



GOPENG BERHAD



**ANNUAL
REPORT**

2021

www.gopeng.com.my

GOPENG BERHAD 2021 ANNUAL REPORT

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Gopeng Berhad AT A GLANCE



1



2



3



4



5



6



7

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
Gopeng Consolidated palong No. 2

7

1990
Prime Minister Dr Mahathir visited Gopeng Berhad



Directorate and Administration

BOARD OF DIRECTORS

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

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

Tan Sri Dato' (Dr) Chew Chee Kin
DPMT
Member

Dato' Robert Lim Git Hooi
DPMP, JP, C.A. (M), CPA(M)
Member
(Retired 30 April 2021)

Manohar Hasan Bin Ameer Ali
Member

Chong Chang Choong
Member

Ab Ghaus Bin Ismail
Member

Dr Mohd Nordin Bin Mohd Zain
Member
(Appointed 11 February 2021)

SECRETARY

Liew Thong Sin (MIA 1310)
SSM PC No. 201908001545

REGISTERED OFFICE

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

REGISTRARS

One Capital Market Services Sdn Bhd
Level 18, Plaza VADS
No. 1, Jalan Tun Mohd Fuad
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel No : 03-7735 5770
Fax No : 03-7732 7997

CORPORATE OFFICE

A-17-15, Level 17
Menara UOA Bangsar
No. 5, Jalan Bangsar Utama 1
59000 Kuala Lumpur
Tel No : 03-2287 7577
Fax No : 03-2287 7578
Website : www.gopeng.com.my

PRINCIPAL BANKERS

Malayan Banking Berhad
Standard Chartered Bank (Malaysia) Berhad
Public Islamic Bank Berhad

AUDITORS

HLB Ler Lum Chew PLT
Chartered Accountants
B-7-7, 7th Floor, Megan Avenue II
No. 12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel No : 03-2161 2113
Fax No : 03-2161 2119
Website : www.hlblerlumchew.com

SOLICITORS

Wan & Wan
No. 29A, Lorong Taman Ipoh 1
Ipoh Garden South
31400 Ipoh
Perak Darul Ridzuan
Tel No : 05-548 9954
Fax No : 05-548 9957

STOCK EXCHANGE LISTING

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

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Thirty Eighth Annual General Meeting of the Company will be conducted on a fully virtual basis through online meeting platform via <http://www.onecapital.com.my> provided by One Capital Market Services Sdn Bhd on Tuesday 21 June 2022 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 2021 together with the reports of the Directors and Auditors, be and are hereby received and adopted."
2. "That the final single tier dividend of 1.5 sen per ordinary share in respect of the year ended 31 December 2021 as recommended by the Directors, be and is hereby approved."
3. "That Dato' Mohd Salleh Bin Hashim, who retires in accordance with Rule 77 of the Company's Constitution, be and is hereby re-elected a Director of the Company."
4. "That Tan Sri Dato' (Dr) Chew Chee Kin, who retires in accordance with Rule 77 of the Company's Constitution, be and is hereby re-elected a Director of the Company."
5. "That Encik Manohar Hasan Bin Ameer Ali, who retires in accordance with Rule 77 of the Company's Constitution, be and is hereby re-elected a Director of the Company."
6. "That pursuant to Section 230 of the Companies Act, 2016 and Rule 84 and Rule 87 of the Company's Constitution, 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 2021 by way of remuneration for their services, be and is hereby determined at a sum of RM40,000 to each of the Directors and RM50,000 to the Executive Chairman.
 - b) Directors' fees of RM42,000 per annum to the Independent Non-Executive Chairman of the Audit Committee and RM36,000 per annum to each of the remaining two Independent Non-Executive Directors of the Audit Committee."
 - c) Attendance fees of RM500 to each and every Director for attending every Board meeting, Company's General meeting and every Committee Meeting."
7. "That HLB Ler Lum Chew PLT, 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 an Ordinary Resolutions:

8. "That subject to the passing of Ordinary Resolution 5, Encik Manohar Hasan Bin Ameer Ali, who has served an Independent Non-Executive Director of the Company for a cumulative term of more than nine 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 subject always to the Companies Act 2016, the Company's Constitution 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 amount 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 38th Annual General Meeting to be held on 21 June 2022, the final single tier dividend of 1.5 sen per ordinary share in respect of the year ended 31 December 2021, will be paid on 12 August 2022 to shareholders whose names appear in the Record of Depositors on 13 July 2022.

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 13 July 2022 in respect of the shares exempted from mandatory deposit;
- b) Shares transferred to the Depositor's Securities Account on or before 4.30 p.m. on 13 July 2022 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 (SSM PC No. 201908001545)
Ipoh, Perak Darul Ridzuan
Date : 18 May 2022

Notes:

A) Mode of Meeting

1. The Meeting will be conducted on a fully virtual basis. This is in line with the Guidance Note and FAQs on the conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia ("SC") on 18 April 2020 (Revised 16 July 2021) to allow the General Meetings to be conducted virtually. No members/proxies/corporate representatives shall be physically present on the day of the Annual General Meeting ("AGM").
2. Members, proxies and corporate representatives who wish to participate and vote remotely at the Annual General Meeting will have to register at <http://www.onecapital.com.my/> or send an email to info@onecapital.com.my. The closing time and date of submitting your request is 12.00 noon, on Sunday, 19 June 2022 (48 hours before the AGM). Members are advised to read the Administrative Guide carefully and follow the procedures in the Administrative Guide for this Annual General Meeting in order to participate remotely.

The Administrative Guide on the conduct of a fully virtual Annual General Meeting of the Company is available at the Company's website at www.gopeng.com.my.

B) Appointment of proxy

1. Depositors whose names appear in the Record of Depositors as at 15 June 2022 shall be regarded as members of the Company entitled to attend the Annual General Meeting or appoint proxies to attend and vote on their behalf.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he or she specifies the proportion of his or her shareholdings to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no restriction on the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. In the case of corporate member, the instrument appointing a proxy must be executed under its common seal or under the hand of its attorney.
5. The instrument appointing a proxy must be deposited at the office of the Share Registrar of the Company, One Capital Market Services Sdn Bhd at Level 18, Plaza VADS, No. 1, Jalan Tun Mohd Fuad, Taman Tun Dr Ismail, 60000 Kuala Lumpur or email to info@onecapital.com.my not less than 48 hours before the time appointed for the meeting or any adjournment thereof.

C) Poll Voting

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.

D) Profile of Directors

The profile of the Directors (together with their attendance in Board Meetings) standing for re-election/ re-appointment as Directors of the Company under items 3 to 5 are shown on page 9 to page 11 of the Company's 2021 Annual Report.

Statement Accompanying Notice of Meeting

ORDINARY BUSINESS

A) Re-election of Directors (Ordinary Resolutions item 3,4 &5)

Dato' Mohd Salleh Bin Hashim, Tan Sri Dato' (Dr) Chew Chee Kin and Encik Manohar Hasan Bin Ameer Ali are standing for re-election as Directors of the Company. The Nomination Committee and the Board of Directors have considered the assessment of the three 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 (Ordinary Resolution item 6)

Pursuant to Section 230(1) of the Companies Act 2016, and Rule 84 and Rule 87 of the Company's Constitution, 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 2021, 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, Committee and General Meetings.

C) Re-appointment of Auditors (Ordinary Resolution item 7)

The Audit Committee and the Board have considered the re-appointment of HLB Ler Lum Chew PLT as Auditors of the Company and collectively agree the HLB Ler Lum Chew PLT meet 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 Business

D) Retention of Director as Independent Non-Executive Director of the Company in accordance with Practice 4.2 of the Malaysian Code on Corporate governance (Ordinary Resolution item 8)

The ordinary resolution proposed in item 8, if passed by shareholders through a two tier voting process will enable Encik Manohar Hasan Bin Ameer Ali to continue as Independent Non-Executive Director notwithstanding that he had served the Board as Independent Non-Executive Director for a cumulative term of more than nine years. The Board strongly believes that a director's independence cannot be determined arbitrarily with reference only to the tenure of service. To qualify as independent, a director must be independent in character and judgement, 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 judgement. Following an assessment, the Board concluded that Encik Manohar Hasan Bin Ameer Ali's length of service does not interfere with his exercise of judgement and ability to act in the best interests of shareholders. In addition, the Board believes that his knowledge of the Group's businesses and his proven commitment, experience and competence will greatly benefit the Company. Encik Manohar Hasan Bin Ameer Ali had declared his independence and his desire to continue as Independent Non-Executive Director of the Company. The Board had recommended that he continues to act as an Independent Director based on the following justifications:

- He has fulfilled the criteria under the definition of Independent Director as stated in the Listing Requirements and he will continue to function as a check and balance, providing an element of objectivity to the Board;

- He has experience in a diverse range of businesses thereby providing constructive opinion, independent judgement and acting in the best interest of the Company; and
- He has devoted sufficient time and attention to the affairs of the Company.

Ordinary resolution in item 8 will be voted 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 (Ordinary Resolution item 9)

The Ordinary Resolution proposed in item 9 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 amount of new ordinary shares to be issued does not exceed 10% of the total issued and paid up share capital of the Company.

As at the date of the Notice, no new shares in the Company have been issued pursuant to the mandate granted to the Directors at the last AGM held on 29 June 2021 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 8, 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).

Board of Directors



DATO' MOHD SALLEH BIN HASHIM

*Non-Independent Executive Director
Aged 74, Male, Malaysian*

Dato' Mohd Salleh Bin Hashim 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' Mohd Salleh attended all the 4 board meetings held during the financial year ended 31 December 2021. As at 31 December 2021, Dato' Mohd Salleh has a direct and indirect interests totalling 32.97% in Gopeng. He is not related to any director of the Company.



DATO' MOHAMAD TAHIRUDDIN BIN MOHD TAHIR

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

Dato' Mohamad Tahiruddin Bin Mohd Tahir 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 all the 4 board meetings held during the financial year ended 31 December 2021. As at 31 December 2021, Dato' Mohamad Tahiruddin has a direct interest of 5.78% in Gopeng. He is not related to any director of the Company and has no personal interest in any business arrangement involving the Gopeng group.



TAN SRI DATO' (DR) CHEW CHEE KIN

*Non-Independent Non-Executive Director
Aged 76, Male, Malaysian*

Tan Sri Dato' (Dr) Chew Chee Kin 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. Tan Sri Chew was first appointed to the Board of Gopeng on 18 May 1998. He is a director of Sunway Berhad.

He attended all the 4 board meetings held during the financial year ended 31 December 2021. Tan Sri 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.



MANOHAR HASAN BIN AMEER ALI

Independent Non-Executive Director

Aged 66, Male, Malaysian

Encik Manohar Hasan obtained a degree in Mechanical Engineering and Business Administration from the University of Aston, Birmingham, United Kingdom in 1978 and in 1979, he obtained a Post Graduate Diploma in Operational Research, from the University of Lancaster, United Kingdom. He further obtained a Masters Degree in Management Science from the University of Warwick, United Kingdom in 1980. In 2009, he obtained a Post Graduate Certificate in Accounting and Financial Management from Charles Sturt University, Australia. He joined Anderson Consulting & Co in 1980 and in 1981 he joined Amanah Merchant Bank Berhad.

Encik Manohar Hasan's 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 all the 4 board meetings held during the financial year ended 31 December 2021. As at 31 December 2021, Encik Manohar Hasan has a direct interest of 0.37% in Gopeng. He has no family relationship with any director and/or major shareholder of the Company and has no personal interest in any business arrangement involving the Gopeng group.



CHONG CHANG CHOONG

Non-Independent Non-Executive Director

Aged 64, Male, Malaysian

Mr Chong Chang Choong 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 Insurance Berhad and DMG K&K Kenanga Berhad. His last position prior to joining the Sunway Group was the General Manager - Investments of Public Mutual Berhad from 1995 to 2004. Mr Chong Chang Choong 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 Chang Choong was appointed a Director of the Company on 16 February 2015. He attended all the 4 board meetings held during the financial year ended 31 December 2021. He 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.



AB GHAUS BIN ISMAIL

Independent Non-Executive Director

Aged 68, Male, Malaysian

Encik Ab Ghaus obtained a First Class Honours degree in Chemical Engineering from the University of New South Wales, Sydney, Australia in 1975 under the Colombo Plan scholarship. In 1976 he joined Shell Malaysia Trading Sdn Bhd taking up various technical and commercial positions. In 1982 he joined MMC Bhd as the Coal Manager in the marketing division. Encik Ab Ghaus left MMC Bhd in 1985 and started his own company, GMA Resources Sdn Bhd in which he is the Executive Chairman. Encik Ab Ghaus has diversified into other businesses and investments in his private capacity.

Encik Ab Ghaus was appointed a Director of the Company on 3 December 2018 and is a member of the Audit Committee, the Remuneration Committee and the Nominating Committee. He attended all the 4 board meetings held during the financial year ended 31 December 2021. As at 31 December 2021 Encik Ab Ghaus has a direct interest of 0.312% shareholdings 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.



DR MOHD NORDIN BIN MOHD ZAIN

Independent Non-Executive Director

Aged 64, Male, Malaysian

Dr Mohd Nordin was appointed a Director on 11 February 2021 and was made a member of the Audit Committee on the same date. He became a member of the Nomination and Remuneration Committee on 30 April 2021 and was appointed Chairman of the Audit Committee on 3 May 2021.

He obtained his Doctorate degree in Strategic Management from Strathclyde University, UK in 1995. He graduated from the Western Michigan University, Michigan, USA in 1981 with a Bachelors degree in Accounting and in 1983 he obtained his Masters in Accounting from the University of Arkansas, USA.

Dr Mohd Nordin is a member of the Malaysian Institute of Accountants (MIA), a Fellow member of CPA Australia (FCPA) and a Fellow member of IPA Australia (FIPA). He also served as a council member of CPA Australia and MIA and was a founding member of MASB.

Dr Mohd Nordin is a director of Ambank Islamic Berhad, AmMetLife Takaful Berhad and UDA Holdings Berhad. He used to sit on the Board of International bodies such as Accounting & Auditing Organisation for Islamic Financial Institutions (AAOIF) in Bahrain, UAE and the Institute of Public Accountants (IPA) Australia in Melbourne and serves as an investment committee member of a subsidiary of AIA Berhad. He used to serve as a member of the Public Accountants Oversight Committee in Brunei.

Dr Mohd Nordin attended all the 4 meetings held during the year. As at the date of this report, he does not hold any shares in the Company and has no family relationship with any director nor has he any personal interest in any business arrangement involving the Gopeng Group.

ADDITIONAL INFORMATION

Other than traffic offences, none of the Directors has had any 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 corporation 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 be.



Key Management Team



FROM LEFT TO RIGHT

Encik Nordin Bin Jalani
Mohamad Shukri Bin Ishak
Nasrul Shahrin Bin Mohd Nasir
Syerleena Binti Mohd Salleh

SECRETARIAL



LIEW THONG SIN

*Company Secretary
Aged 72, Male, Malaysian*

Mr 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. Mr 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.

KEY MANAGEMENT TEAM



ENCIK NORDIN BIN JALANI

*Senior General Manager, Ipoh Office
Aged 69, Male, Malaysian*

Encik 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 positions within the Group. Currently he oversees the operations of the plantation business division and Gopeng Land & Properties Sdn Bhd. Encik Nordin holds a Diploma in Accountancy from Institut Teknologi Mara, and subsequently further his study via distance learning and obtained Master's Degree in Business Administration in 2003 from Golden State University, USA.



SYERLEENA BINTI MOHD SALLEH

*General Manager, Corporate Affairs & Human Resource
Aged 46, Female, Malaysian*

Puan Syerleena Binti 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. Puan 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 52, Male, Malaysian*

Encik 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. Encik Mohamad Shukri graduated from Universiti Teknologi Mara with a Bachelor's Degree in Accountancy (Hons.) and is a member of the Malaysian Institute of Accountants.

**NASRUL SHAHRIN BIN MOHD NASIR***General Manager, Planning & Strategy**Aged 45, Male, Malaysian*

Encik Nasrul Shahrin Bin Mohd Nasir joined the Group in 2018 and has been assigned to plan and strategise the moving forward direction of the Group, for the purpose of growth, expansion and good returns on investment. Focusing his career on Corporate Planning, Restructuring and Mergers & Acquisition, he has served companies and GLCs in various capacities and was a Director in Teraju, a government agency under Economic Planning Unit prior to joining the Group. Encik Nasrul holds a Bachelor's Degree in Accounting & Finance from Middlesex University, London.

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 Binti Mohd Salleh and Nasrul Shahrin Bin Mohd Nasir who is a daughter and son-in-law 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 Binti 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.

Management Discussion and Analysis

INTRODUCTION

This **Management's Discussion and Analysis (MD&A)** for Gopeng Berhad ("GB") group discusses GB's financial and operating performance, business indicators and outlook from the management's viewpoint. It provides readers with the necessary information with regards to GB's financial position, the changes in GB's financial position and the results of its operations. This document should be read in its entirety and is intended to complement and supplement GB's Consolidated Financial Statements for the year ended 31 December 2021.

Gopeng Berhad ("GB")'s main business is the cultivation of oil palm. Its oil palm plantation, the Kota Bahroe Group Estates, located in Gopeng, Perak, Malaysia, occupies an estimated area of 1,414 hectares, a major portion of which were ex-tin mining land which had been rehabilitated for agriculture. In addition, GB also generates income from its short term investment.

OVERVIEW

GB's financial performance for the year recorded an improvement from the year before amid COVID-19 pandemic, and the resiliency of our business, in general, was evident throughout the year. We experienced an impact from COVID-19 pandemic in 2020 prompting us to write-off certain project, and further delivered better results in the face of the economic conditions created by the pandemic. The performance of our plantation segment remained strong, partly due to high and stable crude palm oil (CPO) prices throughout 2021. Based on the strength of our existing businesses, the continued execution of our growth strategy, and the actions we took to mitigate the impact of the pandemic, we were able to deliver better result in 2021 compared to 2020. Despite the continued uncertainty created by the pandemic, we expect the nature of our business and our focus on growth will stand in good stead in 2022.

GROUP FINANCIAL HIGHLIGHTS

GB recorded an increase of 56% in revenue, from RM9.2 million in 2020 to RM14.4 million in 2021 and saw cost of sales decreased by 22% from RM13 million in 2020 to RM10 million in 2021, providing a gross profit of RM4.2 million in the financial year. The main factor for such a pleasant result was the high and stable price of CPO throughout the year, translating into good monthly prices of GB's oil palm fresh fruits bunches ("FFB").

GB's short term investments however were unable to provide any profit in 2021. The fair value of the short term investments recorded a loss of RM231,164 compared to a profit of RM3.4 million in 2020. We would delve further into the short term investment achievement history and discuss its possible shortcomings in the coming sections.

KEY FINANCIAL INDICATORS

The results of the Group in the financial year ended 31 December 2021 compared to prior year can be best illustrated in the key financial indicators tabulated below:-

		2021	2020	Change
Revenue	RM'000	14,391	9,219	56%
Cost of sales	RM'000	(10,205)	(13,018)	22%
Other income	RM'000	542	3,615	(85%)
(Loss) Before Taxation	RM'000	(2,743)	(8,714)	69%
(Loss) for the financial year	RM'000	(2,310)	(6,591)	65%
(Loss) attributable to shareholders	RM'000	(2,310)	(6,591)	65%
(Loss) per share	Sen	(0.57)	(1.63)	(1.06 sen)
Return on equity	%	NA	NA	-
Total returns to shareholders: - Dividend	Sen	1.5	2.0	(0.5)
Net cash flow from / (used in) operation	RM'000	1,549	(4,280)	5,829
Net gearing	Times	NA	0.00005	NA

The key financial indicators above showed quite a mixed result especially on the GB's two main income contributors which are the oil palm plantation and the short term investment.

- **Revenue** for the year was RM14.4 million, an increase of 56% from RM9.2 million in the previous year. This was mainly contributed by better CPO prices in the oil palm plantation.
- **Other income** for the year recorded only RM0.5 million, a decrease by 85% from RM3.6 million in the previous year. This was the main reason for GB's loss in 2021, when the short term investment couldn't provide as much income as it has previously due to loss on the fair value as at 31 December 2021.

Further elaboration on these two main contributors would be presented in sections below.



Five-Year Group Financial Highlights

A five year performance comparison is also illustrated below which may be useful for predicting future performance.

		2021	2020	2019	2018	2017
FINANCIAL PERFORMANCE						
Revenue	RM'000	14,391	9,219	6,891	10,555	15,509
(Loss)/Profit before taxation	RM'000	(2,743)	(8,714)	2,704	5,093	6,234
(Loss)/Profit for the financial year	RM'000	(2,310)	(6,591)	3,240	2,165	5,567
(Loss)/Profit attributable to shareholders	RM'000	(2,310)	(6,591)	3,240	2,165	5,567
(Loss)/Earnings per share	Sen	(0.57)	(2.45)	1.20	0.80	3.10
Return on equity	%	NA	NA	1.12	0.73	1.78
DIVIDENDS						
Dividend payment	RM '000	5,380	6,725	6,725	6,725	7,173
GEARINGS						
Borrowings	RM'000	-	13	34	63	104
Finance costs	RM'000	49	36	45	47	27
Gearing	times	NA	0.00005	0.0001	0.0002	0.0003
Interest cover	times	NA	NA	60.82	110.22	231.89
OTHER FINANCIAL STATISTICS						
Net assets per share	Sen	0.69	1.06	1.08	1.09	1.74
Paid-up share capital	RM'000	134,497	134,497	134,497	134,497	89,665
Number of shares in issue	'000	403,490	268,993	268,993	268,993	179,330
Total equity attributable to Shareholders	RM'000	277,580	285,236	289,290	292,775	312,644
Total assets	RM'000	307,318	317,449	320,953	324,772	326,930
Total liabilities	RM'000	29,737	32,213	31,663	31,997	14,286

Despite all the setbacks in the short term investment, the Group's balance sheet remained strong with high valued assets, low liabilities and low gearing as can be seen from the above table.

RETURNS TO SHAREHOLDERS

The Company has been paying steady dividends to its shareholders every financial year since 2007. The Company does not have a dividend policy at present. The amount of dividends declared each year will take into consideration the Group's profit growth, cash position, cash flow generated from operations, projected capital requirements for business growth and other factors which the Board may deem appropriate.

On 30 July 2021, the company implemented a bonus issue of 134,496,686 new ordinary shares on the basis of 1 Bonus Share for every 2 existing ordinary shares. The implementation of the bonus issue was undertaken without any capitalisation from the reserves of the company and was issued as fully paid.

A final single-tier dividend of 1.5 sen per share was proposed in respect of the results for the financial year ended 31 December 2021, on the 403,490,138 of shares in issue. This final single-tier dividend is subject to shareholders' approval at the 38th Annual General Meeting scheduled to be held on 21 June 2022. Payment of this single tier dividend will cost the Company RM6,052,352.

The dividend that is being proposed this year show that the Board has high confidence with the Group even though the performance of the Group's short term investment, while there are uncertainties in the global economy following the COVID 19 pandemic, and the need to conserve funds to finance the business to strengthen the earning base of the Group.

The Group had managed its capital efficiently as can be seen from its healthy cash, bank balance and short-term investments of RM74,721,666 at the end of 2021.

PALM OIL PLANTATIONS

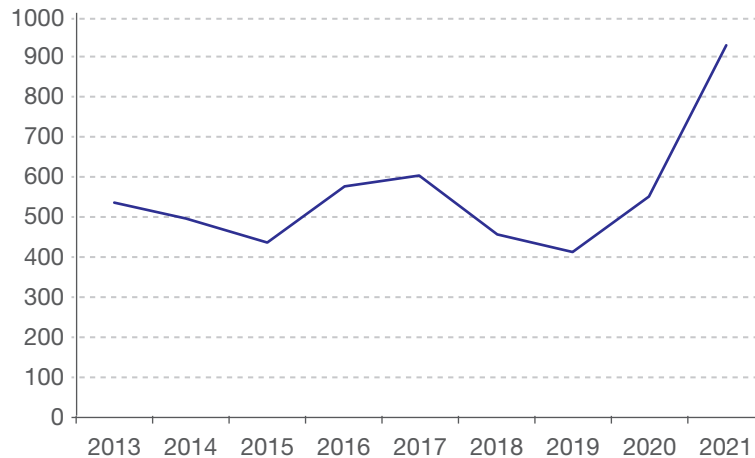
The cultivation of oil palm is the core business of the Group and contributed 100% of the Group's revenue in 2021. Its Kota Bahroe Group Estates covers a planted land area of 1,414 hectares comprising 1,300 hectares of mature trees and 114 hectares of immature trees.

A five year statistics of our achievement in palm oil industry is tabulated below which clearly highlights the changes and movements in production, prices and yields.

Five-Year Statistics of Kota Bahroe Group Estates

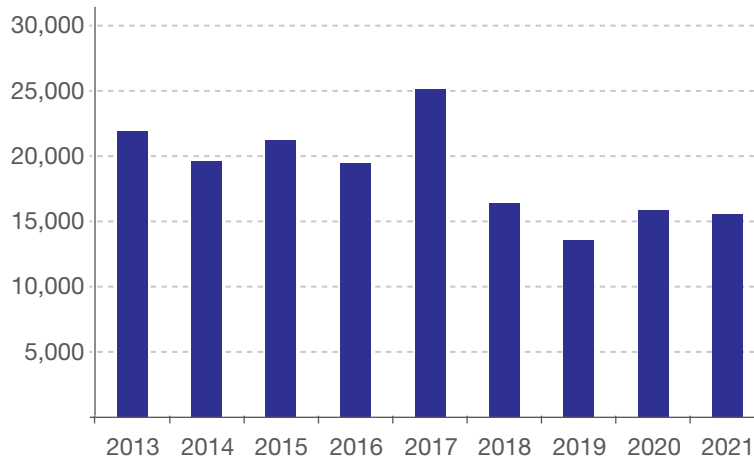
		2021	2020	2019	2018	2017
PRODUCTION						
Tonnage produced	MT	15,540	15,817	13,505	16,345	25,138
Average Price per MT	RM	926.07	552.39	409.89	456.14	602.17
Proceeds – FFB sales	RM '000	14,391	8,737	5,536	7,455	15,137
YIELD						
Mature hectarage	HA	1,300	1,144	1,144	1,203	1,155
Immature hectarage	HA	114	231	231	231	279
Total hectarage	HA	1,414	1,375	1,375	1,434	1,434
YIELD PER HECTARE	MT	11.95	13.83	11.81	13.59	21.76

Further to the statistics above, the graph below shows the trend of average prices in RM of oil palm FFB per metric tonne (MT) from the year 2013 to 2021.



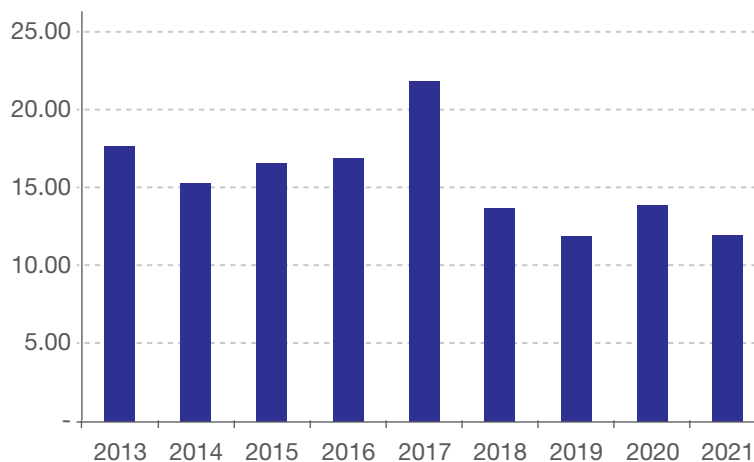
The average price of FFB per MT in 2021 was RM926.07, the highest in the last decades. The prices had risen due to a lot of factors and among them was the lingering sentiment of tight supply, macro-economic factors as well as an increase in related edible oils and CPO. Most analysts are expecting that these prices would ease after the first quarter of this year with the anticipation of production improving amid the reopening of international borders and business normalcy once endemic is achieved globally.

The graph below shows the achievement of the production of oil palm FFBs in MT from the year 2013 to 2021.



Quite clearly, this could be the benchmark on the achievement of the plantation operation but it is important to note that Malaysia, due to the pandemic, lost around one MT of palm oil production last year due to the labour shortages.

The graph below corresponds to the earlier graph, which shows the achievement of yield per hectare in MT from the year 2013 to 2021.



The production and yield in 2021 would have been better if not for GB’s operational strategy of sustaining the cash flow by reducing the application of fertilisers in 2019 and 2020 due to tremendously low FFB prices at that time.

SHORT TERM INVESTMENTS

In addition to the core activity, the Group generates income from its short term investments. To minimise risk, the Investment Committee decided for fund placements in non-equity and tax-exempt funds. The year-end fair value of the short-term investments and the yearly income generated for the past five years is tabulated below :-

Five-Year Group Short Term Investments

		2021	2020	2019	2018	2017
Open-ended fund	RM	66,087,599	72,535,452	64,400,139	67,095,447	57,721,089
Close-ended fund	RM	-	10,434,537	20,642,789	29,139,660	41,056,323
Total Investment	RM	66,087,599	82,969,989	85,042,928	96,235,104	93,777,412
Income distribution	RM	2,587,950	2,997,447	4,089,287	3,682,349	3,160,622
Fair value gain/ (loss)	RM	(2,819,114)	391,897	4,338,167	(1,661,223)	1,347,280
Net fair value	RM	(231,164)	3,389,344	8,427,454	2,021,126	4,507,902
Average rate of return	%	(0.35%)	4.09%	9.91%	2.10%	4.81%

Most of GB's short term investments were made in bond and 2021 turned out to be a very tumultuous period for the world bond market. For the first time in its history of investing in such investments, GB experienced a fair value loss of RM2,819,114, giving a net fair value loss of RM231,164. A number of redemptions were also made to continue financing the Group's working capital and also to pay the dividend in 2021.

Bond prices fluctuate with changing market sentiments and economic environments, but bond prices are affected in a much different way. The most influential factors that affect a bond's price are yield, prevailing interest rates, and the bond's rating.

Changes in interest rates affect bond prices by influencing the discount rate. Falling interest rates causes bond yields to also fall, thereby increasing a bond's price.

Bonds are rated by independent credit rating agencies. Credit ratings in Malaysia are done by Rating Agency Malaysia Berhad (RAM) and Malaysia Rating Corporation Berhad (MARC). These agencies would rank a bond's risk for default. Bonds with higher risk and lower credit ratings are considered speculative and come with higher yields and lower prices. If a credit rating agency lowers a particular bond's rating to reflect more risk, the bond's yield must increase and its price should drop.

Inflation is also another factor as it produces higher interest rates, which in turn requires a higher discount rate, thereby decreasing a bond's price.

OUTLOOK AND PROSPECTS

The COVID-19 crisis forced a sudden, new way of life upon the world. The economic impact on business resulted financial fragility to a lot of businesses across various industries. In Malaysia, the oil palm industry was considered as an essential and as such, the Group was allowed to operate normally. However, the impact of COVID-19 pandemic, especially to the Group's short-term investment has really put the Group to always stay attentive. Management will continue to be observant on any developments and adopt the appropriate remedial actions whenever necessary.

On a good prospect, Gopeng Berhad had been shortlisted as one of the successful bidders by The Energy Commission of Malaysia in a competitive bidding exercise for the development of Large Scale Solar Photovoltaic (LSSPV) plants in Peninsular Malaysia for commercial operation in 2023 for a plant capacity of 50.00 MW. The LSSPV, which on completion is expected to contribute positively to the Group's profit beginning 2024.

Sustainability Statement

INTRODUCTION

Gopeng Berhad (GB) is an established company listed on the Main Market of Bursa Malaysia Securities Berhad and has quite a remarkable corporate presence in Malaysia that has grown significantly throughout the years. We recognise the importance of developing our business in a sustainable and responsible manner and as such, we operate with our culture of hard work, diligence and commitment in our effort towards maintaining sustainable business.

We are proud to present our sustainability statement for the year 2021. This report provides our stakeholders with an overview of our sustainability progress as well as details on how we operate in a responsible and sustainable manner across our business. As oil palm plantation is our main business and contains the most material issues, the report is highly focused on what matters most. This report should be read together with other GB's financial statements including that of its subsidiaries to enable readers to have a comprehensive overview of the Group's sustainability performance for the year ended 31 December 2021.

OUR SUSTAINABILITY GOVERNANCE AND APPROACH

At GB, everything we do and all decisions taken must be governed by the principles of ethics, integrity and respect for people and care for the environment. This affirms our commitment to sound and universal ethical business practices.

Our sustainability framework is directly associated and imprinted in our adopted policies such as Code of Conduct, Board Charter, Anti-Bribery and Corruption Policy and Risk Management. Our Board of Directors also provides dedicated oversight on sustainability matters. With these, we established the appropriate governance structure to monitor the implementation of our sustainability activities.

Our approach to safety

The outbreak of the COVID-19 pandemic is affecting every part of our lives and has caused a massive shock to the world that we must now reconsider about our relationship with the environment. In response to the pandemic, we took additional steps to ensure that our workplaces are safe for staff, customers, contractors and sub-contractors, visitors and any other persons that may be affected by our operations and activities. We strive to continuously advocate the importance of safety in our system and ecosystem and reduce any potential health and safety hazards within our operations.

Occupational Safety & Health (OSH)

We take the issue of health and safety of our workers seriously particularly in the estates. It has always been our top priority and important aspects of our operations. GB has been in compliance to the OSH requirements as per Occupational Safety & Health Act 1994 (Act 514). With this act in place, we strive to safeguard our people through training and education to maintain a healthy and resilient workforce.

Besides complying with health and safety regulations and laws, we constantly raise awareness through programme on safety precautions and hazards at workplace. We provide personal protective equipment (PPE) among our employees and workers and ensure that our contractors carry their works in a safe manner. We must ensure that our working environment is conducive and safe. At our estates, agrochemicals are applied by trained personnel under supervision and in accordance with national laws and regulations. Workers handling agrochemicals are required to wear personal protective equipment (PPE) and undergo periodic medical check-ups.

We expect everyone working for us only to start work when all required safety measures are in place and to intervene when anything appears unsafe. We also help our employees and contractors to comply with our safety standards and requirements.

Protection of the Environment

Protection of the environment remains one of GB's core business principles and we place a strong focus on sustainable development. It is important that we operate in a way that respects nature and at the same time protect the ecosystems.

Responsible Usage and Handling of Chemical

We advocate the responsible use of pesticides, herbicides and fertilisers. The use of chemical remains our least preferred choice but if its usage is unavoidable, the use of hazardous chemicals that fall under the World Health Organization Class 1A or 1B, or listed by the Stockholm or Rotterdam Conventions would be avoided.

We also practiced the Integrated Pest Management (IPM), a system of managing pests which is designed to be sustainable and this involves using the best combination of cultural, biological and chemical measures for particular circumstances, including plant biotechnology. This provides the most cost effective, environmentally and socially acceptable method of managing diseases, insects, weeds and other pests in agriculture.

Waste Management

At our plantations, we continuously identify ways to manage our waste more efficiently. Oil palm empty fruit bunches (EFB) could serve as an alternative and cheaper organic fertiliser. These EFBs are transported back to our plantations for the mulching process by spreading the material over the plantation grounds especially to enrich fertility and health of the soil, to protect the roots of plants from heat and cold, to conserve the soil moisture and to reduce weed growth.

Land Management and Rehabilitation

Land rehabilitation is the environmental remedial process to restore an area of land back to its natural state after it has been damaged or degraded, making it safe for wildlife and flora. GB began as a mining settlement town in early 19th century, along with many other mining towns which contributed to Malaya becoming the world's largest tin producers and supplied more than half of the world's tin until mid-1980 when prices dropped and more than 300 tin mines stopped operations. GB has set a good example of successfully rehabilitating its ex-mining sites for agricultural purposes to sustain operations and enables it to continue as a going concern. Rehabilitation did not pose any significant problem because of the presence of high grade of iron ore and low volume of waste rock and tailings.

The rehabilitation process mainly focuses on draining and improving water flow to ensure that water will not be clogged. The process of rehabilitation would normally take about six months. At times, lime dust was applied to neutralise the soil before planting is carried out. In addition for oil palm growth, fertiliser and organic waste such as molasses and EFB composting are incorporated for the solution of organic solutions to land management.

Drainage System

A good drainage system can contribute to sustainable development and improve the places and spaces where we live, work and play by balancing the different opportunities and challenges that influence urban design and the development of communities.

Significant steps have been taken to protect our local environment by establishing an effective effluent drainage system. With such proper drainage system, it also ensures smooth flow of excess water, particularly during heavy rainfall and avoiding floods that could easily destroy our palm trees.

Where possible, we would construct drains along our land boundaries where it acts as a tracking system for our land ownership, act as a safety perimeter to avoid any trespassing and theft and also act as a good drainage system.

Certification

MSPO Certification

The Malaysian Sustainable Palm Oil (MSPO) certification is the national scheme in Malaysia for oil palm plantations, independent and organised smallholdings and palm oil processing facilities to be certified against the requirements of the MSPO standards.

The MSPO scheme allows for oil palm management certification and supply chain certification and provides for:-

- Development of Certification Standards
- Guidelines for auditing
- Peer reviewing of audit reports
- Accreditation requirements and notification of certification bodies
- Issuance of logo usage license
- Application by potential clients for certification audits
- Supply chain traceability requirements
- Procedures for handling of complaints

7 Principles of MSPO:-

1. Management commitment and responsibility
2. Transparency
3. Best practices
4. Development of new plantings
5. Social responsibility, health, safety and employment conditions
6. Compliance to legal requirements
7. Environment, natural resources, biodiversity and ecosystem services

GB strongly supports the Malaysian Sustainable Palm Oil (MSPO) standards. We have obtained the certification for our estate as per following details:-

Certificate No: MSPO-03-016
Validity Period: 15 April 2021 to 14 April 2026

This illustrates our commitment with a collective responsibility to strengthen and sustain the Malaysian palm oil industry.

Certificate No : MSPO-03-016

CERTIFICATE

FOR
MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

MR3 CERTIFICATION INTERNATIONAL SDN BHD

HEREBY CERTIFIES THAT

GOPENG BERHAD BERHAD (109456-X)

KOTA BAHROE GROUP ESTATE
BATU 5, JALAN KOTA BAHRU,
31600 GOPENG, PERAK.
GPS COORDINATES: N 43419, E 101.12026

has complied with the
requirements specified in the

MS2530-3:2013
**GENERAL PRINCIPLES FOR OIL PALM PLANTATIONS AND ORGANISED
SMALLHOLDERS**

under the MSPO Certification Scheme

SCOPE: Production of Sustainable Fresh Fruit Bunches from

1365.00 ha total oil palm planted area
1365.00 ha total certified area

Initial Certified / Effective since : **15/04/2021**
Renew Certified / Effective since : Not Applicable

Revision No. : Not Applicable
Revision Date : Not Applicable

VALIDITY PERIOD
This certificate is valid from :
15/04/2021 to 14/04/2026




AUTHORISED BY
Ir. Mohamed Sufian Bin Ab. Rahman
Managing Director



MSPO/4-3-0019
MALAYSIAN
SUSTAINABLE PALM OIL



ACB MSPO 0021

MR3 Certification International Sdn. Bhd. Level 6 & 7, The Tribeca, No.215, Jalan Imbi, 55100 Kuala Lumpur

This certificate is granted subject to the terms and conditions as stated in the Certification Agreement

Other Governing Bodies

As a palm oil plantation company, GB is regulated by the Malaysian Palm Oil Board (MPOB), a government agency under Malaysian's Ministry of Plantation Industries and Commodities which is presently responsible for the promotion and development of the palm oil industry in Malaysia.

GB is also an active member of Malaysian Palm Oil Association (MPOA), an umbrella body for the private growers of plantation tree crops in Malaysia. The Association has been tasked with an important function of balancing the needs and interests of the various sectors, promoting synergy and development of the plantation industry as a whole. MPOA also serves the interests of other plantation crops such as rubber, cocoa, tea, coconut and bananas, and including non-crop issues relating to land, labour, trade and pricing.

Our Commitment to the Society

At GB, we foster a strong sense of community and believe in having good support and positive relation with the surrounding communities within the vicinity of our estate. Our employees who are also within the vicinity are our most valuable assets and we are committed to providing them with a safe, healthy and conducive work. We give back to the communities in areas that we operate in and promote their socioeconomic development.

Our activities normally need to be out-sourced to the local manpower through the rental of their machinery and labour. This creates a sustainable network through the participation of the local small/medium enterprise, where work packages covers few categories such as planting, manuring, weeding and other related work. These works are continuously in active mode, lending not only to biodiversity but sustainable diversity in the plantation industry.

In practicing a good corporate social responsibility (CSR), we continuously extend our financial assistance to the orphanages, old folk homes and those who are less fortunate surrounding our Kota Bahroe Group Estates, in the town of Gopeng, Perak.

Occasionally, we also upgrade and maintain the access road for the villagers and at the same time facilitating transport operators for our own operations.

SUSTAINABILITY AND RISK MANAGEMENT

Being in the plantation industry, the Company is exposed to certain risk factors, which is beyond the Company's control. In this instance, the main risks associated are;

1. Volatility of Commodity Price

The fluctuation of Crude Palm Oil (CPO) prices has been categorised as the main risk in our business, as the factor involves global supply and demand of major edible oils. Prices released by Malaysian Palm Oil Board (MPOB) uses the combination of estimation, average traded price, changes in the derivative exchange, adjustments and other factors as well.

In order to mitigate the effect of the above such risks, the Group undertakes to;

- defer major expenditure to a more suitable time.
- implement cost cutting measures in all areas within the plantation activities.
- initiate a complimenting diversification into other plantation and/or agricultural sector.

2. Adverse weather and climatic effect

El Nino is a periodic warming of the ocean surface in the tropical equatorial Pacific Ocean which causes a shift in the atmospheric circulation, resulting in an extreme weather condition with reduced rainfall and increased temperature. Agriculture produce would be badly affected with low production and low yield.

However, the commitment to maintain the plantation has been consistent throughout the year, regardless of the risks associated whereby in this case, the weather factor.

3. Pest & Disease attack

Tropical climate with ample sunshine, heat and moisture would naturally mean that weeds thrive and may compete with crops for space, water and nutrients, and shade the crop plants. A large number of annual and perennial weeds and worms infest oil palm plantations.

Measures to contain bagworm disease (Lepidoptera) had been undertaken by specifically belting the tree trunks and injecting them with Bacillus Thuringiensis (Bt) products instead of typical chemicals. In addition, fogging system using biological chemical had also been implemented which could stop larvae from feeding upon ingestion.

SUSTAINABILITY: AN ONGOING PROCESS

We are progressing well in our sustainability targets and it is important to highlight that our achievements were the results of sustained commitment from all levels of workforce. We are fully committed to our role as a responsible corporate citizen to uphold our fundamental philosophy of sustainability, not only in our current operations, but also in the initiatives we will be taking in the coming years.

SUSTAINABILITY AND FUTURE PROJECTS

To date, the Company's revenue has been heavily dependent on the operations of palm oil plantation, which in turn is heavily dependent on the prices of oil palm products. As part of the Group's diversification and to sustain the Company's revenue during periods of low oil palm prices, the Company had tendered and had been awarded a project by Suruhanjaya Tenaga to develop, finance, design, supply, installation, operation and maintenance of a large scale solar photovoltaic plant with a total capacity of 1,000 MW referred to as LSS4 Package P2: 30 MWa.c. to 50 MWa.c.

Approximately 300 acres of the Company's land, which is situated near the National Gridline have been earmarked for the project, which on completion in 2024 will contribute a steady income stream to the Company. The construction of the solar photovoltaic plant on the Company's land is part of the Group's green technology and initiative to reduce the carbon footprints.

CLOSING STATEMENT

GB continuously seeks ways in which business sustainability can be created across innumerable factors. This is a process that is continuing to evolve and develop as sustainability is embedded in our ethos. The key policies undertaken by GB is a consistent exercise for the creation of sustainability in the achievement of the goals.

We uphold the highest level of sustainability through oversight by our Board of Directors, which is accountable for the Group's sustainability strategy and performance.

Corporate Governance Overview Statement

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 recognised the importance of good governance to enhance corporate performance, accountability, sustainability, to safeguard and protect stakeholders' interests as well as the financial performance of the Group.

Compliance Statement

The Board is pleased to present an overview of the Group's corporate governance practices for the financial year ended 31 December 2021. This overview statement illustrates how the Group has applied the principles and adhere to the practices set out in the revised Malaysian Code of Corporate Governance (MCCG), effective from April 2021, except where otherwise stated. The Board will continue to take steps to strengthen the Group's corporate governance and internal control systems and to improve its practices with developments by enhancing its principles and framework. Application of each practice for the financial year ended 31 December 2021 is set out in the prescribed Corporate Governance Report published in the Company's website at www.gopeng.com.my, which should be read in conjunction with this overview statement.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board oversees the conduct of the Group's affairs and is accountable to its stakeholders 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.

Board Responsibilities and Key Duties:

The role and responsibilities of the Board are set out in the Board Charter and these include the following:

- i) leading and managing the Group in an effective and responsible manner;
- ii) establishing the corporate vision and mission as well as the philosophy of the Group, setting the aims to management and monitoring its performance;
- iii) establishing and reviewing the strategic direction of the Group;
- iv) overseeing and evaluating the conduct of the Group's businesses;
- v) developing and implementing an investors relations programme and shareholders' communication policy;
- vi) reviewing the adequacy of the internal control policy;
- vii) establish written procedures determining which issues which require a decision of the full Board and which issues can be delegated to Board Committees or management;

viii) reserves full decision on

- conflict of interest relating to substantial shareholders or a Director;
- material acquisitions and disposition of assets not in the ordinary course of business;
- investments in capital projects;
- authority levels;
- treasury policies;
- risk management policies; and
- key human resources issues.

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 2021, four (4) scheduled Board meetings were held. In view of the Covid 19 pandemic, certain Directors attended the Board Meetings via ZOOM. The attendance record of each of the directors is as follows:

Name of Director	Attendance
Dato' Mohd Salleh Bin Hashim	4/4
Dato' Haji Mohamad Tahiruddin Bin Mohd Tahir	4/4
Tan Sri Dato' (Dr) Chew Chee Kin	4/4
Manohar Hasan Bin Ameer Ali	4/4
Chong Chang Choong	4/4
Ab Ghaus Bin Ismail	4/4
Dr Mohd Nordin Bin Mohd Zain	4/4

Board Balance

As at the date of this report, the Board has seven members, comprising three Independent Directors and four Non-Independent Directors. The three Independent Directors, provide an independent element on the Board capable of exercising independent judgement on corporate affairs of the Group and provide management with diverse and objective perspective to enable balanced and well considered decisions to be made. The Board consists of qualified individuals with diverse experiences, backgrounds and perspectives. 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. Two of the wholly owned subsidiaries of the Company have a female director, who is also a member of Senior Management. The Board will look into the need to re-structure for balance, diversity in age and gender. The Company realised the need to have at least half the Board comprised independent directors and the need to have female directors. The Nomination Committee and the Board are fully aware of these when considering candidates in filling a vacancy and/or when a suitable female candidate presents herself.

Non-Independent Executive Chairman

Dato' Mohd Salleh Bin Hashim

Non-Independent Non-Executive Directors

Dato' Haji Mohamad Tahiruddin Bin Mohd Tahir
Tan Sri Dato' (Dr) Chew Chee Kin
Chong Chang Choong

Independent Non-Executive Directors

Manohar Hasan Bin Ameer Ali
AB Ghaus Bin Ismail
Dr Mohd Nordin Bin Mohd Zain (Appointed on 11/02/2021)

The personal profiles of the directors are set out in pages 9 to 11.

Code of Conduct and Ethics

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 website.

Role of Chairman and Managing Director

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 counseled 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 has 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 judgement notwithstanding that all the directors have an equal responsibility for the Group's operations.

Supply of and Access to Information and Advice

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's 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 appropriate 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 in 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.

Group's Anti-Corruption Policy

The Board has adopted a policy on anti-bribery and corruption in pursuance to Section 17(A) of the MACC (Amendment) Act 2018. The policy provided the Group with a framework for establishing the necessary measures to prevent the occurrence of corrupt practices in relation to the Group's business activities.

The Anti-Corruption Policy and Standard Operating Procedures (SOP) are guided by the Guidelines on Adequate Procedures issued pursuant to Section 17(A) of the MACC (Amendment Act) 2018 applies to all Directors, officers, partners, employees and persons associated with the Group.

Group's Whistle Blowing Policy

The Board has adopted a 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. The policy is made available on the Company's website.

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

Nomination Committee

The Nomination Committee ensures that there is a structured oversight process in recruiting, retaining, training and developing the best available Executive and Non-Executive Directors and that the Board renewal and succession are managed effectively. The terms of reference of the Nomination Committee are published on the Company's website.

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

Manohar Hasan Bin Ameer Ali (Chairman)	Independent Non-Executive Director
Ab Ghaus Bin Ismail	Independent Non-Executive Director
Dr Mohd Nordin Bin Mohd Zain	Independent Non-Executive Director (appointed on 30 April 2021)

The duties of the Nomination Committee are:

- i) identifying and nominating for approval of the Board, candidates to fill Board vacancies as and when they arise;
- ii) evaluate the balance of skills, knowledge and experience on the Board;
- iii) succession planning in the course of its work, taking into account the challenges and opportunities facing the Group and what skills and expertise are needed on the Board in future;
- iv) regularly review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations with regard to any changes;
- v) keep under review the leadership needs of the Group, both executive and non-executive, with a view to ensuring the continued ability of the Group to compete effectively in the marketplace; and
- vi) review and assess the term of office, the performance and duties of the Audit Committee and each of its members.

Recruitment Process and Annual Assessment of Directors

The Committee is authorised to propose new nominees to the Board. The actual decision as to who shall be appointed a director remains 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 necessary information 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. 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”). Dr Mohd Nordin Bin Mohd Zain, who was appointed an Independent Non-Executive Director on 11 February 2021, attended the MAP on 31 March 2021 to 2 April 2021. 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	Procedures for Conducting Domestic Inquiry and Handling of Whistle Blowing, Abuse of Power and Corruption
Ab Ghaus Bin Ismail	
Dato' Haji Mohamad Tahiruddin Bin Mohd Tahir	Securities Commission Guidelines on Conduct of Directors and Implications to both Directors & Management
Manohar Hasan Bin Ameer Ali	Internal Audit – A Guide for Management - Udemy
Tan Sri Dato' (Dr) Chew Chee Kin	Directors' Duties & Climate Change Bar Council
Chong Chang Choong	JP Morgan Global China Summit
	Institute for Democracy Economic Affairs (Ideas)
	JP Morgan, Demoracratc Action Party on Malaysian Politics
	Affin Hwang capital Webinar Forum – Marco & Market Outlook (Nearing An Infection Point)
	Annual CITK CLSA Flagship Investments Forum 2021
	Navigating the Cycles in Investments by Tan Sri Dato' Azman Mokhtar
	Sunway Leader Speaker Series
	Invest Malaysia 2021- Rebuilding a Sustainable Economy – Organiser : Maybank
Dr Mohd Nordin Bin Mohd Zain	Conduct of Directors and Common Breaches of Listing Requirements.
	Procedures for Conducting Domestic Inquiry, Handling of Whistle Blowing, Abuse of Power and Corruption.

Re-election

The Company's Constitution provides 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 Company's Constitution also provides for all directors to retire at least once in each three years and shall be eligible for re-appointment. This provides 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 Dato' Mohd Salleh Bin Hashim, Tan Sri Dato' (Dr) Chew Chee Kin and Encik Manohar Hasan Bin Ameer Ali, three of whom will retire by rotation pursuant to the Rule 77 of the Company's Constitution, and three of whom being eligible have offered themselves for re-appointment, be re-appointed at the 38th Annual General Meeting. The Board also recommends that Encik Manohar Hasan Bin Ameer Ali, who had served the Board as an Independent Non-Executive Director for a cumulative period of more than nine years be retained as an Independent Non-Executive Director and pursuant to the requirements, his retention as an Independent Non-Executive Director be put to the vote by shareholders through a two tier voting at the 38th Annual General Meeting.

B. DIRECTORS' REMUNERATION

Remuneration Committee

The Remuneration Committee implements 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 website.

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

Manohar Hasan Bin Ameer Ali (Chairman)	Independent Non-Executive Director
Ab Ghaus Bin Ismail	Independent Non-Executive Director
Dr Mohd Nordin Bin Mohd Zain	Independent Non-Executive Director (appointed on 30 April 2021)

Remuneration Policy for Directors and Senior Management

The Remuneration Committee develops and administers fair and transparent procedures for setting policy on remuneration of Directors and Senior Management and this is published on the Company's website.

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 –

Directors	*Fees (RM)	Salaries (RM)	Bonus (RM)	Benefits-in kind (RM)	Other Emoluments (RM)
Dato' Mohd Salleh Bin Hashim	50,000	960,000	80,000	389,748	283,200***
Dato' Haji Mohamad Tahiruddin Bin Mohd Tahir	40,000				3,000**
Tan Sri Dato' (Dr) Chew Chee Kin	40,000				3,000**
Dr Mohd Nordin Bin Mohd Zain	71,435*				7,500**
Manohar Hasan Bin Ameer Ali	76,000*				7,500**
Chong Chang Choong	40,000				3,000**
Ab Ghaus Bin Ismail	76,000*				7,500**

* Include Audit Committee Fees

** Board and Committee Meeting Attendance Fees of RM500 per meeting.

*** Include EPF, Allowances, Meeting Attendance Fees.

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

Directors of the five wholly owned subsidiaries were 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 of the five Senior Managers are disclosed below.

Range of Remuneration	Salary RM50,000 to RM100,000 (i) RM100,000 to RM150,000 (ii)	Bonus Below RM50,000 #	Benefits-in Kind Below RM50,000 @	Other Emoluments Below RM50,000 ^
General Manager Corporate Affairs & Human Resource (Syerleena Binti Mohd Salleh)	(ii)	#		^
General Manager Finance (Mohamad Shukri Bin Ishak)	(ii)	#		^
General Manager Planning & Strategy (Nasrul Shahrin Bin Mohd Nasir)	(ii)	#		^
Senior General Manager, Ipoh Office (Encik Nordin Bin Jalani)	(ii)	#	@	^
Manager Kota Bahroe Estates (Mohd Fauzi Bin Parno)	(i)		@	^

* Estate Manager resigned in September 2021.

Sustainability Strategies

The Group's business operations are governed by the principles of ethics, integrity and respect for people and care for the environment. The Group operates within the laws and observes various initiatives to meet the requirements of the various stakeholders.

The Sustainability Statement of the Group could be found on pages 22 to 27 of this Annual Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

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 Audit Committee evaluated and assessed both the external and internal auditors in terms of caliber, quality of processes and performance, the audit team, independence and objectivity, audit scope and planning, communication and audit fees. The Audit Committee was of the view that both the external and internal auditors performed to expectations and recommended their re-appointment.

The role of the Audit Committee in relation to the external auditors is stated on pages 41 to 45.

Risk Management and Internal Control System

The Directors acknowledged their responsibility of maintaining an effective risk management and a sound system of internal control and the need to review their effectiveness and adequacy regularly to safeguard the Group's assets and shareholders' investments. These systems, 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.

PRINCIPLE C: INTERGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Board's Responsibility to Stakeholders

The Company believes that stakeholders 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 June each year as a means of communicating with shareholders. Shareholders are informed of general meetings through the announcement released via the Bursa Link and notices contained in the annual report or circulars sent to all shareholders. These notices are dispatched to shareholders at least 28 days before the meeting are also advertised in a national newspaper. Such 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. In view of the Covid 19 pandemic, the Directors considered it appropriate that the 38th Annual General Meeting of the Company scheduled to be held on 21 June 2022 to be on a fully virtual basis through online meeting platform via <http://www.onecapital.com.my>.

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 available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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 RM7,000 to orphanages, RM11,000 to Old Folks Homes. In assisting the Country to combat the Covid 19 pandemic, the Company contributed RM7,680 to Klinik Segara to set up a PPV Centre in Putrajaya.

ADDITIONAL COMPLIANCE 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 for the year ended 31 December 2021.

Group Audit and Non-audit Fees

Group audit fees for the financial year ended 31 December 2021 amounted to RM96,000. Non-audit fees paid to the external auditors and their affiliated companies for the financial year ended 31 December 2021 amounted to RM27,150 comprising RM8,000 being fees in reviewing the Statement on Risk Management and Internal Control and RM19,150 being tax agent fees.

Revaluation Policy of Landed Properties

The Company's freehold and leasehold lands were revalued based on an opinion of fair value expressed by a firm of professional valuers in March 2020 and the results of the revaluation exercise had been reflected in the financial statements for the year ended 31 December 2020. The next re-valuation exercise will be carried out in 2023.

Utilisation of Proceeds

There were no proceeds raised from any corporate proposals during the financial year.

This statement is made in accordance with a resolution of the Board of Directors dated 5 April 2022.

Statement on Risk Management and Internal Control

INTRODUCTION

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

BOARD RESPONSIBILITY

The Board acknowledges its ultimate responsibility on the Group’s system of Risk Management and Internal Control (“RMIC”) and for reviewing the adequacy and effectiveness of internal control systems to ensure shareholders’ interests and the Group’s assets are safeguarded. The responsibility on reviewing the adequacy and effectiveness of the internal control system has been delegated to the Audit Committee, which seeks the assurance on the adequacy and effectiveness of the RMIC system through reports from independent reviews conducted by internal audit function and the Management. The Board has received assurances from the Management which comprises the Executive Chairman and the Managers, that the Group’s system of 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 effectiveness and efficiency of the RMIC system based on the Group's financial manual. The internal auditor has presented the annual audit plan for the Audit Committee's approval.

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

- Follow-up audit on **“Property, Plant and Equipment”** at **Kota Bahroe Group Estate** on **26th October 2021**.

The objective of this audit was to review the Internal Audit Report issued on 26th November 2020 in regards to the internal control system of the Property, Plant and Equipment function of Kota Bahroe Group Estate for the financial year ending 31 December 2021.

The internal auditor confirmed that all of the recommendations suggested to the management of the Company had been responded accordingly. Some of the recommendations were duly implemented while some are in to process of implementation.

- Internal audit on **“Human Resource Management and Payroll System and General Procedures Compliance in Administration”** at **Gopeng Berhad, HO** on **18th October 2021** and **1st November 2021**.

The objectives of this audit were to determine the existence, adequacy, operating effectiveness and efficiency of internal control systems in operation. The financial period covered was from 1st October 2020 to 30th September 2021.

The internal auditor reported that the internal controls were in place and operating satisfactorily with some non-compliance findings and some areas for improvement.

- Internal audit on **“Purchase and Payment Control and Human Resource and Payroll Management”** at **Kota Bahroe Group Estate** from **20th to 28th October 2021**.

The objectives of this internal audit were to determine the existence, adequacy, operating effectiveness and efficiency of the internal control system in operation. The financial period covered was from 1st October 2020 to 30th September 2021.

The internal auditor reported that the internal controls were in place but requires management's attention. There were some findings of significant importance, some non-compliance issue and an arrear that needs improvement. At the date of this report, most of the findings had been duly rectified and implemented while a number is in the process of implementation.

The internal audit reports are presented and tabled at the Audit Committee meetings which were held quarterly. Significant internal audit findings and status updates on outstanding management action plan would be highlighted and brought to the attention of the Group's audit committee. The management followed through with these recommendations and monitored the status of actions taken. The internal audit function had really assisted significantly to the improvements of the Group's business operations.

OTHER RISKS AND CONTROL PROCESSES

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

- an organisational 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 has received assurance that the Group's risk management framework and internal control system were operating adequately and effectively, in all material aspects during the financial year under review. There were no material losses incurred and contingencies requiring disclosure in the Group's annual report during the current financial year as a result of weaknesses in internal control. Nevertheless, the Management will continue taking measures in strengthening the internal control environment.

Report of the Audit Committee

The Board of Directors of Gopeng Berhad is pleased to present the report of the Audit Committee of the Board for the financial year ended 31 December 2021.

The Audit Committee was established in 1994. For the financial year ended 31 December 2021, the Audit Committee, which comprised three Directors, met a total of five (5) times. In view of the Covid 19 pandemic, the third and the fourth meeting were fully conducted via ZOOM and Encik Manohar Hasan Bin Ameer Ali attended the five (5) meetings via ZOOM. At the invitation of the Audit Committee, the Executive Chairman and the Senior Managers attended the meetings at the relevant juncture. The Group's external auditors and internal audit service provider were also present at the relevant juncture during the meetings. The composition of the Audit Committee and the attendance of meetings are listed below.

Name	Status of Directorship	Attendance of Meetings
Dr Mohd Nordin Bin Mohd Zain (Chairman)	Independent Non-Executive Director	Attended all 5 meetings
Encik Manohar Hasan Bin Ameer Ali	Independent Non-Executive Director	Attended all 5 meetings
Encik Ab Ghaus Bin Ismail	Independent Non-Executive Director	Attended all 5 meetings

Dr Mohd Nordin Bin Mohd Zain, who became a member of the Audit Committee on 11 February 2021 was appointed the Chairman of the Audit Committee on 3 May 2021. Encik Manohar Hasan Bin Ameer Ali and Encik Ab Ghaus Bin Ismail became members of the Audit Committee on 24 October 2018 and 3 December 2018 respectively.

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. The members of the Audit Committee have years of experience in accounting, business and financial management and its Chairman, Dr Mohd Nordin Bin Mohd Zain is a member of the Malaysian Institute of Accountants. The members of the Audit Committee are appropriately qualified, having the necessary accounting or related financial management experience, to discharge the duties and responsibilities of the Audit Committee.

TERMS OF REFERENCE

Membership

The Committee shall be appointed by the Board from amongst their members 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. There is a cooling period of at least two (2) years before a former key audit partner of the Company could be appointed a member of the Audit Committee.

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) to investigate any activity within its terms of reference and shall have unrestricted access to both the internal and external auditors and to all employees of the Group;
- ii) to have the resources in order to perform its duties as set out in its terms of reference;
- iii) to have full and unrestricted access to information pertaining to the Company and the Group;
- iv) to have direct communication channels with the external auditors and persons carrying out the internal audit function;
- v) to obtain external legal or other independent professional advice as necessary in furtherance of their duties at the cost of the Company in accordance with a procedure determined by the Board; and
- vi) to convene meetings with the external auditors, the persons carrying out the internal audit function or activity or both, excluding the attendance of other Directors and employees of the Company, whenever deemed 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 external auditors and internal audit service provider 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 auditor, his audit report;
 - the assistance given by the Company's employees to the external auditor;
 - any letter of resignation from the external auditor of the Company; and
 - whether there is any reason (supported by grounds) to believe that the Company's external auditor is not suitable for re-appointment.
- ii) recommend the nomination of a person or persons as external auditors;
- iii) to consider the appointment, resignation and dismissal of the external auditors and the internal audit service provider and the audit fees;
- iv) to review the quarterly and year-end 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 judgements 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, the Companies Act, 2016 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) any letter of resignation from the external auditors of the Company;
- viii) whether there is reason (supported by grounds) to believe that the Company's external auditors is not suitable for re-appointment and recommend the nomination of a person or persons as external auditors;
- ix) 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 the scope, competency and resources deployed and remuneration of the outsourced provider;
 - roles and responsibilities of the outsourced provider;
 - internal audit plan, processes, the results of the internal audit assessments, investigation undertaken and whether or not appropriate action is taken on the recommendations;
 - access to information, records, physical properties, and personnel as well as reporting workflow;
 - the necessary authority to carry out its work; and
 - effectiveness of the internal audit service rendered by the outsourced provider and the continuity of such service.
- x) 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 threat to 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.
- xi) 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;
- xii) to consider other topics as defined by the Board.

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 2021 in the discharge of its functions and duties:

- i) review of audit plans for the Company and its subsidiaries for the year prepared by the external auditors and the internal audit service provider;
- 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 3 May 2021 and on 25 November 2021 in the absence of management. In the first meeting the state of the Group's internal controls of the pineapple plantation were discussed and in the second meeting the manpower requirements of the Group were discussed;
- vi) review and discuss the amendments to Bursa Malaysia Listing Requirements and the Malaysian Financial Reporting Standards (MFRS framework) for the financial year ended 31 December 2021;
- 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;
- viii) reviewing the scope and results of the audit and its effectiveness, and the independence and objectivity of the external auditors. Where the external auditors also supply non-audit services to the Group, the Audit Committee should keep the nature and extent of such services under review, seeking to balance between the maintenance of objectivity and obtaining valuable services.

Internal Audit Function

The internal audit function includes an annual review and evaluation of the adequacy and effectiveness 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 reviewing the adequacy and effectiveness of the internal audit function, the Audit Committee ensures the co-ordination between the external and internal auditors and management, the assistance given by management to the auditors and discussing problems and concerns, if any arising from the audits and any matters which the auditors may wish to discuss in the absence of management. 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 auditors directly reports to the Audit Committee to ensure its independence. The internal audit function was adequately outsourced to IBDC (Malaysia) Sdn Bhd and Mr Wong Een Joon, a member of the Association of Chartered Certified Accountants (ACCA), member of the Malaysian Institute of Accountants (CA(M)), Chartered member of the Institute of Internal Auditors (CMIIA) and Certified Fraud Examiner (CFE), was in charge of the internal audit and he was assisted by two personnels. 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 by adopting a risk-based internal audit approach. The internal audit personnels 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 two cycles of audit.

First Cycle

Internal Audit Report (1st half) on Purchase and Payment Controls and Human Resources and Payroll Management :

This report was presented and discussed at the Audit Committee meeting held on 25 November 2021. The internal auditors were of the view that the Company generally had in place an internal control system in the purchase, upkeep and recording of properties, plant and equipment. Two findings of significance relating to quotation evaluation and staff overtime and three areas of non-compliance relating to authorised signatories, payment vouchers, and leave application were discussed and management had agreed to rectify the findings of significance and areas of non-compliance accordingly.

Second Cycle

Internal Audit Report (2nd half) on Human Resource and Payroll Management and General Procedure Compliance in Administration of Head Office.

The report was presented and discussed at the Audit Committee meeting held on 25 November 2021. The audit was to determine the existence, adequacy, operating effectiveness and efficiency of internal control systems in operation. There was a finding of significance importance relating to the upkeep of documentation and employee personal file. In addition, there were two areas of non-compliance on performance evaluation and PDPA compliance procedure. Management had agreed to rectify the findings of significance and areas of non-compliance.

Follow Up Audit

In addition to the above, a Follow-Up Audit on Property, Plant and Equipment at Kota Bahroe Group Estates was also conducted during the year. The follow-up report was tabled for discussion at the Audit Committee held on 25 November 2020 and it was reported that Management had not implemented the five recommendations made in the report dated 15 May 2019. Management responded that the recommendations would be implemented and all were subsequently implemented.

In March 2021, the Internal Auditors conducted a Special Audit on the feasibility of continuing with the Gopeng Pineapple Project and the results of the review were presented to the Audit Committee on 30 March 2021. Based on the results of the review, the Audit Committee recommended to the Board to abandon the Gopeng Pineapple Project and to impair the investment.

In addition to the above, the internal auditors also assessed the Risk Profile 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 Committee for Risk Management identified the risks faced by the Group. The risks were understood probability of occurrence assessed, their impact estimated, various controls were in place and mitigation plans were drawn up to minimise their effect.

The total cost incurred in managing the internal audit function including the Special Audit in 2021 amounted to RM118,636.

This report is made in accordance with a resolution of the Board of Directors dated 5 April 2022.

Corporate Social Responsibility





GOPENG BERHAD

Directors' Report

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

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 are disclosed in Note 14 to the Financial Statements.

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

FINANCIAL RESULTS

	Group RM	Company RM
<u>Attributable to owners</u>		
Loss for the year	(2,309,696)	(2,030,238)

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 2020:-	
Final single tier dividend of 2 sen per ordinary share paid on 13 August 2021	5,379,869

The Board of Directors recommends the payment of a final single tier dividend of 1.5 sen in respect of the financial year ended 31 December 2021, 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
 Tan Sri Dato' (Dr) Chew Chee Kin
 Manohar Hasan Bin Ameer Ali
 Chong Chang Choong
 Ab Ghaus Bin Ismail
 Dr. Mohd Nordin Bin Mohd Zain (Appointed on 11 February 2021)
 Dato' Robert Lim Git Hooi (Retired on 30 April 2021)

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 1.1.2021	ADDITIONS	DISPOSALS	AT 31.12.2021
Direct shareholdings in the Company				
Dato' Mohd Salleh Bin Hashim	55,950,000	27,975,000	-	83,925,000
Dato' Haji Mohamad Tahiruddin Bin Mohd Tahir	15,546,549	7,773,274	-	23,319,823
Manohar Hasan Bin Ameer Ali	1,000,000	500,000	-	1,500,000
Ab Ghaus Bin Ismail	841,350	420,675	-	1,262,025

Indirect shareholdings in the Company

Dato' Mohd Salleh Bin Hashim	32,700,000	16,350,000	-	49,050,000
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	NUMBER OF ORDINARY SHARES			
	AT 1.1.2021	ADDITIONS	DISPOSALS	AT 31.12.2021
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, Dato' Haji Mohamad Tahiruddin Bin Mohd Tahir's, Manohar Hasan Bin Ameer Ali's, and Ab Ghaus Bin Ismail's interest in the shares in the Company, they are deemed to be interested in the shares of the subsidiaries during the financial year to the extent of that the Company has an interest.

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.

The Group and the Company have agreed to indemnify the Auditors, HLB Ler Lum Chew PLT as permitted under Section 289 of the Companies Act 2016 in Malaysia.

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 14 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.

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 except as disclosed in Note 33 to the Financial Statements; and
- (b) except as disclosed in Note 33 to the Financial Statements, 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.

AUDITORS

The auditors, HLB Ler Lum Chew PLT (201906002362 & AF 0276) (formerly known as HLB Ler Lum PLT), have expressed their willingness to continue in office.

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

Dato' Mohd Salleh Bin Hashim

Dated : 5 April 2022
Kuala Lumpur

Dr. Mohd Nordin Bin Mohd Zain

Statement by Directors

We, DATO' MOHD SALLEH BIN HASHIM and DR. MOHD NORDIN BIN MOHD ZAIN, 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 Malaysian Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of their financial performance and cash flows for the year then ended.

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

Dato' Mohd Salleh Bin Hashim

Dated : 5 April 2022
Kuala Lumpur

Dr. Mohd Nordin Bin Mohd Zain

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 5 April 2022

Before me :

Commissioner for Oaths

Independent Auditors' Report

to The Members Of Gopeng Berhad

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 2021 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 13 to 73.

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 2021, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International 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 Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("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.

Valuation of investment properties

Refer to Note 5 and Note 12 of the financial statements.

The Group's and the Company's investment properties were measured based on the fair value model.

During the year, the Group and the Company have performed a valuation assessment based on comparison method on the Group's and the Company's investment properties.

The valuation process is significant to our audit due to the valuation process involves significant judgement in determining appropriate valuation methodology to be used, and the basis and assumptions used by the management in deriving the fair value of the lands.

Our response:

Our procedures for valuation of investment properties included:

- Assessed the methodologies used and the reasonableness of the key assumptions applied in the valuation made by the management.
- Conducted site visits on the selected investment properties to observe the condition of the properties and safeguards put in place by the Group and the Company.
- Obtained and evaluated the data relating to comparisons of the recent transactions involving similar properties.

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 Malaysian Financial Reporting Standards, International 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.

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 CHEW PLT
201906002362 & AF 0276
Chartered Accountants

LER JI-YONG
03439/05/2023 J
Chartered Accountant

Dated : 5 April 2022
Kuala Lumpur

Statements of Profit or Loss and Other Comprehensive Income

For The Financial Year Ended 31 December 2021

	Note	GROUP		COMPANY	
		2021	2020	2021	2020
		RM	RM	RM	RM
Revenue	6	14,391,153	9,219,432	13,725,633	9,219,432
Cost of sales		(10,204,593)	(13,017,906)	(9,539,113)	(13,017,906)
Gross profit/(loss)		4,186,560	(3,798,474)	4,186,520	(3,798,474)
Other income		542,391	3,614,727	542,391	3,614,727
Administrative expenses		(5,382,524)	(4,917,937)	(5,193,667)	(4,914,587)
Other expenses		(2,067,734)	(3,605,515)	(1,968,054)	(3,605,515)
		(2,721,307)	(8,707,199)	(2,432,810)	(8,703,849)
Interest income		26,980	29,093	25,941	29,093
Finance costs		(48,694)	(36,088)	(48,694)	(36,088)
Loss before tax	7	(2,743,021)	(8,714,194)	(2,455,563)	(8,710,844)
Tax credit	9	433,325	2,123,692	425,325	2,123,692
Loss for the financial year		(2,309,696)	(6,590,502)	(2,030,238)	(6,587,152)
Loss attributable to :-					
Owners of the Company		(2,309,696)	(6,590,502)	(2,030,238)	(6,587,152)
Loss per share attributable to:-					
Owners of the Company					
Basic loss per ordinary share (sen)	10	(0.57)	(1.63)		
Other comprehensive income (net of tax)					
Items that will not be reclassified subsequently to profit or loss:					
- Deferred tax liability on revaluation surplus of leasehold land		33,675	-	33,675	
- Revaluation gain on freehold and leasehold lands		-	9,261,521	-	9,261,521
Total comprehensive (expense)/ income for the financial year		(2,276,021)	2,671,019	(1,996,563)	2,674,369
Total comprehensive (expense)/ income attributable to:-					
Owners of the Company		(2,276,021)	2,671,019	(1,996,563)	2,674,369

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

Statements of Financial Position

As at 31 December 2021

GROUP	Note	2021	2020
		RM	RM
NON-CURRENT ASSETS			
Property, plant and equipment	11	219,397,924	217,553,664
Investment properties	12	8,385,000	8,035,000
Land held for property development	13	2,430,142	2,400,292
Other Investments	15	186,000	186,000
		<u>230,399,066</u>	<u>228,174,956</u>
CURRENT ASSETS			
Inventories	16	324,523	305,352
Biological assets	17	352,791	251,394
Trade and other receivables	18	1,152,949	3,703,987
Tax recoverable		366,798	265,552
Short term investment	19	66,087,599	82,969,989
Deposits, cash and bank balances	20	8,634,067	1,777,644
		<u>76,918,727</u>	<u>89,273,918</u>
TOTAL ASSETS		<u>307,317,793</u>	<u>317,448,874</u>
EQUITY			
Share capital	21	134,496,725	134,496,725
Reserves		143,083,726	150,739,616
TOTAL EQUITY		<u>277,580,451</u>	<u>285,236,341</u>
NON-CURRENT LIABILITIES			
Provision	22	299,582	342,320
Deferred tax liabilities	23	28,276,000	28,743,000
		<u>28,575,582</u>	<u>29,085,320</u>
CURRENT LIABILITIES			
Trade and other payables	24	1,161,760	3,113,714
Borrowings	25	-	13,499
		<u>1,161,760</u>	<u>3,127,213</u>
TOTAL LIABILITIES		<u>29,737,342</u>	<u>32,212,533</u>
TOTAL EQUITY AND LIABILITIES		<u>307,317,793</u>	<u>317,448,874</u>

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

COMPANY	Note	2021	2020
		RM	RM
NON-CURRENT ASSETS			
Property, plant and equipment	11	214,005,688	217,553,664
Investment properties	12	8,385,000	8,035,000
Investment in subsidiaries	14	600,003	-
Other Investments	15	186,000	186,000
		<u>223,176,691</u>	<u>225,774,664</u>
CURRENT ASSETS			
Inventories	16	46,843	305,352
Biological assets	17	352,791	251,394
Trade and other receivables	18	427,948	1,842,646
Amount due from subsidiaries	14	6,717,867	1,809,306
Tax recoverable		368,549	267,302
Short term investment	19	66,087,599	82,969,989
Deposits, cash and bank balances	20	6,915,574	1,637,227
		<u>80,917,171</u>	<u>89,083,216</u>
TOTAL ASSETS		<u>304,093,862</u>	<u>314,857,880</u>
EQUITY			
Share capital	21	134,496,725	134,496,725
Reserves		140,743,499	148,119,931
TOTAL EQUITY		<u>275,240,224</u>	<u>282,616,656</u>
NON-CURRENT LIABILITIES			
Provision	22	-	342,320
Deferred tax liabilities	23	28,284,000	28,743,000
		<u>28,284,000</u>	<u>29,085,320</u>
CURRENT LIABILITIES			
Trade and other payables	24	569,638	3,142,405
Borrowings	25	-	13,499
		<u>569,638</u>	<u>3,155,904</u>
TOTAL LIABILITIES		<u>28,853,638</u>	<u>32,241,224</u>
TOTAL EQUITY AND LIABILITIES		<u>304,093,862</u>	<u>314,857,880</u>

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 2021

GROUP	← Non-distributable →		← Distributable →		Total equity
	Share capital	Revaluation reserve	Retained profits	Total reserve	
	RM	RM	RM	RM	RM
Balance at 1 January 2021	134,496,725	9,261,521	141,478,095	150,739,616	285,236,341
Total comprehensive expense for the financial year	-	-	(2,276,021)	(2,276,021)	(2,276,021)
Depreciation transfer on land, net of tax	-	(106,637)	106,637	-	-
Dividend paid	-	-	(5,379,869)	(5,379,869)	(5,379,869)
Balance at 31 December 2021	134,496,725	9,154,884	133,928,842	143,083,726	277,580,451
Balance at 1 January 2020	134,496,725	-	154,793,434	154,793,434	289,290,159
Loss for the financial year	-	-	(6,590,502)	(6,590,502)	(6,590,502)
Other comprehensive income	-	9,261,521	-	9,261,521	9,261,521
Dividend paid	-	-	(6,724,837)	(6,724,837)	(6,724,837)
Balance at 31 December 2020	134,496,725	9,261,521	141,478,095	150,739,616	285,236,341

COMPANY	← Non-distributable →		← Distributable →		Total equity
	Share capital	Revaluation reserve	Retained profits	Total reserve	
	RM	RM	RM	RM	RM
Balance at 1 January 2021	134,496,725	9,261,521	138,858,410	148,119,931	282,616,656
Total comprehensive expense for the financial year	-	-	(1,996,563)	(1,996,563)	(1,996,563)
Depreciation transfer on land, net of tax	-	(106,637)	106,637	-	-
Dividend paid	-	-	(5,379,869)	(5,379,869)	(5,379,869)
Balance at 31 December 2021	134,496,725	9,154,884	131,588,615	140,743,499	275,240,224
Balance at 1 January 2020	134,496,725	-	152,170,399	152,170,399	286,667,124
Loss for the financial year	-	-	(6,587,152)	(6,587,152)	(6,587,152)
Other comprehensive income	-	9,261,521	-	9,261,521	9,261,521
Dividend paid	-	-	(6,724,837)	(6,724,837)	(6,724,837)
Balance at 31 December 2020	134,496,725	9,261,521	138,858,410	148,119,931	282,616,656

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

Statements of Cash Flows

For the Financial Year ended 31 December 2021

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Cash flows from operating activities				
Loss before tax	(2,743,021)	(8,714,194)	(2,455,563)	(8,710,844)
Adjustments for: -				
Amortisation/Depreciation	4,012,268	5,997,992	3,912,588	5,997,992
Fair value gain on biological assets	(101,397)	(119,603)	(101,397)	(119,603)
Fair value gain on investment properties	(350,000)	(75,000)	(350,000)	(75,000)
Fair value loss/(gain) on short term investment	231,164	(3,389,344)	231,164	(3,389,344)
Loss/(Gain) on disposal of property, plant and equipment	72,153	(3,083)	72,153	(3,083)
Impairment loss on amount due to a subsidiary	-	-	-	40,603
Impairment loss on property, plant and equipment	-	1,577,024	-	1,577,024
Interest expenses	48,694	36,088	48,694	36,088
Interest income	(26,980)	(29,093)	(25,941)	(29,093)
Provision for retirement benefits	(14,322)	92,437	-	92,437
Property, plant and equipment written off	-	962,736	-	962,736
	3,871,580	5,050,154	3,787,261	5,090,757
Operating loss before changes in working capital	1,128,559	(3,664,040)	1,331,698	(3,620,087)
Changes in inventories	(19,171)	33,321	258,509	33,321
Changes in properties under development	(29,850)	(29,286)	-	-
Changes in trade and other receivables	2,551,038	(1,050,653)	1,414,698	724,421
Changes in trade and other payables	(1,951,954)	621,087	(2,572,767)	622,739
Changes in other provision	(28,416)	-	(342,320)	-
	521,647	(425,531)	(1,241,880)	1,380,481
Cash absorbed by operations	1,650,206	(4,089,571)	89,818	(2,239,606)
Income tax paid	(101,246)	(116,662)	(101,247)	(116,662)
Real property gain tax paid	-	(73,826)	-	(73,826)
	(101,246)	(190,488)	(101,247)	(190,488)
Net cash from/(used in) operating activities	1,548,960	(4,280,059)	(11,429)	(2,430,094)

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

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Cash flows from investing activities				
Acquisition of property, plant and equipment	(6,034,881)	(4,840,771)	(542,965)	(4,840,771)
Advance to subsidiaries	-	-	(4,908,561)	(1,849,909)
Incorporation of subsidiaries	-	-	(600,003)	-
Proceeds from disposal of property, plant and equipment	106,200	4,900	106,200	4,900
Placement of short term investments	-	(5,000,000)	-	(5,000,000)
Redemption/withdrawal of short term investment	16,651,226	10,462,283	16,651,226	10,462,283
Repo and fixed deposits interest received	26,980	29,093	25,941	29,093
Net cash from/(used in) investing activities	10,749,525	655,505	10,731,838	(1,194,404)
Cash flows from financing activities				
Dividend paid	(5,379,869)	(6,724,837)	(5,379,869)	(6,724,837)
Hire purchase interests	(1,557)	(2,670)	(1,557)	(2,670)
Interest on short term borrowings	(47,137)	(33,418)	(47,137)	(33,418)
Repayment of hire purchase liabilities	(13,499)	(20,010)	(13,499)	(20,010)
Net cash used in financing activities	(5,442,062)	(6,780,935)	(5,442,062)	(6,780,935)
Net changes in cash and cash equivalents	6,856,423	(10,405,489)	5,278,347	(10,405,433)
Cash and cash equivalents brought forward	1,777,644	12,183,133	1,637,227	12,042,660
Cash and cash equivalents carried forward (Note 20)	8,634,067	1,777,644	6,915,574	1,637,227

NOTES TO THE STATEMENTS OF CASH FLOWS

(a) Analysis of acquisition of property, plant and equipment

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Cash	6,034,881	4,840,771	542,965	4,840,771

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

Notes to Financial Statement

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 are disclosed in Note 14 to the Financial Statements.

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

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).

The preparation of financial statements in conformity with the MFRS and the Companies Act 2016 in Malaysia 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 judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

3. ACCOUNTING STANDARDS AND INTERPRETATIONS

(a) Changes in accounting policies

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 MFRSs and IC Interpretations (“IC Int”) that are applicable to the Group and the Company for the financial year beginning 1 January 2021.

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

(b) MFRS, Amendments to MFRSs and IC Interpretations issued but not yet effective

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

MFRSs and/or IC Interpretations (Including the Consequential Amendments)	Effective Date
Amendment to MFRS 16, Leases – Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)	1 January 2022
Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)	1 January 2022
Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018–2020)	1 January 2022
Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018–2020)	1 January 2022
Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies	1 January 2023
Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The adoption of these MFRSs, Amendments to MFRSs and IC Interpretations are expected to have no significant impact to the financial statements of the Group 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.

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

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

Identifiable assets, liabilities and contingent liabilities assumed in a business combination are measured at their fair value, at the date of acquisition. The excess of the consideration and the fair value of previously held equity interests over the Group's share of the fair value of the identifiable net assets acquired at the date of acquisition is reflected as goodwill (see accounting policy Note 4.5 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

4.1 Basis of consolidation – (Continued)

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.

4.2 Property, plant and equipment

The Group revalues its properties comprising freehold land and leasehold land every 3 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

Surpluses arising from revaluation are dealt with in the revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

Property, plant and equipment other than freehold land and leasehold land are stated at cost. Cost includes expenditures that is directly attributable to the acquisition of an asset. The carrying amount of the replaced part is derecognised and all repairs and maintenance costs are charged to profit or loss during the financial year in which they are incurred.

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.

All costs directly related to bearer plants are capitalised until such time as the bearer plant reach maturity, at which point all further costs are expensed and depreciation commences. Such costs include seedling and planting costs, other upkeep costs, and an allocation of overhead costs.

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 and when the bearer plants mature 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

4.2 Property, plant and equipment – (Continued)

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

Leasehold land	1% – 3%
Other properties	2% – 15%
Bearer plant – oil palm	5%
Bearer plant – pineapple	50%
Plant and equipment	10% – 20%
Earthmoving equipment	20%
Motor vehicles	20%
Land improvement	5%

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 4.9 on non-financial asset 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.

4.3 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.

Investment properties are measured initially at cost and subsequently at fair value with any change therein recognised in profit or loss for the period in which they arise.

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.

4.4 Investments

Investments in subsidiaries 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 4.10 on non-financial asset impairment).

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

4.5 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 4.9 on non-financial asset impairment). When control of a subsidiary ceases, the gains and losses on disposal includes the carrying amount of allocated goodwill.

4.6 Inventories

a) Land held for property development

Land held for property development for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle, is classified as non-current assets and is carried at the lower of cost and net realisable value.

Land held for property development 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 held for property development are 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.

b) Finished goods, raw materials and consumable stores

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.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

4.7 Biological assets

Biological assets comprised produce growing on bearer plants. Biological assets are classified as current assets for bearer plants that are expected to be harvested and sold or used for production on a date not more than 4 weeks after the reporting date.

Biological assets are measured at fair value less costs to sell. Any gains or losses arising from changes in the fair value less costs to sell are recognised in profit or loss.

4.8 Financial instruments

(a) Initial recognition and measurement

The Group and the Company recognise a financial asset or a financial liability (including derivative instruments) in the Statements of Financial Position when and only when, an entity in the Group and the Company becomes a party to the contractual provision of the instruments.

If a contract is a host financial liability or a non-financial host contract that contains an embedded derivative, the Group and the Company assess whether the embedded derivative shall be separated from the host contract on the basis of the economic characteristics and risks of the embedded derivative and the host contract at the date when the Group and the Company becomes a party to the contract. If the embedded derivative is not closely related to the host contract, it is separated from the host contract and accounted for as a stand-alone derivative. The Group and the Company do not make a subsequent reassessment of the contract unless there is a change in the terms of the contract that significantly modifies the expected cash flows or when there is a reclassification of a financial liability out of the fair value through profit or loss category. Embedded derivatives in host financial assets are not separated.

On initial recognition, all financial assets (including intra-group loans and advances) and financial liabilities are measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transactions costs are expensed to profit or loss when incurred.

(b) Derecognition of financial instruments

For derecognition purposes, the Group and the Company first determine whether a financial asset or a financial liability should be derecognised in its entirety as a single item or derecognised part-by-part of a single item or of a group of similar items.

A financial assets, whether as a single item or as a part, is derecognised when, and only when, the contractual rights to receive the cash flows from the financial assets expire, or when the Group and the Company transfer the contractual rights to receive cash flows of the financial asset, including circumstances when the Group and the Company act only as a collecting agent of the transferee, and retain no significant risks and rewards of ownership of the financial asset or not continuing involvement in the control of the financial asset transferred.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

4.8 Financial instruments - (Continued)

A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for an extinguishment of the original financial liability and the recognition of a new financial liability. For this purpose, the Group and the Company consider a modification as a substantial if the present value of the revised cash flows of the modified terms discounted at the original effective interest rate is different by 10% or more when compared with the carrying amount of the original liability.

(c) Financial assets

For the purpose of subsequent measurement, the Group and the Company classify financial assets into three measurement categories, namely:

- (i) financial assets at amortised cost;
- (ii) financial assets at fair value through other comprehensive income; and
- (iii) financial assets at fair value through profit or loss.

The classification is based on the Group's and the Company's business model objective for managing the financial assets and the contractual cash flow characteristics of the financial instruments.

After initial recognition, the Group and the Company measure financial assets, as follow:

(i) Financial asset at amortised cost ("AC")

A financial asset is measured at amortised cost if:

- (a) It is held within the Group's and the Company's business objective to hold the asset only to collect contractual cash flows, and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest in principal outstanding.

(ii) Financial asset at fair value through other comprehensive income ("FVOCI")

A financial asset is measured at FVOCI if:

- (a) It is held within the Group's and the Company's business objective to hold the asset both to collect contractual cash flows and selling the financial asset, and
- (b) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest in principal outstanding.

(iii) Financial asset at fair value through profit or loss ("FVPL")

A financial asset is measured at FVPL if it is an equity instruments, held for trading (including derivative assets) or if it does not meet any of the condition specified for the AC or FVOCI model.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

4.8 Financial instruments - (Continued)

(d) Financial liabilities

After initial recognition, the Group and the Company measure all financial liabilities at amortised cost using the effective interest method, except for:

- (i) Financial liabilities at fair value through profit or loss (including derivatives that are liabilities) are measured at fair value.
- (ii) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies. Paragraph 3.2.15 and 3.2.17 of MFRS 9 apply to the measurement of such financial liabilities.
- (iii) Financial guarantee contracts issued, and commitments to provided loans at a below-market interest rate given, by the Group and the Company are measured at the higher of; (a) the amount of impairment loss determined and (b) the amount initially recognised less, when appropriate, the cumulative of income recognised in accordance with the principles in MFRS 15 Revenue from Contracts with Customers.

(e) Fair value measurement

The fair value of a financial asset or a financial liability is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique as described in Note 27 to the financial statements.

(f) Impairment of financial assets

The Group and the Company apply the expected credit loss model of MFRS 9 to recognise impairment losses of financial assets measured at amortised cost or at fair value through other comprehensive income. Except for trade receivables, a 12 month expected credit loss is recognised in profit or loss on the date of origination or purchase of the financial assets.

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired. The Group and the Company recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

4.8 Financial instruments - (Continued)

For trade receivables, other receivables and inter-company balances, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

4.9 Non-financial asset impairment

The carrying amounts of assets, other than inventories, investment properties and biological assets 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.

4.10 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.

4.11 Share capital

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs.

Dividends to shareholders are recognised in equity in the period in which they are declared.

4.12 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

4.13 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.

(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 MFRS 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.

4.14 Revenue recognition

Revenue from contracts with customer is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group transfers control of the goods or services promised in a contract and the customer obtains control of the goods or services. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of goods and services tax, return, rebates and discounts. The transaction price is allocated to each distinct good or service promised in the contract. Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

4.14 Revenue recognition – (Continued)

(a) Sale of agricultural produce

Revenue from sales of agricultural produce are recognised net of discount and taxes at the point in time when control of the goods has transferred to the customer. Depending on the terms of the contract of the customer, control transfers either upon delivery of the goods to a location specified by the customer and acceptance of the goods by the customer.

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.

(b) Dividend income

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

(c) Rental income

Rental income is recognised on accrual basis.

(d) Interest income

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

4.15 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

4.15 Income tax and deferred tax – (Continued)

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 Group and the Company intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

4.16 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.

4.17 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.

4.18 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

4.19 Leases

When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

Right-of-use assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented within “Property, plant and equipment”.

Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

4.19 Leases – (Continued)

Lease liabilities – (Continued)

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a changes in the Group's assessment of whether it will exercise an extension option;
or
- There are modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short term and low value leases

The Group has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements 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. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS – (Continued)

5.1 Biological assets

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

To arrive at the fair value of FFB, the management considered the oil content of the unripe FFB and derived the assumption that the net cash flow to be generated from FFB prior to more than 4 weeks to harvest to be negligible, therefore quantity of unripe FFB on bearer plants of up to 4 weeks prior to harvest was used for the valuation purpose. The value of the unripe FFB was estimated based on actual oil extraction rate and kernel extraction rate of the unripe FFB from tests. Costs to sell, which include harvesting and transport cost, are deducted in arriving at the net cash flow to be generated.

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 or management. Judgement were being exercised using sales comparison approach, taking into consideration 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	
	2021	2020	2021	2020
	RM	RM	RM	RM
Revenue from contract customers recognised at a point in time:				
Agricultural produce	14,391,153	9,219,432	13,725,633	9,219,432
	<u>14,391,153</u>	<u>9,219,432</u>	<u>13,725,633</u>	<u>9,219,432</u>

7. LOSS BEFORE TAX

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Loss before tax is arrived at after charging:-				
Amortisation/Depreciation	4,012,268	5,997,992	3,912,588	5,997,992
Auditors' remuneration:				
- audit fees				
- current financial year	86,000	75,000	70,000	70,000
- under-provision in prior financial year	10,000	-	10,000	
- non-audit fees				
- current financial year	8,000	8,000	8,000	8,000
Expenses related to leases:				
- of short term lease	295,614	295,614	295,614	295,614
- low value asset	900	2,515	900	2,515
Fair value loss on short term investments	231,164	-	231,164	-
Impairment loss on amount due from subsidiaries	-	-	-	40,603
Interest expenses on				
- finance lease liabilities	1,557	2,670	1,557	2,670
- short term borrowing	47,137	33,418	47,137	33,418
Impairment loss on property, plant and equipment	-	1,577,024	-	1,577,024
Loss on disposal of property, plant and equipment	72,153	-	72,153	-
Property, plant and equipment written off	-	962,736	-	962,736
Personnel expenses				
- contributions to EPF	476,819	439,735	429,252	493,735
- provision on retirement benefit (net)	5,535	92,436	-	92,436
- wages, salaries and others	3,721,198	3,828,279	3,335,744	3,775,199
and after crediting (other than those disclosed in Note 6):-				
Fair value gain on short term investments	-	3,389,344	-	3,389,344
Fair value gain on biological assets	101,397	119,603	101,397	119,603
Fair value gain on investment property	350,000	75,000	350,000	75,000
Gain on disposal of property, plant and equipment	-	3,083	-	3,083
Interest income				
- deposits with licensed financial institutions	26,980	29,093	25,941	29,093
Rental income	134,194	51,050	134,194	51,050

8. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensations are as follows :-

	GROUP/COMPANY	
	2021	2020
	RM	RM
Executive Directors		
– fees	53,000	52,000
– remuneration	1,320,200	1,412,200
– other short-term benefits (including estimated monetary value of benefits-in-kind)	389,748	548,120
Non-executive Directors		
– fees	396,586	373,000
Total short term Directors' remuneration	2,159,534	2,385,320
Other key management personnel:-		
– short term employee benefits	816,780	882,970
	2,976,314	3,268,290

Other key management personnel comprise 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 CREDIT

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Current taxation				
Malaysian income tax				
– current year	-	-	-	-
– under provision in prior year	-	-	-	-
	-	-	-	-
Real property gains tax				
– current financial year	-	73,826	-	73,826
	-	73,826	-	73,826
Deferred taxation				
Origination and reversal of temporary differences	(433,325)	(2,197,518)	(425,325)	(2,197,518)
	(433,325)	(2,123,692)	(425,325)	(2,123,692)

9. TAX CREDIT (CONTINUED)

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

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Loss before tax	(2,743,021)	(8,714,194)	(2,455,563)	(8,710,844)
Tax at Malaysian tax rate of 24% (2020: 24%)	(658,325)	(2,091,407)	(589,335)	(2,090,603)
Non-deductible expenses	342,276	754,951	281,286	754,147
Income not subject to tax	(117,276)	(861,062)	(117,276)	(861,062)
Real property gains tax	-	73,826	-	73,826
Tax credit	(433,325)	(2,123,692)	(425,325)	(2,123,692)

10. LOSS PER SHARE

Basic loss per ordinary share

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

	GROUP	
	2021	2020 (RESTATED)
Loss attributable to owners (RM)	(2,309,696)	(6,590,502)
Number of shares in issue at beginning of the year	268,993,452	268,993,452
Effect of bonus issue	(i) 134,496,686	134,496,686
Weighted average number of shares in issue for basic EPS at the end of the year	403,490,138	403,490,138
Basic loss per share (sen)	(0.57)	(1.63)

- (i) The comparative figure for weighted average number of ordinary shares for basic EPS have been restated to reflect the adjustments arising from bonus issue during the year.

11. PROPERTY, PLANT AND EQUIPMENT

GROUP AT VALUATION / COST	Freehold land	Leasehold land	Other properties	Motor vehicles and earthmoving equipment	Plant and equipment	Bearer plant	Land improvement	Total
	RM	RM	RM	RM	RM	RM	RM	RM
At 1 January 2020	98,780,000	78,319,976	2,822,358	1,859,346	1,945,588	44,694,761	-	228,422,029
Additions	-	-	386,781	152,500	471,450	2,722,566	1,107,474	4,840,771
Reclassification	-	-	-	-	-	(1,134,233)	1,134,233	-
Revaluation	4,718,369	(82,157)	-	-	-	-	-	4,636,212
Disposal	-	-	-	(4,543)	(4,700)	-	-	(9,243)
Written off	-	-	-	-	(11,550)	(1,925,465)	-	(1,937,015)
At 31 December 2020/ 1 January 2021	103,498,369	78,237,819	3,209,139	2,007,303	2,400,788	44,357,629	2,241,707	235,952,754
Additions	-	4,847,883	502,876	-	48,088	636,034	-	6,034,881
Reclassification	-	(103,555)	103,555	-	-	-	-	-
Disposal	-	-	-	(111,900)	(108,275)	-	-	(220,175)
Written off	-	-	-	-	-	(3,154,048)	-	(3,154,048)
At 31 December 2021	103,498,369	82,982,147	3,815,570	1,895,403	2,340,601	41,839,615	2,241,707	238,613,412

11. PROPERTY, PLANT AND EQUIPMENT – (Continued)

GROUP AT VALUATION / COST	Freehold land		Leasehold land		Other properties		Motor vehicles and earthmoving equipment		Plant and equipment		Bearer plant		Land improvement		Total	
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Accumulated depreciation/amortisation																
At 1 January 2020																
- Accumulated depreciation	-	-	-	-	-	-	1,286,144	1,770,896	-	-	-	-	-	-	-	3,057,040
- Accumulated amortisation	-	5,052,658	1,033,355	-	9,343,552	-	-	-	-	-	9,343,552	-	-	-	-	15,429,565
	-	5,052,658	1,033,355	1,286,144	1,770,896	9,343,552	-	-	-	-	9,343,552	-	-	-	-	18,486,605
Charge for the financial year																
	-	1,632,133	45,399	235,116	115,844	3,857,415	-	-	-	-	-	-	112,085	-	-	5,997,992
Revaluation	-	(6,680,826)	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,680,826)
Disposal	-	-	-	(2,726)	(4,700)	-	-	-	-	-	-	-	-	-	-	(7,426)
Written-off	-	-	-	-	(11,550)	(962,729)	-	-	-	-	-	-	-	-	-	(974,279)
At 31 December 2020																
- Accumulated depreciation	-	-	-	1,518,534	1,870,490	-	-	-	-	-	-	-	-	-	-	3,389,024
- Accumulated amortisation	-	3,965	1,078,754	-	-	12,238,238	-	-	-	-	12,238,238	-	-	-	-	13,433,042
	-	3,965	1,078,754	1,518,534	1,870,490	12,238,238	-	-	-	-	12,238,238	-	-	-	-	16,822,066
Charge for the financial year																
	-	1,760,942	45,895	179,777	81,121	1,832,448	-	-	-	-	-	-	112,085	-	-	4,012,268
Disposal	-	-	-	(27,940)	(13,882)	-	-	-	-	-	-	-	-	-	-	(41,822)
Reclassification	-	(3,967)	3,967	-	-	-	-	-	-	-	-	-	-	-	-	-
Written-off	-	-	-	-	-	(1,557,024)	-	-	-	-	-	-	-	-	-	(1,577,024)
At 31 December 2021																
- Accumulated depreciation	-	-	-	1,670,371	1,937,729	-	-	-	-	-	-	-	-	-	-	3,608,100
- Accumulated amortisation	-	1,760,940	1,128,616	-	-	12,493,662	-	-	-	-	12,493,662	-	-	-	-	15,607,388
	-	1,760,940	1,128,616	1,670,371	1,937,729	12,493,662	-	-	-	-	12,493,662	-	-	-	-	19,215,488

11. PROPERTY, PLANT AND EQUIPMENT – (Continued)

GROUP AT VALUATION / COST	Freehold land	Leasehold land	Other properties	Motor vehicles and earthmoving equipment	Plant and equipment	Bearer plant	Land improvement	Total
	RM	RM	RM	RM	RM	RM	RM	RM
Accumulated impairment loss								
At 31 December 2020	-	-	-	-	-	1,577,024	-	1,577,024
Written-off	-	-	-	-	-	(1,577,024)	-	(1,577,024)
At 31 December 2021	-	-	-	-	-	-	-	-
Net carrying value								
At 31 December 2020	103,498,369	78,233,854	2,130,385	488,769	530,298	30,542,367	2,129,622	217,553,664
At 31 December 2021	103,498,369	81,221,207	2,686,954	225,032	402,872	29,345,953	2,017,537	219,397,924

11. PROPERTY, PLANT AND EQUIPMENT – (Continued)

COMPANY AT VALUATION / COST	Freehold land		Leasehold land		Other properties		Motor vehicles and earthmoving equipment		Plant and equipment		Bearer plant		Land improvement		Total	
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
At 1 January 2020	98,780,000	78,319,976	2,822,358	1,859,346	1,785,322	44,694,761	-	228,261,763								
Additions	-	-	386,781	152,500	471,450	2,722,566	1,107,474	4,840,771								
Reclassification	-	-	-	-	-	(1,134,233)	1,134,233	-								
Revaluation	4,718,369	(82,157)	-	-	-	-	-	4,636,212								
Disposal	-	-	-	(4,543)	(4,700)	-	-	(9,243)								
Written off	-	-	-	-	(11,550)	(1,925,465)	-	(1,937,015)								
At 31 December 2020/ 1 January 2021	103,498,369	78,237,819	3,209,139	2,007,303	2,240,522	44,357,629	2,241,707	235,792,488								
Additions	-	-	502,876	-	40,089	-	-	542,965								
Reclassification	-	(103,555)	103,555	-	-	-	-	-								
Disposal	-	-	-	(111,900)	(108,275)	-	-	(220,175)								
Written off	-	-	-	-	-	(3,154,048)	-	(3,154,048)								
At 31 December 2021	103,498,369	78,134,264	3,815,570	1,895,403	2,172,336	41,203,581	2,241,707	232,961,230								

11. PROPERTY, PLANT AND EQUIPMENT – (Continued)

COMPANY AT VALUATION / COST	Freehold land		Leasehold land		Other properties		Motor vehicles and earthmoving equipment		Plant and equipment		Bearer plant		Land improvement		Total	
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Accumulated depreciation/amortisation																
At 1 January 2020																
- Accumulated depreciation	-	-	-	-	-	-	1,286,144	-	1,610,630	-	-	-	-	-	-	2,896,774
- Accumulated amortisation	-	5,052,658	1,033,355	-	9,343,552	-	-	-	-	-	-	-	-	-	-	15,429,565
	-	5,052,658	1,033,355	-	9,343,552	-	-	-	-	-	-	-	-	-	-	18,326,339
Charge for the financial year	-	1,632,133	45,399	-	3,857,415	-	235,116	-	115,844	-	-	-	-	112,085	-	5,997,992
Revaluation	-	(6,680,826)	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,680,826)
Disposal	-	-	-	-	-	-	(2,726)	-	(4,700)	-	-	-	-	-	-	(7,426)
Written-off	-	-	-	-	(962,729)	-	-	-	(11,550)	-	-	-	-	-	-	(974,279)
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2020																
- Accumulated depreciation	-	-	-	-	-	-	1,518,534	-	1,710,224	-	-	-	-	-	-	3,228,758
- Accumulated amortisation	-	3,965	1,078,754	-	12,238,238	-	-	-	-	-	-	-	-	112,085	-	13,433,042
	-	3,965	1,078,754	-	12,238,238	-	-	-	-	-	-	-	-	112,085	-	16,661,800
Charge for the financial year	-	1,661,422	45,895	-	1,832,448	-	179,777	-	80,961	-	-	-	-	112,085	-	3,912,588
Disposal	-	-	-	-	-	-	(27,940)	-	(13,882)	-	-	-	-	-	-	(41,822)
Reclassification	-	(3,967)	3,967	-	-	-	-	-	-	-	-	-	-	-	-	-
Written-off	-	-	-	-	(1,557,024)	-	-	-	-	-	-	-	-	-	-	(1,577,024)
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2021																
- Accumulated depreciation	-	-	-	-	-	-	1,670,371	-	1,777,303	-	-	-	-	-	-	3,447,674
- Accumulated amortisation	-	1,661,420	1,128,616	-	12,493,662	-	-	-	-	-	-	-	-	224,170	-	15,507,868
	-	1,661,420	1,128,616	-	12,493,662	-	-	-	-	-	-	-	-	224,170	-	18,955,542

11. PROPERTY, PLANT AND EQUIPMENT – (Continued)

COMPANY AT VALUATION / COST	Freehold land		Leasehold land		Other properties		Motor vehicles and earthmoving equipment		Plant and equipment		Bearer plant		Land improvement		Total	
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Accumulated impairment loss																
At 31 December 2020	-	-	-	-	-	-	-	-	-	-	-	1,577,024	-	-	-	1,577,024
Written-off	-	-	-	-	-	-	-	-	-	-	-	(1,577,024)	-	-	-	(1,577,024)
At 31 December 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net carrying value																
At 31 December 2020	103,498,369	78,233,854	2,130,385	488,769	530,298	30,542,367	2,129,622	217,553,664								
At 31 December 2021	103,498,369	76,472,844	2,686,954	225,032	395,033	28,709,919	2,017,537	214,005,688								

11. PROPERTY, PLANT AND EQUIPMENT – (Continued)**(i) Assets held under hire purchase arrangement**

The carrying amounts of motor vehicle of the Group and of the Company acquired under hire purchase arrangements are nil (2020: RM1,901).

(ii) Revaluation of freehold land and leasehold land

In the financial year ended 31 December 2020, the freehold land and leasehold land were revalued to fair values. Their fair values were arrived at by reference to market evidence of transaction prices for similar properties and were performed by registered independent valuers having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. The fair value measurement of the freehold land and leasehold land was based on the highest and best use.

In the opinion of the Directors, the fair value of the revalued assets as at 31 December 2021 are not expected to differ materially from their carrying value.

The Group's freehold land and leasehold land are valued based on sale comparison approach and classified in Level 2 of the fair value hierarchy.

There were no transfers between the levels during the year.

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.

If the freehold land and leasehold land were measured using the cost model, the carrying amounts would have been as follows:

	GROUP		COMPANY	
	Freehold Land	Leasehold Land	Freehold Land	Leasehold Land
2021	RM	RM	RM	RM
Cost	98,780,000	83,064,304	98,780,000	78,216,421
Accumulated amortisation	-	(8,301,456)	-	(8,201,936)
Carrying amount	98,780,000	74,762,848	98,780,000	70,014,485

11. PROPERTY, PLANT AND EQUIPMENT – (Continued)(ii) Revaluation of freehold land and leasehold land – (Continued)

	GROUP/ COMPANY	
	Freehold Land	Leasehold Land
2020	RM	RM
Cost	98,780,000	78,319,976
Accumulated amortisation	-	(6,684,791)
Carrying amount	98,780,000	71,635,185

12. INVESTMENT PROPERTIES

	GROUP/ COMPANY	
	2021	2020
	RM	RM
Cost/Valuation		
At 1 January	8,035,000	7,960,000
Gain on fair value	350,000	75,000
At 31 December	8,385,000	8,035,000

Fair value hierarchy	Fair value measurements using		
	Quoted prices in active market for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	RM	RM	RM
At 31 December 2021			
Recurring fair value measurements			
- Investment properties:			
- land	-	8,385,000	-
At 31 December 2020			
Recurring fair value measurements			
- Investment properties:			
- land	-	8,035,000	-

Rental income of RM34,800 (2020: RM34,800) was generated from these properties during the year. The direct operating expenses are RM109,730 (2020: RM104,175).

12. INVESTMENT PROPERTIES – (Continued)

As at 31 December 2021, the fair values of the properties have been based on Directors' estimates (2020: determined by external, independent and qualified valuers) using comparison method.

The Group's investment properties are valued based on sale comparison approach and classified in Level 2 of the fair value hierarchy.

There were no transfers between the levels during the year.

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.

13. LAND HELD FOR PROPERTY DEVELOPMENT

	GROUP	
	2021	2020
	RM	RM
Cost		
Land		
At 1 January	293,386	264,100
Addition	29,194	29,286
At 31 December	<u>322,580</u>	<u>293,386</u>
Development expenditure		
At 1 January	2,106,907	2,106,906
Additions	655	-
At 31 December	<u>2,107,562</u>	<u>2,106,906</u>
Carrying amounts		
At 31 December	<u><u>2,430,142</u></u>	<u><u>2,400,292</u></u>

14. SUBSIDIARIES

	COMPANY	
	2021	2020
	RM	RM
Investment in subsidiaries		
Unquoted shares, at cost	3,825,003	3,225,000
Less : Accumulated impairment losses	(3,225,000)	(3,225,000)
Carrying amount	<u>600,003</u>	<u>-</u>
Amount due from subsidiaries		
- Non-trade balance	16,604,859	11,696,298
- Impaired	(9,886,992)	(9,886,992)
	<u>6,717,867</u>	<u>1,809,306</u>

Amounts due from/to subsidiaries are unsecured, interest free and repayable on demand.

The Group had the following subsidiaries at 31 December 2021 and 31 December 2020. 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.

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
GBS Suria Sdn. Bhd. ("GBSS")	Construction of power plant	100	-
GBS Energy Sdn. Bhd. ("GBSE")	Construction of power plant	100	-
KB Estates Sdn. Bhd. ("KBE")	Oil palm cultivation	100	-

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 2021 is not material.

14. SUBSIDIARIES – (Continued)

Summarised financial information on subsidiaries with material non-controlling interests

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

Incorporation of subsidiaries

On 12 April 2021, the Company has subscribed for the entire equity interest in the capital of KB Estates Sdn Bhd (“KBE”) and GBS Suria Sdn Bhd (“GBSS”), both are newly incorporated companies in Malaysia, thereby making them subsidiaries of the Company.

The issued share capital of KBE and GBSS are RM500,002 comprising 500,002 ordinary shares of RM1 each and RM100,000 comprising 100,000 ordinary shares of RM1 each, respectively.

On 27 April 2021, the Company has subscribed for the entire equity interest in the capital of GBS Energy Sdn Bhd (“GBSE”), another newly incorporated company in Malaysia, thereby making it a subsidiary of the Company.

The issued share capital of GBSE is RM1 comprising 1 ordinary share of RM1.

15. OTHER INVESTMENTS

	GROUP/COMPANY	
	2021	2020
	RM	RM
Unquoted shares in Malaysia, at fair value	60,000	60,000
Other investment, at fair value	126,000	126,000
	<u>186,000</u>	<u>186,000</u>

The Group and the Company present in profit or loss the fair value changes in equity instruments. It was not practicable within the constraints of timeliness and cost to estimate the fair value of the unquoted investment and other investment reliably.

16. INVENTORIES

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Stores and spares	324,523	305,352	46,843	305,352
	<u>324,523</u>	<u>305,352</u>	<u>46,843</u>	<u>305,352</u>

17. BIOLOGICAL ASSETS

	GROUP/COMPANY	
	2021	2020
	RM	RM
Carrying amount at 1 January	251,394	131,791
Fair value changes	101,397	119,603
Carrying amount at 31 December	<u>352,791</u>	<u>251,394</u>

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

To arrive at the fair value of FFB, the management considered the oil content of the unripe FFB and derived the assumption that the net cash flow to be generated from FFB prior to more than 4 weeks to harvest to be negligible, therefore quantity of unripe FFB on bearer plants of up to 4 weeks prior to harvest was used for valuation purpose. Costs to sell, which include harvesting and transport cost, are deducted in arriving at the net cash flow to be generated.

The change in fair value of the biological assets in each accounting period is recognised in profit or loss.

The Group's and the Company's biological assets were fair valued within Level 3 of the fair value hierarchy. Fair value assessments have been completed consistently using the same valuation techniques.

18. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Trade receivables	605,164	654,265	-	654,265
Less :				
Expected credit losses	-	-	-	-
	<u>605,164</u>	<u>654,265</u>	<u>-</u>	<u>654,265</u>
Other receivables				
Other debtors	283,794	163,638	169,710	163,638
Deposits	233,885	486,998	233,789	486,902
Prepayments	30,106	2,399,086	24,449	537,841
	<u>547,785</u>	<u>3,049,722</u>	<u>427,948</u>	<u>1,188,381</u>
Total trade and other receivables	<u>1,152,949</u>	<u>3,703,987</u>	<u>427,948</u>	<u>1,842,646</u>

18. TRADE AND OTHER RECEIVABLES – (Continued)**18.1 Trade receivables**

Trade receivables of the Group and of the Company are non-interest bearing and are generally on 30 days (2020: 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 aging analysis of the Group's and the Company's trade receivables are as follows :-

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Neither past due nor impaired	605,164	654,265	-	654,265
More than 120 days past due not impaired	-	-	-	-
	<u>605,164</u>	<u>654,265</u>	<u>-</u>	<u>654,265</u>

Receivables that are neither past due nor impaired

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

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

Receivables that are past due but not impaired

The Group has trade receivables amounting to nil (2020: nil) 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

None of the Group and the Company's trade receivables have been impaired at the reporting date.

18.2 Other receivables

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

19. SHORT TERM INVESTMENTS

	GROUP/COMPANY	
	2021	2020
	RM	RM
Financial assets at fair value through profit or loss – unquoted unit trusts in Malaysia	66,087,599	82,969,989

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

20. DEPOSITS, CASH AND BANK BALANCES

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Deposits with licensed banks	3,948,987	932,501	2,948,988	932,501
Cash at banks and on hand	4,685,080	845,143	3,966,586	704,726
Cash and cash equivalents	<u>8,634,067</u>	<u>1,777,644</u>	<u>6,915,574</u>	<u>1,637,227</u>

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

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Interest rate (%)	1.40 to 1.85	1.60 to 1.85	1.60 to 1.85	1.60 to 1.85
Maturities (days)	<u>30 to 365</u>	<u>22 to 365</u>	<u>30 to 365</u>	<u>22 to 365</u>

21. SHARE CAPITAL

	GROUP/COMPANY			
	2021		2020	
	Number of share	Amount	Number of share	Amount
	Unit	RM	Unit	RM

Issued and fully paid:

Ordinary shares with no par value

At the beginning of the year	268,993,452	134,496,725	268,993,452	134,496,725
Bonus issue	134,496,686	-	-	-
At the end of the year	403,490,138	134,492,725	268,993,452	134,492,725

On 30 July 2021, the Company implemented a bonus issue of up to 134,496,686 new ordinary shares on the basis of 1 Bonus Share for every 2 existing ordinary shares. The implementation of the Propose Bonus Issue was undertaken without any capitalisation from the reserves of the Company and that the Bonus Shares shall be issued as fully paid at nil consideration. Therefore, the value of issued share capital will not be affected although there will be an increase in the number of Shares in issue pursuant to the Proposed Bonus Issue.

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.

22. PROVISION

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
At 1 January	342,320	249,883	342,320	249,883
Charge for the financial year	5,535	92,437	-	92,437
Transfer to subsidiary	-	-	(342,320)	-
Over-provision	(19,857)	-	-	-
Payment	(28,416)	-	-	-
At 31 December	299,582	342,320	-	342,320

23. DEFERRED TAX

23.1 Deferred tax liabilities movement

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
At beginning of the year (net)	(28,743,000)	(28,885,000)	(28,743,000)	(28,885,000)
Recognised in other comprehensive income	33,675	-	33,675	-
Transferred to revaluation reserve	-	(2,055,518)	-	(2,055,518)
Transferred to profit or loss	433,325	2,197,518	425,325	2,197,518
At end of the year (net)	<u>(28,276,000)</u>	<u>(28,743,000)</u>	<u>(28,284,000)</u>	<u>(28,743,000)</u>

23.2 Recognised deferred tax assets and liabilities

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

GROUP	ASSETS		LIABILITIES	
	2021	2020	2021	2020
	RM	RM	RM	RM
Bearer plant	-	-	(6,959,000)	(7,046,000)
Investment properties	-	-	(445,000)	(410,000)
Property, plant and equipment	-	-	(30,000)	(501,000)
Revaluation surplus	-	-	(27,705,000)	(27,983,000)
Unabsorbed capital allowances	480,000	1,732,000	-	-
Unused tax losses	6,311,000	5,383,000	-	-
Provision for retirement benefits	72,000	82,000	-	-
Before offsetting	6,863,000	7,197,000	(35,139,000)	(35,940,000)
Offset	(6,863,000)	(7,197,000)	6,863,000	7,197,000
After offsetting	<u>-</u>	<u>-</u>	<u>(28,276,000)</u>	<u>(28,743,000)</u>

23. DEFERRED TAX – (Continued)**23.2 Recognised deferred tax assets and liabilities – (Continued)**

COMPANY	ASSETS		LIABILITIES	
	2021	2020	2021	2020
	RM	RM	RM	RM
Bearer plant	-	-	(6,890,000)	(7,046,000)
Investment properties	-	-	(445,000)	(410,000)
Property, plant and equipment	-	-	(29,000)	(501,000)
Revaluation surplus	-	-	(27,705,000)	(27,983,000)
Unabsorbed capital allowances	410,000	1,732,000	-	-
Unused tax losses	6,303,000	5,383,000	-	-
Provision for retirement benefits	72,000	82,000	-	-
Before offsetting	6,785,000	7,197,000	(35,069,000)	(35,940,000)
Offset	(6,785,000)	(7,197,000)	6,785,000	7,197,000
After offsetting	-	-	(28,284,000)	(28,743,000)

The unused tax losses and unabsorbed capital allowances are subject to agreement with the Inland Revenue Board. On the other hand, effective from year of assessment 2019, the unused tax losses of the Group as at 31 December 2018 and thereafter will only be available for carry forward for a period of 10 consecutive years. Upon expiry of the 10 years, the unused tax losses will be disregarded.

24. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Trade payables	227,639	676,811	-	676,811
Other payables:				
Other creditors	321,825	1,893,614	14,300	1,931,615
Directors fees and staff cost	497,271	444,259	462,973	444,259
Accruals	115,025	99,030	92,365	89,720
	934,121	2,436,903	569,638	2,465,594
Total trade and other payables	1,161,760	3,113,714	569,638	3,142,405

24.1 Trade payables

Trade payables are non-interest bearing and the normal trade credit term granted to the Group and the Company is 30 days (2020: 30 days). Other credit terms are assessed and approved on a case-by-case basis.

24.2 Other creditors

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

25. BORROWINGS – (Continued)**25.1 Finance lease liabilities – (Continued)**

Reconciliation of movement of liabilities to cash flows arising from financing activities:

	GROUP/COMPANY	
	2021	2020
	RM	RM
At 1 January	13,499	33,509
Cash flows		
Principal payments	(13,499)	(20,010)
Interest payments	(1,557)	(2,670)
Non-cash changes		
Interest expense	1,557	2,670
At 31 December	-	13,499

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. DIVIDEND

	GROUP/COMPANY			
	2021		2020	
	Gross per share	Amount of dividend	Gross per share	Amount of dividend
	sen	RM	sen	RM
Dividend paid in respect of:-				
Final single tier dividend for the financial year ended 31 December 2020				
– tax exempt	2.00	5,379,869	-	-
Final single tier dividend for the financial year ended 31 December 2019				
– tax exempt	-	-	2.50	6,724,837

The Board of Directors recommends the payment of a final single tier dividend of 1.50 sen in respect of the financial year ended 31 December 2021, subject to shareholders' approval.

27. FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments categorised as follows:

	Notes	GROUP		COMPANY	
		2021	2020	2021	2020
		RM	RM	RM	RM
Financial assets					
Trade receivables	18	605,164	654,265	-	654,265
Other receivables	18	547,785	3,049,722	427,948	1,188,381
Amount due from subsidiaries	14	-	-	6,717,867	1,809,307
Cash and cash equivalents	20	8,634,067	1,777,644	6,915,574	1,637,227
Less: Prepayment	18	(30,106)	(2,399,086)	(24,449)	(537,841)
Total financial asset at amortised cost		<u>9,756,910</u>	<u>3,082,545</u>	<u>14,036,940</u>	<u>4,751,339</u>
Short term investment	19	66,087,599	82,969,989	66,087,599	82,969,989
Unquoted shares	15	60,000	60,000	60,000	60,000
Other investments	15	126,000	126,000	126,000	126,000
Total financial asset at fair value through profit or loss		<u>66,273,599</u>	<u>83,155,989</u>	<u>66,273,599</u>	<u>83,155,989</u>
Financial liabilities					
Trade payables	24	227,639	676,811	-	676,811
Other payables	24	934,121	2,436,903	569,638	2,465,594
Borrowings	25	-	13,499	-	13,499
Total financial liabilities at amortised cost		<u>1,161,760</u>	<u>3,127,213</u>	<u>569,638</u>	<u>3,155,904</u>

29. SEGMENT REPORTING

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

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

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

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

Business segments

The Group comprises the following main business segments :-

Property development	Development of residential and commercial properties
Plantation	Cultivation of oil palm and pineapple
Others	Investment holding and others

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 :-

	ASSETS		LIABILITIES	
	2021	2020	2021	2020
	RM	RM	RM	RM
Segment total	306,950,995	317,183,322	1,461,342	3,456,034
Tax assets/liabilities	366,798	265,552	28,276,000	28,743,000
Borrowings	-	-	-	13,499
	<u>307,317,793</u>	<u>317,448,874</u>	<u>29,737,342</u>	<u>32,212,533</u>

29. SEGMENT REPORTING – (Continued)

	PROPERTY DEVELOPMENT		PLANTATION		OTHERS		TOTAL	
	2021	2020	2021	2020	2021	2020	2021	2020
	RM	RM	RM	RM	RM	RM	RM	RM
Segment revenue								
Total segment revenue	-	-	16,619,199	9,219,432	-	-	16,619,199	9,219,432
Elimination	-	-	(2,228,046)	-	-	-	(2,228,046)	-
Revenue from external customers	-	-	14,391,153	9,219,432	-	-	14,391,153	9,219,432
Segment results								
Results from operating activities	(9,187)	(9,723)	4,101,602	(5,520,658)	(6,835,436)	(3,176,818)	(2,743,021)	(8,707,199)
(Loss)/Profit before interest and tax	(9,187)	(9,723)	4,101,602	(5,520,658)	(6,844,624)	(3,176,818)	(2,752,209)	(8,707,199)
Included in results from operating activities are:-								
Depreciation and amortisation	-	-	(2,110,505)	(4,189,660)	(1,901,763)	(1,808,252)	(4,012,268)	(5,997,912)
Impairment loss on property, plant and equipment	-	-	-	(1,577,024)	-	-	-	(1,577,024)
Property, plant and equipment written off	-	-	-	(962,736)	-	-	-	(962,736)
(Loss)/Gain on disposal of property, plant and equipment	-	-	(72,153)	-	-	3,083	(72,153)	3,083
Fair value (loss)/gain on short term investment	-	-	-	-	(231,164)	3,389,344	(231,164)	3,389,344
Fair value gain on investment property	-	-	-	-	350,000	75,000	350,000	75,000
Fair value gain on biological asset	-	-	101,397	119,603	-	-	101,397	119,603

29. SEGMENT REPORTING – (Continued)

	PROPERTY DEVELOPMENT		PLANTATION		OTHERS		TOTAL	
	2021	2020	2021	2020	2021	2020	2021	2020
	RM	RM	RM	RM	RM	RM	RM	RM
Segment assets								
Operating assets	2,570,598	2,540,805	37,600,409	36,279,063	266,779,988	278,363,454	306,950,995	317,183,322

Segment liabilities

Liabilities	8,950	8,600	9,873,951	12,746,111	(8,421,559)	(9,298,677)	1,461,342	3,456,034
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Additions to non-current assets, other than financial instruments, are as follows:-

	PROPERTY DEVELOPMENT		PLANTATION		OTHERS		TOTAL	
	2021	2020	2021	2020	2021	2020	2021	2020
	RM	RM	RM	RM	RM	RM	RM	RM
Capital expenditure								
Property, plant and equipment	-	-	21,319	2,110,662	5,377,528	7,547	5,398,847	2,118,209
Bearer plant expenditure	-	-	636,034	2,722,562	-	-	636,034	2,722,562
Land held for property development	29,849	29,285	-	-	-	-	29,849	29,285
	29,849	29,285	657,353	4,833,224	5,377,528	7,547	6,064,730	4,870,056

Major customers

There is one (2020: one) major customer with revenue more than 10 per cent of the Group's total revenue.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - (Continued)

31.1 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 20 to the financial statements.

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

31.2 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.

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 18.1 to the financial statements.

Credit risk concentration profile

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

	GROUP			
	2021		2020	
	RM	% of total	RM	% of total
Plantation	605,164	100	654,265	100
Property development	-	-	-	-
	<u>605,164</u>	<u>100</u>	<u>654,265</u>	<u>100</u>

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – (Continued)

31.2 Credit risk – (Continued)

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 18.1 to the financial statements. 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.

Information regarding financial assets that are either past due or impaired is in Note 18.1 to the financial statements.

Financial assets that are either past due or impaired

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due or groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current condition and forecasts of future economic condition.

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward - looking information. At every reporting date, the historical observed default rates, forecast economic condition may also not be representative of customer's actual default in the future.

31.3 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 disclosed in Note 25 to the financial statements.

32. 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 :-

	2021		2020	
	GROUP	COMPANY	GROUP	COMPANY
	%	%	%	%
Return on equity	N/A	N/A	N/A	N/A

33. SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL PERIOD

33.1 COVID-19 pandemic

The outbreak of the COVID-19 pandemic has impacted economic activities worldwide. Many countries have imposed restrictions on non-essential services and business operations, and have also implemented travel restrictions, border closures and other quarantine measures that have significantly curbed the normal movement of goods, services and people. For the financial period ended 31 December 2021, the impact of COVID-19 has been reflected in this set of financial statements.

The Group and the company are taking steps to proactively manage the business and take the necessary actions to ensure that the Group and the Company's long-term business prospects remain stable.

33.2 Development of large scale solar photovoltaic plant (LSSPV)

On 12 March 2021, the Group was notified by the "Suruhanjaya Tenaga" that the Group has been successfully selected as a shortlisted bidder for the development of large scale solar photovoltaic plant (LSSPV) of 50MW at Gopeng Perak.

33. SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL PERIOD – (Continued)

33.2 Development of large scale solar photovoltaic plant (LSSPV) - (Continued)

Subsequently, the subsidiary, GBS Suria Sdn Bhd had submitted a Letter of Intent to Sunway Construction Berhad on 22 December 2021 indicating its interest (subject to contract) in engaging Sunway Construction Berhad as a Contractor to carry out the Design, Engineering, Procurement, Construction, Testing and Commissioning of Solar Photovoltaic Energy Generating Facility with Ancillary Equipment and Facilities ("Works") with Generating Capacity of 50MW located at Lot 45547 GRN : 124174 in the Mukim Teja, Daerah Kampar, Perak ("Project") at an estimated contract price of RM200,000,000.

The Letter of Intent is non-binding and subject to further discussions and negotiations on the terms and conditions, which shall be included in the Engineering and Construction Contract ("EPC Contract") thereafter, which are yet to be executed.

34. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 5 April 2022.

Shareholding Statistics

As at 20 April 2022

Class of Shares	Ordinary Shares
Issued Share Capital	RM134,496,726 comprising 403,490,138 ordinary shares
Voting Rights	One vote per ordinary share

ANALYSIS OF SHAREHOLDINGS

Size of holdings	No of Shareholders	%	No of shares	%
Less than 100	75	1.82%	2,403	0.00%
100-1,000	130	3.16%	55,923	0.01%
1,001-10,000	2,643	64.24%	10,766,257	2.67%
10,001-100,000	1,173	28.51%	28,391,141	7.04%
100,001 - less than 5%	88	2.14%	169,290,091	41.96%
5% and above	5	0.13%	194,984,323	48.32%
	4,114	100.00%	403,490,138	100.00%

SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	Holdings		Percentage
	Direct	Indirect	
1 Dato' Mohd Salleh Bin Hashim	83,925,000	49,050,000 ¹	32.97%
2 Fortuna Gembira Enterpris Sdn Bhd	77,989,500		19.33%
3 Dato' Mohamad Tahiruddin Bin Mohd Tahir	23,319,823		5.78%

Notes: ¹ Held through Juitaneka Sdn Bhd

LIST OF TOP 30 SHAREHOLDERS AS AT 20 APRIL 2022

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	%
1	FORTUNA GEMBIRA ENTERPRIS SDN. BHD.	62,689,500	15.54
2	JUITANEKA SDN BHD	49,050,000	12.16
3	MOHD SALLEH BIN HASHIM	37,425,000	9.28
4	MOHAMAD TAHIRUDDIN BIN MOHD TAHIR	23,319,823	5.78
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR BANK OF SINGAPORE LIMITED (LOCAL)	22,500,000	5.58
6	ALBULA INVESTMENT FUND LTD	20,137,500	4.99
7	SHEKEL ENTERPRISE SDN BHD	19,425,000	4.81
8	TENG YEW HUAT	19,093,605	4.73
9	LIM SUAN	18,869,220	4.68
10	CITIGROUP NOMINEES (TEMPATAN) SDN BHD UBS AG SINGAPORE FOR MOHD SALLEH HASHIM	18,000,000	4.46
11	FORTUNA GEMBIRA ENTERPRIS SDN. BHD.	15,300,000	3.79
12	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK OF SINGAPORE LIMITED (FOREIGN)	14,924,250	3.70
13	LEAN HOEN SEW	9,718,275	2.41
14	BAKAWALI ENTERPRISES SDN BHD	6,482,691	1.61
15	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MOHD SALLEH BIN HASHIM	6,000,000	1.49
16	CIMB GROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR DBS BANK LTD (SFS)	3,223,650	0.80
17	MANOHAR HASAN BIN AMEER ALI	1,500,000	0.37

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	%
18	YTL POWER INTERNATIONAL BERHAD	1,125,000	0.28
19	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AB GHAUS BIN ISMAIL (551010)	854,775	0.21
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD CHUA ENG HO WA'A @ CHUA ENG WAH	781,200	0.19
21	SAPIAH @ SAFIAH BINTI HUSSIN	675,000	0.17
22	YEO KHEE HUAT	576,900	0.14
23	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIN KIAM HSUNG	436,725	0.11
24	PHANG AH KOW	349,800	0.09
25	BEH SEW CHOO	333,000	0.08
26	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MICHAEL HENG CHUN HONG	330,000	0.08
27	AIZURRA MELISSA BINTI MOHAMED MUZAMMIL	327,500	0.08
28	CHONG KAH YUNG	303,750	0.08
29	TAN MEE SUN	278,250	0.07
30	AZIZ BIN ABDULLAH	270,000	0.07

List of Group Properties

Location	Description	Status/ Tenure	Areas (Ha)	Net Carrying Value	Date of Acquisition	
Kota Bahroe Division	in the Mukim of Teja	Oil Palm Estate	Freehold	255.01	26,273,223	1985
	in the Mukim of Teja	Oil Palm Estate	Leasehold 15/7/2057	41.59	3,994,377	1997
			296.60	-		
Gopeng Division	in the Mukim of Sg Terap	Oil Palm Estate	Freehold	92.48	9,135,397	1985
	in the Mukim of Sg Raia	Oil Palm Estate	Freehold	85.21	8,417,817	1985
	in the Mukim of Teja	Oil Palm Estate	Freehold	3.13	309,071	1985
			180.82	-		
Sanglop Division	in the Mukim of Teja and village of Kota Bahroe	Oil Palm Estate	Freehold	431.97	58,152,863	1985
in the Mukim of Kampar Lot 9023, 1393, 9249, 10030 16142, 19068, 19943, 25986 16944 and 20648	Agricultural Land	Freehold	7.98	1,210,000	1985	
in the Mukim of Sg Raia (GB New Township Land)	Commercial	Leasehold 6/9/2098	1.00	1,050,200	1999	
in the Mukim of Teja (GB New Township Land)	Agriculture (ex-residential)	Leasehold 1/2/2106	29.50	2,879,897	1999	
Bandar Gopeng	Residential	Leasehold 1/2/2106	22.12	7,334,800	1999	
Bandar Gopeng	Agriculture	Leasehold 29/6/2068	4.06	-	2007	

Location	Description	Status/ Tenure	Areas (Ha)	Net Carrying Value	Date of Acquisition
in the Mukim of Sg Raia	Agriculture	Leasehold 29/6/2068	82.30	7,957,093	2007
in the Mukim of Teja	Agriculture	Leasehold 29/6/2068	576.05	55,526,213	2007
in the Mukim of Sg Terap	Agriculture	Leasehold 29/6/2068	44.32	4,285,035	2007
in the Mukim of Teja	Agriculture	Leasehold 23/6/2068	18.93	1,830,228	2010
in the Mukim of Kampar (Catchment Area)	Industry	Leasehold 14/12/2081	135.42	601,968	2021
in the Mukim of Kampar	Industry	Leasehold 25/2/2057	1.43	2,905,918	2021
in the Mukim of Sg. Raia	Industry	Leasehold 15/3/2120	1.87	1,842,444	2021
			1,834.37	193,706,544	

Other properties

Taman Seri Raia	2 double storey shophouse	Leasehold 25/5/2096	381 sqm	324,684	9/9/1997
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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 38th Annual General Meeting of the Company to be held on a fully virtual basis through online meeting platform via <http://www.onecapital.com.my> provided by One Capital Market Services Sdn Bhd on Tuesday, 21 June 2022 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 single tier dividend		
3	Re-election of Dato' Mohd Salleh Bin Hashim		
4	Re-election of Tan Sri Dato' (Dr) Chew Chee Kin		
5	Re-election of Encik Manohar Hasan Bin Ameer Ali		
6	Payment of Directors' fees and other remuneration		
7	Re-appointment of Auditors: HLB Le Lum Chew PLT		
	Special Business		
8	Retention of Encik Manohar Hasan Bin Ameer Ali as independent director		
9	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 2022

Signature of Member / Common Seal

No of shares held
CDS Account No
Contact No

Notes :

- A member [other than an exempt authorised 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 office of the Share Registrar of the Company, One Capital Market Services Sdn Bhd at Level 18, Plaza VADS, No. 1, Jalan Tun Mohd Fuad, Taman Tun Dr Ismail 60000 Kuala Lumpur or email to info@onecapital.com.my not less than 48 hours before the time appointed for the meeting or adjourned meeting.
- Where a member is an exempt authorised nominee as defined under the Securities Industry [Central Depositories] Act 1991, which holds shares in the Company for a multiple beneficial owners in one securities account [omnibus account] there is one limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- Only depositors whose names appear in the Record of Depositors as at 15 June 2022 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.
- If the appointor is a corporation, this Proxy should be executed under its Common Seal or the hand of an officer or attorney authorised 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
STAMP

One Capital Market Services Sdn Bhd
Level 18, Plaza VADS
No. 1 Jalan Tun Mohd Fuad
Taman Tun Dr. Ismail
60000 Kuala Lumpur



GOPENG BERHAD

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