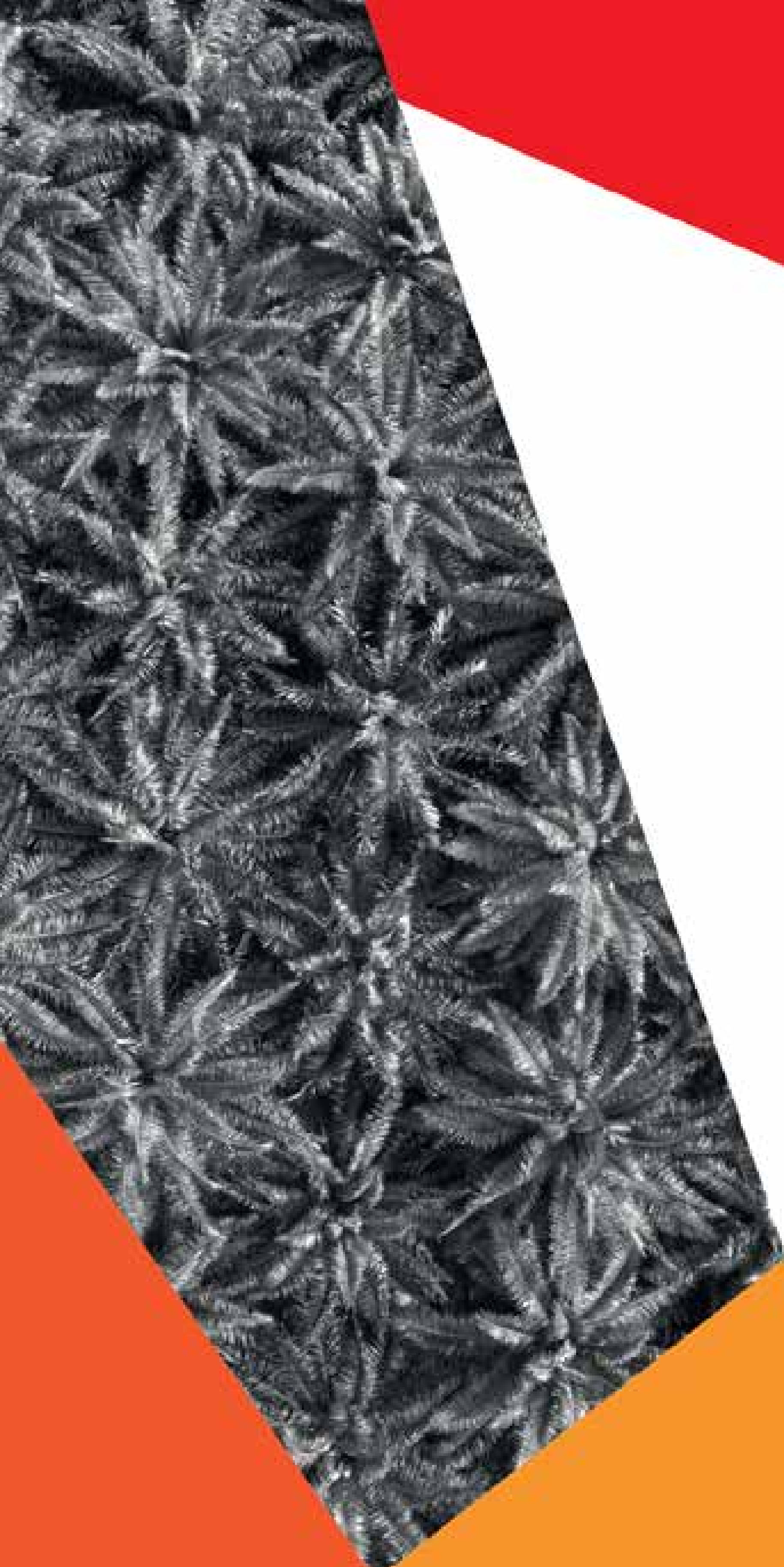
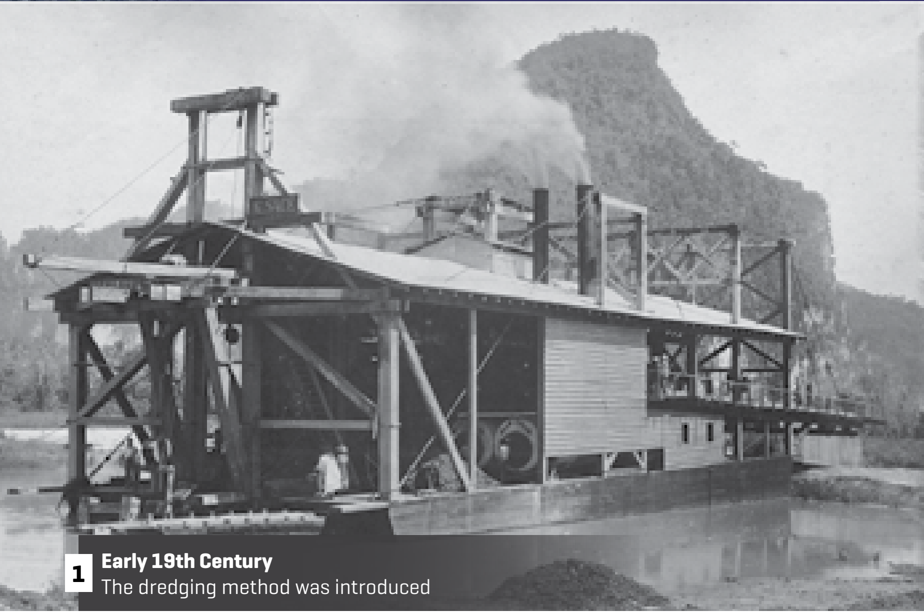


GOPENG BERHAD

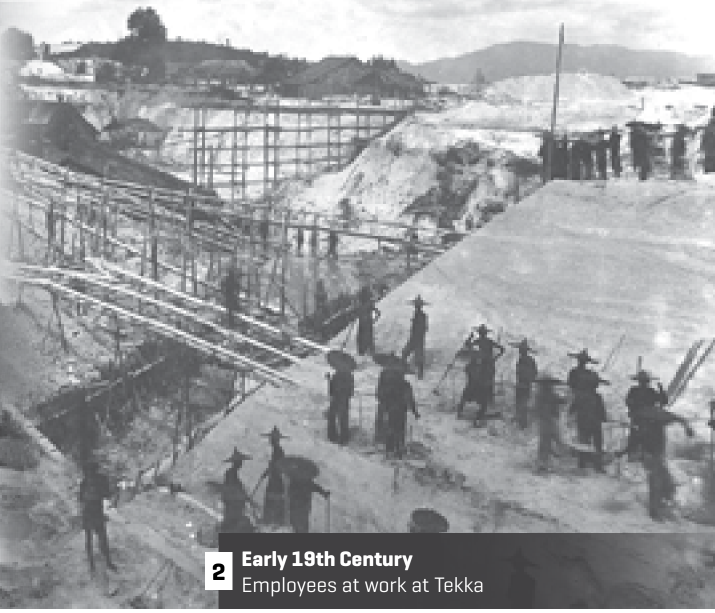
2017
ANNUAL REPORT

GOPENG BERHAD
ANNUAL REPORT **2017**

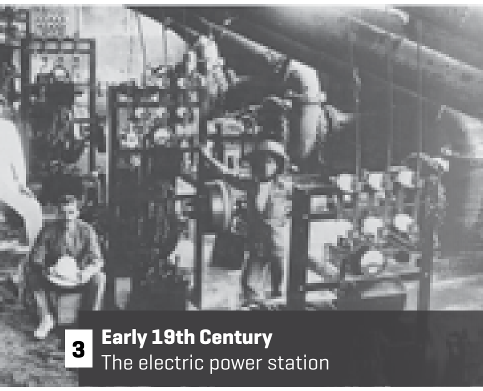
GOPENG BERHAD AT A GLANCE



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

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' Shaharuddin 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

Chong Chang Choong
Member

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 : 03-7849 0777
Fax No : 03-7841 8151/52
Email : ssr.helpdesk@symphony.com.my

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

PRINCIPAL BANKERS

Malayan Banking Berhad
Standard Chartered Bank (Malaysia) Berhad

AUDITORS

HLB Ler Lum
Chartered Accountants
A member of HLB International

SOLICITORS

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

NOTICE IS HEREBY GIVEN that the Thirty Fourth 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, 26 May 2018 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 2017 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 ordinary share in respect of the year ended 31 December 2017 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 Mr Chong Chang Choong, 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."

5. "That pursuant to Section 230 of the Companies Act,2016 and Article 76 of the Company's Articles of Association, payment of the Directors' fees and other remuneration from the conclusion of this Annual General Meeting to the next Annual General Meeting of the Company be and are hereby approved :

a) Directors fees for the year ended 31 December 2017 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.

b) Directors fees of RM42,000.00 per annum to the Independent Non-Executive Chairman of the Audit Committee and RM36,000.00 per annum to each of the remaining two Independent Non-Executive Directors of the Audit Committee.

c) Attendance fees of RM500.00 to each and every Director for attending every Board meeting and every Committee Meeting."

6. "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 :

7. "That Haji Abdullah bin Yusof, who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve years be and is hereby retained as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting."

8. "That Dato' Robert Lim Git Hooi, who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve years, be and is hereby retained as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting."

9. That Dato' Shaharuddin bin Haron, who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve years, be and is hereby retained as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting."

10. "That subject always to the Companies Act 2016, the Company's Articles of Association and the approval of the relevant authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act, 2016 to allot and 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 34th Annual General Meeting to be held on 26 May 2018, the final single tier dividend of 4 sen per ordinary share in respect of the year ended 31 December 2017, will be paid on 16 July 2018 to shareholders whose names appear in the Record of Depositors on 29 June 2018.

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 2018 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 29 June 2018 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 : 27 April 2018

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote by poll 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.

5. A corporation must complete the proxy form under its common seal or under the hand of a duly authorised officer or attorney.

6. Only depositors, whose names appear in the Record of Depositors as at 18 May 2018, shall be regarded as members and be entitled to attend, speak and vote or appoint a proxy to attend, speak and vote on his/her behalf at the meeting.

7. Pursuant to Paragraph 8.29A of the Main market Listing requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of Meeting will be put to vote by poll. A scrutineer shall be appointed to verify and validate the votes cast.

8. The profile of the Directors (together with their attendance in Board Meetings) standing for re-election as Directors and retension as Independent Non. Executive Directors of the Company under Resolutions 3, 4, 7, 8 and 9 are shown on page 11 to 14 page of the Company's 2017 Annual Report.

Statement Accompanying Notice of Meeting

Re-appointment of Directors retiring at the conclusion of this annual general meeting.

A) **Re-election of Directors (Item 3 & 4)**
Manohar Hasan bin Ameer Ali and Chong Chang Choong are standing for re-election as Directors of the Company. The Nomination Committee and the Board of Directors have considered the assessment of the two Directors and collectively agree that they meet the criteria of character, experience, integrity, competence and time to effectively discharged their respective roles as Directors as prescribed by Paragraph 2.20A of the Listing Requirements.

B) **Payment of Directors' Fees and Remuneration (Item 5)**
Pursuant to Section 230(1) of the Companies Act 2016, fees and benefits payable to Directors of the Company will have to be approved by shareholders at a general meeting. The Company is requesting shareholders' approval for the payment of Directors' fees in respect of the year ended 31 December 2017 and the payment of monthly fees to the Chairman and the two members of the Audit Committee and payment of fees to the Directors for attending Board and Committee meetings from the conclusion of the 34th Annual General Meeting to the next Annual General Meeting of the Company.

C) **Re-appointment of Auditors (Item 6)**
The Audit Committee and the Board have considered the re-appointment of HLB Ler Lum as Auditors of the Company and collectively agree that HLB Ler Lum meets the criteria of the adequacy of experience and resources of the firm and person assigned to the audit as prescribed by Paragraph 15.21 of the Listing Requirements.

Explanatory Notes on Special Businesses

D) **Retention of Directors as Independent Non-Executive Directors of the Company in accordance with Practice 4.2 of the Malaysian Code on Corporate Governance (Item 7, 8 and 9)**

The ordinary resolutions proposed under items 7, 8 and 9, if passed, by shareholders through a two tier voting process, will enable Haji Abdullah bin Yusof, Dato' Robert Lim Git Hooi and Dato' Shaharuddin bin Haron to continue as Independent Non-Executive Directors notwithstanding that they had served the Board as Independent Non-Executive Directors for a cumulative term of more than twelve 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. The Board had recommended that they continue to act as Independent Directors based on the following justifications :-

- They have fulfilled the criteria under the definition of Independent Directors as stated in the Listing Requirements and they will continue to function as a check and balance, providing an element of objectivity to the Board;
- They have experiences in a diverse range of businesses thereby providing constructive opinion, independent judgment and acting in the best interest of the Company; and
- They have devoted sufficient time and attention to the affairs of the Company.

Ordinary resolutions 7, 8 and 9 will be voted individually through a two tier voting process. Under the two tier voting process, shareholders' votes will be cast in the following manner :

- Tier 1 : Only the Large Shareholders of the Company vote; and
- Tier 2 : Shareholders other than Large Shareholders vote

E) **Authority to allot and issue shares (Item 10)**

The Ordinary Resolution proposed under item 10 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 pursuant to Sections 75 and 76 of the Companies Act, 2016 from time to time, provided that the total number of new ordinary shares to be issued does not exceed 10% of the total number of issued and paid up share capital of the Company.

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 20 May 2017 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 total issued and paid up 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 10, 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).

FROM LEFT TO RIGHT

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

Dato' Mohd Salleh Bin Hashim

Dato' Mohamad Tahiruddin Bin Mohd Tahir

Dato' Shaharuddin Bin Haron

Haji Abdullah Bin Yusof

Dato' Chew Chee Kin

Dato' Robert Lim Git Hooi

Manohar Hasan Bin Ameer Ali

Chong Chang Choong

DATO' MOHD SALLEH BIN HASHIM

Non-Independent Executive Director
Aged 70, Male, Malaysian

Dato' Mohd Salleh bin Hashim : Male, aged 70, Malaysian, 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 2017. As at 31 December 2017, Dato' Salleh has a direct and indirect interests totalling 32.96% in Gopeng. He is not related to any director of the Company.

Dato' Salleh has had no convictions by a court of law within Malaysia or elsewhere, of

- an offence in connection with the promotion, formation or management of a corporation;
- an offence involving bribery, fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or
- an offence under the securities laws or the corporations laws of the listed issuer's place of incorporation,

within a period of 5 years from date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may

DATO' HAJI MOHAMAD TAHIRUDDIN BIN MOHD TAHIR

Non-Independent Non-Executive Director
Aged 75, Male, Malaysian

Dato' Haji Mohamad Tahiruddin bin Mohd Tahir : Male, aged 75, Malaysian, 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 a 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 2017. As at 31 December 2017, Dato' Tahiruddin has an 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' Tahiruddin has had no convictions by a court of law within Malaysia or elsewhere, of

- an offence in connection with the promotion, formation or management of a corporation;
- an offence involving bribery, fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or
- an offence under the securities laws or the corporations laws of the listed issuer's place of incorporation,

within a period of 5 years from date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may

DATO' SHAHARUDDIN BIN HARON

Senior Independent Non-Executive Director
Aged 79, Male, Malaysian

Dato' Shaharuddin bin Haron : Male, aged 79, Malaysian, 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 Directorships 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 2017. 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.

Dato' Shaharuddin has had no convictions by a court of law within Malaysia or elsewhere, of

- an offence in connection with the promotion, formation or management of a corporation;
- an offence involving bribery, fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or
- an offence under the securities laws or the corporations laws of the listed issuer's place of incorporation,

within a period of 5 years from date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may

HAJI ABDULLAH BIN YUSOF

Independent Non-Executive Director
Aged 81, Male, Malaysian

Male, , aged 81, Malayisan, 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 Metallury UK, and a 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 2017. As at 31 December 2017, 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.

Haji Abdullah has had no convictions by a court of law within Malaysia or elsewhere, of

- an offence in connection with the promotion, formation or management of a corporation;
- an offence involving bribery, fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or
- an offence under the securities laws or the corporations laws of the listed issuer's place of incorporation,

within a period of 5 years from date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may

DATO' CHEW CHEE KIN

Non-Independent Non-Executive Director
Aged 72, Male, Malaysian

Dato' Chew Chee Kin, aged 72, 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 2017. Dato' Chew represents a substantial shareholder on the Board of 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' Chew has had no convictions by a court of law within Malaysia or elsewhere, of

- an offence in connection with the promotion, formation or management of a corporation;
- an offence involving bribery, fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or
- an offence under the securities laws or the corporations laws of the listed issuer's place of incorporation,

within a period of 5 years from date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may

DATO' ROBERT LIM GIT HOOI

Independent Non-Executive Director
Aged 79, Male, Malaysian

Male, aged 79, Malaysian, 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 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 during the financial year ended 31 December 2017. As at 31 December 2017, 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, nor any personal interest in any business arrangement involving the Gopeng group.

Dato' Robert Lim has had no convictions by a court of law within Malaysia or elsewhere, of

- an offence in connection with the promotion, formation or management of a corporation;
- an offence involving bribery, fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or
- an offence under the securities laws or the corporations laws of the listed issuer's place of incorporation,

within a period of 5 years from date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may

MANOHAR HASAN BIN AMEER ALI

Independent Non-Executive Director
Aged 62, Male, Malaysian

Manohar Hasan bin Ameer Ali : Male, aged 62, Malaysian, 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 PostGraduate 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. but remained a Director.

He attended 4 out of the 5 board meetings held during the financial year ended 31 December 2017. As at 31 December 2017, Encik Hasan has 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.

Manohar Hasan has had no convictions by a court of law within Malaysia or elsewhere, of

- an offence in connection with the promotion, formation or management of a corporation;
- an offence involving bribery, fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or
- an offence under the securities laws or the corporations laws of the listed issuer's place of incorporation,

within a period of 5 years from date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may

CHONG CHANG CHOONG

Non-Independent Non-Executive Director
Aged 60, Male, Malaysian

Chong Chang Choong : Male, aged 60, Malaysian, is a Non-Independent Non-Executive Director. 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 Accountancy from the University of Newcastle Upon Tyne, England in 1980. After working for 5 years with 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 Insurnace 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 listing of Sunway Berhad he was redesignated to Chief Financial Officer of Sunway.

Mr Chong was appointed a Director of the Company on 16 February 2015. He attended all the 5 board meetings held during the financial year ended 31 December 2017. Mr Chong represents a substantial shareholder on the Board. He does not have any family relationship with any director and has no personal interest in any business arrangement involving the Gopeng group.

Mr Chong has had no convictions by a court of law within Malaysia or elsewhere, of

- an offence in connection with the promotion, formation or management of a corporation;
- an offence involving bribery, fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or
- an offence under the securities laws or the corporations laws of the listed issuer's place of incorporation,

within a period of 5 years from date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may

SECRETARIAL / KEY MANAGEMENT TEAM

SECRETARIAL

Liew Thong Sin
Company Secretary

KEY MANAGEMENT TEAM

Haji 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
Aged 68, Male, Malaysian

Liew Thong Sin has served the Group as Company Secretary since 1984, when the company first listed its shares on the Kuala Lumpur Stock Exchange (now Bursa Malaysia). He is responsible for overseeing the Group's corporate secretarial functions. Liew holds a Bachelor of Commerce (Accountancy) degree from the University of Otago, New Zealand and is a member of the Malaysian Institute of Accountants.

HAJI NORDIN BIN JALANI

General Manager, Operations
Aged 65, Male, Malaysian

Haji Nordin bin Jalani has more than 25 years experience working in multi national manufacturing companies, prior to joining Gopeng Berhad in 2005 .He subsequently assumed various position within the Group. Currently he oversees the operation of the plantation business division and Gopeng Land & Properties Sdn Bhd. Hj Nordin holds a Diploma in Accountancy from Institut Teknologi Mara, he subsequently futher his study through distance learning and obtained Master's Degree in Business Administration in 2003 from Golden State University, USA.

SYERLEENA BT MOHD SALLEH

General Manager, Corporate Affairs & Human Resource
Aged 42, Female, Malaysian

Syerleena bt Mohd Salleh, joined the Group in 2009 to oversee and direct the Human Resource & Corporate Affairs division. She is responsible for the overall human capital and development as well as corporate communication of the Group. Prior to joining the Group, she has served in various capacities as director, consultant and recruiter. Syerleena holds a Bachelor's Degree (Hons) in Business Administration majoring in Human Resource from South Bank University London.

MOHAMAD SHUKRI BIN ISHAK

General Manager, Finance
Aged 48, Male, Malaysian

Mohamad Shukri bin Ishak, was appointed to his position in 2011. He is in charge of the Group's finance, treasury and risk management functions. He has assumed finance roles at Ancom Kimia Sdn Bhd for 12 years, and prior to that, was attached to Public Bank Berhad. Mohamad Shukri graduated from Universiti Teknologi Mara with a Bachelor's Degree in Accountancy (Hons.) and is a member of the Malaysian Institute of Accountant.

MOHD FAUZI BIN PARNO

Manager, Kota Bahroe Estate
Aged 44, Male, Malaysian

Mohd Fauzi bin Parno has more than 20 years of experience in the operations and management of the oil palm industry. He joined the Group in 2007 and has been responsible for various projects including the cultivation of mature and immature plantation, nursery seedling, development of ex mining area to oil palm plantation, and oil palm replanting. Prior to joining the Group, he served at YP Plantations Yayasan Pahang and the Island & Peninsular Group.

ADDITIONAL INFORMATION:

- None of the other Key Senior Management nor the Company Secretary of Gopeng Berhad has conflict of interest with Gopeng Berhad except for Syerleena bt Mohd Salleh who is a daughter of Dato' Mohd Salleh bin Hashim, the Executive Chairman and a substantial shareholder.
- None of the other Key Senior Management nor the Company Secretary of Gopeng Berhad has any directorship in public companies and/or listed issuers except for Syerleena bt Mohd Salleh, being a director of a wholly owned subsidiary.
- None of the above Key Senior Management nor the Company Secretary of Gopeng Berhad has been convicted of any offence within the past five (5) years and there was no public sanction and penalty imposed by the relevant regulatory bodies during the financial year.

		2017 RM'000	2016 RM'000	2015 RM'000	2014 RM'000	2013 RM'000
FINANCIAL PERFORMANCE						
Revenue		15,509	11,371	9,237	9,491	10,200
Profit before tax		6,234	4,742	7,384	773	4,102
Profit for the financial year		5,567	4,439	7,970	1,017	3,607
Profit attributable to shareholders		5,567	4,439	7,970	1,017	3,607
Earning per share	sen	3.10	2.48	4.44	0.57	2.01
Return on equity	%	1.74	1.41	2.72	0.35	1.22
Return on assets	%	1.70	1.36	2.61	0.33	1.17
DIVIDENDS						
Dividend payment		7,173	7,173	5,380	5,380	5,380
GEARINGS						
Borrowings		104	144	70	89	-
Finance Costs		27	43	22	60	5
Gearing	times	0.0003	0.005	0.0002	0.0003	-
Interest Cover	times	231.89	111.50	335.52	13.95	912.11
OTHER FINANCIAL STATISTICS						
Net assets per share	sen	174	175	164	162	164
Issued share capital		89,665	89,665	89,665	89,665	89,665
Total equity attributable to shareholders		312,644	314,443	293,315	290,664	294,963
Total assets		326,930	327,562	305,675	304,456	309,393
Total liabilities		14,286	13,119	12,360	13,792	14,430

INTRODUCTION

The purpose of the Management's Discussion and Analysis (MD&A) is to provide readers with information necessary to understand the Groups' financial condition, changes in its financial condition and the result of operations. An extensive review of our key financial fundamentals and how the Group performed financially will be highlighted.

As an introduction, the main business of Gopeng Berhad is the cultivation of oil palm, besides being involved in the activity of investment holding and property development. Our oil palm plantation, the Kota Bahroe Group Estates located in Gopeng, Perak, Malaysia occupies an estimated area of 1,434 hectares of plantation land. A major portion of this estate's land was ex-tin mining land which was rehabilitated for the cultivation of oil palm.

KEY FINANCIAL INDICATORS

		2017	2016	Change
Revenue	RM million	15,509	11,371	36 %
Profit Before Taxation (PBT)	RM million	6,234	4,742	31 %
Profit for the financial year	RM million	5,567	4,439	25 %
Profit attributable to shareholders	RM million	5,567	4,439	25 %
Earnings per share	Sen	3.10	2.48	0.62 sen
Return on equity	%	1.78	1.41	0.37
Total returns to shareholders: - Dividend (per RM0.50 share)	sen	4.0	4.0	-
Net cash flow used in operation	RM million	4,257	1,233	3,024
Net Gearing	RM million	0.0005	0.0005	0%

GROUP FINANCIAL HIGHLIGHTS AND INSIGHTS

The comparison of results for FY2017 and FY2016 can be well explained from the key financial indicators from the above table. The main underlying factor for these good indicators was the achievement of the plantation sector.

Revenue increased by 36% from RM11.3 million in 2016 to RM15.5 million in 2017. This is due to higher production of fresh fruit bunches (FFB) from 19,404 MT to 25,138 MT in the financial year under review and the increase of the average price of FFB per MT from RM586.01 to RM602.17. As a result of these factors, the Profit Before Tax (PBT) recorded a substantial increase of 25%.

We truly believe that we have achieved this strong result due to our continued efforts in previous years by striving for operational efficiency, which have created value for our market participants and shareholders.

Five-Year Group Financial Highlights

		2017 RM'000	2016 RM'000	2015 RM'000	2014 RM'000	2013 RM'000
FINANCIAL PERFORMANCE						
Revenue	RM million	15,509	11,371	9,237	23	10,200
Profit before tax	RM million	6,234	4,742	7,384	773	4,102
Profit for the financial year	RM million	5,567	4,439	7,970	1,017	3,607
Profit attributable to shareholders	RM million	5,567	4,439	7,970	1,017	3,607
Earning per share	sen	3.10	2.48	4.44	0.57	2.01
Return on equity	%	1.74	1.41	2.72	0.35	1.22
DIVIDENDS						
Dividend payment	RM million	7,173	7,173	5,380	5,380	5,380
GEARINGS						
Borrowings	RM million	104	144	70	89	-
Finance Costs	RM million	27	43	22	60	5
Gearing	times	0.0003	0.0005	0.0002	0.0003	-
Interest Cover	times	231.89	111.50	335.52	13.95	912.11
OTHER FINANCIAL STATISTICS						
Net assets per share	sen	1.74	1.75	1.64	1.62	1.64
Issued share capital	RM million	89,665	89,665	89,665	89,665	89,665
Total equity attributable to shareholders	RM million	312,644	314,443	293,315	290,664	294,963
Total assets	RM million	326,930	327,562	305,675	304,456	309,393
Total liabilities	RM million	14,286	13,119	12,360	13,792	14,430

With the increase of net earnings, the Group recorded a Return on Equity (ROE) of 1.78% for FY2017 based on an average shareholder's equity of RM313 million (FY2016: RM314 million), as compared to 1.41% recorded in the previous financial year.

The Group's Shareholders' Equity as at 31 December 2017 stood at RM313 million.

The Group strives to enhance it's ROE by the continuous improvement in its operating performance and by active management of its capital structure.

RETURNS TO SHAREHOLDERS

A final single tier dividend of 4.0 sen per share amounting to a total payout of RM7,173 million was proposed for FY2017. This final single tier dividend is subject to shareholders' approval at the 34th Annual General Meeting scheduled to be held on 26 May 2018.

The Company continues to manage its capital efficiently to provide value to shareholders, optimising gearing levels and providing funding requirements. The Group also continues to maintain a healthy cash and bank balance, which as at 31 December 2017 stood at RM12,126,090 with a net gearing ratio of 0.0003 times.

PALM OIL BUSINESS

Plantation, being the core business of the Group contributed 98% of the Group's earnings for 2017. Our Kota Bahroe Group Estates which cover a planted land size of 1,434 hectares play a role in generating steady income for the Group. A five year statistics of the Estates achievement is tabulated below for discussion.

Five-Year Statistics of Kota Bahroe Group Estates

		2017	2016	2015	2014	2013
PRODUCTION						
Tonnage produced	MT	25,138	19,404	21,209	19,550	21,819
Price per MT	RM	602.17	573.77	437.96	491.74	533.41
Proceeds – FFB sales	RM	15,136,962	11,261,230	9,236,800	9,491,242	10,199,090
YIELD						
Mature hectarage	HA	1,155	1,155	1,284	1,284	1,245
Immature hectarage	HA	279	279	150	150	189
Total hectarage	HA	1,434	1,434	1,434	1,434	1,434
YIELD PER HECTARE	MT	21.76	16.80	16.52	15.23	17.53

As at 31 December 2017, the total planted area was 1,434 hectares comprising 1,155 hectares of mature trees and 279 hectares of immature trees. These demographic will change for the better in the years to come with the maturing of additional oil palm trees.

In term of yield, the Group recorded an increase in FFB yield from 16.80 MT per hectare in 2016 to 21.76 MT per hectare in 2017.

For the financial year ended 31 December 2017, proceeds from sales of fresh fruit bunches (FFB) increased to RM15,137 million from RM11,261 million in the previous year.

Oil Palm Replanting

The Group started its replanting initiatives to replace low-yielding old trees on 72 hectares of land in 2010. The yield of these replanted trees are evident now as they reached peak production beginning 2017.

Plantation Management System

The Group has a strong team of hands-on managers and staff who are devoted to the common objective of achieving the highest standards for our plantation. We are committed to adopt good management practices, which include good field and harvesting standards and timely application of fertilisers to optimise crop yields. We have established stringent sustainability policies and procedures which include the use of organic fertilisers and bio-treatment technique by providing nests for barn owls at our plantation to prey, catch and eat rats. These efforts are to ensure that our plantations are developed in an environmentally and socially responsible manner.

SHORT TERM INVESTMENTS

Beside plantation as its core business, the Group also generates income from its short term investments.

In 2010, the Group disposed its shares in an associate company, Perak Hanjoong Simen Sdn Bhd (PHS). The proceeds from the disposal were utilised to retire the outstanding short term loans, making dividend payouts and fund the Estates expansion. The Investment Committee recommended placement of the balance of the sale proceeds amounting to RM100 million in short term money market and financial instruments. To minimise risk, the Investment Committee decided for fund placements in non-equity and tax-exempt funds.

The year-end fair value figures of the short term investments and the yearly income generated for the past five years are shown below :-

Five-Year Group Short Term Investments

		2017	2016	2015	2014	2013
Closing Balance	RM	93,777,412	102,405,423	109,967,716	102,443,613	107,053,513
Income (Distributions and fair values)	RM	4,507,902	6,137,876	4,448,367	3,732,474	3,145,482
Open ended fund (no maturity date)	RM	57,721,089	25,111,996	53,732,038	81,848,448	85,653,176
Close ended fund (with maturity date)	RM	41,056,323	77,293,427	56,235,678	20,595,165	21,400,337
Investment companies selected for placement: Malayan Banking Berhad Affin Hwang Asset Management Berhad Opus Asset Management Sdn Bhd Libra Invest Berhad Kenanga Investors Bhd						

Regularly, with the intention of maximising income, any excess of funds generated from the plantation or any other ordinary or extraordinary businesses of the Company will be placed in short term investments.

However, in the closing months of 2017, one of the funds matured and the redemption proceed was temporarily placed in a short term money market facility, awaiting for new funds being offered. The proceed was only placed in January 2018 when new funds became available. This is the main reason why the closing balance in 2017 was only RM94 million compared to RM102 million in 2016.

OUTLOOK AND PROSPECTS

We continue to remain focused and prudent in our investment activities and to fill in the gaps along the value chain of our oil palm business. Coupled with the beginning of peak production of our replanted areas and lower costs of production, we should be optimistic that our financial performance in 2018 will improve because of the bullish trend in crude palm oil prices.

1.0 Prelude

The Company has been cognisant and sensitive in its practices of social, economical and environmental responsibilities in observance of its mission and vision.

While there are a myriad of issues that have captured the interest and attention of the Company, it has considered environment and labour force as the two more important and relevant issues to be addressed having regard that its main business is in the oil palm plantation. The two major issues to be addressed to maintain the sustainability of its business in the oil palm industry are :

i) Land Management and Rehabilitation ; and
ii) Labour Force.

2.0 Key Goals and Objectives in Sustainability

Before the advent of the growing of oil palm in Malaysia, the Company's main business was tin mining and rubber plantation contributed insignificantly to its revenue. On the exhaustion of its economic mining reserves and the collapse of the tin industry in the 1980's, the Company decided to make the planting of oil palm as its core business in the early 2000's. To sustain operations, the Company has to expand the growing of oil palm. It began to better manage the plantation land by replacing the land planted with rubber and cocoa with oil palm and in the process also began rehabilitating the ex-mining leases, which were re-alienated to the Company by the State authorities. The Company is considered a pioneer in the rehabilitation of ex-mining land for the planting of oil palm. In this process, the Company became aware of the impacts to biodiversity in the destruction of natural habitats and the dissolution of natural order which made up its unique biodiversity. The Company's sustainability efforts are guided by the Malaysia's National Policy and Biological Diversity (NPBD) (2016-2025). In carrying out any LMR projects, the Company observes the two principles in the NPBD namely:

i) Principle 1 : Heritage : Biological Diversity as a national heritage. It must be sustainably managed, wisely utilized and conserved for future generations; and

ii) Principle 3 : The conservation and sustainable utilisation of biodiversity are the shared responsibility of all sectors of society.

While observing the two principles, the Company set the following objectives to realise he goals of biodiversity namely :

i) Reduction in land wastage;
ii) Organic solutions to land rehabilitation; and
iii) Land management for green economy.

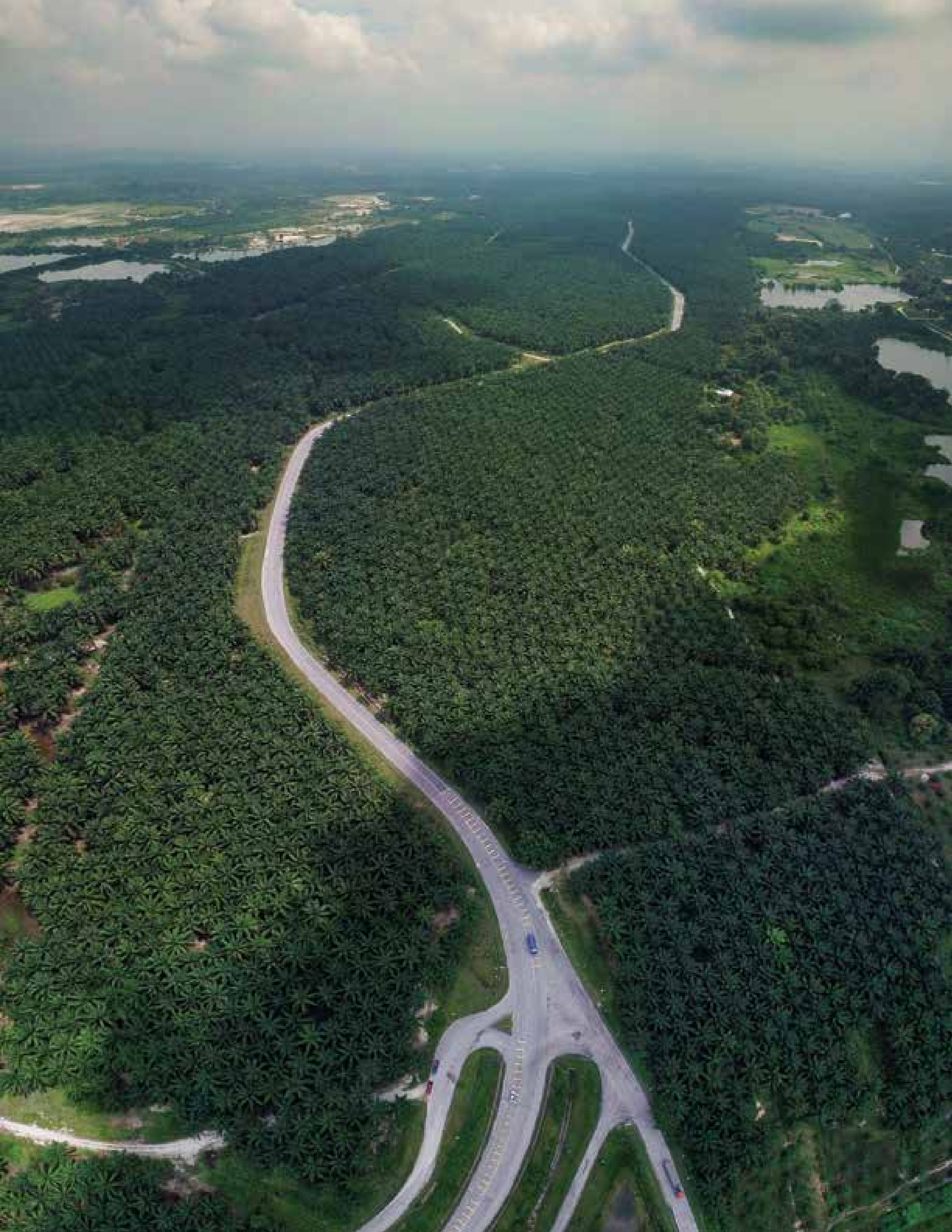
3.0 Company goes Green :

Over the course of several decades, the Company's key sustainability initiative is geared towards to the theme and framework of environmental biodiversity. Specifically, the LMR became the key focus area for the Company to undertake to ensure proper and better land use and wasteland rehabilitation.

3.1 LMR In Kota Bahroe Group Estates :

The Company has been rehabilitating the ex-mining leases for more than ten years and out of the 1,434 hectares of land planted with oil palm, more than half (about 60%) of the oil palm trees are planted on ex-mining land. Further, in the last three years with better accessibility, and developments and improvements in science and technology coupled with the experience gained in land management and rehabilitation, the Company was able to identify many small idle areas in Kota Bahroe Estates, which formerly were considered not economic and/or feasible for rehabilitation. A major portion of these idle land were swampy, hilly and difficult to access and were previously considered not optimal for the growing of oil palm and thus rehabilitating the land and making them suitable for the growing of oil palm posed many challenges to the Company.

The hilly and difficult to access land have to be cut and filled by bulldozer and excavator and swampy areas have to be drained. The drainage of water from the swampy and water locked areas, many of which were ex-mining ponds had to be carefully and



slowly executed by constructing a drain from the land to a nearby stream or river for water to be slowly released to avoid causing any flooding in the surrounding areas. The drainage system was designed to take into consideration the level of the water table in the area so as to ensure easy flow of water away from the land, after which the land were left to dry. The next stage would be to prepare the land for planting which is to neutralise the soil by the application of lime dust. EFB composites and other organic wastes and fertilizers were added to add nutrients and to enrich the soil. The whole process may take about six months having regard to the size and type (hilly or swampy) of land.

Although, the process of LMR, involve time and money, the Company found it feasible and expedient to proceed with the process in view of location and concentration of activities in the Company for better management as compared to the procurement of additional land which may be located elsewhere. To-date, the Company had rehabilitated about 60 hectares of idle land found in the vicinity and peripheral of the Estates and these areas have been planted with oil palm.

3.2 Re-planting of oil palm trees

The Company has embarked on a replanting programme to systematically replace the old oil palm trees which are more than 20 years to sustain production of FFB over the period of time. In 2016, 33 hectares of matured area were replanted and in 2017, another 60 hectares were replanted.

3.3 LMR and Local Enterprise

The LMR's policy has also carved out a pathway to engage the local small contractors and other enterprises. The land rehabilitation and land preparation programme were usually outsourced to the local contractors through the rental of their machines and manpower. In the process of LMR, the Company created a sustainability network through the participation of local small and medium enterprises involving work in planting, maturing, weeding and other related work. All these works created network leading not only to biodiversity but also sustainable and multitudinous diversity in the plantation industry.

4.0 Labour Force

A Voluntary Separation Scheme (VSS) was carried out in 2017 because of the inevitable redundancy caused by the mechanisation of field work such as manuring, weeding, pest and disease control and harvesting. The Company attempts to maximise the effective use of its manpower and to improve the ratio of manpower to work load for sustainability and operational efficiency.

The Company is conscious of the need of labour especially in the management of machinery. The measure of success has been indicated by the information transfer of green technologies and science of plantation to the existing manpower. The adoption of mechanization has a significant impact in productivity as illustrated below :

Weeding/Pest & Diseases Control
1 labour : 2ha productivity per day
1 machine : 20 ha productivity per day
(Labour saving 20 workers)

Manuring
1 labour : 10 bags productivity per day
1 machine : 100 bags productivity per day
(Labour saving 10 workers)

Harvesting & Collection
2 collectors : 1 harvester at 3 tonnes productivity per day
1 Machine : 3 harvester at 9 tonnes productivity per day
(Labour saving 5 collectors)

5.0 Closing Statement

The Company is continuously seeking ways to improve its business sustainability and is always on the look-out for more sustainable determinants to ensure the framework of biodiversity is better utilised and realised.

The Board of Directors of the Company (the Board) is committed to achieving a high standard of corporate governance throughout the Company and its subsidiaries (the Group) and has always recognized the importance of good governance to enhance corporate performance, accountability, shareholders' value and protection of stakeholders' interests as well as the financial performance of the Group.

Compliance Statement

The Board is pleased to report that for the financial year ended 31 December 2017, the Group has adhered to the principles, practices and guidelines set out in the Malaysian Code of Corporate Governance (MCCG), except where otherwise stated. The Board will continue to improve its practices with developments by enhancing its principles and framework. The application of each code practise relevant to the Company during the financial year ended 31 December 2017 is set out in the Corporate Governance Report published in the Company's web-site at www.gopeng.com.my

A. BOARD OF DIRECTORS

Board Responsibilities

The Board oversees the conduct of the Group's affairs and is accountable to the shareholders for the long term performance and financial soundness of the Group. Apart from its statutory duties and responsibilities, the Board supervises the management of the business and affairs of the Group. The Board reviews and advises on the Group's strategic plans, key operational initiatives, major funding and investment proposals, principal risks of the Group's business and ensures the implementation of appropriate systems to manage these risks, reviews the financial performance of the Group and evaluates the performance and compensation of senior management personnel. The Board has a Board Charter, which sets out the Board's strategic intent, authority and terms of reference of the Board, Board Committees, individual directors and management and serves as a primary source of reference and induction literature. As the Board Charter is an avenue to communicate the Company's approach to important governance matters, it is made accessible to all stakeholders via the Company's website.

The Board is generally responsible for the approval of the quarterly and yearly announcements, annual report and financial statements, major investments and funding, material acquisitions and disposal of assets.

The Board meets at least four (4) times a year, with additional meetings convened as necessary. . 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 2017, 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' Shaharuddin 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	4/5
Chong Chang Chong	5/5

Board Balance

There was no change to the size and in the balance of the Board in 2017. The Board has eight members, comprising four Independent Directors and four Non-Independent Directors . The Independent Directors, which make up half the Board provide an independent element on the Board capable of exercising independent judgment on corporate affairs of the Group and provide management with diverse and objective perspective to enable balanced and well considered decisions to be made. Dato' Shaharuddin bin Haron is the Senior Independent Non-Executive Director, to whom any concern regarding the Company should be addressed. The Board consists of high caliber members with a wealth of experience and knowledge in business. They contribute valuable insights and direction drawing from their vast experience in matters relating to accounting, finance, legal, business and general corporate matters. The current Board composition represents a well balanced mix of expertise and experience among the Directors. The Board will look into the need to re-structure for diversity in age and gender. To-date, the Company had not appointed any female director. However, the Nomination Committee and the Board will keep this in mind when considering candidates in filling a vacancy and/or when a suitable female candidate presents herself.

The Board has adopted a whistle blowing policy for the Group, which provides a channel for employees and other parties to report in confidence, without fear of reprisals, concerns about possible improprieties in financial reporting or other matters to the Chairman and /or any member of the Audit Committee. The policy is to assist the Audit Committee in managing allegations of fraud and other misconduct and also to ensure that the disciplinary and other actions that are initiated following the completion of the investigations are appropriate and fair, and actions taken to correct weakness in the system of internal processes which allowed the perpetration of the fraud and to prevent recurrence

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

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 11 to 14.

The Board had established a Code of Conduct and Ethics for the Company and together with Management implements its policies and procedures, which include managing conflict of interest, preventing the abuse of power, corruption, insider trading and money laundering. The Code of Conduct and Ethics is published on the Company's web-site.

Practice 4.2 of MCCG states that the tenure of an independent director does not exceed a cumulative term of 9 years and if the Board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval. If the Board continues to retain the independent director after the twelfth year, the Board should seek annual shareholders' approval through a two tier voting process The three Independent Directors of the Company, Haji Abdullah bin Yusof, Dato' Shaharuddin bin Haron, and Dato' Robert Lim Git Hooi, had served the Board for more than 12 years and the Board intends to retain them as independent directors as the Board is of the view that 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. At the last AGM held on 20 May 2017, shareholders had approved the continuing in office of Haji Abdullah bin Yusof, Dato' Shaharuddin bin Haron and Dato' Robert Lim Git Hooi as Independent Directors until the conclusion of the forthcoming AGM. 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, through a two tier voting process, whether to retain them as Independent Non-Executive Directors of the Company at the Company's 34th Annual General Meeting scheduled to be held on 26 May 2018. The Board recommends that they be retained as Independent Directors as they ensure effective checks and balances in the Board proceedings, provide objectivity in the decision making through unbiased and independent views, provide constructive opinions through their vast experience in businesses and that they had devoted sufficient time and attention in carrying out their responsibilities as Independent Directors.

The Board is aware of Practice 1.3,which provides for the separation in the role of Chairman and Chief Executive Officer (CEO). Dato'Mohd Salleh bin Hashim, is both the Chairman and Chief Executive Officer of the Company. As Chairman, he is responsible for instilling good corporate governance, practices, leadership and effectiveness of the Board, supported and counsel by the other Directors on the Board and as Chief Executive Officer, he is responsible for spearheading the business and the day- to-day operations of the Group supported and assisted by members of senior management. The Group believes that a single leadership structure will facilitate the decision making process in relation to business opportunities and operational matters. The Board had determined that his role as Chairman of the Board does not affect his role as CEO of the Company taking into consideration the size, the nature of operations and accepted practices of the Group and there are adequate safeguards in place to ensure an appropriate balance of power and authority within the spirit of good corporate governance having regard that Dato' Mohd Salleh bin Hashim is also the largest single shareholder of the Company. 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 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, at least five days before meetings so as 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.

Company Secretary

The Board is supported by a professionally qualified and competent Company Secretary. Liew Thong Sin has acted as the Company Secretary since the day the Company was formed. The role and responsibilities of the Company Secretary are :

- ensuring that Board procedures and applicable rules are observed;
- ensuring an effective system of corporate governance is in place;
- maintaining the statutory records and registers of the Company;
- preparing comprehensive minutes to document Board proceedings and ensure conclusions are accurately recorded and that the minutes are circulated in a timely manner;
- timely release of Company's information for the shareholders and investing public via Bursa Link;
- ensuring timely and accurate filing of Company's information to SSM in compliance with the provisions of the Companies Act 2016;
- ensuring the Board receives appropriated and timely information for its decision making;
- facilitating the orientation of new Directors and assist in Director's training and development;
- advising the Board on corporate disclosures and compliance with Company and securities regulations and listing requirements;
- managing processes pertaining to the annual shareholder meeting; and
- carrying out other functions as deemed appropriate by the Board from time to time.

The Company Secretary also acts as Secretary for the Board Committees. All directors have access to the advice and services of the Company Secretary in carrying out their duties. The Board believes that the Company Secretary is capable of carrying out his duties to ensure the effective functioning of the Board. The Company Secretary keeps himself abreast with the many developments around corporate and securities law, listing rules and corporate governance practices by attending relevant training.

The appointment and removal of the Company Secretary rest with the Board.

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 Nomination Committee held two (2) meetings during the financial year and except for Haji Abdullah bin Yusof, who only attended the first meeting, the other two members attended the two meetings. 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 authorized 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;
- gender;
- age;
- 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 Nomination 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. An evaluation of the Board and Board Committees was conducted in 2016, but no evaluation was conducted in 2017 as there were no changes in the Board and Board Committees. Annually, the Nomination Committee will review the term of office and performance of the Audit Committee and each of its members to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference. 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 Nomination 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 Dato' Haji Mohamad Tahiruddin bin Mohd Tahir	‣ Rising Up To The Challenges of Sustainability Reporting
Haji Abdullah bin Yusof	‣ Key Highlights Of The Latest Amendments To The Listing Requirements
Dato' Shaharuddin bin Haron	‣ Companies Act 2016 ‣ Innovative Mindset With Governance.
Dato' Chew Chee Kin	‣ Sunway Leaders Conference 2017
Chong Chang Choong	‣ ACCA MASRA Sustainability Report ‣ Nomura Luncheon Speakers Series ‣ Bain Private Invitation for "How Congolomerates in Southeast Asia can live long and prosper with Francesco Cigala, MD Bain Malaysia." ‣ Maybank Invest Asean Singapore Conference ‣ IR Group Presentation & Q&A (Affin Hwang) ‣ Bain Private International "Beyond Lean Gaining and Competitive Edge Through Sustained Cost Transformation ‣ JPM Asia Access/Malaysia Best Ideas JPMC ‣ Citi Asean Conference ‣ Asean Roundtable Series/Deepening Capital Markets Asean ‣ UBS Malaysia Corporate Day ‣ JP Asia Rising Dragon Forum
Dato' Robert Lim Git Hooi	‣ Budget 2017 ‣ The Company Director – The Expanded Duties & Responsibilities under the Companies Act 2016 ‣ Sustainability Reporting ‣ Enhancing Standard of Disclosures in Announcements & Circulars to Shareholders
Manohar Hasan bin Ameer Ali	‣ The Art of Stock Valuation

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.

Re-appointment / Retention

The Board recommends that the three Independent Non-Executive Directors who have served the Board as Independent Non-Executive Directors for a cumulative period of more than twelve years be retained as Independent Non-Executive Directors and pursuant to the requirements, their retention as Independent Non-executive Directors be put to the vote by shareholders through a two tier poll voting at the 34th Annual General Meeting. The Board also recommends that Manohar Hasan bin Ameer Ali and Chong Chang Choong, who retire by rotation pursuant to the Articles of association of the Company, being eligible have offered themselves for re-appointment, be re-appointed at the 34th Annual General Meeting. scheduled to be held on 26 May 2018.

DIRECTORS' REMUNERATION

Remuneration Committee

The Remuneration Committee implement policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of the Board and Senior Management. The Committee's written terms of reference which deal with its authority and duties are disclosed on the Company's web-site.

The Remuneration Committee held two (2) meetings during the financial year and except for Haji Abdullah bin Yusof, who attended the first meeting, the other two members attended the two meetings. 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 Committee develops and administer fair and transparent procedures for setting policy on remuneration of Directors and Senior Management and this is published on the Company's web-site.

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.

In compliance with Practice 7.1 of MCCG details of remuneration paid or payable or otherwise made to all directors of the Company who served during the financial year are disclosed below –

Category	*Fees (RM'000)	Salaries (RM'000)	Bonus (RM)	Benefits-in kind (RM)	Other Emoluments (RM)
Dato' Mohd Salleh bin Hashim	50,000	960,000	160,000	386,382	294,700***
Dato' Haji Mohamad Tahiruddin Bin Mohd Tahir	40,000				2,000**
Dato' Shaharuddin bin Haron	82,000 *				6,500**
Haji Abdullah bin Yusof	76,000 *				5,500**
Dato' Chew Chee Kin	40,000				2,000**
Dato' Robert Lim Git Hooi	76,000 *				6,500**
Manohar Hasan bin Ameer Ali	40,000				2,000**
Chong Chang Choong	40,000				2,500**

* Include Audit Committee Fees
** Board and Committee Meeting Attendance Fees of RM500.00 per meeting.
*** Include EPF, Allowances, Meeting Attendance Fees.

Only the Executive Chairman has a Service Agreement with the Company.

Directors of the two wholly owned subsidiaries are not paid any fees and other remuneration.

In compliance with Practice 7.2 of MCCG, the salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.00 of the four Senior Managers (there were only four in 2017) are disclosed below.

Range of Remuneration	Salary RM100,000 to RM150,000	Bonus Below RM50,000	Benefits-in Kind Below RM50,000	Other Emoluments Below RM50,000
Company had only 4 Senior Managers in 2017	Senior Manager 1	Senior Manager 1	Senior Manager 1	Senior Manager 1
	Senior Manager 2	Senior Manager 2		Senior Manager 2
	Senior Manager 3	Senior Manager 3		Senior Manager 3
	Senior Manager 4	Senior Manager 4	Senior Manager 4	Senior Manager 4

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

C. SHAREHOLDERS

The Company believes that shareholders have the right to be sufficiently informed of changes in the Company or its business and to ensure that all shareholders are treated fairly and equitably the Company strives to share pertinent information with the investing community in a timely manner to keep them informed on the latest developments via the Bursa Link . The Board acknowledges the need of shareholders to be informed of all material business matters affecting the Company. By supplying shareholders with reliable and timely information, the Company is able to strengthen the relationship with its shareholders based on trust and accessibility. 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 are informed of general meetings through the announcement released via the Bursa Link and 28 days notices contained in the annual report or circulars sent to all shareholders. These notices are also advertised in a national newspaper. Such 28 days notices will contain the relevant rules and procedures governing the conduct of general meetings. All shareholders are entitled to attend the general meetings and if any shareholder is unable to attend, he/she is allowed to appoint a proxy to attend and vote on his/her behalf at the general meetings through proxy forms sent in advance. Shareholders are strongly encouraged to participate at general meetings, which provide a major platform for shareholders to engage and dialogue with the Company directly. All Directors, key management staff and the Company's external Auditors attend the general meetings and shareholders are encouraged to have open communication with the Directors on their views on matters relating to the Company..

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, 2016 have been applied.

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 36 to 39.

Risk Management and State of Internal Control

The directors acknowledge their responsibility of maintaining an effective risk management and a sound system of internal control and the need to review their 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. In view of its size and nature of operations, the present Risk Management Committee comprises Senior Management and the Committee reports to the Audit Committee.

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

E. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company continues to play a part in being a good corporate citizen by providing financial assistance to the less fortunate citizens of the country. As part of its CSR initiatives, the Company contributed RM51,740.00 to ten orphanages and RM2,000.00 to a school, RM3,000.00 to the family of a deceased staff and RM2,000.00 to a Rotary Club.

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 in Nature

There was no recurrent related party transaction of a revenue or trading in nature conducted for the year ended 31 December 2017.

Group Audit and Non-audit Fees

Group audit fees for the financial year ended 31 December 2017 amounted to RM61,800.00. Non-audit fees paid to the external auditors and their affiliated companies for the financial year ended 31 December 2017comprised RM8,000 being fees in reviewing the Statement on Risk Management and Internal Control and RM18,680.00 being tax agent fees respectively.

This statement is made in accordance with a resolution of the Board of Directors dated 29 March 2018.

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 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.

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

- "Human Resource Management and Payroll System at Kota Bahroe Group Estate", in July 2017. The objectives of this audit were to determine the existence, adequacy, effectiveness and efficiency of internal control systems in operation. The financial period covered was from 1st July 2016 to 30th June 2017.
- "Procurement of Fertilizers and Services at Kota Bahroe Group Estate", in September 2017. The objectives and scope of this audit were to determine the existence, adequacy, effectiveness and efficiency of internal control systems in operation. The financial period covered was from 1st September 2016 to 31st August 2017.

- "Control Over Expenditure Cycle at Gopeng Berhad, Head Office", in September 2017. The objectives and scope of this audit were to determine the existence, adequacy, effectiveness and efficiency of internal control systems in operation. The financial period covered was from 1st September 2016 to 31st August 2017.

Areas with significant and important findings or deviation would be highlighted and brought to the attention of the Group's audit committee. The internal auditors gave their recommendations guidance to guide the management for any non-compliance or for any areas of improvement.

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.

This statement is made in accordance with a resolution of the Board of Directors dated 29 March 2018.

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 2017.

The Audit Committee was established in 1994. For the financial year ended 31 December 2017, the Audit Committee, which comprised three Directors, met a total of six (6) 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 6 meetings
Haji Abdullah bin Yusof	Independent Non-Executive Director	Attended 5 out of 6 meeting
Dato' Robert Lim Git Hooi	Independent Non-Executive Director	Attended all 6 meetings

All the members of the Audit Committee are independent non-executive Directors and the Chairman of the Audit Committee is not the Chairman of the Board. All the members of the Audit Committee have a sound knowledge of finance and accounting and one of its members, Dato'Robert Lim Git Hooi is a member of the 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. Any vacancy in the Audit Committee must be filled within 3 months.

Meetings and Minutes

Meetings shall be held not less than four (4) times a year and the head of finance, and representatives of the external auditors and the internal audit service provider shall normally be invited to attend meetings. Any member of the Committee, the external auditors and the internal audit service provider may request a meeting without any Executive Board member present whenever deem 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) 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 review the following and report the same to the Board :
- with the external auditor, the audit plan;
- with the external auditor, his evaluation of the system of internal controls;
- with the external auditors, his audit report;
- the assistance given by the Company's employees to the external auditor;
- any letter of resignation from the external auditors of the Company; and
- whether there is any reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment.

ii) to recommend the nomination of a person or persons as external auditors

iii) to consider the appointment, resignation and dismissal of the external and internal auditors and the audit fees;

iv) 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 matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions and how these matters are addressed;
- significant adjustments resulting from the audit;
- the going concern assumption;
- compliance with accounting standards; and
- compliance with Bursa Malaysia Securities Bhd's Listing Requirements, the Capital Markets and Services Act, 2007 and other legal requirements.

v) 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);

vi) to review the external auditor's management letter and management's response thereto;

vii) to do the following, in relation to the internal audit function, which has been outsourced :-
- assessment of outsourcing risks;
- scope of internal audit work to be outsourced;
- service provider selection process including the independence, qualification, skills and experience, as well as knowledge;
- adequacy of resources deployed and remuneration of the outsourced provider;
- roles and responsibilities of the outsourced provider;
- internal audit framework adopted by the outsourced provider
- access to information, records, physical properties, and personnel as well as reporting workflow; and
- effectiveness of the internal audit service rendered by the outsourced provider and the continuity of such service.

viii) to ensure that the internal audit function, which had been outsourced, is involved in the following :
- review and objective evaluation of the governance, risk and control environment of the Company and entities throughout the Group;
- systematic analysis of business processes to identify the associated controls in place;
- assessment of how information on fraud and irregularities is reported including providing feedback on adherence to the Company's code of conduct and/or code of ethics;
- ad-hoc reviews of other areas where there is a concern that affects financial reporting or a treat on the safeguarding of the Company's assets;

- reviews of the compliance framework and specific compliance issues;
- follow-up visits to determine the status of management implementation of plans to address observations reported in preceding internal audits visits; and
- value added recommendations for more effective and efficient use of Company's resources.

ix) 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; and

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 2017 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 and internal 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;

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;

v) meeting with the external auditors on 5 April 2017 and on 22 November 2017 in the absence of management. In the first meeting the state of the Group's internal controls during the year- end audit was discussed. In the second meeting the requirements of Code on Corporate Governance which became effective from July 2017 were discussed.

vi) review and discuss the amendments to Bursa Malaysia Listing Requirements, the New Companies Act, 2016 and the Malaysian Financial Reporting Standards (MFRS framework) as the Group and Company will be required to prepare financial statements using the MFRS Framework for the financial year ending 31 December 2018; and

vii) review of the risk management report, the risks profile and registers of the Group and the soundness and adequacy of the Group's system of internal controls with management

Internal Audit Function

The internal audit function includes a review and 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. 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. The internal audit function was outsourced to IBDC (Malaysia) Sdn Bhd and Mr Yeoh Chin Hoe, a Chartered Accountant and a Chartered Audit Committee Director, was in charge of the internal audit assisted by Ghitha Kerubanandan and Oon Yee Juin, both of whom are Associate Member of Institute of Internal Auditors Malaysia and IBDC had allocated adequate human and other resources in carrying out the internal audit work for the Group in compliance with the International Standards for the Professional Practice of Internal Auditing. The internal audit personnel do not have any relationship or conflict of interest, which could impair their objectivity and independence. During the year the Company's internal auditors carried out three cycles of audit.

First Cycle

Human Resource Management and Payroll System at Kota Bahroe Group Estates (KBGE): The report was presented and discussed at the Audit Committee meeting held on 24 July 2017. The internal auditors were of the view that KBGE generally had in place an internal control system in human resource management and payroll. Five observations were highlighted and three recommendations for improvements were made to management.

Second Cycle

The 'Procurement of Fertilizers and Services' at Kota Bahroe Group Estates (KBGE). The report was presented and discussed at the Audit Committee meeting held on 22 November 2017. The internal auditors were of the view that KBGE had in place an internal control system in the procurement of fertilizers and services and there was no finding of importance that required senior management attention. However a minor non-compliance with the Group Financial Manual was highlighted, which management promptly agreed to rectify.

Third Cycle

The 'Control Over Expenditure at Head Office' : This report was presented and discussed at the Audit Committee held on 22 November 2017. The internal auditors were of the view that the Company had in place an internal control system in the control of expenditure at its Head Office. Two observations and two areas for improvements made by the internal auditors were discussed and management agreed rectification.

In addition to the above, 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 2017 was RM26,480.00.

This report is made in accordance with a resolution of the Board of Directors dated 29 March 2018


GOPENG BERHAD
MAJLIS PENYERAHAN
SUMBANGAN KEWANGAN
KEPADA
ASRAMA ANAK-ANAK YATIM / WARGA TUA YANG TERPILIH
DALAM DAERAH KINTA
TAHUN 1438H/2017
PROGRAM TANGGUNGJAWAB SOSIAL KORPORAT (CSR)


GOPENG BERHAD
150617
PERTUBUHAN KEBAJIKAN ANAK-ANAK YATIM / MISKIN & WARGA TUA
RM5,000.00
LIMA RIBU SAHAJA
PROGRAM TANGGUNGJAWAB SOSIAL KORPORAT (CSR)


GOPENG BERHAD
150617
PERTUBUHAN KEBAJIKAN ANAK-ANAK YATIM / MISKIN & WARGA TUA
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GOPENG BERHAD
PERTUBUHAN KEBAJIKAN ANAK-ANAK YATIM / MISKIN & WARGA TUA
RM5,000.00
LIMA RIBU SAHAJA


GOPENG BERHAD
150617
PERTUBUHAN KEBAJIKAN ANAK-ANAK YATIM / MISKIN & WARGA TUA
RM5,000.00
LIMA RIBU SAHAJA

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 2017.

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
Attributable to owners of the parent		
Profit for the year	5,567,223	5,606,228

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 2016 :-	
Final single tier dividend of 4.0 sen per ordinary share paid on 31 July 2017	7,173,159

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 2017, 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

Directors who served on the Board of the Company during the financial year and during the period from the end of the financial year to the date of the report are :-

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

DIRECTORS OF SUBSIDIARIES

The following is a list of directors of the subsidiaries (excluding Directors who are also Directors of the Company) in office during the financial year until the date of this Report :-

Syerleena Binti Mohd Salleh (f)

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 59 of the Companies Act 2016, interests in the shares of the Company as follows :-

	NUMBER OF ORDINARY SHARES			
	AT 1.1.2017	ADDITIONS	DISPOSALS	AT 31.12.2017
Direct shareholdings in the Company				
Dato' Mohd Salleh bin Hashim	37,300,000	-	-	37,300,000
Dato' Haji Mohamad Tahiruddin bin Mohd Tahir	10,364,366	-	-	10,364,366
Manohar Hasan bin Ameer Ali	1,000,000	-	-	1,000,000
Indirect shareholdings in the Company				
Dato' Mohd Salleh bin Hashim	21,800,000	-	-	21,800,000
Haji Abdullah bin Yusof	300,000	-	-	300,000
Dato' Robert Lim Git Hooi	20,000	-	-	20,000
	NUMBER OF ORDINARY SHARES			
	AT 1.1.2017	ADDITIONS	DISPOSALS	AT 31.12.2017
Direct shareholdings in Gopeng Precision & Engineering Sdn. Bhd.				
Dato' Haji Mohamad Tahiruddin bin Mohd Tahir	1	-	-	1

DIRECTORS' INTERESTS – (Continued)

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.

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 59(ii)(c) of the Companies Act 2016.

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 59(ii)(c) of the Companies Act 2016.

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 59(ii)(c) of the Companies Act 2016.

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 or any of its subsidiaries 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 the benefits shown under Directors' Remuneration) 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.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There was no amount of insurance premium paid or payable for the directors or officers of the Company in respect of their liability for any act or omission in their capacity as directors or officers of the Company or in respect of costs incurred by them in defending or settling any claim or proceedings relating to any such liability for the financial period.

There were no indemnity given to or insurance affected for the auditors of the Company in accordance with Section 284 of the Companies Act 2016.

DIRECTORS' REMUNERATION

Details of Directors' remuneration are set out in Note 8 to the Financial Statements.

SUBSIDIARIES

Details of subsidiaries are set out in Note 15 to the Financial Statements. None of the auditors' report on the accounts of subsidiaries is qualified.

None of the subsidiaries held shares in the holding company and other related corporations.

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 prepared, 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.

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.

AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in Note 7 to the Financial Statements.

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 accept re-appointment as auditors.

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

Dato' Mohd Salleh bin Hashim

Dato' Shaharuddin bin Haron

Dated : 29th March 2018
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 2016 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 2017 and of the results of the operations and cash flows of the Group and of the Company for the year then ended.

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

Dato' Mohd Salleh bin Hashim

Dato' Shaharuddin bin Haron

Dated : 29th March 2018
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 29 March 2018

Before me :

Commissioner for Oaths

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Gopeng Berhad, which comprise the Statements of Financial Position as at 31 December 2017 of the Group and of the Company, 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 51 to 113.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017, and of their financial performance and their cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

BASIS FOR OPINION

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE AND OTHER ETHICAL RESPONSIBILITIES

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysia Institute of Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

ASSESSMENT ON IMPAIRMENT REVIEW OF PROPERTY, PLANT & EQUIPMENT

The carrying amount of property, plant and equipment amounted to RM181 million which contributes 55% to the total assets. The Group and the Company have significant freehold and leasehold lands amounted to RM179 million which represents 99% of the property, plant and equipment and is measured at fair value, based on periodic, but at least triennial less subsequent depreciation and impairment losses.

We identified the carrying value of the freehold and leasehold lands as a key audit matter due to its significance to the financial statements as a whole.

HOW OUR AUDIT ADDRESS THIS MATTER

We have reviewed and discussed with management on the carrying amount of property, plant and equipment in accordance with FRS 116 Property, Plant & Equipment. We have reviewed the indicators of impairment and/or adequacy of allowance for impairment loss in accordance with FRS 136 Impairment of Assets.

We performed reasonableness test on carrying amount of freehold and leasehold lands which is carried at a revalued amount, being the fair value of the asset at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment loss.

We ensured revaluations should be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period for every 3 years.

We also considered the adequacy of the Group's and Company's disclosures in accordance with FRS 116 Property, Plant & Equipment.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 15 to the Financial Statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 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
00871/03/2019 J
Chartered Accountant

Dated : 29th March 2018
Kuala Lumpur

	Note	GROUP		COMPANY	
		2017	2016	2017	2016
		RM	RM	RM	RM
Revenue	6	15,508,712	11,370,654	15,508,712	11,370,654
Cost of sales		(7,682,284)	(7,504,661)	(7,682,284)	(7,504,661)
Gross profit		7,826,428	3,865,993	7,826,428	3,865,993
Other income		4,958,751	7,336,766	4,958,751	7,336,766
Administrative expenses		(4,693,166)	(4,666,546)	(4,642,792)	(4,795,285)
Other expenses		(1,885,957)	(1,793,593)	(1,885,957)	(1,793,593)
		6,206,056	4,742,620	6,256,430	4,613,881
Interest income		55,281	41,892	39,946	26,173
Finance costs		(27,001)	(42,912)	(27,001)	(42,912)
Operating profit	**7**	**6,234,336**	**4,741,600**	**6,269,375**	**4,597,142**
Share of result of associates		-	-	-	-
Profit before tax		6,234,336	4,741,600	6,269,375	4,597,142
Tax expense	9	(667,113)	(302,993)	(663,147)	(300,476)
Profit for the financial year		**5,567,223**	**4,438,607**	**5,606,228**	**4,296,666**
Profit attributable to: -					
Owners of the parent		5,567,223	4,438,607	5,606,228	4,296,666
Earnings per share attributable to owners of the parent					
Basic earnings per ordinary share (sen)	10	3.10	2.48		

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

	Note	GROUP		COMPANY	
		2017	2016	2017	2016
		RM	RM	RM	RM
Profit for the financial year		5,567,223	4,438,607	5,606,228	4,296,666
Other comprehensive income:					
Items that may not be reclassified subsequently to income statement:					
- revaluation gains on land and buildings		-	23,845,406	-	23,845,406
Total comprehensive income for the financial year		5,567,223	28,284,013	5,606,228	28,142,072
Total comprehensive income attributable to: -					
Owners of the parent		5,567,223	28,284,013	5,606,228	28,142,072

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

GROUP	Note	2017 RM	2016 RM
NON-CURRENT ASSETS			
Property, plant and equipment	11	181,096,133	175,806,561
Biological assets	12	26,017,236	23,560,627
Investment properties	13	6,960,000	15,040,000
Land and deferred development expenditure	14	4,106,347	4,176,589
Available-for-sale investments	17	186,000	186,000
		218,365,716	218,769,777
CURRENT ASSETS			
Inventories	19	296,911	112,040
Properties under development	20	29,075	29,075
Trade and other receivables	21	1,934,832	1,767,457
Tax recoverable		400,138	362,749
Short term investments	22	93,777,412	102,405,423
Deposits, cash and bank balances	23	12,126,090	4,115,389
		108,564,458	108,792,133
TOTAL ASSETS		**326,930,174**	**327,561,910**
EQUITY			
Share capital	24	89,664,491	89,664,491
Reserves		222,979,325	224,778,261
TOTAL EQUITY		312,643,816	314,442,752
NON-CURRENT LIABILITIES			
Borrowings	25	63,525	103,536
Provision for retirement benefits	26	180,353	169,640
Deferred tax liabilities	18	12,058,000	11,180,000
		12,301,878	11,453,176
CURRENT LIABILITIES			
Trade and other payables	27	1,944,469	1,625,970
Borrowings	25	40,011	40,012
		1,984,480	1,665,982
TOTAL LIABILITIES		14,286,358	13,119,158
TOTAL EQUITY AND LIABILITIES		**326,930,174**	**327,561,910**

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

COMPANY	Note	2017 RM	2016 RM
NON-CURRENT ASSETS			
Property, plant and equipment	11	181,096,133	175,806,561
Biological assets	12	26,017,236	23,560,627
Investment properties	13	6,960,000	15,040,000
Available-for-sale investments	17	186,000	186,000
		214,259,369	214,593,188
CURRENT ASSETS			
Inventories	19	296,911	112,040
Properties under development	20	29,075	29,075
Trade and other receivables	21	1,906,850	1,759,473
Tax recoverable		401,889	362,500
Short term investments	22	93,777,412	102,405,423
Deposits, cash and bank balances	23	11,302,140	3,306,713
		107,714,277	107,975,224
TOTAL ASSETS		**321,973,646**	**322,568,412**
EQUITY			
Share capital	24	89,664,491	89,664,491
Reserves		218,237,568	219,997,499
TOTAL EQUITY		307,902,059	309,661,990
NON-CURRENT LIABILITIES			
Borrowings	25	63,525	103,536
Provision for retirement benefits	26	180,353	169,640
Deferred tax liabilities	18	12,058,000	11,180,000
		12,301,878	11,453,176
CURRENT LIABILITIES			
Trade and other payables	27	1,726,197	1,409,733
Amount due to subsidiary	15	3,501	3,501
Borrowings	25	40,011	40,012
		1,769,709	1,453,246
TOTAL LIABILITIES		14,071,587	12,906,422
TOTAL EQUITY AND LIABILITIES		**321,973,646**	**322,568,412**

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

GROUP	<----------Attributable to owners of parent---------->					
		<-----Non-distributable----->		DIstributable		
	Share capital	Share premium	Revaluation reserve	Retained profits	Total reserve	Total equity
	RM	RM	RM	RM	RM	RM
Balance at 1 January 2017	**89,664,491**	**42,349,828**	**160,589,829**	**21,838,604**	**224,778,261**	**314,442,752**
Total comprehensive income for the financial year	-	-	-	5,567,223	5,567,223	5,567,223
Depreciation transfer on land, net of tax	-	-	(1,257,000)	1,32,000	66,000	66,000
Transfer on revaluation reserve	-	-	(259,000)	-	(259,000)	(259,000)
Final single tier dividend - 2016	-	-	-	(7,173,159)	(7,173,159)	(7,173,159)
Balance at 31 December 2017	**89,664,491**	**42,349,828**	**159,073,829**	**21,555,668**	**222,979,325**	**312,643,816**
Balance at 1 January 2016	**89,664,491**	**42,349,828**	**137,075,423**	**24,225,156**	**203,650,407**	**293,314,898**
Total comprehensive income for the financial year	-	-	-	4,438,607	4,438,607	4,438,607
Gain on revaluation of land	-	-	23,845,406	-	23,845,406	23,845,406
Depreciation transfer on land, net of tax	-	-	(331,000)	348,000	17,000	17,000
Final single tier dividend - 2015	-	-	-	(7,173,159)	(7,173,159)	(7,173,159)
Balance at 31 December 2016	**89,664,491**	**42,349,828**	**160,589,829**	**21,838,604**	**224,778,261**	**314,442,752**

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 2017 - (CON'T)

COMPANY	< ----------Attributable to owners of parent ---------->					
		<-----Non-distributable----->		DIstributable		
	Share capital	Share premium	Revaluation reserve	Retained profits	Total reserve	Total equity
	RM	RM	RM	RM	RM	RM
Balance at 1 January 2017	**89,664,491**	**42,349,828**	**160,589,829**	**17,057,842**	**219,997,499**	**309,661,990**
Total comprehensive income for the financial year	-	-	-	5,606,228	5,606,228	5,606,228
Depreciation transfer on land, net of tax	-	-	(1,257,000)	1,323,000	66,000	66,000
Transfer on revaluation reserve	-	-	(259,000)	-	(259,000)	(259,000)
Final single tier dividend - 2016	-	-	-	(7,173,159)	(7,173,159)	(7,173,159)
Balance at 31 December 2017	**89,664,491**	**42,349,828**	**159,073,829**	**16,813,911**	**218,237,568**	**307,902,059**
Balance at 1 January 2016	**89,664,491**	**42,349,828**	**137,075,423**	**19,586,335**	**199,011,586**	**288,676,077**
Total comprehensive income for the financial year	-	-	-	4,296,666	4,296,666	4,296,666
Gain on revaluation of land	-	-	23,845,406	-	23,845,406	23,845,406
Depreciation transfer on land, net of tax	-	-	(331,000)	348,000	17,000	17,000
Final single tier dividend - 2015	-	-	-	(7,173,159)	(7,173,159)	(7,173,159)
Balance at 31 December 2016	**89,664,491**	**42,349,828**	**160,589,829**	**17,057,842**	**219,997,499**	**309,661,990**

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

	GROUP		COMPANY	
	2017	2016	2017	2016
	RM	RM	RM	RM
Cash flows from operating activities				
Profit before tax	6,234,336	4,741,600	6,269,375	4,597,142
Adjustments for: -				
Amortisation/Depreciation	1,885,957	1,793,593	1,885,957	1,793,593
Amortisation of biological assets	1,028,669	927,931	1,028,669	927,931
Development expenditure written off	36,490	-	-	-
Fair value gain on investment properties	-	(1,145,000)	-	(1,145,000)
Fair value gain on short term investments	(4,507,902)	(6,137,876)	(4,507,902)	(6,137,876)
Gain on disposal of property, plant and equipment	(349,558)	-	(349,558)	-
Gain on disposal of investment property	-	-	-	-
Impairment loss on subsidiaries	-	-	3,507	145,940
Impairment loss on receivables	20,130	-	20,130	-
Interest expenses	27,001	42,912	27,001	42,912
Interest income	(55,281)	(41,892)	(39,946)	(26,173)
Provision for retirement benefits	10,713	(114,547)	10,713	(114,547)
	(1,903,781)	(4,674,879)	(1,921,429)	(4,513,220)
Operating profit/(loss) before changes in working capital	4,330,555	66,721	4,347,946	83,922
Change in inventories	(184,871)	(74,004)	(184,871)	(74,004)
Change in trade and other receivables	(187,507)	(420,935)	(167,507)	(420,935)
Change in trade and other payables	354,219	(455,684)	352,183	(454,324)
	(18,159)	(950,623)	(195)	(949,263)
Cash absorbed by operations	4,312,396	(883,902)	4,347,751	(865,341)

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

	GROUP		COMPANY	
	2017	2016	2017	2016
	RM	RM	RM	RM
Cash flows from operating activities -(Continued)				
Cash generated from /(absorbed by) operations	4,312,396	(883,902)	4,347,751	(865,341)
Income tax paid	(166,966)	(125,017)	(165,000)	(122,500)
Income tax refunded	125,611	-	125,611	-
Real property gain tax paid	(13,866)	(224,477)	(13,866)	(224,477)
	(55,221)	(349,494)	(53,255)	(346,977)
Net cash from /(used in) operating activities	(4,257,175)	(1,233,396)	(4,294,496)	(1,212,318)
Cash flows from investing activities				
Acquisition of property, plant and equipment	(185,969)	(141,290)	(185,969)	(141,290)
Advance to subsidiaries	-	-	(102,008)	(145,940)
Biological assets incurred	(3,485,279)	(2,771,726)	(3,485,279)	(2,771,726)
Land and deferred development expenditure	(64,748)	(124,943)	-	-
Proceeds from disposal of plant, property and equipment	1,538,500	-	1,538,500	-
Placement of short term invesment	(46,705,841)	(30,482,555)	(46,705,841)	(30,482,555)
Redemption/withdrawal of short term investment	59,841,754	44,182,724	59,841,754	44,182,724
Repo and fixed deposits interest received	55,281	41,892	39,946	26,173
Net cash flows from investing activities	10,993,698	10,704,102	10,941,103	10,667,386

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

	GROUP		COMPANY	
	2017	2016	2017	2016
	RM	RM	RM	RM
Cash flows from financing activities				
Dividend paid	(7,173,159)	(7,173,159)	(7,173,159)	(7,173,159)
Hire purchase interests	(5,180)	(3,623)	(5,180)	(3,623)
Interest on short term borrowings	(21,821)	(39,289)	(21,821)	(39,289)
Repayment of hire purchase liabilities	(40,012)	(26,450)	(40,012)	(26,450)
Net cash used in financing activities	(7,240,172)	(7,242,521)	(7,240,172)	(7,242,521)
Net changes in cash and cash equivalents	8,010,701	2,228,185	7,995,427	2,212,547
Cash and cash equivalents brought forward	4,115,389	1,887,204	3,306,713	1,094,166
Cash and cash equivalents carried forward (Note 23)	12,126,090	4,115,389	11,302,140	3,306,713
NOTE TO THE STATEMENTS OF CASH FLOWS				
Analysis of acquisition of property, plant and equipment :-				
Cash	185,969	141,290	185,969	141,290
Finance lease arrangement	-	100,000	-	100,000
	185,969	241,290	185,969	241,290

The accompanying accounting policies and explanatory notes form an integral part of 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 ("FRS") and the requirements of the Companies Act, 2016 in Malaysia.

The preparation of financial statements in conformity with the FRS and the Companies Act, 2016 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.

3. ACCOUNTING STANDARDS AND INTERPRETATIONS

3.1 Adoption of new and revised FRSs

The accounting policies and methods of computation adopted are consistent with those of the previous financial year except for the adoption of the amendments to FRSs and IC Interpretations ("IC Int") that are applicable to the Group and the Company for the financial year beginning 1 January 2017 as follows:

FRS 12 Disclosure of Interests in Other Entities (Amendments to FRS 12)
FRS 107 Disclosures Initiatives (Amendments to FRS 107)
FRS 112 Recognition of Deferred Tax for Unrealised Losses (Amendments to FRS 112)

The adoption of these amendments to FRSs and IC Int does not have any significant financial impact to the Group and the Company.

3.2 Malaysian Financial Reporting Standards

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 2018. Early application of MFRS is permitted.

The Group and the Company fall within the definition of Transitioning Entities and did not opt for early adoption.

The subsequent adoption of the MFRS Framework would result in the Group preparing an opening MFRS statement of financial position as at 1 January 2017, which adjusts for differences between the classification and measurement bases in the existing FRS Framework versus that in the new MFRS Framework. This would also result in a restatement of the annual financial performance for the financial year ended 31 December 2017 in accordance with MFRS, which would form the MFRS comparatives for the annual financial performance for the financial year ending 31 December 2018 respectively.

3. ACCOUNTING STANDARDS AND INTERPRETATIONS – (CONTINUED)

3.3 Malaysian Financial Reporting Standards

The Directors expect that the adoption of the MFRS Framework will not have any material effect on the financial statements in the period of initial application except as discussed below:

MFRS 9 Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required.

During 2017, the Group has performed a detailed impact assessment of all three aspects of MFRS 9. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group in 2018 when the Group will adopt MFRS 9. Overall, the Group expects no significant impact on its statement of financial position and equity.

(a) Classification and measurement

The Group does not expect a significant impact on its statement of financial position or equity on applying the classification and measurement requirements of MFRS 9. It expects to continue measuring at fair value all financial assets and liabilities currently held at fair value.

Trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of these trade receivables. The Group analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under MFRS 9. Therefore, reclassification for these instruments is not required.

(b) Impairment

MFRS 9 requires the Group to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Group will apply the simplified approach and record lifetime expected losses on all trade receivables. The Group has determined that, based on its assessment on the market information currently available and the reputation and the past credit history of the counterparties with which the Group traded with, the Group will not be recording an expected credit loss on its trade receivables in its books.

(c) Hedge accounting

The Group does not apply hedge accounting and has no intention of doing so at the moment.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 was issued in May 2014, and amended in April 2016, and establishes a five-step model to account for revenue arising from contracts with customers. Under MFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under MFRS. As the Group is a transitioning entity, a full retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Group expect that the adoption will not have any material effect on the financial statements.

3. ACCOUNTING STANDARDS AND INTERPRETATIONS – (CONTINUED)

3.3 Malaysian Financial Reporting Standards – (Continued)

MFRS 141 Agriculture and Amendments to MFRS 116 and MFRS 141 Agriculture Bearer Plants

MFRS 141 Agriculture prescribes the accounting treatment, financial statements presentation, and disclosures related to most agricultural activity. It requires measurement at fair value less costs to sell from initial recognition of biological assets, except for bearer plants, up to the point of harvest, other than when fair value cannot be measured reliably on initial recognition. This Standard requires that subsequent change in fair value less costs to sell of a biological asset be included in profit or loss for the period in which it arises.

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

The biological assets of the Group and Company comprise of fresh fruit bunch ("FFB") prior to harvest. The valuation model to be adopted by the Group and Company considers the present value of the net cash flows expected to be generated from the sale of FFB.

The Group and Company are in the process of acessing the financial effect of these pronouncements upon their initial application.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

4.1 Basis of consolidation – (Continued)

(a) Subsidiaries – (Continued)

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.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

4.1 Basis of consolidation – (Continued)

(b) Associates – (Continued)

(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.

(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.

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 4.12(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 4.12(a) on impairment).

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 4.12(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 Statements of Profit or Loss and Other Comprehensive Income 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.

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.

4.11 Non-current assets held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale.

Immediately before classification as held for sale, the assets are re-measured in accordance with the Group's and the Company's accounting policies. Depreciation ceases when an asset is classified as non-current assets held for sale. Non-current assets held for sale are stated at the lower of carrying amount and fair value less cost to sell.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

4.12 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

4.12 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.

4.13 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.

4.14 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)

4.15 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.

4.16 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.

4.17 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

4.17 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.

4.18 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)

4.19 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.

4.20 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.

4.21 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.

4.22 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.

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 5.1 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.

5.2 Revaluation of properties

The Group's and the Company's properties which are reported at valuation are based on valuation performed by independent professional valuers. The independent professional valuers have exercised judgement using sales comparison approach where the valuers critically analyse recent evidence of values of comparable properties in close proximity and making adjustments for differences in key attributes such as property size and condition.

6. REVENUE

	GROUP		COMPANY	
	2017	2016	2017	2016
	RM	RM	RM	RM
Property development	371,750	-	371,750	-
Plantation	15,136,962	11,370,654	15,136,962	11,370,654
Dividend income	-	-	-	-
	15,508,712	11,370,654	15,508,712	11,370,654

7. OPERATING PROFIT

	GROUP		COMPANY	
	2017	2016	2017	2016
	RM	RM	RM	RM
Operating profit is arrived at after charging :-				
Amortisation/Depreciation	1,885,957	1,793,593	1,885,957	1,793,593
Amortisation of biological assets	1,028,669	927,931	1,028,669	927,931
Auditors' remuneration:				
- audit fees				
current financial year	61,800	55,800	50,000	50,000
prior financial year	7,360	-	5,000	-
- non-audit fees				
current financial year	8,000	8,000	8,000	8,000
Impairment loss on subsidiaries	-	-	-	145,940
Interest expenses on				
- finance lease liabilities	5,180	3,623	5,180	3,623
- short-term borrowing	21,821	39,289	21,821	39,289
Rental of office	295,614	295,614	295,614	295,614
Rental of equipment	3,256	3,256	3,256	3,256
Personnel expenses (excluding key management personnel)				
- contributions to EPF	220,854	277,711	220,854	277,711
- (reversal)/provision on retirement benefits	10,713	(114,547)	10,713	(114,547)
- termination benefits	-	328,000	-	328,000
- wages, salaries and others	2,067,709	2,028,411	2,067,709	2,028,411
and after crediting (other than those disclosed in Note 6):-				
Fair value gain on short term investments	4,507,902	6,137,876	4,507,902	6,137,876
Fair value gain on investment property	-	1,145,000	-	1,145,000
Gain on disposal of property, plant and equipment	349,558	-	349,558	-
Interest income				
- deposits with licensed financial institutions	55,281	41,892	39,946	26,173
- others	-	-	-	-
Rental income	83,533	51,430	83,533	51,430

8. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensations are as follows :-

	GROUP / COMPANY	
	2017	2016
	RM	RM
Executive Directors		
– fees	52,500	53,000
– remuneration	1,412,200	1,412,200
– other short term benefits (including estimated monetary value of benefits-in-kind)	386,382	469,715
Non-executive Directors		
– fees	421,000	420,171
Total short-term Directors' remuneration	2,272,082	2,355,086
Other key management personnel :-		
– short-term employee benefits	559,868	541,708
	2,831,950	2,896,794

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.

9. TAX EXPENSE / (TAX CREDIT)

	GROUP		COMPANY	
	2017	2016	2017	2016
	RM	RM	RM	RM
Current taxation				
Malaysian income tax				
– current financial year	-	-	-	-
– under provision in prior financial year	3,966	2,518	-	-
	3,966	2,518	-	-
Real property gains tax				
- current financial year	-	-	-	-
- under/(over) provision in prior financial year	(21,853)	224,476	(21,853)	224,476
	(21,853)	224,476	(21,853)	224,476
	(17,887)	226,994	(21,853)	224,476
Deferred taxation				
Origination and reversal of temporary differences	664,000	(5,000)	664,000	(5,000)
Under provision in prior financial years	21,000	81,000	21,000	81,000
	685,000	76,000	685,000	76,000
	667,113	302,994	663,147	300,476

9. TAX EXPENSE / (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	
	2017	2016	2017	2016
	RM	RM	RM	RM
Profit before tax	6,234,336	4,741,600	6,269,375	4,597,142
Tax at Malaysian tax rate of 24% (2016: 24%)	1,496,241	1,137,984	1,504,650	1,103,314
Non-deductible expenses	253,656	330,106	241,246	364,776
Income not subject to tax	(1,081,896)	(1,473,090)	(1,081,896)	(1,473,090)
Under/(Over) provision for income tax in prior year	(35)	2,518	-	-
Under/(Over) provision for deferred tax in prior year	21,000	81,000	21,000	81,000
Real property gains tax	(21,853)	224,476	(21,853)	224,476
Tax expense	667,113	302,994	663,147	300,476

10. EARNINGS PER SHARE

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.

	GROUP	
	2017	2016
	RM	RM
Profit attributable to owners of the parent (RM)	5,567,223	4,438,607
Weighted average number of ordinary shares in issue	179,328,982	179,328,982
Basic earnings per share (sen)	3.10	2.48

11. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold estates	Leasehold land	Other properties	Motor vehicles and earthmoving equipment	Plant and equipment	Total
Cost/Valuation	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
At 1 January 2016	85,855,000	67,029,989	2,336,696	1,379,541	1,790,998	158,392,224
Additions	-	-	56,360	169,545	15,385	241,290
Revaluation of assets	12,925,000	8,185,566	-	-	-	21,110,566
Written off	-	-	-	-	-	-
At 31 December 2016/1 January 2017	98,780,000	75,215,555	2,393,056	1,549,086	1,806,383	179,744,080
Additions	-	-	86,600	36,796	62,573	185,969
Transfer from investment properties	-	8,080,000	-	-	-	8,080,000
Disposal	-	(1,095,579)	-	-	-	(1,095,579)
Written off	-	-	(20,000)	-	-	(20,000)
At 31 December 2017	98,780,000	82,199,976	2,459,656	1,585,882	1,868,956	186,894,470

11. PROPERTY, PLANT AND EQUIPMENT – (CONTINUED)

GROUP	Freehold estates	Leasehold land	Other properties	Motor vehicles and earthmoving equipment	Plant and equipment	Total
Accumulated depreciation/amortisation	RM	RM	RM	RM	RM	RM
At 1 January 2016						
- 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
Charge for the financial year	-	1,466,349	44,929	139,507	142,808	1,793,593
Disposals	-	-	-	-	-	-
Reclassification due to revaluation	-	(3,931,840)	-	-	-	(3,931,840)
At 31 December 2016						
- Accumulated depreciation	-	-	-	1,193,287	1,442,998	2,636,285
- Accumulated amortisation	-	358,152	943,082	-	-	1,301,234
	-	358,152	943,082	1,193,287	1,442,998	3,937,519
Charge for the financial year	-	1,578,685	46,661	117,824	142,787	1,885,957
Disposals	-	(5,139)	-	-	-	(5,139)
Written of	-	-	(20,000)	-	-	(20,000)
At 31 December 2017						
- Accumulated depreciation	-	-	-	1,311,111	1,585,785	2,896,896
- Accumulated amortisation	-	1,931,698	969,743	-	-	2,901,441
	-	1,931,698	969,743	1,311,111	1,585,785	5,798,337

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 impairment loss						
At 31 December 2016	-	-	-	-	-	-
Written off	-	-	-	-	-	-
At 31 December 2017	-	-	-	-	-	-
Net carrying value						
At 31 December 2016	98,780,000	74,857,403	1,449,974	355,799	363,385	175,806,561
At 31 December 2017	98,780,000	80,268,278	1,489,913	274,771	283,171	181,096,133

11. PROPERTY, PLANT AND EQUIPMENT – (CONTINUED)

COMPANY	Freehold estates	Leasehold land	Other properties	Motor vehicles and earthmoving equipment	Plant and equipment	Total
Cost/Valuation	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
At 1 January 2016	85,855,000	67,029,989	2,336,696	1,379,541	1,630,732	158,231,958
Additions	-	-	56,360	169,545	15,385	241,290
Revaluation of assets	12,925,000	8,185,566	-	-	-	21,110,566
Written off	-	-	-	-	-	-
At 31 December 2016/1 January 2017	98,780,000	75,215,555	2,393,056	1,549,086	1,646,117	179,583,814
Additions	-	-	86,600	36,796	62,573	185,969
Transfer from investment properties	-	8,080,000	-	-	-	8,080,000
Disposal	-	(1,095,579)	-	-	-	(1,095,579)
Written off	-	-	(20,000)	-	-	(20,000)
At 31 December 2017	98,780,000	82,199,976	2,459,656	1,585,882	1,708,690	186,734,204

11. PROPERTY, PLANT AND EQUIPMENT – (CONTINUED)

COMPANY	Freehold estates	Leasehold land	Other properties	Motor vehicles and earthmoving equipment	Plant and equipment	Total
Accumulated depreciation/amortisation	RM	RM	RM	RM	RM	RM
At 1 January 2016						
- 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
Charge for the financial year	-	1,466,349	44,929	139,507	142,808	1,793,593
Reclassification due to revaluation	-	(3,931,840)	-	-	-	(3,931,840)
At 31 December 2016						
- Accumulated depreciation	-	-	-	1,193,287	1,282,732	2,476,019
- Accumulated amortisation	-	358,152	943,082	-	-	1,301,234
	-	358,152	943,082	1,193,287	1,282,732	3,777,253
Charge for the financial year	-	1,578,685	46,661	117,824	142,787	1,885,957
Disposal	-	(5,139)	-	-	-	(5,139)
Written off	-	-	(20,000)	-	-	(20,000)
At 31 December 2017						
- Accumulated depreciation	-	-	-	1,311,111	1,425,519	2,736,630
- Accumulated amortisation	-	1,931,698	969,743	-	-	2,901,441
	-	1,931,698	969,743	1,311,111	1,425,519	5,638,071

11. PROPERTY, PLANT AND EQUIPMENT – (CONTINUED)

COMPANY	Freehold estates	Leasehold land	Other properties	Motor vehicles and earthmoving equipment	Plant and equipment	Total
Net carrying value	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
At 31 December 2016	98,780,000	74,857,403	1,449,974	355,799	363,385	175,806,561
At 31 December 2017	98,780,000	80,268,278	1,489,913	274,771	283,171	181,096,133

(i) The carrying amounts of motor vehicle of the Group and of the Company acquired under hire purchase arrangements are RM103,536 (2016: RM169,559)

(ii) On 30 September 2016, 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.

11. PROPERTY, PLANT AND EQUIPMENT – (CONTINUED)

Analysis of cost and valuation	Freehold estates and leasehold land GROUP/COMPANY 2017 RM	Freehold estates and leasehold land GROUP/COMPANY 2016 RM
Cost	103,555	103,555
Valuation	178,944,722	173,533,848
	179,048,277	173,637,403

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 2017 RM	GROUP/COMPANY 2016 RM
Freehold estate	4,017,926	4,017,926
Leasehold land	3,667,774	1,813,509
At 31 December	7,685,700	5,831,435

12. BIOLOGICAL ASSETS

	GROUP/COMPANY	
	2017	2016
	RM	RM
Cost		
At 1 January	29,516,578	26,744,853
Additions	3,485,279	2,771,726
Disposal	-	-
At 31 December	33,001,857	29,516,579
Accumulated amortisation		
At 1 January	5,955,952	5,028,021
Amortisation for the financial year	1,028,669	927,931
At 31 December	6,984,621	5,955,952
Carrying amount		
At 31 December	26,017,236	23,560,627

13. INVESTMENT PROPERTIES

Cost/Valuation	GROUP		COMPANY	
	2017	2016	2017	2016
	RM	RM	RM	RM
At 1 January	15,040,000	13,895,000	15,040,000	13,895,000
Gain on fair value	-	1,145,000	-	1,145,000
Transfer to property, plant & equipment	(8,080,000)	-	(8,080,000)	-
At 31 December	6,960,000	15,040,000	6,960,000	15,040,000

Fair value hierarchy	Fair value measurements at 31 December 2017 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	-	6,960,000	-

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 2017, the fair values of the properties have been determined by independent external valuers.

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.

14. LAND AND DEFERRED DEVELOPMENT EXPENDITURE

	GROUP	
	2017	2016
	RM	RM
Cost		
Land		
At 1 January	1,883,881	1,883,881
Reclassification to deferred expenditure	(1,032,414)	-
Disposal	(8,711)	-
At 1 January/At 31 December	842,756	1,883,881
Deferred expenditure		
At 1 January	2,292,709	2,167,766
Reclassification from deferred expenditure	1,032,414	-
Additions	64,748	124,943
Disposal	(89,790)	-
Write-off	(36,490)	-
At 31 December	3,263,591	2,292,709
Carrying amounts		
At 31 December	4,106,347	4,176,590

15. SUBSIDIARIES

	COMPANY	
	2017	2016
	RM	RM
Investment in subsidiaries		
Unquoted shares, at cost	3,225,000	3,225,000
Less : Accumulated impairment losses	(3,225,000)	(3,225,000)
Carrying amount	-	-
Amount due to a subsidiary		
– 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 2017 and 31 December 2016. 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.

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 2017 is not material.

<u>Summarised financial information on subsidiaries with material non-controlling interests</u>

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

<u>Changes in the Group's ownership interest in subsidiaries without losing control</u>

There were no changes during the period (2016: NIL) in the Group's ownership interest in its significant subsidiaries.

Management intends to dispose Grooved Secretarial Ltd in subsequent financial year of which had remained dormant since the termination of the listing of the Company's shares on the London Stock Exchange and closure of the UK branch share registrar with effect from 30 December 1994.

16. ASSOCIATES

	GROUP		COMPANY	
	2017	2016	2017	2016
	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)
	-	-	-	-

The associates, incorporated in Malaysia, is:-

Held by the Company	Effective equity interest (%)		Principal activities
	2017	2016	
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.

The company had on 12 January 2017, accepted an offer to sell its 20% equity shares in RR to the majority shareholder for a total consideration of RM800,00. The full payment was duly received in February 2018.

17. AVAILABLE-FOR-SALE INVESTMENTS

	GROUP/COMPANY	
	2017	2016
	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)
	186,000	186,000

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	
	2017	2016	2017	2016
	RM	RM	RM	RM
At beginning of the year (net)	11,180,000	9,924,00	11,180,000	9,924,000
Transferred to profit or loss	664,000	(5,000)	664,000	(5,000)
Under accrual of deferred tax in prior years	21,000	81,000	21,000	81,000
Transferred to equity	(66,000)	(17,000)	(66,000)	(17,000)
Transferred to revaluation reserve	259,000	1,197,000	259,000	1,197,000
At end of the year (net)	12,058,000	11,180,000	12,058,000	11,180,000

18. DEFERRED TAX – (CONTINUED)

18.2 Recognised deferred tax assets and liabilities

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

	Assets		Liabilities	
	2017	2016	2017	2016
	RM	RM	RM	RM
GROUP				
Biological assets	-	-	5,826,000	5,322,000
Investment properties	-	-	308,000	557,000
Property, plant and equipment	-	-	47,000	44,000
Revaluation surplus	-	-	8,579,000	8,387,000
Unabsorbed capital allowances	(282,000)	(158,000)	-	-
Unused tax losses	(2,377,000)	(2,931,000)	-	-
Provision for retirement benefits	(43,000)	(41,000)	-	-
Before offsetting	(2,702,000)	(3,130,000)	14,760,000	14,310,000
Offset	2,702,000	3,130,000	(2,702,000)	(3,130,000)
After offsetting	-	-	12,058,000	11,180,000
COMPANY				
Biological assets	-	-	5,826,000	5,322,000
Investment properties	-	-	308,000	557,000
Property, plant and equipment	-	-	47,000	44,000
Revaluation surplus	-	-	8,579,000	8,387,000
Unabsorbed capital allowances	(282,000)	(158,000)	-	-
Unused tax losses	(2,377,000)	(2,931,000)	-	-
Provision for retirement benefits	(43,000)	(41,000)	-	-
Before offsetting	(2,702,000)	(3,130,000)	14,760,000	14,310,000
Offset	2,702,000	3,130,000	(2,702,000)	(3,130,000)
After offsetting	-	-	12,058,000	11,180,000

18. DEFERRED TAX – (CONTINUED)

18.3 Unrecognised deferred tax assets

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

	GROUP	
	2017	2016
	RM	RM
Unutilised tax losses carry-forward	8,033,000	8,033,000

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	
	2017	2016
	RM	RM
Developed properties	9,130	16,434
Stores and spares	287,781	95,606
	296,911	112,040

20. PROPERTIES UNDER DEVELOPMENT

COST	GROUP/COMPANY	
	2017	2016
	RM	RM
At 1 January / 31 December	29,075	29,075

21. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2017	2016	2017	2016
	RM	RM	RM	RM
Trade receivables	873,606	772,628	871,125	770,147
Less:				
Provision for impairment loss	-	(20,130)	-	(20,130)
	873,606	752,498	871,125	750,017
Other receivables				
Other debtors	785,887	774,340	782,386	770,837
Deposits	215,983	192,483	192,983	190,483
Prepayments	59,356	48,136	59,356	48,136
	1,061,226	1,014,959	1,035,725	1,009,456
Total trade and other receivables	1,934,832	1,767,457	1,906,850	1,759,473

21. TRADE AND OTHER RECEIVABLES – (CONTINUED)

21.1 Trade receivables

Trade receivables of the Group and of the Company are non-interest bearing and are generally on 30 days (2016: 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.

Ageing analysis of trade receivables

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

	GROUP		COMPANY	
	2017	2016	2017	2016
	RM	RM	RM	RM
Neither past due nor impaired	871,125	739,058	871,125	736,577
More than 120 days past due not impaired	2,481	13,440	-	13,440
Impaired	-	20,130	-	20,130
	873,606	772,628	871,125	770,147

<u>Receivables that are neither past due nor impaired</u>

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.

21. TRADE AND OTHER RECEIVABLES – (CONTINUED)

21.1 Trade receivables - (Continued)

Receivables that are past due but not impaired

The Group have trade receivables amounting to RM2,481 (2016: 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	
	2017	2016
	RM	RM
Trade receivables – nominal amounts	-	33,570
Less : Provision for impairment loss	-	(20,130)
	-	13,440

Movement of the provision for impairment:-

	GROUP/COMPANY	
	2017	2016
	RM	RM
At 1 January	20,130	20,130
Bad debts written off	(20,130)	-
At 31 December	-	20,130

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. TRADE AND OTHER RECEIVABLES – (CONTINUED)

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	
	2017	2016
	RM	RM
Financial assets at fair value through profit or loss – unquoted unit trusts in Malaysia	93,777,412	102,405,423

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

23. DEPOSITS, CASH AND BANK BALANCES

	GROUP		COMPANY	
	2017	2016	2017	2016
	RM	RM	RM	RM
Deposits with licensed banks	8,635,510	616,595	8,578,280	561,027
Cash at banks and on hand	2,779,421	2,801,309	2,723,860	2,745,686
Housing development account	711,159	697,485	-	-
Cash and cash equivalents	12,126,090	4,115,389	11,302,140	3,306,713

Cash and bank balances of the Group included amounts totalling RM711,159 (2016:RM697,485) held pursuant to Section 7A of the Housing Developers (Control and Licensing) Act 1966. Those amounts were restricted from use in other operation.

23. DEPOSITS, CASH AND BANK BALANCES – (CONTINUED)

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

	GROUP		COMPANY	
	2017	2016	2017	2016
	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	
	2017	2016
	RM	RM
Authorised:		
300,000,000 ordinary shares	-	150,000,000
Issued and fully paid:		
179,328,982 ordinary shares with no par value	89,664,491	89,664,491
(2016 : RM0.50 each shares)		

The new Companies Act 2016 which came into operation on 31 January 2017 abolished the concept of authorised share capital and par value of share capital.

Pursuant to subsection 618(3) and 618(4) of the Companies Act 2016, the Company proposes that the bonus issue to be utilised against the credit amount transferred from the share premium accounts of the Company at an amount of RM0.50 bonus share. The details of the proposed bonus issue are disclosed in Note 36.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share and rank equally with regard to the Company's residual assets.

25. BORROWINGS

	MATURITY	GROUP/COMPANY 2017 RM	GROUP/COMPANY 2016 RM
Long term borrowings			
Unsecured :-			
Finance lease liabilities (Note 25.1)	2019	63,525	98,356
Short term borrowings			
Unsecured :-			
Finance lease liabilities (Note 25.1)	2018	40,011	45,192
Short term borrowings (Note 25.2)	On demand	-	-
		40,011	45,192
Total borrowings		103,536	143,548

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

	GROUP/COMPANY 2017 RM	GROUP/COMPANY 2016 RM
On demand or within 1 financial year	40,011	40,012
More than 1 financial year and less than 2 financial years	40,011	40,012
More than 2 financial years and less than 5 financial years	23,514	63,524
	103,536	143,548

25.1 Finance lease liabilities

	GROUP/COMPANY 2017 RM	GROUP/COMPANY 2016 RM
Future minimum lease payments :-		
Not later than one year	45,192	45,192
Later than 1 year and not later than 2 years	45,192	45,192
Later than 1 year and not later than 5 years	26,483	71,676
	116,867	162,060
Less : Financing charges	(13,331)	(18,512)
Present value of minimum lease payments	103,536	143,548

25. BORROWINGS – (CONTINUED)

25.1 Finance lease liabilities - (Continued)

	GROUP/COMPANY	
	2017	2016
	RM	RM
Present value of minimum lease payments :-		
Not later than 1 year	40,011	40,012
Later than 1 year and not later than 2 years	40,011	40,012
Later than 1 year and not later than 5 years	23,514	63,524
	103,536	143,548

The finance lease liabilities of the Group and of the Company carried interest rate at the end of the reporting period was 2.51% (2016: 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 was not utilised at the financial year end.

26. PROVISION FOR RETIREMENT BENEFITS

	GROUP/COMPANY	
	2017	2016
	RM	RM
At 1 January	169,640	284,187
Charge for the financial year	10,713	-
Reversal	-	(114,547)
At 31 December	180,353	169,640

27. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2017	2016	2017	2016
	RM	RM	RM	RM
Trade payables	407,881	160,260	407,881	160,260
Other payables:				
Other creditors	928,908	850,985	728,111	648,388
RPGT payable	-	35,719	-	35,719
Directors' fee and staff cost payable	521,585	493,202	521,585	493,202
Accruals	86,095	85,804	68,620	72,164
	1,536,588	1,465,710	1,318,316	1,249,473
Total trade and other payables	1,944,469	1,625,970	1,726,197	1,409,733

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 (2016: 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			
	2017		2016	
	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 2016				
– tax exempt	4.00	7,173,159	-	-
Final single tier dividend for the financial year ended 31 December 2015				
– tax exempt	-	-	4.00	7,173,159

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 2017, subject to shareholders' approval.

29. FINANCIAL INSTRUMENTS

		GROUP		COMPANY	
		2017	2016	2017	2016
	Notes	RM	RM	RM	RM
Financial assets					
Trade receivables	21	873,606	752,498	871,125	750,017
Other receivables	21	1,061,226	1,014,959	1,035,725	1,009,456
Short term investment	22	93,777,412	102,405,423	93,777,412	102,405,423
Cash and cash equivalents	23	12,126,090	4,115,389	11,302,140	3,306,713
Less: Prepayment	21	(59,356)	(48,136)	(59,356)	(48,136)
Total loans and receivables		107,778,978	108,240,133	106,927,046	107,423,473
Financial liabilities					
Trade payables	27	407,881	160,260	407,881	160,260
Other payables	27	1,536,588	1,465,710	1,318,316	1,249,473
Amount due to a subsidiary	15	-	-	3,501	3,501
Borrowings	25	103,536	143,548	103,536	143,548
Total financial liabilities at amortised cost		2,048,005	1,769,518	1,833,234	1,556,782

30. 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	
	2017	2016	2017	2016
	RM	RM	RM	RM
Segment total	326,530,036	327,199,161	2,124,822	1,795,610
Tax assets/liabilities	400,138	362,749	11,917,000	11,180,000
Borrowings	-	-	103,536	143,548
	326,930,174	327,561,910	14,145,358	13,119,158

30. SEGMENT REPORTING – (CONTINUED)

	PROPERTY DEVELOPMENT		PLANTATION		OTHERS		TOTAL	
	2017	2016	2017	2016	2017	2016	2017	2016
	RM	RM	RM	RM	RM	RM	RM	RM
Segment revenue								
Revenue from external customers	371,750	-	15,136,952	11,370,654	-	-	15,508,712	11,370,654
Segment results								
Results from operating activities	(57,843)	(13,171)	7,321,365	3,715,785	(1,043,543)	1,040,008	6,219,979	4,742,622
Share of results of associates	-	-	-	-	-	-	-	-
(Loss)/Profit before interest and tax	(57,843)	(13,171)	7,321,365	3,715,785	(1,043,543)	1,040,008	6,219,979	4,742,622
Included in results from operating activities are :-								
Depreciation and amortisation								
- property, plant and equipment	-	-	(143,117)	(150,782)	(1,742,840)	(1,642,811)	(1,885,957)	(1,793,593)
- biological assets	-	-	(1,028,669)	(927,931)	-	-	(1,028,669)	(927,931)
Gain on disposal of property, plant and equipment	-	-	-	-	349,558	6,000	349,558	6,000
Fair value gain on short term investments	-	-	-	-	4,507,902	6,137,876	4,507,902	6,137,876
Fair value gain on investment properties	-	-	-	-	-	1,145,000	-	1,145,000
Other non-cash items	-	-	-	-	-	-	-	-

30. SEGMENT REPORTING – (CONTINUED)

	PROPERTY DEVELOPMENT		PLANTATION		OTHERS		TOTAL	
	2017	2016	2017	2016	2017	2016	2017	2016
	RM	RM	RM	RM	RM	RM	RM	RM
Segment assets								
Operating assets	4,954,778	4,989,747	29,665,599	26,573,207	291,909,659	295,636,207	326,530,036	327,199,161
Associates	-	-	-	-	-	-	-	-
	4,954,778	4,989,747	29,665,599	26,573,207	291,909,659	295,636,207	326,530,036	327,199,161
Segment liabilities								
Liabilities	16,000	13,640	1,276,796	1,230,664	832,026	551,306	2,124,822	1,795,610

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

	PROPERTY DEVELOPMENT		PLANTATION		OTHERS		TOTAL	
	2017	2016	2017	2016	2017	2016	2017	2016
	RM	RM	RM	RM	RM	RM	RM	RM
Capital expenditure								
Property, plant and equipment	-	-	174,311	131,345	11,658	109,945	185,969	241,290
Biological assets incurred	-	-	3,485,279	2,771,726	-	-	3,485,279	2,771,726
Land and deferred development expenditure	64,748	124,943	-	-	-	-	64,748	124,943
	64,748	124,943	3,659,590	2,903,071	11,658	109,945	3,735,996	3,137,959

Major customers

There is one (2016: one) major customer with revenue more than 10 per cent of the Group's total revenue derived from the plantation business segment .

31. RELATED PARTIES

The Company has 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. Key management personnel compensation are disclosed in Note 8 to the Financial Statements.

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	
	2017	2016
	RM	RM
Significant balances in respect of non-trade transactions	-	-
Amount due to a subsidiary	(3,501)	(3,501)

32. 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	
	2017	2016
	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	-	-
	24,634	24,634

33. CONTINGENT LIABILITIES (UNSECURED)

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

34. 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.

35. 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.

35.1 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.

35.2 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.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - (CONTINUED)

35.2 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			
	2017		2016	
	RM	% of Total	RM	% of Total
Plantation	601,125	80	736,577	99
Property development	272,481	20	2,481	1
	873,606	100	739,058	100

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.

35.3 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.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - (CONTINUED)

35.3 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.

	2017			
	On demand or within one year	One year to two years	Two years to five years	Total
	RM	RM	RM	RM
GROUP				
Financial liabilities :-				
Trade and other payables	1,944,469	-	-	1,944,469
Borrowings	45,192	45,192	26,483	116,867
Total undiscounted financial liabilities	1,989,661	45,192	26,483	2,061,336
COMPANY				
Financial liabilities :-				
Trade and other payables	1,726,197	-	-	1,726,197
Amount due to a subsidiary	3,501	-	-	3,501
Borrowings	45,192	45,192	26,483	116,867
Total undiscounted financial liabilities	1,774,890	45,192	26,483	1,846,565

	2016			
	On demand or within one year	One year to two years	Two years to five years	Total
	RM	RM	RM	RM
GROUP				
Financial liabilities :-				
Trade and other payables	1,625,970	-	-	1,625,970
Borrowings	45,192	45,192	71,676	162,060
Total undiscounted financial liabilities	1,671,162	45,192	71,676	1,788,030
COMPANY				
Financial liabilities :-				
Trade and other payables	1,409,733	-	-	1,409,733
Amount due to a subsidiary	3,501	-	-	3,501
Borrowings	45,192	45,192	71,676	162,060
Total undiscounted financial liabilities	1,458,426	45,192	71,676	1,575,294

36. 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 :-

	2017		2016	
	GROUP %	COMPANY %	GROUP %	COMPANY %
Return on equity	1.74	1.78	1.46	1.44

The Group and the Company are not subject to externally imposed capital requirements for the financial years ended 31 December 2017 and 31 December 2016.

37. SUBSEQUENT EVENTS AFTER THE FINANCIAL YEAR ENDED

On 21 February 2018, the Company announced the following proposed a bonus issue of up to RM0.50 new bonus shares to be capitalised as fully paid-up on the basis of one(1) new bonus share for every two(2) existing ordinary shares of the Company held on the entitlement date that will be determined later.

The completion of the above proposals are subject to the approval of the shareholders at the forthcoming Extraordinary General Meeting.

38. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 29 March 2018.

Class of Shares	Ordinary Shares
Issued Share Capital	RM89,644,491 comprising 179,328,982 ordinary shares
Voting Rights	One vote per ordinary share

ANALYSIS OF SHAREHOLDINGS

Size of holdings	No of Shareholders	%	No of shares	%
Less than 100	56	1.48%	1,250	0.00%
100-1,000	1,257	33.31%	1,179,849	0.66%
1,001-10,000	2,121	56.20%	8,878,857	4.95%
10,001-100,000	298	7.90%	7,842,197	4.37%
100,001 – less than 5%	36	0.95%	60,957,463	33.99%
5% & above	6	0.15%	100,469,366	56.03%
	3,774	100.00%	179,328,982	100.00%

SUBSTANTIAL SHAREHOLDERS

	Name of Shareholders	Holdings		Percentage
		Direct	Indirect	%
1	Dato' Mohd Salleh Bin Hashim	37,300,000	21,800,000[1]	32.96%
2	Fortuna Gembira Enterpris Sdn Bhd	34,662,000		19.33%
3	Dato' Mohamad Tahiruddin Bin Mohd Tahir	10,364,366		5.78%

Notes:

[1] 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	16,550,000	9.23
4.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD EXEMPT AN FOR BANK OF SINGAPORE LIMITED	13,893,000	7.75
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	4,547,863	2.54
13.	TRUE PARAGON SDN BHD	4,250,100	2.37
14.	CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS)	2,094,000	1.17
15.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR MOHD SALLEH BIN HASHIM (SMART)	2,000,000	1.12

THIRTY LARGEST REGISTERED SHAREHOLDERS - (Continued)

	Name of Shareholders	Holdings	Percentage (%)
16	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIAU BENG TEIK	1,222,200	0.68
17	MANOHAR HASAN BIN AMEER ALI	1,000,000	0.56
18	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD SALLEH BIN HASHIM (7001405)	700,000	0.39
19	YTL POWER INTERNATIONAL BERHAD	500,000	0.28
20	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AB GHAUS BIN ISMAIL (551010)	379,900	0.21
21	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG KAH HUAT (M03)	356,100	0.20
22	SAPIAH @ SAFIAH BINTI HUSSIN	300,000	0.17
23	JF APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG KAH HUAT (STA 1)	282,000	0.16
24	TENG YEW HUAT	266,700	0.15
25	PHANG AH KOW	260,000	0.14
26	YEO KHEE HUAT	256,400	0.14
27	CHIN KIAN FONG	226,000	0.13
28	PRETAM SINGH A/L CHANAN SINGH	206,000	0.11
29	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIN KIAM HSUNG	194,100	0.11
30	AFFIN HWANG NOMINEES (ASING) SDN. BHD. PHILLIP SECURITIES PTE LTD FOR SIEW WHYE YEN GERALDINE	180,000	0.10

Location	Description	Status/ Tenure	Areas (Ha)	Net Carrying Value	Date of Acquisition
Kota Bahroe Division					
in the Mukim of Teja	Oil Palm Estate	Freehold	254.47	28,898,346	1985
in the Mukim of Teja	Oil Palm Estate	Leasehold	41.59	4,024,173	1997
		15/7/2057	296.06		
Gopeng Division					
in the Mukim of Sg Terap	Oil Palm Estate	Freehold	92.48	10,395,256	1985
in the Mukim of Sg Raia	Oil Palm Estate	Freehold	85.02	9,578,715	1985
in the Mukim of Teja	Oil Palm Estate	Freehold	3.38	351,695	1985
			180.88		
Sanglop Division					
in the Mukim of Teja & village of Kota Bahroe	Oil Palm Estate	Freehold	431.46	48,475,988	1985
Kampar, Perak Lot 9023, 1393, 9249, 10030 16142, 19068, 19943, 25986 16944 and 20648	Agricultural Land	Freehold	7.98	1,080,000	1985
GB New Township Land in the Mukim of Sg Raia	Commercial	Leasehold 6/9/2098	1.00	960,000	1999
GB New Township Land in the Mukim of Teja	Agriculture (ex-residential)	Leasehold 1/2/2106	29.39	2,529,586	1999
in Gopeng Town	Residential	Leasehold 1/2/2106	22.12	6,000,000	1999
in the Mukim of Teja	Agriculture	Leasehold 1/2/2106	33.31	3,836,404	1999

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	82.30	8,004,647	2007
Teja, Perak	Agriculture	Leasehold 29/6/2068	575.21	55,852,060	2007
Sg Terap, Perak	Agriculture	Leasehold 29/6/2068	44.32	4,310,850	2007
Teja, Perak	Agriculture	Leasehold 23/6/2070	18.93	1,609,479	2010
		TOTAL	**1,727.02**	**185,907,199**	
Taman Seri Raia	2 double storey shophouse	Leasehold 25/5/2096	381 sqm	342,167	1997
Properties pending registration titles					
Catchment area in Mukim Kampar	Commercial	Leasehold	137.86 ha	101,076	1996
Bandar Baru Pulai	1 double storey shop house	Leasehold 25/5/2093	171 sqm		1995

GOPENG BERHAD
(109465-X)

PROXY FORM

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, 26 May 2018 at Room No. 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
	Ordinary Business		
1	Adoption of Report and Financial Statements		
2	Approval of proposed final dividend		
3	Re-election of Manohar Hasan bin Ameer Ali		
4	Re-election of Chong Chang Choong		
5	Payment of Directors' fees and other remuneration		
6	Re-appointment of Auditors : HLB Ler Lum		
	Special Business		
7	Retention of Haji Abdullah bin Yusof		
8	Retention of Dato' Robert Lim Git Hooi		
9	Retention of Dato' Shaharuddin bin Haron		
10	Authorise Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		

(Please indicate with an "X" in the space provided 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).

Dated this .... day of 2018

....

Signature of Member / Common Seal

No of shares held	
CDS Account No	
Contact No	

Notes :

1. A member (other than an exempt authorized nominee) is entitled to appoint only one proxy to vote in his stead. A proxy need not be a member of the Company 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.

2. Where a member is an exempt authorized nominee as defined under the Securities Industry (Central Depositories) Act, 199, which holds shares in the Company for a multiple beneficial owners in one securities account (omnibus account0 there is on limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.

3. Only depositors whose names appear in the Record of Depositors as at 18 May 2018 shall be regarded as members and be entitled to attend, speak and vote or appoint a proxy to attend, speak and vote on his/her behalf at the 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.

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.

AFFIX
60 SEN
STAMP

The Secretary
Gopeng Berhad
(109465-X)

6A, Jalan Sultan Iskandar
30000 Ipoh, Perak Darul Ridzuan
Malaysia.

GOPENG BERHAD

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