GREENYIELD BERHAD

(Company No. 582216-T)

DELIVERING

QUALITY AND GROWTH

Annual Report 2018

16th ANNUAL GENERAL MEETING

Matahari 1, Level 3,
Hotel Bangi-Putrajaya,
Off Persiaran Bandar,
43650 Bandar Baru Bangi,
Selangor Darul Ehsan.

20 December 2018,
Thursday

11.00 a.m

WHAT'S INSIDE

NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING

Notice is Hereby Given that the Sixteenth Annual General Meeting of **GREENYIELD BERHAD** will be held at Matahari 1, Level 3, Hotel Bangi-Putrajaya, Off Persiaran Bandar, 43650 Bandar Baru Bangi, Selangor Darul Ehsan on Thursday, 20 December 2018 at 11.00 a.m. to transact the following businesses:-

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 July 2018 together with the Reports of the Directors and Auditors thereon. **[Please refer to Explanatory Note 1]**

2. To approve the aggregate Directors' fees payable to the Directors of the Company for an amount not exceeding RM170,000 per annum for the financial year ending 31 July 2019. **Resolution 1**

3. To approve the payment of Directors' benefits for an amount not exceeding RM25,000 for the period from 21 December 2018 until the next Annual General Meeting ("AGM") of the Company. **Resolution 2**

4. To re-elect the following Directors who retire pursuant to Article 74 of the Articles of Association of the Company:-

   i. Tham Foo Keong **Resolution 3**
   ii. Yong Swee Lin **Resolution 4**

5. To re-appoint Messrs Grant Thornton Malaysia as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

Special Business

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

6. **Ordinary Resolution I**
   Authority to allot and issue shares **Resolution 6**

   "**THAT** subject always to the Companies Act 2016 ("the Act"), the Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to allot shares in the Company from time to time at such price, 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 issued pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued on the Bursa Securities AND FURTHER THAT such authority shall continue in force until the conclusion of the next AGM of the Company."

7. **Ordinary Resolution II**
   Continuing in Office as Independent Non-Executive Directors

   "**THAT** approval be and is hereby given to Dr. Zainol Bin Md Eusof who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM of the Company." **Resolution 7**

   "**THAT** subject to passing of Resolution 4, approval be and is hereby given to Yong Swee Lin, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM of the Company." **Resolution 8**

Notice of Sixteenth Annual General Meeting
(continued)

"**THAT** approval be and is hereby given to Mahbob Bin Abdullah, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM of the Company." **Resolution 9**

8. To transact any other business of the Company of which due notice shall be given.

BY ORDER OF THE BOARD

JOANNE TOH JOO ANN (LS 0008574)
WONG PEIR CHYUN (MAICSA 7018710)
SIA EE CHIN (MAICSA 7062413)

Company Secretaries
Kuala Lumpur

Date: 21 November 2018

NOTES :

(i) NOTES ON APPOINTMENT OF PROXY

a. A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies (or in the case of a corporation, a duly authorized representative) to attend and vote in his stead.

b. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless the member specifies the proportion of his shareholdings to be represented by each proxy.

c. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the Corporation's Common Seal or under the hand of an officer or attorney duly authorised.

d. Where a member of the Company is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA") it may appoint not more than two (2) proxies in respect of each securities account it holds with Ordinary Shares of the Company standing to the credit of the said Securities Account.

e. Where a member of the company is an exempt authorized nominee as defined under the SICDA, which holds Ordinary Shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each Omnibus Account it holds.

f. Where the authorized nominee or an exempt authorized nominee appoints two (2) or more proxies, the appointment shall be invalid unless the authorized nominee specifies the proportion of his shareholdings to be represented by each proxy.

g. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Article 54(f) of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Securities, a Record of Depositors as at 13 December 2018 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend, vote and speak at the meeting.

h. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarily certified copy of the power or authority must be deposited at the office of the Company's Share Registrar situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting i.e. on or before 11.00 a.m., Tuesday, 18 December 2018, otherwise the person so named shall not be entitled to vote in respect thereof.

Notice of Sixteenth Annual General Meeting
(continued)

(ii) EXPLANATORY NOTES

*1. **Item 1 of the Agenda – Ordinary Business***
Audited Financial Statements for the financial year ended 31 July 2018

The Audited Financial Statements is meant for discussion only as an approval from shareholders is not required pursuant to the provision of Section 340(1)(a) of the Act. Hence, this item on the Agenda is not put forward for voting by shareholders of the Company.

*2. **Items 2 and 3 of the Agenda – Ordinary Business***
Payment of Directors' Fees and Benefits

Pursuant to Section 230(1) of the Act, the fees of the directors and any benefits payable to the directors shall be approved at a general meeting.

The Ordinary Resolution proposed under Resolution 2 is benefits (excluding fees) payable to the Directors such as meeting allowance. Meeting allowance is calculated based on the current Board size and the number of scheduled Board and Committee meetings for the period from 21 December 2018 up to next AGM. In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for the shortfall.

*3. **Item 4(ii) of the Agenda – Ordinary Business***
Re-election of Independent Director

The Nomination Committee and the Board had undertaken an annual assessment on the independence of Yong Swee Lin who is seeking for re-election at the forthcoming Sixteenth AGM. The annual assessment had been disclosed in the Corporate Governance Overview Statement of the Company's 2018 Annual Report.

*4. **Item 6 of the Agenda – Special Business***
Ordinary Resolution I
Authority to allot and Issue Shares

The Proposed Resolution 6 is for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors to issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

The General Mandate will provide flexibility to the Company to issue share for any possible fund raising activities, including but not limited for further placing of shares, for the purpose of funding future investments(s), acquisition(s) and/or working capital.

As at the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the Fifteenth AGM. The Company did not issue any shares pursuant to the mandate granted because there were no investment(s), acquisition(s) or working capital that required fund raising activity.

*5. **Item 7 of the Agenda – Special Business***
Ordinary Resolution II
Continuing in Office as Independent Non-Executive Directors

Pursuant to the Malaysian Code on Corporate Governance, the Board of Directors had via the Nomination Committee assessed the Independence of Dr. Zainol Bin Md Eusof, Mahbob Bin Abdullah and Yong Swee Lin who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years, and recommended them to continue to act as Independent Non-Executive Directors of the Company.

The Nomination Committee and the Board have determined that Dr. Zainol Bin Md Eusof, Mahbob Bin Abdullah and Yong Swee Lin fulfil the criteria of Independent Director pursuant to the Main Market Listing Requirements of Bursa Securities. They have remained objective and independent in expressing their views and in participating in deliberations and decision making of the Board and Board Committees. The length of their services on the Board does not in any way interfere with their exercise of independent judgment and ability to act in the best interests of the Company.

The Ordinary Resolutions proposed under Resolutions 7, 8 and 9 if passed will authorise the continuity in office of the Directors as Independent Non-Executive Directors of the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

DR. ZAINOL BIN MD EUSOF
Independent Non-Executive Chairman

THAM FOO KEONG
Group Managing Director

THAM FOO CHOON
Deputy Group Managing Director

THAM KIN WAI
Executive Director

YONG SWEE LIN
Senior Independent
Non-Executive Director

MAHBOB BIN ABDULLAH
Independent Non-Executive Director

THAM KIN-ON
Executive Director

AUDIT COMMITTEE
Chairman:
Yong Swee Lin
Senior Independent
Non-Executive Director

Members:
Mahbob Bin Abdullah
Independent Non-Executive Director

Dr. Zainol Bin Md Eusof
Independent Non-Executive Director

OPTION COMMITTEE
Chairman:
Tham Foo Keong
Group Managing Director

Members:
Tham Foo Choon
Deputy Group Managing Director

Dr. Zainol Bin Md Eusof
Independent Non-Executive Director

REMUNERATION COMMITTEE
Chairman:
Yong Swee Lin
Senior Independent
Non-Executive Director

Member:
Dr. Zainol Bin Md Eusof
Independent Non-Executive Director

NOMINATION COMMITTEE
Chairman:
Yong Swee Lin
Senior Independent
Non-Executive Director

Member:
Dr. Zainol Bin Md Eusof
Independent Non-Executive Director

REGISTERED OFFICE
Unit 30-01, Level 30, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.
Tel : 03 - 2783 9191
Fax : 03 - 2783 9111

CORPORATE OFFICE
No. 1-19, MKH Boulevard,
Jalan Bukit, 43000 Kajang,
Selangor Darul Ehsan.
Tel : 03 - 8737 8003
Fax : 03 - 8735 0167
E-mail : investors@greenyield.com.my

REGISTRAR
Tricor Investor & Issuing House Services Sdn. Bhd. (Company No.11324-H)

Office
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.

Customer Service Centre
Unit G-3, Ground Floor,
Vertical Podium,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.
Tel : 03 - 2783 9299
Fax : 03 - 2783 9222

AUDITORS
Grant Thornton Malaysia (AF: 0737)
Chartered Accountants
Level 11, Sheraton Imperial Court,
Jalan Sultan Ismail,
50250 Kuala Lumpur.
Tel : 03 - 2692 4022
Fax : 03 - 2691 5119

COMPANY SECRETARIES
Joanne Toh Joo Ann (LS 0008574)
Wong Peir Chyun (MAICSA 7018710)
Sia Ee Chin (MAICSA 7062413)

SOLICITOR
Chooi & Company + Cheang & Ariff
39 Court @ Loke Mansion,
273A, Jalan Medan Tuanku,
50300 Kuala Lumpur.
Tel : 03 - 2691 0803
Fax : 03 - 2693 4475

WEBSITE
www.greenyield.com.my

LISTING
Main Market of
Bursa Malaysia Securities Berhad
Stock Name : **GREENYB**
Stock Code : **0136**

PRINCIPAL BANKERS
Public Bank Berhad
HSBC Bank Malaysia Berhad
United Overseas Bank (Malaysia) Berhad
CIMB Islamic Bank Berhad
Bank Pertanian Malaysia Berhad

CORPORATE STRUCTURE

GREENYIELD BERHAD
(Company No. 582216-T)

Gimflow Sdn. Bhd. (257862-K) – **100%**

RCP Technologies Sdn. Bhd. (434922-M) – **100%**

Gim Triple Seven Sdn. Bhd. (202100-T) – **100%**

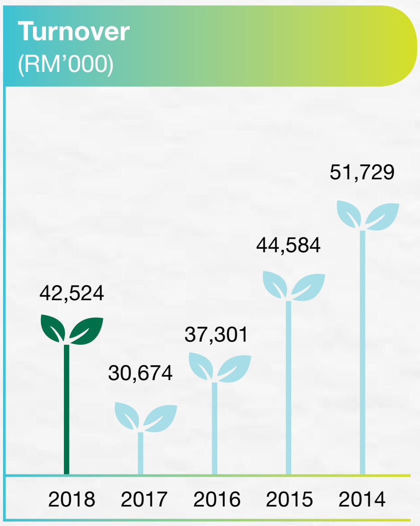
- **100%** **Givnflow Co. Ltd. (Vietnam)** (VAT. No. 3700858102)
- **30%** **Melati Aman Sdn. Bhd.** (739847-V)
  - **100%** **Mac Rimba Trading Sdn. Bhd.** (802660-A)
  - **100%** **TLC Plantation Sdn. Bhd.** (925760-U)
  - **100%** **Hijau Alam Resources Sdn. Bhd.** (812798-P)
- **30%** **SND Teguh Enterprise Sdn. Bhd.** (986678-H)
- **30%** **Pullah PC Daud Sdn. Bhd.** (986679-T)
- **100%** **Greenyield (Cambodia) Pte. Ltd.** (2946 E/2013)

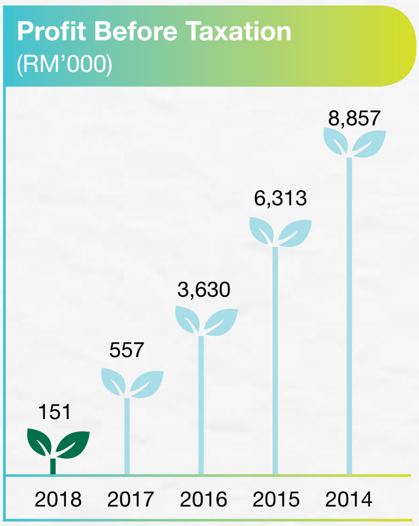
100% **Greenyield Industries (M) Sdn. Bhd.** (170596-A)

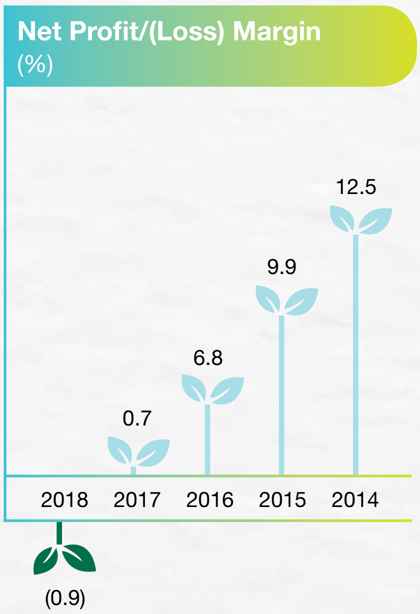
100% **Tigantara Plantations Sdn. Bhd.** (874075-T)

FINANCIAL HIGHLIGHTS

	Financial Year Ended				
	31.7.2014 (RM'000)	31.7.2015 (RM'000)	31.7.2016 (RM'000)	31.7.2017 (RM'000)	31.7.2018 (RM'000)
Turnover	51,729	44,584	37,301	30,674	42,524
Earnings Before Interest, Depreciation, Amortisation and Taxation	11,138	8,634	5,949	2,730	2,726
Profit Before Taxation	8,857	6,313	3,630	557	151
Taxation	2,366	1,900	1,104	335	548
Profit/(Loss) After Taxation and Non-controlling Interest	6,491	4,413	2,526	222	(397)
Net Profit/(Loss) Margin (%)	12.5	9.9	6.8	0.7	(0.9)
Net Tangible Assets	56,444	57,251	57,265	55,812	54,338
Net Tangible Assets Per Share (sen)	16.9	17.2	17.2	16.7	16.3
Net Earnings/(Loss) Per Share (sen)	1.94	1.32	0.76	0.07	(0.12)
Gross Dividend Rate (%)	11.0	7.5	6.0	3.0	-
Total Borrowings	460	11,876	12,893	17,038	17,235
Cash and Cash Equivalents	11,854	14,973	12,779	8,866	5,608
Shareholders' Fund	56,457	57,273	57,308	55,875	54,417
Gearing Ratio (%)	0.8	20.7	22.5	30.5	31.7
Fully Paid-Up Share Capital ('000 units)	333,740	333,740	333,740	333,740	333,740
Weighted Average Share Capital ('000 units)	333,740	333,740	333,740	333,740	333,740







Financial Highlights
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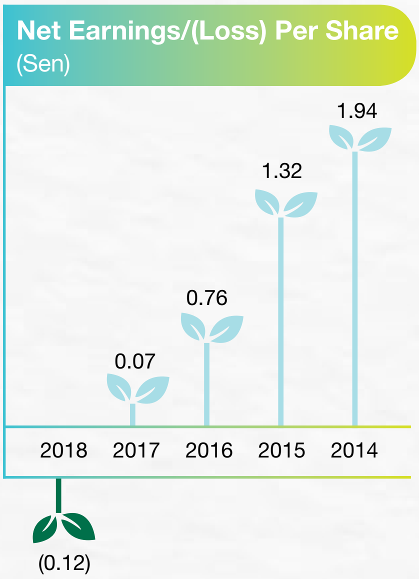
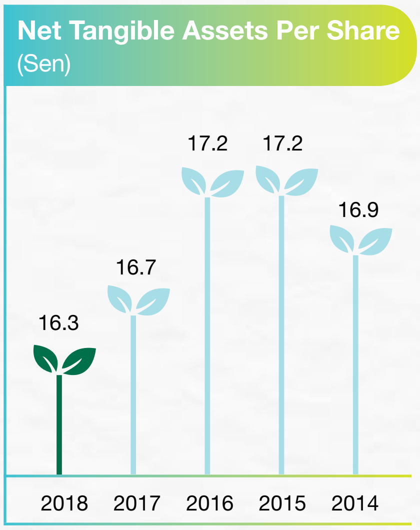
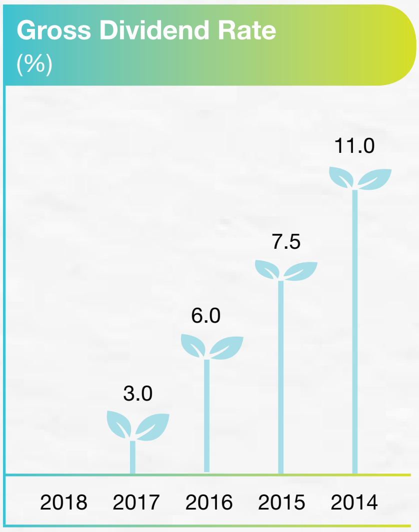
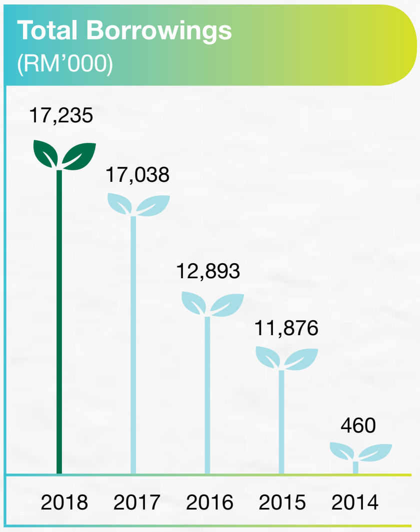
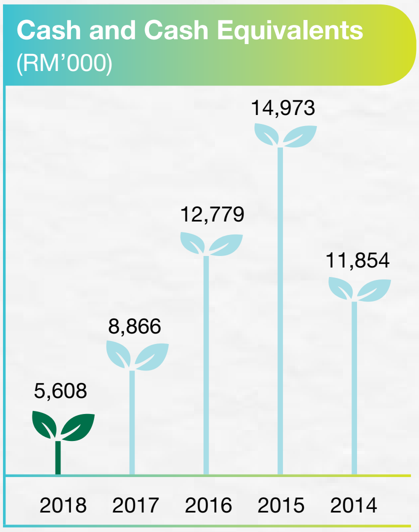
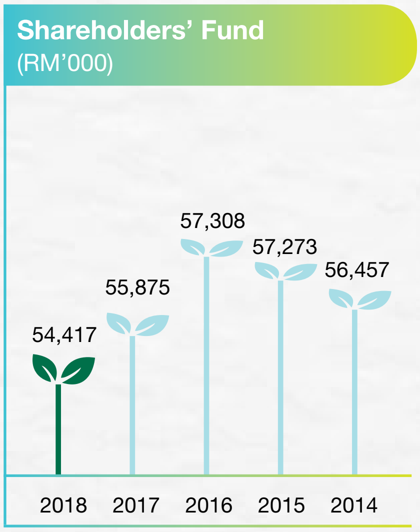












PROFILE OF DIRECTORS

Dr. Zainol Bin Md Eusof

Independent Non-Executive Chairman

Dr. Zainol Bin Md Eusof, age 68, Male, a Malaysian citizen, is the Independent Non-Executive Chairman of Greenyield. He was appointed to the Board of Greenyield on 26 March 2005 and was re-designated as Independent Non-Executive Chairman on 24 March 2014. He is also a member of the Audit Committee, Remuneration Committee, Nomination Committee and Option Committee of Greenyield.

He graduated with a Bachelor of Science degree in Geology from Universiti Malaya, Malaysia and obtained his Master of Science and Doctor of Philosophy in Soil Science from the State University of Ghent, Belgium.

He was attached to the Rubber Research Institute of Malaysia ("RRIM") from 1974 until 2002, where he last served as Head of the Crop Management Unit. During his tenure with the RRIM, he represented RRIM in several national and international conferences and headed the RRIM collaborative research projects with the International Board for Soil Research and Management. He has published over 72 papers in soil science, agronomy and land management during the course of his career, and carried out post-doctorate research at the Ohio State University and the University of West Indies. He was also involved in a joint research effort with the Australian Centre for International Agricultural Research from 1986 to 1992 and with the International Water Management Institute from 2000 to 2002.

In 1995, Dr. Zainol received the RRIM service excellence award for his contribution to research in soil management systems. From 1998 to 2002, he headed the programme on the development of Low Intensity Tapping Systems at the RRIM. During the same period, he was a member of the Urea Research Council for Petroliam Nasional Berhad and an external examiner for the Ph.D programme of Universiti Putra Malaysia. Currently, Dr. Zainol is also active in soil survey and feasibility studies for plantations in Malaysia and abroad.

He has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Mr Tham Foo Keong

Group Managing Director

Mr Tham Foo Keong, age 62, Male, a Malaysian citizen, is the Group Managing Director of Greenyield. He was appointed to the Board of Greenyield on 26 March 2005. He is also the Chairman of the Option Committee of the Company.

He graduated with a Bachelor of Science degree in Production Engineering from Leeds Polytechnic, United Kingdom. He started his career in 1981 as a Production Planning Engineer in ASEA Manufacturing Sdn. Bhd. He joined Scientex Industries Berhad as a Planning and Maintenance Manager in 1983, before moving to Brown Boveri Corporation (M) Sdn. Bhd. as Factory Manager in 1985 and subsequently, he was promoted to Divisional Manager.

In 1988, he ventured into his own family business as the Managing Director of Greenyield Industries (M) Sdn. Bhd., a wholly-owned subsidiary of the Company and subsequently took over the position as a Group Managing Director of the Company. His vast experience has proven to be invaluable to the Company. He oversees the daily operations of the companies comprising the Greenyield Group and is principally responsible for the direction of the Group's business with emphasis in business development and corporate strategy.

He is brother of Mr Tham Foo Choon and deemed substantial shareholders, namely Mr Tham Chong Sing and Mr Tham Fau Sin. He is the spouse of substantial shareholder, Madam Twong Yoke Peng and father of Mr Tham Kin-On, Director of the Company. He is also the uncle of Mr Tham Kin Wai. He has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Profile of Directors
(continued)

Mr Tham Foo Choon

Deputy Group Managing Director

Mr Tham Foo Choon, age 58, Male, a Malaysian citizen, is the Deputy Group Managing Director of Greenyield. He was appointed to the Board of Greenyield on 26 March 2005. He is also a member of the Option Committee of the Company.

He is a businessman with over 20 years of experience in the agriculture related industry. He started his involvement in the agricultural related industry soon after completing his secondary education, assisting the family business. Through his hard work, he has generated success for the companies. He assumes an active role in the implementation of the marketing and operational strategy and activities of the companies within the Greenyield Group.

He is brother of Mr Tham Foo Keong and deemed substantial shareholders, namely Mr Tham Chong Sing and Mr Tham Fau Sin. He is also the uncle of Mr Tham Kin Wai and Mr Tham Kin-On, Directors of the Company. He has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Mr Tham Kin Wai

Executive Director

Mr Tham Kin Wai, age 49, Male, a Malaysian citizen, is an Executive Director of Greenyield. He was appointed to the Board of Greenyield on 23 January 2009.

He graduated with a Bachelor of Science degree in Business Administration from National College, United States of America. He started his career after graduation in 1994 as a Finance and Administrative Executive in Greenyield Industries (M) Sdn. Bhd. ("GYI") and subsequently, he rose to the rank of General Manager of GYI in 2001. Thereafter, he was appointed as an Executive Director of Greenyield in 2009.

He is responsible for managing overall factory operations, the quality management system of the factory, and all marketing activities. Furthermore, he is also involved in product and market development for existing and new customers, and planning and participating in trade fairs.

He is the son of deemed substantial shareholder, namely, Mr Tham Chong Sing. He is also the nephew of Mr Tham Foo Keong and Mr Tham Foo Choon. He is also the cousin of Mr Tham Kin-On, Director of the Company. He has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Mr Yong Swee Lin

Senior Independent Non-Executive Director

Mr Yong Swee Lin, age 50, Male, a Malaysian citizen, is a Senior Independent Non-Executive Director of Greenyield. He was appointed to the Board of Greenyield on 23 January 2009. He was re-designated as the Chairman of the Audit Committee, Remuneration Committee, and Nomination Committee of Greenyield on 24 June 2014.

Mr Yong is a Chartered Accountant of the Malaysian Institute of Accountants ("MIA") and is a Fellow member of Association of Chartered Certified Accountants ("ACCA").

He started his career with KK Chow & Wong in 1988, and subsequently he joined Loh & Co in 1991 and left in 1993 to join Adab Trading Sdn. Bhd. Then he left Adab Trading Sdn. Bhd and was self-employed from January 1995 to June 1997. He then joined Horwarth Mok & Poon as Audit Senior Assistant from 1997 to 1999. Currently he is an Audit Manager of L. H. Loo & Co. He is also currently attached to SL Yong & Co (Chartered Accountant Non Audit) as well as SL Management Services.

He has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Profile of Directors
(continued)

Mr Mahbob Bin Abdullah

Independent Non-Executive Director

Mr Mahbob Bin Abdullah, age 74, Male, a Malaysian citizen, is an Independent Non-Executive Director of Greenyield Berhad. He was appointed to the Board of Greenyield on 1 July 2009. He is also a member of the Audit Committee.

Mr Mahbob started his career with Harrisons and Crosfield in Perak on a rubber plantation and then joined Plantations Agencies Ltd in Tangkak, Johor. He was attached to Unilever's Pamol Plantations in Kluang, Johor and Sabah, and Solomon Islands from 1968 to 1987. In 1984, he moved to London as senior team member and supervised Unilever Plantations in DR Congo, Ghana, Cameroun, Nigeria, Thailand and Malaysia. He joined Sime Darby Berhad from 1987 to 1993 as a consultant for third party estates and later as the Director of Refineries from 1993 to 2000, producing edible oils in Malaysia, Singapore, Thailand and Egypt. After his retirement from Sime Darby in 2000, he formed his consultancy business, IPC Services Sdn. Bhd. to provide services in the upstream and downstream businesses of the industry within Malaysia and internationally.

He is a former Board Member of Felda Plantations Berhad, Felda Palm Industries Berhad, Felda Vegetable Oil Products Berhad, and TH Plantations Berhad. He is a Board Member of FIMA Bulking Sdn. Bhd. (a subsidiary of Kumpulan Fima Berhad). He was a member of the Malaysian Palm Oil Board Program Advisory Committee. He is a Fellow of the Incorporated Society of Planters.

He has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Mr Tham Kin-On

Executive Director

Mr Tham Kin-On, age 29, Male, a Malaysian citizen, is an Executive Director of Greenyield Berhad. He was appointed to the Board of Greenyield on 20 December 2016.

He graduated with a Bachelor of Commerce (Honours) degree in Economics and Finance from University of Melbourne, Australia, and is a CFA Charterholder.

He started his career with Khazanah Nasional Bhd in 2012 as an Associate in the Investments division. Prior to that, he also interned with Credit Suisse, Hong Leong Investment Bank, and KPMG. Mr Tham Kin-On joined Greenyield in 2014. He oversees the Corporate Finance, Finance, and Human Resources & Administration teams in Greenyield and is also responsible for the development of the Groups strategies and businesses.

He is the son of Mr Tham Foo Keong, the Group Managing Director and substantial shareholder, namely Madam Twong Yoke Peng. He is also the nephew of Mr Tham Foo Choon, the Deputy Group Managing Director and deemed substantial shareholders, namely Mr Tham Chong Sing and Mr Tham Fau Sin. He is also the cousin of Mr Tham Kin Wai, Director of the Company.

He has no conflict of interest with the Company and has no conviction for any offerences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT

Mr Chan Wen Hong

Head of Corporate Finance

Mr Chan Wen Hong, age 38, Male, a Malaysian citizen, is Head of Corporate Finance in Greenyield Berhad since April 2017. He is a Chartered Accountant of the Malaysian Institute of Accountants ("MIA") and is a Fellow member of the Association of Chartered Certified Accountants ("ACCA"). He also holds an MBA and Bachelor of Accounting (Honours) qualifications.

He started off his career with the Big 4 accounting firms in the areas of external audit and financial advisory in Kuala Lumpur and London. He later joined Khazanah Nasional Bhd in 2011 as an Assistant Vice President in the Investments Division. He was subsequently nominated in 2014 to assume the position of Financial Controller at Ideate Media Sdn. Bhd., a media content company jointly owned by Rhizophora Ventures Sdn. Bhd. (a wholly owned company of Khazanah Nasional Bhd.) and Astro Overseas Limited.

He does not hold any directorship in public companies and listed issuers, has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Ms Koh Nyoh See

Manager, Human Resource and Administration

Ms Koh Nyoh See, age 45, Female, a Malaysian citizen, is the Human Resource and Administration Manager of Greenyield Berhad since August 2016. She graduated with a Bachelor of Science (Honours) in Petroleum Chemistry from University Putra Malaysia and Diploma in Human Resource Management from Strategic Business School.

She has eighteen (18) years' of experience in human resource and administration in various companies.

She does not hold any directorship in public companies and listed issuers, has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

"On behalf of the Board of Directors of Greenyield Berhad and its Subsidiaries ("Greenyield" or the "Group"), it gives me pleasure to present to you the Annual Report and Audited Financial Statements for the financial year ended 31 July 2018."

ECONOMIC REVIEW

For the financial year ended 31 July 2018 ("FYE18"), despite achieving higher revenue, the Group recorded a net loss of RM0.40 million compared to a net profit of RM0.22 million in the previous financial year. This is due to reduced margins resulting from continued weakness in the commodity markets and higher group operating costs. The average price for SMR20 rubber dropped from RM5.95/kg in FYE17 to RM4.80/kg in FYE18, prompting our plantation segment customers who are primarily rubber plantations, to continue cutting costs. Nevertheless the Directors, Management team, and staff, worked hard towards resolving and mitigating negative factors.

FINANCIAL PERFORMANCE

For the FYE18, the Group recorded higher revenue of RM42.52 million as against RM30.67 million for the previous financial year. The profit before tax was RM0.15 million as compared to RM0.56 million in the FYE17. The revenue obtained from both the plantation and non-plantation segments recorded an increase from the previous financial year.

The revenue from the plantation business segment was RM20.20 million as against RM15.92 million in the FYE17. In the case of non-plantation segment, the revenue was RM22.32 million as compared to RM14.75 million achieved in the previous year. Despite these, the Group recorded a net loss because of margin compression and higher operating costs as described earlier.

The outlook for the coming financial year is challenging as the Group expects weak commodity prices to persist while global manufacturing and trade activities are likely to be negatively impacted by the trade war between the United States and China. However, in the longer term, the Group is optimistic because of the development of new products and markets for the non-plantation segment. In addition, the Group has invested into rubber estates in Kelantan which is expected to provide a stable source of recurring income once it reaches maturity.

Chairman's Statement
(continued)

RESEARCH AND DEVELOPMENT

The Group has invested an expenditure of RM0.19 million in R&D activities, which is equivalent to 0.45% of the revenue recorded for the FYE18.

R&D work during the year under review for the plantation business segment continues to focus on field evaluation of the various formulations of biofertilizers on selected crops to enable wider acceptance of the product by the agriculture industry including the oil palm sector.

For the non-plantation business segment, the Group continues to focus on developing new materials and a range of dinnerware products. In addition to the Artstone plant pots which the Group has been selling for many years, sales of plant pots made from ArtLumin, a material with a metallic finish, have been gaining traction. The Group has also been focused on developing dinnerware as a new product range and in the past financial year, the new products passed food grade tests according to EU standards. The Group intends to refine the product range further and focus more on marketing activities going forward.

BUSINESS OUTLOOK AND PROSPECTS

The Board anticipates that the business outlook will remain challenging in the forthcoming financial year. The Group will continue to look for growth opportunities while managing costs to ensure the viability of the business. These opportunities include continued new customer acquisitions and new product development in the non-plantation segment, and generating more revenue from rubber plantation ownership as opposed to purely generating revenue from being a supplier to plantations.

On 21 September 2018, the Group announced the proposed acquisitions of the remaining 70% stakes in SND Teguh Enterprise Sdn. Bhd. and Pullah PC Daud Sdn. Bhd. Should the proposed acquisitions are finalised, the Group will have full control over 1,200 hectares of rubber estates in Kelantan which includes the existing wholly owned Tigantara Plantations Sdn. Bhd. The plantations are expected to generate stable revenue and cash flows for the Group in the near future.

Chairman's Statement
(continued)

DIVIDEND

The Board of Directors do not recommend a dividend payment for the FYE18 in view of the loss position and conservation of funds for investments in viable assets which are expected to generate future revenue streams. Going forward, the Board of Directors will review the Group's cash flow affordability in recommending dividend payouts to shareholders.

CORPORATE DEVELOPMENT

The Company has not implemented any new corporate proposals during the FYE18. The Board will explore any related business operations and credible investment opportunities to improve the Group's performance as well as enhance shareholder value.

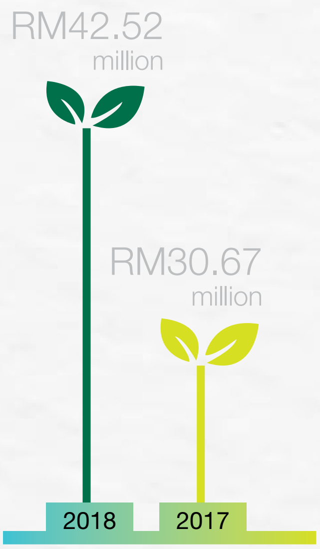
ACKNOWLEDGEMENT

I wish to acknowledge the employees whose dedication and perseverance have contributed to the sustained operations of the Group, and ensured its reputation as a trusted and reliable partner to the Companies we served globally. On behalf of the Board, I would like to express our thanks and appreciation to our shareholders, customers, business associates, financiers, suppliers and regulatory authorities for their continued support and understanding extended to us during the year.

Dr. Zainol Bin Md Eusof
Independent Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis ("MD&A") for Greenyield Berhad and its subsidiaries ("Greenyield" or the "Group") should be read in conjunction with the annual audited consolidated Financial Statements and the accompanying notes on pages 43 to 87 of this Annual Report that are prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs").



The Group turnover

Increased

38.64%

Overview

Greenyield is a company listed on the Main Market of Bursa Securities under the Consumer Products and Services Sector, with a sub-sector of Agricultural Products. The Company has an issued share capital of RM33,374,000 comprising 333,740,000 shares.

Operations Review

The Group turnover for the financial year ended 31 July 2018 ("FYE18") increased by 38.64% to RM42.52 million as compared to RM30.67 million recorded for the FYE17. The Group's profit before tax reduced by 73.21% to RM0.15 million from RM0.56 million in the corresponding period.

Growth and Strategy

Management is of view that the financial year ending 31 July 2019 will continue to be challenging because of several factors. Low commodity prices continue to persist and negatively impact the demand for rubber plantation inputs. Next, advanced economies where significant export sales for non plantation products of the Group are derived from continue to record growth with the World Bank June 2018 report expecting 2018 and 2019 output growth of 2.7% and 2.5% in the United States and 2.1% and 1.7% in the Euro Area. However, significant risks exists as growth in manufacturing activity and trade are likely to be impacted by the trade war. In addition, regulatory changes, for example the ban on single use plastics in the EU and the ban on plastic scraps into Malaysia, have caused uncertainties for sales as well as costs for manufacturers which use plastics as a raw material.

The Group continues its existing business strategies to push for growth which include:

i. Growing sales of our Artstone and ArtLumin plant pots in export markets via new and exsiting distributors;
ii. Building our retail/consumer brand, Jardin Craft, for gardening products in the Malaysia market. As at the end of FYE18, Jardin Craft products have been made available in selected AEON and AEON Big stores in Klang Valley, and online platforms such as Lazada, Shoppee, and 11 Street;
iii. Development of dinnerware using our proprietarily formulated Artstone and ArtLumin materials which have been made food grade for this new product range; and
iv. Venturing further in plantation ownership to complement our existing business as a plantation products and services provider.

The above plans will take time to realise but the Group remains positive on the outlook.

Management Discussion and Analysis
(continued)

Business Risks

Foreign Currency

Management will continue to review the Group's exposure to foreign currency risks arising from turnover generated in currencies other than Ringgit Malaysia.

Global Economy

The management expects the world economy to remain challenging due to strong volatilities in emerging economies arising from weaker commodity prices and risks arising from the trade war between the United States and China.

Commodity Prices

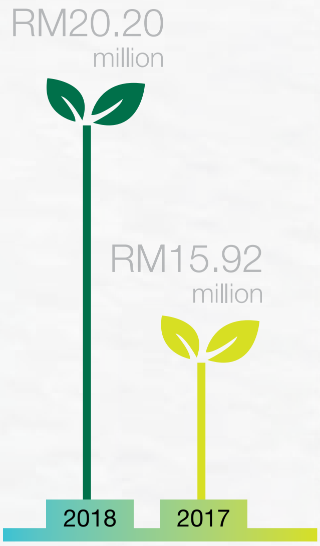
The Group provides inputs to plantations and is impacted by commodity prices as a result. The ongoing slump in commodity prices including natural rubber requires the Group to continue pushing sales and developing products which are value added and differentiated from its competitors.

Financial Results

The Group's key financial information for the FYE18 and FYE17 is summarised as follows:

	2018 RM Million	2017 RM Million
Turnover	42.52	30.67
Earnings Before Interest, Depreciation, Amortisation and Taxation (EBITDA)	2.73	2.73
Profit Before Taxation	0.15	0.56
Taxation	0.55	0.34
(Loss)/Profit After Taxation and Minority Interest	(0.40)	0.22
Net Tangible Assets	54.34	55.81
Net (Loss)/Profit Margin (%)	(0.90)	0.70

Management Discussion and Analysis
(continued)



Plantation Products and Services

Turnover

The Group's turnover is derived from two business segments - plantation-related products and services which comprise chemicals and fertilizers, tools and equipment, technical support services, and consultancy services; and non-plantation products which primarily comprise plant pots. For the FYE18, the Group's turnover was RM42.52 million.

Plantation Products and Services

During the FYE18, the Group's plantation products and services turnover was RM20.20 million as compared to the RM15.92 million for the preceding year. The increase in turnover was largely a result of higher natural rubber sales.

Non-plantation Products

During the FYE18, the Group's non-plantation products provided a turnover of RM22.32 million as compared to RM14.75 million for the FYE17. The increase in turnover was primarily due to higher orders from key buyers in Europe, United States, Australia and Japan during the year.

Profit

During the FYE18, profit before taxation was RM0.15 million, a decrease of 73.21% from the preceding year due to reduced net margin arising from higher operating costs.

Investment

During the FYE18, the Group invested RM0.53 million on plantation development expenditure for Tigantara Plantations Sdn. Bhd.

Financing and Expansion

Construction of a new warehouse and office on land adjacent to the Group's existing factory has not commenced pending final approval from relevant authorities. However, the Group will review the viability of commencing the construction of the new facility in financial year 2019. This is in view of the expected capital outlay required to complete the proposed acquisitions of the remaining 70% stakes in SND Teguh Enterprise Sdn. Bhd. and Pullah PC Daud Sdn. Bhd.

The proposed acquisitions when completed (expected by first Quarter 2019) will enable the Group to obtain full control of 800 hectares of rubber estates in Kelantan. In addition to the 400 hectares which the Group already controls via its wholly owned subsidiary, Tigantara Plantations Sdn. Bhd., the Group's plantation lands will total 1,200 hectares should the proposed acquisitions complete. The Group is expected to incur a net outlay of RM1.25 million (after taking into account proceeds from the proposed disposal of its existing 30% stake in Melati Aman Sdn. Bhd.). In addition, Management estimates up to RM2.1 million will be required for the upkeep and maintenance of the proposed acquisitions until maturity (tapping of rubber trees).

Conclusion

Although Management expects a challenging year ahead, we are optimistic with the various business opportunities identified and will proceed cautiously to ensure sustainability of the business while seeking new growth opportunities.

SUSTAINABILITY STATEMENT

Greenyield Berhad and its subsidiaries ("Greenyield" or the "Group") believe that doing business in a sustainable way and delivering long term benefits for shareholders and stakeholders are complementary. Greenyield's Sustainability framework consists of four impact areas, namely Environment, Community, Workplace & Employees and Marketplace.

Environment

Greenyield continues to encourage all of its employees to adopt methods of conserving energy and resources. The Group's products and services help improve yields in the agriculture and horticulture sectors sustainably and without deleterious side effects to the environment. Greenyield continues to develop products which are environmentally friendly including biofertilisers, bio pest repellents, and recyclable planters.

Waste Management

During the year, the Group continued to encourage separation of waste into paper, plastics, and metal/aluminium products, in its headquarters and factory. The waste collected was sent to recycling centres. Employees are encouraged to conserve resources, for example, by reusing paper for notes, minimising energy usage, double sided printing and avoiding printing in colour.

Energy Saving Initiative

One of the notable ways to conserve the environment is to reduce the amount of energy used. The factory at Olak Lempit, Banting gradually changed its existing light bulbs to energy saving LED lights. Total units replaced during the year was approximately 48 lights which will bring an estimated reduction of energy consumption of up to 75% compared to the old lights. Constant reminders were shared among employees to cultivate the importance of saving energy and consumption.

Community

The Group provides contributions to individuals and organisations who are in need. In addition, the Group offered internships and industrial training opportunities to undergraduates from local colleges and universities as part of its efforts to groom future leaders in the industry.

Charity

The Group contributed red packets ("Ang Pow") to orphans at selected community homes during Chinese New Year. The token provided symbolises our care to the less fortunate community and to enlighten the spirit of love during the new year festival.

Internships

During the year, the Group took in two interns from universities to work in the Finance Department and Marketing Department respectively.

Voluntary Programme Visit to Batu Caves for Thaipusam

This yearly voluntary programme was held on the temple grounds at Batu Caves in conjunction with the annual Thaipusam Festival in January 2018.

Former Executive Director, Dr. Sivakumaran, and volunteer staff from Greenyield participated in the preparation of vegetarian food and distribution to devotees at the Annathanam Hall located within the premises of the Batu Caves Temple on the eve of Thaipusam and on Thaipusam day. The volunteers helped in cutting various vegetables for preparation of the food and then serving the food in the traditional way on banana leaves to all devotees who came to the hall. The food was distributed to approximately 10,000 or more people over the two days festival.

Sustainability Statement
(continued)

Workplace & Employees

Greenyield's Sustainability principles are shared with employees as they are encouraged to perform their duties with an awareness of social responsibilities. As part of the Company's commitment to employee welfare, events and activities were organised to foster a healthy work environment. In addition, eligible employees are provided with training and development opportunities.

Ventilation Fan

As an effort to provide a better working environment for employee at the Olak Lempit, Banting factory, the ventilation system in the factory has been enhanced and a total of 14 units of industrial ventilation fans installed during the year. The air circulation and ventilation in the impacted areas were improved for the benefit of employee working in production and store departments.

Bowling Event for Employees

This indoor activity was held as part of the Company's concious effort to promote a healthy lifestyle among its employees. In addition to practicing and enhancing bowling skills, this was seen as a good way to foster inter-departmental communication and teamwork.

Hari Raya Gathering Dinner

In June 2018 and in conjunction with "Bulan Ramadan", Greenyield organised a Hari Raya Gathering Dinner with staff at a local hotel to allow employees to come together in celebration of the holy month.





Marketplace

Pot Painting

Towards the end of 2017, Greenyield contributed its signature Artstone plant pots of various colours for a pot painting event in conjunction with the Children's Book Week programme at Bangsar, Kuala Lumpur. Feedback from the organisers indicated that the participating children loved the colourful pots and they enjoyed putting on their favourite works of art on their respective pots, which served as a good memento for remembrance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Greenyield Berhad ("Company" or "Group") recognises the importance of good corporate governance in protecting and enhancing shareholder value and financial performance of the Company. The Board is fully committed to maintaining the highest standards of transparency, accountability, and integrity, in line with the Malaysian Code of Corporate Governance ("MCCG") and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").

The Board is pleased to present this statement of corporate governance which outlines how the Company applied the Principles and Best practices set out in the MCCG for the financial year ended 31 July 2018. Where there are gaps in the Company's observation of any of the Best Practices of the MCCG, they are disclosed herein with explanations. The detailed application by the Company for each practices set out in the MCCG during the financial year is disclosed in the Corporate Governance Report ("CG Report") in the Bursa Securities' website. The CG Report is also available at www.greenyield.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

FUNCTIONS OF THE BOARD

The Board has overall responsibilities for the performance and affairs of the Group. The Board members with a wide range of skills and experience from financial and business background lead and control the Group. To ensure the effective discharge of its functions and responsibilities, the Board established an internal governance model for the delegation of specific powers of the Board to the Executive Directors and the properly constituted Board Committees, namely the Audit, Nomination, and Remuneration Committees. The Board Committees are entrusted with specific responsibilities to oversee the Group's affairs in accordance with their respective terms of references. All matters deliberated in the Board Committees are required to be reported to the Board for endorsement and/or approval. As such, the direction and control of the Group are firmly with the Board.

The Executive Directors, representing the Management, are primarily responsible for the Group's day-to-day management and operations. The Executive Directors formulate operation plans and oversee the execution of these plans. The Independent Non-Executive Directors are actively involved in various Board Committees and contribute significantly to areas such as performance monitoring and enhancement of corporate governance and controls. They provide broader views, independent assessments and opinions on management proposals.

DUTIES AND RESPONSIBILITIES OF THE BOARD

The Group is led and managed by an effective Board consisting of professionals and competent directors with different qualifications, expertise, and experiences that are relevant to the management of the Group's businesses. In fulfilling its fiduciary and leadership functions, the Board is primarily responsible to ensure that there are appropriate systems and procedures in place to manage the Group's strategic plans, business conduct, significant risks, succession planning, shareholders' communication, internal control and management information systems in accordance with high standards of transparency, accountability and integrity.

The Board is leading and managing the Company in an effective and responsible manner. The Directors, collectively and individually, are aware of their responsibilities to shareholders and stakeholders for the manner in which the affairs of the Company are managed and have a legal duty to act in the best interest of the Company.

The Board assumes, amongst others, the following duties and responsibilities:-

i. Reviewing and adopting the overall strategic plans and programmes for the Company and the Group;
ii. Overseeing and evaluating the conduct and performance of the Company's and Group's businesses including its control and accountability systems;
iii. Identifying principal risks and ensuring the implementation of a proper risk management system to manage such risks;
iv. Overseeing the development and implementation of shareholder and stakeholder communications policies;
v. Approving major capital expenditure and capital management;
vi. Reviewing the adequacy and the integrity of the management information and internal controls system of the company; and
vii. Ensuring that appropriate plans are in place in respect of the succession plan for the senior management of the Group.

Corporate Governance Overview Statement
(continued)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

I. BOARD RESPONSIBILITIES (CONTINUED)

CODE OF ETHIC AND CONDUCT

The Board has formalised in writing a Code of Conduct, setting out the standards to engender good corporate practices. The Code advocates the ethical values that form the basis for business decisions. The Code of Conduct has been communicated to all levels of employees in the Group.

The Board has also formalised in writing the Company's Whistle-Blowing Policy, which provides appropriate communication and feedback channels to facilitate whistle-blowing. Both the Code of Conduct and the Whistle-Blowing Policy are available for reference at the company's website at www.greenyield.com.my.

STRATEGIES PROMOTING SUSTAINABILITY

The Board is confident that the Company's strategies in delivering long-term sustainability would create economic value for the shareholders as well as protect stakeholders' interest. A report on sustainability activities, demonstrating the Group's commitment to the environment, community, workplace & employees and marketplace, is detailed in the Sustainability Statement.

ACCESS TO INFORMATION AND ADVICE

The Directors have access to timely and accurate information which enables the Directors to discharge its duties effectively and efficiently. At Board Meetings, the agenda and board papers are distributed in advance to enable Directors to have sufficient time to review the board papers and to obtain further explanation or clarification to facilitate the decision-making process. Representatives from the Management and external advisors may also be invited to attend meetings to provide insights and professional views, advice and explanation on specific items on the meeting agenda. The Board papers include reports relevant to the issues of the meeting covering the areas of:-

a. Quarterly financial reports, reports on cash flow and borrowing positions, budgets and other financial reports;
b. Business development reports;
c. Operational matters;
d. Corporate developments of the Group;
e. Audit reports;
f. Directors' share dealings;
g. Reports on related party transactions and recurrent related party transactions;
h. Reports on sound framework of internal controls and regulatory compliance;
i. Regulatory compliance matters and updates issued by the various regulatory authorities; and
j. Any other matters for the Board's decision.

A well structured agenda also allows the Chairman of the Board good control over the conduct of the meeting and allocation of time for discussion of various matters. Senior Management and external advisors may be invited to attend Board Meetings to provide their professional views, advice and explanations on specific items on the agenda.

All Directors have full and unrestricted access to all information within the Group and direct access to the advice and services of the Company Secretary who advises the Board on the Directors' responsibilities under the respective legislations and regulations and Company's compliance with the relevant laws and regulatory requirements. The Directors may take independent advice, at the Company's expense, in the exercise of their duties should such advisory services be considered necessary.

All deliberation in terms of issues discussed and all decisions made during Board Meetings are recorded in the Board minutes for completeness and accuracy which are then circulated to all Directors and duly signed by the Chairman of the Meeting.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

I. BOARD RESPONSIBILITIES (CONTINUED)

QUALIFIED AND COMPETENT COMPANY SECRETARIES

Directors have direct access to the advice and services of the Group's Company Secretary. The Company Secretaries are qualified to act in accordance with the requirements of the Companies Act, 2016. The Board is advised and updated on statutory and regulatory requirements pertaining to their duties and responsibilities as well as appropriate procedures for management of meetings. The Board is supported to ensure adherence to board policies and procedures, rules, relevant laws and best practices on Corporate Governance.

The Company Secretary also has undertaken the following functions, among others:-

i. advise and remind the Directors of their obligations to disclose their interest in securities, any conflict of interest and related party transactions;
ii. advise the Directors of their duties and responsibilities;
iii. advise and remind the Directors on the prohibition on dealing in securities during closed period and the restriction on disclosure of price sensitive information;
iv. prepare agenda items of meetings for Board and Board Committees and send to the respective Board and Board Committees; and
v. attend all Board and Board Committees meetings and to ensure that meetings are properly convened, and that accurate and proper records of the proceedings and resolution passed are made and maintained accordingly.

The Company Secretaries are suitably qualified and have attended relevant trainings and seminars to keep abreast with the Statutory and regulatory requirements' updates.

BOARD CHARTER

The Executive Directors are responsible for implementing the corporate strategies and management of the day-to-day operations of the Group whereas the Independent Non-Executive Directors are responsible for exercising independent judgment and to act in the best interests of the Group in ensuring that decisions made by the Board are deliberated fully and objectively with regard to the long term interests of all stakeholders. The respective roles and responsibilities of the Board are clearly set out in the Board Charter. The Board Charter will be periodically reviewed and the details of the Board Charter are available for reference at www.greenyield.com.my.

The Board Charter sets out the Board's strategic intent and outlines the Board's roles and responsibilities. The Board Charter is a source reference and primary induction literature, providing insights to prospective board members and senior management. It will also assist the Board in the assessment of its own performance and that of its individual directors.

The Board Charter sets out the key values, principles and ethos of the company, as policies and strategy development are based on considerations in the Board Charter. The Board Charter includes the division of responsibilities and powers between the Board and management which is led by the Executive Directors, the different committees established by the board, and between the Chairman and the Group Managing Director. The Board Charter also sets out processes and procedures for convening board meetings.

Any amendment to the Board Charter can only be approved by the Board. The Board Charter was last reviewed on 21 June 2018 and would be reviewed and updated periodically 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.

Corporate Governance Overview Statement
(continued)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

I. BOARD RESPONSIBILITIES (CONTINUED)

TIME COMMITMENT

The Board meets at least four (4) times a year at quarterly intervals, with additional meetings convened as and when deemed necessary. During the financial year, five (5) Board Meetings were held. The attendance at Board Meetings of the Directors during the financial year under review is set out hereunder:-

Directors	Position	Reflect the number of Board Meetings scheduled during the time the Director held office	Percentage of Attendance (%)
Dr. Zainol Bin Md Eusof	Independent Non-Executive Chairman	5/5	100
Tham Foo Keong	Group Managing Director	5/5	100
Tham Foo Choon	Deputy Group Managing Director	5/5	100
Tham Kin Wai	Executive Director	5/5	100
Yong Swee Lin	Senior Independent Non-Executive Director	5/5	100
Mahbob Bin Abdullah	Independent Non-Executive Director	5/5	100
Tham Kin-On	Executive Director	5/5	100

Newly appointed directors are expected to declare their time commitment to the Board. If they sit in other listed corporations as a director, they shall notify the Chairman of the Board or the Company Secretary before accepting any new directorship. The notification shall include an indication of time that will be spent on the new appointment.

Board Meetings follow a formal agenda and the Board has a schedule of matters specifically listed for its review and approval which ensures that the Board retains full and effective control over the Company.

The Board approves, inter alia, the preliminary announcements of interim and final results, all circulars and listing particulars, major capital expenditures, investment proposals; and reviews the overall system of internal controls.

DIRECTORS' TRAINING AND CONTINUING EDUCATION PROGRAMME

The Board acknowledges the importance of continuous education and training programmes for its members to enable effective discharge of its responsibilities. All directors have successfully attended the Mandatory Accreditation Programme prescribed by the Bursa Securities. Directors are encouraged to undergo continuous training programmes and seminars organised by the relevant regulatory authorities and professional bodies to keep abreast with the current development in the business environment as well as, to further enhance their business acumen, and professionalism in discharging their duties to the Company effectively.

Directors are regularly updated on the Group's businesses and the competitive and regulatory environment in which they operate. Directors also visit operation centres to have an insight into the Group's various operations to assist in making effective decisions for the Group.

Corporate Governance Overview Statement
(continued)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

I. BOARD RESPONSIBILITIES (CONTINUED)

DIRECTORS' TRAINING AND CONTINUING EDUCATION PROGRAMME (CONTINUED)

During the financial year ended 31 July 2018, the Directors have attended trainings, conferences, seminars, site visits and/ or workshops as listed below:-

Directors	Training/Seminar/Conference	Date
Dr. Zainol Bin Md Eusof	1. CG Breakfast Series - Integrating an Innovation Mindset with Effective Governance	07 November 2017
	2. Corporate Governance Briefing Sessions: MCCG Reporting & CG Guide	01 March 2018
Tham Foo Keong	1. CG Breakfast Series - Integrating an Innovation Mindset with Effective Governance	07 November 2017
	2. Global Rubber Conference 2018 - The 14th Conference & Exhibition	05 - 07 April 2018
Tham Foo Choon	1. Global Rubber Conference 2018 - The 14th Conference & Exhibition	05 - 07 April 2018
Tham Kin Wai	1. Seminar on 'Read, Interpret & Analyse Financial Statements'	19 July 2018
Yong Swee Lin	1. MIA-SC Workshop on Malaysian Code on Corporate Governance	17 November 2017
	2. Limited Liability Partnership (LLP) with Tax Issues and Companies Act 2016 briefing	23 November 2017
	3. Detecting Financial Warnings and Financial Shenanigans	19 December 2017
	4. Completion of Forensic Accounting	30 December 2017
	5. Seminar on "Preference shares and utilization of share premium under Companies Act 2016"	13 March 2018
Mahbob Bin Abdullah	1. Corporate Governance Briefing Sessions: MCCG Reporting & CG Guide	28 February 2018
Tham Kin-On	1. Product Concept & Design Development	22-24 August 2017
	2. Advocacy Sessions on Corporate Disclosure for Directors and Principal Officers of Listed Issuers	27 September 2017
	3. Corporate Governance Briefing Sessions: MCCG Reporting & CG Guide	28 February 2018

The Board is also briefed by the Company Secretary of any significant changes in laws and regulations that are relevant. The Directors continue to undergo other relevant training programs that can further enhance their knowledge in the latest development relevant to the Group, especially in areas of corporate governance and regulatory development, to carry out their responsibilities effectively.

II. BOARD COMPOSITION

The Board of the Company comprises seven (7) Directors, four (4) of whom are Executive Directors and the balance three (3) are Independent Non-Executive Directors, who fulfil the prescribed Listing Requirement that a minimum one-third (1/3) or at least two (2), whichever is higher of the Board members be independent. The Board has reviewed its size and composition and is satisfied that its current size and composition are effective for the proper functioning of the Group. The profiles of each Director are set out in the Profile of the Board of Directors on pages 9 to 11 of this Annual Report.

The Board also notes that the current Board Composition is not aligned with the desired practice where at least half of the Board comprises Independent Directors.

The Board has commenced the search for a suitable candidate to be appointed as an Independent Director in order to achieve the desired Board Composition as per the MCCG.

Corporate Governance Overview Statement
(continued)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II. BOARD COMPOSITION (CONTINUED)

SEPARATION OF POSITIONS OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and the Group Managing Director are distinct and separate as each has a clearly accepted division of responsibilities to ensure a balance of power and authority. The Chairman of the Company, Dr. Zainol Bin Md Eusof, who is an Independent Non-Executive Director is primarily responsible for the orderly conduct and leadership of the Board, whilst the Group Managing Director, Tham Foo Keong, has the overall responsibility for the day to day running of business, organisational effectiveness, and implementation of Board policies and decisions. The Group Managing Director, by virtue of his position also functions as the intermediary between the Board and senior management, acts as the Group's official spokesperson, and is responsible for planning the future direction of the Group for the Board's consideration and approval.

The independent directors play a crucial supervisory function. Their presence is essential in providing unbiased and impartial views for the Board's deliberation and decision-making process. In addition, the Non-Executive Directors ensure that relevant matters and issues are considered in taking the interest of all stakeholders in the Group.

The Board recognises the need to appoint a Senior Independent Non-Executive Director and as such, Yong Swee Lin has been appointed as the Senior Independent Non-Executive Director to facilitate effective communication with other stakeholders and shareholders.

NOMINATION COMMITTEE

The Nomination Committee comprises two (2) Non-Executive Directors, all of whom are Independent Directors. The members of the Nomination Committee are as follows:-

Name	Designation
Yong Swee Lin	Chairman, Senior Independent Non-Executive Director
Dr. Zainol Bin Md Eusof	Member, Independent Non-Executive Director

The Nomination Committee meets as and when necessary and shall meet at least once a year. The Nomination Committee held one (1) meeting during the financial year ended 31 July 2018 with full attendance. Matters discussed and deliberated during the Nomination Committee meetings include:-

i. considered the nomination of a new member of the Board;
ii. reviewed the composition of the Board and Board Committees, nominating the directors who are due for retirement and re-appointment and are eligble to stand for re-election and re-appointment accordingly;
iii. assessed and evaluated the effectiveness of directors and the Board; and
iv. assessed the independence of the Independent Non-Executive Directors.

The Board's performance is assessed annually by each of its members through self as well as peer assessments. The evaluation of the Board is based on specific criteria covering areas such as the Board mix and composition, quality of information and decision making as well as Boardroom processes and activities whereas evaluation of performance of Directors is based on being fit and proper, contribution, calibre and personality. The results of the performance evaluations are reviewed by the Nomination Committee and subsequently by the Board. Performance of the Board Committees is assessed by the Board annually.

The Nomination Committee is satisfied with the size of the Company's Board and that there is an appropriate mix of knowledge, skills, attributes and core competencies in the composition of the Board.

The Terms of Reference of the Nomination Committee are available on the Company's website at www.greenyield.com.my.

Corporate Governance Overview Statement
(continued)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II. BOARD COMPOSITION (CONTINUED)

ANNUAL ASSESSMENT OF INDEPENDENCE

The Board recognises the importance of independence and that the Board members are responsible to act in the best interest of the shareholders of the Company. The Board, through the Nomination Committee conducts an annual assessment on the independence of the Company's Independent Directors. The assessment takes into consideration the Independent Directors' ability to exercise independent judgment and contribute effectively to the Board.

The Nomination Committee and the Board, on 8 November 2018, undertook an annual assessment on Yong Swee Lin, whose are seeking for re-election pursuant to Article No. 74 of the Articles of Association of the Company, at the forthcoming Sixteenth Annual General Meeting.

TENURE OF INDEPENDENT DIRECTORS

The Nomination Committee and Board are of the view that all three (3) Independent Non-Executive Directors continue to remain objective and independent in expressing their views and in participating in deliberations and decision making actions of the Board and the Board Committees, and that no individual or small group of individuals dominates the Board's decision-making process. All evaluations carried on the independence of the Independent Directors were tabled to the Board and are properly documented.

The Board is satisfied with the level of independence and acknowledged the contribution by the respective Independent Directors that they had acted in the best interest of the Company.

The number of Independent Directors of the Company is in compliance with the Main Market Listing Requirements of Bursa Securities which requires a minimum one third (1/3) of the Board to be Independent.

SHAREHOLDERS' APPROVAL FOR THE RE-APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS WHO SERVED MORE THAN NINE (9) YEARS

One of the recommendations of the MCCG states that the tenure of an independent director should not exceed a cumulative term of nine (9) years.

Dr. Zainol Bin Md Eusof, Yong Swee Lin and Mahbob Bin Abdullah who have served on the Board for a cumulative term of more than nine (9) years. The Nomination Committee and the Board have determined at the annual assessment carried out that Dr. Zainol Bin Md Eusof, Yong Swee Lin and Mahbob Bin Abdullah remain objective and independent in expressing their views and in participating in deliberations and decision making of the Board and Board Committees. The length of their services on the Board does not in any way interfere with their exercise of independent judgment and ability to act in the best interests of the Company.

The Board has recommended Dr. Zainol Bin Md Eusof, Yong Swee Lin and Mahbob Bin Abdullah to continue to act as Independent Non-Executive Directors of the Company based on the following justifications, which will be tabled for shareholders' approval at the forthcoming Sixteenth Annual General Meeting of the Company:-

a. They have fulfilled the criteria under the definition of Independent Directors as stated in the Main Market Listing Requirements of Bursa Securities, and thus, they will be able to function as a check and balance, bringing an element of objectivity to the Board;

b. They have vast experience in a diverse range of businesses and therefore will be able to provide constructive opinions; they exercise independent judgement and have the ability to act in the best interest of the Company;

c. They have devoted sufficient time and attention to their professional obligations for informed and balanced decision making; and

d. They have continued to exercise their independence and due care during their tenure as an Independent Non-Executive Directors of the Company and carried out their professional duties in the best interest of the Company and shareholders.

Corporate Governance Overview Statement
(continued)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II. BOARD COMPOSITION (CONTINUED)

BOARD GENDER DIVERSITY / RECRUITMENT AND APPOINTMENT OF DIRECTORS

The Board acknowledges the benefits of board diversity, including age, gender and ethnic diversity, to the effective functioning of the Board. Nevertheless, when considering new appointments to the Board, the Nomination Committee and the Board will evaluate the suitability of candidates solely in meeting the needs of the Company based on a set of criteria / candidates' experience, competency, character, time commitment, integrity and potential contribution to the company with the primary aim of selecting the best candidates to support the achievement of the Company's strategic objectives. Such evaluation criteria does not make age, gender, and ethnicity of the proposed new director determining factors for appointment to the Board.

III. REMUNERATION

REMUNERATION POLICIES AND PROCEDURES

The Remuneration Committee comprises two (2) Non-Executive Directors, all of whom are Independent Directors. The members of the Remuneration Committee are as follows:-

Name	Designation
Yong Swee Lin	Chairman, Senior Independent Non-Executive Director
Dr. Zainol Bin Md Eusof	Member, Independent Non-Executive Director

The duties of the Remuneration Committee are:-

a. To review at least once a year and recommend to the Board the overall remuneration policy for Directors, Group Managing Director and key senior management officers to ensure that rewards are commensurate with their contributions to the Company's growth and profitability; and that the remuneration policy supports the Company's objectives and shareholder value, and is consistent with the Company's culture and strategy;

b. To review at least once a year the performance of the Executive Directors and the Group Managing Director and to recommend to the Board specific adjustments in remuneration and/or reward payments if any to reflect their contributions for the year which are competitive and consistent with the Company's objectives, culture and strategy;

c. To ensure that the level of remuneration for Non-Executive Directors and Independent Directors is linked to their level of responsibilities undertaken and contribution to the effective functioning of the Board; and

d. To include the determination of the remuneration packages of the key senior management officers in subsidiaries of the Company.

Details of the Directors' Remuneration

The remuneration of the Non-Executive Directors is generally fixed and any adjustment has to be approved by the shareholders during the Annual General Meeting. The determination of remuneration packages of Non-Executive Directors, should be a matter for the Board as a whole. The individuals concerned have abstained from discussing their own remuneration.

The Remuneration Committee meets at least once a year. The Remuneration Committee held three (3) meetings during the financial year ended 31 July 2018 with full attendance.

The policy practiced by the Company provides remuneration packages that are commensurate with experience, roles and level of responsibilities. The quantum of each package should be adequate and comparable to public listed companies of similar size.

Corporate Governance Overview Statement
(continued)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

III. REMUNERATION (CONTINUED)

REMUNERATION POLICIES AND PROCEDURES (CONTINUED)

Details of the Directors' Remuneration (continued)

The aggregate remuneration of Directors received from the Company and on Group basis for the financial year ended 31 July 2018 is as follows:-

For FYE 2018 - In RM'000						
Category	Fees RM'000	Salaries RM'000	Bonuses and other emoluments RM'000	EPF & SOCSO RM'000	Benefit-in-kind RM'000	Total RM'000
Received from the Company: **Non-Executive Directors**						
Dr. Zainol Bin Md Eusof	60	-	4	-	-	64
Mr. Yong Swee Lin	24	-	4	-	-	28
Mr. Mahbob Bin Abdullah	24	-	4	-	-	28
Total Non-Executive Directors	**108**	**-**	**12**	**-**	**-**	**120**
Received on Group basis: **Executive Directors**						
Mr. Tham Foo Keong	-	421	33	55	-	509
Mr. Tham Foo Choon	-	348	27	46	-	421
Mr. Tham Kin Wai	-	242	29	34	-	305
Mr. Tham Kin-On	-	214	23	29	-	266
Former Executive Director						
Dr. Sivakumaran A/L Seenivasagam	-	259	296	-	-	555
Total Executive Directors	**-**	**1,484**	**408**	**164**	**-**	**2,056**
Grand Total	**108**	**1,484**	**420**	**164**	**-**	**2,176**

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The Audit Committee of the Company comprises three (3) Independent Non-Executive Directors. The Audit Committee is chaired by a Senior Independent Non-Executive Director, Mr Yong Swee Lin. It is an existing practice for the Audit Committee to require a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the Audit Committee and such practice was formalised and incorporated in the Terms of Reference of the Audit Committee since June 2018.

Details on the functions, composition, membership and summary of work of the Audit Committee during the financial year ended 31 July 2018 are listed down in the Audit Committee Report of the Annual Report.

Corporate Governance Overview Statement
(continued)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

I. AUDIT COMMITTEE (CONTINUED)

ASSESSMENT OF SUITABILITY AND INDEPENDENCE OF EXTERNAL AUDITORS

The Group through the Audit Committee, maintains an active, transparent and professional relationship with its External Auditors in seeking professional advice and ensuring compliance with the accounting standards in Malaysia and the requirements of the Companies Act, 2016.

The Audit Committee met the External Auditors once during the current financial year and whenever deemed necessary without the presence of the Executive Directors and/or the Management of the Company to discuss its audit plan, annual financial statements, and audit findings. This encourages a greater exchange of free and honest views and opinion between both parties.

The composition and summary of work of the Audit Committee are discussed in the Audit Committee Report set out on pages 35 to 36 of this Annual Report.

The Audit Committee, assisted by the management, undertakes an annual assessment of the suitability and independence of the External Auditors. The assessment of the External Auditor was conducted by completing personalised evaluation form as guided by the Corporate Governance Guide on Evaluation of External Auditors Performance and Independence checklist. The factors considered by the Audit Committee in its assessment include, adequacy of professionalism and experience of the staff, the resources of the external auditors, the fees and the independence of and the level of non-audit services rendered to the Group. The Audit Committee has assessed and is satisfied with the suitability and the confirmation provided by the external auditors that they have complied with the ethical requirements regarding independence with respect to the audit of the Group in accordance with all relevant professional and regulatory requirements. The Audit Committee has recommended to the Board the re-appointment of Messrs Grant Thornton Malaysia as the External Auditors.

The total fees paid to the External Auditors for the financial year ended 31 July 2018 are as follows:-

1. Audit Fees

   The total audit fees (including both statutory and non-statutory audits) charged by the External Auditors for the Group and the Company, exclusive of expenses and applicable taxes, amounted to RM97,000 and RM23,000 respectively for the financial year ended 31 July 2018.

2. Non-Audit Fees

   The total non-audit fees charged by the External Auditors for other services performed for the Company, exclusive of expenses and applicable taxes, amounted to RM7,000 for the financial year ended 31 July 2018.

   A report on the Audit Committee which includes the Audit Committee's role in relation to the External Auditors is set out on pages 35 to 36 of this Annual Report.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

UPHOLD INTEGRITY IN FINANCIAL REPORTING

The Board is committed to providing a balanced, clear and comprehensive financial performance and prospects in all the disclosures made to the stakeholders and the regulatory authorities.

Timely release of announcements to Bursa Securities on quarterly results, financial statements and the annual report reflect the Board's commitment to provide transparent and up-to-date disclosures to the public. The Board is assisted by the Audit Committee in overseeing the Group's financial reporting process and the quality of its financial reporting. The Audit Committee will review and discuss significant matters and unusual transactions, if any, prior to submission to the Board for consideration and approval.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONTINUED)

UPHOLD INTEGRITY IN FINANCIAL REPORTING (CONTINUED)

Prior to the presentation of the Company's Financial Statements to the Board for approval and issuance to stakeholders, Audit Committee meetings were conducted to review the integrity and comprehensiveness of the Company's Financial Statements in the presence of external auditors and the Group and Company's Head of Corporate Finance.

The Board will obtain assurance from the Audit Committee to ensure that the preparation and fair presentation and disclosure in the financial statements are in accordance with applicable Malaysian Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

In addition, the Audit Committee assists the Board by reviewing the findings of the internal audit reports including the recommendations made by the internal auditors and management's comments. Management's progress in improving specific areas of internal controls are also reviewed by the Audit Committee.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 2016 to prepare financial statements for each financial year which have been made out in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards and give a true and fair view of the financial positions of the Group and the Company at the end of the financial year and of the financial performance and cash flows of the Group and the Company for the financial year.

In preparing the financial statements for the financial year ended 31 July 2018, the Directors have:-

- adopted suitable accounting policies and applied them consistently;
- ensured that applicable accounting standards have been followed;
- made judgments and estimates that are reasonable and prudent; and
- prepared financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial positions of the Group and Company and which enable them to ensure that the financial statements comply with the Companies Act, 2016.

STATE OF INTERNAL CONTROLS

The Statement on Risk Management and Internal Control pursuant to Paragraph 15.26 (b) of the Listing Requirements of Bursa Securities is set out on pages 33 to 34 of this Annual Report.

SOUND FRAMEWORK TO MANAGE RISK

The Board of Directors acknowledges its responsibilities for the Company to maintain a sound system of internal controls covering financials, operations and compliance controls and to safeguard shareholders' investments as well as the Group's assets. While every effort is made to manage the significant risks, by its nature, the system can only provide reasonable but not absolute assurance against material misstatement or loss. Ongoing reviews are carried out by the Board, with the assistance of the Audit Committee, internal auditors and External Auditors, to safeguard the Group's assets.

INTERNAL AUDIT FUNCTION

The Board and Audit Committees have appointed Baker Tilly Monteiro Heng Governance Sdn. Bhd., for the establishment of an independent internal audit function which is in compliance with the Listing Requirements of Bursa Securities.

Corporate Governance Overview Statement
(continued)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP

I. COMMUNICATION WITH STAKEHOLDERS

ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Board recognises the importance of accurate and timely dissemination of information to shareholders about the Group's financial performance and other matters affecting the shareholders' interest. This is achieved through accurate and timely disclosures and announcements to Bursa Securities including the quarterly financial results, annual reports, circulars, and other general meetings.

The Board ensures that confidential information is handled properly to avoid leakage and improper use. In line with the best practices, the Board strives to disclose price sensitive information to the public as soon as practicable through Bursa Securities.

LEVERAGE ON INFORMATION TECHNOLOGY FOR EFFECTIVE DISSEMINATION OF INFORMATION

The Board endeavors to provide timely and accurate disclosure of all material information of the Group to shareholders and investors. Information is disseminated through various disclosures and announcements made to the Bursa Securities. These information are also electronically published at the Bursa Securities website at www.bursamalaysia.com and the Group's website at www.greenyield.com.my.

These information include:-

a. Quarterly Announcements;
b. Annual Reports;
c. Circulars to Shareholders; and
d. Other Important Announcements.

The annual reports and quarterly announcements remain the principal forms of communication, providing shareholders and investors with an overview of the Group's activities and performance. The Annual General Meetings ("AGMs") and Extraordinary General Meetings ("EGMs") also serve as principal forums for dialogue and avenues for direct interaction between the Board of Directors and shareholders or investors. In addition, the Group maintains a query form on its website at www.greenyield.com.my where stakeholders can post questions which concern investor relations.

II. CONDUCT GENERAL MEETING

ENCOURAGE SHAREHOLDERS' PARTICIPATION AT GENERAL MEETINGS

The Board regards that AGMs and EGMs are the primary forum for communication by the Company with its shareholders and for shareholders' participation.

Pursuant to the Listing Requirements of Bursa Securities, any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, must be voted by poll. Hence, voting for all resolutions as set out in the notice of general meeting will be conducted by poll. An independent scrutineer will be appointed to validate the votes cast at the general meetings.

Prior to AGMs and EGMs, shareholders will be provided with the notices of meetings and accompanying explanatory material such as notes, Annual Report and/or Circulars to enable shareholders to exercise their rights. Notices of AGMs and EGMs will be issued in accordance with the requirements of the Companies Act, 2016 and the Listing Requirements of Bursa Securities. The Board endeavors to serve earlier notice than the minimum notice period where practicable. The adequate time given to shareholders allows them to make necessary arrangements to attend and participate in the general meeting. Shareholders who are unable to attend an AGM or EGM, are encouraged to appoint proxy or proxies to attend and vote at meetings for and on their behalf.

Separate issues are tabled in separate resolutions at general meetings, voting is carried out systematically and resolutions are properly recorded.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance requires the Board of Directors of listed companies to maintain a sound risk management framework and internal control system to safeguard shareholders' investments and the Group's assets.

The Board is pleased to present the Statement on Risk Management and Internal Control of the Group for the financial year ended 31 July 2018, which is in compliance with Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and as guided by the "Statement on Risk Management and Internal Control - Guidance for Directors of Listed Issuers".

THE BOARD'S RESPONSIBILITY

The Board affirms its overall responsibility for reviewing the effectiveness, adequacy and integrity of the Group's risk management framework and internal control system. The Board recognizes the need to maintain effective risk management practices and that a good system of internal control is a continuing process.

The Board is aware of inherent limitations in any system of risk management and internal controls, where such systems are designed to manage and minimize risk appropriately rather than to eliminate the risks. Therefore, the internal control system can only provide reasonable and measured assurance against material misstatement, losses, fraud or breach of laws or regulations.

RISK MANAGEMENT FRAMEWORK

The Board regards risk management as an integral part of the Group's business operations, and adopted a Risk Management Policy to address this. The Risk Management Policy is aimed at providing an effective framework for identification, evaluation, management and reporting of the Group's risks.

The Risk Management Committee comprises the Executive Directors and senior management of the Group, and is responsible for the implementation of an appropriate system of controls and strategies in order to mitigate risks. All the Group's risk-related matters were deliberated at the Risk Management Meetings which are held on a regular basis. A summary of risk matters was tabled to the board for further deliberation during the year. Action plans are prepared on an ongoing basis to address risk and control issues.

INTERNAL AUDIT

The Group outsources the internal audit function to an independent professional audit firm. The internal auditors are also independent of the Board and management, and have a direct reporting responsibility to the Audit Committee. The engagement of the independent internal auditor will assist the Audit Committee in conducting an independent assessment on the adequacy, efficiency and effectiveness of the internal control system and in ensuring operational compliance with standard operating procedures within the Group.

During the financial year ended 31 July 2018, the internal auditors carried out reviews in accordance to the approved Internal Audit Plan. The internal audit review covered the Group's Human Resource Management and Payroll Function; and the Group's Safety, Health and Environmental Controls and Production Operations. The reviews covered the assessment on the adequacy and effectiveness of internal controls on key processes of the Group. Upon completion of the internal audit reviews, the internal audit observations, recommendations and management comments were reported to the Audit Committee. Issues arising thereon were reviewed, deliberated, and acted upon by the Audit Committee for remedial action to address, mitigate, manage, and address the identified risks.

Periodic updates on the remedial actions were reported to the Audit Committee to ensure that issued raised in the internal audit report were satisfactorily resolved. During the financial year under review, as a result of the internal audit recommendations, the Group's Human Resource Management and Payroll Function processes were enhanced and a more robust internal reporting process on safety, health and environmental matters were implemented. The Board is ultimately responsible for the implementation and maintenance of the Group's internal processes and procedures. The Board is conscious of the fact that the systems of internal control and risk management practices must continuously evolve to support the Group's operations. Therefore, the Board, in striving for continuous improvement, will put in place appropriate action plans, where necessary, to further enhance the Group's system of internal control and risk management.

Statement on Risk Management and Internal Control
(continued)

OTHER KEY ELEMENTS OF INTERNAL CONTROL

The Board puts in place the following internal control elements for the current year under review:-

- The Executive Directors are closely involved in the running of the day to day business and operations of the Group by attending monthly meetings both at management and operational levels. The Executive Directors report to the Board on significant changes in the business and external environment, which affect the operations of the Group;
- Review of statutory annual financial statements and quarterly reports by evaluating the reasons for unusual variances noted by the Board and Audit Committee before the announcement to Bursa Securities;
- Review of internal audit reports, which highlight audit issues, recommendations and Management's responses and discussed with Management the appropriate remedial actions taken to improve the system of internal controls;
- An organisational structure with defined lines of responsibilities, proper segregation of duties, and delegation of authority. The Board established hierarchical reporting which provides for a documented and auditable trail of accountability;
- Standard Operating Procedures ("SOP") in key business processes and support functions which include sales & marketing, purchasing, credit control, logistics, and payment;
- Timely submissions of monthly financial reports and key performance indicators to the Management for decision making;
- Group human resources policies and publication of the Employees Handbook which highlights policies on health and safety, training and development, staff performance and serious misconduct. These policies help management with internal controls;
- Policies and procedures published in the Company website, such as the Board Charter, Code of Conduct and Whistle-Blowing Policy;
- Systematic performance appraisal system for all levels of staffs and directors; and
- Annual audit by external quality auditors to ensure the quality system of Greenyield Industries (M) Sdn. Bhd. and RCP Technologies Sdn. Bhd. are in compliance with the requirements of the ISO 9001:2015 Certifications. The certification serves as an assurance to customers on the quality of products and services by the Group.

The Board believes that the aspects above will improve the Group's risk audit coverage.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control in accordance with International Standard on Assurance Engagements ("ISAE") 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information as adopted by the Malaysian Institute of Accountants and Recommended Practice Guide (RPG) 5 (Revised), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the financial year ended 31 July 2018, and reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control has not been 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, or is factually inaccurate.

ISAE 3000 and RPG 5 (Revised) does not require the External Auditors to consider whether the Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and Management thereon. External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report of the Company will, in fact, remedy the problems and not required to perform any procedures by way of audit, review or verification of the underlying records or other sources from which the Statement on Risk Management and Internal Control was extracted.

CONCLUSION

The Board is of the view that the Group's system of risk management and internal controls for the year under review is adequate in safeguarding shareholders' investments and the Group's assets. The Board is committed to continue reviewing the operations and effectiveness of the Group's internal controls that cover financial, operational, compliance, and risk management aspects.

The Board has received assurance from the Group Managing Director and Head of Corporate Finance that the Group's system of risk management and internal controls are operating adequately and effectively, in all material aspects, based on the framework adopted by the Group.

The Group's system of internal control applies to the Group and its subsidiaries only. Associates are excluded because the Group does not have full management and control over them. However, the Group's interests in its material associates are served through representation on the Board of Directors of the associate company.

This statement has been made in accordance with a resolution passed by the Board on 8 November 2018.

AUDIT COMMITTEE REPORT

The Board of Directors of Greenyield Berhad is pleased to present the Audit Committee Report of the Board for the financial year ended 31 July 2018.

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee comprises the following three (3) non-executive directors:-

Chairman
Yong Swee Lin
Senior Independent Non-Executive Director

Members
Dr. Zainol Bin Md. Eusof
Independent Non-Executive Director

Mahbob Bin Abdullah
Independent Non-Executive Director

Terms of Reference

The details of the terms of reference of the Audit Committee is available for reference at the Company's website at http://www.greenyield.com.my.

Attendance of Audit Committee Meetings

For the financial year ended 31 July 2018, the attendance of Audit Committee members is as follows:-

Audit Committee Members	Attendance at the Audit Committee Meeting
Yong Swee Lin (Chairman) *Senior Independent Non-Executive Director*	5/5
Dr. Zainol Bin Md. Eusof *Independent Non-Executive Director*	5/5
Mahbob Bin Abdullah *Independent Non-Executive Director*	5/5

SUMMARY OF THE WORK OF THE COMMITTEE

The Audit Committee carried out the following work in the discharge of its functions and duties through review and deliberation during Audit Committee meetings for the financial year ended 31 July 2018 held on 26 September 2017, 8 November 2017, 20 December 2017, 22 March 2018 and 21 June 2018:-

Financial Reporting

- Reviewed the unaudited quarterly results and audited financial statements of the Group and discussed significant matters and unusual transactions, if any, prior to submission to the Board of Directors for consideration and approval;

- In conjunction with the results and reports, reviewed the Company's compliance with the Listing Requirements, Malaysian Accounting Standards Board ("MASB") and applicable regulatory requirements; and

- Reviewed the related party transactions and recurrent related party transactions of the Group.

Audit Committee Report
(continued)

SUMMARY OF THE WORK OF THE COMMITTEE (CONTINUED)

External Audit

- Reviewed the external auditors' audit plan and scope of work for the financial year ended 31 July 2018 and the proposed audit fees;
- Reviewed the external auditors' performance and conduct assessment of their independence annually; and
- The Audit Committee met with the external auditors once during the year without the presence of management, to review key issues within their interest and responsibility.

Internal Audit

- Reviewed of internal audit's plan and reviewed the revised internal audit plan for financial years ended/ending 31 July 2018, 2019 and 2020;
- Reviewed the internal audit reports on the Group's Human Resource Management and Payroll Function; and the Group's Safety, Health and Environmental Controls and Production Operations including recommendations made by the internal auditors and management's comments;
- Reviewed the Corrective and Preventive Action Plan ("CAPA") and follow up management's progress in improving specific areas of internal controls; and
- Reviewed the effectiveness of the audit process and assessed the performance of the overall Internal Audit Function.

Malaysian Code on Corporate Governance

- Reviewed major changes in Malaysian Code on Corporate Governance;
- Reviewed the Statement on Risk Management and Internal Control of the Group;
- Reviewed the Statement of Corporate Governance; and
- Reviewed the Audit Committee Report.

INTERNAL AUDIT FUNCTION

The Company is aware that an internal audit function is essential to ensure the effectiveness of the Group's systems of internal control and is an integral part of the risk management process. During the financial year ended 31 July 2018, the Group outsourced the internal audit function to an independent professional audit firm to provide an assurance on the adequacy, efficiency and integrity of the Group's system of internal control. In line with good corporate governance practices, the outsourced internal audit function is independent of the activities and operations of the Group. The professional audit firm conducting the internal audit function reports directly to the Audit Committee and thereafter to the Board of Directors.

The cost incurred by the Company in connection with the outsourced internal audit function for the financial year ended 31 July 2018 amounted to RM24,809.

Further details of the activities of internal audit function are set out in the Statement on Risk Management and Internal Control in this Annual Report.

ADDITIONAL COMPLIANCE INFORMATION

1. **UTILISATION OF PROCEEDS**

   There were no proceeds raised from any corporate proposal during the financial year ended 31 July 2018.

2. **MATERIAL CONTRACTS**

   During the financial year under review, there were no material contracts entered by the Company and its subsidiaries companies which involved directors' and/or major shareholders' interest.

3. **MATERIAL CONTRACTS RELATING TO LOANS**

   During the financial year ended 31 July 2018, there were no material contracts relating to loans involving directors and/or major shareholders.

FINANCIAL STATEMENTS

DIRECTORS' REPORT
For the Financial Year Ended 31 July 2018

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 July 2018.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are as stated in Note 7 to the financial statements. There has been no significant change in the nature of these principal activities during the financial year.

RESULTS

	Group RM	Company RM
(Loss)/Profit for the financial year	(396,741)	195,207

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review.

DIVIDENDS

Since the end of the previous financial year, the Company and subsidiaries paid a single tier final ordinary dividend of 0.30 sen per ordinary share totalling RM1,001,220 in respect of the financial year ended 31 July 2017 on 16 January 2018.

The Directors do not recommend the payment of final dividend for the financial year ended 31 July 2018.

DIRECTORS OF THE COMPANY AND SUBSIDIARIES

The name of the Directors of the Company and subsidiaries in office during the financial year and during the period commencing from the end of the financial year to the date of this report are as follows:-

Tham Foo Keong*
Tham Foo Choon*
Dr. Zainol Bin Md. Eusof
Tham Kin Wai*
Yong Swee Lin
Mahbob Bin Abdullah
Tham Kin-On*
Dr. Sivakumaran A/L Seenivasagam (resigned on 1 July 2018)*

* Directors of the Company and its subsidiary(ies).

Except as disclosed above, the name of the Directors of subsidiaries in office during the financial year and during the period commencing from the end of the financial year to the date of this report are as follows:-

Tham Kin Hoe

Directors' Report
For the Financial Year Ended 31 July 2018
(continued)

DIRECTORS' REMUNERATION AND BENEFITS

During the financial year, the remuneration received and receivable by the Directors of the Company are as follows:-

	Incurred by the Company RM	Incurred by the subsidiaries RM	Group RM
Directors' fees	108,000	-	108,000
Directors' emoluments	12,100	2,055,831	2,067,931
	120,100	2,055,831	2,175,931

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

DIRECTORS' INTERESTS

The interests and deemed interests in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:-

	Number of ordinary shares			
	At 1.8.2017	Bought	Sold	At 31.7.2018
Interests in the Company:				
Greenyield Berhad				
Tham Foo Keong				
- own	8,973,160	-	-	8,973,160
Tham Foo Choon				
- own	6,099,160	-	-	6,099,160
Dr. Zainol Bin Md. Eusof	210,000	-	-	210,000
Tham Kin Wai	2,172,000	-	-	2,172,000
Mahbob Bin Abdullah	270,000	-	-	270,000
Yong Swee Lin	20,000	-	-	20,000
Tham Kin-On	2,000,000	-	-	2,000,000
Deemed interests in the Company:				
Greenyield Berhad				
Tham Foo Keong				
- others*	19,162,560	-	-	19,162,560
Tham Foo Choon				
- others*	1,703,900	-	-	1,703,900
Deemed interests in the Company via its ultimate holding company:				
Greenyield Holdings Sdn. Bhd.				
Tham Foo Keong	162,121,320	-	-	162,121,320
Tham Foo Choon	162,121,320	-	-	162,121,320

* In accordance with Section 59(11)(c) of the Companies Act, 2016, the deemed interests of the spouses and a child of Tham Foo Keong and Tham Foo Choon in shares of the Company shall be treated as the interests of Tham Foo Keong and Tham Foo Choon respectively.

By virtue of their direct interests in shares of the Company, Tham Foo Keong and Tham Foo Choon are also deemed to have interest in shares of the Company and of its related corporations to the extent of that interest under Section 8 of the Companies Act, 2016.

Directors' Report
For the Financial Year Ended 31 July 2018
(continued)

ISSUE OF SHARES AND DEBENTURES

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

OTHER STATUTORY INFORMATION

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

i) action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and no provision for doubtful debts was required; and

ii) any current assets which were unlikely to be realised 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:-

i) which would render it necessary to make any provision for doubtful debts in the financial statements of the Group and of the Company or the amount written off for bad debts inadequate to any substantial extent; or

ii) which would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or

iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year and which secures the liabilities of any other person; or

ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group 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 substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 July 2018 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

HOLDING COMPANY

The holding company is Greenyield Holdings Sdn. Bhd., a company incorporated and domiciled in Malaysia.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

There is no indemnity coverage and insurance premium paid for the Directors and Officers of the Group and the Company during the financial year.

Directors' Report
For the Financial Year Ended 31 July 2018
(continued)

EVENTS AFTER THE REPORTING PERIOD

The events after the reporting period are disclosed in Note 27 to the financial statements.

AUDITORS

The total amount of fees paid to or receivable by the Auditors, Messrs Grant Thornton Malaysia, as remuneration for their services as Auditors of the Company and its subsidiaries for the financial year ended 31 July 2018 are amounted to RM30,000 and RM74,000 respectively.

There was no indemnity given to or insurance effected for the Auditors of the Company.

The Auditors, Messrs Grant Thornton Malaysia, have expressed their willingness to continue in office.

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

Tham Foo Keong

Tham Foo Choon

Kajang, Selangor Darul Ehsan

Date: 8 November 2018

STATEMENTS OF FINANCIAL POSITION
As at 31 July 2018

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Assets					
Non-current assets					
Property, plant and equipment	3	32,559,263	31,272,712	85,613	100,882
Intangible assets	4	78,751	63,118	-	-
Prepaid lease payments	5	2,974,747	3,033,805	-	-
Investments in associates	6	15,209,415	15,341,679	-	-
Investments in subsidiaries	7	-	-	32,229,146	32,729,146
Total non-current assets		50,822,176	49,711,314	32,314,759	32,830,028
Current assets					
Inventories	8	9,030,824	9,650,079	-	-
Trade and other receivables	9	11,972,323	6,658,488	9,479,013	8,924,244
Tax recoverable		645,062	2,586,500	848	2,750
Cash and cash equivalents	10	5,608,089	8,866,548	51,927	25,854
Total current assets		27,256,298	27,761,615	9,531,788	8,952,848
Total assets		78,078,474	77,472,929	41,846,547	41,782,876
Equity					
Share capital	11	33,374,000	33,374,000	33,374,000	33,374,000
Reserves	11	363,669	423,665	-	-
Retained earnings	11	20,679,223	22,077,184	3,506,072	4,312,085
Total equity attributable to the owners of the Company		54,416,892	55,874,849	36,880,072	37,686,085
Liabilities					
Non-current liabilities					
Borrowings	12	15,355,586	15,871,480	-	-
Finance lease liabilities	13	504,009	31,856	-	-
Deferred tax liabilities	14	1,371,287	1,445,408	-	-
Total non-current liabilities		17,230,882	17,348,744	-	-
Current liabilities					
Trade and other payables	15	5,013,933	3,114,876	4,966,475	4,096,791
Borrowings	12	1,218,130	1,058,027	-	-
Finance lease liabilities	13	157,657	76,433	-	-
Tax payable		40,980	-	-	-
Total current liabilities		6,430,700	4,249,336	4,966,475	4,096,791
Total liabilities		23,661,582	21,598,080	4,966,475	4,096,791
Total equity and liabilities		78,078,474	77,472,929	41,846,547	41,782,876

The notes on page 48 to 87 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 31 July 2018

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Revenue	16	42,523,506	30,673,635	1,000,000	1,000,000
Cost of sales		(32,318,268)	(21,591,723)	-	-
Gross profit		10,205,238	9,081,912	1,000,000	1,000,000
Other income		858,254	1,506,798	-	-
Distribution expenses		(914,131)	(759,171)	-	-
Administrative expenses		(9,182,356)	(8,394,393)	(305,169)	(314,216)
Other expenses		(55,361)	(651,654)	(500,000)	-
Results from operating activities		911,644	783,492	194,831	685,784
Interest expense		(738,280)	(449,477)	-	-
Interest income		110,313	143,131	376	5,347
Net interest (expenses)/income		(627,967)	(306,346)	376	5,347
Operating profit		283,677	477,146	195,207	691,131
Share of (loss)/profit of equity-accounted associates, net of tax		(132,264)	80,530	-	-
Profit before tax	17	151,413	557,676	195,207	691,131
Tax (expense)/income	18	(548,154)	(335,332)	-	5,750
(Loss)/Profit for the financial year		(396,741)	222,344	195,207	696,881
Other comprehensive (loss)/income for the financial year, net of tax					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		(59,996)	346,764	-	-
		(59,996)	346,764	-	-
Total comprehensive (loss)/income for the financial year		(456,737)	569,108	195,207	696,881
Basic (loss)/earnings per ordinary share (sen):	19	(0.12)	0.07		

STATEMENTS OF CHANGES IN EQUITY
For the Financial Year Ended 31 July 2018

		Attributable to owners of the Company			
		Non-distributable		Distributable	
	Note	Share capital RM	Translation reserve RM	Retained earnings RM	Total equity RM
Group					
At 1 August 2016		33,374,000	76,901	23,857,280	57,308,181
Foreign currency translation differences for foreign operations		-	346,764	-	346,764
Profit for the financial year		-	-	222,344	222,344
Total comprehensive income for the financial year		-	346,764	222,344	569,108
Transaction with owners:-					
Dividends to owners of the Company	20	-	-	(2,002,440)	(2,002,440)
At 31 July 2017/1 August 2017		33,374,000	423,665	22,077,184	55,874,849
Foreign currency translation differences for foreign operations		-	(59,996)	-	(59,996)
Loss for the financial year		-	-	(396,741)	(396,741)
Total comprehensive loss for the financial year		-	(59,996)	(396,741)	(456,737)
Transaction with owners:-					
Dividends to owners of the Company	20	-	-	(1,001,220)	(1,001,220)
At 31 July 2018		33,374,000	363,669	20,679,223	54,416,892

		Attributable to owners of the Company		
		Non-distributable	Distributable	
	Note	Share capital RM	Retained earnings RM	Total equity RM
Company				
At 1 August 2016		33,374,000	5,617,644	38,991,644
Profit and total comprehensive income for the financial year		-	696,881	696,881
Transaction with owners:-				
Dividends to owners of the Company	20	-	(2,002,440)	(2,002,440)
At 31 July 2017/1 August 2017		33,374,000	4,312,085	37,686,085
Profit and total comprehensive income for the financial year		-	195,207	195,207
Transaction with owners:-				
Dividends to owners of the Company	20	-	(1,001,220)	(1,001,220)
At 31 July 2018		33,374,000	3,506,072	36,880,072

The notes on page 48 to 87 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
For the Financial Year Ended 31 July 2018

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Cash flows from operating activities					
Profit before tax		151,413	557,676	195,207	691,131
Adjustments for:-					
Amortisation of intangible assets		16,193	9,783	-	-
Amortisation of prepaid lease payments		17,280	28,103	-	-
Bad debt written off		1,240	1,343	-	-
Depreciation of property, plant and equipment		1,913,756	1,938,049	15,269	15,269
Dividend income		-	-	(1,000,000)	(1,000,000)
Interest expense		738,280	449,477	-	-
Interest income		(110,313)	(143,131)	(376)	(5,347)
Gain on disposal of property, plant and equipment		(21,860)	(350)	-	-
Property, plant and equipment written off		2,459	-	-	-
Impairment on doubtful receivables		-	41,515	-	-
Reversal on impairment on doubtful receivables		(39,051)	-	-	-
Share of loss/(profit) of equity-accounted associates, net of tax		132,264	(80,530)	-	-
Unrealised foreign exchange loss		47,535	342,538	-	-
Written off of investment in a subsidiary		-	-	500,000	-
Operating profit/(loss) before changes in working capital		2,849,196	3,144,473	(289,900)	(298,947)
Changes in:-					
Inventories		576,062	806,087	-	-
Trade and other receivables		(5,352,244)	1,659,077	231	2,123
Trade and other payables		2,204,911	(3,312,745)	(15,316)	(272,045)
Cash from/(used in) operations		277,925	2,296,892	(304,985)	(568,869)
Tax paid		(788,891)	(1,861,744)	(1,098)	(3,000)
Tax refunded		2,145,506	1,140,908	3,000	6,000
Net cash from/(used in) operating activities		1,634,540	1,576,056	(303,083)	(565,869)
Cash flows from investing activities					
Acquisition of property, plant and equipment	(i)	(2,715,193)	(6,724,149)	-	-
Proceeds from disposal of property, plant and equipment		206,095	36,783	-	-
Acquisition of intangible assets		(31,826)	(29,820)	-	-
Addition of prepaid lease payments		-	(7,391)	-	-
Subscription of ordinary shares in associate		-	(471,000)	-	-
Placement of deposits pledged with licensed banks		(68,777)	(70,907)	-	-
Investment in subsidiaries		-	-	-	286,340
Dividend received		-	-	1,000,000	1,000,000
Interest received		110,313	143,131	376	5,347
Net cash (used in)/from investing activities		(2,499,388)	(7,123,353)	1,000,376	1,291,687

The notes on page 48 to 87 are an integral part of these financial statements.

Statements of Cash Flows
For the Financial Year Ended 31 July 2018
(continued)

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Cash flows from financing activities					
Dividends paid to owners of the Company		(1,001,220)	(2,002,440)	(1,001,220)	(2,002,440)
Interests paid		(939,142)	(619,115)	-	-
Advance from subsidiaries		-	-	330,000	1,250,000
Advance from/(Repayment to) Directors		21,756	(4,554)	-	-
(Repayment)/Drawdown of term loans (net)		(355,791)	4,407,098	-	-
Repayment of finance lease liabilities (net)		(140,123)	(262,400)	-	-
Net cash (used in)/from financing activities		(2,414,520)	1,518,589	(671,220)	(752,440)
Net change in cash and cash equivalents		(3,279,368)	(4,028,708)	26,073	(26,622)
Effect of exchange rate fluctuation on cash and cash equivalents		(47,868)	44,900	-	-
Cash and cash equivalents at beginning of financial year		6,786,160	10,769,968	25,854	52,476
Cash and cash equivalents at end of financial year	(ii)	3,458,924	6,786,160	51,927	25,854

NOTES TO THE STATEMENTS OF CASH FLOWS

(i) *Acquisition of property, plant and equipment*

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Total addition of property, plant and equipment	3,408,693	6,724,149	-	-
Acquired under finance lease arrangements	(693,500)	-	-	-
Total cash payment	2,715,193	6,724,149	-	-

(ii) *Cash and cash equivalents*

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Deposits with licensed banks	2,158,983	2,089,886	6,544	6,331
Cash and bank balances	3,449,106	6,776,662	45,383	19,523
	5,608,089	8,866,548	51,927	25,854
Less: Deposits pledged	(2,149,165)	(2,080,388)	-	-
	3,458,924	6,786,160	51,927	25,854

The deposits with licensed banks of the Group amounted to RM2,149,165 (2017: RM2,080,388) have been pledged as security for banking facility granted to subsidiaries and hence, are not available for general use.

The notes on page 48 to 87 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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

Principal place of business
21 & 23, Jalan Seksyen 3/7
Taman Kajang Utama
43000 Kajang Selangor

Registered office
Unit 30-1, Level 30, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur

The consolidated financial statements of the Company as at and for the financial year ended 31 July 2018 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in associates. The financial statements of the Company as at and for the financial year ended 31 July 2018 do not include other entities.

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are as stated in Note 7 to the financial statements. There has been no significant change in the nature of these principal activities during the financial year.

The immediate and ultimate holding company during the financial year was Greenyield Holdings Sdn. Bhd., a company incorporated and domiciled in Malaysia.

These financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 8 November 2018.

1. Basis of preparation

a. Statement of compliance

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

i. Adoption of new or revised MFRSs

The accounting policies adopted by the Group and the Company are consistent with those of the prior financial year except for the new and revised MFRSs and IC Interpretations approved by Malaysian Accounting Standards Board ("MASB") and applicable for current financial year. Application of the new and revised MFRSs and IC Interpretations has no material impact on financial statements of the Group and of the Company except as disclosed below.

The Group and the Company adopted the following amendments/improvements to MFRSs which are mandatory for annual financial periods beginning on or after 1 January 2017:

- Amendments to MFRS 107, *Statement of Cash Flows: Disclosure Initiative*
- Amendments to MFRS 112, *Recognition of Deferred Tax Assets for Unrealised Losses*
- Amendments to MFRS 12, *Disclosure of Interest in Other Entities (Annual Improvements 2014-2016 Cycle)*

1. Basis of preparation (continued)

a. Statement of compliance (continued)

i. Adoption of new or revised MFRSs (continued)

The initial application of the amendments/improvements to the standards did not have a material impact on the financial statements, except for:

Amendments to MFRS 107, *Statement of Cash Flows: Disclosure Initiative*

The amendment to MFRS 107 require entity to provide disclosures on changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes. The information is provided in Note 23 to the financial statements. Consistent with the transition provisions of the amendments, the Group and the Company have not disclosed comparative information for the prior financial year.

ii. Standards issued but not yet effective

The following accounting standards, amendments and interpretations have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- Amendments to MFRS 1, *First-Time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2014-2017 Cycle)*
- Amendments to MFRS 128, *Investment in Associates and Joint Ventures (Annual Improvements 2014-2017 Cycle)*
- Amendments to MFRS 140, *Transfer of Investment Property*
- Amendments to MFRS 4, *Applying MFRS 9 Financial Instruments with MFRS 4: Insurance Contracts*
- Amendments to MFRS 2, *Classification and Measurement of Share-based Payment Transactions*
- MFRS 9, *Financial Instruments*
- MFRS 15, *Revenue from Contracts with Customers*
- MFRS 15, *Classification to MFRS 15*
- IC Interpretation 22 - *Foreign Currency Translation and Advance Consideration*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, *Leases*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements 2015-2017 Cycle)*
- Amendments to MFRS 9, *Prepayment Features with Negative Compensation*
- Amendments to MFRS 11, *Joint Arrangements (Annual Improvements 2015-2017 Cycle)*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements 2015-2017 Cycle)*
- Amendments to MFRS 119, *Plan Amendment, Curtailment or Settlement*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements 2015-2017 Cycle)*
- Amendments to MFRS 128, *Long-Term Interests in Associates and Joint Ventures*
- IC Interpretation 23 - *Uncertainty Over Income Tax Treatments*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 2, *Share-based payments*
- Amendments to MFRS 3, *Business Combination*
- Amendments to MFRS 6, *Exploration for and Evaluation of Mineral Resources*
- Amendments to MFRS 101, *Presentation of Financial Statements*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors*
- Amendments to MFRS 134, *Interim Financial Reporting*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets*
- Amendments to MFRS 138, *Intangible Assets*
- IC Interpretation 132, *Amendments to IC Interpretation 132, Intangible Assets-Web Site Costs*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, *Insurance Contracts*

MFRSs and amendments effective for a date yet to be confirmed

- Amendments to MFRS 10 and MFRS 128, *Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture*

Notes to the Financial Statements
(continued)

1. Basis of preparation (continued)

a. Statement of compliance (continued)

ii. Standards issued but not yet effective (continued)

MFRS 9, *Financial instruments*

MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

There are no change in measurement of financial assets of the Group and the Company based on assessment undertaken to date.

In respect of impairment of financial assets, MFRS 9 replaces the “incurred loss” model in MFRS 139 with an “expected credit loss” (“ECL”) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debts investments measured at fair value through other comprehensive income, but not to investments in equity instruments.

The Group and the Company have assessed the estimated impact that the initial application of ECL model will have on the financial statements as at 1 August 2018 and based on assessment undertaken to date, the Group and the Company do not expect the impact to be material.

MFRS 15, *Revenue from contracts with customers*

MFRS 15 replaces the guidance in MFRS 111, Construction Contracts, MFRS 118, Revenue, IC Interpretation 13, Customer Loyalty Programmes, IC Interpretation 15, Agreements for Construction of Real Estate, IC Interpretation 18, Transfers of Assets from Customers and IC Interpretation 131, Revenue – Barter Transactions Involving Advertising Services. Upon adoption of MFRS 15, it is expected that the timing of revenue recognition might be different as compared with current practices.

This standard will come into effect on or after 1 January 2018 with early adoption permitted. The adoption of MFRS 15 will result in a change in accounting policy. The Group and the Company expect no significant impact on its statements of financial position.

MFRS 16, *Leases*

MFRS 16 replaces MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117. The standard includes two recognition exemptions for lessees – leases of ‘low-value’ assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under MFRS 16 is substantially unchanged from today’s accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

MFRS 16 also requires lessees and lessors to make more extensive disclosures than under MFRS 117.

This standard will come into effect on or after 1 January 2019 with early adoption permitted. The adoption of MFRS 16 will result in a change in accounting policy. The Group is currently assessing the financial impact of adopting MFRS 16.

1. Basis of preparation (continued)

b. Basis of measurement

The financial statements have been prepared under the historical cost convention other than as disclosed in Note 2.

c. Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM, unless otherwise stated.

d. Use of estimates and judgements

Accounting estimates and judgements are being constantly reviewed against historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances. However, because of uncertainty in determining future events and its impact, actual result could differ from the estimates reported.

Key sources of estimation uncertainties

Key assumptions concerning the future and accounting estimates at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their useful life. However, significant judgement is involved in estimating the useful life and residual value of property, plant and equipment which are subjected to technological development and level of usage. Therefore, residual values of these assets and future depreciation charges may vary.

Impairment of property, plant and equipment and prepaid lease payments

The Group and the Company carried out impairment tests where there are indications of impairment based on a variety of estimation including value-in-use of cash-generating unit to which the property, plant and equipment and prepaid lease payments are allocated. Estimating the value-in-use requires the Group and the Company to make an estimate of the expected future cash flows from cash-generating unit and also to choose a suitable discount rate in order to calculate present value of those cash flows.

Impairment of loans and receivables

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired. Factors such as probability of insolvency or significant financial difficulties of the receivables and default or significant delay in payments are considered in determining whether there is objective evidence of impairment. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

Income taxes/Deferred tax liabilities

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters result is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Notes to the Financial Statements
(continued)

1. Basis of preparation (continued)

d. Use of estimates and judgements (continued)

Key sources of estimation uncertainties (continued)

Deferred tax assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group's latest approved budget or forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the time the estimates are made. The realisation of these inventories may be affected by market-driven changes that may occur in the future.

Significant management judgements

The following items in financial statements are significantly affected by management judgements in the application of accounting policies:-

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unabsorbed tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which all deductible temporary differences, unabsorbed tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with future tax planning strategies.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by Group entities, unless otherwise stated.

a. Basis of consolidation

i. Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, 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. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses. The cost of investment includes transaction cost.

2. Significant accounting policies (continued)

a. Basis of consolidation (continued)

ii. Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

iii. Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments, if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses. The cost of the investments includes transaction costs.

Notes to the Financial Statements
(continued)

2. Significant accounting policies (continued)

a. Basis of consolidation (continued)

iv. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b. Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial instrument designated as a hedge of currency risk, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

ii. Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period, except for goodwill and fair value adjustments arising from business combinations before 1 July 2012 (the date when the Group first adopted MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Notes to the Financial Statements
(continued)

2. Significant accounting policies (continued)

c. Financial instruments

i. Initial recognition and measurement

A financial asset or a financial liability is recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially at the transaction price (including transaction costs except in the initial instrument of a financial asset or financial liability that is measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

ii. Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:-

Financial assets

Loans and receivables

Loans and receivables category comprises trade and other receivables and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

All financial assets are subject to impairment review (see Note 2(i)(i)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

iii. Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

iv. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Notes to the Financial Statements
(continued)

2. Significant accounting policies (continued)

d. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Bearer plants are classified as property, plant and equipment that include cost of plantation expenditure on new planting and replanting of bearer plants and assets in the course of constructions. Depreciation commences when the bearer plant matures.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

ii. Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group and the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

iii. Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then the component are depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. 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. Freehold land and buildings are not depreciated. Depreciation commences when the bearer plants mature or where the assets are ready for use. No depreciation is provided on capital work-in-progress until it is completed and ready for their intended used.

The estimated useful lives for the current and comparative years are as follows:

• Leasehold land	50 - 82 years
• Buildings	14 - 50 years
• Plant and machinery	10 years
• Motor vehicles	6 - 10 years
• Renovations	10 years
• Factory, office fittings and equipments:	
- Computers and mould	3 - 5 years
- Furniture and fittings, office equipments, air-conditioners, empty cylinders and electrical installation	5 - 10 years
- Project and nursery site fittings	5 - 6 years
• Bearer plants	25 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted as appropriate.

2. Significant accounting policies (continued)

e. Leased assets

i. Finance lease

Leases in terms of which the Group and the Company assume substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

ii. Operating lease

Leases, where the Group and the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

f. Intangible assets

i. Trademarks

Trademarks that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

iii. Amortisation

Intangible assets are amortised from the date that they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of the intangible assets.

The estimated useful lives for the current and comparative years are as follows:

- Trademarks 10 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

Notes to the Financial Statements
(continued)

2. Significant accounting policies (continued)

g. Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate proportion of fixed and variable production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

h. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and deposits with licensed banks which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of deposits pledged.

i. Impairment

i. Financial assets

All financial assets (except for investments in subsidiaries and associates) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the impairment loss of the financial asset is estimated.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

ii. Other assets

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

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

2. Significant accounting policies (continued)

i. Impairment (continued)

ii. Other assets (continued)

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of the group of cash-generating units are allocated first to reduce the carrying amount of the other assets in the cash-generating unit (group of cash-generating units) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

j. Equity, reserves and distribution to owners

An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Share capital represents the value of shares that have been issued.

Retained earnings include all current and prior period profits.

Interim dividends are simultaneously proposed and declared, because the articles of association of the Company grants the Directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Final dividends proposed by the Directors are not accounted for in shareholder's equity as an appropriation of retained earnings, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

The distribution of non-cash assets to owners is recognised as a dividend payable when the dividend was approved by shareholders. The dividend payable is measured at the fair value of the shares to be distributed. At the end of the financial year, the Company reviews the carrying amount of the dividend payable, with any changes in the fair value of the dividend payable are recognised in equity. When the Company settles the dividend payable, the difference between the carrying amount of the dividend distributed and the carrying amount of the dividend payable is recognised as a separate line item in profit or loss.

All transactions with the owners of the Company are recorded separately within equity.

k. Provisions

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Any reimbursement that the Group and the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance expense.

Notes to the Financial Statements
(continued)

2. Significant accounting policies (continued)

l. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Property, plant and equipment under finance lease plans are capitalised at their purchase cost and depreciated over their estimated useful lives, and the corresponding obligation relating to the remaining capital payments are treated as a liability. Finance charges for the finance lease plans are charged to profit or loss over the period of the finance lease using the sum of digits method.

m. Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will occur, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of financial position and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

n. Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group and the Company have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plan

The Group's and the Company's contribution to the Employees Provident Fund is charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

o. Revenue and other income

i. Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, 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, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

ii. Dividend income

Dividend income is recognised in profit or loss on the date that the Group's and the Company's right to receive payment is established.

iii. Interest income

Interest income is recognised as it accrues, using the effective interest method in profit or loss.

2. Significant accounting policies (continued)

p. Tax expense

Tax expense comprises current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

i. Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting year, and any adjustment to tax payable in respect of previous years.

Current tax for current and prior years is recognised in the statements of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

ii. Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting date.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date, except for investment properties carried at fair value model. Where investment properties are carried at their fair value in accordance with the accounting policy, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting year and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

q. Earnings per ordinary share

The Group presents basic and diluted earnings per share for its ordinary shares (“EPS”).

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

Notes to the Financial Statements
(continued)

2. Significant accounting policies (continued)

r. Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

s. Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:-

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
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: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

t. Related parties

A related party is a person or entity that is related to the Group and to the Company and they could be:

a. A person or a close member of that person's family is related to the Group if that person:

   i. Has control or joint control over the Group;
   ii. Has significant influence over the Group; or
   iii. Is a member of the key management personnel of the ultimate holding company, or the Group.

b. An entity is related to the Group if any of the following conditions applies:

   i. The entity and the Group are members of the same group.
   ii. The Group is an associate or joint venture of the entity.
   iii. Both entities are joint ventures of the same third party.
   iv. The entity is a joint venture of a third entity and the other entity is an associate of the same third entity.
   v. The entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group.
   vi. The entity is controlled or jointly-controlled by a person identified in (a) above.
   vii. A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the ultimate holding company or the entity.
   viii. The entity, or any member of a group of which it is part, provides key management personnel services to the Group.

A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

3. Property, plant and equipment

	Freehold land and buildings* RM	Leasehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Renovations RM	Immature bearer plant RM	Factory, office fittings and equipment RM	Capital work-in-progress RM	Total RM
Group										
Cost										
At 1 August 2016	1,760,587	5,892,022	7,433,588	7,697,131	3,204,865	1,103,885	4,922,215	7,941,686	-	39,955,979
Additions	-	-	-	115,921	-	-	835,428	395,442	5,377,358	6,724,149
Borrowing costs capitalised ranging from 6.75% to 6.85% per annum	-	-	-	-	-	-	169,638	-	-	169,638
Disposals	-	-	-	-	(39,575)	-	-	(13,026)	-	(52,601)
Translation differences	-	99,960	111,207	192,475	26,296	-	-	67,018	-	496,956
At 31 July 2017/1 August 2017	1,760,587	5,991,982	7,544,795	8,005,527	3,191,586	1,103,885	5,927,281	8,391,120	5,377,358	47,294,121
Additions	121,502	-	-	196,365	794,567	13,490	990,026	569,633	723,110	3,408,693
Borrowing costs capitalised ranging from 6.75% to 6.85% per annum	-	-	-	-	-	-	200,862	-	-	200,862
Disposals	-	-	-	-	(821,281)	-	-	(4,600)	-	(825,881)
Written off	-	-	-	(6,519)	-	-	-	(41,563)	-	(48,082)
Translation differences	-	(166,580)	(138,390)	(10,228)	(2,793)	(6,579)	-	(20,260)	-	(344,830)
At 31 July 2018	1,882,089	5,825,402	7,406,405	8,185,145	3,162,079	1,110,796	7,118,169	8,894,330	6,100,468	49,684,883
Accumulated depreciation										
At 1 August 2016	-	1,074,500	1,128,848	4,309,592	1,148,458	835,652	-	5,533,923	-	14,030,973
Depreciation for the financial year	-	66,918	171,014	810,096	346,313	60,499	-	483,209	-	1,938,049
Disposals	-	-	-	-	(3,298)	-	-	(12,870)	-	(16,168)
Foreign currency translation differences	-	(7,878)	33,435	32,310	12,105	-	-	(1,417)	-	68,555
At 31 July 2017/1 August 2017	-	1,133,540	1,333,297	5,151,998	1,503,578	896,151	-	6,002,845	-	16,021,409
Depreciation for the financial year	-	236,352	-	707,690	404,995	-	-	564,719	-	1,913,756
Disposals	-	-	-	-	(639,959)	-	-	(1,687)	-	(641,646)
Written off	-	-	-	(6,519)	-	-	-	(39,104)	-	(45,623)
Foreign currency translation differences	-	(62,822)	(37,007)	(10,227)	(975)	(4,170)	-	(7,075)	-	(122,276)
At 31 July 2018	-	1,307,070	1,296,290	5,842,942	1,267,639	891,981	-	6,519,698	-	17,125,620
Carrying amounts										
At 31 July 2017	1,760,587	4,858,442	6,211,498	2,853,529	1,688,008	207,734	5,927,281	2,388,275	5,377,358	31,272,712
At 31 July 2018	1,882,089	4,518,332	6,110,115	2,342,203	1,894,440	218,815	7,118,169	2,374,632	6,100,468	32,559,263

* The cost and carrying amounts of the freehold land are not segregated from the buildings as required details are not available.

Notes to the Financial Statements
(continued)

3. Property, plant and equipment (continued)

3.1 Motor vehicles acquired under finance lease plans

The carrying amounts of motor vehicles acquired under finance lease plans are RM812,370 (2017: RM607,383).

3.2 Leasehold land

The entire carrying amount of leasehold land is:-

	Group	
	2018 RM	**2017 RM**
Leasehold land with unexpired lease period of more than 50 years	4,518,332	4,858,442

3.3 Security

The net carrying amount of property, plant and equipment that have been pledged for term loans granted to subsidiaries as stated in Note 12 to the financial statement are as follows:-

	Group	
	2018 RM	**2017 RM**
Leasehold land and buildings	6,820,129	6,828,303
Capital work-in-progress	5,987,699	5,377,358
	12,807,828	12,205,661

3.4 Immature bearer plant

Included in additions of immature bearer plant during the financial year are as follows:-

	Group	
	2018 RM	**2017 RM**
Land clearing costs	32,640	89,015
Planting costs	523,963	292,156
Depreciation of plant and equipment	110,542	110,281
Personnel expenses:		
- Wages, salaries and other employee benefits	160,887	205,942
- Defined contribution plans	13,113	10,517

Company	**Fittings RM**	**Motor vehicle RM**	**Total RM**
Cost			
At 1 August 2016/31 July 2017/31 July 2018	2,800	149,888	152,688
Depreciation			
At 1 August 2016	1,563	34,974	36,537
Depreciation for the financial year	280	14,989	15,269
At 31 July 2017/1 August 2017	1,843	49,963	51,806
Depreciation for the financial year	280	14,989	15,269
At 31 July 2018	2,123	64,952	67,075
Carrying amounts			
At 31 July 2017	957	99,925	100,882
At 31 July 2018	677	84,936	85,613

Notes to the Financial Statements
(continued)

4. Intangible assets

Trademarks

	Group	
	2018	**2017**
	RM	**RM**
Cost		
At beginning of financial year	90,172	60,352
Additions	31,826	29,820
At end of financial year	121,998	90,172
Amortisation		
At beginning of financial year	27,054	17,271
Amortisation for the financial year	16,193	9,783
At end of financial year	43,247	27,054
Carrying amounts		
At end of financial year	78,751	63,118

5. Prepaid lease payments

	Group
	RM
Cost	
At 1 August 2016	3,561,434
Additions	7,391
Translation differences	(368,509)
At 31 July 2017/1 August 2017	3,200,316
Translation differences	(53,967)
At 31 July 2018	3,146,349
Amortisation	
At 1 August 2016	181,250
Amortisation for the financial year	28,103
Translation differences	(42,842)
At 31 July 2017/1 August 2017	166,511
Amortisation for the financial year	17,280
Translation differences	(12,189)
At 31 July 2018	171,602
Carrying amounts	
At 31 July 2017	3,033,805
At 31 July 2018	2,974,747

Amount to be amortised:-

	Group	
	2018	**2017**
	RM	**RM**
Within 1 year	14,020	28,103
Between 2 to 5 years	50,072	112,412
Over 5 years	2,910,655	2,893,290
	2,974,747	3,033,805

Notes to the Financial Statements
(continued)

6. Investments in associates

	Group	
	2018 RM	**2017 RM**
At cost:-		
Unquoted shares		
- Ordinary shares	15,429,004	2,220,004
- Additional ordinary shares during the financial year	-	471,000
- Conversion from redeemable preference shares to ordinary shares	-	12,738,000
Share of post-acquisition reserves	(219,589)	(87,325)
	15,209,415	15,341,679

In previous financial year, Gim Triple Seven Sdn. Bhd. ("G777"), a wholly-owned subsidiary of the Company, subscribed to 471,000 ordinary shares in Melati Aman Sdn. Bhd., an associate of G777 as full settlement of the outstanding amount due and owing from Melati Aman Sdn. Bhd. and that the allotment of 471,000 ordinary shares would operate as a full satisfaction of the RM471,000 for the amount due and owing to G777.

Details of associates are as follows:-

Name of entity	Principle place of business/ Country of incorporation	Principal activities	Effective ownership and voting interest 2018 %	2017 %
Melati Aman Sdn. Bhd.	Malaysia	Rubber planting and estate management	30	30
SND Teguh Enterprise Sdn. Bhd.	Malaysia	Rubber planting and estate management	30	30
Pullah PC Daud Sdn. Bhd.	Malaysia	Rubber planting and estate management	30	30
Mac Rimba Trading Sdn. Bhd.	Malaysia	Dormant	30	30
TLC Plantation Sdn. Bhd.	Malaysia	Dormant	30	30
Hijau Alam Resources Sdn. Bhd.	Malaysia	Rubber planting and estate management	30	30

The following table summarises the information of the Group's material associate, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates.

2018	Melati Aman Sdn. Bhd. RM	Other individually immaterial associates RM	Total RM
Summarised financial information as at 31 July			
Non-current assets	48,652,728	-	48,652,728
Current assets	1,943,773	5,416,630	7,360,403
Current liabilities	(6,164,965)	(4,750)	(6,169,715)
Net assets	44,431,536	5,411,880	49,843,416
Year ended 31 July			
Total comprehensive loss	(434,945)	(5,934)	(440,879)
Reconciliation of net assets to carrying amount as at 31 July			
Group's share of net assets and carrying amount in the statements of financial position	13,583,001	1,626,414	15,209,415
Group's share of results for the financial year ended 31 July			
Group's share of total comprehensive loss	(130,484)	(1,780)	(132,264)

Notes to the Financial Statements
(continued)

6. Investments in associates (continued)

The following table summarises the information of the Group's material associate, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates (continued).

2017	Melati Aman Sdn. Bhd. RM	Other individually immaterial associates RM	Total RM
Summarised financial information as at 31 July			
Non-current assets	45,055,836	-	45,055,836
Current assets	5,707,562	5,420,514	11,128,076
Current liabilities	(5,890,085)	(4,750)	(5,894,835)
Net assets	44,873,313	5,415,764	50,289,077
Year ended 31 July			
Total comprehensive income/(loss)	271,504	(3,072)	268,432
Reconciliation of net assets to carrying amount as at 31 July			
Group's share of net assets and carrying amount in the statements of financial position	13,716,950	1,624,729	15,341,679
Group's share of results for the financial year ended 31 July			
Group's share of total comprehensive income/(loss)	81,452	(922)	80,530

7. Investments in subsidiaries

	Company 2018 RM	2017 RM
At cost:-		
Unquoted shares		
- Ordinary shares	21,279,146	21,779,146
- Redeemable convertible preference shares	12,490,000	12,490,000
	33,769,146	34,269,146
Less: Impairment loss	(1,540,000)	(1,540,000)
	32,229,146	32,729,146

The movement of the impairment account used to record impairment is as follows:-

	Company 2018 RM	2017 RM
At beginning of financial year/end of financial year	1,540,000	1,540,000

In the prior years, impairment loss was recognised to adjust the carrying amount of investment in subsidiaries due to net assets of subsidiary is lower than the cost of investment.

Notes to the Financial Statements
(continued)

7. Investments in subsidiaries (continued)

Details of the subsidiaries are as follows:-

Name of subsidiaries	Principle place of business/ Country of incorporation	Principal activities	Effective ownership interest 2018 %	Effective ownership interest 2017 %
Greenyield Industries (M) Sdn. Bhd. (“GISB”)	Malaysia	Manufacturing and marketing of agricultural related systems and products and plastic related products	100	100
Gim Triple Seven Sdn. Bhd.	Malaysia	Marketing and distribution of agricultural related systems and products	100	100
Givnflow Company Limited*^	Vietnam	Manufacturing and marketing of agricultural related systems and products and plastic related products	100	100
Greenyield (Cambodia) Pte. Ltd.*	Cambodia	Manufacturing and distribution of fertilisers, agricultural related systems and products	100	100
Gimflow Sdn. Bhd.	Malaysia	Marketing and distribution of agricultural related systems and products	100	100
RCP Technologies Sdn. Bhd.	Malaysia	Trading of agricultural and plantation tools and providing technical and consultancy services	100	100
Tigantara Plantations Sdn. Bhd.	Malaysia	Rubber planting and estate management	100	100
Greenyield Plantation Sdn. Bhd.*#	Malaysia	Dissolved	-	100

* Not audited by Grant Thornton Malaysia.

^ The financial statements of the Company were audited until 30 June 2018. Unaudited management account was used for the 1 month period of 1 July 2018 to 31 July 2018.

Dissolved during the year.

8. Inventories

	Group 2018 RM	Group 2017 RM
Raw materials	4,618,106	5,508,094
Work-in-progress	1,138,363	973,369
Packaging materials	348,918	302,136
Finished goods	2,925,437	2,866,480
	9,030,824	9,650,079

	Group 2018 RM	Group 2017 RM
Recognised in profit or loss:-		
Inventories recognised as cost of sales	24,649,383	12,229,050

Notes to the Financial Statements
(continued)

9. Trade and other receivables

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Trade					
Trade receivables	9.1	9,977,605	4,665,596	-	-
Amount due from associates	9.2	591,367	346,710	-	-
		10,568,972	5,012,306	-	-
Non-trade					
Amount due from subsidiaries	9.3	-	-	9,465,000	8,910,000
Other receivables		149,068	242,670	500	500
Deposits		499,702	488,037	4,000	4,000
Prepayments		508,149	520,131	9,513	9,744
GST recoverable		246,432	395,344	-	-
		1,403,351	1,646,182	9,479,013	8,924,244
		11,972,323	6,658,488	9,479,013	8,924,244

9.1 Trade receivables

The trade receivables are non-interest bearing and the normal trade credit terms granted to customers ranged from current to 90 days (2017: current to 120 days). They are recognised at invoice amounts.

9.2 Amount due from associates

The trade amount due from associates are subject to normal trade terms.

9.3 Amount due from subsidiaries

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

10. Cash and cash equivalents

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Deposits with licensed banks		2,158,983	2,089,886	6,544	6,331
Cash and bank balances		3,449,106	6,776,662	45,383	19,523
		5,608,089	8,866,548	51,927	25,854
Less: Deposits pledged	10.1	(2,149,165)	(2,080,388)	-	-
		3,458,924	6,786,160	51,927	25,854

10.1 Deposits with licensed banks

Included in deposits with licensed banks of the Group is RM2,149,165 (2017: RM2,080,388) pledged for bank facilities granted to subsidiaries.

Notes to the Financial Statements
(continued)

11. Share capital and reserves

Share capital

		Group and Company			
	Note	Amount 2018 RM	Number of shares 2018	Amount 2017 RM	Number of shares 2017
Issued and fully paid:-					
Ordinary shares	11.1	33,374,000	333,740,000	33,374,000	333,740,000

Reserves

		Group		Company	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
Non-distributable					
Translation reserve	11.2	363,669	423,665	-	-
Distributable					
Retained earnings	11.3	20,679,223	22,077,184	3,506,072	4,312,085

The movements in each category of reserves are disclosed in the statements of changes in equity.

11.1 Share capital

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

11.2 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

11.3 Retained earnings

The Company adopted Single Tier Income Tax System in which the Company may declare the payment of dividends out of its entire retained earnings of which subject to the availability of earnings.

12. Borrowings

	Group	
	2018 RM	2017 RM
Non-current		
Term loans (secured)	15,355,586	15,871,480
Current		
Term loans (secured)	1,218,130	1,058,027
Total borrowings	16,573,716	16,929,507

12. Borrowings (continued)

12.1 Security

The term loans are secured over leasehold land and buildings and capital work-in-progress of the Group (see Note 3) and corporate guarantees issued by the Company.

12.2 Significant covenants

One of the term loan is subject to the fulfilment of the following significant covenants:

a) Maintain a debt-to-equity ratio of not more than 2:1 at all times by the subsidiary.
b) Dividend payments made by the GISB, a wholly owned subsidiary of the Company does not exceed its respective year's profit after tax.
c) Tangible net worth of the Group to be at least RM50,000,000 at all times.

At the reporting date, the Group has complied with above significant covenants.

13. Finance lease liabilities

	Group	
	2018 **RM**	**2017** **RM**
Minimum lease payment		
- within one year	185,136	79,240
- more than one year but less than five years	543,224	32,699
	728,360	111,939
Less: Interest-in-suspense	(66,694)	(3,650)
	661,666	108,289
Present value		
- within one year	157,657	76,433
- more than one year but less than five years	504,009	31,856
	661,666	108,289

The effective interest rates for finance lease ranged from 2.86% to 4.79% (2017: 2.85% to 4.79%) per annum.

14. Deferred tax liabilities

Deferred tax liabilities are attributable to the following:-

	Group	
	2018 **RM**	**2017** **RM**
Property, plant and equipment		
- capital allowances	602,318	2,095,634
- at fair value adjustments	557,543	565,271
Unabsorbed business losses	-	(444,739)
Unutilised capital allowance	-	(1,048,505)
Provisions	211,426	277,747
	1,371,287	1,445,408

Notes to the Financial Statements
(continued)

14. Deferred tax liabilities (continued)

Movement in temporary differences during the financial year

	At 1.8.2016 RM	Recognised in profit or loss (Note 18) RM	At 31.7.2017/ 1.8.2017 RM	Recognised in profit or loss (Note 18) RM	At 31.7.2018 RM
Group					
Property, plant and equipment					
- capital allowances	668,015	1,427,619	2,095,634	(1,493,316)	602,318
- at fair value adjustments	545,400	19,871	565,271	(7,728)	557,543
Unabsorbed business losses	-	(444,739)	(444,739)	444,739	-
Unutilised capital allowance	-	(1,048,505)	(1,048,505)	1,048,505	-
Provisions	241,346	36,401	277,747	(66,321)	211,426
	1,454,761	(9,353)	1,445,408	(74,121)	1,371,287

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):-

	Group 2018 RM	Group 2017 RM
Property, plant and equipment	6,202,373	(1,305,013)
Unabsorbed business losses	(411,403)	1,722,549
Unutilised capital allowance	(4,095,382)	800,142
	1,695,588	1,217,678

The unabsorbed business losses and unutilised capital allowance do not expire under current tax legislation.

Deferred tax assets have not been fully recognised in respect of these items because it is uncertain whether its subsidiaries can generate adequate future taxable profits against which its subsidiaries can fully utilise the benefits therefrom.

15. Trade and other payables

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Trade					
Trade payables	15.1	3,241,567	1,533,868	-	-
Non-trade					
Other payables		332,139	801,228	-	15,941
Accrued expenses		1,258,360	768,233	31,475	30,850
Amount due to subsidiaries	15.2	-	-	4,935,000	4,050,000
Amount due to Directors	15.3	22,266	510	-	-
Deposits		159,581	-	-	-
GST payable		20	11,037	-	-
		1,772,366	1,581,008	4,966,475	4,096,791
		5,013,933	3,114,876	4,966,475	4,096,791

Notes to the Financial Statements
(continued)

15. Trade and other payables (continued)

15.1 Trade payables

Normal trade credit period granted by suppliers to the Group ranged from current to 90 days (2017: current to 60 days).

15.2 Amount due to subsidiaries

The amount due to subsidiaries are unsecured, interest free and repayable on demand.

15.3 Amount due to Directors

The amount due to Directors is unsecured, interest free and repayable on demand.

16. Revenue

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Dividend income - gross	-	-	1,000,000	1,000,000
Sale of goods	42,523,506	30,673,635	-	-
	42,523,506	30,673,635	1,000,000	1,000,000

17. Profit before tax

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Profit before tax is arrived at after charging:				
Bad debt written off	1,240	1,343	-	-
Directors' fee	108,000	108,000	108,000	108,000
Interest expense				
- Borrowings	720,128	437,889	-	-
- Finance lease	18,152	11,588	-	-
Rental of premises	423,060	406,360	-	-
Unrealised foreign exchange loss (net)	47,535	342,538	-	-
Investment in subsidiaries written off	-	-	500,000	-
and after crediting:				
Interest income				
- Fixed deposit	74,928	76,470	376	5,347
- Bank	35,403	66,661	-	-
Realised foreign exchange gain (net)	259,988	1,143,713	-	-

Notes to the Financial Statements
(continued)

18. Tax expense/(income)

Recognised in profit and loss

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Current tax expense				
In Malaysia				
- current financial year	646,000	557,000	-	-
- over provision in prior financial year	(33,224)	(213,586)	-	(5,750)
	612,776	343,414	-	(5,750)
Outside Malaysia				
- current financial year	5,857	1,271	-	-
- under provision in prior financial year	3,642	-	-	-
	9,499	1,271	-	-
Deferred tax expense				
Current financial year	(65,899)	(126,086)	-	-
(Over)/Under provision in prior financial year	(8,222)	116,733	-	-
	(74,121)	(9,353)	-	-
Total	548,154	335,332	-	(5,750)

Reconciliation of tax expense/(income)

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Profit before tax	151,413	557,676	195,207	691,131
Tax calculated using Malaysian tax rate of 24%	36,339	133,842	46,850	165,871
Non-deductible expenses	446,127	250,846	193,240	75,412
Non-taxable income	(18,347)	(74,621)	(240,090)	(241,283)
Tax incentive	-	(27,510)	-	-
Different tax rates of subsidiaries in overseas	7,141	7,433	-	-
Movement of deferred tax assets not recognised	114,698	142,195	-	-
	585,958	432,185	-	-
Over provision of tax in prior financial year	(29,582)	(213,586)	-	(5,750)
(Over)/Under provision of deferred tax in prior financial year	(8,222)	116,733	-	-
	548,154	335,332	-	(5,750)

Notes to the Financial Statements
(continued)

19. (Loss)/Earnings per share

Basic (loss)/earnings per ordinary share

The calculation of basic (loss)/earnings per ordinary share at financial year end was based on the (loss)/profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding calculated as follows:-

	Group	
	2018 RM	**2017 RM**
(Loss)/Profit attributable to ordinary shareholders	(396,741)	222,344
Weighted average number of ordinary shares:-		
Issued ordinary shares at 31 July	333,740,000	333,740,000
Basic (loss)/earnings per ordinary share (in sen)	(0.12)	0.07

Diluted earnings per ordinary share

There are no diluted earnings per share because the Company does not have any convertible financial instruments as at the end of the financial year.

20. Dividends

Dividends recognised by the Company are:-

	Sen per share	**Total amount RM**	**Date of payment**
2018			
Final 2017 ordinary (single tier)	0.30	1,001,220	16 January 2018
2017			
Final 2016 ordinary (single tier)	0.60	2,002,440	16 January 2017

The Directors do not recommend the payment of final dividend for the financial year ended 31 July 2018.

21. Employee benefits expense

	Group		Company	
	2018 RM	**2017 RM**	**2018 RM**	**2017 RM**
Staff costs:-				
Salaries, wages and bonuses	6,956,432	7,297,504	-	-
Defined contribution plans	559,245	615,368	-	-
Gratuity	289,853	-	-	-
Other employee expenses	456,527	292,151	12,100	12,100
	8,262,057	8,205,023	12,100	12,100

Notes to the Financial Statements
(continued)

21. Employee benefits expense (continued)

Included in the staff costs is the Directors' emoluments and key management personnel emoluments as below:-

	Group		Company	
	2018 RM	**2017 RM**	**2018 RM**	**2017 RM**
Directors' remuneration:-				
Salaries and bonuses	1,619,673	1,613,631	-	-
Defined contribution plans	160,467	157,895	-	-
Gratuity	272,447	-	-	-
Other emoluments	15,344	14,372	12,100	12,100
	2,067,931	1,785,898	12,100	12,100
Other key management personnel:-				
Salaries and other emoluments	357,839	331,301	-	-
Defined contribution plans	42,796	41,511	-	-
	400,635	372,812	-	-

22. Operating segment

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and managing strategies. For each of the strategic business units, the Group's Managing Director reviews internal management reports on at least a quarterly basis. The following summary describes the operation in each Group's reportable segments.

- Plantation products — Development, manufacturing and marketing of agricultural products and services based on agro-technology.
- Non-plantation products — Manufacturing and marketing of plastic-related products.

There are varying levels of integration between the plantation products and non-plantation products reportable segments. This integration includes marketing activities and transfer of raw materials. Inter-segment pricing is determined on negotiated basis.

Performance is measured on segment revenue that is reviewed by the Group's Managing Director who is the Group's chief operating decision maker. Segment revenue is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments.

Segment assets and liabilities

Segment assets and liabilities information are neither included in the internal management reports nor provided regularly to the Managing Director. Hence, no disclosure is made on segment assets and liabilities.

22. Operating segment (continued)

	Plantation		Non-plantation		Eliminations		Consolidated	
	2018	2017	2018	2017	2018	2017	2018	2017
	RM	RM	RM	RM	RM	RM	RM	RM
Business segments								
Revenue from external customers	20,200,572	15,920,055	22,322,934	14,753,580	-	-	42,523,506	30,673,635
Inter-segment revenue	3,520,986	2,146,109	1,447,982	2,662,285	4,968,968	(4,808,394)	-	-
Total segment revenue	23,721,558	18,066,164	23,770,916	17,415,865	4,968,968	(4,808,394)	42,523,506	30,673,635
Segment results*							10,205,238	9,081,912
Depreciation and amortisation							(1,947,681)	(1,975,935)
Unallocated income							858,254	1,506,798
Unallocated expenses							(8,204,167)	(7,829,283)
Results from operating activities							911,644	783,492
Interest expense							(738,280)	(449,477)
Interest income							110,313	143,131
Share of (loss)/profit of equity accounted associates, net of tax							(132,264)	80,530
Tax expense							(548,154)	(335,332)
(Loss)/Profit for the financial year							(396,741)	222,344

* The breakdown of segment results between plantation and non-plantation are not available.

Geographical segments

The plantation and non-plantation products segments are managed on a worldwide basis but manufacturing facilities and sales offices are operated in Malaysia, Cambodia and Vietnam.

In presenting information on the basis on geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets. The amount of non-current assets does not include financial instruments (including investments in associates).

Notes to the Financial Statements
(continued)

22. Operating segment (continued)

Geographical information

	Revenue RM	Non-current assets RM
2018		
Malaysia	2,696,620	31,947,139
South East Asia other than Malaysia	8,177,489	3,665,622
United States of America	5,488,844	-
Europe	10,967,118	-
Africa	7,681,373	-
Australia	3,720,399	-
China	756,404	-
Others	3,035,259	-
	42,523,506	35,612,761
2017		
Malaysia	7,074,780	30,162,304
South East Asia other than Malaysia	3,424,227	4,207,331
United States of America	4,879,505	-
Europe	8,301,443	-
Africa	1,636,775	-
Australia	2,287,432	-
China	1,624,984	-
Guatemala	451,704	-
Others	992,785	-
	30,673,635	34,369,635

Major customers

The following are major customers with revenue equal or more than 10 percent of Group revenue:-

	Revenue		Segment
	2018 RM	2017 RM	
Group			
All common control companies of:			
- Customer A	9,712,511	6,743,654	Non-plantation
- Customer B	6,304,598	-	Plantation
- Customer C	5,488,844	4,879,505	Non-plantation
	21,505,953	11,623,159	

23. Financial instruments

23.1 Categories of financial instruments

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

(a) Loans and receivables ("L&R"); and
(b) Financial liabilities measured at amortised cost ("FL").

	Group		Company	
	Carrying amount RM	**L&R/(FL) RM**	**Carrying amount RM**	**L&R/(FL) RM**
Financial assets				
2018				
Trade and other receivables	11,217,742	11,217,742	9,469,500	9,469,500
Cash and cash equivalents	5,608,089	5,608,089	51,927	51,927
	16,825,831	16,825,831	9,521,427	9,521,427
2017				
Trade and other receivables	5,743,013	5,743,013	8,914,500	8,914,500
Cash and cash equivalents	8,866,548	8,866,548	25,854	25,854
	14,609,561	14,609,561	8,940,354	8,940,354
Financial liabilities				
2018				
Trade and other payables	(5,013,913)	(5,013,913)	(4,966,475)	(4,966,475)
Borrowings	(16,573,716)	(16,573,716)	-	-
Finance lease liabilities	(661,666)	(661,666)	-	-
	(22,249,295)	(22,249,295)	(4,966,475)	(4,966,475)
2017				
Trade and other payables	(3,103,839)	(3,103,839)	(4,096,791)	(4,096,791)
Borrowings	(16,929,507)	(16,929,507)	-	-
Finance lease liabilities	(108,289)	(108,289)	-	-
	(20,141,635)	(20,141,635)	(4,096,791)	(4,096,791)

23.2 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

23.3 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from its advances to subsidiaries.

Notes to the Financial Statements
(continued)

23. Financial instruments (continued)

23.3 Credit risk (continued)

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally financial guarantees of banks, shareholders or directors of customers are obtained, and credit evaluations are performed on customers requiring credit over a certain amount.

Exposure to credit risk, credit quality and collateral

At the end of reporting date, the maximum exposure to credit risk arising from receivables is represented by the carrying amount in the statements of financial position.

At the end of reporting date, there were no significant concentrations of credit risk other than 40% (2017: 17%) of the Group's trade receivables owed by two (2) (2017: one (1)) customers. The maximum exposure to credit risk arising from receivables is represented by the carrying amount in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 30 days, which are deemed to have higher credit risk, are monitored individually.

The exposure of credit risk for trade receivables as at the end of the reporting period was:-

	Gross RM	Individual impairment RM	Net RM
Group			
2018			
Not past due	5,223,093	-	5,223,093
Past due 1 - 30 days	1,534,366	-	1,534,366
Past due 31 - 60 days	1,007,514	-	1,007,514
Past due 61 - 90 days	275,273	-	275,273
Past due 91 - 120 days	1,575,426	-	1,575,426
Past due more than 121 days	361,933	-	361,933
	9,977,605	-	9,977,605
2017			
Not past due	2,663,294	-	2,663,294
Past due 1 - 30 days	660,376	-	660,376
Past due 31 - 60 days	619,046	(41,515)	577,531
Past due 61 - 90 days	71,370	-	71,370
Past due 91 - 120 days	180,326	-	180,326
Past due more than 121 days	512,699	-	512,699
	4,707,111	(41,515)	4,665,596

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 has been negotiated during the financial year.

As at financial year end, trade receivables of RM4,754,512 (2017: RM2,002,302) were past due but not impaired. The Directors are of the opinion that the receivables are collectable in view of long-term business relationship with the customers and those related to a number of independent customers for them there is no recent history of default.

In prior financial year, there are trade receivables of the Group that are past due and impaired of RM41,515.

23. Financial instruments (continued)

23.3 Credit risk (continued)

Impairment losses

The movement in the allowance for the impairment loss on trade receivables during the financial year were:-

	Group RM
At 1 August 2017	41,515
Reversal for the year	(39,051)
Translation difference	(2,464)
At 31 July 2018	-

The allowance account in respect of trade receivable is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivables directly.

Corporate guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured corporate guarantees to banks in respect of banking facilities granted to subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounting to RM16,573,716 (2017: RM16,929,507) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment.

The corporate guarantees have not been recognised since the fair value on initial recognition was not material.

Inter-company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries which are repayable on demand. The Company monitors the results of the subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position.

Loans and advances are only provided to subsidiaries which are wholly owned by the Company.

Impairment losses

There is no allowance for impairment loss on inter-company balances during the financial year.

Notes to the Financial Statements
(continued)

23. Financial instruments (continued)

23.4 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables and borrowings.

The Group maintains a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as and when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Maturity analysis

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 undiscounted contractual payments:-

	Carrying amount RM	Contractual cash flows RM	Under 1 year RM	Between 2 to 5 years RM	Over 5 years RM
Group					
2018					
Non-derivative financial liabilities					
Trade and other payables	5,013,913	5,013,913	5,013,913	-	-
Borrowings	16,573,716	23,992,824	1,999,861	9,236,561	12,756,402
Finance lease liabilities	661,666	728,360	185,136	543,224	-
	22,249,295	29,735,097	7,198,910	9,779,785	12,756,402
2017					
Non-derivative financial liabilities					
Trade and other payables	3,103,839	3,103,839	3,103,839	-	-
Borrowings	16,929,507	24,782,115	1,877,825	10,050,709	12,853,581
Finance lease liabilities	108,289	111,939	79,240	32,699	-
	20,141,635	27,997,893	5,060,904	10,083,408	12,853,581
Company					
2018					
Non-derivative financial liabilities					
Trade and other payables	4,966,475	4,966,475	4,966,475	-	-
Corporate guarantees*	-	16,573,716	16,573,716	-	-
	4,966,475	21,540,191	21,540,191	-	-
2017					
Non-derivative financial liabilities					
Trade and other payables	4,096,791	4,096,791	4,096,791	-	-
Corporate guarantees*	-	16,929,507	16,929,507	-	-
	4,096,791	21,026,298	21,026,298	-	-

* This liquidity risk exposure is included for illustration purpose only as the related corporate guarantee has not been crystallised.

The above amounts reflected the contractual undiscounted cash flows of the financial liabilities, which may differ from carrying value of the liabilities at the end of the financial year.

Notes to the Financial Statements
(continued)

23. Financial instruments (continued)

23.5 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's financial position or cash flows.

23.5.1 Currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD"), Euro ("EUR"), Vietnam Dong ("VND"), Australian Dollar ("AUD") and Nigerian Naira ("NGN").

Risk management objectives, policies and processes for managing the risk

The Group manages its currency risk by regularly monitoring the foreign currency movement on an ongoing basis with hedging performed if deemed necessary.

As at the reporting date, the contracted underlying principal amount of currency forward contract is RM5,777,235 (2017: Nil).

The forward foreign currency contracts have not been recognised since the fair value on initial recognition was not material.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:-

	USD RM	EUR RM	VND RM	AUD RM	NGN RM
Group					
2018					
Trade and other receivables	7,533,196	1,233,014	12,839	535,174	-
Trade and other payables	(4,173,261)	(13,442)	(8,862)	-	-
Cash and cash equivalents	1,519,768	13,348	32,228	155,222	367
Exposure in the statements of financial position	4,879,703	1,232,920	36,205	690,396	367
2017					
Trade and other receivables	3,007,704	392,008	13,437	241,701	-
Trade and other payables	(654,566)	(2,799)	(16,932)	-	-
Cash and cash equivalents	2,722,158	93,714	135,332	176,209	368
Exposure in the statements of financial position	5,075,296	482,923	131,837	417,910	368

Notes to the Financial Statements
(continued)

23. Financial instruments (continued)

23.5 Market risk (continued)

23.5.1 Currency risk (continued)

Currency risk sensitivity analysis

A 10% (2017: 10%) strengthening of the RM against the following currencies at the end of the reporting period would have decreased equity and post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Equity		Profit or loss	
	2018 RM	2017 RM	2018 RM	2017 RM
Group				
USD	(370,857)	(385,723)	(370,857)	(385,723)
EUR	(93,702)	(36,702)	(93,702)	(36,702)
VND	(2,752)	(10,020)	(2,752)	(10,020)
AUD	(52,470)	(31,761)	(52,470)	(31,761)
NGN	(28)	(28)	(28)	(28)

A 10% (2017: 10%) weakening of the RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

23.5.2 Interest rate risk

The Group's and Company's exposure to a risk of change in their fair value due to changes in interest rates relates primarily to its deposits with licensed banks, term loans and finance lease liabilities. Investments in short term receivables and payables are not significantly exposed to interest rate risk.

Exposure to interest rate risk

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 were:-

	Group	
	2018 RM	2017 RM
Fixed rate instruments		
Financial assets	2,158,903	2,089,886
Financial liabilities	(661,666)	(108,289)
	1,497,237	1,981,597
Floating rate instrument		
Financial liabilities	(16,573,716)	(16,929,507)

	Company	
	2018 RM	2017 RM
Fixed rate instrument		
Financial assets	6,544	6,331

23. Financial instruments (continued)

23.5 Market risk (continued)

23.5.2 Interest rate risk (continued)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change of 100 basis points ("bp") in the interest rates as at the end of the financial year would have (decreased)/ increased equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Equity		Profit or loss	
Group	**100 bp increase RM**	**100 bp decrease RM**	**100 bp increase RM**	**100 bp decrease RM**
2018				
Financial liabilities	(125,960)	125,960	(125,960)	125,960
2017				
Financial liabilities	128,664	(128,664)	128,664	(128,664)

23.6 Fair value measurement

The carrying amounts of financial assets and liabilities of the Group and the Company at the reporting date approximate their fair values due to their short-term nature or they are floating rate instruments re-priced to market interest rates on or near the reporting date.

23.7 Reconciliation of liabilities arising from financial activities

	1 August 2017 RM	Cash flows RM	New lease RM	31 July 2018 RM
Group				
Borrowings	16,929,507	(355,791)	-	16,573,716
Finance lease liabilities	108,289	(140,123)	693,500	661,666
Amount due to Directors	510	21,756	-	22,266
Total liabilities from financing activities	17,038,306	(474,158)	693,500	17,257,648

	1 August 2017 RM	Cash flows RM	31 July 2018 RM
Company			
Amount due to subsidiaries	4,050,000	885,000	4,935,000
Total liabilities from financing activities	4,050,000	885,000	4,935,000

Notes to the Financial Statements
(continued)

24. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

During the financial year, the Group's strategy, which was unchanged from the previous financial year, was to maintain an optimal debt-to-equity ratio.

	Group		GISB	
	2018 RM	**2017 RM**	**2018 RM**	**2017 RM**
Total borrowings	17,235,382	17,037,796	9,069,844	9,544,508
Total equity	54,416,892	55,874,849	16,170,922	16,042,173
Debt-to-equity ratio	0.32	0.30	0.56	0.59

There were no changes in the Group's approach to capital management during the financial year.

GISB, a wholly-owned subsidiary of the Group is also required to maintain a maximum debt-to-equity ratio of 2:1 to comply with a bank covenant, failing which, the bank may call an event of default (see Note 12). At the reporting date, GISB has complied with the bank covenant.

25. Capital commitment

	Group	
	2018 RM	**2017 RM**
Capital expenditure commitments:-		
Property, plant and equipment		
- Authorised and contracted for	893,566	1,228,854

26. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group 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.

Related party also included key management personnel 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 the Directors of the Group.

The Group has related party relationship with its holding company, subsidiaries, associates and Directors.

Notes to the Financial Statements
(continued)

26. Related parties (continued)

Significant related party transactions

Related party transactions have been entered into the normal course of business under normal trade terms. The significant related party transactions of the Group and Company, other than key management personnel compensation as disclosed in Notes 17 and 21, are shown below:-

	Group Transaction amount for the financial year ended 31 July		Company Transaction amount for the financial year ended 31 July	
	2018 RM	**2017 RM**	**2018 RM**	**2017 RM**
Subsidiary				
Dividend income	-	-	1,000,000	1,000,000
Associates				
Sales	380,695	580,924	-	-

Significant related party balances related to the above transactions are disclosed in Note 9 and Note 15 to the financial statements.

27. Events after the reporting period

On 21 September 2018, G777, a wholly-owned subsidiary of the Company has entered into a Share Sale Agreement with Palmers Advisory Sdn. Bhd. to dispose 30% equity interest comprising 783,738 ordinary shares in Melati Aman Sdn. Bhd. for a total cash consideration of RM11,800,000.

At the same time, G777 has entered into an Agreement with Seri Sanjung Development Sdn. Bhd., to acquire 70% equity interest comprising (i) 7 ordinary shares in SND Teguh Enterprise Sdn. Bhd. and (ii) 7 ordinary shares in Pullah PC Daud Sdn. Bhd. for a total cash consideration of RM1,566,330.

STATEMENT BY DIRECTORS

pursuant to Section 251(2) of the Companies Act, 2016

In the opinion of the Directors, the financial statements set out on pages 43 to 87 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 July 2018 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 Board of Directors:

Tham Foo Keong

Tham Foo Choon

Kajang, Selangor Darul Ehsan
8 November 2018

STATUTORY DECLARATION

pursuant to Section 251(1)(b) of the Companies Act, 2016

I, **Chan Wen Hong**, the Officer primarily responsible for the financial management of Greenyield Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 43 to 87 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.

Subscribed and solemnly declared by the abovenamed in Kajang, Selangor Darul Ehsan on 8 November 2018.

Chan Wen Hong
(No: 35521)
Chartered Accountant

Before me:

Badlisham Talhah
(No. B475)
Commissioner of Oath

INDEPENDENT AUDITORS' REPORT

to the members of Greenyield Berhad

(Company No. 582216-T) (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Greenyield Berhad, which comprise the statements of financial position as at 31 July 2018 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 43 to 87.

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 July 2018, and of their financial performance and of 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 the 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' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the financial statements of the Group and of the Company for the current financial 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.

Inventory valuation

The risk

Refer to Note 8 to the financial statements. The Group holds an amount of inventories that amounted to RM9,030,824 which is subject to a risk that the inventories become slow-moving or obsolete and rendering it not saleable or can only be sold for selling prices that are less than their carrying value. There is inherent subjectivity and estimation involved in determining the accuracy of inventory obsolescence and in making an assessment of its adequacy due to risks of inventories not stated at the lower of cost or market.

Our response

We tested the methodology for calculating the provisions, challenged the appropriateness and consistency of judgements and assumptions made. In doing so, we obtained the ageing profile of inventories and obtained understanding on the process for identifying specific problem inventory.

Impairment of doubtful receivables

The risk

Refer to Note 23 to the financial statements. We focused on this area because the Group has trade receivables that are past due but not impaired amounted to RM4,754,512. The key risk was recoverability of billed trade receivables as management judgement is required in determining the completeness of the trade receivables provision and in assessing its adequacy through considering the expected recoverability of the year-end trade receivables.

Independent Auditors' Report
to the members of Greenyield Berhad
(Company No. 582216-T) (Incorporated in Malaysia)
(continued)

Our response

We have challenged management's assumptions in calculating the impairment of doubtful receivables. This includes reviewing the ageing of receivables in comparison to previous years, testing the integrity of ageing by calculating the due date for a sample of invoices and reviewing the level of bad debts written off in the current year against the prior year. We also checked the recoverability of outstanding receivables through examination of subsequent year end cash receipts and tested the operating effectiveness of the relevant control procedures that management has in place.

We have determined that there are no key audit matters to communicate in our report in relation to our audit of the financial statements of the Company.

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 is 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.

Independent Auditors' Report
to the members of Greenyield Berhad
(Company No. 582216-T) (Incorporated in Malaysia)
(continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

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

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

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

We communicated 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 identified during our audit.

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 7 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

GRANT THORNTON MALAYSIA
(NO. AF: 0737)
CHARTERED ACCOUNTANTS

LUI LEE PING
(NO: 03334/11/2019(J))
CHARTERED ACCOUNTANT

Kuala Lumpur
8 November 2018

LIST OF PROPERTIES

Location	Registered/ Beneficial Owner	Existing use/ Description of property	Tenure/ Expiry date	Age of Building (Years)	Land Area/ Built-up Area	Date of Acquisition (A)/ Valuation (V)	Audited Net Book Value As At 31.07.2018 (RM)
No. 116, Jalan Lapan, Kompleks Perabot Olak Lempit, Tg. Duabelas, 42700 Banting, Selangor Darul Ehsan.	Greenyield Industries (M) Sdn. Bhd.	Factory and land; Single storey factory with a 3-storey office annexe	Leasehold expiring on 26.09.2087	17	128,801 sq.ft/ *75,110 sq.ft	31.01.1995 (A)/ 23.03.2004 (V)	4,884,625
No. 21 & 23, Jalan Seksyen 3/7, Taman Kajang Utama, 43000 Kajang, Selangor Darul Ehsan.	Gim Triple Seven Sdn. Bhd.	Land and office building; 4-storey shophouses	Freehold	21	3,728 sq.ft/ *14,098 sq.ft	24.01.1997 (A)	1,401,984
No. 10, VSIP II, Street 7, Vietnam Singapore Industrial Park II, Binh Duong Industry-Service-Urban Complex, Hoa Phu Ward, Thu Dau Mot City, Binh Duong Province, Vietnam.	Givnflow Company Limited (Vietnam)	Factory and office building; 2-storey office building and a single storey of factory annexe	Leasehold expiring on 16.10.2055	10	73,830 sq.ft/ *24,585 sq.ft	04.03.2008 (A)	895,942
No. 18, Jalan Bukit Puteri 9/12, Bandar Puteri Jaya, 08000 Sungai Petani, Kedah Darul Aman.	Gimflow Sdn. Bhd.	Office building; 2-storey shophouses	Freehold	7	1,400 sq.ft/ *2,660 sq.ft	02.03.2012 (A)	270,588
Slab Kdong Village, Chup Commune, Thboung Khmom District, Thboung Khmom Province, Kingdom of Cambodia.	Greenyield (Cambodia) Pte. Ltd.	Land with single storey factory	Leasehold expiring on 23.8.2114	4	286,671 sq.ft/ *15,984 sq.ft	24.08.2014 (A)	1,478,293
PN 92538, Lot 4, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Selangor Darul Ehsan.	Greenyield Industries (M) Sdn. Bhd.	Industrial land	Leasehold expiring on 30.12.2098	4	114,743 sq.ft	10.09.2014 (A)	3,691,873
No. G-19, No. 1-19, No. 2-19, No. 3-19, No. 3A-19 and No. 5-19, MKH Boulevard, Jalan Bukit, 43000 Kajang, Selangor Darul Ehsan.	Gim Triple Seven Sdn. Bhd.	Office building; 6-storey shophouses	Leasehold expiring on 05.10.2111	1	*10,421 sq.ft	20.06.2017(A)	5,987,699

Note: * Building only

ANALYSIS OF SHAREHOLDINGS
as at 31 October 2018

Issued Share Capital	:	RM33,374,000.00 comprising 333,740,000 Ordinary Shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share held

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Shares
1 – 99	7	0.437	240	0.000
100 – 1,000	106	6.620	56,104	0.016
1,001 – 10,000	521	32.542	3,437,996	1.030
10,001 – 100,000	759	47.407	29,242,800	8.762
100,001 to less than 5% of issued shares	206	12.866	119,718,980	35.871
5% and above of issued shares	2	0.124	181,283,880	54.318
Total	1,601	100.00	333,740,000	100.00

LIST OF TOP 30 HOLDERS

No.	Name	No. of Shares Held	% of Issued Shares
1	Greenyield Holdings Sdn.bhd.	162,121,320	48.577
2	Twong Yoke Peng	19,162,560	5.741
3	Tham Foo Keong	8,973,160	2.688
4	Tham Foo Choon	6,099,160	1.827
5	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Raja Aznin Bin Raja Ahmad (CEB)	5,379,900	1.612
6	Tham Chong Sing	4,277,220	1.281
7	PM Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Ang Lip Chee (B)	3,722,900	1.115
8	Tham Fau Sin	2,977,020	0.892
9	Raja Aznin Bin Raja Ahmad	2,722,100	0.815
10	RHB Capital Nominees (Tempatan) Sdn. Bhd. Chen Foong Szeen	2,606,500	0.780
11	Sivakumaran A/L Seenivasagam	2,201,420	0.659
12	Tham Kin Wai	2,172,000	0.650
13	Tan Ka Lian	2,025,000	0.606
14	Tham Kinfuei	2,000,000	0.599
15	Tham Kin-On	2,000,000	0.599
16	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Teo Siew Lai	1,915,000	0.573
17	Lim Seng Keong	1,827,000	0.547
18	Chan Mee Yee	1,703,900	0.510
19	GV Asia Fund Limited	1,688,400	0.505
20	Chi Bee Chin	1,622,000	0.486
21	Foong Sai Cheong	1,549,700	0.464
22	Tham Kin Leet	1,506,000	0.451
23	Alliance Group Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Foo Peng Boon (8115339)	1,400,000	0.419

Analysis of Shareholdings
as at 31 October 2018
(continued)

LIST OF TOP 30 HOLDERS (CONTINUED)

No.	Name	No. Of Shares Held	% Of Issued Shares
24	Tham Kinyiq	1,350,000	0.404
25	Teo Kwee Hock	1,261,000	0.377
26	Ang Lip Chee	1,257,800	0.376
27	Ang Lip Chee	1,163,100	0.348
28	Lim Choi Thai	1,026,000	0.307
29	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Liaw Ah Kau (LIA0222M)	1,000,000	0.299
30	Citigroup Nominees (Asing) Sdn. Bhd. Pershing LLC for Gregory Alexander	1,000,000	0.299
	Total	249,710,160	74.821

DIRECTORS' SHAREHOLDINGS

	No. of Shares Held			
Name of Directors	Direct	%	Indirect	%
Tham Foo Keong	8,973,160	2.688	183,283,880[i]	54.918
Tham Foo Choon	6,099,160	1.827	163,825,220[ii]	49.088
Tham Kin Wai	2,172,000	0.650	-	-
Dr. Zainol Bin Md Eusof	210,000	0.063	-	-
Yong Swee Lin	20,000	0.006	-	-
Mahbob Bin Abdullah	270,000	0.081	-	-
Tham Kin-On	2,000,000	0.599	-	-

Note:

[i] *Deemed interested through shares held by Greenyield Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016 and shareholding held by spouse and child.*

[ii] *Deemed interested through shares held by Greenyield Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016 and shareholding held by spouse.*

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

	No. of Shares Held			
Name of Substantial Shareholders	Direct	%	Indirect	%
Greenyield Holdings Sdn. Bhd.	162,121,320	48.577	-	-
Tham Foo Keong[a]	8,973,160	2.688	183,283,880[b]	54.918
Tham Foo Choon[a]	6,099,160	1.827	163,825,220[c]	49.088
Tham Chong Sing[a]	4,277,220	1.281	162,121,320[d]	48.577
Tham Fau Sin[a]	2,977,020	0.892	162,121,320[d]	48.577
Twong Yoke Peng	19,162,560	5.741	-	-

Notes

[a] *Brothers*

[b] *Deemed interested through shares held by Greenyield Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016 and shareholding held by spouse and child.*

[c] *Deemed interested through shares held by Greenyield Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016 and shareholding held by spouse.*

[d] *Deemed interested through shares held by Greenyield Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.*

Proxy Form

GREENYIELD BERHAD
(Company No. 582216-T)

I/We...(NRIC/Company No...................................)
(full name in capital letters)

of ....
(full address)

Contact No..............................being (a) member(s) of **GREENYIELD BERHAD** hereby appoint (s)...............................

....(NRIC/Company No...................................)
(full name in capital letters)

of ....
(full address)

and/or* , ...(NRIC/Company No...................................)
(full name in capital letters)

of ....
(full address)

or failing *him/her, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Sixteenth Annual General Meeting of the Company to be held at Matahari 1, Level 3, Hotel Bangi-Putrajaya, Off Persiaran Bandar, 43650 Bandar Baru Bangi, Selangor Darul Ehsan on Thursday on 20 December 2018 at 11.00 a.m. and at any adjournment thereof in respect of my/our shareholding in the manner indicated below:-

	Resolution	For	Against
1.	Payment of Directors' Fees for the financial year ending 31 July 2019.		
2.	Payment of Directors' benefits for the period from 21 December 2018 until the next Annual General Meeting.		
3.	Re-election of Tham Foo Keong as Director.		
4.	Re-election of Yong Swee Lin as Director.		
5.	Re-appointment of Messrs Grant Thornton Malaysia as auditors of the Company and authorise the Board of Directors to fix their remuneration.		
6.	Authority for Directors to issue shares pursuant to Section 75 and 76 of the Companies Act, 2016.		
7.	Approval for Dr. Zainol Bin Md Eusof to continue in office as Independent Non-Executive Director.		
8.	Approval for Yong Swee Lin to continue in office as Independent Non-Executive Director.		
9.	Approval for Mahbob Bin Abdullah to continue in office as Independent Non-Executive Director.		

[Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.]

Dated this .... day of 2018

No. of Ordinary Shares held :	
CDS Account No. :	
Proportion of shareholdings to be represented by proxies	First Proxy :.................... Second Proxy :.................
Contact No. :	

....
Signature of Member(s)/Common Seal

NOTES :

1. *A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) Proxy(ies) (or in the case of a corporation, a duly authorized representative) to attend and vote in his stead.*
2. *Where a member appoints more than one (1) Proxy, the appointment shall be invalid unless the member specifies the proportion of his shareholdings to be represented by each proxy.*
3. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the Corporation's Common Seal or under the hand of an officer or attorney duly authorised.*
4. *Where a member of the Company is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA") it may appoint not more than two (2) proxies in respect of each securities account it holds with Ordinary Shares of the Company standing to the credit of the said Securities Account.*
5. *Where a member of the company is an exempt authorized nominee as defined under the SICDA, which holds Ordinary Shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each Omnibus Account it holds.*
6. *Where the authorized nominee or an exempt authorized nominee appoints two (2) or more proxies, the appointment shall be invalid unless the authorized nominee specifies the proportion of his shareholdings to be represented by each proxy.*
7. *For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Article 54(f) of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 13 December 2018 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend, vote and speak at the meeting.*
8. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarily certified copy of the power or authority must be deposited at the Share Registrar of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting.*

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Affix
stamp

The Share Registrar

Greenyield Berhad **(Company No. 582216-T)**
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.

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GREENYIELD BERHAD
(Company No. 582216-T)

No. 1-19, MKH Boulevard, Jalan Bukit,
43000 Kajang, Selangor Darul Ehsan, Malaysia.
: +603-8737 8003
: +603-8735 0167

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