

ANNUAL REPORT 2017



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ACCOLADES



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15th ANNUAL GENERAL MEETING



21 December 2017,
Thursday



11.00 a.m



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

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NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifteenth 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, 21 December 2017 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 2017 together with the Reports of the Directors and Auditors thereon. | [Please refer to Explanatory Note 1] |
| 2. To approve the single tier final dividend of 0.30 sen per Ordinary Share for the financial year ended 31 July 2017. | Resolution 1 |
| 3. To approve the aggregate Directors' fees payable to the Directors of the Company for an amount not exceeding RM120,000.00 per annum for the financial year ending 31 July 2018. | Resolution 2 |
| 4. To approve the payment of Directors' benefits for an amount not exceeding RM30,000.00 for the period from 31 January 2017 until the next Annual General Meeting of the Company. | Resolution 3 |
| 5. To re-elect the following Directors who retire pursuant to Article 74 of the Articles of Association of the Company:- | |
| i. Dr Zainol Bin Md Eusof | Resolution 4 |
| ii. Tham Kin Wai | Resolution 5 |
| 6. To re-elect Tham Kin-On who retires pursuant to Article 80 of the Articles of Association of the Company. | Resolution 6 |
| 7. To re-appoint the following Directors whose term of office shall be expiring at the conclusion of the Fifteenth Annual General Meeting, as Directors of the Company:- | |
| i. Mahbob Bin Abdullah | Resolution 7 |
| ii. Dr Sivakumaran A/L Seenivasagam | Resolution 8 |
| 8. To re-appoint Messrs SJ Grant Thornton as Auditors of the Company and to authorise the Directors to fix their remuneration. | Resolution 9 |

Special Business

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

- | | |
|---|----------------------|
| 9. Ordinary Resolution I
Authority to allot and issue shares | Resolution 10 |
|---|----------------------|

"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 Annual General Meeting of the Company."



Notice of Fifteenth Annual General Meeting (Cont'd)

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

“THAT subject to the passing of Resolution 4, 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 Annual General Meeting of the Company.”

Resolution 11

“THAT approval be and is hereby given to Yong Swee Lin, who has served as an Independent Non-Executive Director of the Company since 23 January 2009 and will reach the nine years term limit on 22 January 2018, to continue to act as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company.”

Resolution 12

“THAT subject to the passing of Resolution 7, approval be and is hereby given to Mahbob Bin Abdullah, who has served as an Independent Non-Executive Director of the Company since 1 July 2009 and will reach the nine year term limit on 30 June 2018, to continue to act as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company.”

Resolution 13

11. 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: 22 November 2017

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the Fifteenth Annual General Meeting of the Company, a single tier final dividend of 0.30 sen per Ordinary Share in respect of the financial year ended 31 July 2017 will be payable to the shareholders of the Company on 16 January 2018. The entitlement date for the said dividend shall be 4 January 2018.

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

- shares transferred to the depositor's securities account before 4.00 p.m. on 4 January 2018 in respect of transfers; and
- shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

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

Company Secretaries
Kuala Lumpur
Date: 22 November 2017



Notice of Fifteenth Annual General Meeting (Cont'd)

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) Proxy(ies) (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 Malaysia Securities Berhad, a Record of Depositors as at 14 December 2017 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, 19 December 2017, otherwise the person so named shall not be entitled to vote in respect thereof.

ii. EXPLANATORY NOTES

1. Item 1 of the Agenda – Ordinary Business Audited Financial Statements for the financial year ended 31 July 2017

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 Companies Act, 2016. Hence, this item on the Agenda is not put forward for voting by shareholders of the Company.

2. Items 3 and 4 of the Agenda – Ordinary Business Payment of Directors' Fees and Benefits

Pursuant to Section 230(1) of the Companies Act, 2016, 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 3 are 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 31 January 2017 up to next Annual General Meeting. 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 Annual General Meeting for the shortfall.



Notice of Fifteenth Annual General Meeting (Cont'd)

3. Items 5(i) and 7 (i) of the Agenda – Ordinary Business Re-election and Re-appointment of Independent Directors

The Nomination Committee and the Board had undertaken an annual assessment on the independence of Dr Zainol Bin Md Eusof and Mahbob Bin Abdullah who are seeking for re-election and re-appointment at the forthcoming Fifteenth Annual General Meeting. The annual assessment had been disclosed in the Statement of Corporate Governance of the Company's 2017 Annual Report.

4. Item 7(i) and (ii) of the Agenda – Ordinary Business Appointment of Director

The proposed Resolutions 7 and 8 are to seek shareholders' approval on the re-appointment of Mahbob Bin Abdullah and Dr Sivakumaran A/L Seenivasagam, who had been re-appointed in the previous Annual General Meeting held on 21 December 2016 as Directors under Section 129(6) of the former Companies Act 1965 which was then in force and whose term would expire at the conclusion of this meeting, as Directors of the Company.

5. Item 9 of the Agenda – Special Business Ordinary Resolution I Authority to Allot and Issue Shares

The Proposed Resolution 10 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 Annual General Meeting.

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 Fourteenth Annual General Meeting. 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.

6. Item 10 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 will/has 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 his exercise of independent judgment and ability to act in the best interests of the Company.

The Ordinary Resolutions proposed under Resolutions 11, 12 and 13 if passed, will authorise the continuity in office of the Directors as Independent Non-Executive Directors of the Company.

STATEMENT ACCOMPANYING NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

Directors who are standing for re-appointment at the Fifteenth Annual General Meeting are Mahbob Bin Abdullah and Dr Sivakumaran A/L Seenivasagam.

The profiles of the above Directors are set out in the Section entitled "Profile of the Board of Directors" on pages 10 to 12 of the 2017 Annual Report.



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

DR SIVAKUMARAN A/L SEENIVASAGAM

Executive 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

Member:

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

Member:

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. 21 & 23, Jalan Seksyen 3/7,
Taman Kajang Utama,
43000 Kajang,
Selangor Darul Ehsan.

Tel : 03 - 8736 8777

Fax : 03 - 8737 2636 (Marketing)

Fax : 03 - 8737 0723 (Finance)

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

SJ Grant Thornton (AF: 0737)

Chartered Accountants
Level 11, Sheraton Imperial Court,
Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia

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

Cheang & Ariff

39 Court @ Loke Mansion,
273A, Jalan Medan Tuanku,
50300 Kuala Lumpur.

Tel : 03 - 2691 0803

Fax : 03 - 2693 4475

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

WEBSITE

www.greenyield.com.my



CORPORATE STRUCTURE

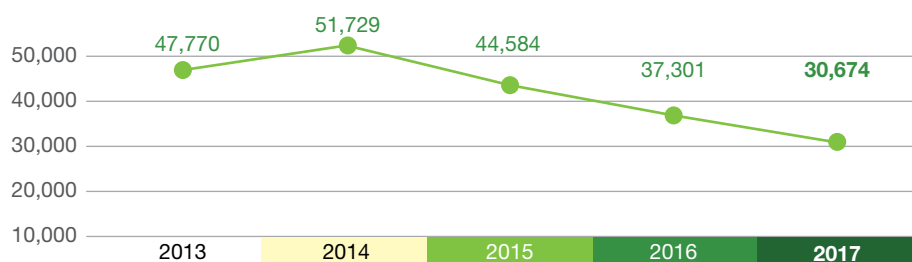




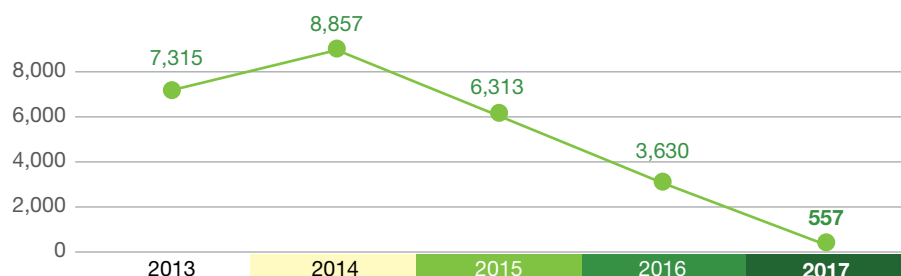
FINANCIAL HIGHLIGHTS

	Financial Year Ended				
	31.7.2013 (RM'000)	31.7.2014 (RM'000)	31.7.2015 (RM'000)	31.7.2016 (RM'000)	31.7.2017 (RM'000)
Turnover	47,770	51,729	44,584	37,301	30,674
Earnings Before Interest, Depreciation, Amortisation and Taxation	9,508	11,138	8,634	5,949	2,730
Profit Before Taxation	7,315	8,857	6,313	3,630	557
Taxation	2,072	2,366	1,900	1,104	335
Profit After Taxation and Non-controlling Interest	5,243	6,491	4,413	2,526	222
Net Profit Margin (%)	11.0	12.5	9.9	6.8	0.7
Net Tangible Assets	53,298	56,444	57,251	57,265	55,812
Net Tangible Assets Per Share (sen)	16.0	16.9	17.2	17.2	16.7
Net Earnings Per Share (sen)	1.57	1.94	1.32	0.76	0.07
Gross Dividend Rate (%)	10.0	11.0	7.5	6.0	3.0
Total Borrowings	528	460	11,876	12,893	17,038
Cash and Cash Equivalents	14,479	11,854	14,973	12,779	8,866
Shareholders' Fund	53,312	56,457	57,273	57,308	55,875
Gearing Ratio (%)	Net Cash	0.8	20.7	22.5	30.5
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

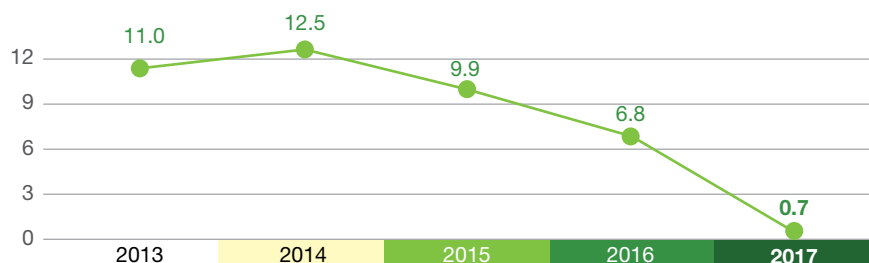
Turnover (RM'000)



Profit Before Taxation (RM'000)



Net Profit Margin (%)

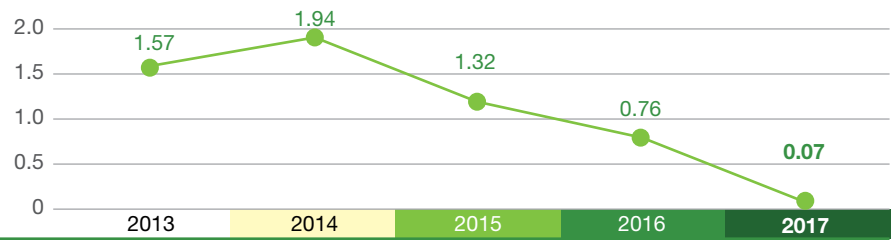




Financial Highlights (Cont'd)

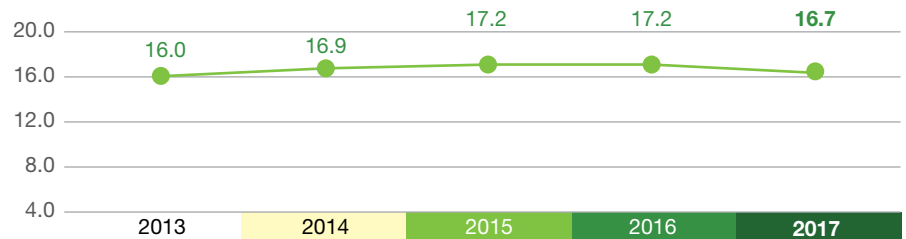
Net Earnings Per Share

(Sen)



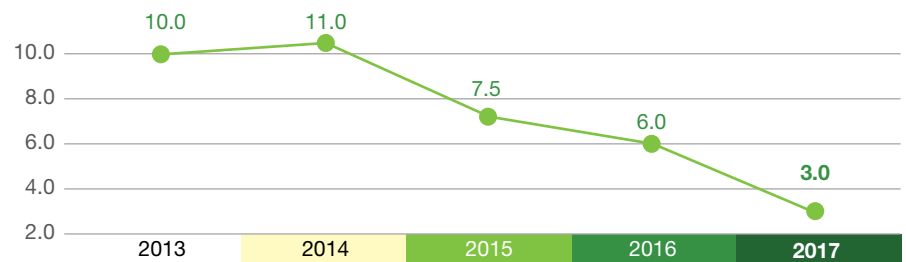
Net Tangible Assets Per Share

(Sen)



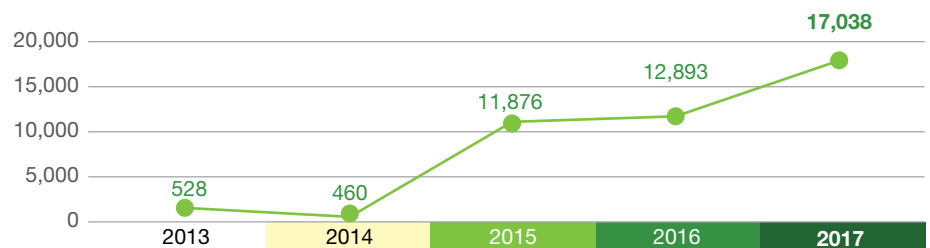
Gross Dividend Rate

(%)



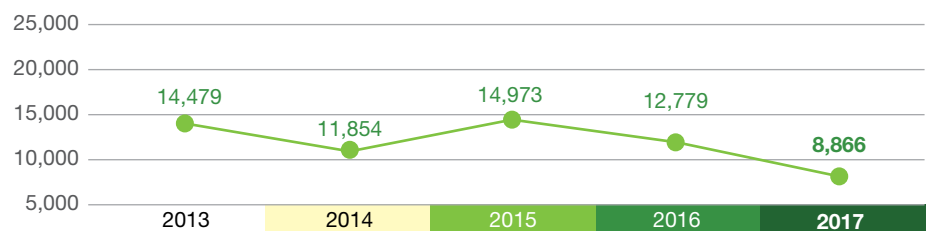
Total Borrowings

(RM'000)



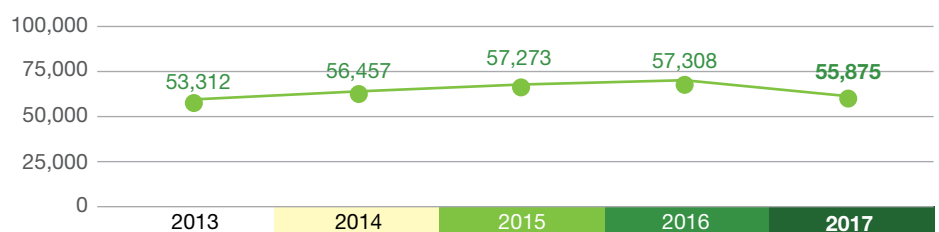
Cash and Cash Equivalents

(RM'000)



Shareholders' Fund

(RM'000)





PROFILE OF DIRECTORS

Dr Zainol Bin Md Eusof

Age 67 | Male | Malaysian

Independent Non-Executive Chairman

Dr Zainol Bin Md Eusof 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 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 Petroliaam 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

Age 61 | Male | Malaysian

Group Managing Director

Mr Tham Foo Keong 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.

Mr Tham Foo Choon

Age 57 | Male | Malaysian

Deputy Group Managing Director

Mr Tham Foo Choon 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.



Profile of Directors (Cont'd)

Dr Sivakumaran A/L Seenivasagam

Age 72 | Male | Malaysian

Executive Director

Dr Sivakumaran A/L Seenivasagam is an Executive Director of Greenyfield Berhad. He was appointed to the Board of Greenyfield on 26 March 2005. He is also the Director of Research & Development ("R&D"), responsible for the R&D activities of the Group.

He holds a Bachelor of Science degree with Second Class Upper Honours in Botany from the University of Malaya and a Ph.D in Plant Physiology from the University of Wales (Aberystwyth), United Kingdom.

He started his career with the Federal Land Development Authority ("FELDA") in 1970 as a Plant Protection Officer for Oil Palm and Cocoa before joining the Rubber Research Institute of Malaysia ("RRIM") and later the Malaysian Rubber Board ("MRB"). During his tenure with the RRIM and MRB, he held various positions ranging from Research Officer, Project Leader to Head of the Crop Management Division. His last position with the MRB was as Director of the Production Research and Development Division from 1998 to July 2000. He was also a Specialist Officer on Exploitation and Physiology for the International Rubber Research and Development Board for approximately three (3) years prior to his retirement from the MRB in 2000. Since retiring from the MRB, he has worked as a Plantation Advisor for Felcra Berhad and Rubber Plantations in Camerouns, Malawi, Cambodia, Guatemala, Bangladesh, Ivory Coast and Papua New Guinea and as a Consultant for the Common Fund for Commodities based in Amsterdam. He has also been involved in several Feasibility and Technical Due Diligence studies on Rubber for a host of International clients in Vietnam, Cambodia, Indonesia, Loas, Sabah, Gabon, Ghana, Ivory Coast and Nigeria. He was also the Leader of the RCP Technologies team that prepared blueprints for development of rubber plantations in Loas, Gabon and Sabah for international clients.

Dr Sivakumaran was responsible for the development of the RRIMFLOW system for which a patent was granted to the MRB. He received the RRIM Gold Medal in 1993 and the service excellence award from the RRIM in 1992 for his research contributions in the field of rubber exploitation and, in particular, the development of labour saving technologies. He was the Technical Adviser and a member of the Task Force on the Rubber Eco-Project under the auspices of the International Rubber Study Group of the United Kingdom from 2004 to 2006. He was a Consultant from 2015 to 2017 for the InFit (UK) and CCCMC (China) joint program on development of a Guide on sustainable development of Rubber for use by investors from China.

Dr Sivakumaran in year 2010 has successfully secured a Malaysian patent for "Crop Plus" Organic Fertilizer and Utility Innovation for a Biopesticide in Malaysia, Thailand and Vietnam. He has in year 2013 & 2015 secured patents in China, Malaysia and Vietnam for an Improved Method of Crop Extraction from Rubber Trees.

Presently, he is also a director of several other private limited companies, namely, RCP Technologies Sdn. Bhd., and Greenyfield Plantation Sdn. Bhd. He is currently a Board Member of the Malaysian Rubber Board for a two year term from September 2017.

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 Wai

Age 48 | Male | Malaysian

Executive Director

Mr Tham Kin Wai is an Executive Director of Greenyfield. He was appointed to the Board of Greenyfield 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 Greenyfield 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 Greenyfield 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.



Profile of Directors (Cont'd)

Mr Yong Swee Lin

Age 49 | Male | Malaysian

Senior Independent Non-Executive Director

Mr Yong Swee Lin 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.

Mr Mahbob Bin Abdullah

Age 73 | Male | Malaysian

Independent Non-Executive Director

Mr Mahbob Bin Abdullah 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 in 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, mainly for overseas markets. 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 has attended the Advance Management Program course in Oxford University. 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

Age 28 | Male | Malaysian

Executive Director

Mr Tham Kin-On 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 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 KEY SENIOR MANAGEMENT

Mr Chan Wen Hong

Age 37 | Male | Malaysian
Head of Corporate Finance

Mr Chan Wen Hong 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 Rozilawati Binti Abdul Rahman

Age 40 | Female | Malaysian
Senior Manager, Finance

Ms Rozilawati Binti Abdul Rahman is the Finance Senior Manager of Greenyield Berhad since July 2017. She graduated with a Bachelor’s degree in Accounting & Finance (Honours) from University of Lancaster, England in 2000. She is a member of the Malaysian Institute of Certified Public Accountants (“MICPA”) since 2005.

She has worked in several public listed as well as private companies from 2001 until present and has experience in areas of finance, accounting and risk management.

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.

Ms Koh Nyoh See

Age 44 | Female | Malaysian
Manager, Human Resource and Administration

Ms Koh Nyoh See is the Human Resource and Administration Manager of Greenyield Berhad. 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 seventeen (17) 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 2017.”



ECONOMIC REVIEW

The commodity market remained generally weak during the financial year ended 31 July 2017. This was reflected in the reduced demand for the Group's agriculture chemicals and fertilizers. Lower sales in Europe also negatively affected the Group's non-plantation division. For the financial year ended 31 July 2017, the overall revenue was lower than the previous financial year. Nevertheless the Group managed to remain profitable due to dedicated staff putting in extra hours of diligent work to resolve and mitigate negative factors.



Chairman's Statement (Cont'd)

invested an expenditure of **RM0.33 million** in R&D activities, which is equivalent to **1.07%** of the revenue recorded for the financial year ended 31 July 2017.



FINANCIAL PERFORMANCE

For the financial year ended 31 July 2017, the Group recorded a lower revenue of RM30.67 million as against RM37.30 million for the previous financial year. The profit before tax was RM0.56 million as compared to RM3.63 million in the financial year 2016. The revenue obtained from the plantation segment decreased slightly compared to that of the previous year, while the non-plantation segment showed a decrease from the previous financial year.

The revenue from the plantation business segment was RM15.92 million as against RM16.49 million in the financial year 2016. In the case of non-plantation segment, the revenue was RM14.75 million as compared to RM20.81 million achieved in the previous year.

The Group had a challenging financial year ended 31 July 2017 with lower revenue and profit, mainly due to weaker demand of plant pots from Europe as a result of over-orders in the previous year. In addition, performance in the plantation segment remained weak due to low commodity prices. The outlook for the coming financial year is volatile because of only moderate recovery in advanced economies and commodity markets. However, in the longer term, the Group is optimistic because of new plant pot models and entry into new markets in the non-plantation segment. Also, the Group is confident about its on-going Research and Development ("R&D") into products such as housewares, biofertilizers and biorepellents.



RESEARCH AND DEVELOPMENT

The Group has invested an expenditure of RM0.33 million in R&D activities, which is equivalent to 1.07% of the revenue recorded for the financial year ended 31 July 2017.

R&D work during the year under review was focussed on field evaluation of the various formulations of Biofertilizers on selected crops to enable wider acceptance of the product by the agriculture industry. In addition, work was initiated to find niche markets for products such as Biofertilizers and Green Plus G 2 particularly in the Oil Palm sector. Work is also in progress in improving the Biorepellant formulations and developing better methods of field application since this is potentially a huge market in view of the extensive damage to various agricultural crops by animal pests during the initial years after field planting. Large scale evaluation of enhanced Ethephon Plus formulation was initiated to confirm promising data obtained from field trials. R&D work is in progress to develop a suitable rat bait for use in the plantation industry.

For the non-plantation business segment, the Group focused on developing new materials and new products such as dinnerware, picture frames, and window blinds. The Group believes that its Artstone material which is unique because of its travertine look, will be suitable for a broad range of housewares. The Group has begun showcasing its dinnerware samples in tradeshows and expects increasing positive response.



Chairman's Statement (Cont'd)

BUSINESS OUTLOOK AND PROSPECTS

The Board anticipates that the business outlook will remain challenging in the forthcoming financial year, but is optimistic that the non-plantation sector will record a reasonable level of growth in view of continuing efforts diversify the portfolio of products and seek new customers internationally.

DIVIDEND

The Board of Directors aims to maintain the Company's policy of stable dividend payout to shareholders. The Board has proposed to declare a single-tier final dividend of 0.30 sen per ordinary share for the financial year end 31 July 2017, subject to the approval of the shareholders at the forthcoming Fifteenth Annual General Meeting.



CORPORATE DEVELOPMENT

The Company has not implemented any new corporate proposals during the financial year ended 31 July 2017. 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 sustainable growth of the Group, and ensured its commitment to be 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 Greenyard Berhad and its subsidiaries (“Greenyard” or the “Group”) should be read in conjunction with the annual audited consolidated Financial Statements and the accompanying notes on pages 44 to 92 of this Annual Report that are prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”).

Overview

Greenyard Berhad is a company listed on the Main Market of Bursa Securities under the Industrial Products category. 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 2017 declined by 17.76% to RM30.67 million as compared to RM37.30 million recorded for the financial year ended 31 July 2016. The Group’s profit before tax reduced by 84.57% to RM0.56 million from RM3.63 million in the corresponding period.

Growth and Strategy

Management is of view that the financial year ending 31 July 2018 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 of the Group are derived from continue to recover in a moderate trajectory with the World Bank June 2017 report expecting 2017 and 2018 output growth of 2.1% and 2.2% in the United States and 1.7% and 1.5% in the Euro Area.

The Group continues to review its strategic business plan to push for growth. Some of the opportunities identified include growing sales of our Artstone plant pots to markets outside the United States, Europe, and Australia; developing new non-plantation products such as dinnerware and other housewares using our proprietary formulated Artstone and other materials; developing more value-added products in the plantation segment such as biofertilizers and biorepellents; and building a retail/consumer brand for our products in the Malaysia market. These plans may take time to realize but the Group remains positive on the outlook.

Business Risks

Foreign Currency

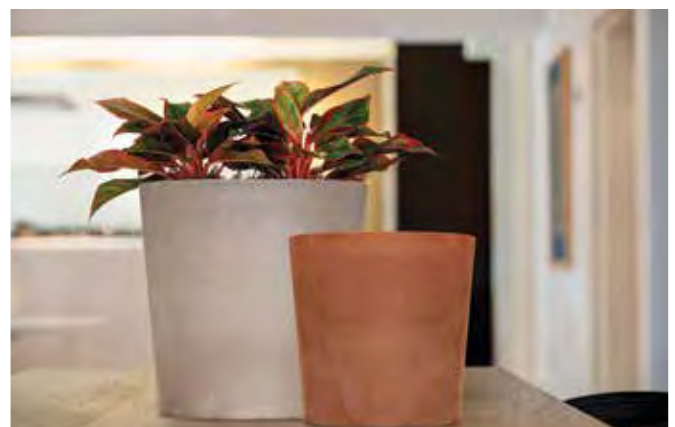
Management will continue to review the Group’s exposure to foreign currency risks arising from turnover generated in currencies other than Ringgit Malaysia.

Global Economy

The management expects the world economy to remain challenging due to strong volatilities in emerging economies arising from weaker commodity prices, overall productivity, and slow recovery in the advanced economies.

Commodity Prices

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





Management Discussion and Analysis (Cont'd)

Financial Results

The Group's key financial information for the financial year ended 31 July 2017 and 31 July 2016 is summarised as follows:

	2017 RM Million	2016 RM Million
Turnover	30.67	37.30
Earnings Before Interest, Depreciation, Amortisation and Taxation (EBITDA)	2.73	5.95
Profit Before Taxation	0.56	3.63
Taxation	0.34	1.10
Profit After Taxation and Minority Interest	0.22	2.53
Net Tangible Assets	55.81	57.27
Net Profit Margin (%)	0.7%	6.8%

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 etc.; and non-plantation products which primarily comprise plant pots. For the financial year ended 31 July 2017, the Group's turnover was RM30.67 million.

Plantation Products and Services

During the financial year ended 31 July 2017, the Group's plantation products and services turnover was RM15.92 million as compared to the RM16.49 million for the preceding year. The decline in turnover was largely a result of persistently low rubber prices which lead to reduced orders from customers.

Non-plantation Products

During the financial year ended 31 July 2017, the Group's non-plantation products provided a turnover of RM14.75 million as compared to RM20.81 million for the financial year ended 31 July 2016. The decrease in turnover was primarily due to lower orders from Europe during the year.

Profit

During the financial year ended 31 July 2017, profit before taxation was RM0.56 million, a decrease of 84.57% from the preceding year.

Investment

During the financial year ended 31 July 2017, the Group invested in the following activities:

1. RM0.71 million on plantation development expenditure for Tigantara Plantations Sdn Bhd; and
2. RM0.47 million for ongoing development and operations of 2,400 hectares of rubber plantations in Kelantan via an investment in associate.

Financing and Expansion

Construction of a new warehouse and office on land adjacent to the Group's existing factory is pending approval from relevant authorities and is now expected to commence in financial year 2018. The estimated cost of construction remains unchanged at RM5.90 million. The new warehouse will facilitate expansion of the Group's plant pot business by enabling higher utilisation of the existing factory.

The Group is also expected to shift to its new corporate office in early 2018.

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.





CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Greenyard Berhad and its subsidiaries (“Greenyard” or the “Group”) believe that doing business in a sustainable way and delivering long term benefits for shareholders and stakeholders are complementary. Greenyard’s Corporate Social Responsibility (“CSR”) framework consists of four areas, namely Environment, Community, Workplace, and Employees.



ENVIRONMENT

Greenyard 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. Greenyard continues to develop products which are environmentally friendly including biofertilisers, bio pest repellents, and recyclable planters.

Waste Management

During the year, the Group continues to encourage separation of waste into paper, plastics, and metal/aluminium products, in its headquarters and factory. The wastes collected were 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.

Internships

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

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.

Voluntary Program Visit to Batu Caves for Thaipusam

This yearly voluntary program was held on the temple grounds at Batu Caves in conjunction with the annual Thaipusam Festival in February 2017.

Executive Director, Dr Sivakumaran, and volunteer staff from Greenyard participated in the preparation of vegetarian food and distributing 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.

Greenyard also provided financial support for the events, by contributing a sum of RM5,000 to help pay for the costs of rice, dhal and other essential items required for the preparation of the food which was distributed to approximately 10,000 or more people over the two days festival.





Corporate Social Responsibility Statement (Cont'd)

WORKPLACE AND EMPLOYEES

Greenyield's CSR 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.

Bowling Event for Employees

This indoor activity was held as part of the Company's conscious 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.

New Year Gathering and Buka Puasa

Early in 2017, Greenyield organised a dinner with staff at a local restaurant. This event was organised to allow Management to deliver key messages to employees on the Company's aspiration for the coming year. Greenyield also hosted a Buka Puasa event at a local hotel to allow employees to come together in celebration.





STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors (“Board”) of Greenyfield 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 (“Code”) 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 Recommendations set out in the Code for the financial year ended 31 July 2017. Where there are gaps in the Company’s observation of any of the Recommendations of the Code, they are disclosed herein with explanations.

ESTABLISH CLEAR ROLES AND 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 programs 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.



Statement of Corporate Governance (Cont'd)

ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

CODE OF ETHIC AND CONDUCT

The Board has formalized 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 formalized 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, workplace, and community, is detailed in the Statement on Corporate Social Responsibility.

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 advisers 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.



Statement of Corporate Governance (Cont'd)

ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

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/Chief Executive Officer. 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 8 November 2017 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.



Statement of Corporate Governance (Cont'd)

STRENGTHEN COMPOSITION

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 duties of the Nomination Committee are:-

- a. To recommend to the Board, candidates for all directorships. In making the recommendations the Committee should also consider candidates proposed by the Group Managing Director/Group Chief Executive Officer, and within the bounds of practicability, by any other senior executive, Director or shareholder;
- b. To recommend to the Board, directors to fill the seats on Board Committees. In making its recommendations, the following matters are considered of the candidate:-
 - i. skills, knowledge, expertise and experience;
 - ii. time, commitment and character;
 - iii. professionalism;
 - iv. integrity; and
 - v. for the position of Independent Non-Executive Director, the Committee shall also evaluates the candidate's ability to discharge such responsibilities/functions as are expected from an Independent Non-Executive Director;
- c. To review at least once a year the required mix of skills and experiences of the Board, including the core competencies which Non-Executive Directors should bring to the Board, and the balance between Executive Directors, Non-Executive Directors, and Independent Non-Executive Directors;
- d. The annual assessment of the Nomination Committee in relation to the effectiveness of the Board as a whole, Board Committees, and contribution from each individual director which includes Independent Non-Executive Directors as well as the Chief Executive Officer;
- e. To ensure that the process carried out in evaluating and assessing members of the Board, including the Independent Non-Executive Directors and Chief Executive Officer are properly documented;
- f. To ensure that the Directors to retire in each year shall be those who have been longest in the Company since their last election, but as between persons who become Directors on the same date, those to retire shall be determined by lot;
- g. To review the term of office and performance of the audit committee and each of its members annually to determine whether such audit committee and members have carried out their duties in accordance with their term of reference;
- h. To conduct an assessment of the independent director(s) who are retained beyond nine years and recommend to the Board whether the independent director(s) should remain independent or be re-designated;
- i. To review the induction and training needs of directors and ensure the training programme attended by the directors must be one that aids the director in the discharge of his duties;
- j. To review the Board's and senior management's succession plans;
- k. To review, consider and recommend Board diversity;
- l. To ensure that the responsibility of the Committee shall also cover the subsidiaries of the Company; and
- m. Such other responsibilities as may be delegated by the Board from time to time.



Statement of Corporate Governance (Cont'd)

STRENGTHEN COMPOSITION (CONT'D)

NOMINATION COMMITTEE (CONT'D)

The Nomination Committee meets as and when necessary and shall meet at least once a year. The Nomination Committee held two (2) meetings during the financial year ended 31 July 2017 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 eligible 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 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 evaluation results and comments by all Directors are discussed at the Nomination Committee which then makes recommendations to the Board.

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.

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.

ANNUAL ASSESSMENT

The Board's performance is assessed annually by each of its members through self as well as peer assessments. 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 effectiveness of directors are assessed based on certain criteria including but not limited to the following areas:-

- i. personal qualities;
- ii. competencies; and
- iii. achievements for the year.

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



Statement of Corporate Governance (Cont'd)

STRENGTHEN COMPOSITION (CONT'D)

REMUNERATION POLICIES AND PROCEDURES (CONT'D)

The duties of the Remuneration Committee are:-

- To review at least once a year and recommend to the Board the overall remuneration policy for Directors, Group Managing Director/Group Chief Executive Officer 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;
- To review at least once a year the performance of the Executive Directors and the Group Managing Director/Group Chief Executive Officer 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;
- 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
- To include the determination of the remuneration packages of the key senior management officers in subsidiaries of the Company.

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 two (2) meetings during the financial year ended 31 July 2017 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.

The aggregate remuneration of Directors received from the Company and on Group basis for the financial year ended 31 July 2017 is as follows:-

Category	Fees RM'000	Salaries RM'000	Bonuses and other emoluments RM'000	EPF & SOCSSO RM'000	Benefit- in-kind RM'000	Total RM'000
Received from the Company:						
Non-Executive Directors	108	-	12	-	-	120
Received on Group Basis:						
Executive Directors	-	1,485	129	160	-	1,774
Non-Executive Directors	108	-	12	-	-	120

The Directors' remunerations are shown in the following bands:-

Received from the Company: Remuneration Band	No of Directors	
	Executive Directors	Non-Executive Directors
Less than RM50,000	-	2
RM50,000 – RM100,000	-	1
Total	-	3



Statement of Corporate Governance (Cont'd)

STRENGTHEN COMPOSITION (CONT'D)

REMUNERATION POLICIES AND PROCEDURES (CONT'D)

Received on Group Basis (in RM): Remuneration Band	No of Directors	
	Executive Directors	Non-Executive Directors
Less than 50,000	1	2
50,000 – 100,000	-	1
250,001 – 300,000	2	-
500,001 – 550,000	1	-
600,001 – 650,000	1	-
Total	5	3

Note:

The following successive range of remuneration bands of RM50,000 is not applicable:-

RM100,001 - RM250,000

RM300,001 - RM500,000

RM550,001 - RM600,000

REINFORCE INDEPENDENCE

ANNUAL ASSESSMENT OF INDEPENDENCE

The Board recognizes 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 2017, undertook an annual assessment on Mahbob Bin Abdullah, whose term of office shall be expiring at the conclusion of the Fifteenth Annual General Meeting, and are seeking for re-appointment

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 Malaysia Securities Berhad 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 Corporate Governance states that the tenure of an independent director should not exceed a cumulative term of nine (9) years.

Dr Zainol Bin Md Eusof has served on the Board for a cumulative term of more than nine (9) years. Yong Swee Lin and Mahbob Bin Abdullah, who have served as Independent Non-Executive Directors of the Company since 23 January 2009 and 1 July 2009 respectively will reach the nine years term limit in 2018.



Statement of Corporate Governance (Cont'd)

REINFORCE INDEPENDENCE (CONT'D)

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

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 Fifteenth 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 Malaysia Securities Berhad, 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.

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.

COMPOSITION OF THE BOARD

The Nomination Committee reviews the composition of the Board annually and makes recommendations to the Board where necessary to ensure the Board comprises an appropriate mix of skills and experience.

The Board of the Company comprises eight (8) Directors, five (5) 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) 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 10 to 12 of this Annual Report.



Statement of Corporate Governance (Cont'd)

REINFORCE INDEPENDENCE (CONT'D)

COMPOSITION OF THE BOARD (CONT'D)

In accordance with the Company's Articles of Association, which form part of the Constitution of the Company, all new Director(s), appointed to the Board, are subject to election at the next Annual General Meeting following their first appointment. In every year, at least one-third (1/3) of the Directors are subject to retirement by rotation at every Annual General Meeting. Each Director shall retire at least once every three (3) years but shall be eligible for re-election. The Directors to retire in each year are those who have been longest in the office since their last election or appointment.

FOSTER COMMITMENT

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
Dr Sivakumaran A/L Seenivasagam	Executive 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	1/2	50

* Tham Kin-On was appointed to the Board of Greenyfield Berhad on 20 December 2016.

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.

NUMBER OF DIRECTORSHIP IN PUBLIC LISTED COMPANIES

In compliance with Paragraph 15.06 of the Listing Requirements of Bursa Securities, each of the Directors of the Company holds not more than five (5) directorships in public listed companies.



Statement of Corporate Governance (Cont'd)

FOSTER COMMITMENT (CONT'D)

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 organized 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.

During the financial year ended 31 July 2017, 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. Fraud Risk Management Workshop	23 August 2016
	2. MATRADE Seminar - How to manage risk of non-payment in high risk market	30 March 2017
	3. Malaysian Code on Corporate Governance	26 April 2017
Tham Foo Keong	1. Risk Management Programme for Audit and Risk Committee : I Am Ready to Manage Risks	04 August 2016
	2. Fraud Risk Management Workshop	23 August 2016
	3. Corporate Governance Breakfast Series - Thought Leadership Session for Directors : "How to Leverage on AGM for Better Engagement with Shareholders"	21 November 2016
	4. Coconut Industry Consultative Forum & Expo 2017 - 'VCO & Health Products'	20 & 21 May 2017
	5. Board Excellence: How to Engage and Enthuse Beyond Compliance	17 July 2017
Tham Foo Choon	1. Fraud Risk Management Workshop	23 August 2016
	2. Coconut Industry Consultative Forum & Expo 2017 - 'VCO & Health Products'	20 & 21 May 2017
Dr Sivakumaran A/L Seenivasagam	1. Board Excellence: How to Engage and Enthuse Beyond Compliance	17 July 2017
Tham Kin Wai	1. Fraud Risk Management Workshop	23 August 2016
	2. Corporate Governance Breakfast Series with Directors: "Anti Corruption & Integrity - Foundation of Corporate Sustainability"	08 December 2016
	3. MATRADE Seminar- How to manage risk of non-payment in high risk market	30 March 2017
Yong Swee Lin	1. National Tax Conference	9 & 10 August 2016
	2. Seminar on 'Companies Bill 2015'	18 November 2016
Mahbob Bin Abdullah	1. Risk Management Programme for Audit and Risk Committee : I Am Ready to Manage Risks	04 August 2016
	2. Fraud Risk Management Workshop	23 August 2016
	3. Corporate Governance Breakfast Series - Thought Leadership Session for Directors : "How to Leverage on AGM for Better Engagement with Shareholders"	21 November 2016
	4. MATRADE Seminar- How to manage risk of non-payment in high risk market	30 March 2017
Tham Kin-On	1. Mandatory Accreditation Programme - for Directors of Public Listed Companies	30 & 31 March 2017
	2. Training on New Expectations & Challenges of Companies Act 2016	11 April 2017

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.



Statement of Corporate Governance (Cont'd)

UPHOLD INTEGRITY IN FINANCIAL REPORTING

COMPLIANCE WITH APPLICABLE FINANCIAL REPORTING STANDARDS

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.

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 Financial Controller.

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 provisions 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.

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 provisions 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 36 to 37 of this Annual Report.

The total fees paid to the External Auditors for the financial year ended 31 July 2017 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 RM93,000 and RM22,000 respectively for the financial year ended 31 July 2017.

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 2017.

A report on the Audit Committee which includes the Audit Committee's role in relation to the External Auditors is set out on Pages 36 to 37 of this Annual Report.



Statement of Corporate Governance (Cont'd)

UPHOLD INTEGRITY IN FINANCIAL REPORTING (CONT'D)

ASSESSMENT OF SUITABILITY AND INDEPENDENCE OF EXTERNAL AUDITORS (CONT'D)

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 SJ Grant Thornton as the External Auditors.

RECOGNISE AND MANAGE RISK

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.

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 34 to 35 of this Annual Report.

ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

CORPORATE DISCLOSURE POLICY

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.



Statement of Corporate Governance (Cont'd)

STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

ENCOURAGE SHAREHOLDERS' PARTICIPATION AT GENERAL MEETINGS

The Board regards that Annual General Meetings ("AGMs") and Extraordinary General Meetings ("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 provisions of the Companies Act, 2016 and the Listing Requirements. 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.

EFFECTIVE COMMUNICATION AND PROACTIVE ENGAGEMENTS WITH SHAREHOLDERS

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 AGMs and 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 (www.greenyield.com.my) where stakeholders can post questions which concern investor relations.

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 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 2017, 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.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysia 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 2017, which is in compliance with Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad 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 2017, the internal auditors carried out reviews in accordance to the approved Internal Audit Plan. The first internal audit review covered the Group's Inventory Management Function, and the second internal audit review covered the Group's Property, Plant and Equipment Management. 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 issues raised in the internal audit report were satisfactorily resolved. During the financial year under review, as a result of the internal audit recommendations, the physical security of the Group's warehouse was enhanced and a more robust property, plant and equipment physical verification process was 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 (Cont'd)

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 2017, 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 2017.



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 2017.

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 2017, the attendance of Audit Committee members is as follows:-

Audit Committee Members	Attendance at the Audit Committee Meeting
Yong Swee Lin 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 WORK OF 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 2017:-

Financial Reporting

- Reviewed the 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;
- Reviewed the related party transactions of the Group;



Audit Committee Report (Cont'd)

SUMMARY OF WORK OF COMMITTEE (CONT'D)

External Audit

- Reviewed the external auditors' audit plan and scope of work;
- 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

- In two separate meetings during the financial year, reviewed the internal audit reports on the Group's Inventory Management function and the Property, Plant and Equipment Management including recommendations made by the internal auditors and management's comments;
- Reviewed the quarterly report, Corrective and Preventive Action Plan ("CAPA") to track 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.

INTERNAL AUDIT FUNCTION

The Company is aware 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 2017, 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 BOD.

The cost incurred by the Company in connection with the outsourced internal audit function for the financial year ended 31 July 2017 amounted to RM27,000.

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 2017.

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 2017, there were no material contracts relating to loans involving directors and/or major shareholders.

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FINANCIAL STATEMENTS



DIRECTORS' REPORT

for the financial year ended 31 July 2017

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 July 2017.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are as stated in Note 14 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
Profit for the financial year	222,344	696,881

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 paid a single tier final ordinary dividend of 0.60 sen per ordinary share totalling RM2,002,440 in respect of the financial year ended 31 July 2016 on 16 January 2017.

The final dividend recommended by the Directors in respect of the financial year ended 31 July 2017 is a single tier final ordinary dividend of 0.30 sen per ordinary share totalling RM1,001,220.

DIRECTORS OF THE COMPANY

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

Tham Foo Keong*
 Tham Foo Choon*
 Dr. Sivakumaran A/L Seenivasagam*
 Dr. Zainol Bin Md. Eusof
 Tham Kin Wai*
 Yong Swee Lin
 Mahbob Bin Abdullah
 Tham Kin-On (appointed on 20 December 2016)*

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

DIRECTORS' REMUNERATION

The Directors' remuneration is disclosed in Note 17 to the financial statements.

There was no indemnity given or insurance effected for the Directors and Officers of the Group and the Company.



Directors' Report (Cont'd)

for the financial year ended 31 July 2017

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:-

	At	Number of ordinary shares		At
	1.8.2016	Bought	Sold	31.7.2017
Interests in the Company:				
Greenfield Berhad				
Tham Foo Keong				
- own	8,973,160	-	-	8,973,160
Tham Foo Choon				
- own	6,099,160	-	-	6,099,160
Dr. Sivakumaran A/L Seenivasagam	2,201,420	-	-	2,201,420
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:				
Greenfield Berhad				
Tham Foo Keong				
- others*	21,162,560	-	-	21,162,560
Tham Foo Choon				
- others*	1,703,900	-	-	1,703,900
Deemed interests in the Company via its ultimate holding company:				
Greenfield 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(1)(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' BENEFITS

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 to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.



Directors' Report (Cont'd)

for the financial year ended 31 July 2017

ISSUE OF SHARES AND DEBENTURES

There were no changes in the issued and paid-up capital of the Company and no issuance of 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 adequate provision had been made for doubtful debts; 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) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in financial statements of the Group and of the Company inadequate to any substantial extent; or
- ii) that 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 that has arisen since the end of the financial year and which secures the liabilities of any other person; or
- ii) any contingent liability in respect of the Group or of the Company that 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 2017 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.



Directors' Report (Cont'd)

for the financial year ended 31 July 2017

AUDITORS' REMUNERATION

The Auditors' Remuneration is disclosed in Note 16 to the financial statements.

There was no indemnity given to or insurance affected for the auditors of the Company.

AUDITORS

The Auditors, Messrs SJ Grant Thornton, 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 2017



STATEMENTS OF FINANCIAL POSITION

as at 31 July 2017

	Note	31.7.2017 RM	Group Restated 31.7.2016 RM	Restated 1.8.2015 RM
Assets				
Property, plant and equipment	3	31,272,712	25,925,006	24,422,319
Intangible assets	4	63,118	43,081	22,488
Prepaid lease payments	5	3,033,805	3,380,184	3,405,582
Investments in associates	6	15,341,679	14,790,149	13,447,032
Total non-current assets		49,711,314	44,138,420	41,297,421
Inventories	7	9,650,079	10,463,084	9,670,164
Trade and other receivables	8	6,658,488	8,450,989	12,098,530
Tax recoverable		2,586,500	2,193,618	1,280,975
Cash and cash equivalents	9	8,866,548	12,779,449	14,972,886
Total current assets		27,761,615	33,887,140	38,022,555
Total assets		77,472,929	78,025,560	79,319,976
Equity				
Share capital	10	33,374,000	33,374,000	33,374,000
Reserves	10	423,665	76,901	96,241
Retained earnings	10	22,077,184	23,857,280	23,802,802
Total equity attributable to the owners of the Company		55,874,849	57,308,181	57,273,043
Liabilities				
Borrowings	11	15,903,336	11,783,148	10,754,368
Deferred tax liabilities	12	1,445,408	1,454,761	1,507,862
Total non-current liabilities		17,348,744	13,237,909	12,262,230
Trade and other payables	13	3,114,876	6,369,520	8,662,903
Borrowings	11	1,134,460	1,109,950	1,121,800
Total current liabilities		4,249,336	7,479,470	9,784,703
Total liabilities		21,598,080	20,717,379	22,046,933
Total equity and liabilities		77,472,929	78,025,560	79,319,976

The notes on page 50 to 92 are an integral part of these financial statements.



Statements of Financial Position (Cont'd)

as at 31 July 2017

	Note	31.7.2017 RM	Company 31.7.2016 RM	1.8.2015 RM
Assets				
Property, plant and equipment	3	100,882	116,151	131,420
Investments in subsidiaries	14	32,729,146	33,015,486	32,865,486
Total non-current assets		32,830,028	33,131,637	32,996,906
Trade and other receivables	8	8,924,244	6,126,367	5,358,111
Tax recoverable		2,750	-	-
Cash and cash equivalents	9	25,854	52,476	126,251
Total current assets		8,952,848	6,178,843	5,484,362
Total assets		41,782,876	39,310,480	38,481,268
Equity				
Share capital	10	33,374,000	33,374,000	33,374,000
Reserve	10	-	-	31,467
Retained earnings	10	4,312,085	5,617,644	4,741,513
Total equity attributable to the owners of the Company		37,686,085	38,991,644	38,146,980
Liabilities				
Trade and other payables	13	4,096,791	318,836	334,288
Total current liabilities		4,096,791	318,836	334,288
Total liabilities		4,096,791	318,836	334,288
Total equity and liabilities		41,782,876	39,310,480	38,481,268



STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 31 July 2017

	Note	Group		Company	
		2017 RM	2016 RM	2017 RM	2016 RM
Revenue	15	30,673,635	37,300,639	1,000,000	4,000,000
Cost of sales		(21,591,723)	(25,365,189)	-	-
Gross profit		9,081,912	11,935,450	1,000,000	4,000,000
Other income		1,506,798	2,734,179	-	-
Distribution expenses		(759,171)	(1,358,057)	-	-
Administrative expenses		(8,394,393)	(8,269,888)	(314,216)	(311,968)
Other expenses		(651,654)	(1,044,276)	-	(340,000)
Results from operating activities		783,492	3,997,408	685,784	3,348,032
Finance costs		(449,477)	(523,784)	-	-
Finance income		143,131	159,895	5,347	2,682
Net finance (costs)/income		(306,346)	(363,889)	5,347	2,682
Operating profit		477,146	3,633,519	691,131	3,350,714
Share of profit/(loss) of equity - accounted associates, net of tax		80,530	(3,883)	-	-
Profit before tax	16	557,676	3,629,636	691,131	3,350,714
Tax expense	18	(335,332)	(1,103,575)	5,750	(3,000)
Profit for the financial year		222,344	2,526,061	696,881	3,347,714
Other comprehensive 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		346,764	12,127	-	-
		346,764	12,127	-	-
Total comprehensive income for the financial year		569,108	2,538,188	696,881	3,347,714
Basic earnings per ordinary share (sen):	19	0.07	0.76		



STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 July 2017

	Note	← Attributable to owners of the Company →				Total equity RM
		Share capital RM	Share option reserve RM	Translation reserve RM	Retained earnings RM	
Group						
At 1 August 2015		33,374,000	31,467	64,774	23,802,802	57,273,043
Foreign currency translation differences for foreign operations		-	-	12,127	-	12,127
Profit for the financial year		-	-	-	2,526,061	2,526,061
Total comprehensive income for the financial year		-	-	12,127	2,526,061	2,538,188
Transfer of share option reserve upon expiry of share options		-	(31,467)	-	31,467	-
Transaction with owners:-						
Dividends to owners of the Company	20	-	-	-	(2,503,050)	(2,503,050)
At 31 July 2016/1 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		33,374,000	-	423,665	22,077,184	55,874,849

	Note	← Attributable to owners of the Company →				Total equity RM
		Share capital RM	Share option reserve RM	Retained earnings RM	Translation reserve RM	
Company						
At 1 August 2015		33,374,000	31,467	4,741,513	-	38,146,980
Profit and total comprehensive income for the financial year		-	-	3,347,714	-	3,347,714
Transfer of share option reserve upon expiry of share options		-	(31,467)	31,467	-	-
Transaction with owners:-						
Dividends to owners of the Company	20	-	-	(2,503,050)	-	(2,503,050)
At 31 July 2016/1 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		33,374,000	-	4,312,085	-	37,686,085

The notes on page 50 to 92 are an integral part of these financial statements.



STATEMENTS OF CASH FLOWS

for the financial year ended 31 July 2017

	Note	Group		Company	
		2017 RM	Restated 2016 RM	2017 RM	2016 RM
Cash flows from operating activities					
Profit before tax		557,676	3,629,636	691,131	3,350,714
<i>Adjustments for:-</i>					
Amortisation of intangible assets		9,783	13,564	-	-
Amortisation of prepaid lease payments		28,103	32,700	-	-
Bad debt written off		1,343	29,482	-	-
Depreciation of property, plant and equipment		1,827,768	1,909,193	15,269	15,269
Dividend income		-	-	(1,000,000)	(4,000,000)
Finance costs		449,477	523,784	-	-
Finance income		(143,131)	(159,895)	(5,347)	(2,682)
(Gain)/Loss on disposal of property, plant and equipment		(350)	12,524	-	-
Impairment on doubtful receivables		41,515	-	-	-
Property, plant and equipment written off		-	7,268	-	-
Share of (profit)/loss of equity- accounted associates, net of tax		(80,530)	3,883	-	-
Unrealised foreign exchange loss		342,538	19,246	-	-
Impairment loss on investment in subsidiary		-	-	-	340,000
Operating profit/(loss) before changes in working capital		3,034,192	6,021,385	(298,947)	(296,699)
<i>Changes in:-</i>					
Inventories		806,087	(791,962)	-	-
Trade and other payables		(3,317,299)	(2,680,386)	4,064,295	(15,452)
Trade and other receivables		1,659,077	3,991,161	(2,797,877)	(768,256)
Cash generated from/(used in) operations		2,182,057	6,540,198	967,471	(1,080,407)
Income tax paid		(1,861,744)	(2,798,194)	(3,000)	(3,000)
Income tax refunded		1,140,908	728,875	6,000	-
Net cash from/(used in) operating activities		1,461,221	4,470,879	970,471	(1,083,407)



Statements of Cash Flows (Cont'd)

for the financial year ended 31 July 2017

	Note	Group		Company	
		2017 RM	Restated 2016 RM	2017 RM	2016 RM
Cash flows from investing activities					
Acquisition of property, plant and equipment		(6,613,868)	(3,614,739)	-	-
Acquisition of intangible assets		(29,820)	(34,157)	-	-
Addition of prepaid lease payments		(7,391)	(7,302)	-	-
Subscription of ordinary shares in associate		(471,000)	-	-	-
Subscription of redeemable convertible preference shares in associate		-	(1,347,000)	-	-
Subscription of redeemable convertible preference shares in subsidiary		-	-	-	(490,000)
(Addition)/Withdrawal of pledged deposits with licensed banks		(70,907)	587,394	-	-
Dividend received		-	-	1,000,000	4,000,000
Interest received		143,131	159,895	5,347	2,682
Proceeds from disposal of property, plant and equipment		36,783	202,085	-	-
Net cash (used in)/from investing activities		(7,013,072)	(4,053,824)	1,005,347	3,512,682
Cash flows from financing activities					
Dividends paid to owners of the Company		(2,002,440)	(2,503,050)	(2,002,440)	(2,503,050)
Interests paid		(619,115)	(542,802)	-	-
Term loans drawdown (net)		4,407,098	1,363,178	-	-
Repayment of finance lease liabilities (net)		(262,400)	(346,248)	-	-
Net cash from/(used in) financing activities		1,523,143	(2,028,922)	(2,002,440)	(2,503,050)
Net decrease in cash and cash equivalents		(4,028,708)	(1,611,867)	(26,622)	(73,775)
Effect of exchange rate fluctuation on cash and cash equivalents		44,900	5,824	-	-
Cash and cash equivalents at beginning of financial year		10,769,968	12,376,011	52,476	126,251
Cash and cash equivalents at end of financial year	9	6,786,160	10,769,968	25,854	52,476

The notes on page 50 to 92 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 2017 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 2017 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 14 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 in Malaysia.

These financial statements were authorised for issue by the Board of Directors on 8 November 2017.

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.

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 interpretations has no material impact on financial statements of the Group and of the Company except as disclosed below.

During the financial year, the Group changed its accounting policy for bearer plants to be in line with the accounting requirements of MFRS 116 – Property, Plant and Equipment. A bearer plant is a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. The bearer plants of the Group is rubber trees.

Prior to the change in the accounting policy, the Group adopted the capital maintenance model on its bearer plants whereby the expenditure on new planting was capitalised as plantation developing expenditure stated at cost and was not amortised.

The revised accounting policy will result in the financial statements reflecting more fairly the Group’s financial position and financial performance. The carrying amount of bearer plants will be more reflective of the cost incurred whilst the depreciation of the bearer plants over their useful lives will reflect the consumption of the bearer plants’ future economic benefits. The bearer plants are assessed for indicator of impairment, and if indication exists, an impairment test is performed in accordance with MFRS 136 – Impairment of Assets.



Notes to the Financial Statements (Cont'd)

1. Basis of preparation (continued)

a. Statement of compliance (continued)

The new accounting policy is also more aligned with the underlying principle in the revised standard, Agriculture: Bearer Plants (Amendments to MFRS 116- Property, Plant and Equipment and MFRS 141- Agriculture) issued under the Malaysian Financial Reporting Standards Framework as disclosed in Note 2(d).

The change in the accounting policy has been applied retrospectively and the impact on the current financial year and the comparative figures are disclosed in Note 27.

Several other amendments are effective for the first time in the financial year ended 31 July 2017. However, they do not impact the financial statements of the Group and of the Company.

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 2017

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

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 2014-2016 Cycle)*
- Amendments to MFRS 128, *Investment in Associates and Joint Ventures (Annual Improvements 2014-2016 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*

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

- MFRS 16, *Leases*

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the financial statements of current period and prior period of the Group and the Company except as mentioned below:-

MFRS 9, Financial Instruments

MFRS 9 replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous version of MFRS 9. The new standard introduces extensive requirements and guidance for classification and measurement of financial assets and financial liabilities which fall under the scope of MFRS 9, new "expected credit loss model" under the impairment of financial assets and greater flexibility has been allowed in hedge accounting transactions. Upon adoption of MFRS 9, financial assets will be measured at either fair value or amortised cost.

The adoption of MFRS 9 will result in a change in accounting policy. The Group and the Company are currently examining the financial impact of adopting MFRS 9.



Notes to the Financial Statements (Cont'd)

1. Basis of preparation (continued)

a. Statement of compliance (continued)

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the financial statements of current period and prior period of the Group and the Company except as mentioned below (continued):-

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 are currently assessing the financial impact of adopting MFRS 15.

MFRS 16, Leases

MFRS 16 replaces MFRS 117, Leases and all previous version of MFRS 117. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

This standard will come into effect on or after 1 January 2019 with early adoption permitted, provided MFRS 15, Revenue from Contract with Customers is also applied. The adoption of MFRS 16 will result in a change in accounting policy. The Group and the Company are currently assessing the financial impact of adoption MFRS 16.

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

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including changes from cash flows and non-cash changes. The disclosure requirement could be satisfied in various ways, and one method is by providing reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

Amendments to MFRS 112, Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify whether deferred tax assets should be recognised for unrealised losses on fixed-rate debt instrument measured at fair value. The decreases in value of a debt instrument measured at fair value for which the tax base remains at its original cost give rise to a deductible temporary difference. The estimate of probable future taxable profits may include recovery of some of an entity's assets for more than their carrying amounts if sufficient evidence exists that it is probable the entity will achieve this. An example is when an entity holds a fixed-rate debt instrument (measured at fair value) and expects to collect all the contractual cash flows.

The amendments also clarify that deductible temporary differences should be compared with the entity's future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences when an entity evaluates whether it has sufficient future taxable profits. In addition, when an entity assesses whether taxable profits will be available, it should consider tax law restrictions with regards to the utilisation of the deduction.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognized in opening retained earnings (or in OCI, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.



Notes to the Financial Statements (Cont'd)

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 Group's and 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 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 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 assesses 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

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 (Cont'd)

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.



Notes to the Financial Statements (Cont'd)

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 (Cont'd)

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 (Cont'd)

2. Significant accounting policies (continued)

c. Financial instruments

i. Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement 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 statement 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 (Cont'd)

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 or 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.

The estimated useful lives for the current and comparative periods 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.



Notes to the Financial Statements (Cont'd)

2. Significant accounting policies (continued)

e. Leased assets

i. Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. 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 the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. 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.

Leasehold lands and buildings which in substance are finance leases are classified as property, plant and equipment.

ii. Operating lease

Leases, where the Group or the Company do 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 and measured using fair value model.

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.

Leasehold land which in substance is an operating lease is classified as prepaid lease payments.

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 periods 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 (Cont'd)

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, balances and deposits with 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 pledged deposits.

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.



Notes to the Financial Statements (Cont'd)

2. Significant accounting policies (continued)

i. Impairment (continued)

ii. Other assets (continued)

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

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 instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

i. Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

ii. Ordinary shares

Ordinary shares are classified as equity.

k. Dividends

Final dividends are not reflected in shareholders' equity as an appropriation of unappropriated profits until they have been approved by the shareholders in a general meeting. Upon approval by the shareholders, final dividends are deducted from unappropriated profit. Interim dividends are recognised as liability when they are declared.

l. Provisions

Provisions are recognised if, as a result of past event, the Group and the Company have present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will occur to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

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.

Provisions are not recognised for future operating losses. If the Group and the Company have a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

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.



Notes to the Financial Statements (Cont'd)

2. Significant accounting policies (continued)

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 has 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. State plans

The Group'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 or 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.

p. 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.



Notes to the Financial Statements (Cont'd)

2. Significant accounting policies (continued)

q. Income tax

Income tax expense comprises current 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.

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 period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or 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 period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, 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 assets and liabilities 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 period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Any unutilised portion of the tax incentive is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

r. Goods and services tax

The Group's supply of goods and services in Malaysia is subject to goods and services tax ("GST") at the applicable standard rate of 6% or at zero rate of which certain goods and services are exempted from GST.

The net amount of GST recoverable from, or payable to, the Royal Malaysian Customs Department ("RMCD") is included as part of "other receivables" or "other payables" in the statements of financial position.

Revenues, expenses and assets are recognised net of the amount of GST expenses when the GST incurred on the purchase of assets or services is not recoverable from the RMCD, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

s. Earnings per ordinary share

The Group presents basic and diluted earnings per share data 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.

t. 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.



Notes to the Financial Statements (Cont'd)

2. Significant accounting policies (continued)

u. 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 uses 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.

v. 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, and
- 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.



Notes to the Financial Statements (Cont'd)

3. Property, plant and equipment (continued)

Group	Freehold land and buildings* RM	Leasehold land 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
			Buildings RM	and machinery RM						
Depreciation (cont'd)										
At 31 July 2016/1 August 2016	-	1,074,500	1,128,848	4,309,592	1,148,458	835,652	-	5,533,923	-	14,030,973
Recognised in profit or loss	-	66,918	171,014	810,096	331,000	60,499	-	388,241	-	1,827,768
Capitalised in immature bearer plant	-	-	-	-	15,313	-	-	94,968	-	110,281
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	-	1,133,540	1,333,297	5,151,998	1,503,578	896,151	-	6,002,845	-	16,021,409
Carrying amounts										
At 1 August 2015, restated	1,760,587	5,005,685	5,700,136	3,988,678	2,443,662	336,820	3,536,672	1,650,079	-	24,422,319
At 31 July 2016, restated	1,760,587	4,817,522	6,304,740	3,387,539	2,056,407	268,233	4,922,215	2,407,763	-	25,925,006
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

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

Motor vehicles acquired under finance lease plans

The carrying amounts of motor vehicles acquired under finance lease plans are RM607,383 (31.7.2016: RM867,262 and 1.8.2015: RM1,287,770).

3.1 Leasehold land

The entire carrying amount of leasehold land is:-

	Group	
	31.7.2017 RM	31.7.2016 RM
Leasehold land with unexpired lease period of more than 50 years	4,858,442	4,817,522
		5,005,685
		1.8.2015 RM

3.2 Security

At financial year end, leasehold land and buildings and capital work-in-progress of the Group with a total carrying amount of RM6,828,303 and RM5,377,358 (31.7.2016: RM6,956,562 and Nil; 1.8.2015: RM7,084,821 and Nil) respectively have been pledged for term loans granted to subsidiaries (see Note 11).



Notes to the Financial Statements (Cont'd)

3. Property, plant and equipment (continued)

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

	31.7.2017 RM	31.7.2016 RM	1.8.2015 RM
Land clearing costs	89,015	422,093	7,903
Planting costs	292,156	441,708	274,727
Depreciation of plant and equipment	110,281	68,433	20,065
Personnel expenses:			
- Wages, salaries and others	205,942	304,341	384,375
- Contributions to Employees Provident Fund	10,517	20,854	23,501
	Fittings RM	Motor vehicle RM	Total RM
Company			
Cost			
1 August 2015/31 July 2016/31 July 2017	2,800	149,888	152,688
Depreciation			
At 1 August 2015	1,283	19,985	21,268
Depreciation for the financial year	280	14,989	15,269
At 31 July 2016/1 August 2016	1,563	34,974	36,537
Depreciation for the financial year	280	14,989	15,269
At 31 July 2017	1,843	49,963	51,806
Carrying amounts			
At 31 July 2015	1,517	129,903	131,420
At 31 July 2016	1,237	114,914	116,151
At 31 July 2017	957	99,925	100,882

4. Intangible assets

Trademarks

	31.7.2017 RM	Group 31.7.2016 RM	1.8.2015 RM
Cost			
At beginning of financial year	60,352	34,025	20,715
Additions	29,820	34,157	15,110
Written off	-	(7,830)	(1,800)
At end of financial year	90,172	60,352	34,025
Amortisation			
At beginning of financial year	17,271	11,537	8,518
Amortisation for the financial year	9,783	13,564	4,062
Written off	-	(7,830)	(1,043)
At end of financial year	27,054	17,271	11,537
Carrying amounts			
At end of financial year	63,118	43,081	22,488



Notes to the Financial Statements (Cont'd)

5. Prepaid lease payments

	Group RM
Cost	
At 1 August 2015	3,554,132
Additions	7,302
At 31 July 2016/1 August 2016	3,561,434
Additions	7,391
Translation differences	(368,509)
At 31 July 2017	3,200,316
Amortisation	
At 1 August 2015	148,550
Amortisation for the financial year	32,700
At 31 July 2016/1 August 2016	181,250
Amortisation for the financial year	28,103
Translation differences	(42,842)
At 31 July 2017	166,511
Carrying amounts	
At 1 August 2015	3,405,582
At 31 July 2016	3,380,184
At 31 July 2017	3,033,805

Amount to be amortised:

	31.7.2017 RM	Group 31.7.2016 RM	1.8.2015 RM
Within 1 year	28,103	32,700	27,056
Between 2 to 5 years	112,412	130,800	108,224
Over 5 years	2,893,290	3,216,684	3,270,302
	3,033,805	3,380,184	3,405,582

6. Investments in associates

	31.7.2017 RM	Group 31.7.2016 RM	1.8.2015 RM
At cost:-			
Unquoted shares			
- Ordinary shares	2,220,004	2,220,004	2,220,004
- Additional ordinary shares during the financial year	471,000	-	-
- Redeemable convertible preference shares	-	12,738,000	11,391,000
- Conversion from redeemable preference shares to ordinary shares	12,738,000	-	-
Share of post-acquisition reserves	(87,325)	(167,855)	(163,972)
	15,341,679	14,790,149	13,447,032



Notes to the Financial Statements (Cont'd)

6. Investments in associates (continued)

During the financial year, Gim Triple Seven Sdn. Bhd. ("G777"), a wholly-owned subsidiary of the Company, subscribed to 471,000 ordinary shares (31.7.2016 and 1.8.2015: Nil) 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 (31.7.2016 and 1.8.2015: Nil) for the amount due and owing to G777.

In the previous financial year, G777 subscribed to 1,347 (1.8.2015: 3,312) redeemable convertible preference shares ("RCPS") of RM1,000.00 per share in Melati Aman Sdn. Bhd. as full settlement of the outstanding amount due and owing from Melati Aman Sdn. Bhd. and that the allotment of 1,347 (1.8.2015: 3,312) RCPS would operate as a full satisfaction of the RM1,347,000 (1.8.2015: RM3,312,000) 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	
			2017 %	2016 %
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	Rubber planting and estate management	30	30
TLC Plantation Sdn. Bhd.	Malaysia	Rubber planting and estate management	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.

	Melati Aman Sdn. Bhd. RM	Other individually immaterial associates RM	Total RM
31.7.2017			
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	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



Notes to the Financial Statements (Cont'd)

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).

	Melati Aman Sdn. Bhd. RM	Other individually immaterial associates RM	Total RM
31.7.2016			
Summarised financial information as at 31 July			
Non-current assets	42,649,203	-	42,649,203
Current assets	6,340,001	5,424,687	11,764,688
Non-current liabilities	(150)	-	(150)
Current liabilities	(5,956,671)	(3,800)	(5,960,471)
Net assets	43,032,383	5,420,887	48,453,270
Year ended 31 July			
Total comprehensive loss	(9,133)	(3,811)	(12,944)
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	425,883	1,626,266	2,052,149
Redeemable convertible preference shares	12,738,000	-	12,738,000
	13,163,883	1,626,266	14,790,149
Group's share of results for the financial year ended 31 July			
Group's share of total comprehensive loss	(2,740)	(1,143)	(3,883)
1.8.2015			
Summarised financial information as at 31 July			
Non-current assets	38,718,095	-	38,718,095
Current assets	5,874,499	5,427,865	11,302,364
Non-current liabilities	(26,579,000)	-	(26,579,000)
Current liabilities	(6,068,026)	(3,167)	(6,071,193)
Net assets	11,945,568	5,424,698	17,370,266
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	586,370	3,046,683	3,633,053
Redeemable convertible preference shares	11,391,000	-	11,391,000
Elimination of unrealised profits from inter-associate transactions	-	(1,577,021)	(1,577,021)
	11,977,370	1,469,662	13,447,032



Notes to the Financial Statements (Cont'd)

7. Inventories

	31.7.2017 RM	Group 31.7.2016 RM	1.8.2015 RM
Raw materials	5,508,094	5,543,097	4,485,209
Work-in-progress	973,369	1,122,332	776,317
Packaging materials	302,136	331,431	297,761
Finished goods	2,866,480	3,466,224	4,110,877
	9,650,079	10,463,084	9,670,164
		2017 RM	2016 RM
Recognised in profit or loss:			
Inventories recognised as cost of sales		12,229,050	14,642,665

8. Trade and other receivables

	Note	31.7.2017 RM	Group 31.7.2016 RM	1.8.2015 RM
Trade				
Trade receivables	8.1	4,665,596	7,087,215	9,518,549
Amounts due from associate	8.2	346,710	238,785	224,699
		5,012,306	7,326,000	9,743,248
Non-trade				
Other receivables		242,670	261,790	891,090
Deposits		488,037	367,598	741,602
Prepayments		520,131	331,094	422,200
GST recoverable		395,344	164,507	300,390
		1,646,182	1,124,989	2,355,282
		6,658,488	8,450,989	12,098,530
		31.7.2017 RM	Company 31.7.2016 RM	1.8.2015 RM
Non-trade				
Amounts due from subsidiaries	8.3	8,910,000	6,110,000	5,350,000
Other receivables		500	500	500
Deposits		4,000	4,000	4,000
Prepayments		9,744	11,867	3,611
		8,924,244	6,126,367	5,358,111

8.1 Trade receivables

The trade receivables are non-interest bearing and the normal trade credit terms granted to customers ranged from current to 120 days (31.7.2016 and 1.8.2015: current to 150 days). They are recognised at invoice amounts.

8.2 Amounts due from associate

The trade amounts due from associate are subject to normal trade terms.

8.3 Amounts due from subsidiaries

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



Notes to the Financial Statements (Cont'd)

9. Cash and cash equivalents

	Note	31.7.2017 RM	Group 31.7.2016 RM	1.8.2015 RM	31.7.2017 RM	Company 31.7.2016 RM	1.8.2015 RM
Deposits with licensed banks	9.1	2,089,886	2,018,687	2,628,971	6,331	6,136	5,944
Cash and bank balances		6,776,662	10,760,762	12,343,915	19,523	46,340	120,307
		8,866,548	12,779,449	14,972,886	25,854	52,476	126,251
Less: Deposits pledged		(2,080,388)	(2,009,481)	(2,596,875)	-	-	-
		6,786,160	10,769,968	12,376,011	25,854	52,476	126,251

9.1 Deposits with licensed banks

Included in deposits with licensed banks of the Group is RM2,080,388 (31.7.2016: RM2,009,481 and 1.8.2015: RM2,596,875) pledged for bank facilities granted to subsidiaries.

10. Share capital and reserves

Share capital

	Note	Group and Company					
		Amount 31.7.2017 RM	Number of shares 31.7.2017	Amount 31.7.2016 RM	Number of shares 31.7.2016	Amount 1.8.2015 RM	Number of shares 1.8.2015
Issued and fully paid:							
Ordinary shares	10.1	33,374,000	333,740,000	33,374,000	333,740,000	33,374,000	333,740,000

Reserves

	Note	31.7.2017 RM	Group 31.7.2016 RM	1.8.2015 RM	31.7.2017 RM	Company 31.7.2016 RM	1.8.2015 RM
Non-distributable							
Share option reserve	10.2	-	-	31,467	-	-	31,467
Translation reserve	10.3	423,665	76,901	64,774	-	-	-
		423,665	76,901	96,241	-	-	31,467
Distributable							
Retained earnings		22,077,184	23,857,280	23,802,802	4,312,085	5,617,644	4,741,513

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

10.1 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.

10.2 Share option reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share option. When the option is exercised, the amount from the share option reserve is transferred to share premium. When the share option expires, the amount from the share option reserve is transferred to retained earnings. The share option reserve has been fully transferred to retained earnings due to the expiry of share options during the financial year ended 31 July 2016.

10.3 Translation reserve

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



Notes to the Financial Statements (Cont'd)

11. Borrowings

	31.7.2017 RM	Group 31.7.2016 RM	1.8.2015 RM
Non-current			
Finance lease liabilities	31,856	108,289	407,577
Term loans (secured)	15,871,480	11,674,859	10,346,791
	15,903,336	11,783,148	10,754,368
Current			
Finance lease liabilities	76,433	262,400	309,360
Term loans (secured)	1,058,027	847,550	812,440
	1,134,460	1,109,950	1,121,800
Total borrowings	17,037,796	12,893,098	11,876,168

Finance lease liabilities are payable as follows:-

	Future minimum lease payments 31.7.2017 RM	Unexpired interest 31.7.2017 RM	Present value of minimum lease payments 31.7.2017 RM
Less than one year	79,240	(2,807)	76,433
Between two to five years	32,699	(843)	31,856
	111,939	(3,650)	108,289

	Future minimum lease payments 31.7.2016 RM	Unexpired interest 31.7.2016 RM	Present value of minimum lease payments 31.7.2016 RM
Less than one year	273,962	(11,562)	262,400
Between two to five years	111,965	(3,676)	108,289
	385,927	(15,238)	370,689

	Future minimum lease payments 1.8.2015 RM	Unexpired interest 1.8.2015 RM	Present value of minimum lease payments 1.8.2015 RM
Less than one year	336,268	(26,908)	309,360
Between two to five years	425,552	(17,975)	407,577
	761,820	(44,883)	716,937

11.1 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.



Notes to the Financial Statements (Cont'd)

11. Borrowings (continued)

11.2 Significant covenants

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

- Maintain a debt-to-equity ratio of not more than 2:1 at all times by the subsidiary.
- Dividend payments made by the subsidiary does not exceed its respective year's profit after tax.
- 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.

12. Deferred tax liabilities

Deferred tax liabilities are attributable to the following:-

	31.7.2017 RM	Group 31.7.2016 RM	1.8.2015 RM
Property, plant and equipment			
- capital allowances	2,095,634	668,015	798,949
- at fair value adjustments	565,271	545,400	553,128
Others	(1,215,497)	241,346	155,785
	1,445,408	1,454,761	1,507,862

Movement in temporary differences during the financial year

	At 1.8.2015 RM	Recognised in profit or loss (Note 18) RM	At 31.7.2016/ 1.8.2016 RM	Recognised in profit or loss (Note 18) RM	At 31.7.2017 RM
Group					
Property, plant and equipment					
- capital allowances	798,949	(130,934)	668,015	1,427,619	2,095,634
- at fair value adjustments	553,128	(7,728)	545,400	19,871	565,271
Others	155,785	85,561	241,346	(1,456,843)	(1,215,497)
	1,507,862	(53,101)	1,454,761	(9,353)	1,445,408

Unrecognised deferred tax assets

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

	31.7.2017 RM	Group 31.7.2016 RM	1.8.2015 RM
Tax loss carry-forwards	1,594,584	1,208,216	963,162
Unutilised capital allowance	153,422	143,142	2,559,749
Property, plant and equipment	(73,191)	(227,213)	-
Other deductible temporary differences	41,808	-	(3,442,025)
	1,716,623	1,124,145	80,886

The tax loss carry-forwards 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 un-certain whether its subsidiaries can generate adequate future taxable profits against which its subsidiaries can fully utilise the benefits therefrom.



Notes to the Financial Statements (Cont'd)

13. Trade and other payables

	Note	31.7.2017 RM	Group 31.7.2016 RM	1.8.2015 RM	31.7.2017 RM	Company 31.7.2016 RM	1.8.2015 RM
Trade							
Trade payables	13.1	1,533,868	4,332,859	6,211,340	-	-	-
Non-trade							
Other payables		801,228	1,129,001	1,732,896	15,941	290,086	332,538
Accrued expenses		768,233	896,223	709,095	30,850	28,750	1,750
Amount due to subsidiaries	13.2	-	-	-	4,050,000	-	-
Amount due to Directors	13.3	510	5,064	9,472	-	-	-
GST payable		11,037	6,373	100	-	-	-
		1,581,008	2,036,661	2,451,563	4,096,791	318,836	334,288
		3,114,876	6,369,520	8,662,903	4,096,791	318,836	334,288

13.1 Trade payables

Normal trade credit period granted by suppliers to the Group ranged from current to 60 days (31.7.2016 and 1.8.2015: current to 60 days).

13.2 Amount due to subsidiaries

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

13.3 Amount due to Directors

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

14. Investments in subsidiaries

	31.7.2017 RM	Company 31.7.2016 RM	1.8.2015 RM
At cost:-			
Unquoted shares			
- Ordinary shares	21,779,146	22,065,486	22,065,486
- Redeemable convertible preference shares	12,490,000	12,490,000	12,000,000
	34,269,146	34,555,486	34,065,486
Less: Impairment loss	(1,540,000)	(1,540,000)	(1,200,000)
	32,729,146	33,015,486	32,865,486

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

	31.7.2017 RM	Company 31.7.2016 RM	1.8.2015 RM
At beginning of financial year	1,540,000	1,200,000	-
Charge for the financial year	-	340,000	1,200,000
At end of financial year	1,540,000	1,540,000	1,200,000

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 (Cont'd)

14. 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	
			2017 %	2016 %
Greenyield Industries (M) Sdn. Bhd.	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	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	Dormant	100	100

* Not audited by SJ Grant Thornton.

Under members' voluntary liquidation

15. Revenue

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Dividend income - gross	-	-	1,000,000	4,000,000
Sale of goods	30,673,635	37,300,639	-	-
	30,673,635	37,300,639	1,000,000	4,000,000



Notes to the Financial Statements (Cont'd)

16. Profit before tax

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Profit before tax is arrived at after charging:				
Auditors' remuneration:				
- Audit fees	93,000	88,000	22,000	20,000
- Other auditors	22,903	25,142	-	-
- Non-audit fees	7,000	7,000	7,000	7,000
Bad debt written off	1,343	29,482	-	-
Finance costs	449,477	523,784	-	-
Personnel expenses (including key management personnel):				
- Contributions to Employees Provident Fund	615,859	610,076	-	-
- Wages, salaries and others	7,739,213	7,530,177	-	-
Rental of premises	406,360	374,732	-	-
Unrealised foreign exchange loss (net)	342,538	19,246	-	-
and after crediting:				
Interest income	143,131	159,895	5,347	2,682
Realised foreign exchange gain (net)	1,143,713	1,673,305	-	-

17. Key management personnel compensations

The key management personnel compensations are as follows:-

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Directors:				
Salaries and other emoluments	1,484,954	1,651,826	-	-
Social contribution plan	621	-	-	-
Fees	108,000	108,000	108,000	108,000
Bonus	128,940	-	-	-
Defined contribution plans	157,895	157,982	-	-
Estimated money value of benefits-in-kind	12,100	11,300	12,100	11,300
	1,892,510	1,929,108	120,100	119,300
Other key management personnel:				
Salaries and other emoluments	331,301	139,142	-	-
Defined contribution plans	41,511	16,697	-	-
	372,812	155,839	-	-



Notes to the Financial Statements (Cont'd)

18. Tax expense

Recognised in profit and loss

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Current tax expense				
In Malaysia				
- current financial year	557,000	1,324,000	-	3,000
- over provision in prior financial year	(213,586)	(196,986)	(5,750)	-
	343,414	1,127,014	(5,750)	3,000
Outside Malaysia				
- current financial year	1,271	21,262	-	-
- under provision in prior financial year	-	8,400	-	-
	1,271	29,662	-	-
Deferred tax expense				
Origination and reversal of temporary differences	(126,086)	(67,676)	-	-
Under provision in prior financial year	116,733	14,575	-	-
	(9,353)	(53,101)	-	-
Total	335,332	1,103,575	(5,750)	3,000

Reconciliation of tax expense

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Profit before tax	557,676	3,629,636	691,131	3,350,714
Tax calculated using Malaysian tax rate of 24%	133,842	871,113	165,871	804,171
Non-deductible expenses	250,846	392,621	75,412	159,473
Tax exempt income	-	(644)	(241,283)	(960,644)
Tax incentive	(27,510)	(190,846)	-	-
Non-taxable income	(74,621)	(104,270)	-	-
Different tax rates of subsidiaries in overseas	7,433	53,531	-	-
Movement of deferred tax assets not recognised	142,195	257,233	-	-
Effect on opening deferred tax on reduction Malaysian income tax rate	-	(1,152)	-	-
	432,185	1,277,586	-	3,000
Over provision in prior financial year	(96,853)	(174,011)	(5,750)	-
	335,332	1,103,575	(5,750)	3,000



Notes to the Financial Statements (Cont'd)

19. Earnings per share

Basic earnings per ordinary share

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

	Group	
	2017 RM	2016 RM
Profit attributable to ordinary shareholders	222,344	2,526,061
Weighted average number of ordinary shares:-		
Issued ordinary shares at 31 July	333,740,000	333,740,000
Basic earnings per ordinary share (in sen)	0.07	0.76

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
2017			
Final 2016 ordinary (single tier)	0.60	<u>2,002,440</u>	16 January 2017
2016			
Final 2015 ordinary (single tier)	0.75	<u>2,503,050</u>	22 January 2016

The final dividend recommended by the Directors in respect of the financial year ended 31 July 2017 is a single tier final ordinary dividend of 0.30 sen per ordinary share totalling RM1,001,220. This dividend will be recognised in the subsequent financial year upon approval by the owners of the Company.

21. 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.



Notes to the Financial Statements (Cont'd)

21. Operating segment (continued)

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.

	Plantation		Non-plantation		Eliminations		Consolidated	
	2017 RM	2016 RM	2017 RM	2016 RM	2017 RM	2016 RM	2017 RM	2016 RM
Business segments								
Revenue from external customers	15,920,055	16,493,739	14,753,580	20,806,900	-	-	30,673,635	37,300,639
Inter-segment revenue	2,146,109	2,094,252	2,662,285	5,614,756	(4,808,394)	(7,709,008)	-	-
Total segment revenue	18,066,164	18,587,991	17,415,865	26,421,656	(4,808,394)	(7,709,008)	30,673,635	37,300,639
Segment results*							9,081,912	11,935,450
Depreciation and amortisation							(1,865,654)	(1,955,457)
Unallocated income							1,506,798	2,734,179
Unallocated expenses							(7,939,564)	(8,716,764)
Results from operating activities							783,492	3,997,408
Finance costs							(449,477)	(523,784)
Finance income							143,131	159,895
Share of profit/(loss) of equity accounted associates, net of tax							80,530	(3,883)
Tax expense							(335,332)	(1,103,575)
Profit for the financial year							222,344	2,526,061

* 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 (Cont'd)

21. Operating segment (continued)

Geographical information

	Revenue RM	Non- current assets RM
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
2016		
Malaysia	6,283,111	25,229,991
South East Asia other than Malaysia	5,445,561	4,118,280
United States of America	5,644,932	-
Europe	11,243,208	-
Africa	4,304,122	-
Australia	3,363,933	-
Others	1,015,772	-
	37,300,639	29,348,271

Major customers

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

	Revenue		Segment
	2017 RM	2016 RM	
Group			
All common control companies of:			
- Customer A	6,743,654	10,548,905	Non-plantation
- Customer B	4,879,505	5,318,970	Non-plantation
- Customer C	-	3,387,146	Plantation
	11,623,159	19,255,021	

22. Financial instruments

22.1 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").



Notes to the Financial Statements (Cont'd)

22. Financial instruments (continued)

22.1 Categories of financial instruments (continued)

The table below provides an analysis of financial instruments categories as follow (continued):-

	Carrying amount RM	L&R/(FL) RM
Financial assets		
Group		
31.7.2017		
Trade and other receivables	5,743,013	5,743,013
Cash and cash equivalents	8,866,548	8,866,548
	14,609,561	14,609,561
31.7.2016		
Trade and other receivables	7,955,388	7,955,388
Cash and cash equivalents	12,779,449	12,779,449
	20,734,837	20,734,837
1.8.2015		
Trade and other receivables	11,375,940	11,375,940
Cash and cash equivalents	14,972,886	14,972,886
	26,348,826	26,348,826
Company		
31.7.2017		
Trade and other receivables	8,914,500	8,914,500
Cash and cash equivalents	25,854	25,854
	8,940,354	8,940,354
31.7.2016		
Trade and other receivables	6,114,500	6,114,500
Cash and cash equivalents	52,476	52,476
	6,166,976	6,166,976
1.8.2015		
Trade and other receivables	5,354,500	5,354,500
Cash and cash equivalents	126,251	126,251
	5,480,751	5,480,751
Financial liabilities		
Group		
31.7.2017		
Borrowings	(17,037,796)	(17,037,796)
Trade and other payables	(3,103,839)	(3,103,839)
	(20,141,635)	(20,141,635)
31.7.2016		
Borrowings	(12,893,098)	(12,893,098)
Trade and other payables	(6,363,147)	(6,363,147)
	(19,256,245)	(19,256,245)
1.8.2015		
Borrowings	(11,876,168)	(11,876,168)
Trade and other payables	(8,662,803)	(8,662,803)
	(20,538,971)	(20,538,971)



Notes to the Financial Statements (Cont'd)

22. Financial instruments (continued)

22.1 Categories of financial instruments (continued)

The table below provides an analysis of financial instruments categories as follow (continued):-

	Carrying amount RM	FL RM
Financial liabilities (continued)		
Company		
31.7.2017		
Trade and other payables	(4,096,791)	(4,096,791)
31.7.2016		
Trade and other payables	(318,836)	(318,836)
1.8.2015		
Trade and other payables	(334,288)	(334,288)

22.2 Net gains and losses arising from financial instruments

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Net gains/(losses) on:				
Loans and receivables	902,498	1,813,954	5,347	2,682
Financial liabilities measured at amortised cost	(449,477)	(523,784)	-	-
	453,021	1,290,170	5,347	2,682

22.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

22.4 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.

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 17% (31.7.2016: 29% and 1.8.2015: 62%) of the Group's trade receivables owed by 1 (31.7.2016: one (1) and 1.8.2015: two (2)) customers. The maximum exposure to credit risk arising from receivables is represented by the carrying amount in the statements of financial position.



Notes to the Financial Statements (Cont'd)

22. Financial instruments (continued)

22.4 Credit risk (continued)

Exposure to credit risk, credit quality and collateral (continued)

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			
31.7.2017			
Not past due	3,041,729	-	3,041,729
Past due 0 - 30 days	281,941	-	281,941
Past due 31 - 120 days	870,742	-	870,742
Past due more than 121 days	512,699	(41,515)	471,184
	4,707,111	(41,515)	4,665,596
31.7.2016			
Not past due	4,777,155	-	4,777,155
Past due 0 - 30 days	642,287	-	642,287
Past due 31 - 120 days	731,659	-	731,659
Past due more than 121 days	936,114	-	936,114
	7,087,215	-	7,087,215
1.8.2015			
Not past due	3,525,189	-	3,525,189
Past due 0 - 30 days	3,031,388	-	3,031,388
Past due 31 - 120 days	2,246,202	-	2,246,202
Past due more than 121 days	850,458	(134,688)	715,770
	9,653,237	(134,688)	9,518,549

Impairment losses

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

RM

Group	
At 1 August 2015	(134,688)
Impairment losses written off	134,688
At 31 July 2016	-
Charge for the financial year	41,515
At 31 July 2017	41,515

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.



Notes to the Financial Statements (Cont'd)

22. Financial instruments (continued)

22.4 Credit risk (continued)

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 amounts to RM16,929,507 (31.7.2016: RM12,522,409 and 1.8.2015: RM11,159,231) 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.

22.5 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.



Notes to the Financial Statements (Cont'd)

22. Financial instruments (continued)

22.5 Liquidity risk (continued)

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 interest rate %	Contractual cash flows RM	Under 1 year RM	Between 2 to 5 years RM	Over 5 years RM
Group						
31.7.2017						
<i>Non-derivative financial liabilities</i>						
Term loans	16,929,507	4.35 – 6.85	24,782,115	1,877,825	10,050,709	12,853,581
Finance lease liabilities	108,289	2.35 – 2.91	111,939	79,240	32,699	-
Trade and other payables	3,103,839	-	3,103,839	3,103,839	-	-
	<u>20,141,635</u>		<u>27,997,893</u>	<u>5,060,904</u>	<u>10,083,408</u>	<u>12,853,581</u>
31.7.2016						
<i>Non-derivative financial liabilities</i>						
Term loans	12,522,409	4.60 - 6.85	18,263,752	1,504,008	7,149,264	9,610,480
Finance lease liabilities	370,689	2.35 - 2.91	385,927	273,962	111,965	-
Trade and other payables	6,363,147	-	6,363,147	6,363,147	-	-
	<u>19,256,245</u>		<u>25,012,826</u>	<u>8,141,117</u>	<u>7,261,229</u>	<u>9,610,480</u>
1.8.2015						
<i>Non-derivative financial liabilities</i>						
Term loans	11,159,231	4.60 - 4.65	14,501,078	1,302,900	13,198,178	-
Finance lease liabilities	716,937	2.35 - 2.91	761,820	336,268	425,552	-
Trade and other payables	8,662,803	-	8,662,803	8,662,803	-	-
	<u>20,538,971</u>		<u>23,925,701</u>	<u>10,301,971</u>	<u>13,623,730</u>	<u>-</u>
Company						
31.7.2017						
<i>Non-derivative financial liabilities</i>						
Trade and other payables	4,096,791	-	4,096,791	4,096,791	-	-
Corporate guarantees*	-	-	16,929,507	16,929,507	-	-
	<u>4,096,791</u>		<u>21,026,298</u>	<u>21,026,298</u>	<u>-</u>	<u>-</u>



Notes to the Financial Statements (Cont'd)

22. Financial instruments (continued)

22.5 Liquidity risk (continued)

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM	Between 2 to 5 years RM	Over 5 years RM
31.7.2016						
<i>Non-derivative financial liabilities</i>						
Trade and other payables	318,836	-	318,836	318,836	-	-
Corporate guarantees*	-	-	12,522,409	12,522,409	-	-
	<u>318,836</u>		<u>12,841,245</u>	<u>12,841,245</u>	<u>-</u>	<u>-</u>
1.8.2015						
<i>Non-derivative financial liabilities</i>						
Trade and other payables	334,288	-	334,288	334,288	-	-
Corporate guarantees*	-	-	11,159,231	11,159,231	-	-
	<u>334,288</u>		<u>11,493,519</u>	<u>11,493,519</u>	<u>-</u>	<u>-</u>

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.

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

22.6 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.

22.6.1 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") and Australian Dollar ("AUD").

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 financial year end, the Group did not have any hedging contracts or arrangement for any foreign currency.



Notes to the Financial Statements (Cont'd)

22. Financial instruments (continued)

22.6 Market risk (continued)

22.6.1 Currency risk (continued)

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
Group				
31.7.2017				
Trade and other receivables	2,184,839	392,009	-	253,385
Trade and other payables	(671,498)	(2,799)	-	-
Cash and cash equivalents	2,765,354	93,714	-	176,209
Exposure in the statements of financial position	4,278,695	482,924	-	429,594
31.7.2016				
Trade and other receivables	4,351,602	436,799	158,588	-
Trade and other payables	(5,895,382)	(12,674)	(24,335)	-
Cash and cash equivalents	6,308,525	149,541	23,539	-
Exposure in the statements of financial position	4,764,745	573,666	157,792	-
1.8.2015				
Trade and other receivables	8,895,388	-	7,542	-
Trade and other payables	(3,540,438)	-	(30,835)	-
Cash and cash equivalents	7,900,598	3,550	59,768	-
Exposure in the statements of financial position	13,255,548	3,550	36,475	-

Currency risk sensitivity analysis

A 10% (31.7.2016 and 1.8.2015: 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		
	31.7.2017 RM	31.7.2016 RM	1.8.2015 RM	31.7.2017 RM	31.7.2016 RM	1.8.2015 RM
Group						
USD	(325,181)	(362,121)	(994,166)	(325,181)	(362,121)	(994,166)
EUR	(36,702)	(43,599)	(266)	(36,702)	(43,599)	(266)
VND	-	(11,992)	-	-	(11,992)	-
AUD	(32,649)	-	(2,736)	(32,649)	-	(2,736)



Notes to the Financial Statements (Cont'd)

22. Financial instruments (continued)

22.6 Market risk (continued)

22.6.1 Currency risk (continued)

Currency risk sensitivity analysis (continued)

A 10% (31.7.2016 and 1.8.2015: 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.

22.6.2 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:-

	31.7.2017 RM	Group 31.7.2016 RM	1.8.2015 RM
Fixed rate instruments			
Financial assets	2,089,886	2,018,687	2,628,971
Financial liabilities	(108,289)	(370,689)	(716,937)
	1,981,597	1,647,998	1,912,034

Floating rate instrument			
Financial liabilities	(16,929,507)	(12,522,409)	(11,159,231)

	31.7.2017 RM	Company 31.7.2016 RM	1.8.2015 RM
Fixed rate instrument			
Financial assets	6,331	6,136	5,944

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 increased/ (decreased) equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Group	Equity		Profit or loss	
	100 bp increase RM	100 bp decrease RM	100 bp increase RM	100 bp decrease RM
31.7.2017				
Financial liabilities	128,664	(128,664)	128,664	(128,664)



Notes to the Financial Statements (Cont'd)

22. Financial instruments (continued)

22.6.2 Interest rate risk (continued)

Cash flow sensitivity analysis for floating rate instruments (continued)

Group	Equity		Profit or loss	
	100 bp increase RM	100 bp decrease RM	100 bp increase RM	100 bp decrease RM
31.7.2016				
Financial liabilities	95,170	(95,170)	95,170	(95,170)
1.8.2015				
Financial liabilities	83,694	(83,694)	83,694	(83,694)

22.7 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. 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.

	Note	Group			GISB		
		31.7.2017 RM	31.7.2016 RM	1.8.2015 RM	31.7.2017 RM	31.7.2016 RM	1.8.2015 RM
Total borrowings	11	17,037,796	12,893,098	11,876,168	9,544,508	10,495,051	11,389,191
Total equity		55,874,849	57,308,181	57,273,043	16,042,173	15,591,694	15,049,696
Debt-to-equity ratio		0.30	0.22	0.21	0.59	0.67	0.76

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

Greenyield Industries (M) Sdn. Bhd. ("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 11). At the reporting date, GISB has complied with the bank covenant.

24. Capital commitment

	Group	
	2017 RM	2016 RM
Capital expenditure commitments:-		
Property, plant and equipment		
Contracted but not provided for	528,854	-



Notes to the Financial Statements (Cont'd)

25. Rental commitment

The future minimum lease payments payable under non-cancellable operating lease commitments are:-

	Group	
	2017 RM	2016 RM
Future minimum lease payments payables:-		
Not later than one year	113,268	102,562
Later than one year but not more than five years	38,000	36,000
	151,268	138,562

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.

Significant related party transactions

Related party transactions have been entered into in 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 Note 17, are shown below:-

	Group		Company	
	Transaction amount for the financial year ended 31 July		Transaction amount for the financial year ended 31 July	
	2017 RM	2016 RM	2017 RM	2016 RM
Subsidiary				
Dividend income	-	-	1,000,000	4,000,000
Associate				
Sales	580,924	498,169	-	-

Significant related party balances related to the above transactions are disclosed in Note 8 and Note 13 to the Financial Statements.



Notes to the Financial Statements (Cont'd)

27. Significant changes in accounting policies

The Group has adopted the Amendments to MFRS 116 Property, plant and equipment and MFRS 141 Agriculture, which are applicable to Group effective on or after 1 January 2016.

The change in accounting policy has been applied retrospectively and has resulted in the reclassification of bearer plants from plantation development expenditure to property, plant and equipment.

The effects of the adoption on the financials statements of the Group are as follows:-

	Previously stated RM	Increase/ (Decrease) Amendments to MFRS 116 RM	As restated RM
31.7.2016			
Statements of financial position			
<u>Non-current assets</u>			
Property, plant and equipment	21,002,791	4,922,215	25,925,006
Plantation development expenditure	4,922,215	(4,922,215)	-
Statements of cash flows			
<u>Investing activities</u>			
Acquisition of property, plant and equipment	(2,316,647)	(1,298,092)	3,614,739
Plantation development expenditure	(1,298,092)	1,298,092	-
1.8.2015			
Statements of financial position			
<u>Non-current assets</u>			
Property, plant and equipment	20,885,647	3,536,672	24,422,319
Plantation development expenditure	3,536,672	(3,536,672)	-



Notes to the Financial Statements (Cont'd)

28. Supplementary financial information on the breakdown of realised and unrealised profits or losses

The breakdown of the retained earnings of the Group and of the Company as at 31 July 2017, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:-

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
The retained profits of the Company and its subsidiaries:				
- Realised	30,217,482	32,929,220	4,312,085	5,617,644
- Unrealised	(860,966)	(1,435,515)	-	-
	29,356,516	31,493,705	4,312,085	5,617,644
The share of retained profits from associates:				
- Realised	(87,325)	(167,855)	-	-
	29,269,191	31,325,850	4,312,085	5,617,644
Less: Consolidation adjustments	(7,192,007)	(7,468,570)	-	-
Total retained earnings	22,077,184	23,857,280	4,312,085	5,617,644

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by Malaysian Institute of Accountants on 20 December 2010.



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 44 to 92 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 2017 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 28 on page 93 to the financial statements has been compiled in accordance with the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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 2017

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 the financial statements set out on pages 44 to 92 and the financial information set out in page 93 are, to the best of my knowledge and belief, 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 2017.

Chan Wen Hong

Before me:

Badlisham Talhah

(No. B475)

Commissioner of Oath



INDEPENDENT AUDITORS' REPORT

to the members of Greenyfield Berhad
(Company No. 582216-T) (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Greenyfield Berhad, which comprise the statements of financial position as at 31 July 2017 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 44 to 92.

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 2017, 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 7 to the financial statements. The Group holds an amount of inventories that amounted to RM9,650,079 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.



Independent Auditors' Report (Cont'd)

to the members of Greenyield Berhad
(Company No. 582216-T) (Incorporated in Malaysia)

Impairment of doubtful receivables

The risk

Refer to Note 22 to the financial statements. We focused on this area because the Group has trade receivables that are past due but not impaired amounted to RM1,623,867. 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.

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 MFRSs, IFRSs 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 ISAs 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.



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

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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 14 to the financial statements.



Independent Auditors' Report (Cont'd)

to the members of Greenyield Berhad
(Company No. 582216-T) (Incorporated in Malaysia)

Other Reporting Responsibilities

The supplementary information set out in Note 28 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 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.

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

TAN CHEE BENG
(NO: 2664/02/19(J))
CHARTERED ACCOUNTANT

Kuala Lumpur
8 November 2017



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 31.07.2017 (RM)
No. 116, Jalan Lapan, Kompleks Perabot Olak Lempit, Tg. Duabelas, 42700 Banting, Selangor Darul Ehsan	Greenyard Industries (M) Sdn Bhd	Factory and land; Single storey factory with a 3-storey office annexe	Leasehold expiring on 26.09.2087	16	128,801 sq.ft/ *75,110 sq.ft	31.01.1995 (A)/ 23.03.2004 (V)	4,935,245
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	20	3,728 sq.ft/ *14,098 sq.f	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	9	73,830 sq.ft/ *24,585 sq.ft	04.03.2008 (A)	1,017,609
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	6	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	Greenyard (Cambodia) Pte Ltd	Land with single storey factory	Leasehold expiring on 23.8.2114	3	286,671 sq.ft/ *15,984 sq.ft	24.08.2014 (A)	1,588,983
PN 92538, Lot 4, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Selangor Darul Ehsan	Greenyard Industries (M) Sdn Bhd	Industrial land	Leasehold expiring on 30.12.2098	3	114,743 sq.ft	10.09.2014 (A)	3,616,118
No. G-19, No. 1-19, No. 2-19, No. 3-19, No. 3A-19, 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)	5,377,358

Note: * Building only



ANALYSIS OF SHAREHOLDINGS

as at 31 October 2017

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	5	0.295	140	0.000
100 – 1,000	93	5.489	49,904	0.014
1,001 – 10,000	550	32.467	3,628,296	1.087
10,001 – 100,000	850	50.177	32,832,100	9.837
100,001 to less than 5% of issued shares	194	11.452	115,945,680	34.741
5% and above of issued shares	2	0.118	181,283,880	54.318
Total	1,694	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	Teo Kwee Hock	6,557,000	1.964
5	Tham Foo Choon	6,099,160	1.827
6	Tham Chong Sing	4,277,220	1.281
7	JF Apex Nominees (Tempatan) Sdn Bhd Pledged securities account for Teo Siew Lai (Margin)	4,151,700	1.243
8	Tham Fau Sin	2,977,020	0.892
9	RHB Capital Nominees (Tempatan) Sdn Bhd – Chen Foong Szeen	2,556,500	0.766
10	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Lim Eng Hock (MY0946)	2,440,000	0.731
11	Sivakumaran A/L Seenivasagam	2,201,420	0.659
12	Tham Kin Wai	2,172,000	0.650
13	PM Nominees (Tempatan) Sdn Bhd Pledged securities account for Ang Lip Chee (B)	2,060,400	0.617
14	Tan Ka Lian	2,025,000	0.606
15	Tham Kinfuei	2,000,000	0.599
16	Tham Kin-On	2,000,000	0.599
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	Tham Kin Leet	1,506,000	0.451
21	Chi Bee Chin	1,472,000	0.441
22	Alliance Group Nominees (Tempatan) Sdn Bhd Pledged securities account for Foo Peng Boon (8115339)	1,400,000	0.419
23	Tham Kinyiq	1,350,000	0.404
24	Ang Lip Chee	1,257,800	0.376



Analysis of Shareholdings (Cont'd)

as at 31 October 2017

LIST OF TOP 30 HOLDERS (CONTINUED)

No.	Name	No. of Shares Held	% of Issued Shares
25	Ang Lip Chee	1,163,100	0.348
26	Lim Choi Thai	1,026,000	0.307
27	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Liaw Ah Kau (LIA0222M)	1,000,000	0.299
28	Citigroup Nominees (Asing) Sdn Bhd Pershing LLC For Gregory Alexander	1,000,000	0.299
29	Armaru @ Tharmalingam A/L A Chinniah	915,700	0.274
30	Saw Kee Thiam	880,000	0.263
	Total	249,964,360	74.897

DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct	No. of Shares Held		%
		%	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
Dr Sivakumaran A/L Seenivasagam	2,201,420	0.659	-	-
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

Name of Substantial Shareholders	Direct	No. of Shares Held		%
		%	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.

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Proxy Form



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

of
(full address)

Contact No being (a) member(s) of **GREENFIELD BERHAD** hereby appoint (s).....
(full name in capital letters) (NRIC/Company No.....)

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 Fifteenth 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 21 December 2017 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 a final single-tier dividend of 0.30 sen per share.		
2.	Payment of Directors' Fees for the financial year ending 31 July 2018.		
3.	Payment of Directors' benefits for the period from 31 January 2017 until the next Annual General Meeting.		
4.	Re-election of Dr Zainol Bin Md Eusof as Director.		
5.	Re-election of Tham Kin Wai as Director.		
6.	Re-election of Tham Kin-On as Director.		
7.	Re-appointment of Mahbob Bin Abdullah as Director.		
8.	Re-appointment of Dr Sivakumaran A/L Seenivasagam as Director.		
9.	Re-appointment of Messrs SJ Grant Thornton as auditors of the Company and authorise the Board of Directors to fix their remuneration.		
10.	Authority for Directors to issue shares pursuant to Section 75 and 76 of the Companies Act, 2016.		
11.	Approval for Dr Zainol Bin Md Eusof to continue in office as Independent Non-Executive Director.		
12.	Approval for Yong Swee Lin to continue in office as Independent Non-Executive Director.		
13.	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 2017

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 :

- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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 14 December 2017 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend, vote and speak at the meeting.
- 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 i.e. on or before 11.00 a.m., Tuesday, 19 December 2017, otherwise the person so named shall not be entitled to vote in respect thereof.

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Affix
stamp

The Share Registrar

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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www.greenyield.com.my

GREENYIELD BERHAD (582216-T)

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