



**ANNUAL  
REPORT  
2022**



# ANNUAL REPORT 2022

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# Gopeng Berhad AT A GLANCE



**1**

**Early 19<sup>th</sup> Century**  
The dredging method was introduced

**2**

**Early 19<sup>th</sup> Century**  
Employees at work at Tekka

**3**

**Early 19<sup>th</sup> Century**  
The electric power station

**4**

**Early 19<sup>th</sup> Century**  
Monitors cutting the ground

**5**

**Mid 19<sup>th</sup> 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



# Corporate Information

## BOARD OF DIRECTORS

Dato' Mohd Salleh Bin Hashim  
(Executive Chairman)

Tan Sri Dato' (Dr) Chew Chee Kin  
(Non-Independent Non-Executive Director)

Dato' Haji Mohamad Tahiruddin Bin Mohd Tahir  
(Non-Independent Non-Executive Director)

Encik Manohar Hasan Bin Ameer Ali  
(Independent Non-Executive Director)

Mr. Chong Chang Choong  
(Non-Independent Non-Executive Director)

Encik Ab Ghaus Bin Ismail  
(Independent Non-Executive Director)

Dr. Mohd Nordin Bin Mohd Zain  
(Independent Non-Executive Director)

## AUDIT COMMITTEE

Dr. Mohd Nordin Bin Mohd Zain (Chairman)  
Encik Manohar Hasan Bin Ameer Ali (Member)  
Encik Ab Ghaus Bin Ismail (Member)

## NOMINATION COMMITTEE

Encik Manohar Hasan Bin Ameer Ali (Chairman)  
Encik Ab Ghaus Bin Ismail (Member)  
Dr. Mohd Nordin Bin Mohd Zain (Member)

## REMUNERATION COMMITTEE

Encik Manohar Hasan Bin Ameer Ali (Chairman)  
Encik Ab Ghaus Bin Ismail (Member)  
Dr. Mohd Nordin Bin Mohd Zain (Member)

## COMPANY SECRETARIES

Yeow Sze Min  
(MAICSA 7065735 & SSM PC No. 201908003120)

Ang Yen Pei  
(MAICSA 7068276 & SSM PC No. 202108000376)

## AUDITORS

HLB Ler Lum Chew PLT (AF 0276)  
201906002362 (LLP0021174-LCA)  
Chartered Accountants  
A-23-1, Level 23, Hampshire Place Office,  
157 Hampshire, No. 1, Jalan Mayang Sari,  
Off Jalan Tun Razak,  
50450 Kuala Lumpur,  
Wilayah Persekutuan  
Tel : +603-7890 5588

## REGISTERED OFFICE

Level 7, Menara Milenium,  
Jalan Damanlela,  
Pusat Bandar Damansara,  
Damansara Heights,  
50490 Kuala Lumpur,  
Wilayah Persekutuan  
Tel : +603-2084 9000  
Fax : +603-2094 9940 / +603-2095 0292

## CORPORATE OFFICE

A-17-15, Level 17,  
Menara UOA Bangsar,  
No. 5, Jalan Bangsar Utama 1,  
59000 Kuala Lumpur,  
Wilayah Persekutuan  
Tel No : +603-2287 7577  
Fax No : +603-2287 7578  
Website : www.gopeng.com.my

## SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.  
11<sup>th</sup> Floor, Menara Symphony,  
No. 5, Jalan Prof. Khoo Kay Kim,  
Seksyen 13,  
46200 Petaling Jaya,  
Selangor Darul Ehsan  
Tel : +603-7890 4700  
Fax : +603-7890 4670

## PRINCIPAL BANKERS

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

## SOLICITORS

Wan & Wan  
No. 29A, Lorong Taman Ipoh 1,  
Ipoh Garden South,  
31400 Ipoh,  
Perak Darul Ridzuan  
Tel : +605-548 9954  
Fax : +605-548 9957

## STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad  
Stock code : 2135  
Stock name : GOPENG  
Sector : Plantation

# Notice of Meeting

**NOTICE IS HEREBY GIVEN THAT** the Thirty-Ninth Annual General Meeting of the Company (“**39<sup>th</sup> AGM**”) will be held on a fully virtual basis through live streaming and online remote voting using the Remote Participation and Electronic Voting (“**RPEV**”) Platform provided by Boardroom Share Registrars Sdn. Bhd. at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657) at the broadcast venue, which is the main meeting venue at Meeting Room, A-17-15, Level 17, Menara UOA Bangsar, No. 5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur, Wilayah Persekutuan on Monday, 29 May 2023 at 11:00 a.m., or any adjournment thereof for the following purposes:-

## AGENDA

### AS ORDINARY BUSINESS

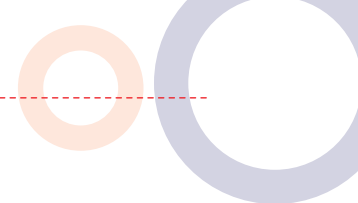
- |    |  |                         |
|----|--|-------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and the Auditors thereon.                             | (Refer to Note 1)       |
| 2. | To approve the single-tier final dividend of 1.0 sen per ordinary share for the financial year ended 31 December 2022.   | (Ordinary Resolution 1) |
| 3. | To approve the payment of Directors’ fees to the Directors of the Company of up to RM404,000/- for the financial year ended 31 December 2022.  | (Ordinary Resolution 2) |
| 4. | To approve the payment of Directors’ fees to the Directors of the Company of up to RM485,000/- for the financial year ending 31 December 2023.   | (Ordinary Resolution 3) |
| 5. | To re-elect Dato’ Haji Mohamad Tahiruddin Bin Mohd Tahir, who is due to retire pursuant to Rule 77 of the Company’s Constitution, and being eligible, has offered himself for re-election. | (Ordinary Resolution 4) |
| 6. | To re-elect Encik Ab Ghaus Bin Ismail, who is due to retire pursuant to Rule 77 of the Company’s Constitution, and being eligible, has offered himself for re-election.                    | (Ordinary Resolution 5) |
| 7. | To re-appoint Messrs. HLB Ler Lum Chew PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.    | (Ordinary Resolution 6) |

### As Special Business

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:-

- |    |   |                         |
|----|---|-------------------------|
| 8. | <b>ORDINARY RESOLUTION</b>  |                         |
|    | - <b>PAYMENT OF BENEFITS PAYABLE TO THE DIRECTORS UNDER SECTION 230(1)(b) OF THE COMPANIES ACT 2016</b> | (Ordinary Resolution 7) |

“**THAT** the benefits payable to the Directors of the Company up to an amount of RM40,000/- for the period from 29 May 2023 until the next Annual General Meeting of the Company to be held in year 2024 pursuant to Section 230(1)(b) of the Companies Act 2016, be and is hereby approved.”



9. **ORDINARY RESOLUTION**

- **RETENTION OF ENCIK MANOHAR HASAN BIN AMEER ALI AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

(Ordinary Resolution 8)

“**THAT** Encik Manohar Hasan Bin Ameer Ali, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company until the next Annual General Meeting of the Company in year 2024.”

10. **ORDINARY RESOLUTION**

- **AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS**

(Ordinary Resolution 9)

“**THAT** subject always to the Companies Act 2016 (“**the Act**”), the Constitution of the Company, Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and subject to the approvals of the relevant governmental and/or regulatory authorities, where necessary, the Directors of the Company be and are hereby authorised and empowered pursuant to the Act, to issue and allot shares in capital of the Company, at any time, at such price, to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being (excluding treasury shares) pursuant to Paragraph 6.03(1) of the Main Market Listing Requirements of Bursa Securities;

**THAT** pursuant to Section 85 of the Act to be read together with Rule 50 of the Company’s Constitution, approval be and is hereby given for the waiver of the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act;

**AND THAT** the Directors of the Company, be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

**AND FURTHER THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

11. **ORDINARY RESOLUTION**

- **PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

(Ordinary Resolution 10)

“**THAT** subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and/or its subsidiaries (“**Gopeng Group**”) be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related party as set out in the Circular to Shareholders dated 28 April 2023 with the related parties mentioned therein (“**the Related Parties**”) provided that such transactions are:-

- (a) necessary for the day-to-day operations;
- (b) carried out in the ordinary course of business and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (c) not to the detriment of the minority shareholders of the Company.

**(“Renewed Shareholders’ Mandate”)**

**AND THAT** the authority conferred such mandate shall commence immediately upon the passing of this ordinary resolution and continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting (“**AGM**”) of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“**the Act**”) (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is the earlier.

**AND THAT** the Directors of the Company be hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Renewed Shareholders’ Mandate.”

**12. SPECIAL RESOLUTION**

**- PROPOSED AMENDMENTS TO THE COMPANY’S CONSTITUTION**

(Special Resolution)

**“THAT** the proposed amendments to the Constitution of the Company as set out in “Appendix A”, be approved and adopted with immediate effect.

**AND THAT** the Directors and Secretaries of the Company be and are hereby authorised to do all such deeds, acts and things and execute, sign and deliver all documents and to take all such steps for and on behalf of the Company as they may think fit, necessary, expedient, appropriate and/or relevant with full powers to assent to any alteration, modification, variation and/or deletion as may be required by the relevant authorities in respect of the Proposed Amendments to the Company’s Constitution.”

13. To transact any other ordinary business of which due notice has been given.



## NOTICE OF BOOK CLOSURE

**NOTICE IS ALSO HEREBY GIVEN THAT** subject to the approval of shareholders at the 39<sup>th</sup> AGM of the Company will be held on Monday, 29 May 2023 at 11:00 a.m., a single-tier final dividend of 1.0 sen per ordinary share for the financial year ended 31 December 2022 will be payable on 17 August 2023 to depositors whose names appear in the Record of Depositors at the close of business on 18 July 2023.

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

- (a) Share deposited to the Depositor's Securities Account before 12:30 p.m. on 14 July 2023 in respect of the shares exempted from mandatory deposit;
- (b) shares transferred to the Depositors' Securities Account on or before 4:30 p.m. on 18 July 2023 in respect of ordinary transfer; and
- (c) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

**YEOW SZE MIN (SSM PC No. 201908003120 & MAICSA 7065735)**

**ANG YEN PEI (SSM PC No. 202108000376 & MAICSA 7068276)**

COMPANY SECRETARIES

Kuala Lumpur  
28 April 2023

## Explanatory Notes to Ordinary Business

### 1. Audited Financial Statements for the financial year ended 31 December 2022

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 (“**the Act**”) does not require a formal approval for the Audited Financial Statements from the shareholders. Therefore, this Agenda item is not put forward for voting.

### 2. Ordinary Resolution 1 – Declaration of single-tier final dividend for the financial year ended 31 December 2022

Pursuant to Section 131 of the Act, a company may only make a distribution to the shareholders out of profits of the company available if the company is solvent. The Board had on 11 April 2023 considered the amount of dividend and recommended the same for the shareholders’ approval.

The Directors of the Company are satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within twelve (12) months immediately after the distribution is made on 17 August 2023 in accordance with the requirements under Sections 132(2) and (3) of the Act.

### 3. Ordinary Resolutions 2 & 3 – Payment of Directors’ Fees

The proposed payment of Directors’ fees to the Directors of the Company for the financial year ended 31 December 2022 and financial year ending 31 December 2023 shall be up to a total of RM404,000/- and RM485,000/- respectively only, comprised the following rates based on responsibilities assumed:-

Directors’ Fees	Financial Year Ended 31 December 2022 & Financial Year Ending 31 December 2023
Non-Executive Directors	RM40,000 per person per annum
Executive Chairman	RM50,000 per annum
Audit Committee Chair	Additional RM42,000 per annum
Audit Committee Members	Additional RM36,000 per annum

The Ordinary Resolutions 2 & 3, if approved, will authorise the payment of Directors’ fees to the Directors for the financial year ended 31 December 2022 and financial year ending 31 December 2023.

### 4. Ordinary Resolutions 4 & 5 – Re-election of Directors

In determining the eligibility of the Directors to stand for re-election at the 39<sup>th</sup> AGM of the Company, the Nomination Committee (“**NC**”) having considered the requirements under Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and the Fit and Proper Policy of the Group, recommended for the re-election of Dato’ Haji Mohamad Tahiruddin Bin Mohd Tahir and Encik Ab Ghaus Bin Ismail, who are retiring pursuant to Rule 77 of the Constitution of the Company (“**Retiring Directors**”).

The Board, through the NC, has conducted separate assessments and being satisfied with the performance/contribution of the Retiring Directors. Therefore, the Board would like to recommend the same be tabled to the shareholders for approval at the 39<sup>th</sup> AGM under Ordinary Resolutions 4 and 5 respectively.

The profiles of the Retiring Directors can be found in the Annual Report 2022.

The Retiring Directors have consented to their re-election and abstained from deliberations and voting in relation to their individual re-election at the NC Meeting, where applicable and the Board of Directors' Meeting, respectively.

#### 5. Ordinary Resolution 6 – Re-appointment of Auditors

The Audit Committee (“AC”) had assessed the suitability, objectivity and independence of the External Auditors and recommended the re-appointment of Messrs. HLB Ler Lum Chew PLT as the External Auditors of the Company for the ensuing year. The Board had in turn reviewed the recommendation of the AC and recommended the same be tabled to the shareholders for approval at the forthcoming 39<sup>th</sup> AGM of the Company under Ordinary Resolution 6.

### Explanatory Notes to Special Business

#### 6. Ordinary Resolution 7 – Benefits Payable to the Directors

Under Ordinary Resolution 7, the benefits payable to the Directors of the Company pursuant to Section 230(1)(b) of the Act had been reviewed by the Remuneration Committee and the Board of Directors of the Company, which recognise that the benefits payable to the Directors are in the best interest of the Company and in accordance with Directors' and Senior Management's Remuneration Policy of the Company for the applicable period from 29 May 2023 until the next Annual General Meeting of the Company to be held in year 2024. The benefits comprised solely meeting allowance, which will only be accorded based on actual attendance of meetings by the Directors:-

Benefits Payable to Directors	
Meeting Allowance for every Director for attendance of Board Meeting, Board Committee Meeting and General Meeting of the Company	RM500/- per meeting day

#### 7. Ordinary Resolution 8 – Retention of Independent Non-Executive Director

Encik Manohar Hasan Bin Ameer Ali (“**Encik Hasan**”) was appointed as an Independent Non-Executive Director on 26 May 2012 and therefore, has served the Board in that capacity for a cumulative term of more than nine (9) years.

The Board via the NC, after assessed of the independence of Encik Hasan, regarded him to be independent, based amongst others, the following justifications and recommends that Encik Hasan be retained as an Independent Non-Executive Director of the Company subject to the approval from the shareholders of the Company through a two-tier voting process as described in Practice 5.3 of the Malaysian Code on Corporate Governance:-

- He has fulfilled the criteria under the definition of an Independent Director pursuant to the Main Market Listing Requirements of Bursa Securities;
- He is able to exercise independent judgement and act in the best interests of the Company;
- There is no potential conflict of interest that he could have with the Company and/or its subsidiaries (“**Gopeng Group**”) as he has not entered into any contract or transaction with the Gopeng Group; and
- There are significant advantages to be gained from long-serving Independent Director who has many years of experience with incumbent knowledge of the Gopeng Group's activities and corporate history, and have provided invaluable contributions to the Board in his roles as an Independent Non-Executive Director.

## 8. Ordinary Resolution 9 – Authority to Issue Shares pursuant to the Act and Waiver of Pre-emptive Rights

The Company wishes to renew the mandate on the authority to issue shares pursuant to the Act (“**General Mandate**”) obtained from its shareholders at the Thirty-Eighth Annual General Meeting of the Company held on 21 June 2022 (hereinafter referred to as the “**Previous Mandate**”) and seek for waiver of pre-emptive rights under Section 85 of the Act read together with Rule 50 of the Company’s Constitution (“**Waiver**”).

The Previous Mandate granted by the shareholders had not been utilised and hence, no proceed was raised therefrom.

The General Mandate will provide flexibility to the Company for allotment of shares for any possible fundraising activities for the purpose of funding investment(s), working capital and/or acquisitions(s), while the Waiver would allow the Directors to issue new ordinary shares to any person under the General Mandate without having to offer the new ordinary shares to be issued equally to all existing shareholders of the Company prior to allotment.

## 9. Ordinary Resolution 10 – Proposed Renewal of Existing Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 10 is to renew the shareholders’ mandate granted by the shareholders of the Company at the Extraordinary General Meeting of the Company held on 13 January 2023 (“**Renewal of Existing Shareholders’ Mandate**”). The Renewal of Existing Shareholders’ Mandate will enable the Gopeng Group to enter into the Recurrent Related Party Transactions which are necessary for the Gopeng Group’s day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Please refer to the Circular to Shareholders dated 28 April 2023 for further information.

## 10. Special Resolution – Proposed Amendments to the Company’s Constitution

The proposed Special Resolution is mainly to enhance administrative efficiency. The proposed amendments to the Company’s Constitution shall take effect once the special resolution has been passed by a majority of not less than seventy-five percent (75%) of such members who are entitled to vote and do vote in person or by proxy at the Meeting.

### Information for Shareholders/Proxies

- (a) The 39<sup>th</sup> AGM of the Company will be held on a fully virtual basis through live streaming and online remote voting using the RPEV Platform provided by Boardroom Share Registrars Sdn. Bhd. at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC – D6A357657). Please refer to the Administrative Guide for the 39<sup>th</sup> AGM for the procedures to register, participate and vote remotely at the 39<sup>th</sup> AGM.
- (b) In compliance with Section 327(2) of the Companies Act 2016, the Chairman shall be present at the main venue of the meeting in Malaysia. The broadcast venue is strictly for the purpose of complying with Companies Act 2016. Members, proxies and/or corporate representatives will not be allowed to be physically present at the broadcast venue on the day of the 39<sup>th</sup> AGM.

- (c) In respect of deposited securities, only members whose names appear in the Record of Depositors on 22 May 2023 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the Meeting.
- (d) A member entitled to attend and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote in his stead. There shall be no restriction as to the qualification of the proxy. Where a member appoints more than one (1) proxy, such appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
- (e) The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if such appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
- (f) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (g) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (h) The appointment of proxy(ies) may be made either in a hard copy form or by electronic means in the following manner and shall be deposited with the Company’s Share Registrar, not less than forty-eight (48) hours before the time appointed for holding the 39<sup>th</sup> AGM, i.e. latest by Saturday, 27 May 2023 at 11:00 a.m. or at any adjournment thereof:-

Mode of submission	Designated Address
Hard copy	Boardroom Share Registrars Sdn. Bhd. at 11 <sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan
Electronic means	Through the Share Registrar’s website Boardroom Smart Investor Portal at <a href="https://investor.boardroomlimited.com">https://investor.boardroomlimited.com</a> or via email to <a href="mailto:bsr.helpdesk@boardroomlimited.com">bsr.helpdesk@boardroomlimited.com</a> .

(Please refer to the Administrative Guide on the procedures for electronic lodgement of proxy form)

- (i) The lodging of the Form of Proxy does not preclude a member from attending and voting remotely at the 39<sup>th</sup> AGM should he subsequently decides to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at the office of the Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time stipulated for holding the 39<sup>th</sup> AGM, i.e. latest by Saturday, 27 May 2023 at 11:00 a.m. or any adjournment thereof, and you shall register for RPEV as guided in the Administrative Guide. Please contact the poll administrator, Boardroom Share Registrars Sdn. Bhd. at +603-7890 4700 for further assistance.



## APPENDIX A

**PROPOSED AMENDMENTS TO THE CONSTITUTION OF GOPENG BERHAD (“THE COMPANY “)**

This is the Appendix A referred to in Agenda item no. 12 of the Notice of the Thirty-Ninth Annual General Meeting of the Company dated 28 April 2023.

- (i) Proposed amendments to numbering of the following Rules

Existing Rules Nos.	Proposed New Rules Nos.	Description
34 - 131	<b>33 - 130</b>	Due to the inadvertent numerical discrepancy in the existing Constitution of the Company, the existing Rules Nos. 34 to 131 shall be renumbered to Rules Nos. 33 to 130 accordingly.
133 - 161	<b>131 - 159</b>	Due to the inadvertent numerical discrepancy in the existing Constitution of the Company, the existing Rules Nos. 133 to 161 shall be renumbered to Rules Nos. 131 to 159 accordingly.

- (ii) Proposed amendment on content of Rule No. 121

Rule No.	Existing Rule	Proposed New Rule
121	A resolution in writing, signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors, shall be valid and effectual as if it had been passed at a meeting of the Directors duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Directors.	<p><b>A written resolution signed and/or assented to by any means of Electronic Communication by a majority of the Directors entitled to receive notice or meeting of the Board, being not less than sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened; provided that where a Director is not so present but has an alternate who is so present, then such resolution shall also be signed by such alternate. All such resolutions shall be described as "Directors' Resolution in Writing" and shall be forwarded or otherwise delivered to the Secretary without delay and shall be recorded by him in the Company's Minutes Book. Any such resolution may consist of several documents in like form, each signed by one (1) or more Directors or their alternates.</b></p> <p><b>The expressions “in writing” and “signed” include approval by legible confirmed transmission by facsimile or other forms of Electronic Communication.</b></p>

## Directors' Profile



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

*Age 75, Male, Malaysian (Non-Independent Executive Chairman)*

Dato' Mohd Salleh Bin Hashim ("**Dato' Mohd Salleh**") graduated from the University of Malaya in 1970 with a Degree in Bachelor of Economics.

He was appointed to the Board on 31 March 1993 and was nominated as the Managing Director of the Company from 22 June 1996 to 26 February 2006. He was appointed as an Executive Chairman on 27 February 2006. Prior to joining the Company, Dato' Mohd Salleh held various senior positions in Perak State Development Corporation and its subsidiaries with ten (10) years of experience.

Dato' Mohd Salleh is a major shareholder of the Company by virtue of his direct interest and indirect interest held via Juitaneka Sdn. Bhd., which is also a major shareholder of the Company. He is the father of Puan Syerleena Binti Mohd Salleh, the General Manager, Corporate Affairs & Human Resource and the father-in-law of Encik Nasrul Shahrin Bin Mohd Nasir, the Chief Operating Officer of the Company.

Dato' Mohd Salleh does not sit in any Board Committee. He attended all five (5) Board Meetings held during the financial year ended 31 December 2022.



### **TAN SRI DATO' (DR) CHEW CHEE KIN**

*Age 77, Male, Malaysian (Non-Independent Non-Executive Director)*

Tan Sri Dato' (Dr) Chew Chee Kin ("**Tan Sri Chew**") graduated with a Bachelor of Economics (Hons) Degree from the University of Malaya. He attended the Program in Management Development at Harvard Business School in 1980.

Tan Sri Chew started his career as a Trainee Executive in UMW (Malaya) Sdn. Bhd. in 1974. He was the Group General Manager (Operations) of Sunway Group in 1981 and was subsequently promoted to Deputy Group Managing Director (Operations) of the Sunway Holdings Berhad Group in 1989. In 1995, he was promoted to Group Managing Director of the Sunway Holdings Berhad Group and President of the Sunway Holdings Berhad Group in 1999. Upon the completion of the merger of Sunway City Berhad and Sunway Holdings Berhad in 2011, Tan Sri Chew was designated as the President of Sunway Berhad. He has more than 30 years' experience in general management, quarrying, construction, building materials, trading and manufacturing businesses.

Tan Sri Chew was appointed to the Board on 18 May 1998 and represents Fortuna Gembira Enterpris Sdn. Bhd., the major shareholder of the Company on the Board. He is currently a director of Sunway Berhad and Sunway Construction Group Berhad.

Tan Sri Chew does not sit in any Board Committee. Tan Sri Chew attended all five (5) Board Meetings held during the financial year ended 31 December 2022.



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

*Age 80, Male, Malaysian (Non-Independent Non-Executive Director)*

Dato' Haji Mohamad Tahiruddin Bin Mohd Tahir ("**Dato' Tahiruddin**") 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 the Company on 4 October 1988, he was the Deputy General Manager of the Perak State Development Corporation. He was the Managing Director of the Company from 1989 to 1992.

Dato' Tahiruddin is a substantial shareholder of the Company.

Dato' Tahiruddin does not sit in any Board Committee. He attended all five (5) Board Meetings held during the financial year ended 31 December 2022.



**MANOHAR HASAN BIN AMEER ALI**

*Age 67, Male, Malaysian (Independent Non-Executive Director)*

Encik Manohar Hasan Bin Ameer Ali ("**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 the Company after accumulating a total of 14 years of experience in corporate affairs. He was the General Manager of the Company from 1 January 1993 to 22 June 1996.

Encik Manohar Hasan was appointed to the Board as an Executive Director on 22 June 1996. He relinquished his executive functions and redesignated as a Non-Independent Non-Executive Director of the Company 1 January 2010. He was further redesignated as an Independent Non-Executive Director of the Company on 26 May 2012.

Encik Manohar Hasan is the Chairman of Nomination Committee and Remuneration Committee of the Company. He is also a member of the Audit Committee of the Company.

He attended all five (5) Board Meetings held during the financial year ended 31 December 2022.



### **CHONG CHANG CHOONG**

*Age 65, Male, Malaysian (Non-Independent Non-Executive Director)*

Mr. Chong Chang Choong (“**Mr. Chong**”) graduated with a Bachelor of Arts (Hons) in Economics and Accountancy from the University of Newcastle Upon Tyne, England in 1980. He 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.

In 1980, Mr. Chong started his career as an Article Clerk in Robson Rhodes, a chartered accountant firm in London. He returned to Malaysia in 1984 and he 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&N Kenanga Berhad. He was the General Manager – Investments of Public Mutual Berhad from 1995 to 2004. Under his guidance, Public Mutual Berhad won numerous fund management awards.

Mr. Chong joined Sunway Group as the Director of Group Corporate Affairs on 1 December 2010 and he is responsible for overseeing the corporate finance and treasury functions. Upon the listing of Sunway Berhad, he was redesignated to Chief Financial Officer of Sunway Berhad and subsequently, assumed his current role as Group Chief Financial Officer of Sunway Berhad.

Mr. Chong was appointed to the Board on 16 February 2015 and represents Fortuna Gembira Enterpris Sdn. Bhd., the major shareholder of the Company on the Board.

Mr. Chong does not sit in any Board Committee. Mr. Chong attended all five (5) Board Meetings held during the financial year ended 31 December 2022.



### **AB GHAUS BIN ISMAIL**

*Age 69, Male, Malaysian (Independent Non-Executive Director)*

Encik Ab Ghaus Bin Ismail (“**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.

He was appointed to the Board on 3 December 2018. He is a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company.

Encik Ab Ghaus attended four (4) out of five (5) Board Meetings held during the financial year ended 31 December 2022.



**DR. MOHD NORDIN BIN MOHD ZAIN**

*Age 65, Male, Malaysian (Independent Non-Executive Director)*

Dr. Mohd Nordin Bin Mohd Zain (“**Dr. Mohd Nordin**”) was appointed to the Board on 11 February 2021. He is a Chairman of the Audit Committee of the Company and a member of the Nomination Committee and Remuneration Committee of the Company.

He is currently a director of AmBank Islamic Berhad, AmMetLife Takaful Berhad and UDA Holdings Berhad.

Dr. Mohd Nordin obtained his Doctorate Degree in Strategic Management from Strathclyde University, United Kingdom in 1995. He graduated from the Western Michigan University, Michigan, United States of America (“**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 Institute of Public Accountants (IPA) Australia (“**IPA**”) (FIPA). He is also served as a council member of CPA Australia and MIA and was a founding member of Malaysian Accounting Standards Board.

Dr. Mohd Nordin previously sat on the Board of various international bodies, such as Accounting & Auditing Organisation for Islamic Financial Institutions (AAOIF) in Bahrain, United Arab Emirates and the IPA in Melbourne. He also served as an investment committee member of a subsidiary of AIA Berhad and as a member of the Public Accountants Oversight Committee in Brunei.

Dr. Mohd Nordin attended all five (5) Board Meetings held during the financial year ended 31 December 2022.

Notes:-

Save as disclosed above, none of the Directors has:-

- (a) any directorships in other public companies and listed issuers;
- (b) any family relationship with any Director and/or major shareholder of the Company;
- (c) any conflict of interest with the Company; and
- (d) any conviction for offences (other than traffic offences) within the past five (5) years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



# Key Management Team's Profile



## **NASRUL SHAHRIN BIN MOHD NASIR**

*Chief Operating Officer  
Aged 46, Male, Malaysian*

Encik Nasrul Shahrin Bin Mohd Nasir ("**Encik Nasrul**") joined the Group on 8 January 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. He was later promoted as the Chief Operating Officer on 1 April 2022.

Focusing his career on Corporate Planning, Restructuring and Mergers and Acquisition, he has served companies and Government-Linked Companies 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. He is the son-in-law of Dato' Mohd Salleh Bin Hashim ("**Dato' Mohd Salleh**"), the Executive Chairman and major shareholder of Gopeng Berhad ("**the Company**").



## **SYERLEENA BINTI MOHD SALLEH**

*General Manager, Corporate Affairs & Human Resource  
Aged 47, Female, Malaysian*

Puan Syerleena Binti Mohd Salleh ("**Puan Syerleena**") joined the Group as a General Manager, Corporate Affairs & Human Resource on 2 November 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. She is the daughter of Dato' Mohd Salleh, the Executive Chairman and major shareholder of the Company.


**MOHAMAD SHUKRI BIN ISHAK**

*General Manager, Finance*

*Aged 53, Male, Malaysian*

Encik Mohamad Shukri Bin Ishak (“**Encik Mohamad Shukri**”), was appointed as the Finance Manager on 1 August 2011 and was promoted as the General Manager, Finance on 1 October 2012. 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 Accountant as a Chartered Accountant.


**NOR AZLAN BIN YUSOFF**

*Estate Manager*

*Aged 42, Male, Malaysian*

Encik Nor Azlan Bin Yusoff (“**Encik Azlan**”) joined the group as the Estate Manager on 1 June 2022. He is responsible for the management and operations of KB Estates Sdn. Bhd., the Group’s estate and plantation wholly-owned subsidiary (“**KBE**”).

He has served plantation groups such as Kuala Lumpur Kepong Berhad (KLK), TH Plantation Berhad and he was at IOI Plantations Berhad prior to joining KBE. Encik Azlan holds a Bachelor’s Degree in Bioindustry from University Putra Malaysia.

Notes:-

Save as disclosed above, none of the Key Senior Management has:-

- (a) any directorships in other public companies and listed issuers;
- (b) any family relationship with any Director and/or major shareholder of the Company;
- (c) any conflict of interest with the Company;
- (d) any conviction for offences (other than traffic offences) within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



**GOPENG BERHAD**

# Management Discussion and Analysis

## INTRODUCTION

This **Management's Discussion and Analysis (MD&A)** discusses the financial and operating performance, business indicators and outlook from the management's viewpoint. It provides readers with the necessary information with regards to the Group's financial position, changes in its financial position and results of its operations. This document should be read in its entirety and is intended to complement and supplement Gopeng Berhad's (the Company) Consolidated Financial Statements for the year ended 31 December 2022.

The Group's main business is the cultivation of oil palm. Its Kota Bahroe Group Estates managed by a wholly owned subsidiary KB Estates Sdn Bhd, located in Gopeng, Perak, Malaysia, occupies an estimated area of 1,260 hectares, a major portion of which were ex-mining land which had been rehabilitated for agriculture. In addition, the Group also generates income from its short term investment.

## OVERVIEW

The global economic recovery had taken its course after the pandemic ended but gaps still existed particularly between advanced economies and low-income developing countries. Demand and supply had accelerated but inflation prospects were highly uncertain. Given the recovery's uncharted nature, considerable uncertainty remains, and inflation could exceed forecasts for a variety of reasons. Clear communication, combined with appropriate monetary and fiscal policies can help prevent "inflation scares" from unhinging inflation expectations. Consequently, returning to normalcy may be slower to some countries and some businesses.

Year 2022 marked another challenging year for the Group. The Group's core business, the cultivation of oil palm was not performing as well as the previous years. While the average price had slightly increased corresponding to the generally higher CPO prices throughout the year, the production of fresh fruit bunches ('FFB') had dropped, contributing lesser revenue this year.

In addition, the Group's short-term investment which was badly impacted since the beginning of COVID 19 pandemic in 2020 was still unable to turnaround this year. The fair value of the short-term investments suffered a higher loss in 2022 compared to 2021.

## GROUP FINANCIAL HIGHLIGHTS

In term of performance, revenue had dropped by 11% from RM14.4 million in 2021 to RM12.9 million in 2022.

This underperformance was due to the age profile of the oil palm trees. 22% of the trees are old mature trees with low yield. Nonetheless, The Group is presently active in conducting the necessary replanting programme and also anticipates that the inability to conduct replanting for almost 2 years during the Covid-19 pandemic period may have an effect in terms of future maturity cycle of the entire palm-oil plantation.

The combined geo-political and macro-economic factors had adversely impacted the financial markets, and directly resulted in the Group's short-term investment position. The fair value of the short-term investments suffered a loss of RM0.9 million this year, higher than the preceding year loss of RM0.2 million.

## KEY FINANCIAL INDICATORS

The results of the Group in the financial year ended 31 December 2022 compared to prior year can be best illustrated in the key financial indicators tabulated below:-

Indicators		2022	2021	Change
Revenue	RM'000	12,877	14,391	(11%)
Cost of sales	RM'000	(9,790)	(10,205)	4%
Other income	RM'000	137	542	(75%)
Loss Before Taxation	RM'000	(5,782)	(2,743)	(111%)
Loss for the financial year	RM'000	(3,657)	(2,310)	(58%)
Loss attributable to shareholders	RM'000	(3,614)	(2,310)	(56%)
Loss per share	Sen	(0.90)	(0.57)	(58%)
Return on equity	%	NA	NA	-
Total returns to shareholders: - Dividend	Sen	1.0	1.5	(0.5)
Net cash flow (used in)/ generated from operation	RM'000	(372)	1,549	(124%)
Net gearing	Times	0.00747	NA	(0.00747)

## Five-Year Group Financial Highlights

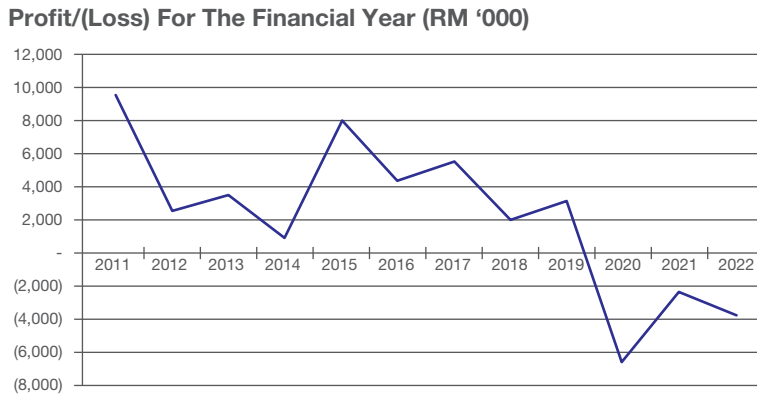
A five-year performance comparison is also illustrated below, showing the performance trend over its stated period.

		2022	2021	2020	2019	2018
<b>FINANCIAL PERFORMANCE</b>						
Revenue	RM'000	12,877	14,391	9,219	6,891	10,555
(Loss)/Profit before taxation	RM'000	(5,782)	(2,743)	(8,714)	2,704	5,093
(Loss)/Profit for the financial year	RM'000	(3,657)	(2,310)	(6,591)	3,240	2,165
(Loss)/Profit attributable to shareholders	RM'000	(3,614)	(2,310)	(6,591)	3,240	2,165
(Loss)/Earnings per share	Sen	(0.90)	(0.57)	(1.63)	1.20	0.80
Earning before interest, tax, depreciation and amortisation (EBITDA)	RM'000	(1,048)	(1,290)	(2,709)	5,882	8,194
Return on equity	%	NA	NA	NA	1.12	0.73
<b>DIVIDENDS</b>						
Dividend payment	RM '000	6,052	5,380	6,725	6,725	7,173
<b>GEARINGS</b>						
Borrowings	RM'000	2,000	-	13	34	64
Finance costs	RM'000	42	49	36	45	47
Gearing	times	0.00747	NA	0.00005	0.00012	0.00023
Interest cover	times	NA	NA	NA	60.82	110.22
<b>OTHER FINANCIAL STATISTICS</b>						
Net assets per share	Sen	0.66	0.69	1.06	1.08	1.09
Paid-up share capital	RM'000	134,497	134,497	134,497	134,497	134,497
Number of shares in issue	'000	403,490	403,490	268,993	268,993	268,993
Total equity attributable to Shareholders	RM'000	267,947	277,580	285,236	289,290	292,775
Total assets	RM'000	298,610	307,318	317,449	320,953	324,772
Total liabilities	RM'000	30,706	29,737	32,213	31,663	31,997

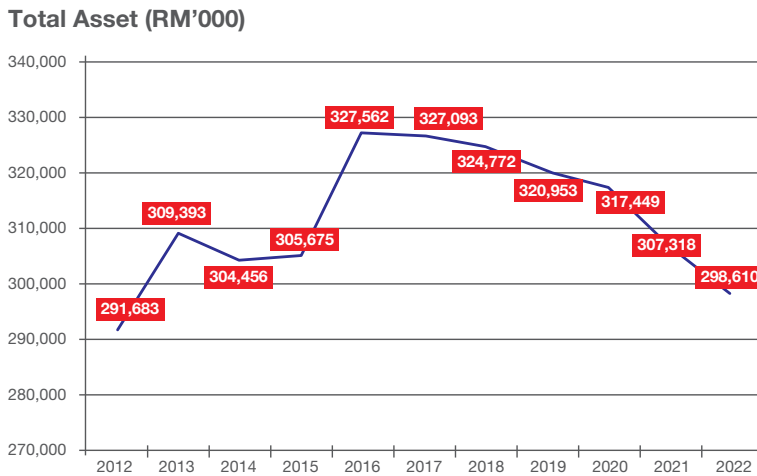


### Key Graphical Illustration

#### Profit/(Loss) For The Financial Year



The Group recorded consecutive losses since 2020. Nonetheless, the Group believes that the solar energy business that we are presently undertaking will contribute positively to the earnings of the Group and also enhance shareholders' value moving forward.

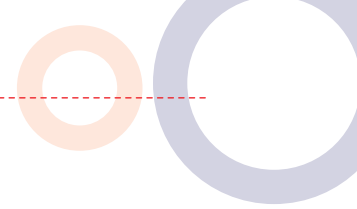


Total assets of the Group are still at a commendable level despite the losses recorded in the last few years.

### PALM OIL PLANTATIONS

The cultivation of oil palm is the core business of the Group and contributed 100% of the Group's revenue in 2022. Its Kota Bahroe Group Estates managed by KB Estates Sdn Bhd covers a planted land area of 1,260 hectares comprising 1,008 hectares of mature trees, 141 hectares of immature trees and also 111 hectares of replanting area.

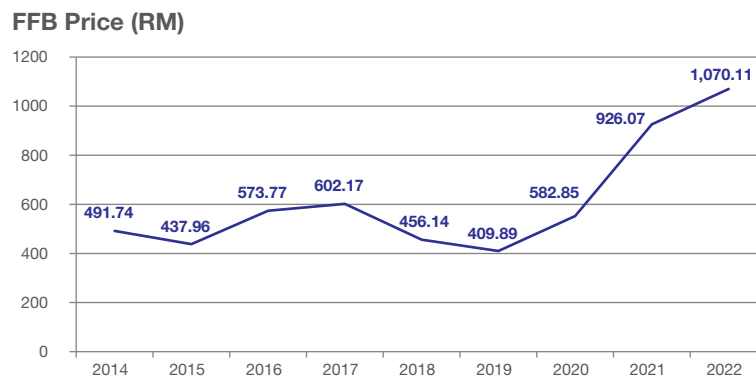
A five-year statistics of oil palm production is tabulated below which clearly demonstrated the changes and movements in production, prices and yields over the years.



**Five-Year Statistics of Oil Palm Plantation**

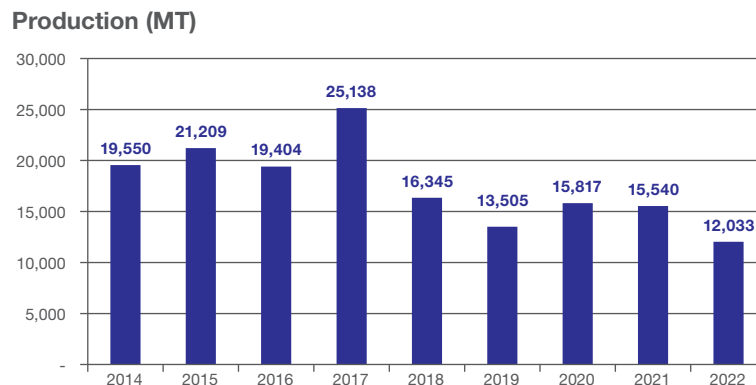
		2022	2021	2020	2019	2018
<b>PRODUCTION</b>						
Tonnage produced	MT	12,033	15,540	15,817	13,505	16,345
Average Price per MT	RM	1,070.11	926.07	582.85	409.89	456.14
Proceeds – FFB sales	RM '000	12,877	14,391	9,219	5,535	7,455
<b>YIELD</b>						
Mature hectareage	HA	1,008	1,300	1,144	1,144	1,203
Immature hectareage	HA	252	114	231	231	231
Total hectareage	HA	1,260	1,414	1,375	1,375	1,434
YIELD PER HECTARE	MT	11.94	11.95	13.83	11.81	13.59

Further to the above, the graph below shows the trend of average prices in RM of oil palm FFB per metric tonne (MT) from the year 2014 to 2022.

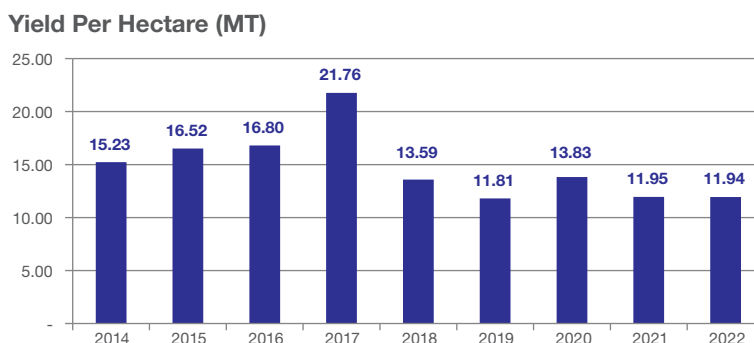


The average price of FFB per MT in 2022 was RM1,070, the highest in the last decades corresponding to the CPO prices. The CPO was constantly fluctuating based on fundamental factors and current market sentiments. The factors that contributed to the increase in CPO prices included low CPO production, rising soybean oil prices, Brent Crude Oil price increases and strong palm oil exports in key markets.

The graph below shows the production of oil palm FFBs in MT from the year 2014 to 2022.



The graph below corresponds to the earlier graph, which shows the yield per hectare in MT from the year 2014 to 2022.



Beginning 2023, we have set aside 111 hectares for replanting programme and it will take approximately 4 years to achieve the first harvest. The ongoing replanting programme will ensure that we have better long- term yield and profitability. During the replanting period, we do not expect our palm oil plantation to generate positive result until the replanted trees are mature for harvest. Despite the continued uncertainty in the economic environment, we expect the nature of our business and our focus on growth will stand in good stead in 2023.

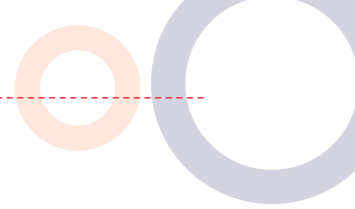
## SHORT TERM INVESTMENTS

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

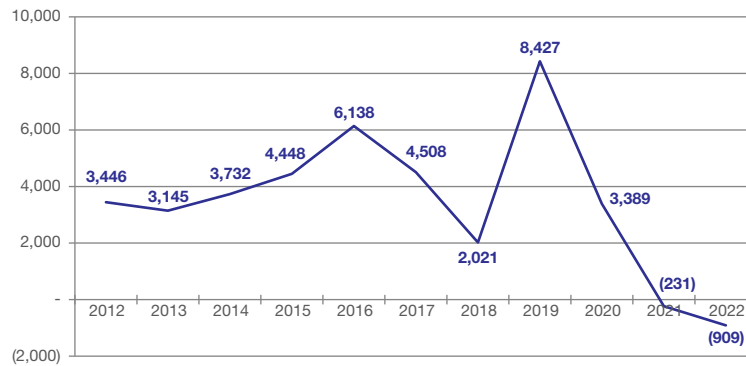
### Five-Year Statistics of Group Short Term Investments

		2022	2021	2020	2019	2018
Open-ended fund	RM	62,178,300	66,087,599	72,535,452	64,400,139	67,095,447
Close-ended fund	RM	-	-	10,434,537	20,642,789	29,139,660
Total Investment	RM	62,178,300	66,087,599	82,969,989	85,042,928	96,235,107
Income distribution	RM	1,354,027	2,587,950	2,997,447	4,089,287	3,682,349
Fair value (loss)/gain	RM	(2,263,326)	(2,819,114)	391,897	4,338,167	(1,661,223)
Net (loss)/gain on fair value	RM	(909,299)	(231,164)	3,389,344	8,427,454	2,021,126
Average rate of return	%	(1.38%)	(0.28%)	3.99%	8.76%	2.17%

Most of GB's short-term investments were in bonds and 2022 turned out to be a very tumultuous period for the world bond market. This is the second year running where the Group experienced a fair value loss of its short-term investment. The income distribution in 2022 was RM1,354,027 but the fair value loss was RM2,263,326, giving a net fair value loss of RM909,299. A number of redemptions were also made to continue financing the Group's working capital and also allocated for dividend in 2022.



**Net Gain/(Loss) on Fair Value from Short Term Investment (RM'000)**



**Factors Affecting the Short Term Investments**

Bond prices fluctuate with changing market sentiments and economic environments. The most influential factors that affect bond prices are yield, prevailing interest rates, and the bond's rating. Inflation, political instability and geopolitical tension could as well affect the bond markets.

The country manages inflationary pressures by raising interest rates by the central bank. Bank Negara Malaysia (BNM) had increased the OPR rate four times in 2022, as per table below:-

Date	Change in OPR (%)	New OPR Level (%)
19 January 2023	0	2.75
3 November 2022	+0.25	2.75
8 September 2022	+0.25	2.50
6 July 2022	+0.25	2.25
11 May 2022	+0.25	2.00
3 March 2022	0	1.75

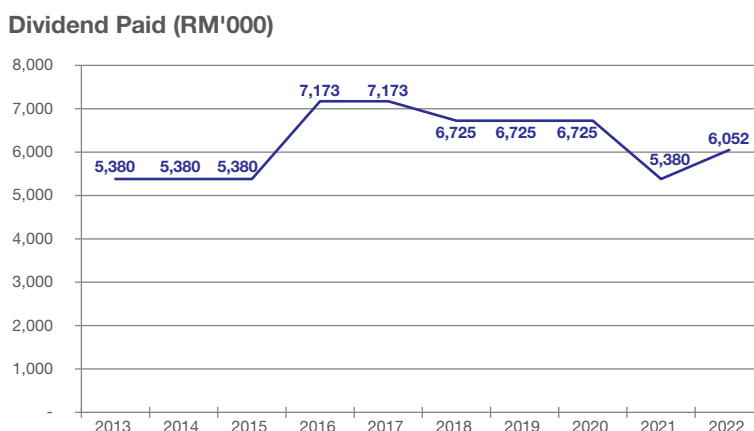
Bonds have an inverse relationship to interest rates. When the cost of borrowing money rises, bond prices usually fall, and vice-versa. This was the major factor affecting the fair value of the Group's short term investment but comparing to other region, Malaysia Bonds were relatively stable during the market volatility as shown below:-



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.

## RETURNS TO SHAREHOLDERS

The Group has been paying steady dividends to its shareholders every financial year since 2007. 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.



A final single-tier dividend of 1.0 sen per share was proposed in respect of the results for the financial year ended 31 December 2022, on the 403,490,138 of shares in issue. This final single-tier dividend is subject to shareholders' approval at the 39<sup>th</sup> Annual General Meeting scheduled to be held on 29 May 2023. Payment of this single tier dividend will cost the Company RM4,034,901.

The dividend that is being proposed this year shows that the Board has high confidence with the Group even though the performance of the Group's short term investment is deteriorating, coupled with uncertainties in the global economy, and the need to conserve funds to finance the business to strengthen the earning base of the Group.

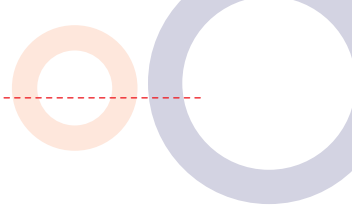
The Group had managed its capital efficiently as can be seen from its healthy cash, bank balance and short-term investments of RM68,330,812 at the end of 2022.

## OUTLOOK AND PROSPECTS

Despite the global economy is expected to continue its recovery path in 2022, the Management expects 2023 to be another challenging year due to many uncertainties in the global economy where we are dealing with geo-political crisis, higher cost of living, supply chain disruptions and also higher inflation rate. In spite of the ongoing uncertainties, the Group will remain focus and to always stay attentive especially to its short-term investment.

Moving forward, GB will continue to focus on its business with emphasis on productivity, efficiency and cost saving measures to enhance on its profitability while continuing to be observant on any development opportunity and adopt the appropriate remedial actions whenever necessary. In addition, with the diversification into solar and renewable energy business in 2021, the Group believes that there will be an additional source of recurring income for the Group, particularly upon the completion of the construction and commencement of the commercial operation of the 50MW Large Scale Solar Plant.





## Development of Large Scale Photovoltaic Plant (LSSPV)

Pursuant to the Power Purchase Agreement (PPA) signed between the Group's wholly-owned subsidiary GBS Suria Sdn Bhd and Tenaga Nasional Berhad dated 19 August 2021, the Company has been actively executing the necessary works as per the terms & condition of the PPA. The Company ensures that all relevant processes meet respective Regulatory Standards as well as in line with the requirements stated in PPA.

In line with the Letter of Intent dated 22 December 2021, GBS Suria had also finalized and awarded the Engineering, Procurement, Construction & Commissioning (EPCC) Works to Sunway Construction Sdn Bhd, on 16 January 2023 with a contract sum of RM218,756,675. As this contract is deemed Recurrent Related Party Transaction of Revenue or Trading (RRPT) in nature, The Group had obtained its Shareholders' Approval via Extraordinary General Meeting held on 13 January 2023.

Subsequently, the Company had also achieved its Financial Close for the project on 31 January 2023 where all necessary financial conditions in relation to the Financial Close had been fulfilled.

The Group believes that future revenue contribution from solar energy related business is expected to contribute positively to the earnings of the Group and also enhance shareholders' value moving forward.



# Sustainability Statement

## INTRODUCTION

Gopeng Berhad (GB) has quite a remarkable corporate presence in Malaysia and has been strong over the years. We recognize 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.

Complying with the Environmental, Social and Governance requirements (ESG), we are pleased to present our sustainability report for the year 2022. ESG compliance refers to a company's adherence to environmental, social, and governance standards and regulations, as well as its efforts to report on and improve its ESG performance. This report covers our pursuit of sustainable value creation through good governance, and strong commitment towards sustainability progress as well as details on how we operate in a responsible and sustainable manner across all our operation and management. As oil palm plantation is our core business and contains the most material issues, the report is highly focused on what matter most. We recognize that sustainability is an ongoing commitment and have to play a meaningful role in achieving an environmentally sustainable and socially equitable. 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 2022.

## SUSTAINABILITY GOVERNANCE AND CERTIFICATION

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. Through our governance structure and sustainability guidelines and policies, our commitments on sustainability are transparent and monitored. This affirms our commitment to sound and universal ethical business practices. GB has interlaced Social Awareness, Environmental Responsibility and Economic Viability into our business operation.

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 has dedicatedly oversight and conscientiously advocates sustainable conduct in all operations. With this, we established the appropriate governance structure to monitor the implementation of our sustainability activities. This commitment was evidenced by the fact that the MSPO certificate awarded to GB in 2019. Until today, GB remained 100% committed to the MSPO principles and criteria where GB always welcome the implementation of the new MSPO MS2530 -1 2022 which is expected to be officially announced by MPOCC in year 2024.

## OUR APPROACH TO SAFETY

Safety and Health of our workers is our main priority in the estates. Our employees will always be our core assets and key matter for the success and continuation growth of our business. In this connection, 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 safety and health regulations and laws, we constantly raise awareness through programme on safety precautions and hazards at workplace. We believe that continuous training will enhance the skills and awareness of our employees. We provide our employees with free personal protective equipment (PPE) and ensure that our contractors carry their works in a safe manner. We must ensure that our working



environment is conducive and safe. Our company also ensures that the best practices for safety and health are integrated into our daily operations and activities. We are doing our best to improve awareness on safe practices and to enhance preventive skill among our employees in order to minimize the risk of workplaces accidents. For year 2022, there is no fatality cases reported in GB and our common goal is to minimize the risks of accidents taking place in year 2023.

We instruct our employees to only start work when all required safety measures are in place and have gone through the appropriate job training 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

GB is committed not just focusing on good agricultural practicing but also by looking at minimizing the impact on the natural resources. 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 finding the right balance between Economy and Ecosystems. We conducted our operations under the best principles of agriculture and committed to the Environmental policy.

### *Deforestation and Zero Burning*

GB strictly adheres to **No Deforestation and Zero Burning** policy which is embedded in our Environment and Biodiversity policies. The intention is that the new oil palm planting will not negatively impact the biodiversity (Flora and Fauna), habitat and the ecosystem of the jungle. Any new planting development being conducted is according to MSPO new planting procedures. We will ensure that no development is conducted on high conservation value (HCV) and peatland area.

### *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 practice 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. The beneficial plant such as Cassia Cobanensis, Tunera Subullata and Atigonon Leptosus has been planted in order to control the Bagworm attack naturally. These plants could attract predators to feed the bagworm larvae, and this turn out to be the most cost effective, environmentally and socially acceptable method of managing diseases, insects, weeds and other pests in agriculture.

All pesticide containers and scheduled waste will be disposed-off in accordance with government regulations in order to avoid environmental contamination and to prevent misuse of the pesticide containers and others scheduled waste.

### *Waste Management*

At our plantation, we continuously identify ways to manage our waste more efficiently. Oil palm empty fruit bunches (EFB) could serve as an alternative and cheaper organic fertilizer. These EFBs are transported back to our plantations for the mulching process by spreading the material over the plantation grounds especially to improve soil fertility and structure, to protect the roots of plants from heat and cold, to conserve the soil moisture and to reduce weed growth. In 2022, the total EFB amounted to 6,713.67 mt had been returned to the plantation fields.

### *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. Historically, GB began as a mining settlement town in early 19<sup>th</sup> 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 neutralize the soil before planting is carried out. In addition, for oil palm growth, fertilizer 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

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/4-2-0019  
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



### 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.

### *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**

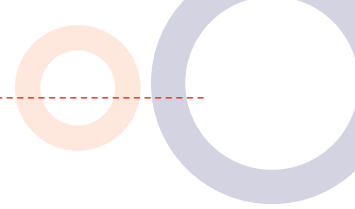
At GB, we foster a strong sense of community and believe in having good support and positive relation with the surrounding communities within the vicinity of our estate. Our employees who are also within the vicinity are our most valuable assets and we are committed in providing them with a safe, healthy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

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.

### **Continuous Stakeholder Engagement**

GB has engagements with various stakeholders in and around our areas of operation. Our activities required 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 cover 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.



## 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 categorized 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;

- only carry out the necessary estates' practices.
- agriculture input to be applied according to the best agriculture practices.
- increased worker's productivity through additional incentive scheme and subsidy.
- 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. The existence of some climate-related risks would directly and indirectly impact our production and yield. We have always been observing these matters through the increasing of changing patterns and biological stresses in our plantations.

However, the commitment to maintain the plantation has been consistent throughout the year, regardless of the risks associated with it, whereby in this case is 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 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 capacity of 50 MW referred to as LSS4 Package P2 : 30 MWa.c. to 50 MWa.c.

Approximately 300 acres of the Company's land, which 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**

The Group remains resolute in improving its sustainability efforts as we strive to create value responsibly with a strong focus on environmental, social and governance considerations.

We will also continuously seeks ways in which business sustainability can be created across innumerable factors, a process that is continuing to evolve and develop as sustainability is embedded as our philosophy. The key policy 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 (“**Board**”) of the Company is committed to ensuring a high standard of corporate governance practices as prescribed in the Malaysian Code on Corporate Governance (“**MCCG**”) are implemented and maintained throughout the Company and its subsidiaries (“**the Group**”) to protect and enhance shareholders’ value and stakeholders’ interests.

This Corporate Governance Overview Statement (“**CG Statement**”) provides an overview of the application of the principles set out in the MCCG throughout the financial year ended 31 December 2022 (“**FYE 2022**”).

This CG Statement serves as a compliance with Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**MMLR**”) and should be read together with the Corporate Governance Report of the Company for FYE 2022 which is available on the Company’s corporate website at [www.gopeng.com.my](http://www.gopeng.com.my) and through the announcement published on the website of Bursa Securities.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### I. BOARD RESPONSIBILITIES

#### The Board

The Group is led by an experienced Board comprising members with diverse background, skills and experience ranging from plantation, business management, marketing, investments, construction, trading and manufacturing, finance and accounting. Together, they contribute their expertise and knowledge relevant to managing and directing the Group’s businesses.

The Board is responsible for the overall performance of the Group and oversees the Group’s goals, strategy, directions, achievements, performance, and standards of conduct and policies.

#### Roles and Responsibilities of the Board

The Board shall collectively and individually exercise its fiduciary duties and practices reasonable care, skill and diligence when exercising its duties.

The Board’s principal focus is to:-

- together with the senior management, promoted good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
- reviewing and adopting a strategic business plan for the Company, including its goals and ensuring that the strategic business plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- supervising and assessing management performance and overseeing the conduct of the Group’s business to evaluate whether the businesses are being properly managed;
- identifying principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;



- setting the risk appetite within which the Board expects management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- ensuring that all candidates appointed to senior management positions are of sufficient calibre, including having in place a process to provide for the orderly succession of senior management personnel and members of the Board;
- overseeing the development and implementation of a shareholder communications policy;
- reviewing the adequacy and integrity of the Group's internal control and management information systems; and
- ensuring that the Company adheres to high standards of ethics and corporate behaviour.

### Board Charter

In discharging the functions and responsibilities of the Board, the Board is guided by the Board Charter which outlines the roles and responsibilities of the Board, Chairman and Board committees. The matters reserved for the Board are entailed in the Board Charter.

The Board Charter shall be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.

The Board Charter is available at the Company's website at [www.gopeng.com.my](http://www.gopeng.com.my).

### Sustainability Strategies

The Company recognises the importance of sustainability as a key driver for long-term business sustainable growth of the Group. As such, the Board and Management persistently reinforce embedding sustainability into its business strategies and operations to achieve goals of the Group.

The Company's 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. The Board also provides dedicated oversight on sustainability matters.

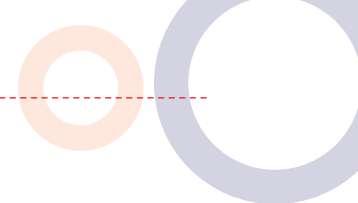
The Nomination Committee ("NC") and the Board would assess the trainings attended by all Directors to ensure that the Directors are continuously kept abreast of sustainability issues and climate-related risks and opportunities.

### Chairman of the Board

The Board cognisant of the recommendation of the MCGG for the Chairman of the Board should not sit in the Audit Committee ("AC"), NC and Remuneration Committee ("RC").

Dato' Mohd Salleh Bin Hashim ("**Dato' Mohd Salleh**"), the Chairman of the Board is not a member of the AC, NC and RC. Dato' Mohd Salleh attended the AC Meetings during FYE 2022 by invitation to provide inputs and insights for the matter discussed relating to financial results, e.g. quarterly results and financial statements, as well as the operational matters of the Group. However, he did not participate in the decision-making of the resolutions, proposals and matters tabled for approval in the AC meetings.





## Roles of the Chairman and Chief Executive Officer (“CEO”)

The Board noted that the positions of Chairman and CEO should be held by different individuals. The Company does not have a CEO, but the functions of the CEO are assumed by the Executive Chairman, Dato’ Mohd Salleh.

The dual roles held by Dato’ Mohd Salleh is essential for the commercial environment that the Group is currently operating. Such combination of roles renders credibility and confidence to third parties on the authority of the Chairman and CEO for successful conclusion of commercial deals/ transactions. The Group believes that a single leadership structure will facilitate the decision-making process in relation to business opportunities and operational matters.

As the alternative practice, the Board undertakes the following efforts to ensure there is a balance of power and authority on the Board:-

- The composition of the Board consists of 42.9% of Independent Non-Executive Directors, whom, collectively, have the weightage in terms of Board’s decision making and are free to exercise their independent judgement or act in the best interests of the Company, and to safeguard the interest of the minority shareholders.
- The decision of the Board shall always be agreed upon by at least majority of the Directors present at the meeting, therefore, no individual Director can dominate the decision-making of the Board.

## Company Secretaries

The Board is supported by the following Company Secretaries who are suitably qualified and competent:-

- Ms. Yeow Sze Min, ACIS
- Ms. Ang Yen Pei, ACIS

Both Company Secretaries possess valid Practicing Certificates issued by the Companies Commission of Malaysia and Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”) and are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016.

During FYE 2022, the Company Secretaries had attended relevant continuous professional development programmes as required by MAICSA for practicing company secretaries.

Every Director has independent and unrestricted access to the advice and the services of the Company Secretaries in ensuring the effective functioning of the Board.

The Company Secretaries play a vital role in ensuring each Director is made aware of the Company’s Constitution, Board policies and procedures, new statutory and regulatory requirements, codes or guidance and legislations. The Company Secretaries ensure that all Board meetings are properly convened and that proper and accurate records of proceedings, deliberations are minuted and resolutions passed are documented and statutory registers are properly maintained at the registered office of the Company.

## Supply of and Access to Information and Advice

The Board, in order to discharge their duties and responsibilities effectively, has unrestricted and timely access to information pertaining to the business and corporate affairs of the Group and the advice and services of the Company Secretaries and, if deemed necessary, other independent professionals at the expense of the Company in the discharge of their duties. The Board is supplied with all relevant information and reports on financial, operational, corporate, regulatory, business development, and audit matters by way

of Board papers or upon specific request for informed decision making. Prior to Board meetings, notices of Board meetings and Board papers are circulated to the Directors in advance via email to allow sufficient time for the Directors to review, consider and deliberate on matters so that meaningful deliberation and sound decisions could be made at Board meetings.

The regular agendas for Board meetings are the briefings by the Chairman on the outcome of AC meeting(s), review of quarterly financial results, briefing by the Chief Operating Officer, General Manager, Finance on the business aspects, notation of Directors' resolutions passed, announcements made to Bursa Securities and dealings in securities by Directors and Principal Officers, if any.

Senior Management staff are invited to attend Board meetings to furnish additional details or clarification on matters tabled for the Board's consideration and approval.

### **Code of Conduct and Ethics**

The Board had adopted 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 available at the Company's website at [www.gopeng.com.my](http://www.gopeng.com.my).

### **Whistleblowing Policy**

The Company has adopted a Whistleblowing Policy 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 AC.

The policy is to assist the AC 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 implementation of the policy enables better transparency and accessibility to our stakeholders to report any misconduct that may occur within the Group.

The Whistleblowing Policy is available on the Company's website at [www.gopeng.com.my](http://www.gopeng.com.my).

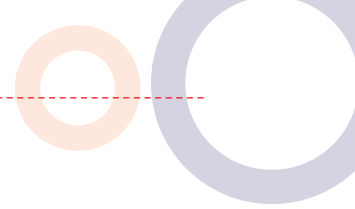
### **Anti-Bribery and Corruption Policy**

In line with the Guidelines on Adequate Procedures pursuant to Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009, the Company has adopted a policy on anti-bribery and corruption.

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 17A of the MACC Act 2009 applies to all Directors, officers, partners, employees and persons associated with the Group.

The Anti-Bribery and Corruption Policy is available on the Company's website at [www.gopeng.com.my](http://www.gopeng.com.my).



## II. BOARD COMPOSITION

### Board Composition

For the FYE 2022, the Board comprises seven (7) members, of whom three (3) of them are Independent Non-Executive Directors, three (3) of them are Non-Independent Non-Executive Directors and one (1) Executive Director. The composition of the Board is complied with Paragraph 15.02 of the MMLR.

The profile of each Board member is set out in this Annual Report.

The presence of Independent Non-Executive Directors on the Board provides independent and unbiased view to safeguard the interests of shareholders.

The Board Charter specifies that the composition of the Board shall reflect a wide range of business, commercial, operational and financial expertise in order to provide a diversity of experiences and professionalism to the Company.

Non-Executive Directors and/or Independent Directors should be persons of calibre, credibility and have the necessary skillsets to bring independent judgement, experience and objectivity into the Board decision-making process.

### Diversity in Board and Senior Management

The Board recognises the importance of providing fair and equal opportunities and nurturing diversity within the Group.

The NC is delegated with the responsibility of assessing and considering suitable candidates for the appointment of Board. Prior to the appointment by the Board, the NC evaluates the balance and composition including mix of skills, independence, experience and diversity (including diversity in gender, ethnicity and age) of the Board.

When comes to appointment of senior management personnel, the Group Human Resources take cognisance of diversity of pool of talents for different age groups, ethnicities, genders, skills and experiences.

Diversity at senior management facilitates contribution of constructive ideas which can lead to effective discussion and better decision-making to attain the Company's objectives and stimulates organic growth in the business environment.

### Gender Diversity

The Board does not adopt a formalised Gender Diversity Policy, but the Board is supportive of gender diversity within the Group.

For FYE 2022, there is no woman Director on the Board. The Board noted that the MMLR requires at least one (1) woman Director on Board on or after 1 June 2023, and the NC is actively sourcing for a suitable female candidate for appointment to the Board by the stipulated timeline.

## New Candidate for Board Appointment

The appointment of Directors to the Board is conducted formally and transparently through assessment by the NC.

In evaluating the suitability of candidates, the NC considers, inter-alia:-

- 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 NC should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

The Board acknowledges the importance of not solely relying on recommendations from existing Board members, Management or major shareholders in identifying candidates for appointment of Directors.

## Board Meetings

During FYE 2022, five (5) Board meetings were held to review the quarterly financial results and to deliberate on, amongst others, the business strategies, policies and procedures, and the operations of the Group.

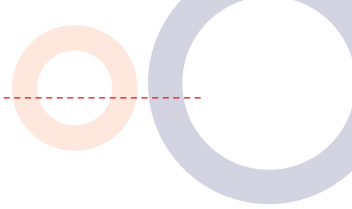
The attendance record of each Director at the Board Meetings held during FYE 2022 was as follows:-

Name of Directors	Designation	Attendance of Meetings
Dato' Mohd Salleh Bin Hashim	Executive Chairman	5/5
Tan Sri Dato' (Dr) Chew Chee Kin	Non-Independent Non-Executive Director	5/5
Dato' Haji Mohamad Tahiruddin Bin Mohd Tahir	Non-Independent Non-Executive Director	5/5
Encik Manohar Hasan Bin Ameer Ali	Independent Non-Executive Director	5/5
Mr. Chong Chang Choong	Non-Independent Non-Executive Director	5/5
Encik Ab Ghaus Bin Ismail	Independent Non-Executive Director	4/5
Dr. Mohd Nordin Bin Mohd Zain	Independent Non-Executive Director	5/5

## Board Committees

The Board has delegated certain responsibilities to the following Board Committees to assist it in discharging its fiduciary duties and all the Board Committees operate within clearly defined Terms of Reference ("TOR"):-

- AC;
- NC; and
- RC.



## Composition of NC

As at 31 March 2023, being the latest practicable date for this report, the NC comprises three (3) members as follows:-

### Chairman

Encik Manohar Hasan Bin Ameer Ali (Independent Non-Executive Director)

### Members

Encik Ab Ghaus Bin Ismail (Independent Non-Executive Director)

Dr. Mohd Nordin Bin Mohd Zain (Independent Non-Executive Director)

The composition of the NC is in compliance with Paragraph 15.08A of the MMLR and the MCCG, where all the members are Independent Non-Executive Directors.

The TOR of the NC is made available at the Company's corporate website at [www.gopeng.com.my](http://www.gopeng.com.my).

## Summary of Activities of the NC

The NC carried out its duties in accordance with its TOR and works undertaken by the NC to meet its responsibilities for FYE 2022 were as follows:-

- evaluated the performance of the Board, Board Committees and each individual Director;
- reviewed of the length of service of Independent Directors and their independence;
- reviewed the terms of office and performance of AC and each of its members;
- reviewed and recommended the re-election of the Directors who are retire by rotation at the Thirty-Eighth Annual General Meeting ("AGM");
- recommended the retention of Independent Director whose tenure had exceeded nine (9) years at the Thirty-Eighth AGM;
- reviewed the size and composition of the Board and Board Committees; and
- recommended the appointment of Chief Operating Officer.



## Directors' Trainings

During FYE 2022, four (4) out of seven (7) Directors had attended at least one (1) training programme. The Directors had attended the following seminars and briefings conducted by regulatory bodies or professional organisations:-

Name of Directors	Seminars and briefing attended
Tan Sri Dato' (Dr) Chew Chee Kin	<ul style="list-style-type: none"> <li>• TCFD Climate Disclosure Training Programme – TCFD 101</li> <li>• Cyber Security: What Directors Need to Know</li> </ul>
Encik Manohar Hasan Bin Ameer Ali	<ul style="list-style-type: none"> <li>• First Steps in Making the Business Case for Sustainability</li> </ul>
Mr. Chong Chang Choong	<ul style="list-style-type: none"> <li>• 13<sup>th</sup> Credit Suisse Conference</li> <li>• CGS - CIMB 14<sup>th</sup> Annual Malaysia</li> <li>• Corporate Day - Sunway Berhad</li> <li>• CLSA x Sunway Briefing Virtual</li> <li>• HSBC Economic and FX Outlook 2022</li> <li>• Micro Outlook and Environment Sustainability with Affin Hwang Investment Bank Webinar</li> <li>• Quick Catch up on CFO Series Conference</li> <li>• Briefing OeCD's Pillar Two Global Minimum Tax Model</li> <li>• Economic Outlook by UBS CIO</li> <li>• Sunway Leadership and Strategic Planning Workshop</li> <li>• Briefing with Hong Leong Investment Bank Berhad</li> <li>• SMBC Economist from Singapore Market</li> <li>• Employee Engagement Survey by Kincentric</li> <li>• Sunway Corporate Day Series 2022 - SMC</li> <li>• Sunway Corporate Day Series 2022 - SCKL</li> <li>• Sunway Corporate Day Series 2022 - SMC</li> </ul>
Dr. Mohd Nordin Bin Mohd Zain	<ul style="list-style-type: none"> <li>• BNM-FIDE FORUM MyFintech Week Masterclasses</li> <li>• Digital and Future Insight of Islamic Finance Programme</li> <li>• Risk Management: Basel FIRB Accreditation – Refresher for Board Members</li> <li>• Recovery and Resolution Planning (RRP) Project</li> <li>• FIDE FORUM Leadership Perspectives Forum on Board Effectiveness in conjunction with BEE 9 Launch</li> <li>• AML Session for Directors and Executives 2021/2022</li> <li>• Detecting &amp; Deterring Financial Statement Fraud</li> <li>• Cyber Security Awareness Program: Emerging Trends and What You Need to Know As A Decision Maker</li> <li>• MIA Webinar Series: Limited Liability Partnership as Tax Vehicle</li> <li>• MIA Webinar Series: Slide Design for Non Designers</li> </ul>

Dato' Mohd Salleh, Dato' Haji Mohamad Tahiruddin Bin Mohd Tahir and Encik Ab Ghaus Bin Ismail did not attend any structured training programmes during FYE 2022. However, they have continuously kept themselves abreast of the relevant changes and developments in the regulatory requirements, laws and accounting standards through the updates by the Company Secretaries, as well as briefings by the External Auditors respectively.

The Board will continue to strive to ensure that all Directors are equipped with adequate knowledge, skill and experience through structured and unstructured training in order for them to carry out their duties and responsibilities assigned to them diligently and professionally.

### **Annual Evaluation**

In compliance with Practice 6.1 of the MCCG, the Board has delegated to the NC to carry out annual assessment on effectiveness of each individual Director, the Board and the Board Committees and each individual Director.

In FYE 2022, the Board, through the NC, had conducted performance evaluation process in relation to the following matters:-

- Individual Directors' performance; and
- Effectiveness of the Board and Board Committees.

The above evaluations are conducted by the NC as a whole and the outcome was tabulated at the NC meeting for review and discussion. The NC will in turn report the outcome to the Board accordingly.

### **Re-election of Directors**

The NC will, upon review and assessment of the performance and contribution of the Director who is subject for re-election at the AGM, if satisfactory, submit its recommendation to the Board for approval before tabling such proposal to the shareholders for approval at the AGM.

### **Annual Assessment of Independence**

The Board via the NC undertakes an annual assessment of independence of its Independent Non-Executive Directors based on requirements of MMLR and criteria established by the NC.

### **Tenure of Independent Directors**

The Board takes cognisance that Practice 5.3 of the MCCG recommends that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve the Board subject to his re-designation as a Non-Independent Director. In the event such Director is to be retained as an Independent Director, the Board must first justify and seek annual shareholders' approval through a two-tier voting process to retain the said Director as an Independent Director.

The Board sought shareholders' approval for retention of Encik Manohar Hasan Bin Ameer Ali ("**Encik Hasan**") who has served the Company as an Independent Non-Executive Director (INED) for a period of more than nine (9) years at the Thirty-Eighth AGM held in 2022 through a two-tier voting process.

The NC and the Board had assessed the suitability and independence of Encik Hasan as an Independent Non-Executive Director and recommended the retention of Encik Hasan as an Independent Non-Executive Director for shareholders' approval.

### III. REMUNERATION

#### Composition of RC

As at 31 March 2023, being the latest practicable date for this report, the RC comprises three (3) members as follows:-

##### Chairman

Encik Manohar Hasan Bin Ameer Ali (Independent Non-Executive Director)

##### Members

Encik Ab Ghaus Bin Ismail (Independent Non-Executive Director)

Dr. Mohd Nordin Bin Mohd Zain (Independent Non-Executive Director)

The main duties and responsibilities of the RC are as follows:-

- i) To review the remuneration of the Non-Executive Directors and the terms and conditions of employment and remuneration of Executive Directors and Senior Management of the Group based on the Remuneration Policies and Practices for Directors and Key Management Personnel;
- ii) To review the fees for Directors by taking into account of fee levels and trends for similar positions in the market and time commitment required from the Director; and
- iii) To formulate the remuneration policies in respect of the Directors and Key Management Personnel.

The TOR of the RC is made available at the Company's corporate website at [www.gopeng.com.my](http://www.gopeng.com.my).

#### Remuneration Policies and Practices

The Company has established Remuneration Policies and Practices for Directors and Key Management Personnel to ensure that the remuneration offered by the Company remains competitive, adequate (but not excessive) and in line with the current market practices to attract, retain, motivate and reward individuals of the necessary calibre and quality that is required to run the Company successfully.

The Terms of Reference for Remuneration Committee is available for viewing at the Company's corporate website at [www.gopeng.com.my](http://www.gopeng.com.my).

The RC is guided by the Remuneration Policies and Practices when reviewing the remuneration of Directors and Key Management Personnel.

## Directors' Remuneration

In compliance with Practice 8.1 of the MCCG, there is detailed disclosed on named basis for the remuneration of individual Directors.

For the FYE 2022, the aggregate of remuneration received and receivable by the Directors of the Company and the Group categorised into appropriate components are as follows:-

### *Received from the Company*

Name of Directors	Fees (RM)	Salaries (RM)	Bonus (RM)	Benefits-in-kind (RM)	Other Emoluments (RM)
Dato' Mohd Salleh Bin Hashim	50,000	960,000	160,000	328,163	301,410#
Tan Sri Dato' (Dr) Chew Chee Kin	40,000	-	-	-	4,000^
Dato' Haji Mohamad Tahiruddin Bin Mohd Tahir	40,000	-	-	-	3,000^
Encik Manohar Hasan Bin Ameer Ali	76,000	-	-	-	8,500*^
Mr. Chong Chang Choong	40,000	-	-	-	4,000^
Encik Ab Ghaus Bin Ismail	76,000	-	-	-	8,000*^
Dr. Mohd Nordin Bin Mohd Zain	82,000	-	-	-	8,500*^

### *Received On Group Basis*

Name of Directors	Fees (RM)	Salaries (RM)	Bonus (RM)	Benefits-in-kind (RM)	Other Emoluments (RM)
Dato' Mohd Salleh Bin Hashim	50,000	960,000	160,000	328,163	301,410#
Tan Sri Dato' (Dr) Chew Chee Kin	40,000	-	-	-	4,000^
Dato' Haji Mohamad Tahiruddin Bin Mohd Tahir	40,000	-	-	-	3,000^
Encik Manohar Hasan Bin Ameer Ali	76,000	-	-	-	8,500*^
Mr. Chong Chang Choong	40,000	-	-	-	4,000^
Encik Ab Ghaus Bin Ismail	76,000	-	-	-	8,000*^
Dr. Mohd Nordin Bin Mohd Zain	82,000	-	-	-	8,500*^

Notes:-

\* Include additional fees paid to AC members

^ Include Board and Board Committees Meeting Attendance fees of RM500 per meeting day

# Include EPF, Allowances and Meeting Attendance fees

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

The Directors of the Company did not receive any fees and other remuneration from all subsidiaries of the Company.

The Directors of the wholly-owned subsidiaries were not paid any fees and other remuneration.

## Remuneration of Top Five (5) Senior Management

The remuneration paid to the top five (5) Senior Management in band RM50,000 during FYE 2022 are as follows:-

Range of Remuneration	Name of Senior Management				
	Nasrul Shahrin Bin Mohd Nasir	Syerleena Binti Mohd Salleh	Mohamad Shukri Bin Ishak	Nordin Bin Jalani	Nor Azlan Bin Yusof*
RM50,001 – RM100,000					/
RM100,001 – RM150,000					
RM150,001 – RM200,000				/	
RM200,001 – RM250,000		/	/		
RM250,001 – RM300,000					
RM300,001 – RM350,000	/				

Note:-

\* Encik Nor Azlan Bin Yusoff was appointed as the Estate Manager in June 2022.

# The remuneration package for the Senior Management includes annual salary, bonus, benefit in-kind and other emoluments.

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### I. AC

As at 31 March 2023, being the latest practicable date for this report, the AC comprises three (3) members as follows:-

#### Chairman

Dr. Mohd Nordin Bin Mohd Zain (Independent Non-Executive Director)

#### Members

Encik Manohar Hasan Bin Ameer Ali (Independent Non-Executive Director)

Encik Ab Ghaus Bin Ismail (Independent Non-Executive Director)

The AC is chaired by Dr. Mohd Nordin Bin Mohd Zain while the Board Chairman is Dato' Mohd Salleh. Hence, the Chair of the AC and the Board are held by different persons.

In compliance with Practice 9.1 of the MCCG, the AC is chaired by Dr. Mohd Nordin, who is a separate person from the chair of the Board.

In addition, in compliance with Step up Practice 9.3 of the MCCG, the AC comprises solely of Independent Non-Executive Directors.

The summary of the activities of the AC and Internal Audit Function and activities in respect of FYE 2022 are stated in the AC Report of this Annual Report 2022.

## Financial Literacy and Continuous Professional Development

All members of the AC are financially literate and are able to understand matters under the purview of the AC, including the financial reporting process.

All members of the AC are encouraged to undertake continuous professional development from time to time to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules to ensure themselves financially literate and are able to understand matters under the purview of the AC including the financial reporting process.

### **Cooling-Off Period for Former Key Audit Partner**

None of the members of the Board were former key audit partners within the cooling-off period of three (3) years. Hence, there is no such person being appointed as a member of the AC.

The AC has a policy embedded in its TOR which restricts former key audit partner of the Company's External Auditors for appointment as a member of the AC, unless the said former key audit partner has observed a cooling-off period of at least three (3) years.

### **Assessment of suitability and independence of External Auditors**

The AC undertakes an annual assessment of the suitability and independence of the External Auditors to consider the External Auditors' profile, resources, skills, knowledge, experience, fee and engagement proposal.

In respect of FYE 2022, the AC had reviewed the suitability, independence and objective of External Auditors and was satisfied with Messrs. HLB Ler Lum Chew PLT's technical competency in terms of their skills, execution of audit plan, reporting and overall performance, and recommended their re-appointment as the External Auditors of the Company for the ensuing year.

## **II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK**

### **Risk Management**

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 Board has established a Management Risk Committee which comprises Senior Management personnel and the Management Risk Committee reports directly to the AC.

The risk management and internal control framework is disclosed in *Statement on Risk Management and Internal Control* in this Annual Report.

### **Internal Control**

The internal audit function of the Group is carried out by an outsourced external service provider, IBDC (Malaysia) Sdn. Bhd.

The internal audit function is independent and performs audit assignments with impartiality, proficiency and due professional care.

Further details of the internal audit function have been disclosed under the *AC Report* as set out in this Annual Report.

## **PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**

### **I. ENGAGEMENT WITH STAKEHOLDERS**

The Board recognises the importance of effective, transparent, regular and timely communication with shareholders and other stakeholders to keep them informed on the Group's latest financial performance, business and corporate developments.



The Company leverages a number of formal channels for effective dissemination of information to the public, namely the timely release of financial results on a quarterly basis and Annual Reports to Bursa Securities. The Company's website at [www.gopeng.com.my](http://www.gopeng.com.my) contains information concerning the Group which is updated on a regular basis.

Apart from the above, the Annual Report is also one (1) of the main channels of communication between the Company and its stakeholders. The Annual Report, which is prepared in accordance with the requirements of the MMLR and the MCCG, communicates comprehensive information of the financial results and activities undertaken by the Group.

The Company dispatches its Annual Report to shareholders within four (4) months after financial year end, which allows shareholders to have timely information about the Company, its operations and performance. All information to shareholders is available electronically as soon as it is announced or published.

## II. CONDUCT OF GENERAL MEETINGS

### AGM

The principal forum for dialogue with shareholders is through conduct of the Company's AGM and extraordinary general meeting.

The Company provides information in the Notice of the Thirty-Eighth AGM held in 2022, which was sent to the shareholders more than 28 days prior to the meeting to ensure that shareholders were given sufficient time to read and consider the resolutions to be resolved.

The Thirty-Eighth AGM was conducted on virtual basis through the online meeting platform via <http://www.onecapital.com.my> provided by One Capital Services Sdn. Bhd. which allows remote shareholders' participation and voting in absentia. The Administrative Guide with detailed registration and voting procedures was shared with the shareholders as well as published on the Company's website at [www.gopeng.com.my](http://www.gopeng.com.my).

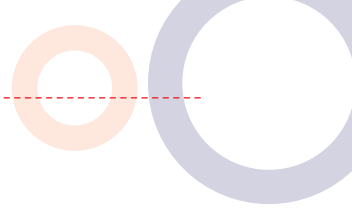
All Directors, Chairperson of every Board Committees and External Auditors participated the Thirty-Eighth AGM of the Company held in 2022 either physically at the Broadcast venue or remotely from their respective locations.

The Chairman of the Thirty-Eighth AGM ensured that sufficient opportunities were given to shareholders to raise issues relating to the affairs of the Company by providing ample time for the Question-and-Answer session during the AGM.

The shareholders and proxy holders can rely on real time submission of typed text to exercise their rights to speak or communicate in a virtual meeting by submitting questions or remarks in relation to the agenda items into the text box given in the online meeting platform. The Executive Director and Senior Management responded to the queries from shareholders at the Thirty-Eighth AGM.

During the Thirty-Eighth AGM, the Company leveraged technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolution.

A copy of the minutes of the Thirty-Eighth AGM are published on the Company's website at [www.gopeng.com.my](http://www.gopeng.com.my).



### III. CORPORATE GOVERNANCE REPORT

This CG Statement shall be read together with the Corporate Governance Report which was published in the Company's website at [www.gopeng.com.my](http://www.gopeng.com.my).

#### KEY CG FUTURE PRIORITIES FOR FINANCIAL YEAR ENDING 31 DECEMBER 2023 ("FYE 2023")

The Board has identified the following key CG future priorities of the Company for FYE 2023:-

- (i) Ensure that a considerable proportion of Board time is focused on strategic issues, including specific strategic plans and transactions, and the Company's broader long-term direction.
- (ii) Consider with Management, what opportunities are likely to emerge in the current environment, how issues of corporate purpose and environmental, social and governance ("ESG") relate to corporate strategy, and what opportunities and risks arise from the heightened attention to stakeholder interests and ESG, including climate change.
- (iii) Focus on the corporate culture, emphasising expectations that Management will foster within the company a culture of ethical behavior, fair dealing, respect for diversity, equity and inclusion, and integrity.

#### CONCLUSION

The Board is satisfied that, it complies substantially with the Practices of the MCCG throughout FYE 2022.

This CG Statement is made in accordance with the Resolution passed by the Board on 11 April 2023.



# Statement on Risk Management and Internal Control

## INTRODUCTION

Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("**MMLR**") require the Board of Directors ("**the Board**") of public listed companies to include in its annual reports a "statement about the state of risk management and internal control of the listed issuer as a group". The Board of Gopeng Berhad ("**the Company**") is committed to maintaining a sound system of internal control in the Company and its subsidiaries ("**the Group**") and is pleased to provide the following statement, which outlines the nature and scope of internal control of the Group for the financial year ended 31 December 2022 ("**FYE 2022**").

## 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 ("**AC**"), 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 Risk Committee ("**MRC**"). 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.

## MANAGEMENT RISK COMMITTEE

As at 31 March 2023, being the latest practicable date for this report, the MRC comprises four (4) members as follows:-

### Chairman

Mohamad Shukri Bin Ishak (General Manager, Finance)

### Members

Nasrul Shahrin Bin Mohd Nasir (Chief Operating Officer)

Nor Azlan Bin Yusoff (Estate Manager)

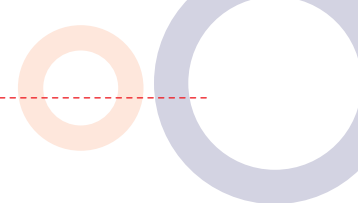
### Coordinator

Mohammad Sufyan Akif Bin Mohd Sallehin (Accounts Executive)

The role of the MRC is to coordinate and support the Management, the AC and the Board to effectively manage risk through reactive, proactive and contemporaneous means. This is achieved through the identification, prioritisation and management of risk from a variety of sources.

An essential underlying task for the MRC is to advise the Management, the AC and the Board the requirements and implications of risk and the most effective means of managing risks. The MRC also ensures that the systems and process are in place to manage risk, gaining assurance by continual monitoring.

There were few meetings and discussions held by the MRC during FYE 2022 to review and conclude the Risk Register and Risk Management Report. The MRC reports directly to the AC and met once with the AC in FYE 2022.



## Enterprise Risk Management (“ERM”) 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 associate companies). Key risks to each business unit’s objectives were identified and scored for likelihood of the risks occurring and the magnitude of the impact.

The Board considers the ERM Framework is robust, but is still subject to continuous improvement on the framework taking into consideration better practices and changes in business environment.

## Risk Register

The Risk Register is a tool for identifying, analysing and managing risks and allows for a central storage of all risk information which can help to visualise and efficiently estimate the Group’s risks. The Risk Register was tabled to the AC for review, by the Chairman of MRC at the AC meeting.

## Key Components of Internal Control System

The Group’s internal control system consists of the following key processes:-

### Authority and Responsibility

The Board delegates certain responsibilities to the following Board Committees through clearly defined Terms of Reference which are reviewed periodically and/or when the need arises:-

- (i) AC;
- (ii) Nomination Committee;
- (iii) Remuneration Committee; and
- (iv) MRC.

### Internal Audit Function

The Group outsourced its internal audit function to a professional firm, IBDC (Malaysia) Sdn. Bhd., 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 audit function performs internal audit review by adopting a risk-based audit approach with objective of providing an assurance to the Board that risks are mitigated to acceptable levels. The Internal Audit Strategy and Planning Memorandum is reviewed and approved by the AC during the AC meeting. The internal audit function checks for compliance with policies and procedures and the effectiveness of the internal control system, and highlights significant findings of non-compliances and internal control weaknesses, if any in the scheduled AC meetings. Further details of the internal audit function have been disclosed under the *AC Report* as set out in this Annual Report.

### Monitoring and Reporting

The General Manager, Finance in charge of the Group’s financial affairs is required to give assurance to the AC that adequate processes and controls are in place in the preparation of each quarterly financial statements, including consolidated condensed financial statements, and that appropriate accounting policies are adopted and applied consistently to give a true and fair view of the state of affairs of the Group and to ensure compliance with the Malaysian Financial Reporting Standards.



Upon review, the AC shall inform the Board on the assurance it received from the General Manager, Finance, as well as the conclusion it made on the adequacy of processes and controls in place for effective financial reporting and disclosures to be made by the Company.

### **Other risks and control processes**

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

- 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 AC reviews the reports from Management before submission to the Board for consideration.

### **Review of this Statement**

Pursuant to Paragraph 15.23 of the MMLR, the External Auditors have reviewed this statement for inclusion in the 2022 Annual Report, in accordance with the Malaysian Approved Standard on Assurance Engagements, International Standard on Audit Engagement 3000 (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guides 3 (“AAPG 3”), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants.

Based on their review, the External Auditors reported to the Board that nothing has come to their attention that causes them to believe that this statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is the statement factually inaccurate.

AAPG 3 does not require the External Auditors to, and they did not, consider whether this statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems including the assessment and opinion by the Board of Directors and management thereon. They are also not required to consider whether the process described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

### **CONCLUSION**

The Board has received assurance from the Management, i.e. the Executive Chairman and the General Manager, Finance 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.

The Board members acknowledge that they are ultimately responsible for ensuring the proper implementation of appropriate internal control system even though this responsibility has been delegated to the Management.

This statement was approved by the Board on 11 April 2023.



# Audit Committee Report

The Audit Committee (“AC”) is pleased to present the AC Report for the financial year ended 31 December 2022 (“FYE 2022”).

## Composition of AC

As at 31 March 2023, being the latest practicable date (LPD) for this report, the AC comprises three (3) members as follows:-

### Chairman

Dr. Mohd Nordin Bin Mohd Zain (Independent Non-Executive Director)

### Members

Encik Manohar Hasan Bin Ameer Ali (Independent Non-Executive Director)

Encik Ab Ghaus Bin Ismail (Independent Non-Executive Director)

The composition of the AC is in compliance with Paragraphs 15.09 and 15.10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**MMLR**”) and the Malaysian Code on Corporate Governance (“**MCCG**”) where all the members are Independent Non-Executive Directors and none of the AC members are Alternate Director.

In addition, the AC meets the requisite qualifications under Paragraph 15.09(1)(c) of the MMLR with Dr. Mohd Nordin Bin Mohd Zain, the Chairman of the AC, being member of the Malaysian Institute of Accountants (MIA).

## Meetings

The AC held a total of five (5) meetings during the FYE 2022 and the attendance of the AC members are as follows:-

Name of the AC members	Attendance of Meetings
Dr. Mohd Nordin Bin Mohd Zain	5/5
Encik Manohar Hasan Bin Ameer Ali	5/5
Encik Ab Ghaus Bin Ismail	5/5

The Executive Chairman, Senior Management, representatives of the External Auditors and Internal Auditors were invited to attend the AC meetings when required in order to facilitate direct communications in respect on matters of significant concern or interest. For FYE 2022, two (2) private sessions were held between the AC with the External Auditors without the presence of the Executive Chairman and Management.

All deliberations during the AC meetings were duly minuted. The minutes of the AC meetings were tabled for confirmation at every succeeding AC meeting and thereafter, circulated to the Board of Directors (“**Board**”) for notation.

## Terms of Reference (“TOR”)

The TOR of the AC was reviewed and updated when necessary to reflect the requirement of the applicable practices and guidance of the MCCG and MMLR. The TOR of the AC is available at the Company’s corporate website at [www.gopeng.com.my](http://www.gopeng.com.my).

## Summary of work

The AC carried out its duties in accordance with its TOR and work undertaken by the AC to meet its responsibilities for FYE 2022 was as follows:-

1. Overview of Financial Reporting
  - (a) Reviewed the financial performance of the Company and its subsidiaries (“**the Group**”) on quarterly basis;
  - (b) Reviewed the unaudited quarterly financial reports of the Group to ensure that they were prepared in accordance with the applicable Malaysian Financial Reporting Standards and International Accounting Standards, as well as applicable disclosure provisions of the MMLR, prior to making the recommendations to the Board for consideration and approval; and
  - (c) Reviewed the Audited Financial Statements and the External Auditors’ findings and recommendations together with Management’s responses to the findings of the External Auditors and ensured where appropriate, that necessary corrective actions had been taken by Management.
2. Oversight of External Auditors
  - (a) Reviewed the External Auditors’ Audit Summary Report for the financial year ended 31 December 2021 which had summarised the significant audit matters pertaining to the statutory audit of the Group for FYE 2021, including the expected key audit matters and Management’s response to the internal control matters highlighted by the External Auditors in the course of their statutory audit;
  - (b) Reviewed the Audit Planning Memorandum covering the audit objectives and approach, key audit areas and relevant technical pronouncements and accounting standards issued by the Malaysian Accounting Standards Board;
  - (c) Met with the External Auditors without the presence of Management twice, in order to provide an avenue to candidly express any concerns they may have, including those relating to their ability to perform their work without restraint or interfere;
  - (d) Conducted an annual assessment of the performance, suitability, objectivity and independence of the External Auditors and was satisfied with their performance, quality of communication, sufficiency and allocation of resources, competency, as well as timelines in completing the audit and recommended the re-appointment of the External Auditors to the Board for approval by its shareholders at the Annual General Meeting; and
  - (e) Reviewed the reasonableness of the audit fees charged against the size and complexity of the Group and recommended the same for the Board’s approval.

3. Oversight of Internal Audit Function
  - (a) Reviewed and approved the Internal Audit Strategy and Planning Memorandum of the Group for the financial year ending 31 December 2023;
  - (b) Reviewed the Internal Audit Reports issued by the Internal Auditors and took note of their observations, recommendation and Management's responses thereto;
  - (c) Monitored the outcome of the Follow-up Reports issued by the Internal Auditors to ascertain the extent to which agreed action plans have been implemented by Management; and
  - (d) Reviewed the effectiveness of internal audit processes as well as adequacy of scope, functions, competency and resources of the firm of the internal audit function.
4. Oversight of Risk Management and Internal Control Matters
  - (a) Reviewed the Risk Management Report including the composition and roles of Management Risk Committee, risk register and mitigation plans on the significant risks; and
  - (b) Reviewed the disclosures in AC Report, Additional Compliance Information and Statement on Risk Management and Internal Control for inclusion in the Annual Report.
5. Review of Related Party Transactions
  - (a) Reviewed the related party transactions and conflict of interest situation that arise within the Group on quarterly basis, including any transaction, procedure or course of conduct that raises questions on management integrity.

### **Internal Audit Function**

The internal audit function plays an important role in providing the Board, through the AC, reasonable assurance of the effectiveness of the system of internal control of the Group. The internal audit function is independent and performs audit assignments with impartiality, proficiency and due professional care.

For FYE 2022, the engagement team personnel from IBDC (Malaysia) Sdn. Bhd. ("IBDC"), the outsourced Internal Auditors of the Company had affirmed to the AC that in relation to the Group, they do not have any relationship or conflict of interest, which could impair their objectivity and independence.

IBDC adopted a risk-based audit approach in their internal audit with the objective of providing an assurance to the Board that risks are mitigated to acceptable levels. This approach will draw IBDC's attention towards gaining an understanding of the Group's business operation and the Standard Operating Procedures and Policy within the Group.

During FYE 2022, the AC carried out its annual assessment on the effectiveness of IBDC and was satisfied with the overall performance of IBDC.

The summary of works carried out by IBDC for FYE 2022 comprised the following:-

- (a) Reviewed compliance with policies, procedures and standards, relevant external rules and regulations;
- (b) Assessed the adequacy and effectiveness of the Group's system of internal control and recommended appropriate actions to be taken where necessary;
- (c) The internal audits performed met the objective of highlighting to the AC the audit findings which required follow-up actions by the Management, any outstanding audit issues which required corrective actions to be taken to ensure an adequate and effective internal control system within the Group, as well as any weaknesses in the Group's internal control system;
- (d) Ensured that those weaknesses were appropriately addressed and that recommendations from the internal audit reports and corrective actions on reported weaknesses were taken appropriately within the required timeframe by the Management;
- (e) Presentation of audit findings and corrective actions to be taken by the Management in the AC meetings; and
- (f) Reviewed and assessed the key observation of the internal audit function of listed issuers as well as the accompanying findings of the thematic reviews and key takeaways, issued by Bursa Securities.

For FYE 2022, the following areas of the Group have been audited by IBDC in accordance with the risk-based audit plan adopted:-

Audit Area/Function	Tabling of Internal Audit Report
<ul style="list-style-type: none"> <li>• Review of the Malaysian Anti-Corruption Commission (“MACC”) Act Corporate Liability</li> </ul>	May 2022
<ul style="list-style-type: none"> <li>• Estate Security Management</li> <li>• Follow-up on the following matters:-                             <ol style="list-style-type: none"> <li>(i) Purchase and Payment Control, Human Resource Management and Payroll System; and</li> <li>(ii) Human Resource Management and Payroll System and General Procedure Compliance in Administration.</li> </ol> </li> </ul>	August 2022
<ul style="list-style-type: none"> <li>• Upkeep and Cultivation of Immature Oil Palms</li> <li>• Follow-up on MACC Act Corporate Liability Review</li> </ul>	November 2022

The total cost incurred for the outsourced internal audit function of the Group for FYE 2022 is amounted to RM49,521 (2021: RM118,636).

This AC Report is made in accordance with the Resolution passed by the Board on 11 April 2023.

# Additional Compliance Information

## 1. Utilisation of Proceeds

There were no proceeds raised from any corporate proposal during the financial year ended 31 December 2022.

## 2. Recurrent Related Party Transaction of a Revenue or Trading Nature

The Company and its subsidiaries have not entered into any recurrent related party transactions of a revenue or trading nature during the financial year ended 31 December 2022.

## 3. Audit and Non-Audit Fees

The amount of the audit and non-audit fees paid and payable to Messrs. HLB Ler Lum Chew PLT for the financial year ended 31 December 2022 are as follows:-

	Group	Company
	(RM)	(RM)
Audit Fees	98,825	76,000
Non-Audit Fees - Review of Directors' Statement on Risk Management and Internal Control	8,000	8,000
<b>Total</b>	<b>106,825</b>	<b>84,000</b>

## 4. Material Contracts involving Directors and Shareholders

There was no material contract entered into by the Company and its subsidiaries involving the interest of Directors, chief executive who is not a Director or major shareholder, either still subsisting as at the end of the financial year or entered into since the end of the previous financial year.

## 5. 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 revaluation exercise will be carried out in 2023.



# Statement of Directors' Responsibilities in the Preparation of Financial Statements

The Board of Directors ("**Board**") is responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Company and its subsidiaries ("**Group**") as at the end of each financial year, and of the results and cash flows of the Group for that year then ended.

The Board considers that in preparing the financial statements:-

- the Group has used appropriate accounting policies which are consistently applied;
- reasonable and prudent judgments and estimates were made; and
- all applicable approved accounting standards in Malaysia have been adhered to.

The Board is responsible to ensure that the Group maintains accounting records that disclose with reasonable accuracy, the financial position of the Group, and which enable them to ensure that the financial statements comply with the Companies Act 2016.

The Board has general responsibilities for taking such steps that the appropriate systems are reasonably available to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities and material misstatements. Such systems, by their nature, could only provide reasonable and not absolute assurance against material misstatements, loss or fraud.

This Statement of Directors' Responsibilities in preparing the financial statements was approved by the Board on 11 April 2023.

# Corporate Social Responsibility



# 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 2022.

## 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>Loss for the financial year attributable to:</u>		
- Owners of the Company	3,614,158	3,259,496
- Non-controlling interests	42,753	-
	<u>3,656,911</u>	<u>3,259,496</u>

## DIVIDEND

The amount of dividend paid since the end of the last financial year is as follows:

	RM
In respect of the financial year ended 31 December 2021:	
Final single tier dividend of 1.5 sen per ordinary share paid on 12 August 2022	<u>6,052,353</u>

On 11 April 2023, the Board of Directors recommends the payment of a final single tier dividend of 1.0 sen in respect of the financial year ended 31 December 2022, subject to shareholders' approval. The financial statements for the current financial year do not reflect this single tier dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2023.

## 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.

## ISSUE OF SHARES AND DEBENTURES

There were no issuances of shares or debentures during the financial year.

## OPTIONS GRANTED OVER UNISSUED SHARES

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

## 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  
 Encik Manohar Hasan Bin Ameer Ali\*  
 Mr. Chong Chang Choong  
 Encik Ab Ghaus Bin Ismail\*  
 Dr. Mohd Nordin Bin Mohd Zain

\*Also a Director of certain subsidiaries of the Company.

## 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 1.1.2022	ADDITIONS	DISPOSALS	AT 31.12.2022
<b>Interest in the Company</b>				
<b>Direct interest:</b>				
Dato' Mohd Salleh Bin Hashim	83,925,000	-	-	83,925,000
Dato' Haji Mohamad Tahiruddin Bin Mohd Tahir	23,319,823	-	-	23,319,823
Encik Manohar Hasan Bin Ameer Ali	1,500,000	-	-	1,500,000
Encik Ab Ghaus Bin Ismail	1,262,025	-	-	1,262,025
<b>Indirect interest:</b>				
Dato' Mohd Salleh Bin Hashim <sup>(1)</sup>	49,050,000	-	-	49,050,000
<b>Interest in a subsidiary company, Gopeng Precision &amp; Engineering Sdn. Bhd.</b>				
Dato' Haji Mohamad Tahiruddin Bin Mohd Tahir	1	-	-	1

## DIRECTORS' INTERESTS – (Continued)

<sup>(1)</sup> 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, Encik Manohar Hasan Bin Ameer Ali's, and Encik 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 of the Company has received or become entitled to receive any benefit 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 except that certain Directors received remuneration from the Company.

## INDEMNIFICATION

During the financial year, the total amount of insurance premium paid for the Directors and officers of the company was RM9,000.

## DIRECTORS' REMUNERATION

Directors' remuneration are as follows:

	Group/Company RM
Executive Directors	
- fees	53,000
- salary and other emoluments	1,233,400
- EPF	185,010
- other short-term benefits (including estimated monetary value of benefits-in-kind)	328,163
Non-executive Directors	
- fees	390,000
	2,189,573

## SUBSIDIARIES

Details of subsidiaries are set out in Note 14 to the financial statements.



## 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

At the date of this report, the Directors 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 the opinion of the Directors,

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

## AUDITORS' REMUNERATION

Auditors' remuneration is as follows:

	GROUP RM	COMPANY RM
Audit fee		
- current financial year	97,000	72,000
- under provision in prior year	1,825	4,000
	<u>98,825</u>	<u>76,000</u>
Non-audit fee	<u>8,000</u>	<u>8,000</u>

## SIGNIFICANT EVENT DURING AND AFTER THE FINANCIAL YEAR

Details of the significant event during and after the financial year are disclosed in Note 35 to the financial statements.

## AUDITORS

The auditors, HLB Ler Lum Chew PLT (201906002362 & AF 0276) 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 : 11 April 2023  
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, International 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 2022 and of their financial performance and cash flows for the financial year then ended.

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

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Dato' Mohd Salleh Bin Hashim

Dated : 11 April 2023  
Kuala Lumpur

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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.

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Mohamad Shukri Bin Ishak (MIA 23190)

Subscribed and solemnly declared by the abovenamed MOHAMAD SHUKRI BIN ISHAK at Kuala Lumpur on 11 April 2023

Before me :

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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 2022 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 financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 70 to 126.

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 2022, and of their financial performance and their cash flows for the financial 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 freehold and leasehold land

*Refer to Note 4.3, Note 4.4, Note 5.2, Note 11 and Note 12 to the financial statements.*

**KEY AUDIT MATTERS – (Continued)**

As at 31 December 2022, the Group and the Company carried a portfolio of freehold and leasehold land and adopted an accounting policy which require the management to determine their valuation as at the end of the reporting period as follows:

	<b>Group RM</b>	<b>Company RM</b>
Property plant and equipment at revaluation model	182,917,267	178,273,230
Investment properties at fair value model	8,385,000	8,385,000
	191,302,267	186,658,230

The valuation of freehold and leasehold land is significant to our audit due to its magnitude, complex valuation method and high dependency on a range of estimates which are based on current and future market or economic conditions.

How our audit addressed the key audit matters

Our audit procedures focused on the following:

- Conducted site visits to selected freehold and leasehold land to observe the condition of the properties and safeguards put in place by the Group and the Company;
- Discussed with an independent valuer on the valuation method used in last valuation and considered the need for changes in the key inputs used since the last valuation performed;
- Obtained management's assessment on the valuation of freehold and leasehold land and assessed the assumptions used since the last valuation performed; and
- Evaluated whether disclosures in the financial statements relating to the revaluation of freehold and leasehold land and valuation of investment property were in accordance with Malaysian Financial Reporting Standards.

**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.

**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS – (Continued)**

- 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

TANG YAN YU  
Approved Number: 03452/10/2023 J  
Chartered Accountant

Dated : 11 April 2023  
Kuala Lumpur

# Statements of Profit or Loss and Other Comprehensive Income

For The Financial Year Ended 31 December 2022

	Note	GROUP		COMPANY	
		2022	2021	2022	2021
		RM	RM	RM	RM
Revenue	6	12,876,644	14,391,153	9,013,651	13,725,633
Cost of sales		(9,790,144)	(10,204,593)	(5,779,004)	(9,539,113)
Gross profit		3,086,500	4,186,560	3,234,647	4,186,520
Other income		1,491,190	542,391	1,477,706	542,391
Administrative expenses		(6,042,871)	(5,382,524)	(5,609,379)	(5,193,667)
Other expenses		(4,361,189)	(2,067,734)	(4,250,953)	(1,968,054)
Operating loss		(5,826,370)	(2,721,307)	(5,147,979)	(2,432,810)
Interest income		86,566	26,980	67,174	25,941
Finance costs	7	(42,431)	(48,694)	(42,431)	(48,694)
Loss before tax	7	(5,782,235)	(2,743,021)	(5,123,236)	(2,455,563)
Tax credit	9	2,125,324	433,325	1,863,740	425,325
<b>Loss for the financial year</b>		<b>(3,656,911)</b>	<b>(2,309,696)</b>	<b>(3,259,496)</b>	<b>(2,030,238)</b>
Loss attributable to :-					
Owners of the Company		(3,614,158)	(2,309,696)	(3,259,496)	(2,030,238)
Non-controlling interests		(42,753)	-	-	-
		<u>(3,656,911)</u>	<u>(2,309,696)</u>	<u>(3,259,496)</u>	<u>(2,030,238)</u>
Loss per share					
Basic and diluted (sen)	10	<u>(0.90)</u>	<u>(0.57)</u>		
Other comprehensive income :					
Items that will not be reclassified subsequently to profit or loss:					
- Reversal of deferred tax on revaluation surplus		33,000	33,675	33,000	33,675
Total comprehensive expense for the financial year		<u>(3,623,911)</u>	<u>(2,276,021)</u>	<u>(3,226,496)</u>	<u>(1,996,563)</u>
Total comprehensive expense attributable to:-					
Owners of the Company		(3,581,158)	(2,276,021)	(3,226,496)	(1,996,563)
Non-controlling interests		(42,753)	-	-	-
		<u>(3,623,911)</u>	<u>(2,276,021)</u>	<u>(3,226,496)</u>	<u>(1,996,563)</u>

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

# Statements of Financial Position

As at 31 December 2022

GROUP	Note	2022	2021
		RM	RM
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	216,286,238	219,397,924
Investment properties	12	8,385,000	8,385,000
Land held for property development	13	2,428,036	2,430,142
Other investments	15	186,000	186,000
Deferred tax asset	24	269,584	-
		<u>227,554,858</u>	<u>230,399,066</u>
<b>CURRENT ASSETS</b>			
Inventories	16	1,235,445	324,523
Biological assets	17	46,035	352,791
Trade and other receivables	18	983,679	1,152,949
Tax recoverable		459,386	366,798
Short term investments	19	62,178,300	66,087,599
Deposits, cash and bank balances	20	6,152,512	8,634,067
		<u>71,055,357</u>	<u>76,918,727</u>
<b>TOTAL ASSETS</b>		<b><u>298,610,215</u></b>	<b><u>307,317,793</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	21	134,496,725	134,496,725
Reserves	22	133,450,215	143,083,726
Equity attributable to owners of the Company		267,946,940	277,580,451
Non-controlling interests		(42,753)	-
<b>TOTAL EQUITY</b>		<b><u>267,904,187</u></b>	<b><u>277,580,451</u></b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Provision	23	320,191	299,582
Deferred tax liabilities	24	26,338,000	28,276,000
		<u>26,658,191</u>	<u>28,575,582</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	25	2,017,426	1,161,760
Provision	23	28,661	-
Tax payable		1,750	-
Borrowings	26	2,000,000	-
		<u>4,047,837</u>	<u>1,161,760</u>
<b>TOTAL LIABILITIES</b>		<b><u>30,706,028</u></b>	<b><u>29,737,342</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>298,610,215</u></b>	<b><u>307,317,793</u></b>

## Statements of Financial Position As at 31 December 2022 – (Continued)

COMPANY	Note	2022	2021
		RM	RM
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	209,907,233	214,005,688
Investment properties	12	8,385,000	8,385,000
Investment in subsidiaries	14	600,003	600,003
Other investments	15	186,000	186,000
		<u>219,078,236</u>	<u>223,176,691</u>
<b>CURRENT ASSETS</b>			
Inventories	16	19,330	46,843
Biological assets	17	46,035	352,791
Trade and other receivables	18	463,737	427,948
Amount due from subsidiaries	14	9,670,383	6,717,867
Tax recoverable		459,386	368,549
Short term investments	19	62,178,300	66,087,599
Deposits, cash and bank balances	20	3,141,747	6,915,574
		<u>75,978,918</u>	<u>80,917,171</u>
<b>TOTAL ASSETS</b>		<b><u>295,057,154</u></b>	<b><u>304,093,862</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	21	134,496,725	134,496,725
Reserves	22	131,464,650	140,743,499
<b>TOTAL EQUITY</b>		<u>265,961,375</u>	<u>275,240,224</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	24	26,338,000	28,284,000
<b>CURRENT LIABILITIES</b>			
Trade and other payables	25	757,779	569,638
Borrowings	26	2,000,000	-
		<u>2,757,779</u>	<u>569,638</u>
<b>TOTAL LIABILITIES</b>		<u>29,095,779</u>	<u>28,853,638</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>295,057,154</u></b>	<b><u>304,093,862</u></b>

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

# Statements of Changes in Equity

## For the Financial Year Ended 31 December 2022

		← Attributable to owners of the Company →				Non-Controlling Interests	Total Equity
		← Non-distributable →		← Distributable →			
		Share Capital	Revaluation Reserve	Retained Profit	Subtotal		
GROUP	Note	RM	RM	RM	RM	RM	RM
Balance at 1 January 2022		134,496,725	9,154,884	133,928,842	277,580,451	-	277,580,451
Loss for the financial year		-	-	(3,614,158)	(3,614,158)	(42,753)	(3,656,911)
Other comprehensive income:							
- Reversal of deferred tax on revaluation surplus		-	33,000	-	33,000	-	33,000
Total comprehensive expense for the financial year		-	33,000	(3,614,158)	(3,581,158)	(42,753)	(3,623,911)
Depreciation transfer on land		-	(140,626)	140,626	-	-	-
Dividend	27	-	-	(6,052,353)	(6,052,353)	-	(6,052,353)
Balance at 31 December 2022		134,496,725	9,047,258	124,402,957	267,946,940	(42,753)	267,904,187
Balance at 1 January 2021		134,496,725	9,261,521	141,478,095	285,236,341	-	285,236,341
Loss for the financial year		-	-	(2,309,696)	(2,309,696)	-	(2,309,696)
Other comprehensive income:							
- Reversal of deferred tax on revaluation surplus		-	33,675	-	33,675	-	33,675
Total comprehensive expense for the financial year		-	33,675	(2,309,696)	(2,276,021)	-	(2,276,021)
Depreciation transfer on land		-	(140,312)	140,312	-	-	-
Dividend	27	-	-	(5,379,869)	(5,379,869)	-	(5,379,869)
Balance at 31 December 2021		134,496,725	9,154,884	133,928,842	277,580,451	-	277,580,451

		Share Capital	Revaluation Reserve	Retained Profit	Total Reserves	Total Equity
COMPANY	Note	RM	RM	RM	RM	RM
Balance at 1 January 2022		134,496,725	9,154,884	131,588,615	140,743,499	275,240,224
Loss for the financial year		-	-	(3,259,496)	(3,259,496)	(3,259,496)
Other comprehensive income:						
- Reversal of deferred tax on revaluation surplus		-	33,000	-	33,000	33,000
Total comprehensive expense for the financial year		-	33,000	(3,259,496)	(3,226,496)	(3,226,496)
Depreciation transfer on land		-	(140,626)	140,626	-	-
Dividend	27	-	-	(6,052,353)	(6,052,353)	(6,052,353)
Balance at 31 December 2022		134,496,725	9,047,258	122,417,392	131,464,650	265,961,375
Balance at 1 January 2021		134,496,725	9,261,521	138,858,410	148,119,931	282,616,656
Loss for the financial year		-	-	(2,030,238)	(2,030,238)	(2,030,238)
Other comprehensive income:						
- Reversal of deferred tax on revaluation surplus		-	33,675	-	33,675	33,675
Total comprehensive expense for the financial year		-	33,675	(2,030,238)	(1,996,563)	(1,996,563)
Depreciation transfer on land		-	(140,312)	140,312	-	-
Dividend	27	-	-	(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

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 2022

	Note	GROUP		COMPANY	
		2022	2021	2022	2021
		RM	RM	RM	RM
<b>Cash flows from operating activities</b>					
<b>Loss before tax</b>		<b>(5,782,235)</b>	<b>(2,743,021)</b>	<b>(5,123,236)</b>	<b>(2,455,563)</b>
Adjustments for:					
Amortisation/Depreciation		3,869,216	4,012,268	3,758,980	3,912,588
Fair value loss/(gain) on biological assets		306,756	(101,397)	306,756	(101,397)
Fair value gain on investment properties		-	(350,000)	-	(350,000)
Fair value loss on short term investments		2,263,326	231,164	2,263,326	231,164
Impairment loss on amount owing by subsidiaries		-	-	123,731	-
Inventories written-off		27,513	-	27,513	-
Land development expenditure written-off		33,611	-	-	-
Loss on disposal of property, plant and equipment		6,800	72,153	6,800	72,153
Other receivables written-off		114,085	-	-	-
Property, plant and equipment written-off		348,600	-	346,320	-
Income distribution from short term investments		(1,354,027)	-	(1,354,027)	-
Interest expenses		42,431	48,694	42,431	48,694
Interest income		(86,566)	(26,980)	(67,174)	(25,941)
Provision for retirement benefits		47,545	(14,322)	-	-
		<b>5,619,290</b>	<b>3,871,580</b>	<b>5,454,656</b>	<b>3,787,261</b>
<b>Operating (loss)/profit before changes in working capital</b>		<b>(162,945)</b>	<b>1,128,559</b>	<b>331,420</b>	<b>1,331,698</b>
Changes in working capital:					
Inventories		(938,435)	(19,171)	-	258,509
Land held for property development		(31,505)	(29,850)	-	-
Trade and other receivables		55,185	2,551,038	(35,789)	1,414,698
Trade and other payables		855,666	(1,951,954)	188,141	(2,572,767)
Other provision		-	(28,416)	-	(342,320)
		<b>(59,089)</b>	<b>521,647</b>	<b>152,352</b>	<b>(1,241,880)</b>
<b>Net cash (used in)/generated from operations</b>		<b>(222,034)</b>	<b>1,650,206</b>	<b>483,772</b>	<b>89,818</b>

## Statements of Cash Flows For the Financial Year Ended 31 December 2022 – (Continued)

	Note	GROUP		COMPANY	
		2022	2021	2022	2021
		RM	RM	RM	RM
Net cash (used in)/ generated from operations		(222,034)	1,650,206	483,772	89,818
Income tax paid		(140,098)	(101,246)	(140,098)	(101,247)
Retirement benefits paid		(10,160)	-	-	-
		(150,258)	(101,246)	(140,098)	(101,247)
Net cash (used in)/ generated from operating activities		(372,292)	1,548,960	343,674	(11,429)
<b>Cash flows from investing activities</b>					
Acquisition of property, plant and equipment	(a)	(1,111,045)	(6,034,881)	(23,645)	(542,965)
Advance to subsidiaries		-	-	(3,076,246)	(4,908,561)
Incorporation of subsidiaries		-	-	-	(600,003)
Proceeds from disposal of property, plant and equipment		10,000	106,200	10,000	106,200
Redemption/withdrawal of short term investments		3,000,000	16,651,226	3,000,000	16,651,226
Repo and fixed deposits interest received		86,566	26,980	67,174	25,941
Net cash generated from/(used in) investing activities		1,985,521	10,749,525	(22,717)	10,731,838
<b>Cash flows from financing activities</b>					
Dividend paid	27	(6,052,353)	(5,379,869)	(6,052,353)	(5,379,869)
Drawdown of borrowings	(b)	2,000,000	-	2,000,000	-
Repayment of lease liabilities	(b)	-	(13,499)	-	(13,499)
Hire purchase interests	(b)	-	(1,557)	-	(1,557)
Interest on short term borrowings	(b)	(42,431)	(47,137)	(42,231)	(47,137)
Increase in pledged deposits		(967,497)	-	(967,497)	-
Net cash used in financing activities		(5,062,281)	(5,442,062)	(5,062,281)	(5,442,062)
<b>Net changes in cash and cash equivalents</b>		<b>(3,449,052)</b>	<b>6,856,423</b>	<b>(4,741,324)</b>	<b>5,278,347</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>8,634,067</b>	<b>1,777,644</b>	<b>6,915,574</b>	<b>1,637,227</b>
<b>Cash and cash equivalents at the end of the financial year</b>		<b>5,185,015</b>	<b>8,634,067</b>	<b>2,174,250</b>	<b>6,915,574</b>
<b>Cash and cash equivalents at the end of the financial year comprises:</b>					
Deposits placed with licensed banks	20	2,467,497	3,948,987	967,497	2,948,988
Cash at banks and on hand	20	3,685,015	4,685,080	2,174,250	3,966,586
		6,152,512	8,634,067	3,141,747	6,915,574
Less: Deposits pledged to a licensed bank		(967,497)	-	(967,497)	-
		5,185,015	8,634,067	2,174,250	6,915,574

## Statements of Cash Flows For the Financial Year Ended 31 December 2022 – (Continued)

## NOTES TO THE STATEMENTS OF CASH FLOWS

(a) The net cash outflow for the acquisition of property, plant and equipment during the financial year is as follows:

	GROUP		COMPANY	
	2022	2021	2022	2021
	RM	RM	RM	RM
Acquisition of property, plant and equipment	1,122,930	6,034,881	23,645	542,965
Less: Non-cash item				
Provision of retirement benefits capitalised in bearer plants	(11,885)	-	-	-
Net cash outflow for the acquisition of property, plant and equipment	<u>1,111,045</u>	<u>6,034,881</u>	<u>23,645</u>	<u>542,965</u>

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

	GROUP/COMPANY		
	Borrowings	Lease liabilities	Total
	RM	RM	RM
At 1 January 2022	-	-	-
Cash flows			
Drawdown of short-term borrowings	2,000,000	-	2,000,000
Interest payments	(42,431)	-	(42,431)
	1,957,569	-	1,957,569
Non-cash changes			
Interest expense	42,431	-	42,431
At 31 December 2022	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>
At 1 January 2021	-	13,499	13,499
Cash flows			
Principal payments	-	(13,499)	(13,499)
Interest payments	-	(1,557)	(1,557)
	-	(15,056)	(15,056)
Non-cash changes			
Interest expense	-	1,557	1,557
At 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>

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, Level 17  
Menara UOA Bangsar  
No. 5, Jalan Bangsar Utama 1  
59000 Kuala Lumpur

### Registered office

Level 7, Menara Milenium  
Jalan Damanlela, Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur

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 judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

### 3. ACCOUNTING STANDARDS AND INTERPRETATIONS

#### (a) Changes in accounting policies

Amendments to accounting standards that are effective for the Group's and the Company's financial year beginning on or after 1 January 2022 are as follows:

- Amendments to MFRS 3, "Business Combinations" (Reference to the Conceptual Framework)
- Amendments to MFRS 116, "Property, Plant and Equipment" (Proceeds before Intended Use)
- Amendments to MFRS 137, "Provision, Contingent Liabilities and Contingent Assets" (Onerous Contracts - Cost of Fulfilling a Contract)
- Annual Improvement to MFRS Standards 2018 - 2020:
  - Amendment to MFRS 1, "First-time Adoption of Malaysian Financial Reporting Standards"
  - Amendment to MFRS 9, "Financial Instruments"
  - Amendment to Illustrative Examples accompanying MFRS 16, "Leases"
  - Amendment to MFRS 141, "Agriculture"

The above amendments to accounting standards effective during the financial year do not have any significant impact to the financial results and position of the Group and of the Company.

#### (b) MFRS and amendments to MFRSs issued but not yet effective

Accounting standard and amendments to accounting standards that are applicable for the Group and the Company in the following periods but are not yet effective:

Description	Effective for annual periods beginning or after
MFRS 17, "Insurance Contracts"	1 January 2023
Amendments to MFRS 17, "Insurance Contracts" (Initial application of MFRS 17 and MFRS 9 - Comparative Information)	1 January 2023
Amendments to MFRS 101, "Presentation of Financial Statements" (Classification of Liabilities as Current or Non-current)	1 January 2023
Amendments to MFRS 101, "Presentation of Financial Statements" (Disclosure 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
Amendments to MFRS 16, "Leases" (Lease Liability in a Sale and Leaseback)	1 January 2024
Amendments to MFRS 101, "Presentation of Financial Statements" (Non-current Liabilities with Covenants)	1 January 2024
Amendments to MFRS 10, "Consolidated Financial Statements" and MFRS 128, "Investments in Associates and Joint Ventures" (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)	Yet to be determined

The adoption of the accounting standard and amendments to accounting standards are not expected to have any significant impact to the financial statements of the Group and of the Company.

## 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. Any gain from bargain purchase is recognised directly in the profit or loss.

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

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

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

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

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



## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

### 4.2 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

### 4.3 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 commences when the bearer plants mature or when the assets are ready for their intended use. Other property, plant and equipment are depreciated on the straight-line basis to write off the cost of the assets to their residual values over their estimated useful lives.

The principal annual rates of depreciation used are as follows:

Leasehold land	1% – 3%
Other properties*	2%
Bearer plant	5%
Plant and equipment	10% – 20%
Earthmoving equipment	20%
Motor vehicles	20%
Land improvement	5%

\*Included in other properties are buildings and renovation incurred on the buildings.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

### 4.3 Property, plant and equipment – (Continued)

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.

### 4.4 Investment properties

Investment properties are land and buildings held for rental income and/or capital appreciation which are not substantially occupied for use by the Group.

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.

### 4.5 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 4.9 on non-financial asset impairment).

### 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 carried at the lower of cost and net realisable value.

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.

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.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

### 4.6 Inventories – (Continued)

- (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.

### 4.7 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.

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”).

The classification depends on the Group’s and the Company’s business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

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.

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

##### 4.8 Financial instruments – (Continued)

###### (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.

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 as 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.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

##### 4.8 Financial instruments – (Continued)

###### (c) Financial assets – (Continued)

###### (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.

###### (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 28 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.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

##### 4.8 Financial instruments – (Continued)

###### (f) Impairment of financial assets – (Continued)

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).

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.



## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

### 4.9 Non-financial asset impairment – (Continued)

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.

### 4.13 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.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

##### 4.13 Employee benefits – (Continued)

(b) Defined contribution plan

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

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

(c) Retirement benefits

The Group provides 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 defined benefit obligation, calculated using the projected unit credit method, is determined by discounting the estimated future cash outflows using market yields at the end of the reporting period on high quality corporate bonds which have currency and terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income in the period in which they arise. Past service costs are recognised immediately in profit or loss.

##### 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.

###### Revenue from contracts with customers

(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.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

### 4.14 Revenue recognition – (Continued)

#### Revenue from contracts with customers – (Continued)

##### (a) Sale of agricultural produce – (Continued)

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.

#### Other revenue and income

##### (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 Current tax and deferred tax

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

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

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

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

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

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

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

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

### 4.16 Segment reporting

Segment information is presented in a manner that is consistent with the internal reporting provided to the chief operating decision maker, which is the Chief Operating Officer 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.

### 4.17 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.

### 4.18 Leases

#### Accounting by 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.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

### 4.18 Leases – (Continued)

#### Accounting by lessee – (Continued)

#### Lease liabilities – (Continued)

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 it 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.

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 re-measured 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 re-measured 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 assets, 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.

#### Accounting by lessor

The Group and the Company classify a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group and the Company recognise lease payments received under operating leases as lease income on a straight-line basis over the lease term.

## 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

### 5.1 Biological assets

The biological assets of the Group and the Company comprise of fresh fruit bunch ("FFB"). The valuation model 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 Valuation 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's assessment. 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	
	2022	2021	2022	2021
	RM	RM	RM	RM
Revenue from contract with customers:				
Agricultural produce	12,876,644	14,391,153	9,013,651	13,725,633
Geographical market				
Malaysia	12,876,644	14,391,153	9,013,651	13,725,633
Timing of revenue recognition				
At a point in time	12,876,644	14,391,153	9,013,651	13,725,633



## 7. LOSS BEFORE TAX

	GROUP		COMPANY	
	2022	2021	2022	2021
	RM	RM	RM	RM
<b>Loss before tax is arrived after charging/(crediting):</b>				
Amortisation/Depreciation	3,869,216	4,012,268	3,758,980	3,912,588
Auditors' remuneration:				
- current year	97,000	86,000	72,000	70,000
- under provision in prior years	1,825	10,000	4,000	10,000
Non-audit fee:				
- current year	8,000	8,000	8,000	8,000
Expenses related to leases:				
- short term lease	295,614	295,614	295,614	295,614
- low value asset	2,874	900	2,874	900
Fair value loss on short term investments	2,263,326	231,164	2,263,326	231,164
Fair value loss/(gain) on biological asset	306,756	(101,397)	306,756	(101,397)
Impairment loss on amount owing by subsidiaries	-	-	123,731	-
Interest expenses on:				
- lease liabilities	-	1,557	-	1,557
- short term borrowings	42,431	47,137	42,431	47,137
Inventories written-off	27,513	-	27,513	-
Land development expenditure written-off	33,611	-	-	-
Loss on disposal of property, plant and equipment	6,800	72,153	6,800	72,153
Other receivables written-off	114,085	-	-	-
Property, plant and equipment written-off	348,600	-	346,320	-
Personnel expenses (excluding Directors):				
- contributions to EPF	233,123	304,619	118,471	257,052
- provision on retirement benefit (net)	47,545	(14,322)	-	-
- wages, salaries and others	2,232,116	2,572,998	1,248,447	2,187,544
Fair value gain on investment property	-	(350,000)	-	(350,000)
Income distribution from short term investments	(1,354,027)	-	(1,354,027)	-
Interest income	(86,566)	(26,980)	(67,174)	(25,941)
Rental income	(84,200)	(134,194)	(82,000)	(134,194)

## 8. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensations are as follows :

	GROUP/COMPANY	
	2022	2021
	RM	RM
Executive Directors		
- fees	53,000	53,000
- salary and other emoluments	1,233,400	1,148,000
- EPF	185,010	172,200
- other short-term benefits (including estimated monetary value of benefits-in-kind)	328,163	389,748
	1,799,573	1,762,948
Non-executive Directors		
- fees	390,000	396,586
	2,189,573	2,159,534
Other key management personnel		
- salary and other emoluments	896,922	729,880
- EPF	107,316	86,900
	1,004,238	816,780
	3,193,811	2,976,314

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	
	2022	2021	2022	2021
	RM	RM	RM	RM
Current taxation:				
- current year	49,260	-	49,260	-
Deferred taxation:				
- Origination and reversal of temporary differences	(596,160)	(433,325)	(418,000)	(425,325)
- Over provision in prior year	(1,578,424)	-	(1,495,000)	-
	(2,174,584)	(433,325)	(1,913,000)	(425,325)
	(2,125,324)	(433,325)	(1,863,740)	(425,325)

## 9. TAX CREDIT – (Continued)

A reconciliation of tax credit applicable to loss 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	
	2022	2021	2022	2021
	RM	RM	RM	RM
Loss before tax	(5,782,235)	(2,743,021)	(5,123,236)	(2,455,563)
Tax at Malaysian tax rate of 24% (2021: 24%)	(1,387,736)	(658,325)	(1,229,577)	(589,335)
Non-deductible expenses	1,095,211	342,276	1,136,543	281,286
Deferred tax not recognised	21,331	-	-	-
Income not subject to tax	(324,966)	(117,276)	(324,966)	(117,276)
Real property gains tax	49,260	-	49,260	-
Over provision of deferred tax in prior year	(1,578,424)	-	(1,495,000)	-
	<u>(2,125,324)</u>	<u>(433,325)</u>	<u>(1,863,740)</u>	<u>(425,325)</u>

## 10. LOSS PER SHARE

### Basic loss per share

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

	GROUP	
	2022	2021
Loss attributable to owners (RM)	(3,614,158)	(2,309,696)
Number of shares in issue at beginning of the financial year	403,490,138	268,993,452
Effect of bonus issue	-	134,496,686
Weighted average number of shares in issue at the end of the financial year	<u>403,490,138</u>	<u>403,490,138</u>
Basic loss per share (sen)	<u>(0.90)</u>	<u>(0.57)</u>

### Diluted loss per share

There is no diluted loss per share as the Company does not have any potential dilutive ordinary shares as at the financial year end.

## 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 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/ 1 January 2022	103,498,369	82,982,147	3,815,570	1,895,403	2,340,601	41,839,615	2,241,707	238,613,412
Additions	-	-	122,235	-	46,176	954,519	-	1,122,930
Disposal	-	-	-	(28,000)	-	-	-	(28,000)
Written-off	-	-	(361,223)	-	(32,825)	-	-	(394,048)
At 31 December 2022	103,498,369	82,982,147	3,576,582	1,867,403	2,353,952	42,794,134	2,241,707	239,314,294

## 11. PROPERTY, PLANT AND EQUIPMENT – (Continued)

GROUP ACCUMULATED DEPRECIATION/ AMORTISATION	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 2021	-	-	-	-	-	1,518,534	1,870,490	-	-	-	-	-	-	-	3,389,024	
- Accumulated depreciation	-	-	-	-	1,078,754	-	-	-	-	-	-	-	-	-	13,433,042	
- Accumulated amortisation	-	3,965	3,965	1,078,754	-	1,518,534	1,870,490	-	-	12,238,238	112,085	112,085	112,085	16,822,066		
Charge for the financial year	-	1,760,942	1,760,942	45,895	179,777	81,121	1,832,448	-	-	-	-	-	-	4,012,268		
Reclassification	-	(3,967)	(3,967)	3,967	-	-	-	-	-	-	-	-	-	-	-	
Disposal	-	-	-	-	(27,940)	(13,882)	-	-	-	-	-	-	-	(41,822)		
Written-off	-	-	-	-	-	-	(1,577,024)	-	-	-	-	-	-	(1,577,024)		
At 31 December 2021	-	-	1,760,940	1,128,616	1,670,371	1,937,729	-	-	-	12,493,662	224,170	224,170	224,170	19,215,488		
- Accumulated depreciation	-	-	-	-	-	1,670,371	1,937,729	-	-	-	-	-	-	3,608,100		
- Accumulated amortisation	-	1,760,940	1,760,940	1,128,616	-	-	-	-	-	12,493,662	224,170	224,170	224,170	15,607,388		
	-	1,760,940	1,760,940	1,128,616	1,670,371	1,937,729	1,937,729	-	-	12,493,662	224,170	224,170	224,170	19,215,488		

## 11. PROPERTY, PLANT AND EQUIPMENT – (Continued)

GROUP ACCUMULATED DEPRECIATION/ AMORTISATION	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 2022	-	-	-	1,670,371	1,937,729	-	-	3,608,100
- Accumulated depreciation	-	1,760,940	1,128,616	-	-	12,493,662	224,170	15,607,388
- Accumulated amortisation	-	1,760,940	1,128,616	1,670,371	1,937,729	12,493,662	224,170	19,215,488
Charge for the financial year	-	1,802,309	50,898	166,776	77,880	1,659,267	112,086	3,869,216
Disposal	-	-	-	(11,200)	-	-	-	(11,200)
Written-off	-	-	(18,059)	-	(27,389)	-	-	(45,448)
At 31 December 2022	-	-	-	1,825,947	1,988,220	-	-	3,814,167
- Accumulated depreciation	-	3,563,249	1,161,455	-	-	14,152,929	336,256	19,213,889
- Accumulated amortisation	-	3,563,249	1,161,455	1,825,947	1,988,220	14,152,929	336,256	23,028,056



## 11. PROPERTY, PLANT AND EQUIPMENT – (Continued)

GROUP ACCUMULATED IMPAIRMENT LOSS	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 2021	-	-	-	-	-	1,577,024	-	1,577,024
Written-off	-	-	-	-	-	(1,577,024)	-	(1,577,024)
At 31 December 2021/ 31 December 2022	-	-	-	-	-	-	-	-
NET CARRYING AMOUNT								
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
At 31 December 2022	103,498,369	79,418,898	2,415,127	41,456	365,732	28,641,205	1,905,451	216,286,238

## 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 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/ 1 January 2022	103,498,369	78,134,264	3,815,570	1,895,403	2,172,336	41,203,581	2,241,707	232,961,230								
Additions	-	-	-	-	23,645	-	-	-	-	-	-	-	-	-	-	23,645
Disposal	-	-	-	(28,000)	-	-	-	-	-	-	-	-	-	-	-	(28,000)
Written-off	-	-	(361,223)	-	(30,545)	-	-	-	(30,545)	-	-	-	-	-	-	(391,768)
At 31 December 2022	103,498,369	78,134,264	3,454,347	1,867,403	2,165,436	41,203,581	2,241,707	232,565,107								

## 11. PROPERTY, PLANT AND EQUIPMENT – (Continued)

COMPANY ACCUMULATED DEPRECIATION/ AMORTISATION	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 2021	-	-	-	-	-	1,518,534	1,710,224	-	-	-	-	-	-	-	3,228,758	
- Accumulated depreciation	-	-	-	-	1,078,754	-	-	-	1,710,224	-	-	-	-	-	13,433,042	
- Accumulated amortisation	-	3,965	3,965	1,078,754	-	1,518,534	1,710,224	12,238,238	-	112,085	112,085	16,661,800	112,085	112,085	3,912,588	
Charge for the financial year	-	1,661,422	1,661,422	45,895	179,777	80,961	1,832,448	-	-	-	-	-	-	-	-	-
Reclassification	-	(3,967)	(3,967)	3,967	-	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	(27,940)	(13,882)	-	-	-	-	-	-	-	-	(41,822)	
Written-off	-	-	-	-	-	-	-	(1,577,024)	-	-	-	-	-	-	(1,577,024)	
At 31 December 2021	-	-	-	-	-	1,670,371	1,777,303	12,493,662	1,777,303	224,170	224,170	18,955,542	224,170	224,170	3,447,674	
- Accumulated depreciation	-	-	-	-	1,128,616	-	-	-	-	-	-	-	-	-	15,507,868	
- Accumulated amortisation	-	1,661,420	1,661,420	1,128,616	-	1,670,371	1,777,303	12,493,662	1,777,303	224,170	224,170	18,955,542	224,170	224,170	3,447,674	

## 11. PROPERTY, PLANT AND EQUIPMENT – (Continued)

COMPANY ACCUMULATED DEPRECIATION/ AMORTISATION	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 2022	-	-	-	-	-	1,670,371	1,777,303	-	-	-	-	-	-	-	3,447,674	
- Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Accumulated amortisation	-	1,661,420	-	1,128,616	-	-	-	-	-	-	12,493,662	-	224,170	-	15,507,868	
Charge for the financial year	-	1,661,420	-	1,128,616	-	1,670,371	1,777,303	-	-	-	12,493,662	-	224,170	-	18,955,542	
Disposal	-	1,697,983	-	48,453	-	166,776	74,415	-	-	-	1,659,267	-	112,086	-	3,758,980	
Written-off	-	-	-	-	-	(11,200)	-	-	-	-	-	-	-	-	(11,200)	
At 31 December 2022	-	-	-	(18,059)	-	-	(27,389)	-	-	-	-	-	-	-	(45,448)	
- Accumulated depreciation	-	-	-	-	-	1,825,947	1,824,329	-	-	-	-	-	-	-	3,650,276	
- Accumulated amortisation	-	3,359,403	-	1,159,010	-	-	-	-	-	-	14,152,929	-	336,256	-	19,007,598	
	-	3,359,403	-	1,159,010	-	1,825,947	1,824,329	-	-	-	14,152,929	-	336,256	-	22,657,874	

## 11. PROPERTY, PLANT AND EQUIPMENT – (Continued)

COMPANY ACCUMULATED IMPAIRMENT LOSS	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 2021	-	-	-	-	-	1,577,024	-	1,577,024
Written-off	-	-	-	-	-	(1,577,024)	-	(1,577,024)
At 31 December 2021/ 31 December 2022	-	-	-	-	-	-	-	-
NET CARRYING AMOUNT								
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
At 31 December 2022	103,498,369	74,774,861	2,295,337	41,456	341,107	27,050,652	1,905,451	209,907,233

## 11. PROPERTY, PLANT AND EQUIPMENT – (Continued)

### (i) Asset pledged as security

Freehold land with a carrying amount of RM38,808,011 (2021: Nil) have been pledged to secure banking facilities granted to a subsidiary of the Group as disclosed in Note 29 to the financial statements.

### (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 2022 are not expected to differ materially from their carrying value.

The Group uses the following hierarchy for determining and disclosing the fair value by valuation technique:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data.

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.

Fair value hierarchy of the freehold land leasehold land is as follows:

	Level 2			
	GROUP		COMPANY	
	2022	2021	2022	2021
	RM	RM	RM	RM
Freehold land	103,498,369	103,498,369	103,498,369	103,498,369
Leasehold land	79,418,898	81,221,207	74,774,861	76,472,844
	<u>182,917,267</u>	<u>184,719,576</u>	<u>178,273,230</u>	<u>179,971,213</u>

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.



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

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
	RM	RM	RM	RM
2022				
Cost	98,780,000	83,064,304	98,780,000	78,216,421
Accumulated amortisation	-	(10,147,948)	-	(9,944,102)
Carrying amount	<u>98,780,000</u>	<u>72,916,356</u>	<u>98,780,000</u>	<u>68,272,319</u>
2021				
Cost	98,780,000	83,064,304	98,780,000	78,216,421
Accumulated amortisation	-	(8,301,456)	-	(8,201,936)
Carrying amount	<u>98,780,000</u>	<u>74,762,848</u>	<u>98,780,000</u>	<u>70,014,485</u>

**12. INVESTMENT PROPERTIES**

	GROUP/COMPANY Leasehold land	
	2022	2021
	RM	RM
<b>At fair value</b>		
At 1 January	8,385,000	8,035,000
Gain on fair value	-	350,000
At 31 December	<u>8,385,000</u>	<u>8,385,000</u>

**Fair value information**

Investment properties are stated at fair value, which had been determined based on Directors' estimates using comparison method and in the opinion of the Directors, the fair value of the investment properties as at 31 December 2022 is not expected to differ materially from the carrying amount.

The Group uses the following hierarchy for determining and disclosing the fair value by valuation technique:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data.

## 12. INVESTMENT PROPERTIES – (Continued)

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

Fair value hierarchy of the investment properties is as follows:

	LEVEL 2 GROUP/COMPANY	
	2022	2021
	RM	RM
Leasehold land	8,385,000	8,385,000

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.

There were no transfers between the levels during the year.

Rental income of RM39,300 (2021: RM34,800) was generated from these properties during the year. The direct operating expenses are RM91,040 (2021: RM109,730).

## 13. LAND HELD FOR PROPERTY DEVELOPMENT

	GROUP	
	2022	2021
	RM	RM
Leasehold land	353,671	322,580
Development expenditure	2,074,365	2,107,562
	<u>2,428,036</u>	<u>2,430,142</u>
<u>Leasehold land</u>		
At 1 January	322,580	293,386
Addition	31,091	29,194
At 31 December	<u>353,671</u>	<u>322,580</u>
<u>Development expenditure</u>		
At 1 January	2,107,562	2,106,907
Addition	414	655
Written-off	(33,611)	-
At 31 December	<u>2,074,365</u>	<u>2,107,562</u>

## 14. SUBSIDIARIES

	COMPANY	
	2022	2021
	RM	RM
<u>Investment in subsidiaries</u>		
Unquoted shares, at cost	3,825,003	3,825,003
Less: Accumulated impairment losses	(3,225,000)	(3,225,000)
	<u>600,003</u>	<u>600,003</u>
<u>Amount due from subsidiaries</u>		
Non-trade balances	19,681,106	16,604,859
Less: Accumulated impairment losses	(10,010,723)	(9,886,992)
	<u>9,670,383</u>	<u>6,717,867</u>

Amount due from subsidiaries are unsecured, interest free and repayable on demand.

Movement on the provision of impairment loss on amount due from subsidiaries is as follows:

	COMPANY	
	2022	2021
	RM	RM
At 1 January	9,886,992	9,886,992
Impairment during the financial year	123,731	-
At 31 December	<u>10,010,723</u>	<u>9,886,992</u>

The Group had the following subsidiaries at 31 December 2022 and 31 December 2021. 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 Companies	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	-

**14. SUBSIDIARIES – (Continued)**

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.

Non-controlling interests (“NCI”) in subsidiaries

	GPE	
	2022	2021
	RM	RM
Non-current asset	1,823,452	-
Non-current liability	(8,138,865)	-
Current liability	(2,700)	-
	<u>(6,318,113)</u>	<u>-</u>
Carrying amount of NCI as at 31 December	<u>(42,753)</u>	<u>-</u>
Loss/Total comprehensive expense for the financial year	<u>(26,632)</u>	<u>-</u>
Loss/Total comprehensive expense allocated to NCI for the financial year	<u>(42,753)</u>	<u>-</u>
Net cash used in operating activities	(5,650)	-
Net cash generated from financing activities	5,650	-
Net increase in cash and cash equivalents	<u>-</u>	<u>-</u>
Ownership interest and voting rights percentage held by NCI	<u>22%</u>	<u>-</u>

The accumulated non-controlling interest as at 31 December 2021 is immaterial, hence no further disclosure was made in prior financial year.

**15. OTHER INVESTMENTS**

	GROUP/COMPANY	
	2022	2021
	RM	RM
<u>Financial assets at fair value through profit or loss</u>		
Unquoted shares in Malaysia	60,000	60,000
Other investment (Transferable club membership)	126,000	126,000
	<u>186,000</u>	<u>186,000</u>

**16. INVENTORIES**

	GROUP		COMPANY	
	2022	2021	2022	2021
	RM	RM	RM	RM
Stores and spares	1,235,445	324,523	19,330	46,843

**17. BIOLOGICAL ASSETS**

	GROUP/COMPANY	
	2022	2021
	RM	RM
At 1 January	352,791	251,394
Transferred to profit or loss	(225,061)	(335,508)
Fair value changes	(81,695)	436,905
At 31 December	46,035	352,791

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 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.

There were no transfers between the levels during the year.

**18. TRADE AND OTHER RECEIVABLES**

	GROUP		COMPANY	
	2022	2021	2022	2021
	RM	RM	RM	RM
Trade receivables	441,559	605,164	-	-
<u>Other receivables</u>				
Other debtors	241,854	283,794	178,274	169,710
Deposits	254,059	233,885	253,964	233,789
Prepayments	46,207	30,106	31,499	24,449
	542,120	547,785	463,737	427,948
	983,679	1,152,949	463,737	427,948

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

Trade receivables of the Group are non-interest bearing and are generally on 30 days (2021: 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 trade receivables are as follows:

	GROUP	
	2022	2021
	RM	RM
Neither past due nor impaired	441,559	605,164

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.

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

**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	
	2022	2021
	RM	RM
<u>Financial assets at fair value through profit or loss</u>		
Unquoted unit trusts in Malaysia	62,178,300	66,087,599

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	
	2022	2021	2022	2021
	RM	RM	RM	RM
Deposits placed with licensed banks	2,467,497	3,948,987	967,497	2,948,988
Cash at bank and on hand	3,685,015	4,685,080	2,174,250	3,966,586
	<u>6,152,512</u>	<u>8,634,067</u>	<u>3,141,747</u>	<u>6,915,574</u>

Included in the deposits placed with licensed banks of the Group and of the Company at the end of the financial year were amounts of RM967,497 (2021: Nil) which have been pledged to several licensed banks as security for banking facilities granted to the Group and the Company as disclosed in Note 26 and Note 29 to the financial statements.

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

	GROUP		COMPANY	
	2022	2021	2022	2021
	RM	RM	RM	RM
Interest rate (%)	2.35 - 2.50	1.40 - 1.85	2.35 - 2.50	1.60 - 1.85
Maturities (days)	<u>30 - 365</u>	<u>30 - 365</u>	<u>30 - 365</u>	<u>30 - 365</u>

**21. SHARE CAPITAL**

	GROUP/COMPANY			
	Number of ordinary shares		Amount	
	2022	2021	2022	2021
	Unit	RM	Unit	RM
Issued and fully paid				
At 1 January	403,490,138	268,993,452	134,496,725	134,496,725
Bonus issue	-	134,496,686	-	-
At 31 December	<u>403,490,138</u>	<u>403,490,138</u>	<u>134,496,725</u>	<u>134,496,725</u>



**22. RESERVES**

	Note	GROUP		COMPANY	
		2022	2021	2022	2021
		RM	RM	RM	RM
<u>Non-distributable</u>					
Revaluation reserve	22.1	9,047,258	9,154,884	9,047,258	9,154,884
<u>Distributable</u>					
Retained profit		124,402,957	133,928,842	122,417,392	131,588,615
		<u>133,450,215</u>	<u>143,083,726</u>	<u>131,464,650</u>	<u>140,743,499</u>

**22.1 Revaluation reserve**

The revaluation reserve represents the surplus on revaluation (net of tax) of freehold and leasehold land of the Group and of the Company and are not available for distribution to the shareholders by way of dividends.

**23. PROVISION**

	GROUP	
	2022	2021
	RM	RM
Provision for retirement benefits		
<u>Current</u>		
Within one year	28,661	-
<u>Non-current</u>		
Between two to five years	95,782	107,800
More than five years	224,409	191,782
	<u>320,191</u>	<u>299,582</u>
	<u>348,852</u>	<u>299,582</u>

The Group operates a defined benefit plan for eligible employees of the Group. The amount recognised as a liability in respect of the defined benefit plan is calculated using the projected unit credit method and using market yields of high quality corporate bonds at the end of the reporting period to estimate the future cash outflows. The provision was made on the assumption that staff will retire at the age of 60. The discount rate used in respect of the defined benefit plan is 4.00% (2021: 3.56%).

**23. PROVISION – (Continued)**

The movement during the financial year of the amount recognised in the statement of financial position in respect of the defined benefit plans are as follows:

	GROUP	
	2022	2021
	RM	RM
At 1 January	299,582	342,320
Amount recognised in profit or loss	47,545	(14,322)
Amount capitalised in bearer plants	11,885	-
Benefits paid	(10,160)	(28,416)
At 31 December	<u>348,852</u>	<u>299,582</u>

The total expenses recognised in profit or loss is as follows:

	GROUP	
	2022	2021
	RM	RM
Current service cost	35,562	(26,509)
Interest cost	11,983	12,187
	<u>47,545</u>	<u>(14,322)</u>

The principal assumptions used are as follows:

	GROUP	
	2022	2021
	%	%
Discount rate	4.00	3.56
Expected rate of salary increment	4.42	4.71

**24. DEFERRED TAX**

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	GROUP		COMPANY	
	2022	2021	2022	2021
	RM	RM	RM	RM
Deferred tax assets	269,584	-	-	-
Deferred tax liabilities	(26,338,000)	(28,276,000)	(26,338,000)	(28,284,000)
	<u>(26,068,416)</u>	<u>(28,276,000)</u>	<u>(26,338,000)</u>	<u>(28,284,000)</u>

**24. DEFERRED TAX – (Continued)**

The movement on the net deferred tax liabilities are as follows:

	GROUP		COMPANY	
	2022	2021	2022	2021
	RM	RM	RM	RM
At 1 January	(28,276,000)	(28,743,000)	(28,284,000)	(28,743,000)
Recognised in profit or loss:				
- Bearer plant	1,759,204	87,000	1,868,000	156,000
- Investment properties	-	(35,000)	-	(35,000)
- Property, plant and equipment	490,875	715,325	492,000	716,325
- Provisions	11,725	(10,000)	(72,000)	(10,000)
- Unutilised tax losses	(34,558)	928,000	(211,000)	920,000
- Unabsorbed capital allowances	(161,458)	(1,321,000)	(164,000)	(1,322,000)
- Unabsorbed agricultural allowances	108,796	69,000	-	-
	2,174,584	433,325	1,913,000	425,325
Recognised in other comprehensive income:				
- Revaluation surplus	33,000	33,675	33,000	33,675
At 31 December	(26,068,416)	(28,276,000)	(26,338,000)	(28,284,000)

The components of deferred tax assets and liabilities of the Group and of the Company during the financial year prior to offsetting are as follows:

GROUP	ASSETS		LIABILITIES	
	2022	2021	2022	2021
	RM	RM	RM	RM
Bearer plants	-	-	(5,199,796)	(6,959,000)
Investment properties	-	-	(445,000)	(445,000)
Property, plant and equipment	-	-	(25,222,125)	(25,713,000)
Provisions	83,725	72,000	-	-
Unabsorbed agricultural allowances	177,796	69,000	-	-
Unabsorbed capital allowances	249,542	411,000	-	-
Unutilised tax losses	6,276,442	6,311,000	-	-
Revaluation surplus	-	-	(1,989,000)	(2,022,000)
	6,787,505	6,863,000	(32,855,921)	(35,139,000)
Offsetting	(6,517,921)	(6,863,000)	6,517,921	6,863,000
Net deferred tax liabilities	269,584	-	(26,338,000)	(28,276,000)

**24. DEFERRED TAX – (Continued)**

COMPANY	ASSETS		LIABILITIES	
	2022	2021	2022	2021
	RM	RM	RM	RM
Bearer plants	-	-	(5,022,000)	(6,890,000)
Investment properties	-	-	(445,000)	(445,000)
Property, plant and equipment	-	-	(25,220,000)	(25,712,000)
Provisions	-	72,000	-	-
Unabsorbed capital allowances	246,000	410,000	-	-
Unutilised tax losses	6,092,000	6,303,000	-	-
Revaluation surplus	-	-	(1,989,000)	(2,022,000)
	6,338,000	6,785,000	(32,676,000)	(35,069,000)
Offsetting	(6,338,000)	(6,785,000)	6,338,000	6,785,000
Net deferred tax liabilities	-	-	(26,338,000)	(28,284,000)

The deductible temporary difference and unutilised tax losses of the Group and of the Company for which no deferred tax assets were recognised in the statements of financial position are as follows:

	GROUP		COMPANY	
	2022	2021	2022	2021
	RM	RM	RM	RM
Unutilised tax losses	5,450,725	5,361,847	-	-
Deferred tax assets not recognised at 24% (2021: 24%)	1,308,174	1,286,843	-	-

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.

**25. TRADE AND OTHER PAYABLES**

	Note	GROUP		COMPANY	
		2022	2021	2022	2021
		RM	RM	RM	RM
Trade payables	25.1	1,034,861	227,639	-	-
<u>Other payables</u>					
Other creditors	25.2	258,622	321,825	188,707	14,300
Deposits received		22,000	-	22,000	-
Directors' fees and staff cost		582,718	497,271	460,572	462,973
Accruals		119,225	115,025	86,500	92,365
		982,565	934,121	757,779	569,638
		2,017,426	1,161,760	757,779	569,638

## 25. TRADE AND OTHER PAYABLES – (Continued)

### 25.1 Trade payables

Trade payables are non-interest bearing and the normal trade credit term granted to the Group is 30 days (2021: 30 days). Other credit terms are assessed and approved on a case-by-case basis.

### 25.2 Other creditors

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

## 26. BORROWINGS

	GROUP/COMPANY	
	2022	2021
	RM	RM
Current		
Short term revolving credit - secured	2,000,000	-

The banking facilities of the Group and of the Company are secured on the following:

- (i) Fresh upfront 1<sup>st</sup> party Fixed Deposit Receipt with interest to be capitalised together with 1<sup>st</sup> party Memorandum of Deposit and Letter of Set-Off as disclosed in Note 20 to the financial statements; and
- (ii) Negative pledge on the Group's and the Company's assets.

A bank overdraft facility with the limit of RM100,000 (2021: RM100,000) was not utilised at the financial year end.

The short term revolving credit bears an interest rate of 4.76% (2021: Nil) per annum during the financial year.

## 27. DIVIDEND

	GROUP/COMPANY			
	2022		2021	
	Gross per share	Amount of dividend	Gross per share	Amount of dividend
	sen	RM	sen	RM
Final single tier dividend for the financial year ended 31 December 2021, paid on 12 August 2022	1.50	6,052,353	-	-
Final single tier dividend for the financial year ended 31 December 2020, paid on 13 August 2021	-	-	2.00	5,379,869

The Board of Directors recommends the payment of a final single tier dividend of 1.0 sen in respect of the financial year ended 31 December 2022, subject to shareholders' approval.

## 28. FINANCIAL INSTRUMENTS

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

	Financial assets and liabilities at amortised cost	Financial assets at FVTPL	Total
	RM	RM	RM
<b>GROUP</b>			
<b>2022</b>			
<u>Financial assets</u>			
Other investments	-	186,000	186,000
Trade and other receivables	937,472	-	937,472
Short term investment	-	62,178,300	62,178,300
Cash and cash equivalents	6,152,512	-	6,152,512
	<u>7,089,984</u>	<u>62,364,300</u>	<u>69,454,284</u>
<u>Financial liabilities</u>			
Trade and other payables	2,017,426	-	2,017,426
Borrowings	2,000,000	-	2,000,000
	<u>4,017,426</u>	<u>-</u>	<u>4,017,426</u>
<b>GROUP</b>			
<b>2021</b>			
<u>Financial assets</u>			
Other investments	-	186,000	186,000
Trade and other receivables	1,122,843	-	1,122,843
Short term investment	-	66,087,599	66,087,599
Cash and cash equivalents	8,634,067	-	8,634,067
	<u>9,756,910</u>	<u>66,273,599</u>	<u>76,030,509</u>
<u>Financial liabilities</u>			
Trade and other payables	1,167,760	-	1,167,760
	<u>1,167,760</u>	<u>-</u>	<u>1,167,760</u>
<b>COMPANY</b>			
<b>2022</b>			
<u>Financial assets</u>			
Other investments	-	186,000	186,000
Amount due from subsidiaries	9,670,383	-	9,670,383
Trade and other receivables	432,238	-	432,238
Short term investment	-	62,178,300	62,178,300
Cash and cash equivalents	3,141,747	-	3,141,747
	<u>13,244,368</u>	<u>62,364,300</u>	<u>75,608,668</u>
<u>Financial liabilities</u>			
Trade and other payables	757,779	-	757,779
Borrowings	2,000,000	-	2,000,000
	<u>2,757,779</u>	<u>-</u>	<u>2,757,779</u>

**28. FINANCIAL INSTRUMENTS – (Continued)**

	Financial assets and liabilities at amortised cost	Financial assets at FVTPL	Total
	RM	RM	RM
<b>COMPANY</b>			
<b>2021</b>			
<u>Financial assets</u>			
Other investments	-	186,000	186,000
Amount due from subsidiaries	6,717,867	-	6,717,867
Trade and other receivables	403,499	-	403,499
Short term investment	-	66,087,599	66,087,599
Cash and cash equivalents	6,915,574	-	6,915,574
	<u>14,036,940</u>	<u>66,273,599</u>	<u>80,310,539</u>
<u>Financial liabilities</u>			
Trade and other payables	<u>569,638</u>	-	<u>569,638</u>

Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The Group and the Company use the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Inputs for the asset or liability that is not based on observable market data

The following table analyses the fair value hierarchy for financial instruments carried at fair value in the statements of financial position:

	Group/Company			
	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
<b>2022</b>				
<u>Financial assets</u>				
Other investments	-	-	186,000	186,000
Short term investments	62,178,300	-	-	62,178,300
	<u>62,178,300</u>	-	<u>186,000</u>	<u>62,364,300</u>



## 28. FINANCIAL INSTRUMENTS – (Continued)

### Fair value of financial instruments – (continued)

The following table analyses the fair value hierarchy for financial instruments carried at fair value in the statements of financial position: - (continued)

	Group/Company			
	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
<b>2021</b>				
<u>Financial assets</u>				
Other investments	-	-	186,000	186,000
Short term investments	66,087,599	-	-	66,087,599
	<u>66,087,599</u>	<u>-</u>	<u>186,000</u>	<u>66,273,599</u>

## 29. FINANCIAL GUARANTEE

As at 31 December 2022, the Group had provided bank guarantee of RM10,000,000 (2021:RM10,000,000) in favour of Suruhanjaya Tenaga in respect of matters discussed in Note 35.

Notwithstanding the above, the Group had also secured an additional bank guarantee of RM45,000,000 in favour of Tenaga Nasional Berhad, pending its release as at 31 December 2022. The initial bank guarantee of RM10,000,000 will cease to be effective upon release of the new bank guarantee of RM45,000,000.

The bank guarantee provided through the subsidiary was secured by a corporate guarantee provided by the Company of the same amount.

Such financial guarantees provided to a third party for subsidiaries are no longer disclosed as contingent liabilities but would instead be accounted as financial liabilities if considered likely to crystallise. The Group and the Company have assessed the financial guarantees and concluded that the financial impact of the financial guarantee is negligible.

## 30. SEGMENT REPORTING

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

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

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

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

**30. SEGMENT REPORTING – (Continued)****Business segments**

The Group comprises the following main business segments :-

Property development	Development of residential and commercial properties
Plantation	Cultivation of oil palm
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 follow:

	ASSETS		LIABILITIES	
	2022	2021	2022	2021
	RM	RM	RM	RM
Segment total	297,881,245	306,950,995	2,366,278	1,461,342
Tax assets/liabilities	728,970	366,798	26,339,750	28,276,000
Borrowings	-	-	2,000,000	-
	<u>298,610,215</u>	<u>307,317,793</u>	<u>30,706,028</u>	<u>29,737,342</u>

## 30. SEGMENT REPORTING – (Continued)

	PROPERTY DEVELOPMENT		PLANTATION		OTHERS		TOTAL	
	2022	2021	2022	2021	2022	2021	2022	2021
	RM	RM	RM	RM	RM	RM	RM	RM
<b>Segment revenue</b>								
Total segment revenue	-	-	12,876,644	16,619,199	-	-	12,876,644	16,619,199
Elimination	-	-	-	(2,228,046)	-	-	-	(2,228,046)
Revenue from external customers	-	-	12,876,644	14,391,153	-	-	12,876,644	14,391,153
<b>Segment results</b>								
Loss before taxation	(39,846)	(9,187)	2,592,708	4,101,602	(8,335,097)	(6,835,436)	(5,782,235)	(2,743,021)
Included in results from operating activities are:								
Depreciation and amortisation	-	-	(1,917,247)	(2,110,505)	(1,951,969)	(1,901,763)	(3,869,216)	(4,012,268)
Interest expense	-	-	-	-	(42,431)	(48,964)	(42,431)	(48,964)
Interest income	-	-	19,392	1,039	67,174	25,941	86,566	26,980
Income distribution from short term investments	-	-	-	-	1,354,027	-	1,354,027	-
Fair value loss on short term investments	-	-	-	-	(2,263,326)	(231,164)	(2,263,326)	(231,164)
Fair value gain on investment properties	-	-	-	-	-	350,000	-	350,000
Fair value (loss)/gain on biological asset	-	-	(306,756)	101,397	-	-	(306,756)	101,397
Inventories written-off	-	-	(27,513)	-	-	-	(27,513)	-
Land development expenditure written-off	(33,611)	-	-	-	-	-	(33,611)	-
Other receivables written-off	-	-	-	-	(114,085)	-	(114,085)	-
Property, plant and equipment written-off	-	-	(348,600)	-	-	-	(348,600)	-
Loss on disposal of property, plant and equipment	-	-	(6,800)	(72,153)	-	-	(6,800)	(72,153)

## 30. SEGMENT REPORTING – (Continued)

	PROPERTY DEVELOPMENT		PLANTATION		OTHERS		TOTAL	
	2022	2021	2022	2021	2022	2021	2022	2021
	RM	RM	RM	RM	RM	RM	RM	RM
<b>Segment assets</b>								
Operating assets	2,568,431	2,570,598	215,284,193	217,571,622	80,028,621	86,808,775	297,881,245	306,950,995
<b>Segment liabilities</b>								
Liabilities	5,650	8,950	1,617,649	9,873,951	742,979	(8,421,559)	2,366,278	1,461,342

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

	PROPERTY DEVELOPMENT		PLANTATION		OTHERS		TOTAL	
	2022	2021	2022	2021	2022	2021	2022	2021
	RM	RM	RM	RM	RM	RM	RM	RM
Capital expenditure								
Property, plant and equipment	-	-	144,766	21,319	23,645	5,377,528	168,411	5,398,847
Bearer plant expenditure	-	-	954,519	636,034	-	-	954,519	636,034
Land held for property development	31,505	29,849	-	-	-	-	31,505	29,849
	31,505	29,849	1,099,285	657,353	23,645	5,377,528	1,154,435	6,064,730

Major customers

There is one (2021: one) major customer with revenue more than 10 per cent of the Group's total revenue.

### 31. RELATED PARTIES

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

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all Directors of the Group, and certain members of senior management of the Group. Key management personnel compensations are disclosed in Note 8 to the Financial Statements.

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

	2022	2021
	RM	RM
<u>Subsidiary company</u>		
Sale of fresh fruit brunches	-	2,228,046

The Directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established on terms and conditions negotiated and agreed by the related parties.

### 32. CONTINGENT LIABILITIES (UNSECURED)

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

### 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

### 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – (Continued)

#### 33.1 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 and borrowings. The Group and the Company manage such exposure by maintaining a prudent mix of fixed and floating rate borrowing facilities. 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 interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	GROUP		COMPANY	
	2022	2021	2022	2021
	RM	RM	RM	RM
<u>Fixed rate instrument</u>				
Deposits placed with licensed banks	2,467,497	3,948,987	967,497	2,948,988
<u>Floating rate instrument</u>				
Borrowings	2,000,000	-	2,000,000	-

Since the Group's and the Company's fixed rate financial assets are measured at amortised cost, possible changes in interest rates are not expected to have a significant impact on the Group and the Company's profit or loss.

As at the end of the financial year, if interest rates of floating rate instruments of the Group and of the Company had been lower by 100 basis points with all other variables held constant, this will result in post-tax increases of RM15,200 (2021:Nil) in profit or loss.

#### 33.2 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.

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.

### 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – (Continued)

#### 33.2 Credit risk – (Continued)

##### 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			
	2022		2021	
	RM	% of total	RM	% of total
Plantation	441,559	100	605,164	100

#### 33.3 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 26 to the financial statements.



### 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – (Continued)

#### 33.3 Liquidity risk – (Continued)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted payments:

	Carrying amount	Contractual interest rate	Contractual cash flows	On demand or within one year
	RM	%	RM	RM
<b>GROUP</b>				
<b>2022</b>				
Trade and other payables	2,017,426	-	2,017,426	2,017,426
Borrowings	2,000,000	4.76	2,008,346	2,008,346
	<u>4,017,426</u>		<u>4,025,772</u>	<u>4,025,772</u>
<b>2021</b>				
Trade and other payables	<u>1,161,760</u>	-	<u>1,161,760</u>	<u>1,161,760</u>
<b>COMPANY</b>				
<b>2022</b>				
Trade and other payables	757,779	-	757,779	757,779
Borrowings	2,000,000	4.76	2,008,346	2,008,346
	<u>2,757,779</u>		<u>2,766,125</u>	<u>2,766,125</u>
<b>2021</b>				
Trade and other payables	<u>569,638</u>	-	<u>569,638</u>	<u>569,638</u>

### 34. 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:

	2022		2021	
	GROUP	COMPANY	GROUP	COMPANY
	%	%	%	%
Return on equity	N/A	N/A	N/A	N/A

### 35. SIGNIFICANT EVENT DURING AND AFTER THE FINANCIAL YEAR

#### Development of large scale solar photovoltaic plant (LSSPV)

The Group received a letter of notification from Suruhanjaya Tenaga (Energy Commission) on 12 March 2021, notifying that it was selected as a 'Shortlisted Bidder' for the Development of Large Scale Solar Photovoltaic Plant of 50MW at Gopeng, Perak.

Pursuant to the above mentioned notification, on 19 August 2021, a wholly-owned subsidiary of the Group, GBS Suria Sdn. Bhd. ("GBS Suria") had entered into a Power Purchase Agreement ("PPA") with Tenaga Nasional Berhad. Arising thereon, GBS Suria has actively executed the necessary work as stipulated in the PPA to ensure that all relevant processes meet respective Regulatory Standards as well as in line with the requirements stated in the PPA.

On 13 January 2023, the Group had obtained its shareholders' approval via Extraordinary General Meeting to award the Engineering, Procurement, Construction & Commissioning ("EPCC") with a contract sum of RM218,756,675 to Sunway Construction Sdn. Bhd. a related party to the Group.

Subsequently, the Company had also achieved its Financial Close for the project on 31 January 2023 where all necessary financial conditions in relation to the Financial Close had been fulfilled.

### 36. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 11 April 2023.

# Analysis of Shareholdings

As at 31 March 2023

Total number of issued shares	403,490,138
Class of rights	Ordinary shares
Voting rights	One vote per ordinary share

## ANALYSIS BY SIZE OF SHAREHOLDINGS as per the Record of Depositors

Size of Shareholdings	No. of Shareholders	%	No. of shares	%
Less than 100	81	2.032	2,580	0.001
100 – 1,000	122	3.060	53,001	0.013
1,001 – 10,000	2,552	64.008	10,342,102	2.563
10,001 – 100,000	1,134	28.442	27,539,591	6.825
100,001 – 20,174,506*	93	2.333	170,568,541	42.273
20,174,507** and above of issued shares	5	0.125	194,984,323	48.324
<b>Total</b>	<b>3,987</b>	<b>100.00</b>	<b>403,490,138</b>	<b>100.00</b>

Notes: \* Less than 5% of issued holdings

\*\* 5% and above of issued holdings

## SUBSTANTIAL SHAREHOLDERS based on the Register of Substantial Shareholders

Name of Shareholders	No. of Ordinary Shares held			
	Direct Interest	%	Indirect Interest	%
Dato' Mohd Salleh Bin Hashim	83,925,000	20.80	49,050,000 <sup>(1)</sup>	12.16
Fortuna Gembira Enterpris Sdn. Bhd.	77,989,500	19.33	-	-
Juitaneka Sdn. Bhd.	49,050,000	12.16	-	-
Dato' Haji Mohamad Tahiruddin Bin Mohd Tahir	23,319,823	5.78	-	-

Note: (1) Deemed interest by virtue of his interest in Juitaneka Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

## DIRECTORS' SHAREHOLDINGS in the Company or in a related corporation (including number and percentage) based on the Register of Directors' Shareholdings

Name of Directors	No. of Ordinary Shares held			
	Direct Interest	%	Indirect Interest	%
Dato' Mohd Salleh Bin Hashim	83,925,000	20.80	49,050,000 <sup>(1)</sup>	12.16
Dato' Haji Mohamad Tahiruddin Bin Mohd Tahir	23,319,823	5.78	-	-
Tan Sri Dato' (Dr) Chew Chee Kin	-	-	-	-
Encik Manohar Hasan Bin Ameer Ali	1,500,000	0.37	-	-
Mr. Chong Chang Choong	-	-	-	-
Encik Ab Ghaus Bin Ismail	1,262,025	0.31	-	-
Dr. Mohd Nordin Bin Mohd Zain	-	-	-	-

Note: (1) Deemed interest by virtue of his interest in Juitaneka Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

**TOP 30 SECURITIES ACCOUNT HOLDERS (ORDINARY SHARES) as per Record of Depositors**

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	%
1	FORTUNA GEMBIRA ENTERPRIS SDN. BHD.	62,689,500	15.537
2	JUITANEKA SDN. BHD.	49,050,000	12.156
3	DATO' MOHD SALLEH BIN HASHIM	37,425,000	9.275
4	DATO' HAJI MOHAMAD TAHIRUDDIN BIN MOHD TAHIR	23,319,823	5.780
5	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. - EXEMPT AN FOR BANK OF SINGAPORE LIMITED (LOCAL)	22,500,000	5.576
6	ALBULA INVESTMENT FUND LTD	20,137,500	4.991
7	SHEKEL ENTERPRISE SDN. BHD.	19,425,000	4.814
8	TENG YEW HUAT	19,093,605	4.732
9	LIM SUAN	18,869,220	4.677
10	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. - UBS AG SINGAPORE FOR MOHD SALLEH HASHIM	18,000,000	4.461
11	FORTUNA GEMBIRA ENTERPRIS SDN. BHD.	15,300,000	3.792
12	CITIGROUP NOMINEES (ASING) SDN. BHD. - EXEMPT AN FOR BANK OF SINGAPORE LIMITED (FOREIGN)	14,924,250	3.699
13	BAKAWALI ENTERPRISES SDN. BHD.	6,482,691	1.607
14	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR MOHD SALLEH BIN HASHIM	6,000,000	1.487
15	SIOW MOON YEOW	5,000,000	1.239
16	LEAN HOEN SEW	4,718,275	1.169

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	%
17	CIMB GROUP NOMINEES (ASING) SDN. BHD. - EXEMPT AN FOR DBS BANK LTD (SFS)	2,920,950	0.724
18	MANOHAR HASAN BIN AMEER ALI	1,500,000	0.372
19	YTL POWER INTERNATIONAL BERHAD	1,125,000	0.279
20	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR AB GHAUS BIN ISMAIL	854,775	0.212
21	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. - CHUA ENG HO WA'A @ CHUA ENG WAH	781,200	0.194
22	SAPIAH @ SAFIAH BINTI HUSSIN	675,000	0.167
23	YEO KHEE HUAT	576,900	0.143
24	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR DING SENG HUAT	530,400	0.131
25	MOHD AFIZAN BIN MOHD ARIFF	460,300	0.114
26	KENANGA NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR CHIN KIAM HSUNG	436,725	0.108
27	AIZURRA MELLISSA BINTI MOHAMED MUZAMMIL	401,000	0.099
28	PHANG AH KOW	349,800	0.087
29	BEH SEW CHOO	333,000	0.083
30	KENANGA NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR MICHAEL HENG CHUN HONG	330,000	0.082
	<b>TOTAL</b>	<b>354,209,914</b>	<b>87.787</b>

# List of Group Properties

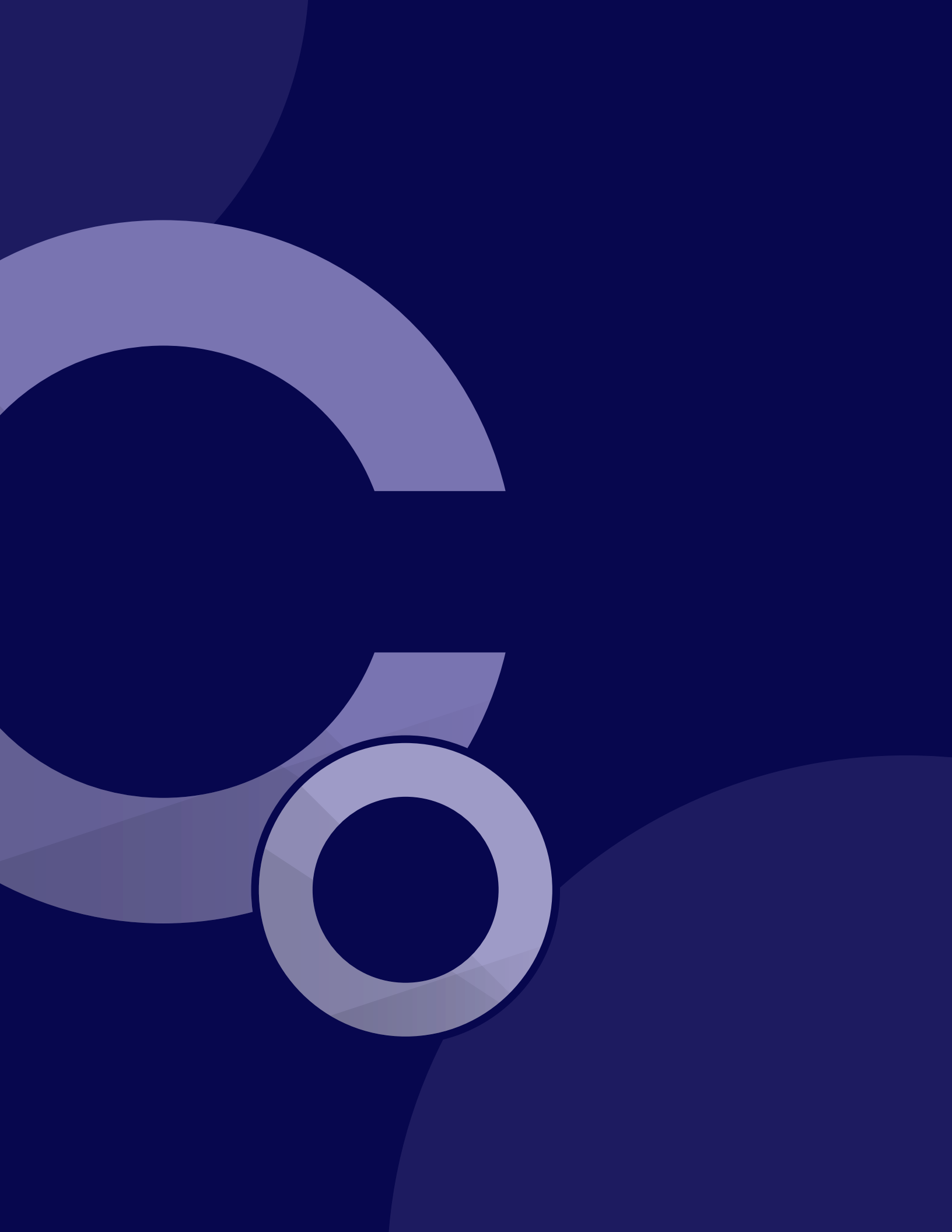
Location		Description	Status/ Tenure	Areas (Ha)	Net Carrying Value	Date of Acquisition
Kota Bahroe Division	in the Mukim of Teja	Oil Palm Estate	Freehold	255.01	26,273,223	1985
	in the Mukim of Teja	Oil Palm Estate	Leasehold 15/7/2057	41.59	3,876,992	1997
				296.60	-	
Gopeng Division	in the Mukim of 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	58,152,862	1985
in the Mukim of Kampar		Agricultural Land	Freehold	7.98	1,210,000	1985
Lot 9023, 1393, 9249, 10030 16142, 19068, 19943, 25986 16944 and 20648						
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	2,845,205	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	7,780,352	2007
in the Mukim of Teja	Agriculture	Leasehold 29/6/2068	576.05	54,292,880	2007
in the Mukim of Sg Terap	Agriculture	Leasehold 29/6/2068	44.32	4,189,856	2007
in the Mukim of Teja	Agriculture	Leasehold 23/6/2068	18.93	1,789,576	2010
in the Mukim of Kampar (Catchment Area)	Industry	Leasehold 14/12/2081	135.42	591,690	2021
in the Mukim of Kampar	Industry	Leasehold 25/2/2057	1.43	2,820,585	2021
in the Mukim of Sg. Raia	Industry	Leasehold 15/3/2120	1.87	1,823,452	2021
			1,834.37	191,893,957	

**Other properties**

Taman Seri Raia	2 double storey shophouse	Leasehold 25/5/2096	381 sqm	320,313	9/9/1997
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# FORM OF PROXY

CDS Account No.	
Number of Ordinary Shares Held	
Contact No.	

I/We..... (Full Name in Block Letters)

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

of ..... (Full Address)

being a member/members of GOPENG BERHAD ("the Company"), hereby appoint:-

## First Proxy "A"

Full Name (in Block):-	NRIC/ Passport No.:-	Proportion of shareholdings represented	
		No. of shares	%
Email:-	Contact No:-		

\*and

## \*Second Proxy "B"

Full Name (in Block):-	NRIC/ Passport No.:-	Proportion of shareholdings represented	
		No. of shares	%
Email:-	Contact No:-		

or failing \*him/her, the Chairman of the Meeting as \*my/our proxy to vote for \*me/us on \*my/our behalf at the Thirty-Ninth Annual General Meeting of the Company ("**39<sup>th</sup> AGM**") to be held on a fully virtual basis through live streaming and online voting using Remote Participation and Electronic Voting ("**RPEV**") Platform provided by Boardroom Share Registrars Sdn. Bhd. at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657) at the broadcast venue, which is the main meeting venue at Meeting Room, A-17-15, Level 17, Menara UOA Bangsar, No. 5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur, Wilayah Persekutuan on Monday, 29 May 2023 at 11:00 a.m., or any adjournment thereof .

Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.

No.	Ordinary Resolutions	For	Against
1.	Approval for the single-tier final dividend of 1.0 sen per ordinary share for the financial year ended 31 December 2022.		
2.	Approval of the payment of Directors' fees to the Directors of the Company of up to RM404,000/- for the financial year ended 31 December 2022.		
3.	Approval of the payment of Directors' fees to the Directors of the Company of up to RM485,000/- for the financial year ending 31 December 2023.		
4.	Re-election of Dato' Haji Mohamad Tahiruddin Bin Mohd Tahir (Rule 77).		
5.	Re-election of Encik Ab Ghaus Bin Ismail (Rule 77).		
6.	Re-appointment of Messrs. HLB Ler Lum Chew PLT as Auditors of the Company.		
7.	Approval of payment of benefits payable to the Directors under Section 230(1)(b) of the Companies Act 2016.		
8.	Proposed Retention of Encik Manohar Hasan Bin Ameer Ali as Independent Non-Executive Director.		
9.	Authority to issue shares pursuant to the Companies Act 2016 and waiver of pre-emptive rights.		
10.	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
	<b>Special Resolution</b>		
11.	Proposed Amendments of the Company's Constitution		

\* Strike out whichever not applicable

Signed this ..... day of ..... 2023

Signature / Common Seal of Shareholder

**Information for Shareholders/Proxies**

- (a) The 39<sup>th</sup> AGM of the Company will be held on a fully virtual basis through live streaming and online remote voting using the RPEV Platform provided by Boardroom Share Registrars Sdn. Bhd. at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC – D6A357657). Please refer to the Administrative Guide for the 39<sup>th</sup> AGM for the procedures to register, participate and vote remotely at the 39<sup>th</sup> AGM.
- (b) In compliance with Section 327(2) of the Companies Act 2016, the Chairman shall be present at the main venue of the meeting in Malaysia. The broadcast venue is strictly for the purpose of complying with Companies Act 2016. Members, proxies and/or corporate representatives will not be allowed to be physically present at the broadcast venue on the day of the 39<sup>th</sup> AGM.
- (c) In respect of deposited securities, only members whose names appear in the Record of Depositors on 22 May 2023 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the Meeting.
- (d) A member entitled to attend and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote in his stead. There shall be no restriction as to the qualification of the proxy. Where a member appoints more than one (1) proxy, such appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
- (e) The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if such appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
- (f) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (g) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (h) The appointment of proxy(ies) may be made either in a hard copy form or by electronic means in the following manner and shall be deposited with the Company's Share Registrar, not less than forty-eight (48) hours before the time appointed for holding the 39<sup>th</sup> AGM, i.e. latest by Saturday, 27 May 2023 at 11:00 a.m. or at any adjournment thereof:-

Mode of submission	Designated Address
• Hard copy	Boardroom Share Registrars Sdn. Bhd. at 11 <sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan
• Electronic means	Through the Share Registrar's website Boardroom Smart Investor Portal at <a href="https://investor.boardroomlimited.com">https://investor.boardroomlimited.com</a> or via email to <a href="mailto:bsr.helpdesk@boardroomlimited.com">bsr.helpdesk@boardroomlimited.com</a> .

(Please refer to the Administrative Guide on the procedures for electronic lodgement of proxy form)

- (i) The lodging of the Form of Proxy does not preclude a member from attending and voting remotely at the 39<sup>th</sup> AGM should he subsequently decides to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at the office of the Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time stipulated for holding the 39<sup>th</sup> AGM, i.e. latest by Saturday, 27 May 2023 at 11:00 a.m. or any adjournment thereof, and you shall register for RPEV or any adjournment thereof, and you shall register for RPEV as guided in the Administrative Guide. Please contact the poll administrator, Boardroom Share Registrars Sdn. Bhd. at +603-7890 4700 for further assistance.

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**AFFIX  
STAMP**

**GOPENG BERHAD**  
**[Registration No. 198301014072 (109465-X)]**

Share Registrar  
Boardroom Share Registrars Sdn. Bhd.  
11<sup>th</sup> Floor, Menara Symphony,  
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13,  
46200 Petaling Jaya,  
Selangor Darul Ehsan

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