end of every three financial year based on the properties' highest and best use. As at 31 December 2015, the fair values of the properties have been determined by 3rd party professional valuer.

Changes in Level 2 and 3 fair values are analysed at each reporting date during the valuation discussions between the Board of Directors and the valuation team. As part of this discussion, the team presents a report that explains the reasons for the fair value movements.

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 14. LAND AND DEFERRED DEVELOPMENT EXPENDITURE

	GROUP	
	2015	2014
	RM	RM
<b>Cost</b>		
Land		
At 1 January/At 31 December	1,883,881	1,883,881
<b>Deferred expenditure</b>		
At 1 January	2,005,756	1,735,263
Additions	162,010	270,493
At 31 December	2,167,766	2,005,756
<b>Carrying amounts</b>		
At 31 December	4,051,647	3,889,637

## 15. SUBSIDIARIES

	COMPANY	
	2015	2014
	RM	RM
<b>Investment in subsidiaries</b>		
Unquoted shares, at cost	3,225,000	6,867,167
Less : Accumulated impairment losses	(3,225,000)	(6,867,167)
Carrying amount	-	-
<b>Amount due to a subsidiary</b>		
- Non-trade	(3,501)	(3,501)

Amounts due from/to subsidiaries are unsecured, interest free and repayable on demand. Full impairment loss had been provided for the amounts due from subsidiaries.

The Group had the following subsidiaries at 31 December 2015 and 31 December 2014. Unless otherwise stated, the subsidiaries as listed below have share capital consisting solely of ordinary shares and incorporated in Malaysia. The country of incorporation is also their place of principal place of business.

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 15. SUBSIDIARIES - (CONTINUED)

Name of Company	Principal Activities	Proportion of ordinary shares held by the parent/group [%]	Proportion of ordinary shares held by non-controlling interests [%]
Gopeng Land & Properties Sdn. Bhd. ["GLP"]	Property developer	100	-
Gopeng Precision And Engineering Sdn. Bhd. ["GPE"]	Dormant	77.8	22.2
Grooved Secretaries Limited * #^	Dormant	100	-

\* The financial statements of this subsidiary are not required to be audited in the country of incorporation. Since the company is dormant, no results were consolidated for the financial year.

# Not audited by HLB Ler Lum

^ Incorporated in United Kingdom

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held. The parent company further does not have any shareholdings in the preference shares of subsidiary undertakings included in the group.

The accumulated non-controlling interest as at 31 December 2015 is not material.

### Summarised financial information on subsidiaries with material non-controlling interests

The summarised financial information for each subsidiary that has non-controlling interests are not presented as they are not material to the Group.

### Changes in the Group's ownership interest in subsidiaries without losing control

The changes in composition of the Group is highlighted in Note 35 of the Financial Statements. There were no other changes during the period [2014: NIL] in the Group's ownership interest in its significant subsidiaries.



# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 16. ASSOCIATES

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Unquoted shares, at cost	393,275	393,275	393,275	393,275
Group's share of post- acquisition profits	-	-	-	-
	393,275	393,275	393,275	393,275
Less :				
Accumulated impairment losses	[393,275]	[393,275]	[393,275]	[393,275]
	-	-	-	-

	GROUP		
	2015	2014	
	RM	RM	
* Represented by :-			
Group's share of net assets	-	-	
The associates, all of which are incorporated in Malaysia, are:-			
	Held by the Company	Effective equity interest [%]	Principal activities
		2015	2014
	Rimba Raya Sdn. Bhd. ["RR"] **	20.00	20.00
			Ceased operations

\*\* The financial statements of Rimba Raya Sdn. Bhd. ["RR"] has not been equity accounted as the Group's share of losses of the associate exceeded the carrying amount of its investment and the associate has ceased operations.

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 17. AVAILABLE-FOR-SALE INVESTMENTS

	GROUP/COMPANY	
	2015	2014
	RM	RM
Quoted shares in Malaysia, at cost	16,738	16,738
Unquoted shares in Malaysia, at cost	60,000	60,000
Other investment	126,000	126,000
Less : Accumulated impairment loss	[16,738]	[16,738]
	<u>186,000</u>	<u>186,000</u>

It was not practicable within the constraints of timeliness and cost to estimate the fair value of the unquoted investment reliably.

## 18. DEFERRED TAX

### 18.1 Deferred tax movement

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
At beginning of the year [net]	10,368,000	10,914,000	10,923,000	11,469,000
Transferred to profit or loss	[383,000]	[483,000]	[938,000]	[483,000]
Transferred to equity	[61,000]	[63,000]	[61,000]	[63,000]
Transferred to revaluation reserve	-	-	-	-
At end of the year [net]	<u>9,924,000</u>	<u>10,368,000</u>	<u>9,924,000</u>	<u>10,923,000</u>

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 18. DEFERRED TAX - (CONTINUED)

### 18.2 Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:-

	Assets		Liabilities	
	2015	2014	2015	2014
	RM	RM	RM	RM
<b>GROUP</b>				
Biological assets	-	-	4,977,000	4,583,000
Investment properties	-	-	549,000	739,000
Property, plant and equipment	-	-	48,000	50,000
Revaluation surplus	-	-	7,207,000	7,268,000
Unabsorbed capital allowances	(305,000)	(125,000)	-	-
Unused tax losses	(2,484,000)	(2,102,000)	-	-
Provision for retirement benefits	(68,000)	(45,000)	-	-
Before offsetting	(2,857,000)	(2,272,000)	12,781,000	12,640,000
Offset	2,857,000	1,717,000	(2,857,000)	(1,717,000)
After offsetting	-	(555,000)	9,924,000	10,923,000
<b>COMPANY</b>				
Biological assets	-	-	4,977,000	4,583,000
Investment properties	-	-	549,000	739,000
Property, plant and equipment	-	-	48,000	50,000
Revaluation surplus	-	-	7,207,000	7,268,000
Unabsorbed capital allowances	(305,000)	(125,000)	-	-
Unused tax losses	(2,484,000)	(1,547,000)	-	-
Provision for retirement benefits	(68,000)	(45,000)	-	-
Before offsetting	(2,857,000)	(1,717,000)	12,781,000	12,640,000
Offset	2,857,000	1,717,000	(2,857,000)	(1,717,000)
After offsetting	-	-	9,924,000	10,923,000

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 18. DEFERRED TAX - (CONTINUED)

### 18.3 Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items :-

	GROUP	
	2015	2014
	RM	RM
Unutilised tax losses carry-forward	8,033,000	7,785,000

The unutilised tax losses do not expire under current tax legislations. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group can utilise the benefits therefrom.

The unutilised tax losses as disclosed above which give rise to unrecognised deferred tax asset, are subject to agreement with the Inland Revenue Board.

## 19. INVENTORIES

	GROUP/COMPANY	
	2015	2014
	RM	RM
Developed properties	16,434	16,434
Stores and spares	21,602	27,463
	<u>38,036</u>	<u>43,897</u>

## 20. PROPERTIES UNDER DEVELOPMENT

COST	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
At 1 January	172,476	159,093	172,476	159,093
Development costs incurred during the financial year	-	13,383	-	13,383
Cost recognised as expenses	-	-	-	-
Disposal	[143,401]	-	[143,401]	-
At 31 December	<u>29,075</u>	<u>172,476</u>	<u>29,075</u>	<u>172,476</u>

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 21. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Trade receivables	403,505	373,576	401,024	371,095
Less :				
Provision for impairment loss	(20,130)	(20,130)	(20,130)	(20,130)
	<u>383,375</u>	<u>353,446</u>	<u>380,894</u>	<u>350,965</u>
Other receivables				
Other debtors	745,764	1,118,499	742,263	1,114,998
Deposits	191,883	202,033	189,883	200,033
Prepayments	25,496	33,900	25,496	33,900
	<u>963,143</u>	<u>1,354,432</u>	<u>957,642</u>	<u>1,348,931</u>
Total trade and other receivables	<u>1,346,518</u>	<u>1,707,878</u>	<u>1,338,536</u>	<u>1,699,896</u>
Trade and other receivables	1,346,518	1,707,878	1,338,536	1,699,896
Add :				
Deposits, cash and bank balances [Note 23]	1,887,204	2,779,753	1,094,166	2,002,976
Short term investment [Note 24]	109,967,716	102,443,612	109,967,716	102,443,612
Less :				
Prepayments	(25,496)	(33,900)	(25,496)	(33,900)
Total loans and receivables	<u>113,175,942</u>	<u>106,897,343</u>	<u>112,374,922</u>	<u>106,112,584</u>

### 21.1 Trade receivables

Trade receivables of the Group and of the Company are non-interest bearing and are generally on 30 days [2014: 30 days] terms. Other credit terms are assessed and approved on a case-by-case basis. Trade receivables are recognised at original invoiced amount which represents their fair values on initial recognition.

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 21. TRADE AND OTHER RECEIVABLES - (CONTINUED)

### 21.1 Trade receivables - (Continued)

#### Ageing analysis of trade receivables

The ageing analysis of the Group's and the Company's trade receivables are as follows :-

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Neither past due nor impaired	369,935	340,006	367,454	337,525
More than 120 days past due not impaired	13,440	13,440	13,440	13,440
Impaired	20,130	20,130	20,130	20,130
	<u>403,505</u>	<u>373,576</u>	<u>401,024</u>	<u>371,095</u>

#### Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

None of the Group's and of the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

#### Receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM13,440 [2014: RM13,440] that are past due at the end of the reporting period but not impaired.

The trade receivables that are past due but not impaired are unsecured in nature.

#### Receivables that are impaired

The Group's and the Company's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows :-

	GROUP/COMPANY	
	2015	2014
	RM	RM
Trade receivables - nominal amounts	33,570	33,570
Less : Provision for impairment loss	<u>[20,130]</u>	<u>[20,130]</u>
	<u>13,440</u>	<u>13,440</u>



# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 21. TRADE AND OTHER RECEIVABLES - (CONTINUED)

### 21.1 Trade receivables - (Continued)

Movement of the provision for impairment:-

	GROUP/COMPANY	
	2015	2014
	RM	RM
At 1 January	20,130	20,130
Bad debts written off	-	-
Write-back in the financial year	-	-
At 31 December	<u>20,130</u>	<u>20,130</u>

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

### 21.2 Other receivables

Amount due from other debtors are non-trade, unsecured, non-interest bearing and repayable on demand.

## 22. SHORT TERM INVESTMENTS

	GROUP/COMPANY	
	2015	2014
	RM	RM
Financial assets at fair value through profit or loss - unquoted unit trusts in Malaysia	<u>109,967,716</u>	<u>102,443,612</u>

The fair value of all unit trusts is based on their net assets value as at the end of the reporting period.

## NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

### 23. DEPOSITS, CASH AND BANK BALANCES

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Deposits with licensed banks	596,586	576,933	542,559	524,718
Cash at banks and on hand	607,251	1,533,921	551,607	1,478,258
Housing development account	683,367	668,899	-	-
Cash and cash equivalents	<u>1,887,204</u>	<u>2,779,753</u>	<u>1,094,166</u>	<u>2,002,976</u>

The weighted average interest rates and the range of remaining maturities as at the end of the reporting period are as follows :-

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Interest rate [%]	3.00	3.00	3.00	3.00
Maturities [days]	4 to 365	4 to 365	4 to 95	4 to 95

### 24. SHARE CAPITAL

	GROUP/COMPANY	
	2015	2014
	RM	RM
Authorised:		
300,000,000 ordinary shares of RM0.50 each	<u>150,000,000</u>	<u>150,000,000</u>
Issued and fully paid:		
179,328,982 ordinary shares of RM0.50 each	<u>89,664,491</u>	<u>89,664,491</u>

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 25. BORROWINGS

	MATURITY	GROUP	COMPANY
		2015	2014
		RM	RM
Long term borrowings			
Unsecured :-			
Finance lease liabilities [Note 25.1]	2019	49,995	71,478
Short term borrowings			
Unsecured :-			
Finance lease liabilities [Note 25.1]	2015	20,002	18,521
Short term borrowings [Note 25.2]	On demand	-	-
		<u>20,002</u>	<u>18,521</u>
Total borrowings		<u>69,997</u>	<u>89,999</u>

The remaining maturities of the borrowings as at 31 December are as follows :-

	GROUP	COMPANY
	2015	2014
	RM	RM
On demand or within 1 financial year	20,002	18,521
More than 1 financial year and less than 2 financial years	20,002	18,521
More than 2 financial years and less than 5 financial years	29,993	52,957
	<u>69,997</u>	<u>89,999</u>

### 25.1 Finance lease liabilities

	GROUP/COMPANY	
	2015	2014
	RM	RM
Future minimum lease payments :-		
Not later than one year	22,512	22,512
Later than 1 year and not later than 2 years	22,512	22,512
Later than 1 year and not later than 5 years	33,758	56,270
	<u>78,782</u>	<u>101,294</u>
Less : Financing charges	<u>(8,785)</u>	<u>(11,295)</u>
Present value of minimum lease payments	<u>69,997</u>	<u>89,999</u>

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 25. BORROWINGS - (CONTINUED)

### 25.1 Finance lease liabilities - (Continued)

	GROUP/COMPANY	
	2015	2014
	RM	RM
Present value of minimum lease payments :-		
Not later than 1 year	20,002	18,521
Later than 1 year and not later than 2 years	20,002	18,521
Later than 1 year and not later than 5 years	29,993	52,957
	<u>69,997</u>	<u>89,999</u>

The finance lease liabilities of the Group and of the Company carried interest rate at the end of the reporting year was 2.51% [2014: 2.51%] per annum.

### 25.2 Overdrafts

The bank overdrafts of the Group and of the Company are unsecured and there is a negative pledge on the Group's and the Company's assets for the above credit facilities. The bank overdraft facility with the limit of RM100,000 [2014: RM100,000] was not utilised at the financial year end.

## 26. PROVISION FOR RETIREMENT BENEFITS

	GROUP/COMPANY	
	2015	2014
	RM	RM
At 1 January	186,872	186,872
Provision during the year	97,315	-
Benefits paid	-	-
At 31 December	<u>284,187</u>	<u>186,872</u>

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 27. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Trade payables	480,739	606,651	480,739	606,651
Other payables:				
Other creditors	956,311	1,304,190	753,715	530,343
RPGT payable	35,719	59,642	35,719	59,642
Directors' fee and staff cost payable	531,764	453,241	531,764	453,241
Accruals	77,120	168,626	62,120	151,826
	<u>1,600,914</u>	<u>1,985,699</u>	<u>1,383,318</u>	<u>1,195,052</u>
Total trade and other payables	<u>2,081,653</u>	<u>2,592,350</u>	<u>1,864,057</u>	<u>1,801,703</u>
Trade and other payables	2,081,653	2,592,350	1,864,057	1,801,703
Add:				
Amount due to a subsidiary[Note 15]	-	-	3,501	3,501
Borrowings [Note 26]	69,997	89,999	69,997	89,999
Total financial liabilities carried at amortised cost	<u>2,151,650</u>	<u>2,682,349</u>	<u>1,937,555</u>	<u>1,895,203</u>

### 27.1 Trade payables

Trade payables are non-interest bearing and the normal trade credit term granted to the Group and the Company is 30 days (2014: 30 days). Other credit terms are assessed and approved on a case-by-case basis.

### 27.2 Other creditors

Amount due to other creditors are non-trade, unsecured, non-interest bearing and repayable on demand.

## 28. DIVIDEND

	GROUP		COMPANY	
	2015		2014	
	Gross per share sen	Amount of dividend RM	Gross per share sen	Amount of dividend RM
Dividend paid in respect of :-				
Final single tier dividend for the financial year ended 31 December 2013				
- tax exempt	-	-	3.00	5,379,869
Final single tier dividend for the financial year ended 31 December 2014				
- tax exempt	<u>3.00</u>	<u>5,379,869</u>	-	-

The Board of Directors recommends the payment of a final single tier dividend of 4 sen per RM0.50 ordinary share in respect of the financial year ended 31 December 2015, subject to shareholders' approval.

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 29. SEGMENT REPORTING

Segment information is presented in respect of the Group's business segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly tax assets and liabilities and borrowings.

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment other than goodwill.

Inter-segment pricing is determined on an arm's length basis.

### Business segments

The Group comprises the following main business segments :-

Property development	Development of residential and commercial properties
Plantation	Cultivation of oil palm
Others	Dormant companies

### Geographical segments

The activities of the Group are carried out in Malaysia and accordingly no segmental reporting by geographical location is presented.

Reconciliation of segment assets and liabilities to total assets and total liabilities are as follows :-

	ASSET		LIABILITIES	
	2015	2014	2015	2014
	RM	RM	RM	RM
Segment total	305,434,486	303,618,738	2,365,840	2,779,222
Tax assets/liabilities	240,249	837,249	9,924,000	10,923,120
Borrowings	-	-	69,997	89,999
	<u>305,674,735</u>	<u>304,455,987</u>	<u>12,359,837</u>	<u>13,792,341</u>



29. SEGMENT REPORTING - (CONTINUED)

	PROPERTY DEVELOPMENT		PLANTATION		OTHERS		TOTAL	
	2015	2014	2015	2014	2015	2014	2015	2014
	RM	RM	RM	RM	RM	RM	RM	RM
<b>Segment revenue</b>								
Revenue from external customers	-	-	9,236,979	9,491,242	-	-	9,236,979	9,491,242
<b>Segment results</b>								
Results from operating activities	(18,760)	(44,970)	869,752	1,690,893	6,455,618	(881,385)	7,306,610	764,538
Share of results of associates	-	-	-	-	-	-	-	-
<b>[(Loss)/Profit before interest and tax</b>	<b>(18,760)</b>	<b>(44,970)</b>	<b>869,752</b>	<b>1,690,893</b>	<b>6,455,618</b>	<b>(881,385)</b>	<b>7,306,610</b>	<b>764,538</b>
Included in results from operating activities are :-								
Depreciation and amortisation								
- property, plant and equipment	(1,153)	(1,841)	(160,420)	(138,883)	(1,405,869)	(1,381,038)	(1,567,442)	(1,521,762)
- biological assets	-	-	(764,007)	(599,526)	-	-	(764,007)	(599,526)
Gain on disposal of property, plant and equipment	-	-	6,000	-	1,833	642,526	7,833	642,526
Gain on disposal of investment properties	-	-	-	-	8,056,600	263,460	8,056,600	263,460
Fair value gain on short term investments	-	-	-	-	4,448,367	3,732,474	4,448,367	3,732,474
Fair value gain on investment properties	-	-	-	-	-	-	-	-
Other non-cash items	-	-	-	-	-	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 29. SEGMENT REPORTING - (CONTINUED)

	PROPERTY DEVELOPMENT		PLANTATION		OTHERS		TOTAL	
	2015	2014	2015	2014	2015	2014	2015	2014
	RM	RM	RM	RM	RM	RM	RM	RM
<b>Segment assets</b>								
Operating assets	4,849,165	4,672,296	23,398,942	21,862,741	277,186,377	277,083,701	305,434,484	303,618,738
Associates	-	-	-	-	-	-	-	-
	4,849,165	4,672,296	23,398,942	21,862,741	277,186,377	277,083,701	305,434,484	303,618,738
<b>Segment liabilities</b>								
Liabilities	15,000	15,000	1,323,493	1,603,411	1,027,347	1,160,811	2,365,840	2,779,222

Additions to non-current assets, other than financial instruments and deferred tax assets, are as follows :-

	PROPERTY DEVELOPMENT		PLANTATION		OTHERS		TOTAL	
	2015	2014	2015	2014	2015	2014	2015	2014
	RM	RM	RM	RM	RM	RM	RM	RM
<b>Capital expenditure</b>								
Property, plant and equipment	-	-	150,360	198,030	17,949	179,632	168,309	377,662
Biological assets incurred	-	-	2,498,512	1,832,067	-	-	2,498,512	1,832,067
Land and deferred development expenditure	162,010	270,493	-	-	-	-	162,010	270,493
	162,010	270,493	2,648,872	2,030,097	17,949	179,632	2,828,831	2,480,222

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 30. RELATED PARTIES

The Company has controlling related party relationship with its subsidiaries [as disclosed in Note 15], associate [as disclosed in Note 16] and Directors.

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all Directors of the Group, and certain members of senior management of the Group.

The significant related party transactions and balances of the Group and of the Company, other than those disclosed elsewhere in the financial statements are as follows :-

	COMPANY	
	2015	2014
	RM	RM
Significant balances in respect of non-trade transactions	-	-
Amount due to a subsidiary	<u>(3,501)</u>	<u>(3,501)</u>

## 31. OPERATING LEASE COMMITMENTS

The Group and the Company have lease commitments in respect of rental of equipment and premises, classified as operating leases. A summary of the non-cancellable long term lease commitments is as follows :-

	GROUP/COMPANY	
	2015	2014
	RM	RM
Future minimum rentals payable :-		
Not later than 1 financial year	24,634	24,634
Later than 1 financial year and not later than 5 financial years	-	-
	<u>24,634</u>	<u>24,634</u>

## 32. CONTINGENT LIABILITIES (UNSECURED)

The Company has undertaken to provide financial support to certain subsidiaries to enable them to continue to operate as going concern.

## **33. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The carrying amounts of the Group's and of the Company's financial instruments are reasonable approximation of fair values due to their short term nature.

## **34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's and the Company's operations are subject to a variety of financial risks, including interest rate risk, credit risk and liquidity risk.

The Group's and the Company's financial risk management policy seeks to ensure that adequate resources are available to manage the above risks and to create value for its shareholders. The Board of the Company regularly reviews these risks and approves treasury policies, which covers the management of these risks. It is not the Group's and the Company's policy to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

### **34.1 Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risks arises mainly from deposits with licensed banks. The deposits with licensed banks are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits which yield better returns than cash at bank.

The Group's and the Company's policy is to obtain the most favorable interest rate available.

Information on maturity dates and effective interest rates of deposits with licensed banks are disclosed in Note 23.

As the influence of interest rate changes on the profit or loss is insignificant, no sensitivity analysis has been conducted.

### **34.2 Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables and advances made to its subsidiaries. For other financial assets (including cash and cash equivalents), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - (CONTINUED)

### 34.2 Credit risk - (Continued)

Exposure to credit risk  
-----

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the Statements of Financial Position.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 21.1.

Credit risk concentration profile  
-----

The Group determines concentrations of credit risk by monitoring the segment profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows :-

	GROUP			
	2015		2014	
	RM	% of Total	RM	% of Total
Plantation	367,454	96	337,525	95
Property development	15,921	4	15,921	5
	<u>383,375</u>	<u>100</u>	<u>353,446</u>	<u>100</u>

#### Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 21.1. Deposits with licensed bank that are neither past due nor impaired are placed with or entered into with reputable bankers with high credit ratings and no history of default.

#### Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 21.1.

### 34.3 Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - (CONTINUED)

### 34.3 Liquidity risk - (Continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	2015			
	On demand or within one year	One year to two years	Two years to five years	Total
	RM	RM	RM	RM
<b>GROUP</b>				
Financial liabilities :-				
Trade and other payables	2,081,653	-	-	2,081,653
Borrowings	22,512	22,512	33,758	78,782
Total undiscounted financial liabilities	<u>2,104,165</u>	<u>22,512</u>	<u>33,758</u>	<u>2,160,435</u>
<b>COMPANY</b>				
Financial liabilities :-				
Trade and other payables	1,864,057	-	-	1,864,057
Amount due to a subsidiary	3,501	-	-	3,501
Borrowings	22,512	22,512	33,758	78,782
Total undiscounted financial liabilities	<u>1,890,070</u>	<u>22,512</u>	<u>33,758</u>	<u>1,946,340</u>

	2014			
	On demand or within one year	One year to two years	Two years to five years	Total
	RM	RM	RM	RM
<b>GROUP</b>				
Financial liabilities :-				
Trade and other payables	2,592,350	-	-	2,592,350
Borrowings	22,512	22,512	56,270	101,294
Total undiscounted financial liabilities	<u>2,614,862</u>	<u>22,512</u>	<u>56,270</u>	<u>2,693,644</u>
<b>COMPANY</b>				
Financial liabilities :-				
Trade and other payables	1,801,703	-	-	1,801,703
Amount due to a subsidiary	3,501	-	-	3,501
Borrowings	22,512	22,512	56,270	101,294
Total undiscounted financial liabilities	<u>1,827,716</u>	<u>22,512</u>	<u>56,270</u>	<u>1,906,498</u>

# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## 35. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise its shareholders value.

The Group and the Company manage its capital structure and make adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes in the Group's and the Company's approach to capital management during the financial year.

The Group and the Company monitor capital using return on equity, which is the profit for the financial year as percentage of average equity.

At the end of the reporting period, the ratios were as follows :-

	2015		2014	
	GROUP %	COMPANY %	GROUP %	COMPANY %
Return on equity	2.7	2.7	0.35	0.22

The Group and the Company are not subject to externally imposed capital requirements for the financial years ended 31 December 2015 and 31 December 2014.

## 36. CHANGES IN COMPOSITION OF THE GROUP

Application to strike-off the name of four of the Company's subsidiaries, namely Gopeng Granite & Marble Sdn. Bhd., Gopeng Technologies Systems Sdn. Bhd., Gopeng Resources Sdn. Bhd. and Mambang Di-Awan Sdn. Bhd., which had remained inactive respectively since 1997, 2002, 2009 and 1997, had been approved by Suruhanjaya Syarikat Malaysia. The striking-off of these subsidiaries had no material financial impact on the Group as they had ceased operations for a long time and the cost of investment had been fully impaired in the Company's separate financial statements.

## 37. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 11 April 2016.



# NOTES TO THE FINANCIAL STATEMENTS - (CON'T)

## SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

The following analysis of realised and unrealised retained profits at the legal entity level is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by the Bursa Malaysia Securities Berhad.

	GROUP		COMPANY	
	2015		2014	
	RM'000	RM'000	RM'000	RM'000
Total retained profits/[(losses)] of Gopeng Berhad and its subsidiaries :-				
- realised	9,678	[5,717]	29,510	26,863
- unrealised	[1,073]	[4,438]	[9,924]	[10,923]
	8,605	[10,155]	19,586	15,940
Total retained profits/[(losses)] from associated companies				
- realised	-	-	-	-
	8,605	[10,155]	19,586	15,940
Consolidation adjustments	15,620	30,539	-	-
Total retained profits as at 31 December	24,225	20,384	19,586	15,940

The disclosure of realised and unrealised profits/[(losses)] above is solely for compliance with the directive issued by the Bursa Malaysia Securities Berhad and should not be used for any other purpose.

# LIST OF GROUP PROPERTIES

Location	Description	Status/ Tenure	Areas (Ha)	Net Carrying Value	Date of Acquisition
<b>Kota Bahroe Division</b>					
in the Mukim of Teja	Oil Palm Estate	Freehold	254.47	23,393,147	1985
in the Mukim of Teja	Oil Palm Estate	Leasehold 15/7/2057	41.59	3,499,109	1997
			<u>296.06</u>		
<b>Gopeng Division</b>					
in the Mukim of Sg Terap	Oil Palm Estate	Freehold	92.48	9,303,732	1985
in the Mukim of Sg Raia	Oil Palm Estate	Freehold	85.03	8,572,929	1985
in the Mukim of Teja	Oil Palm Estate	Freehold	3.38	314,766	1985
			<u>180.89</u>		
<b>Sanglop Division</b>					
in the Mukim of Teja & village of Kota Bahroe	Oil Palm Estate	Freehold	429.28	43,385,907	1985
Kampar, Perak Lot 9023, 1393, 9249, 10030 16142, 19068, 19943, 25986 16944 and 20648	Agriculture	Freehold	7.80	884,518	1985
GB New Township Land in Mukim Sg Raia	Commercial	Leasehold 6/9/2098	1.00	960,000	1999
GB New Township Land in Mukim Teja	Agriculture [ex-residential]	Leasehold 1/2/2106	29.40	2,314,507	1999
in Gopeng Town	Residential	Leasehold 1/2/2106	22.12	5,500,000	1999
in Mukim Teja	Agriculture	Leasehold 1/2/2106	33.31	3,630,000	1999

## LIST OF GROUP PROPERTIES - (CON'T)

Location	Description	Status/ Tenure	Areas (Ha)	Net Carrying Value	Date of Acquisition
Bandar Gopeng	Agriculture	Leasehold 29/6/2068	4.06	-	2007
Sg Raia, Perak	Agriculture	Leasehold 29/6/2068	82.40	7,001,821	2007
Teja, Perak	Agriculture	Leasehold 29/6/2068	586.20	49,939,571	2007
Sg Terap, Perak	Agriculture	Leasehold 29/6/2068	44.32	3,765,845	2007
Teja, Perak	Agriculture	Leasehold 23/6/2070	18.93	1,490,493	2010
<b>TOTAL</b>			<b>1,735.78</b>	<b>163,956,344</b>	
Taman Seri Raia	2 double storey shophouse	Leasehold 25/5/2096	381 sqm	359,650	9/9/1997
<b><i>Properties pending registration titles</i></b>					
Catchment area in Mukim Kampar	Commercial	Leasehold	137.86 ha	102,067	1996
Bandar Baru Pulai	1 double storey shop house	Leasehold 25/5/2093	171 sqm		8/5/1995

# SHAREHOLDINGS STATISTICS

as at 15 April 2016

Authorised Share Capital	RM150,000,000
Issued and fully paid up Share Capital	RM 89,664,491
Class of Shares	Ordinary shares of RM0.50 each
Voting Rights	One vote per RM0.50 share

## ANALYSIS OF SHAREHOLDINGS

Size of holdings	No of		No of	
	Shareholders	%	0.50 shares	%
Less than 100	57	1.36%	1,295	0.00%
100-1,000	1,364	32.62%	1,290,961	0.72%
1,001-10,000	2,362	56.48%	10,050,917	5.60%
10,001-100,000	352	8.42%	9,263,880	5.17%
100,001 - less than 5%	41	0.98%	57,062,563	31.82%
5% & above	6	0.14%	101,659,366	56.69%
	4,182	100.00%	179,328,982	100.00%

## SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	Holdings		Percentage
	Direct	Indirect	
1 Dato' Mohd Salleh Bin Hashim	37,250,000	21,800,000 <sup>1</sup>	32.93%
2 Fortuna Gembira Enterpris Sdn Bhd	34,662,000		19.33%
3 Dato' Mohamad Tahiruddin Bin Mohd Tahir	10,364,366		5.78%

Notes:

<sup>1</sup> Held through Juitaneka Sdn Bhd

## THIRTY LARGEST REGISTERED SHAREHOLDERS

Name of Shareholders	Holdings	Percentage [%]
1. FORTUNA GEMBIRA ENTERPRIS SDN. BHD.	27,862,000	15.54
2. JUITANEKA SDN BHD	21,800,000	12.16
3. MOHD SALLEH BIN HASHIM	19,250,000	10.73
4. DB (MALAYSIA) NOMINEE (ASING) SDN BHD EXEMPT AN FOR BANK OF SINGAPORE LIMITED	12,383,000	6.91
5. MOHAMAD TAHIRUDDIN BIN MOHD TAHIR	10,364,366	5.78
6. DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR BANK OF SINGAPORE LIMITED	10,000,000	5.58
7. ANEKA LANCAR SDN. BHD.	8,808,900	4.91
8. SHARP VENTURES SDN BHD	8,639,900	4.82
9. CITIGROUP NOMINEES (TEMPATAN) SDN BHD UBS AG SINGAPORE FOR MOHD SALLEH HASHIM	8,000,000	4.46
10. SHEKEL ENTERPRISE SDN BHD	7,900,000	4.41
11. FORTUNA GEMBIRA ENTERPRIS SDN. BHD.	6,800,000	3.79
12. BAKAWALI ENTERPRISES SDN BHD	5,147,863	2.87
13. CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS)	2,594,000	1.45
14. TRUE PARAGON SDN BHD	1,244,600	0.69
15. MANOHAR HASAN BIN AMEER ALI	1,000,000	0.56
16. YTL POWER INTERNATIONAL BERHAD	500,000	0.28

# SHAREHOLDINGS STATISTICS

as at 15 April 2016 - (CON'T)

## THIRTY LARGEST REGISTERED SHAREHOLDERS - (Continued)

Name of Shareholders	Holdings	Percentage [%]
17. RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AB GHAUS BIN ISMAIL (551010)	379,900	0.21
18. AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG KAH HUAT (M03)	356,100	0.20
19. TAN CHAI HOCK	306,000	0.17
20. SAPIAH @ SAFIAH BINTI HUSSIN	300,000	0.17
21. TENG YEW HUAT	281,300	0.16
22. MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG TONG HAI	270,000	0.15
23. TAN YAP KOOI	268,000	0.15
24. CHIN KIAN FONG	263,000	0.15
25. PHANG AH KOW	260,000	0.14
26. MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAM KIAN KWANG	259,000	0.14
27. YEO KHEE HUAT	256,400	0.14
28. KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIN KIAM HSUNG	237,000	0.13
29. ONG KAH HUAT	228,200	0.13
30. PRETAM SINGH A/L CHANAN SINGH	206,000	0.11

I/We..... [Full Name in Block Letters]

NRIC No./Co. No.:.....

of..... [Full Address]

being a member/members of GOPENG BERHAD, hereby appoint the Chairman of the meeting or.....

to be my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Saturday, 28 May 2016 at Room 5, First Floor, Impiana Hotel Ipoh, 18, Jalan Sultan Nazrin Shah, 30250 Ipoh, Perak Darul Ridzuan, at 12.00 noon and at any adjournment thereof, and to vote as indicated below :

Resolution	Relating To	For	Against
	<b>Ordinary Business</b>		
1	Adoption of Report and Financial Statements		
2	Approval of proposed final dividend		
	Re-election/Re-appointment of Directors [refer to Resolutions 3 to 8]		
3	Encik Manohan Hasan bin Ameer Ali		
4	Haji Abdullah bin Yusof		
5	Dato' Robert Lim Git Hooi		
6	Dato' Shahrudin bin Haron		
7	Dato' Haji Mohamad Tahiruddin bin Mohd Tahir		
8	Dato' Chew Chee Kin		
9	Approval of proposed Directors' fees		
10	Appointment of Auditors : HLB Ler Lum		
	<b>Special Business</b>		
	Retention of Independent Non-Executive Directors [refer to Resolutions 11 to 13]		
11	Haji Abdullah bin Yusof		
12	Dato' Robert Lim Git Hooi		
13	Dato' Shahrudin bin Haron		
14	Authorise Directors to allot and issue shares in the Company pursuant to Section 132 D of the Companies Act, 1965.		

[Please indicate with an "X" in the space provided on how you wish your votes to be cast. In the absence of any specific direction, your Proxy will vote or abstain from voting at his/her discretion].

Date : ..... No. of shares : .....

Signature : .....

**Notes :**

1. A member [other than an exempt authorized nominee] is entitled to appoint only one proxy to vote in his stead. The proxy may, but need not be a member of the Company and provisions of Section 149(1)(a) of the Companies Act, 1965 shall not apply to the Company.
2. Where a member is an exempt authorized nominee, as defined under the Securities Industry [Central Depositories] Act 1991. Which holds shares in the Company for multiple beneficial owners in one securities account [omnibus account], there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
3. For the proxy to be valid, the form of proxy must reach the Registered office of the Company not less than 48 hours before the time appointed for the meeting or adjourned meeting.
4. If the appointor is a corporation, this Proxy should be executed under its Common Seal or the hand of an officer or attorney authorized in writing.
5. In the case of joint holders, the signature of the first name holder is sufficient.
6. Any alteration in this form must be initialed.
7. Only members whose names appear in the Record of Depositors as at 23 May 2016 will be entitled to attend, speak and vote at the meeting.

**Personal Data Policy**

By submitting the duly executed proxy form, the member consents to the Company [and/or its agents/service providers] collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the Annual General Meeting including any adjournment thereof.







**GOPENG BERHAD**

(109465-X)

---

A-17-15, Level 17,  
Menara UOA Bangsar,  
No. 5, Jalan Bangsar Utama 1,  
59000 Kuala Lumpur, Malaysia.  
Tel : +603 2287 7577  
Fax : +603 2287 7578