



**GREENYIELD BERHAD**

(Company No. 582216-T)

# ANNUAL REPORT 2013





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# Notice of Eleventh Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Eleventh Annual General Meeting of **GREENYIELD BERHAD** will be held at Dewan Putra Perdana 1, Level 1, Putrajaya Shangri-La, Taman Putra Perdana, Presint 1, Putrajaya, 62000 Wilayah Persekutuan Putrajaya on Thursday, 19 December 2013 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 2013 together with the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note 1)**
2. To approve the aggregate Directors' fees payable to the Directors of the Company for an amount not exceeding RM90,000.00 per annum for the financial year ending 31 July 2014. **Resolution 1**
3. To declare a single tier final dividend of 1.0 sen per Ordinary Share for the financial year ended 31 July 2013 as recommended by the Directors. **Resolution 2**
4. To re-elect the following Directors who retire pursuant to Article 74 of the Articles of Association of the Company:-
  - i) Tham Foo Keong **Resolution 3**
  - ii) Tham Foo Choon **Resolution 4**
5. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

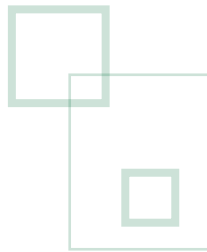
### Special Business

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

6. **Ordinary Resolution I** **Resolution 6**  
**Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares**

**"THAT** subject always to the Companies Act, 1965, Articles of Association of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, full authority be and is hereby given to the Directors pursuant to Section 132D of the Companies Act, 1965 to issue not more than ten percent (10%) of the total issued and paid-up share capital of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof **AND THAT** authority be and is hereby given to the Directors to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company unless revoked or varied by the Company at a general meeting."

# Notice of Eleventh Annual General Meeting (cont'd)



## 7. Ordinary Resolution II

## Resolution 7

### **Proposed renewal of authority for the Company to purchase its own Ordinary Shares of not more than ten percent (10%) of the total issued and paid-up share capital of the Company (“Proposed Renewal of Authority for the Share Buy-Back”)**

“**THAT**, subject to the Companies Act, 1965, the Articles of Association of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the Main Market (“LR”) and the approval of such relevant government and/or regulatory authorities where necessary, the Company be and is hereby authorized to purchase its own Ordinary Shares of RM0.10 each (“Shares”) on the Main Market of Bursa Securities (“Proposed Share Buy-Back”) at any time, upon such terms and conditions as the Directors shall in their discretion deem fit and expedient in the best interest of the Company provided that:-

- (a) The aggregate number of Shares in the Company which may be purchased and/or held by the Company shall not exceed ten percent (10%) of the prevailing total issued and paid-up share capital of the Company at the time of purchase subject to any amount as may be determined by Bursa Securities from time to time and compliance with the public shareholding spread requirements as stipulated in Paragraph 8.02(1) of the LR;
- (b) The maximum funds to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the Company’s aggregate retained profits and/or share premium accounts;
- (c) The authority conferred by this resolution will be effective immediately from the passing of this Ordinary Resolution until:-
  - (i) the conclusion of the next Annual General Meeting (“AGM”) at which time shall lapse unless by Ordinary Resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
  - (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
  - (iii) revoked or varied by Ordinary Resolution passed by the shareholders of the Company in a general meeting;whichever occurs first; and
- (d) Upon the purchase by the Company of its own Shares, the Board of Directors of the Company (“Board”) be and is hereby authorized to:-
  - (i) cancel all or part of the Shares purchased pursuant to the Proposed Share Buy-Back (“Purchased Shares”); and/or
  - (ii) retain all or part of the Purchased Shares as treasury shares; and/or
  - (iii) distribute the treasury shares as share dividends to the Company’s shareholders for the time being; and/or
  - (iv) resell the treasury shares on Bursa Securities.

# Notice of Eleventh Annual General Meeting (cont'd)

“**AND THAT** authority be and is hereby given to the Board to take all such steps as are necessary or expedient to implement, finalise and give full effect to and to implement the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be required or imposed by the relevant authorities from time to time and to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company.”

8. To transact any other business of the Company of which due notice shall be given in accordance with the Company's Articles of Association and the Companies Act, 1965.

## BY ORDER OF THE BOARD

**NG YEN HOONG (LS 008016)**  
**WONG PEIR CHYUN (MAICSA 7018710)**  
Company Secretaries  
Kuala Lumpur

Date: 26<sup>th</sup> November 2013

# Notice of Dividend Entitlement and Payment

**NOTICE IS HEREBY GIVEN THAT**, subject to the approval of the shareholders at the Eleventh Annual General Meeting of the Company, a single tier final dividend of 1.0 sen per Ordinary Share in respect of the financial year ended 31 July 2013 will be payable to the shareholders of the Company on 17 January 2014. The entitlement date for the said dividend shall be 8 January 2014.

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

- a) shares transferred to the depositor's securities account before 4.00 p.m. on 8 January 2014 in respect of transfers; and
- b) 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

**NG YEN HOONG (LS 008016)**  
**WONG PEIR CHYUN (MAICSA 7018710)**  
Company Secretaries  
Kuala Lumpur

Date: 26<sup>th</sup> November 2013

# Notice of Eleventh Annual General Meeting (cont'd)

## NOTES :

### Notes on Appointment of Proxy

1. *A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxy(ies) (or in the case of a corporation, a duly authorized representative) to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
2. *Where a member appoints more than one (1) Proxy, the appointment shall be invalid unless the member specifies the proportion of his shareholdings to be represented by each proxy.*
3. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the Corporation's Common Seal or under the hand of an officer or attorney duly authorised.*
4. *Where a member of the Company is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA") it may appoint not more than two (2) proxies in respect of each Securities Account it holds with Ordinary Shares of the Company standing to the credit of the said Securities Account.*
5. *Where a member of the company is an exempt authorized nominee as defined under the SICDA, which holds Ordinary Shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each Omnibus Account it holds.*
6. *Where the authorized nominee appoints two (2) proxies or an exempt authorized nominee appoints two (2) or more proxies, the appointment shall be invalid unless the authorized nominee specifies the proportion of his shareholdings to be represented by each proxy.*
7. *For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 54(f) of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 13 December 2013 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend, vote and speak at the meeting.*
8. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarily certified copy of the power or authority must be deposited at the Registered Office of the Company at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.*

# Notice of Eleventh Annual General Meeting (cont'd)

## **EXPLANATORY NOTES ON SPECIAL BUSINESS**

### **(i) Item 1 of Agenda**

*This item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.*

### **(ii) Resolution 6**

#### **Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares**

*The Proposed Resolution 6 is for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors to issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total issued and paid-up 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 Tenth 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.*

### **(iii) Resolution 7**

#### **Proposed Renewal of Authority for the Share Buy-Back**

*Shareholders are advised to refer to the Statement to Shareholders dated 26 November 2013 circulated together with the Annual Report 2013, when considering Resolution 7.*

*The proposed Resolution 7, if passed, will empower the Directors to purchase the Company's Shares up to 10% of the total issued and paid-up share capital of the Company.*

# Corporate Information

## BOARD OF DIRECTORS

### THAM FOO KEONG

*Executive Chairman and Group Managing Director*

### THAM FOO CHOON

*Deputy Group Managing Director*

### DR SIVAKUMARAN A/L SEENIVASAGAM

*Executive Director*

### THAM KIN WAI

*Executive Director*

### DR ZAINOL BIN MD EUSOF

*Independent Non-Executive Director*

### YONG SWEE LIN

*Independent Non-Executive Director*

### MAHBOB BIN ABDULLAH

*Independent Non-Executive Director*

## AUDIT COMMITTEE

### DR ZAINOL BIN MD EUSOF

*Chairman,*

*Independent Non-Executive Director*

### YONG SWEE LIN

*Member,*

*Independent Non-Executive Director*

### MAHBOB BIN ABDULLAH

*Member,*

*Independent Non-Executive Director*

## OPTION COMMITTEE

### THAM FOO KEONG

*Chairman,*

*Executive Chairman and Group Managing Director*

### THAM FOO CHOON

*Member,*

*Deputy Group Managing Director*

### DR ZAINOL BIN MD EUSOF

*Member,*

*Independent Non-Executive Director*

### WONG KOK FONG

*Member,*

*Financial Controller*

## REMUNERATION COMMITTEE

### DR ZAINOL BIN MD EUSOF

*Chairman,*

*Independent Non-Executive Director*

### YONG SWEE LIN

*Member,*

*Independent Non-Executive Director*

## NOMINATION COMMITTEE

### DR ZAINOL BIN MD EUSOF

*Chairman,*

*Independent Non-Executive Director*

### YONG SWEE LIN

*Member,*

*Independent Non-Executive Director*



# Corporate Information

(cont'd)



## REGISTERED OFFICE

Level 18, The Gardens North Tower  
Mid Valley City, Lingkaran Syed Putra  
59200 Kuala Lumpur

Tel : 03 – 2264 8888

Fax : 03 – 2282 2733

## 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 : [enquiry@greenyield.com.my](mailto:enquiry@greenyield.com.my)

## WEBSITE

[www.greenyield.com.my](http://www.greenyield.com.my)

<http://greenyield.listedcompany.com>

## LISTING

Main Market of Bursa Malaysia Securities Berhad

Stock Name : GREENYB

Stock Code : 0136

## PRINCIPAL BANKER

Public Bank Berhad

HSBC Bank Malaysia Berhad

United Overseas Bank (Malaysia) Berhad

## REGISTRAR

Tricor Investor Services Sdn Bhd (Company No.118401-V)  
Level 17, The Gardens North Tower  
Mid Valley City, Lingkaran Syed Putra  
59200 Kuala Lumpur

Tel : 03 – 2264 3883

Fax : 03 – 2282 1886

## AUDITORS

KPMG (AF 0758)  
Chartered Accountants  
Level 10, KPMG Tower  
8, First Avenue, Bandar Utama  
47800 Petaling Jaya, Selangor

Tel : 03 – 7721 3388

Fax : 03 – 7721 3399

## COMPANY SECRETARIES

Ng Yen Hoong (LS 008016)

Wong Peir Chyun (MAICSA 7018710)

## SOLICITOR

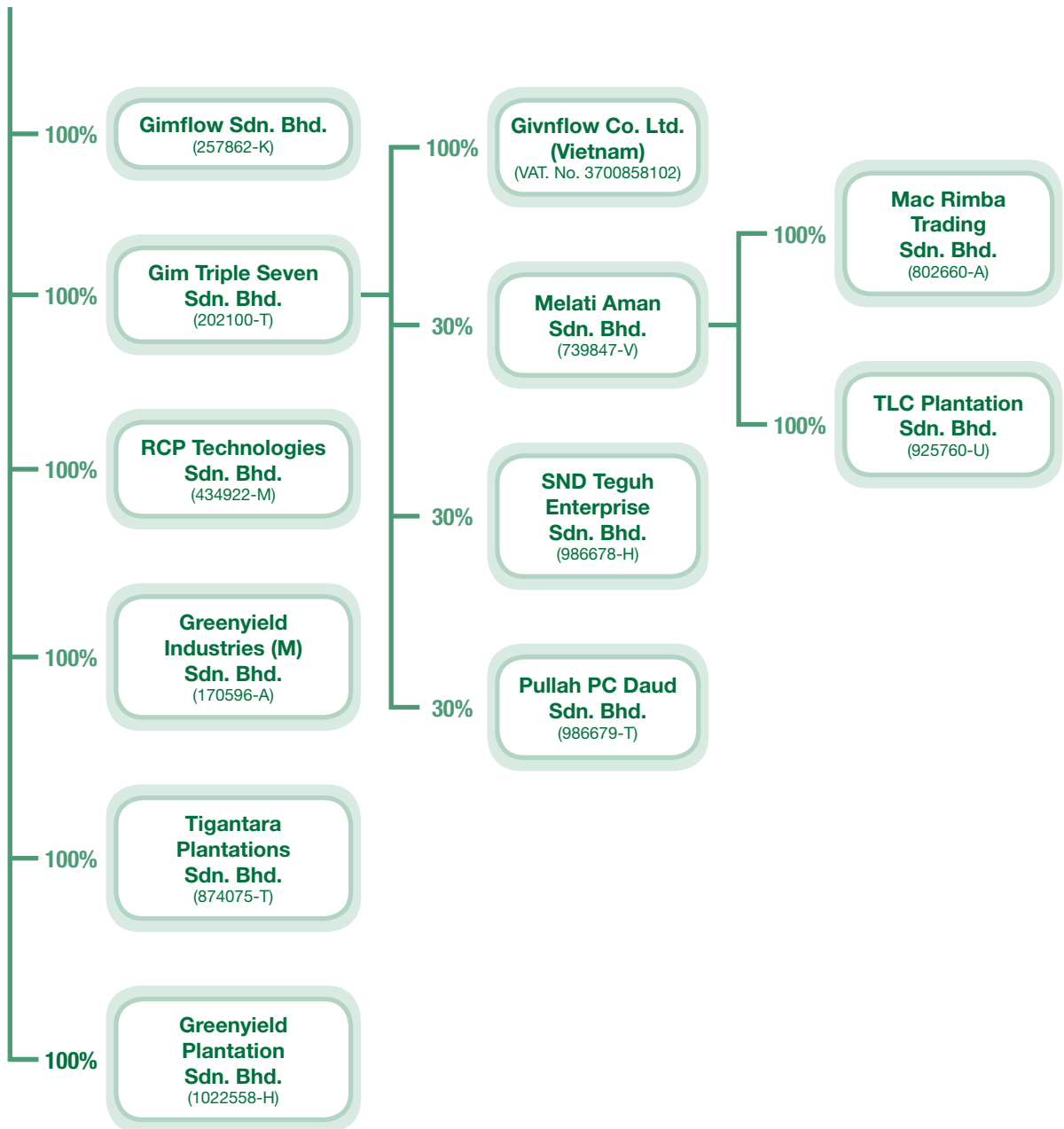
Radzlan, Low & Partners  
Advocates & Solicitors  
Unit B-7-7, Block B  
Megan Avenue 1  
189 Jalan Tun Razak  
50400 Kuala Lumpur

Tel : 03 – 2166 4616

Fax : 03 – 2166 5616

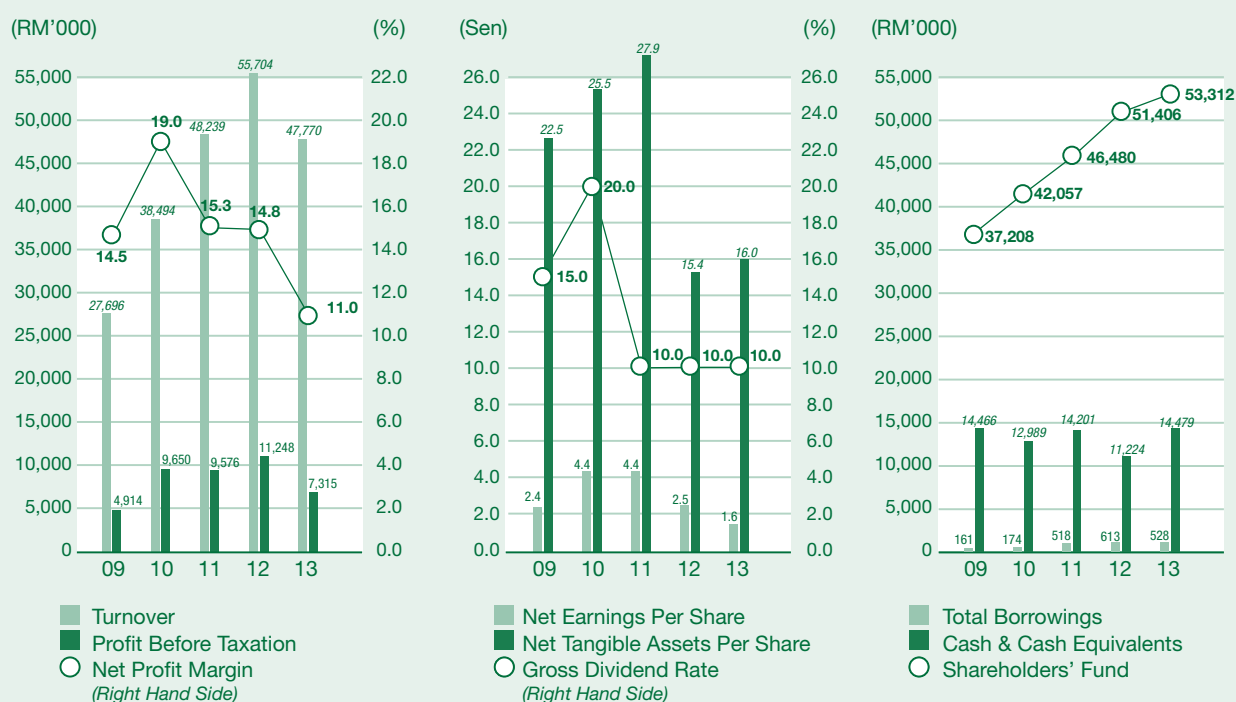
# Corporate Structure

As at 15 November 2013



# Group Financial Review

	Financial Year Ended				
	31.7.2009 (RM'000)	31.7.2010 (RM'000)	31.7.2011 (RM'000)	31.7.2012 (RM'000)	31.7.2013 (RM'000)
Turnover	27,696	38,494	48,239	55,704	47,770
Earnings Before Interest, Depreciation, Amortisation and Taxation	6,222	11,183	11,872	13,873	9,590
Profit Before Taxation	4,914	9,650	9,576	11,248	7,315
Taxation	901	2,326	2,192	2,991	2,072
Profit After Taxation and Minority Interest	4,013	7,324	7,384	8,257	5,243
Net Profit Margin (%)	14.5	19.0	15.3	14.8	11.0
Net Tangible Assets	37,191	42,041	46,467	51,394	53,298
Net Tangible Assets Per Share (sen)	22.5	25.5	27.9	15.4	16.0
Net Earnings Per Share (sen)	2.4	4.4	4.4	2.5	1.6
Gross Dividend Rate (%)	15	20	10	10	10
Total Borrowings	161	174	518	613	528
Cash and Cash Equivalents	14,466	12,989	14,201	11,224	14,479
Shareholders' Fund	37,208	42,057	46,480	51,406	53,312
Gearing Ratio (%)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash
Fully Paid-Up Share Capital ('000 units)	165,000	165,000	166,841	333,740	333,740
Weighted Average Share Capital ( '000 units)	165,000	165,000	165,789	288,478	333,740



# Profile of the Board of Directors

## **MR THAM FOO KEONG**

*Executive Chairman and Group Managing Director*

Mr Tham Foo Keong, aged 57, a Malaysian citizen, is an Executive Chairman and 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 ventures into his own family business as the Managing Director of Greenyield Industries (M) Sdn. Bhd., a wholly-owned subsidiaries of the Company and subsequently took over the position of an Executive Chairman and 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.

## **MR THAM FOO CHOON**

*Deputy Group Managing Director*

Mr Tham Foo Choon, aged 53, a Malaysian citizen, is a Deputy Group Managing Director of Greenyield. He was appointed to the Board of Greenyield on 26 March 2005. He is also the 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 in the field has led the companies to a success. He assumes an active role in the implementation of the marketing and operational strategy and activities of the companies within the Greenyield Group.

# Profile of the Board of Directors

(cont'd)

## **DR SIVAKUMARAN A/L SEENIVASAGAM**

*Executive Director*

Dr Sivakumaran A/L Seenivasagam, aged 68, a Malaysian citizen, is an Executive Director of Greenyield. He was appointed to the Board of Greenyield 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 (Aberyswyth), 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 and Papua New Guinea and as a Consultant for the Common Fund for Commodities based in Amsterdam.

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 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. Dr Sivakumaran in year 2010 has successfully secured a Malaysian patent for “Crop Plus” Organic Fertilizer and Utility Innovation for a Biopesticide in both Thailand and Vietnam. Dr Siva also obtained a patent for a technique of latex extraction from rubber trees from both China and Vietnam in year 2013.

## **MR THAM KIN WAI**

*Executive Director*

Mr Tham Kin Wai, aged 45, a Malaysian citizen, is an Executive Director of Greenyield. He was appointed to the Board of Greenyield on 23 January 2009.

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

He is responsible for the overall factory operations and managing the quality management system of the factory, developing and executing all marketing activities. Furthermore, he also involves in product and market development for existing and new customers, planning and participating in International Trade Fairs.

# Profile of the Board of Directors

(cont'd)

## **DR ZAINOL BIN MD EUSOF**

*Independent Non - Executive Director*

Dr Zainol Bin Md Eusof, aged 63, a Malaysian citizen, is an Independent Non-Executive Director of Greenyield. He was appointed to the Board of Greenyield on 26 March 2005. He is the Chairman of the Audit Committee as well as the Remuneration Committee and Nomination Committee and is also a member of the 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.

## **MR YONG SWEE LIN**

*Independent Non - Executive Director*

Mr Yong Swee Lin, aged 45, a Malaysian citizen, is an Independent Non-Executive Director of Greenyield. He was appointed to the Board of Greenyield on 23 January 2009. He is also a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company.

Mr Yong is a Chartered Accountants 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 a 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.

# Profile of the Board of Directors

(cont'd)

## **MR MAHBOB BIN ABDULLAH**

*Independent Non - Executive Director*

Mr Mahbob Bin Abdullah, aged 69, a Malaysian citizen, is an Independent Non-Executive Director of Greenyield. He was appointed to the Board of Greenyield on 1 July 2009. He is also a member of the Audit Committee of the Company.

Mr Mahbob started his career with Harrisons and Crosfield in Perak on a rubber plantation and then joined Plantations Agencies Ltd in Tangkak, Johor. He was attached to Unilever's Pamol Plantations in Kluang, Johor and Sabah, and Solomon Islands from 1968 to 1987. In 1984, he moved to London as senior team member and supervised Unilever Plantations in DR Congo, Ghana, Cameroun, Nigeria, Thailand and Malaysia. He joined Sime Darby Berhad from 1987 to 1993 as a consultant for third party estates and later as the Director of Refineries from 1993 to 2000, producing edible oils in Malaysia, Singapore, Thailand and Egypt, mainly for overseas markets. He was a member of the Malaysian Palm Oil Board (MPOB) Programme Advisory Committee. 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.

Presently, he is also a Board member of TH Plantations Berhad and FIMA Bulking Sdn. Bhd. (a subsidiary of Kumpulan Fima Berhad).

### **Conflict of Interest**

None of the Directors have any conflict of interest with the Company.

### **Family Relationship**

None of the Directors have any family relationship with other Directors and/ or substantial shareholders except for the following:-

- (a) Mr Tham Foo Keong and Mr Tham Foo Choon together with deemed substantial shareholders, namely Mr Tham Chong Sing and Mr Tham Fau Sin are brothers.
- (b) Mr Tham Foo Keong is the spouse of substantial shareholder, Madam Twong Yoke Peng.
- (c) Mr Tham Kin Wai is the son of Mr Tham Chong Sing. He is also the nephew of Mr Tham Foo Keong and Mr Tham Foo Choon.

### **Conviction of Offences**

None of the Directors have been convicted of any offence within the past ten (10) years, other than traffic offences, if any.

# Chairman's Statement

Dear Valued Shareholders,

On behalf of the Board of Directors of Greenyard Berhad and its Subsidiaries ("Greenyard" 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 2013.

## ECONOMIC REVIEW

During the financial year ended 31 July 2013, the European economy remained volatile and weak while the North American economy only managed to improve slightly. Despite a rather stable Asian economic condition, global demand for certain consumer goods and commodities and their prices continue to slide gradually downwards.

Due to the weak Euro and the US dollars coupled with a gradual drop in prices and demand for natural rubber, the Group experienced a very challenging business environment over the past twelve (12) months of the financial year 2013. Nevertheless the Group managed to remain fairly profitable due to innovative and dedicated staff putting in extra hours of hard diligent work to resolve and mitigate negative factors.

## FINANCIAL PERFORMANCE

For the financial year ended 31 July 2013, the Group recorded a lower revenue of RM47.8 million as compared to RM55.7 million recorded in the previous financial year. As a result, the Group recorded a lower profit before tax of

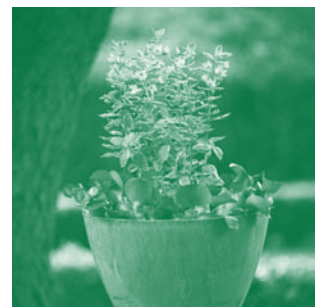
RM7.3 million as compared to RM11.2 million attained in the financial year 2012. The overall decrease in the profit before tax compared to the preceding year corresponding period was mainly due to lower revenue generated from its plantation business segment.

## RESEARCH AND DEVELOPMENT

The Group has invested an expenditure of RM0.3 million in Research and Development activities, which is equivalent to 0.6% of the revenue recorded for the financial year ended 31 July 2013.

For the plantation related business segment, the Group focus on improving the efficacy of existing products for greater market penetration and development of new products for the agriculture sector in general and in particular the rubber industry.

For the non-plantation business segment, the Group focus on improving the formulation of existing composite material as well as formulating new composite material. The Group expect to roll out a new range of composite material for plant pots within the next two years.





# Chairman's Statement

(cont'd)



## BUSINESS OUTLOOK AND PROSPECTS

Currently, the Group continues to focus on its objective of planting its designated rubber plantation expeditiously while exploring the possibility of increasing its plantation land. The Group has also ventured into development of a rubber plantation on a new forest plantation area in the State of Kelantan under a joint-venture agreement for a period of 50 years. The rubber plantation development is expected to contribute positively to the Group's earning in the long term.

For the non-plantation sector, the Group is continuing its efforts in developing improved as well as cost effective material for Plant Pots that is expected to stimulate customer's demand in the export market.

The Group is expecting a continuous and gradual improvement on the global economic outlook. Barring any unforeseen circumstances, the Board anticipates improvement on the Group's performance for the forthcoming financial year.

## 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 1.0 sen per ordinary share for the financial year ended 31 July 2013, subject to the approval of the shareholders at the forthcoming Eleventh Annual General Meeting.

## CORPORATE DEVELOPMENT

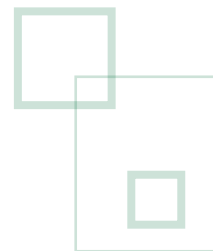
The Company has not implemented any new corporate proposal during the financial year ended 31 July 2013. The Board will explore any other related business operations and credible investment opportunities to improve the Group's performance as well as enhance shareholder value.

## ACKNOWLEDGEMENT

The continued success of the Group is a tribute to the positive effort and innovative attitude of our employees and the Group's commitment to being a trusted and reliable partner to the Companies we serve 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 continuous support and understanding extended to us during the year.

Lastly, I would like to thank my fellow Board members, management and staff for their support, guidance and contributions.

**THAM FOO KEONG**  
Executive Chairman



# Statement of Corporate Governance

The Board of Directors (“the Board”) of Greenyfield Berhad (“the Company”) recognises the importance of good corporate governance in protecting and enhancing shareholders’ value and financial performance of the Company. The Board is fully committed in maintaining the highest standards of transparency, accountability and integrity, in line with the Principles and Recommendations set out in the Malaysian Code of Corporate Governance 2012 (“Code”) and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”)(“Listing Requirements”).

The Board is therefore pleased to present this statement of corporate governance which outlines how the Company has applied the Principles and Recommendations set out in the Code for the financial year ended 31 July 2013. Where there are gaps in the Company’s observation of any of the Recommendations of the Code, these are disclosed herein with explanation.

## A. BOARD OF DIRECTORS

### 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 experience 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 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 in 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.greenyfield.com.my](http://www.greenyfield.com.my).

At the date of this Statement, the Board has formalized in writing a Code of Conduct, setting out the standards of conduct to engender good corporate practice. 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.

To augment the Code of Conduct, the Board has also formalized in writing the Company’s Whistle-Blowing Policy, which provides the appropriate communication and feedback channels to facilitate whistle-blowing. Both the Code of Conduct and the Whistle-Blowing Policy are available on the company’s website at [www.greenyfield.com.my](http://www.greenyfield.com.my).

### Board Balance and Composition

The Board of the Company comprises seven (7) Directors, four (4) of whom are Executive Directors and the balance three (3) Independent Non-Executive Directors, which fulfills the prescribed Listing Requirement of minimum one-third (1/3) of the Board to 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 is set out in the Board of Directors’ Profiles on pages 11 to 14 of this Annual Report.

Currently, the Chairman of the Board is headed by the Executive Director, Tham Foo Keong, who is also the Group Managing Director. The new Code recommends that the Chairman’s position be filled by an Independent Non-Executive Director. However, it is the collective view of the Board that at the current state of affairs of the Company, Mr Tham Foo Keong’s expertise is highly needed to continue the growth momentum that has been achieved by the Group for the last couple of years. The Board is confident that the Company’s strategies and good performance in delivering long-term sustainability would create economic value for the shareholders as well as protect the stakeholders’ interest.

# Statement of Corporate Governance

(cont'd)

## A. BOARD OF DIRECTORS (CONT'D)

### Board Balance and Composition (cont'd)

The independent directors play a crucial supervisory function. Their presence is essential in providing unbiased views and impartially to the Board's deliberation and decision-making process. In addition, the non-executive directors ensure that 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, Dr Zainol Bin Md Eusof has been appointed as the Senior Independent Non-Executive Director to facilitate effective communication with other stakeholders and shareholders.

### Board Meetings

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, four (4) Board Meetings were held. The attendance at Board Meetings of the Directors during the financial year under review is set out hereunder:-

Directors	Position	No. of Board Meetings attended	Percentage of Attendance (%)
Tham Foo Keong	Group Managing Director	4/4	100
Tham Foo Choon	Deputy Group Managing Director	4/4	100
Dr Sivakumaran A/L Seenivasagam	Executive Director	4/4	100
Tham Kin Wai	Executive Director	4/4	100
Dr Zainol Bin Md Eusof	Independent Non-Executive Director	4/4	100
Yong Swee Lin	Independent Non-Executive Director	4/4	100
Mahbob Bin Abdullah	Independent Non-Executive Director	3/4	75

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, approval of all circulars and listing particulars, approval of major capital expenditures, investment proposals and a review of the overall system of internal control.

### Supply of Information to the Board

The Board is supplied with information in a timely manner with information in a form and of a quality appropriate to enable the Board to discharge its duties effectively. All Directors are provided with comprehensive reports and/or Board papers to enable the Directors to review and consider matters to be deliberated. The Board papers include reports relevant to the issues of the meeting covering the areas of:-

- i) Quarterly financial report, reports on cash flow and borrowing positions, budgets and other financial reports;
- ii) Business development report;
- iii) Operational matters;
- iv) Corporate developments of the Group;
- v) Audit reports;
- vi) Directors' share dealings;
- vii) Reports on related party transactions and recurrent related party transactions;
- viii) Report on sound framework of internal controls and regulatory compliance;
- ix) Regulatory compliance matters and updates issued by the various regulatory authorities; and
- x) Any other matters for Board's decision.

# Statement of Corporate Governance

(cont'd)

## A. BOARD OF DIRECTORS (CONT'D)

### Supply of Information to the Board (cont'd)

A well structured agenda also allows the Chairman of the Board has 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 explanation 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 Company's policies and procedures, 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 expenses, in furtherance of their duties, if so required.

Board proceedings, deliberations in terms of issues discussed and the conclusion of the Board at every Board Meetings are recorded in the Board minutes and duly signed by the Chairman of the Meeting.

### Directors' Training and Continuing Education Programme

The Board acknowledges the importance of continuing education for its members to carry out their responsibilities effectively. All directors have attended and successfully completed the Mandatory Accreditation Programme prescribed by the Bursa Securities. In addition, the directors undergo continuous training programmes and seminars organized by the relevant regulatory authorities and professional bodies to equip themselves with the necessary knowledge and to keep abreast with the relevant changes in law, regulations and the business environment.

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

During the financial year ended 31 July 2013, the Directors have attended other training, conferences, seminars, site visits relating to the Company's operation and/ or workshops as listed below:-

Directors	Training/Seminar/Conference	Date
Tham Foo Choon	<ul style="list-style-type: none"> <li>Conference on Performance of the RF System of Exploitation in Rubber Plantation, held in West Africa</li> </ul>	4 <sup>th</sup> – 5 <sup>th</sup> September 2012
Dr Sivakumaran A/L Seenivasagam	<ul style="list-style-type: none"> <li>Conference on Performance of the RF System of Exploitation in Rubber Plantation, held in West Africa</li> </ul>	4 <sup>th</sup> – 5 <sup>th</sup> September 2012
	<ul style="list-style-type: none"> <li>Conference on the System to overcome Tapper Shortage and Reduce Production Costs, held in Yangon</li> </ul>	13 <sup>th</sup> – 16 <sup>th</sup> March 2013
Tham Kin Wai	<ul style="list-style-type: none"> <li>FMM Marketing &amp; Branding Conference 2013</li> </ul>	18 <sup>th</sup> April 2013
	<ul style="list-style-type: none"> <li>Special Dialogue &amp; Presentation Session on ASEAN CG Scorecard 2013</li> </ul>	17 <sup>th</sup> June 2013
Yong Swee Lin	<ul style="list-style-type: none"> <li>National Tax Seminar</li> </ul>	16 <sup>th</sup> October 2012
	<ul style="list-style-type: none"> <li>Auditors' Risk Assessment Procedures</li> </ul>	5 <sup>th</sup> & 6 <sup>th</sup> December 2012
	<ul style="list-style-type: none"> <li>Criminal Tax Investigation &amp; Anti Money Laundering</li> </ul>	11 <sup>th</sup> December 2012
Mahbob Bin Abdullah	<ul style="list-style-type: none"> <li>5th Annual Corporate Governance Summit</li> </ul>	19 <sup>th</sup> – 20 <sup>th</sup> March 2013

# Statement of Corporate Governance

(cont'd)

## A. BOARD OF DIRECTORS (CONT'D)

### Directors' Training and Continuing Education Programme (cont'd)

The Board was also briefed by the Company Secretary at Board Meetings on any significant changes in laws and regulations that are relevant. The Directors will 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 enable them to discharge their responsibilities effectively. In addition, all Directors were also constantly updated by the Company Secretaries and other professionals on changes to the relevant guidelines on regulatory and statutory requirements.

### 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.

### Board Gender Diversity

The Board acknowledges the importance of board diversity, including gender diversity, to the effective functioning of the Board. Female representation will be considered when vacancies arise and suitable candidates are identified, with the primary aim of selecting the best candidates to support the achievement of the Company's strategic objectives.

### Appointments to the Board

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

### Retirement and Re-election of Directors

In accordance with the Company's Articles of Association, 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. In addition, Directors of or over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129 (6) of the Companies Act, 1965.

### Board Committees

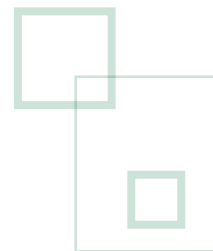
The Board has delegated specific responsibilities to four (4) Board committees; namely, the Audit Committee, the Nomination Committee, the Remuneration Committee and the Option Committee which operates within clearly defined terms of reference approved by the Board, to assist the Board in carrying out its duties.

#### i) Audit Committee

The composition, terms of reference and functions of the Audit Committee are discussed in the Audit Committee Report set out on pages 31 to 35 of this Annual Report.

# Statement of Corporate Governance

(cont'd)



## A. BOARD OF DIRECTORS (CONT'D)

### Board Committees (cont'd)

#### (ii) 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
Dr Zainol Bin Md Eusof	Chairman
Yong Swee Lin	Member

The duties of the Nomination Committee shall be:-

- 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 should be considered of the candidate:-
  - I. skills, knowledge, expertise and experience;
  - II. professionalism;
  - III. integrity; and
  - IV. for the position of Independent Non-Executive Director, the Nomination Committee shall also evaluate the candidate's ability to discharge such responsibilities/ functions as are expected from the Independent Non-Executive Director.
- c) to review at least once a year the required mix of skills and experience of the Board, including the core competencies which Non-Executive Directors should bring to the Board, and the balance between 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 should include 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 should be 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 became Directors on the same date, those to retire shall be determined by the Nomination Committee;
- g) to ensure that the responsibility of the Committee shall also cover the subsidiaries of the Company; and
- h) such other responsibilities as may be delegated by the Board from time to time.

# Statement of Corporate Governance

(cont'd)

## A. BOARD OF DIRECTORS (CONT'D)

### Board Committees (cont'd)

#### (ii) Nomination Committee (cont'd)

The Nomination Committee meets as and when necessary and shall meet at least once a year. The Nomination Committee held one (1) meeting during the financial year ended 31 July 2013 with full attendance.

The Nomination Committee is satisfied with the size of the Company's Board and that there are an appropriate mix of knowledge, skills, attributes and core competencies in the composition of the Board. Nonetheless, the Nomination Committee will consider women candidates in its recommendation of new Board members.

#### (iii) Remuneration Committee

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
Dr Zainol Bin Md Eusof	Chairman
Yong Swee Lin	Member

The primary function of the Remuneration Committee is to assist and make recommendations to the Board on all aspects of the remuneration for Directors and key senior management officers. Directors' and key senior management officers' remuneration will be determined by the Board and they shall abstain from deliberations and voting on decisions in respect to their individual remuneration.

The Remuneration Committee will review the Directors' remuneration packages and ensure the Executive Directors' remuneration package is competitive, motivates good performance and loyalty, supports growth in shareholder value.

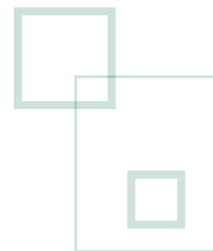
Besides the basic salary and contribution to statutory provident fund, each Executive Director's remuneration package also includes the annual performance incentive. The assessment of annual performance is based on a format that is directly related to the Group's performance and the targets achieved by the Executive Director. The remuneration of the Executive Directors is recommended by the Remuneration Committee and submitted to the Board for approval.

The remuneration of the Non-Executive Directors generally fixed and any adjustment has to be approved by the shareholders during the Annual General Meeting.

The Remuneration Committee meets at least once a year. The Remuneration Committee held one (1) meeting during the financial year ended 31 July 2013 with full attendance.

# Statement of Corporate Governance

(cont'd)



## A. BOARD OF DIRECTORS (CONT'D)

### Board Committees (cont'd)

#### (iv) Option Committee

The Company obtained approvals from the shareholders at the general meeting on 2 August 2006 to establish the Employees Share Option Scheme ("ESOS"). An Option Committee was set up to administer the ESOS in accordance with the Bye-Laws. Pursuant to the Board's approval on 10 October 2012, the tenure of the ESOS has been extended for a further three (3) years, expiring on 12 October 2015.

The current composition of the Option Committee comprises of:-

Name	Designation
Tham Foo Keong	Chairman
Tham Foo Choon	Member
Dr Zainol Bin Md Eusof	Member
Wong Kok Fong	Member

The Option Committee meets as and when deemed necessary and may decide by way of circular resolution.

## B. DIRECTORS' REMUNERATION

The policy practiced by the Company is to provide remuneration packages that commensurate with the 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 subsidiary companies for the financial year ended 31 July 2013 are as follows:-

Category	Fees RM'000	Salaries RM'000	Bonuses and other emoluments RM'000	EPF & SOCSSO RM'000	Benefit- in-kind RM'000	Share Options Granted under ESOS RM'000	Total RM'000
Executive Directors	-	1,146	224	132	-	-	1,502
Non-Executive Directors	54	-	9	-	-	-	63



# Statement of Corporate Governance

(cont'd)

## B. DIRECTORS' REMUNERATION (CONT'D)

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

Remuneration Band	No of Directors	
	Executive Directors	Non-Executive Directors
Less than RM50,000	-	3
RM50,000 – RM100,000	-	-
RM100,001 – RM150,000	-	-
RM150,001 – RM200,000	-	-
RM200,001 – RM250,000	1	-
RM250,001 – RM300,000	1	-
RM300,001 – RM350,000	-	-
RM350,001 – RM400,000	-	-
More than RM400,001	2	-
<b>Total</b>	<b>4</b>	<b>3</b>

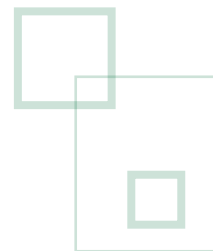
## C. RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

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 annual reports and quarterly announcements remain the principal forms of communication, providing shareholders and investors with an overview of the Group's activities and performance. The Annual General Meeting provides the principal forum for dialogue and avenue for direct interaction between the Board of Directors and shareholders or investors. The Board welcomes the views of the shareholders and investors on matters concerning the Group and encourages active participation by the shareholders and investors at Annual General Meeting. Shareholders who are unable to attend are encouraged to appoint proxy(ies) to attend and vote on their behalf. The Executive Chairman, and where appropriate, the members of the Board shall be available to respond to shareholders' queries during the AGM.

Furthermore, Recommendation 8.2 of the Code recommends that the Board should encourage poll voting for substantive resolutions. The board is of the view that with the current level of shareholders' attendance at AGMs, voting by way of show of hands continue to be efficient. The Board will evaluate the feasibility of carrying out electronic polling at its general meetings in future.

Shareholders can also obtain up-to-date information on the Group's various activities by accessing its company website at [www.greenyield.com.my](http://www.greenyield.com.my) or <http://greenyield.listedcompany.com>.



# Statement of Corporate Governance

(cont'd)

## D. ACCOUNTABILITY AND AUDIT

### Financial Reporting

The Board has taken appropriate steps to present a clear, balanced and comprehensive assessment of the Group's financial position and future prospects by ensuring quality financial reporting to its shareholders, investors and regulatory authorities.

Quarterly financial results and annual financial statements are reviewed and deliberated upon by the Audit Committee to ensure the accuracy and adequacy of such information, prior to recommendation to the Board for its approval and for public release. Representatives from the External Auditors and Internal Auditors of the Company also attended the Company's Audit Committee Meeting held during the financial year ended 31 July 2013, to provide their independent and professional views on the Group and its performance.

The Directors' Responsibility Statement in respect of the Audited Financial Statements pursuant to Paragraph 15.26 (a) of the Listing Requirement of Bursa Securities is set out on page 26 of this Annual Report.

### Risk Management and Internal Control

The Board of Directors acknowledged their responsibilities for the Company to maintain a sound system of internal controls covering financials, operations and compliance controls and to safeguard shareholders' investment 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.

The Board and Audit Committee 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 or Bursa Securities. The fee paid to the professional service firm for the financial year ended 31 July 2013 was RM24,000.00.

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 29 to 30 of this Annual Report.

### Relationship with External Auditors

The Group through the Audit Committee, has always maintained 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, 1965.

Whenever deemed necessary, the Audit Committee will meet the external auditors at least once a year without the presence of the Executive Directors and/or the Management of the Company to discuss its audit plan, annual financial statements and their audit findings. This encourages a greater exchange of free and honest views and opinion between both parties.

During the financial year under review, the Audit Committee held three (3) meetings with the External Auditors without the presence of the Executive Directors to deliberate on the comments and views of the external auditors.

# Statement of Corporate Governance

(cont'd)

## D. ACCOUNTABILITY AND AUDIT (CONT'D)

The total fees paid to the external auditors for the financial year ended 31 July 2013 are as follows:-

- 1) Audit Fees  
The total audit fees (including both statutory and non-statutory audits) charged by the external auditors, exclusive of expenses and applicable taxes, amounted to RM104,000 for the financial year ended 31 July 2013.
- 2) Non-Audit Fees  
The total non-audit fees charged by the external auditors for other services performed, exclusive of expenses and applicable taxes, amounted to RM34,000 for the financial year ended 31 July 2013.

A report on the Audit Committee which includes the Audit Committee's role in relation to the external auditors is set out on pages 31 to 35 of this Annual Report.

## E. STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF FINANCIAL STATEMENTS

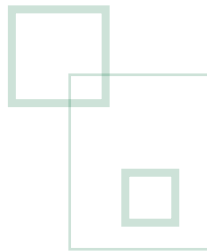
The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with the Malaysian Financial Reporting Standards and give a true and fair view of the financial positions of the Group and the Company at the end of the 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 2013, 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;
- prepared financial statements on the 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, 1965.

This Statement on Corporate Governance was made by the Board of Directors in accordance with a resolution passed by the Board of Directors on 11 November 2013.



# Corporate Social Responsibility Statement

The Group believes that doing business in a sustainable way and delivering long term benefits for shareholders and stakeholders are complementary. The Group's Corporate Social Responsibility (CSR) framework covers four areas namely the Workplace, the Community, the Environment and the Employees.

## The Environment:-

The Group encourages all its employees to adopt methods of conserving energy and resources as much as possible to reduce the effect of global warming. In addition, our products and services help farmers and farming organizations to improve their yields and productivity substantially and sustainably without deleterious side effects to their assets and the environment. The Group also continues to intensify its effort to develop products which are environmental friendly and recyclable.

## The Community:-

The Group continued to provide contributions to social and charitable organizations and individuals who are in need. In addition the Group has offered internship and industrial training to undergraduates from local colleges and universities as part of its efforts in grooming future leaders in the industry.

### **NEWSLETTER OF GREENYIELD VISITS ORPHANAGE**

The Company had on 11th May 2013, organized a half-day visit to "Rumah Keluarga Kami" to bring cheer and smiles to the children. The home houses a total of 42 children who mostly come from poor families and single parents.

The Group donated the home a cheque amounting to RM10,000.00 and other essential as well. Apart from the financial aid by the Company, the staff from the Group had also contributed generously by making donations and purchasing essential items for the home. During the visits, educative games and birthday celebration were carried out together with the staff from the Group. The children were treated to a buffet luncheon by the Company.

Towards the end of the event, the children belted a touching song in appreciation of our visit. This first ever orphanage visit is part of the Group's CSR initiative and was a rewarding experience for the Group.



# Corporate Social Responsibility Statement (cont'd)

## The Workplace and the Employee:-

The CSR principles are shared with the employees to ensure their duties are performed with an awareness of social responsibilities. In addition to the Group's ongoing CSR initiatives undertaken within the organization, the Group is committed to developing and supporting the initiatives, which will have a positive impact on the local communities. As part of the Group's commitment to the staff development, the Management of the Group had organized and conducted various learning and development programs throughout the year.

Various indoor and outdoor sport activities such as badminton and bowling, social and welfare activities such as Family Day, Birthday Party Celebrations and Christmas Exchange Gifts Celebration, are organized by the Group throughout the year with the help of its own Management team which serves as an important platform for the staff from all divisions to promote staff interaction in a fun and healthy way. The event successfully fostered inter-company communication and relationship.

Apart from sports, the Group has implemented various employee protection schemes in order to ensure that the staff are well looked after, such as the Group's Personal Accident Insurance Policy covering the total permanent disablement and/or as a result of accidents arising from work.



Badminton



Outdoor Activities



Birthday Party

# Statement on Risk Management and Internal Control

## INTRODUCTION

The Malaysia Code on Corporate Governance requires the Board of Directors of the listed companies to maintain a sound risk management framework and internal control system to safeguard shareholders' investment and the Groups' 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 2013, 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 its effectiveness, adequacy and integrity of the Groups' risk management framework and internal control system. The Board recognized that the development of an effective risk management practice and 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 system is designed to manage and minimize risk appropriately rather than to eliminate the risk.

## RISK MANAGEMENT FRAMEWORK

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

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 the risk. All the Group risk-related matters were deliberated at the Risk Management Committee meetings which are held on a regular basis. A summary of risk matters was tabled to the Board for further deliberation during the year.

## INTERNAL AUDIT

The Group's internal audit function was outsourced to a professional service firm, which is independent of the activities they audit and they have a direct reporting responsibility to the Audit Committee. The engagement of the independent internal auditor will assist the Audit Committee in providing independent assessment on the adequacy, efficiency and effectiveness of internal control system and ensuring operational compliance with standard operating procedures within the Group.

During the financial year ended 31 July 2013, the internal auditors have carried out reviews according to the approved Internal Audit Plan. The internal audit review covered the areas of the Group, such as Purchasing and Incoming Control and General Security Controls for Information Technology, and Sales and Deliveries, Collection and Credit Control. The review covered the assessment on the adequacy and effectiveness of internal controls on key processes for the Group's subsidiaries. Upon completion of the internal audit review, the internal audit observations, recommendations and management comments were reported to the Audit Committee.

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 has put 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 at large;
- 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;
- The Board has in place an organisational structure with defined lines of responsibilities, proper segregation of duties and delegation of authority. A process of hierarchical reporting has been established, which provides for a documented and auditable trail of accountability. The procedures include the establishment of limits of authority and monitoring of credit terms to reduce the exposure of credit risks;
- The organisational structure of the Company and its subsidiaries has defined lines of authorities and accountability for all aspects of the business;
- The Group human resources policies and publication of the Employees Handbook, which highlights policies on health and safety, staff performance and serious misconduct which will provide internal control for management;
- The systematic performance appraisal system for all levels of staff and directors.
- Annual audit by external quality auditors to ensure the quality system of Greenyild Industries (M) Sdn. Bhd. and RCP Technologies Sdn. Bhd. are in compliance with the requirements of the ISO 9001:2008 Certifications. The certification serves as an assurance to customers of the delivery of the highest quality of systems, products and services by the Group; and
- Terms of reference have been written for the Board Committees namely the Audit Committee, Nomination Committee, Remuneration Committee and Option Committee.

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

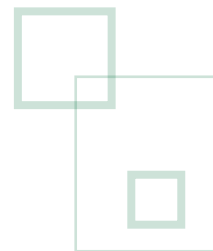
## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report for the financial year ended 31 July 2013 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and effectiveness of the risk management and internal control system of the Group.

## 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 the Shareholders' investment and the Group's assets. The Board is committed to continue reviewing the operations and effectiveness of the Group's internal control that covers financial, operational, compliance and risk management.

This statement has been made in accordance with a resolution passed by the Board on 11 November 2013.



# Audit Committee Report

## COMPOSITION & MEETINGS OF AUDIT COMMITTEE

For the financial year ended 31 July 2013, the Audit Committee comprises the following members:-

Composition of the Audit Committee		Attendance at the Audit Committee Meeting during the financial year ended 31 July 2013
Chairman	: <b>Dr Zainol Bin Md Eusof</b> <i>Independent Non-Executive Director</i>	5/5
Members	: <b>Yong Swee Lin</b> <i>Independent Non-Executive Director</i>	5/5
	: <b>Mahbob Bin Abdullah</b> <i>Independent Non-Executive Director</i>	4/5

## SUMMARY OF ACTIVITIES OF COMMITTEE

During the financial year under review, the Committee has carried out the following activities:-

- reviewed the quarterly results and audited financial statements of the Group prior to submission to the Board for consideration and approval;
- in conjunction with the results and reports, review is made for 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;
- reviewed the internal audit functions and the recommendations of the internal auditors' findings;
- reviewed the quarterly risk management report;
- reviewed the external auditors' audit plan and scope of work; and
- reviewed the external auditors' management letter issues and the response from management.

## TERMS OF REFERENCE

### 1. Composition

The Board of Directors ("BOD") of Greenyild Berhad (the "Company") resolved to establish a Committee of the BOD to be known as the Audit Committee on 30 May 2005.

The Audit Committee shall be appointed by the Board of Directors from among their number and shall be composed of not fewer than three (3) members and must be, Non-Executive Directors with the majority of whom shall be Independent Directors. No alternate director shall be appointed as an Audit Committee Member.

At least one member of the Audit Committee:-

- a) must be a member of the Malaysian Institute of Accountants; or
- b) if he is not a member of the Malaysian Institute of Accountants, he must have at least three years' working experience; and
  - aa) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
  - bb) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.
- c) fulfill such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad.



# Audit Committee Report

(cont'd)

## TERMS OF REFERENCE (CONT'D)

### 1. Composition (cont'd)

The members of the Audit Committee shall elect a chairman from among their number who is an Independent Director.

In the event the elected Chairman is not able to attend a meeting of the Audit Committee, a member of the Audit Committee shall be nominated as Chairman for the meeting. The nominated Chairman shall be an Independent Director.

A member of the Audit Committee who wishes to retire or resign should provide sufficient written notice to the Board of Directors so that a replacement may be appointed before he leaves.

In the event of any vacancy in the Audit Committee, the Company shall fill the vacancy not later than three (3) months.

The Audit Committee must ensure the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work.

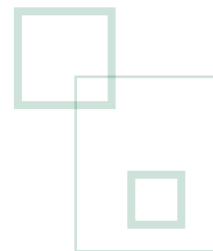
The Audit Committee shall function independently of the other directors and officers of the Company and its Group. Such other directors and officers may attend any particular Audit Committee meeting only at the Audit Committee's invitation specific to the relevant meeting.

Other than as provided herein, an Audit Committee may regulate its own procedures including the calling of meetings, the notice to be given of such meetings, the voting and proceedings thereat, the keeping of minutes and the custody, production and inspection of such minutes.

### 2. Functions

The functions of the Audit Committee are as follows:-

- (i) To review the nomination of external auditors and their audit fees;
- (ii) To review the adequacy of existing external audit arrangements, with particular emphasis on the scope and quality of the audit;
- (iii) To review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
- (iv) To review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- (v) To review the quarterly results and financial statements of the Company with both the external auditors, if applicable, and management focusing particularly on:-
  - (a) changes in or implementation of major accounting policy changes;
  - (b) significant and unusual events; and
  - (c) compliance with accounting standards and other legal requirements;



# Audit Committee Report

(cont'd)

## TERMS OF REFERENCE (CONT'D)

### 2. Functions (cont'd)

- (vi) To review with the external auditors, the audit report and audit plan and evaluation of the system of internal controls;
- (vii) To review any management letter sent by the external auditors to the Company and the management's response to such letter;
- (viii) To review any letter of resignation from the Company's external auditors;
- (ix) To review whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment;
- (x) To review the assistance given by the Company's officers to the external auditors;
- (xi) To review all areas of significant financial risk and the arrangements in place to contain those risks to acceptable levels;
- (xii) To review all related-party transactions and potential conflict of interests situations; and
- (xiii) To consider all other matters delegated by the Board of Directors.

### 3. Access

The Audit Committee shall:-

- (i) Have explicit authority to investigate any matters within its terms of reference;
- (ii) Have the resources which it needs to perform its duties;
- (iii) Have full access to any information which it requires in the course of performing its duties;
- (iv) Have unrestricted access to the Group Managing Director / Group Chief Executive Officer, Director of Finance / Chief Financial Officer / Head of Group Finance Division and any other senior management staff of the Company and its subsidiaries;
- (v) Have direct communication channels with the external auditors and internal auditors (if any);
- (vi) Be able to obtain independent professional or other advice in the performance of its duties at the cost of the Company;
- (vii) Be able to invite outsiders with relevant experience to attend its meetings if necessary; and
- (viii) Monitor and ensure that any transactions entered into between the Company and its subsidiaries and parties or companies connected to the promoters, directors and substantial shareholders of the Company and its subsidiaries are at arm's length and not on terms that are detrimental to the Group. The directors of the Company are required to report such transactions in the annual report of the Company every year.

# Audit Committee Report

(cont'd)

## TERMS OF REFERENCE (CONT'D)

### 3. Access (cont'd)

Management shall provide the fullest co-operation in providing information and resources to the Audit Committee, and in implementing or carrying out all requests made by the Audit Committee. Where the Audit Committee is of the review that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Listing Requirements of the Main Market, the Audit Committee shall promptly report such matter to Bursa Malaysia Securities Berhad.

### 4. Meetings

The Audit Committee shall meet at least four (4) times a year and such additional meetings, as the Chairman shall decide in order to fulfill its duties. Upon the request of the external auditors or internal auditors, the Chairman of the Audit Committee shall convene a meeting of the Committee to consider any matters that the auditors believe should be brought to the attention of the Board of Directors or shareholders.

The Audit Committee meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enable the Audit Committee members as a whole to participate for the entire duration of the meeting, and that all information and documents for the meeting must be made available to all members prior to or at the meeting. A minute of the proceedings of such meeting is sufficient evidence of the proceedings to which it relates.

Except in the case of an emergency, reasonable notice of every meeting shall be given in writing and the notice of each meeting shall be served to the member either personally or by fax or by post or by courier or by e-mail to his registered address as appearing in the Register of Directors, as the case may be.

The quorum shall consist of a majority of independent directors and shall not be less than two.

Apart from the external auditors or internal auditors, the Chairman shall call for a meeting of the Audit Committee if requested to do so by any member of the Audit Committee, the Board of Directors or the Senior Management. Prior notice shall be given for the Audit Committee's meetings.

The external auditors or internal auditors have the right to appear and be heard at any meeting of the Audit Committee and shall so appear when required by the Audit Committee.

The Audit Committee should meet at least twice a year with the external auditors without Executive Directors' and Management's present.

The Chairman of the Audit Committee should engage on continuous discussion with senior management, e.g. chairman, chief executive officer, finance director, head of internal audit and external auditors to be kept informed of matters affecting the Company.

The Company Secretary or other appropriate senior official shall act as Secretary of the Audit Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to committee members prior to each meeting and taking attendance for the Audit Committee meeting.

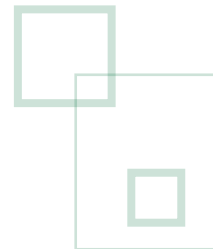
The Secretary shall also be responsible for keeping the minutes of the Audit Committee and circulating them to committee members and to the other members of the Board of Directors.

The Audit Committee is to provide opportunity to resigning internal audit staff / internal audit function service provider to submit his / their reason for resigning.

The Audit Committee shall function independently of the other directors and officers of the Company and its subsidiaries. Such other directors and officers may attend any particular Audit Committee meeting only at the Audit Committee's invitation, specific to the relevant meeting.

# Audit Committee Report

(cont'd)



## TERMS OF REFERENCE (CONT'D)

### 5. Reporting Procedures

The Audit Committee shall assist the Board in preparing the following for publication in the Company's Annual Report:-

- (a) A summary of the activities of the Audit Committee;
- (b) Statement on the Company's application of the principles set out in Part 1 of the Malaysian Code on Corporate Governance;
- (c) Statement on the extent of compliance with the Best Practices in Corporate Governance set out in Part 2 of the Malaysian Code on Corporate Governance, specifying reasons for any areas of non-compliance (if any) and the alternatives adopted in such areas;
- (d) Statement on the Board of Director's responsibility for preparing the annual audited financial statements;
- (e) Statement about the state of internal control of the Company and its subsidiaries;
- (f) A statement relating to the internal audit function for the Company, whether the internal audit function is performed in-house or is outsourced and the costs incurred for the internal audit function in respect of the financial year; and
- (g) Details of training attended by each Audit Committee member are to be disclosed in the Corporate Governance Statement or the Audit Committee report.

## 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. Subsequent to the financial year ended 31 July 2013, the Group's internal audit function was outsourced to a professional service 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 service firm conducting the internal audit function shall report directly to the Audit Committee and thereafter to the Board.

The cost incurred by the Company in connection with the outsourced internal audit function for the financial year ended 31 July 2013 amounted to RM24,000.

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 2013.

## 2. SHARE BUY-BACK

During the financial year ended 31 July 2013, the Company did not enter into any share buy-back transaction.

## 3. OPTIONS, WARRANTS AND CONVERTIBLE SECURITIES

There were no exercise of options, warrants and convertible securities during the financial year ended 31 July 2013.

## 4. DEPOSITORY RECEIPT PROGRAMME

The Company does not have any depository programme in place during the financial year ended 31 July 2013.

## 5. SANCTIONS AND/OR PENALTIES

During the financial year ended 31 July 2013, there were no public sanctions or penalties imposed on the Company and its subsidiary companies, directors or management by the relevant regulatory bodies.

## 6. NON-AUDIT FEES

Non-audit fees paid or payable to the external auditors by the Group for the financial year ended 31 July 2013 was RM34,000.00 for works done to verify the Statement on Risk Management and Internal Control and other reporting.

## 7. VARIATION IN RESULTS

There were no significant variance between the results for the financial year ended 31 July 2013 and the unaudited results previously released by the Company. The Company did not make any release on the profit estimates, forecast or projections for the financial year.

## 8. PROFIT GUARANTEE

During the financial year ended 31 July 2013, there were no profit guarantees given by the Company.

## 9. MATERIAL CONTRACTS

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

## 10. MATERIAL CONTRACTS RELATING TO LOANS

There were no material contracts relating to loans involving directors and/ or major shareholders.

## 11. REVALUATION POLICY ON LANDED PROPERTIES

The Group does not have any policy on revaluation of properties.

## 12. OPTIONS GRANTED TO DIRECTORS PURSUANT TO THE EMPLOYEE SHARE OPTION SCHEME

There were no options granted to the Directors pursuant to the Employee Share Option Scheme ("ESOS") during the financial year ended 31 July 2013.

The Company has extended its existing ESOS to 12 October 2015, in accordance with the terms of the ESOS Bye-Laws.

The ESOS extension is not subject to any approvals from Bursa Malaysia Securities Berhad, Securities Commission or the shareholders of the Company.



# Financial Statements



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# Directors' Report

for the year ended 31 July 2013

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 July 2013.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are as stated in Note 6 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 year	5,243,837	3,306,698

## RESERVES AND PROVISIONS

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

## DIVIDENDS

Since the end of the previous financial year, the Company paid a single tier final ordinary dividend of 1.0 sen per ordinary share totalling RM3,337,400 in respect of the year ended 31 July 2012 on 15 January 2013.

The final dividend recommended by the Directors in respect of the year ended 31 July 2013 is a single tier final ordinary dividend of 1.0 sen per ordinary share totalling RM3,337,400.

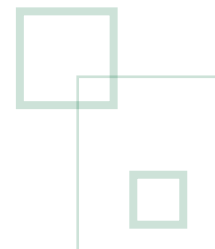
## DIRECTORS OF THE COMPANY

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

# Directors' Report

for the year ended 31 July 2013 (cont'd)



## DIRECTORS' INTERESTS

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

	Number of ordinary shares of RM0.10 each			
	At 1.8.2012	Bought	(Sold)	At 31.07.2013
<b>Company</b>				
Direct interest				
Tham Foo Keong	10,973,160	-	-	10,973,160
Tham Foo Choon	8,099,160	-	-	8,099,160
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
Deemed interest				
Tham Foo Keong*	19,162,560	-	-	19,162,560
<b>Ultimate holding company, Greenfield Holdings Sdn. Bhd.</b>				
Deemed interest				
Tham Foo Keong	175,543,060	-	-	175,543,060
Tham Foo Choon	175,543,060	-	-	175,543,060

\* In accordance with Section 134(12)(c) of the Companies Act, 1965, the deemed interests of the spouse of Tham Foo Keong in the shares of the Company shall be treated as the interests of Tham Foo Keong.

By virtue of their interests in the shares of the Company, Tham Foo Keong and Tham Foo Choon are also deemed interested in the shares of subsidiaries during the financial year to the extent that Greenfield Berhad has an interest.

## DIRECTORS' BENEFITS

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.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the Company's Employees Share Option Scheme (ESOS).



# Directors' Report

for the year ended 31 July 2013 (cont'd)

## ISSUE OF SHARES

There were no changes in the authorised, issued and paid-up capital of the Company during the financial year.

## OPTIONS GRANTED OVER UNISSUED SHARES

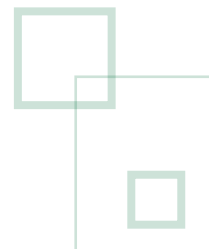
No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the Employees Share Option Scheme ("ESOS").

The salient features of the ESOS scheme are, inter alia, as follows:

- i) The aggregate number of options exercised and options offered and to be offered under the scheme shall not exceed 15,000,000 at any one time during the duration of the scheme as provided by the By-Law and the following shall be complied with:-
  - (a) Not more than fifty per cent (50%) of the shares available under the scheme shall be allocated, in aggregate, to Directors and senior management; and
  - (b) The allocation to an eligible employee who, either singly or collectively through persons connected with the eligible employee, holds twenty per cent (20%) or more of the issued and paid-up capital of the Company, must not exceed ten per cent (10%) of the shares available under the scheme,
- ii) The exercise price shall not be at a discount of more than ten per cent (10%) (or such discount as the relevant authorities shall permit) from the 5 market day weighted average market price of the shares of the Company preceding the date of offer and shall, in no event, be less than the par value of the shares of the Company,
- iii) An option shall not be transferred, assigned, disposed of or made subject to any encumbrances by the grantee save and except in the event of the death of the grantee. Any such transfer, assignment, disposal or encumbrances shall result in the automatic cancellation of the option,
- iv) The new shares to be issued upon the exercise of the option will, upon allotment and issue, rank pari passu in all respects with the existing issued and paid-up shares of the Company, except that the new shares will not be entitled to any dividends, rights, allotments or other distributions, the entitlement date of which is prior to the date of allotment of the said shares,
- v) An option holder may, in particular year, exercise up to such maximum number of shares in the option certificate as determined by the Board of Directors or as specified in the option certificate,
- vi) The option granted to eligible employees will lapse when they are no longer in employment of the Group, and
- vii) The ESOS will be in force for a period of three (3) years commencing 13 October 2006. The ESOS may at the discretion of the options committee to be extended for up to seven (7) years.

# Directors' Report

for the year ended 31 July 2013 (cont'd)



## OPTIONS GRANTED OVER UNISSUED SHARES (cont'd)

The options offered to take up unissued ordinary shares of RM0.10 each and the exercise price are as follows:

Date of offer	Exercise price (RM)	Number of options over ordinary shares of RM0.10 each				At 31.7.2013
		At 1.8.2012	Granted	(Exercised)	(Forfeited)	
13 October 2006	0.21	369,000	-	-	(50,000)	319,000

The Company has extended its existing ESOS to 12 October 2015, in accordance with the terms of the ESOS Bye-Laws. The ESOS extension is not subject to any approvals from Bursa Malaysia Securities Berhad, Securities Commission or the shareholders of the Company.

## 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) there are no bad debts to be written off and no provision needs to be 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 it necessary to write off any bad debts or provide for any doubtful debts, 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 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.



# Directors' Report

for the year ended 31 July 2013 (cont'd)

## OTHER STATUTORY INFORMATION (cont'd)

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 July 2013 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.

## AUDITORS

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

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

.....  
**Tham Foo Keong**

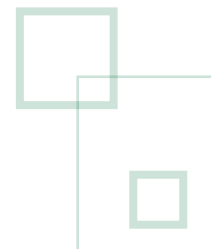
.....  
**Tham Foo Choon**

Kajang, Selangor Darul Ehsan

Date: 11 November 2013

# Statements of Financial Position

as at 31 July 2013



	Note	Group			Company		
		31.7.2013 RM	Restated 31.7.2012 RM	Restated 1.8.2011 RM	31.7.2013 RM	Restated 31.7.2012 RM	Restated 1.8.2011 RM
<b>Assets</b>							
Property, plant and equipment	3	18,044,718	18,984,266	19,254,346	2,077	2,357	2,637
Intangible assets	4	13,674	11,358	13,747	-	-	-
Prepaid lease payments	5	3,425,443	3,439,062	664,470	-	-	-
Investments in subsidiaries	6	-	-	-	19,065,486	18,565,486	15,765,486
Investments in associates	7	5,793,641	4,073,828	2,580,345	-	-	-
<b>Total non-current assets</b>		<b>27,277,476</b>	<b>26,508,514</b>	<b>22,512,908</b>	<b>19,067,563</b>	<b>18,567,843</b>	<b>15,768,123</b>
Trade and other receivables	8	9,585,813	11,455,344	10,247,330	15,136,250	15,359,250	14,253,148
Prepayments	9	177,717	154,645	285,467	8,167	7,478	9,979
Inventories	10	7,973,929	11,375,613	8,007,955	-	-	-
Current tax assets		1,446,048	1,233,531	1,140,284	72,557	72,556	51,981
Cash and cash equivalents	11	14,478,524	11,223,762	14,201,185	4,808,938	5,125,853	4,985,067
<b>Total current assets</b>		<b>33,662,031</b>	<b>35,442,895</b>	<b>33,882,221</b>	<b>20,025,912</b>	<b>20,565,137</b>	<b>19,300,175</b>
<b>Total assets</b>		<b>60,939,507</b>	<b>61,951,409</b>	<b>56,395,129</b>	<b>39,093,475</b>	<b>39,132,980</b>	<b>35,068,298</b>
<b>Equity</b>							
Share capital	12	33,374,000	33,374,000	16,684,110	33,374,000	33,374,000	16,684,110
Reserves	12	19,938,116	18,031,679	29,796,144	3,653,392	3,684,094	18,363,829
<b>Total equity attributable to owners of the Company</b>		<b>53,312,116</b>	<b>51,405,679</b>	<b>46,480,254</b>	<b>37,027,392</b>	<b>37,058,094</b>	<b>35,047,939</b>
<b>Liabilities</b>							
Borrowings	13	308,198	386,584	303,047	-	-	-
Deferred tax liabilities	14	1,453,527	1,461,828	1,506,519	-	-	-
<b>Total non-current liabilities</b>		<b>1,761,725</b>	<b>1,848,412</b>	<b>1,809,566</b>	<b>-</b>	<b>-</b>	<b>-</b>
Trade and other payables	16	5,645,508	8,471,047	7,890,608	2,066,083	2,074,886	20,359
Borrowings	13	220,158	226,271	214,701	-	-	-
<b>Total current liabilities</b>		<b>5,865,666</b>	<b>8,697,318</b>	<b>8,105,309</b>	<b>2,066,083</b>	<b>2,074,886</b>	<b>20,359</b>
<b>Total liabilities</b>		<b>7,627,391</b>	<b>10,545,730</b>	<b>9,914,875</b>	<b>2,066,083</b>	<b>2,074,886</b>	<b>20,359</b>
<b>Total equity and liabilities</b>		<b>60,939,507</b>	<b>61,951,409</b>	<b>56,395,129</b>	<b>39,093,475</b>	<b>39,132,980</b>	<b>35,068,298</b>

The notes on page 48 to 88 are an integral part of these financial statements.

# Statements of Profit or Loss and Other Comprehensive Income

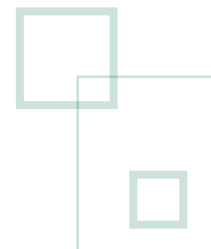
for the year ended 31 July 2013

	Note	Group		Company	
		2013 RM	2012 RM	2013 RM	2012 RM
<b>Revenue</b>	17	47,769,796	55,703,569	3,500,000	6,217,865
Cost of sales		(32,795,017)	(36,298,959)	-	-
<b>Gross profit</b>		14,974,779	19,404,610	3,500,000	6,217,865
Other income		1,367,302	1,779,055	-	5
Distribution expenses		(1,049,077)	(1,266,903)	-	-
Administrative expenses		(7,303,275)	(7,489,207)	(235,205)	(776,014)
Other expenses		(696,921)	(1,203,578)	-	-
<b>Results from operating activities</b>		7,292,808	11,223,977	3,264,795	5,441,856
Finance costs		(109,432)	(124,181)	(95)	(88)
Interest income		200,225	164,336	44,948	86,009
<b>Operating profit</b>		7,383,601	11,264,132	3,309,648	5,527,777
Share of loss in associates (net)		(68,191)	(16,517)	-	-
<b>Profit before tax</b>	18	7,315,410	11,247,615	3,309,648	5,527,777
Tax expense	20	(2,071,573)	(2,990,859)	(2,950)	(186,291)
<b>Profit and total comprehensive income for the year</b>		5,243,837	8,256,756	3,306,698	5,341,486
<b>Basic earnings per ordinary share (sen):</b>	21	1.57	2.47		
<b>Diluted earnings per ordinary share (sen):</b>	21	1.57	2.47		

The notes on page 48 to 88 are an integral part of these financial statements.

# Statements of Changes In Equity

for the year ended 31 July 2013



Group	Note	Attributable to owners of the Company				Total equity RM
		Share capital RM	Share premium RM	Share option reserve RM	Retained earnings RM	
<b>At 1 August 2011</b>		16,684,110	3,511,655	31,467	26,253,022	46,480,254
Profit and total comprehensive income for the year		-	-	-	8,256,756	8,256,756
Share options exercised		2,890	3,179	-	-	6,069
Bonus issue		16,687,000	(3,514,834)	-	(13,172,166)	-
Dividends to owners of the Company	22	-	-	-	(3,337,400)	(3,337,400)
<b>At 31 July 2012/1 August 2012</b>		33,374,000	-	31,467	18,000,212	51,405,679
Profit and total comprehensive income for the year		-	-	-	5,243,837	5,243,837
Dividends to owners of the Company	22	-	-	-	(3,337,400)	(3,337,400)
<b>At 31 July 2013</b>		33,374,000	-	31,467	19,906,649	53,312,116
		Note 12	Note 12	Note 12		

Company	Note	Attributable to owners of the Company				Total equity RM
		Share capital RM	Share premium RM	Share option reserve RM	Retained earnings RM	
<b>At 1 August 2011</b>		16,684,110	3,511,655	31,467	14,820,707	35,047,939
Profit and total comprehensive income for the year		-	-	-	5,341,486	5,341,486
Share options exercised		2,890	3,179	-	-	6,069
Bonus issue		16,687,000	(3,514,834)	-	(13,172,166)	-
Dividends to owners of the Company	22	-	-	-	(3,337,400)	(3,337,400)
<b>At 31 July 2012/1 August 2012</b>		33,374,000	-	31,467	3,652,627	37,058,094
Profit and total comprehensive income for the year		-	-	-	3,306,698	3,306,698
Dividends to owners of the Company	22	-	-	-	(3,337,400)	(3,337,400)
<b>At 31 July 2013</b>		33,374,000	-	31,467	3,621,925	37,027,392
		Note 12	Note 12	Note 12		

The notes on page 48 to 88 are an integral part of these financial statements.

# Statements of Cash Flows

for the year ended 31 July 2013

	Group		Company	
	2013	2012	2013	2012
	RM	Restated RM	RM	Restated RM
<b>Cash flows from operating activities</b>				
Profit before tax	7,315,410	11,247,615	3,309,648	5,527,777
Adjustments for:				
Amortisation of intangible assets	1,432	1,272	-	-
Amortisation of prepaid lease payments	21,547	23,515	-	-
Depreciation of property, plant and equipment	2,342,176	2,459,823	280	280
Dividend income	-	-	(3,500,000)	(6,217,865)
Finance costs	109,432	124,181	95	88
Gain on disposal of property, plant and equipment (net)	(18,275)	(60,376)	-	-
Interest income	(200,225)	(164,336)	(44,948)	(86,009)
Property, plant and equipment written off	25,765	4,069	-	-
Share of loss in associates (net)	68,191	16,517	-	-
Trademark written off	-	1,117	-	-
Unrealised foreign exchange gain	(198,411)	(51,938)	-	-
Operating profit/(loss) before changes in working capital	9,467,042	13,601,459	(234,925)	(775,729)
Changes in working capital:				
Inventories	3,401,684	(3,367,658)	-	-
Prepayment	(23,072)	130,822	(689)	2,501
Trade and other payables	(2,825,539)	580,439	(8,803)	2,054,527
Trade and other receivables	2,067,942	(1,156,076)	223,000	(1,106,101)
Cash generated from/(used in) operations	12,088,057	9,788,986	(21,417)	175,198
Interest paid	(81,620)	(101,597)	(95)	(88)
Income taxes paid	(3,849,113)	(3,703,203)	(2,951)	(2,400)
Income taxes refunded	1,556,722	574,407	-	-
<b>Net cash generated from/ (used in) operating activities</b>	<b>9,714,046</b>	<b>6,558,593</b>	<b>(24,463)</b>	<b>172,710</b>
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(ii) (1,351,904)	(2,067,795)	-	-
Acquisition of intangible assets	(3,748)	-	-	-
Acquisition of prepaid lease payments	(7,928)	(2,798,107)	-	-
Investment in associates	(1,788,004)	(1,510,000)	-	-
Addition of investment in a subsidiary	-	-	(500,000)	(2,800,000)
Increase in pledged deposits placed with licensed banks	(933,253)	(303,059)	-	-
Dividend received	-	-	3,500,000	6,013,398
Interest received	200,225	164,336	44,948	86,009
Proceeds from disposal of property, plant and equipment	151,785	294,358	-	-
<b>Net cash (used in)/ generated from investing activities</b>	<b>(3,732,827)</b>	<b>(6,220,267)</b>	<b>3,044,948</b>	<b>3,299,407</b>

# Statements of Cash Flows

for the year ended 31 July 2013 (cont'd)

	Group		Company	
	2013	2012	2013	2012
	RM	Restated RM	RM	Restated RM
<b>Cash flows from financing activities</b>				
Dividends paid to shareholders of the Company	(3,337,400)	(3,337,400)	(3,337,400)	(3,337,400)
Interest paid	(27,812)	(22,584)	-	-
Repayment of finance lease liabilities	(294,498)	(264,893)	-	-
Proceeds from ESOS exercised	-	6,069	-	6,069
<b>Net cash used in financing activities</b>	<b>(3,659,710)</b>	<b>(3,618,808)</b>	<b>(3,337,400)</b>	<b>(3,331,331)</b>
Net increase/(decrease) in cash and cash equivalents	2,321,509	(3,280,482)	(316,915)	140,786
Cash and cash equivalents at 1 August (i)	8,863,709	12,144,191	5,125,853	4,985,067
<b>Cash and cash equivalents at 31 July (i)</b>	<b>11,185,218</b>	<b>8,863,709</b>	<b>4,808,938</b>	<b>5,125,853</b>

i) *Cash and cash equivalents*

Cash and cash equivalents included in the cash flow statements comprise the following amounts at the end of the reporting period:

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Deposits with licensed banks	7,434,920	6,622,469	4,104,260	4,869,678
Cash and bank balances	7,043,604	4,601,293	704,678	256,175
	14,478,524	11,223,762	4,808,938	5,125,853
Less: Deposits pledged	(3,293,306)	(2,360,053)	-	-
	11,185,218	8,863,709	4,808,938	5,125,853

ii) *Acquisition of property, plant and equipment*

During the year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM1,561,903 and Nil (31.7.2012: RM2,427,795 and Nil and 1.8.2011: RM4,730,941 and RM2,800) of which RM209,999 and Nil (31.7.2012: RM360,000 and Nil and 1.8.2011: RM580,000 and Nil) were acquired by means of finance lease plans.

The notes on page 48 to 88 are an integral part of these financial statements.



# Notes to the Financial Statements

Greenfield 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**

Level 18, The Gardens North Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur  
Malaysia

The consolidated financial statements of the Company as at and for the year ended 31 July 2013 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 2013 do not include other entities.

The Company is principally engaged in investment holding while the other Group entities are primarily involved in manufacturing, marketing and distribution of agricultural systems and products, plastic-related products and project management of plantation.

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

These financial statements were authorised for issue by the Board of Directors on 11 November 2013.

## **1. BASIS OF PREPARATION**

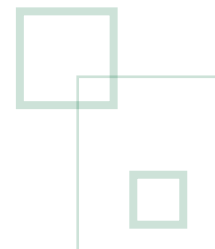
### **(a) Statement of compliance**

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 and the requirements of the Companies Act, 1965 in Malaysia. These are the Group and Company’s first financial statements prepared in accordance with MFRSs and MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* has been applied.

In the previous financial years, the financial statements of the Group and of the Company were prepared in accordance with Financial Reporting Standards (“FRSs”) in Malaysia. The transition to MFRS does not have any material financial impact to the financial statements of the Group and of the Company.

# Notes to the Financial Statements

(cont'd)



## 1. BASIS OF PREPARATION (CONTINUED)

### (a) Statement of compliance (continued)

The following are accounting standards, amendments and interpretations of the MFRS framework that 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 2013***

- MFRS 10, *Consolidated Financial Statements*
- MFRS 11, *Joint Arrangements*
- MFRS 12, *Disclosure of Interests in Other Entities*
- MFRS 13, *Fair Value Measurement*
- MFRS 119, *Employee Benefits (2011)*
- MFRS 127, *Separate Financial Statements (2011)*
- MFRS 128, *Investments in Associates and Joint Ventures (2011)*
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 1, *First-time Adoption of Financial Reporting Standards – Government Loans*
- Amendments to MFRS 1, *First-time Adoption of Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 101, *Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 132, *Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements: Transition Guidance*
- Amendments to MFRS 11, *Joint Arrangements: Transition Guidance*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Transition Guidance*

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014***

- Amendments to MFRS 10, *Consolidated Financial Statements: Investment Entities*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Investment Entities*
- Amendments to MFRS 127, *Separate Financial Statements (2011): Investment Entities*
- Amendments to MFRS 132, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 136, *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets*
- Amendments to MFRS 139, *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*
- IC Interpretation 21, *Levies*

# Notes to the Financial Statements

(cont'd)

## 1. BASIS OF PREPARATION (CONTINUED)

### (a) Statement of compliance (continued)

#### ***MFRSs, Interpretations and amendments effective for a date yet to be confirmed***

- Amendments to MFRS 9, *Financial Instruments (2009)*
- Amendments to MFRS 9, *Financial Instruments (2010)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Mandatory date of MFRS Transition Disclosures*

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations:

- from the annual period beginning on 1 January 2013 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2012 and 1 January 2013, except for IC Interpretation 20 which are not applicable to the Group and the Company.
- from the annual period beginning on 1 January 2014 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2014.
- from the annual period beginning on 1 January 2015 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2015.

The initial application of the abovementioned standards, amendments or interpretations are not expected to have any material impacts to the financial statements of the Group and the Company.

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in Note 2.

### (c) Functional and presentation currency

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

### (d) Use of estimates and judgements

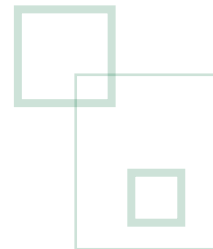
The preparation of financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

# Notes to the Financial Statements

(cont'd)



## 2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and in preparing the opening MFRS statements of financial position of the Group and of the Company at 1 August 2011 (the transition date to MFRS framework), 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. Control exists when the Company has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

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.

#### (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.

#### ***Acquisitions on or after 1 August 2011***

For acquisitions on or after 1 August 2011, the Group measures the cost of goodwill at the 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.

# Notes to the Financial Statements

(cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (a) Basis of consolidation (continued)

#### (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 associates.

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 re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gain or losses previously recognised in other comprehensive income are also reclassified proportionately to the 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.

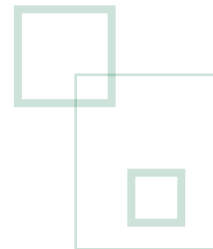
#### (iv) Transactions eliminated on consolidation

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 and joint ventures 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.

# Notes to the Financial Statements

(cont'd)



## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (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 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.

#### (ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than Ringgit Malaysia (RM), are translated to RM at exchange rates at the end of the reporting period. 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 foreign currency translation reserve ("FCTR") in equity. When a foreign operation is disposed off, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a 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 FCTR in equity.

### (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 its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

# Notes to the Financial Statements

(cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (c) Financial instruments (continued)

#### (ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

##### *Financial assets*

#### (a) *Loans and receivables*

Loans and receivables category comprises debt instruments that are not quoted in an active market, 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.

#### (b) *Available-for-sale financial assets*

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets, except for those at fair value through profit or loss, are subject to review for impairment (see Note 2(i)(i)).

##### *Financial liabilities*

All financial liabilities are subsequently measured at amortised cost.

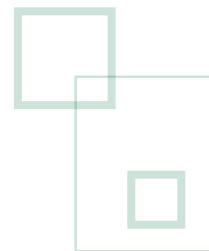
#### (iii) **Derecognition**

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 the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. 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.

# 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.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of acquisition between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

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 gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other operating expenses" respectively in the 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 the profit or loss as incurred.

#### (iii) Depreciation

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. 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 is not depreciated.

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

• Buildings	6 - 50 years
• Plant and machinery	10 years
• Motor vehicles	6 - 10 years
• Renovation	10 years
• Factory and office fittings and equipments:	
- Computer and mould	3 - 5 years
- Furniture and fittings, office equipment, air-conditioner, empty cylinder and electrical installation	5 - 10 years
- Project and nursery site fittings	5 - 6 years

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



# 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 of 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 land and leasehold building which in substance are a finance lease are classified as property, plant and equipment. The leasehold land is amortised on a straight-line basis over the lease term of forty eight (48) to eighty two (82) years.

#### (ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised in the statement of financial position of the Group or the Company.

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

### (f) Intangible assets

#### (i) Trademarks

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

#### (ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

#### (iii) Amortisation

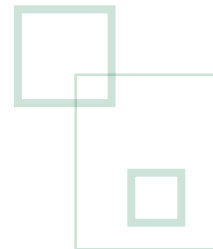
Amortisation is based on the cost of an asset less its residual value.

Other intangible assets are amortised from the date that they are available for use.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

# Notes to the Financial Statements

(cont'd)



## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (f) Intangible assets (continued)

#### (iii) Amortisation (continued)

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

- Trademarks 10 - 20 years

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

### (g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out (FIFO) principle, and includes expenditure incurred in acquiring the inventories and 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 in hand, balances and deposits with banks which have an insignificant risk of changes in fair value. For the purpose of the statement 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 equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

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.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in the other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity and recognised to profit or loss.

# Notes to the Financial Statements

(cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (i) Impairment (continued)

#### (i) Financial assets (continued)

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale is not reversed through profit or loss.

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 unit.

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

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

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 (or a group of cash-generating units) on a *pro rata* basis.

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

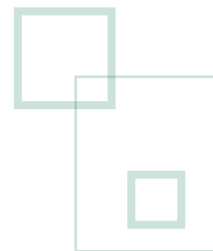
Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

#### (i) Issue expenses

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

# Notes to the Financial Statements

(cont'd)



## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (j) Equity instruments (continued)

#### (ii) Ordinary shares

Ordinary shares are classified as equity.

### (k) 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.

The Group's contribution to statutory pension fund is charged to the profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

#### (ii) Share-based payment transactions

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

The fair value of employee share options is measured using a Black Scholes model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds).

Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

### (l) 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.

# Notes to the Financial Statements

(cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (l) Revenue and other income (continued)

#### (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.

#### (iv) Project management

As soon as the outcome of a project management contract can be estimated reliably, contract revenue and costs are recognised in the profit or loss in proportion to the stage of completion of the contract. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably.

The stage of completion is assessed by reference to surveys of work. When the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

### (m) Borrowing costs

#### Finance lease liability

Plant and equipment under hire purchase 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 hire purchase are charged to the profit or loss over the period of the hire purchase agreement using the sum of digits method.

### (n) Tax expense

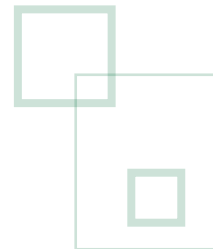
Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

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.

# Notes to the Financial Statements

(cont'd)



## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (n) Tax expense (continued)

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.

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed. 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.

### (o) Earnings per 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.

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 the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

### (p) Operating segments

All operating segments are a component of the Group that engage 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. All operating segments' operating 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)

## 3. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land and building* RM	Leasehold land RM	Leasehold buildings RM	Plant and machinery RM	Motor vehicles RM	Renovations RM	Factory and office fittings, equipment RM	Total RM
<b>Cost</b>								
At 1 August 2011	1,490,000	1,670,062	6,732,806	5,612,720	3,062,962	996,033	4,403,826	23,968,409
Additions	270,589	-	-	777,343	542,560	52,330	784,973	2,427,795
Disposals	-	-	-	-	(435,532)	-	(126,200)	(561,732)
Write-off	-	-	-	(2,100)	-	-	(23,791)	(25,891)
At 31 July 2012/ 1 August 2012	1,760,589	1,670,062	6,732,806	6,387,963	3,169,990	1,048,363	5,038,808	25,808,581
Additions	-	-	-	45,650	392,003	23,138	1,101,112	1,561,903
Disposals	-	-	-	-	(257,931)	-	(29,632)	(287,563)
Write-off	-	-	-	(980)	-	(12,183)	(167,851)	(181,014)
At 31 July 2013	1,760,589	1,670,062	6,732,806	6,432,633	3,304,062	1,059,318	5,942,437	26,901,907
<b>Depreciation</b>								
At 1 August 2011	-	215,856	737,481	723,249	514,097	415,595	2,107,785	4,714,063
Depreciation for the year	-	163,808	73,407	723,515	329,355	111,740	1,057,998	2,459,823
Disposals	-	-	-	-	(309,127)	-	(18,623)	(327,750)
Write-off	-	-	-	(1,931)	-	-	(19,890)	(21,821)
At 31 July 2012/ 1 August 2012	-	379,664	810,888	1,444,833	534,325	527,335	3,127,270	6,824,315
Depreciation for the year	-	163,808	73,269	733,816	390,601	111,709	868,973	2,342,176
Disposals	-	-	-	-	(137,779)	-	(16,274)	(154,053)
Write-off	-	-	-	(772)	-	(9,966)	(144,511)	(155,249)
At 31 July 2013	-	543,472	884,157	2,177,877	787,147	629,078	3,835,458	8,857,189
<b>Carrying amounts</b>								
At 1 August 2011	1,490,000	1,454,206	5,995,325	4,889,471	2,548,865	580,438	2,296,041	19,254,346
At 31 July 2012/ 1 August 2012	1,760,589	1,290,398	5,921,918	4,943,130	2,635,665	521,028	1,911,538	18,984,266
At 31 July 2013	1,760,589	1,126,590	5,848,649	4,254,756	2,516,915	430,240	2,106,979	18,044,718

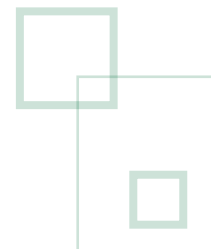
\* The cost and carrying value of the freehold land are not segregated from the building as required details are not available.

### Motor vehicle acquired under finance lease plan

The carrying amounts of motor vehicle acquired under finance lease plans are RM1,184,896 (31.7.2012: RM1,264,455 and 1.8.2011: RM1,066,066).

# Notes to the Financial Statements

(cont'd)



## 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

<b>Company</b>	<b>Fittings RM</b>
<b>Cost</b>	
At 1 August 2011/1 August 2012/31 July 2013	2,800
<b>Depreciation</b>	
At 1 August 2011	163
Depreciation for the year	280
At 31 July 2012/1 August 2012	443
Depreciation for the year	280
At 31 July 2013	723
<b>Carrying amounts</b>	
At 1 August 2011	2,637
At 31 July 2012/1 August 2012	2,357
At 31 July 2013	2,077

### 3.1 Land

Included in the carrying amounts of leasehold land are:

	<b>31.7.2013 RM</b>	<b>Group 31.7.2012 RM</b>	<b>1.8.2011 RM</b>
Leasehold land with unexpired lease period of more than 50 years	1,126,590	1,290,398	1,454,206

## 4. INTANGIBLE ASSETS

<b>Group</b>	<b>31.7.2013 RM</b>	<b>Trademarks 31.7.2012 RM</b>	<b>1.8.2011 RM</b>
<b>Cost</b>			
At 1 August	24,352	26,352	24,822
Additions	3,748	-	1,530
Written-off	(3,570)	(2,000)	-
At 31 July	24,530	24,352	26,352
<b>Amortisation</b>			
At 1 August	12,994	12,605	9,145
Amortisation for the year	1,432	1,272	3,460
Written-off	(3,570)	(883)	-
At 31 July	10,856	12,994	12,605
<b>Carrying amounts</b>			
At 31 July	13,674	11,358	13,747



# Notes to the Financial Statements

(cont'd)

## 5. PREPAID LEASE PAYMENTS

	Group RM
<b>Cost</b>	
At 1 August 2011	717,319
Addition	2,798,107
At 31 July 2012/1 August 2012	3,515,426
Addition	7,928
At 31 July 2013	3,523,354
<b>Amortisation</b>	
At 1 August 2011	52,849
Addition	23,515
At 31 July 2012/1 August 2012	76,364
Addition	21,547
At 31 July 2013	97,911
<b>Carrying amounts</b>	
At 1 August 2011	664,470
At 31 July 2012/1 August 2012	3,439,062
At 31 July 2013	3,425,443

## 6. INVESTMENTS IN SUBSIDIARIES

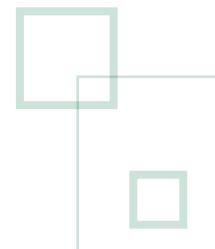
	31.7.2013 RM	Company 31.7.2012 RM	1.8.2011 RM
At cost:			
Unquoted shares	19,065,486	18,565,486	15,765,486

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective ownership interest		
			31.7.2013 %	31.7.2012 %	1.8.2011 %
Greenyield Industries (M) Sdn. Bhd.	Malaysia	Manufacturing and marketing of agricultural systems and products, plastic related products	100	100	100
Gim Triple Seven Sdn. Bhd. and its subsidiary:-	Malaysia	Marketing and distribution of agricultural related systems and products	100	100	100

# Notes to the Financial Statements

(cont'd)



## 6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name of subsidiaries	Country of incorporation	Principal activities	Effective ownership interest		
			31.7.2013 %	31.7.2012 %	1.8.2011 %
Givnflow Company Limited*	Vietnam	Manufacturing and distribution of agricultural systems and products, plastic related products	100	100	100
Gimflow Sdn. Bhd.	Malaysia	Marketing and distribution of agricultural related systems and products and project management of plantation	100	100	100
RCP Technologies Sdn. Bhd.	Malaysia	Trading of agricultural and plantation tools and providing technical and consultancy services	100	100	100
Tigantara Plantations Sdn. Bhd.	Malaysia	Dormant	100	100	-
Greenyfield Plantation Sdn. Bhd.	Malaysia	Dormant	100	-	-

\* Not audited by KPMG

## 7. INVESTMENTS IN ASSOCIATES

	31.7.2013 RM	Group Restated 31.7.2012 RM	Restated 1.8.2011 RM
At cost:			
Unquoted shares			
- Ordinary shares	762,004	600,000	600,000
- Redeemable convertible preference shares	5,136,000	3,510,000	2,000,000
Share of post-acquisition reserves	(104,363)	(36,172)	(19,655)
	<b>5,793,641</b>	<b>4,073,828</b>	<b>2,580,345</b>

# Notes to the Financial Statements

(cont'd)

## 7. INVESTMENTS IN ASSOCIATES (CONTINUED)

Summary financial information on associates:

Group	Country of incorporation	Effective ownership interest	Loss (100%) RM	Total assets (100%) RM	Total liabilities (100%) RM
<b>31 July 2013</b>					
Melati Aman Sdn. Bhd. *	Malaysia	30	68,523	18,856,650	12,910,112
SND Teguh Enterprise Sdn. Bhd. *	Malaysia	30	15,110	81,836	100,747
Pullah PC Daud Sdn. Bhd. *	Malaysia	30	15,110	81,836	100,747
<b>31 July 2012</b>					
Melati Aman Sdn. Bhd. *	Malaysia	30	51,463	14,686,775	11,807,347
<b>1 August 2011</b>					
Melati Aman Sdn. Bhd. *	Malaysia	30	26,290	9,783,229	8,848,365

\* Not audited by KPMG

## 8. TRADE AND OTHER RECEIVABLES

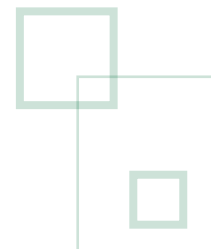
Note	31.7.2013 RM	Group Restated 31.7.2012 RM	Restated 1.8.2011 RM	31.7.2013 RM	Company Restated 31.7.2012 RM	Restated 1.8.2011 RM
<b>Trade</b>						
Trade receivables	8,076,711	10,088,071	9,041,070	-	-	-
<b>Non-trade</b>						
Amount due from subsidiaries	8.1	-	-	15,131,750	15,354,750	14,194,750
Amount due from associates	8.1	38,520	191,500	-	-	-
Other receivables		1,280,532	821,354	500	500	57,398
Deposits		190,050	199,808	4,000	4,000	1,000
		1,509,102	1,367,273	15,136,250	15,359,250	14,253,148
		9,585,813	11,455,344	15,136,250	15,359,250	14,253,148

### 8.1 Amount due from subsidiaries and associates

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

# Notes to the Financial Statements

(cont'd)



## 9. PREPAYMENTS

	Note	31.7.2013 RM	Group Restated 31.7.2012 RM	Restated 1.8.2011 RM	31.7.2013 RM	Company Restated 31.7.2012 RM	Restated 1.8.2011 RM
<b>Non-trade</b>							
Prepayments		177,717	154,645	285,467	8,167	7,478	9,979

## 10. INVENTORIES

		31.7.2013 RM	Group 31.7.2012 RM	1.8.2011 RM
At cost:				
Raw materials		2,431,218	4,657,891	3,924,824
Work-in-progress		1,821,929	1,800,777	719,536
Agricultural parts		665,529	419,421	310,742
Packaging materials		309,449	421,863	361,312
Finished goods		2,745,804	4,075,661	2,691,541
		7,973,929	11,375,613	8,007,955
Recognised in profit or loss:				
Inventories recognised as cost of sales		26,633,313	24,508,444	30,659,563

## 11. CASH AND CASH EQUIVALENTS

	Note	31.7.2013 RM	Group 31.7.2012 RM	1.8.2011 RM	31.7.2013 RM	Company 31.7.2012 RM	1.8.2011 RM
Deposits with licensed banks	11.1	7,434,920	6,622,469	5,565,693	4,104,260	4,869,678	3,375,693
Cash and bank balances		7,043,604	4,601,293	8,635,492	704,678	256,175	1,609,374
		14,478,524	11,223,762	14,201,185	4,808,938	5,125,853	4,985,067

### 11.1 Deposits with licensed banks

Included in deposits placed with licensed banks is RM3,293,306 (31.7.2012: RM2,360,053 and 1.8.2011: RM2,056,994) pledged for bank facilities granted to subsidiaries.

# Notes to the Financial Statements

(cont'd)

## 12. SHARE CAPITAL AND RESERVES

Share capital		Group and Company					
		Amount 31.7.2013 RM	Number of shares 31.7.2013	Amount 31.7.2012 RM	Number of shares 31.7.2012	Amount 1.8.2011 RM	Number of shares 1.8.2011
Authorised:							
Ordinary shares of RM0.10 each		50,000,000	500,000,000	25,000,000	250,000,000	25,000,000	250,000,000
Created during the year		-	-	25,000,000	250,000,000	-	-
At 31 July		50,000,000	500,000,000	50,000,000	500,000,000	25,000,000	250,000,000
Issued and fully paid							
Ordinary shares of RM0.10 each							
At 1 August		33,374,000	333,740,000	16,684,110	166,841,100	16,500,000	165,000,000
Issued of shares under							
- Employee Share Option		-	-	2,890	28,900	184,110	1,841,100
- Bonus issue		-	-	16,687,000	166,870,000	-	-
At 31 July		33,374,000	333,740,000	33,374,000	333,740,000	16,684,110	166,841,100
<b>Reserves</b>							
	<b>Note</b>	<b>31.7.2013 RM</b>	<b>Group 31.7.2012 RM</b>	<b>1.8.2011 RM</b>	<b>31.7.2013 RM</b>	<b>Company 31.7.2012 RM</b>	<b>1.8.2011 RM</b>
<b>Non-distributable</b>							
Share premium reserve	12.2	-	-	3,511,655	-	-	3,511,655
Share option reserve	12.3	31,467	31,467	31,467	31,467	31,467	31,467
		31,467	31,467	3,543,122	31,467	31,467	3,543,122
<b>Distributable</b>							
Retained earnings		19,906,649	18,000,212	26,253,022	3,621,925	3,652,627	14,820,707
		19,938,116	18,031,679	29,796,144	3,653,392	3,684,094	18,363,829

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

### 12.1 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.

# Notes to the Financial Statements

(cont'd)

## 12. SHARE CAPITAL AND RESERVES (CONTINUED)

### 12.2 Share premium reserve

This reserve comprises the premium paid on subscription of shares in the Company over and above the par value of the shares.

### 12.3 Share option reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the share option reserve is transferred to share premium. When the share options expire, the amount from the share option reserve is transferred to retained earnings. Share option is disclosed in Note 15.

## 13. BORROWINGS

	31.7.2013 RM	Group 31.7.2012 RM	1.8.2011 RM
<b>Non-current</b>			
Finance lease liabilities	308,198	386,584	303,047
<b>Current</b>			
Finance lease liabilities	220,158	226,271	214,701

### Finance lease liabilities

Finance lease liabilities are payable as follows:

Group	Future minimum lease payments 31.7.2013 RM	Interest 31.7.2013 RM	Present value of minimum lease payments 31.7.2013 RM	Future minimum lease payments 31.7.2012 RM	Interest 31.7.2012 RM	Present value of minimum lease payments 31.7.2012 RM	Future minimum lease payments 1.8.2011 RM	Interest 1.8.2011 RM	Present value of minimum lease payments 1.8.2011 RM
	Less than one year	238,727	(18,569)	220,158	245,657	(19,386)	226,271	231,293	(16,592)
Between one and five years	324,120	(15,922)	308,198	414,318	(27,734)	386,584	316,100	(13,053)	303,047
	562,847	(34,491)	528,356	659,975	(47,120)	612,855	547,393	(29,645)	517,748

# Notes to the Financial Statements

(cont'd)

## 14. DEFERRED TAX LIABILITIES

Deferred tax liabilities are attributable to the followings:

	31.7.2013 RM	Group 31.7.2012 RM	1.8.2011 RM
Property, plant and equipment			
- capital allowances	956,889	954,802	960,829
- at fair value adjustment	568,584	576,312	584,040
Others	(71,946)	(69,286)	(38,350)
	1,453,527	1,461,828	1,506,519

### *Movement in temporary differences during the year*

Group	At 1.8.2011 RM	Recognised in profit or loss RM (Note 20)	At 31.7.2012 RM	Recognised in profit or loss RM (Note 20)	At 31.7.2013 RM
Property, plant and equipment					
- capital allowances	960,829	(6,027)	954,802	2,087	956,889
- at fair value adjustment	584,040	(7,728)	576,312	(7,728)	568,584
Others	(38,350)	(30,936)	(69,286)	(2,660)	(71,946)
	1,506,519	(44,691)	1,461,828	(8,301)	1,453,527

## 15. EMPLOYEE BENEFITS

### Share-based payments

#### *Share option programme (equity settled)*

On 13 October 2006, the Group established a share option programme that entitles key management personnel and senior employees to purchase shares in the Company. In accordance with these programmes, options are exercisable at the market price of the shares at the date of grant.

# Notes to the Financial Statements

(cont'd)

## 15. EMPLOYEE BENEFITS (CONTINUED)

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price 2013 RM	Number of options 2013	Weighted average exercise price 2012 RM	Number of options 2012
Outstanding at 1 August	0.21	369,000	0.21	411,900
Forfeited during the year	0.21	(50,000)	0.21	(14,000)
Exercised during the year	-	-	0.21	(28,900)
Outstanding at 31 July	0.21	319,000	0.21	369,000
Exercisable at 31 July	0.21	319,000	0.21	369,000

## 16. TRADE AND OTHER PAYABLES

Note	31.7.2013 RM	Group 31.7.2012 RM	1.8.2011 RM	31.7.2013 RM	Company 31.7.2012 RM	1.8.2011 RM
<b>Trade</b>						
Trade payables	1,350,820	3,958,662	3,477,658	-	-	-
<b>Non-trade</b>						
Other payables	4,167,414	4,413,955	4,323,351	2,044,083	2,054,886	3,359
Accrued expenses	121,214	94,500	84,000	22,000	20,000	17,000
Amount due to Directors	16.1 6,060	3,930	5,599	-	-	-
	4,294,688	4,512,385	4,412,950	2,066,083	2,074,886	20,359
	5,645,508	8,471,047	7,890,608	2,066,083	2,074,886	20,359

### 16.1 Amount due to Directors

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

## 17. REVENUE

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Dividend income - gross	-	-	3,500,000	6,217,865
Sale of goods	47,769,796	55,703,569	-	-
	47,769,796	55,703,569	3,500,000	6,217,865



# Notes to the Financial Statements

(cont'd)

## 18. PROFIT FOR THE YEAR

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
<b>Profit for the year is arrived at after charging:</b>				
Amortisation of trademarks (Note 4)	1,432	1,272	-	-
Amortisation of prepaid lease payments (Note 5)	21,547	23,515	-	-
Auditors' remuneration:				
- Audit fees to KPMG Malaysia	104,000	94,500	22,000	20,000
- Other auditors	6,712	6,712	-	-
- Non-audit fees to KPMG Malaysia	34,000	14,000	34,000	14,000
Depreciation of property, plant and equipment (Note 3)	2,342,176	2,459,823	280	280
Interest expense on:				
- Hire purchase	27,812	22,584	-	-
- Others	81,620	101,597	95	88
Loss in disposal of property, plant and equipment	5,212	-	-	-
Personnel expenses (including key management personnel):				
- Contributions to Employees' Provident Fund	529,271	356,788	-	-
- Wages, salaries and others	6,628,862	6,323,623	-	-
Property, plant and equipment written off	25,765	4,069	-	-
Trademark written-off	-	1,117	-	-
Rental of premises	306,110	293,525	-	-
<b>and after crediting:</b>				
Dividend income from subsidiaries				
- unquoted shares	-	-	3,500,000	6,217,865
Gain on disposal of property, plant and equipment	18,275	60,376	-	-
Interest income on fixed deposits	200,225	164,336	44,948	86,009
Realised foreign exchange gain	570,049	552,385	-	-
Unrealised foreign exchange gain	198,411	51,938	-	-

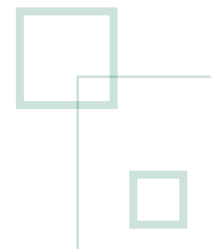
## 19. KEY MANAGEMENT PERSONNEL COMPENSATIONS

The key management personnel compensations are as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Directors' emoluments				
- Fees	54,000	54,000	54,000	54,000
- Remuneration	1,445,202	1,375,850	-	-
- Contribution to Employees' Provident Fund	137,108	125,897	-	-
Other short term employee benefits (including estimated monetary value of benefits-in-kind)	9,100	6,663	9,100	5,600
	1,645,410	1,562,410	63,100	59,600

# Notes to the Financial Statements

(cont'd)



## 20. TAX EXPENSE

### Reconciliation of tax expense

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
<b>Current tax expense</b>				
Malaysian - current year	2,013,602	2,968,213	2,950	185,634
- prior year	66,272	67,337	-	657
	<u>2,079,874</u>	<u>3,035,550</u>	<u>2,950</u>	<u>186,291</u>
<b>Deferred tax expense</b>				
Origination of temporary differences	85,032	24,732	-	-
Over provision in prior years	(93,333)	(69,423)	-	-
	<u>(8,301)</u>	<u>(44,691)</u>	<u>-</u>	<u>-</u>
	<u>2,071,573</u>	<u>2,990,859</u>	<u>2,950</u>	<u>186,291</u>
Profit before tax	<u>7,315,410</u>	<u>11,247,615</u>	<u>3,309,648</u>	<u>5,527,777</u>
Tax calculated using Malaysian tax rate of 25%	1,828,853	2,811,904	827,412	1,381,944
Tax incentives	(102,947)	(211,085)	-	-
Non-deductible expenses	383,964	412,981	60,727	174,544
Non assessable income	(11,236)	(20,855)	(885,189)	(1,370,854)
	<u>2,098,634</u>	<u>2,992,945</u>	<u>2,950</u>	<u>185,634</u>
(Over)/Under provision in prior years	(27,061)	(2,086)	-	657
	<u>2,071,573</u>	<u>2,990,859</u>	<u>2,950</u>	<u>186,291</u>

## 21. EARNINGS PER SHARE

### Basic earnings per share

The calculation of basic earnings per ordinary share at 31 July 2013 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2013 RM	2012 RM
Profit attributable to ordinary shareholders	<u>5,243,837</u>	<u>8,256,756</u>
Weighted average number of ordinary shares:		
Issued ordinary shares at beginning and end of the year	<u>333,740,000</u>	<u>333,740,000</u>
Basic earnings per share (in sen)	<u>1.57</u>	<u>2.47</u>

# Notes to the Financial Statements

(cont'd)

## 21. EARNINGS PER SHARE (CONTINUED)

### Diluted earnings per share

The calculation of diluted earnings per ordinary share at 31 July 2013 was based on profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	Group	
	2013 RM	2012 RM
Profit attributable to ordinary shareholders (diluted)	5,243,837	8,256,756
Weighted average number of ordinary shares at 31 July	333,740,000	333,740,000
Effects of share options on issue	319,000	369,000
Weighted average number of ordinary shares (diluted) at 31 July	334,059,000	334,109,000
Diluted earnings per share (in sen)	1.57	2.47

## 22. DIVIDENDS

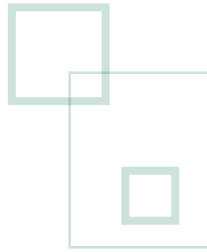
Dividends recognised in the current year by the Company are:

	Sen per share	Total amount RM	Date of payment
<b>2013</b>			
Final 2012 ordinary (single tier)	1.0	3,337,400	15 January 2013
<b>2012</b>			
Final 2011 ordinary (single tier)	1.0	3,337,400	17 January 2012

The final dividend recommended by the Directors in respect of the year ended 31 July 2013 is a single tier final ordinary dividend of 1.0 sen per share totalling RM3,337,400.

# Notes to the Financial Statements

(cont'd)



## 23. 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 unit, 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 and project management of plantation.
- **Non-plantation products**      Manufacturing and marketing of plastic-related products.

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

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

### **Segment assets and liabilities**

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

# Notes to the Financial Statements

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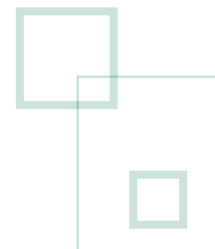
## 23. OPERATING SEGMENT (CONTINUED)

	Plantation		Non-plantation		Eliminations		Consolidated	
	2013 RM	2012 RM	2013 RM	2012 RM	2013 RM	2012 RM	2013 RM	2012 RM
Business segments								
Revenue from external customers	31,640,682	40,806,392	16,129,114	14,897,177	-	-	47,769,796	55,703,569
Inter-segment revenue	10,211,064	9,852,508	3,612,758	6,461,580	(13,823,822)	(16,314,088)	-	-
<b>Total segment revenue</b>	<b>41,851,746</b>	<b>50,658,900</b>	<b>19,741,872</b>	<b>21,358,757</b>	<b>(13,823,822)</b>	<b>(16,314,088)</b>	<b>47,769,796</b>	<b>55,703,569</b>
<b>Segment results*</b>								
Depreciation and amortisation							14,974,779	19,404,610
Unallocated income							(2,365,155)	(2,484,610)
Unallocated expenses							1,367,302	1,779,055
							(6,684,118)	(7,475,078)
Operating profit							7,292,808	11,223,977
Finance costs							(109,432)	(124,181)
Interest income							200,225	164,336
Share of loss in associates (net)							(68,191)	(16,517)
Tax expense							(2,071,573)	(2,990,859)
<b>Profit for the year</b>							<b>5,243,837</b>	<b>8,256,756</b>

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

# Notes to the Financial Statements

(cont'd)



## 23. OPERATING SEGMENT (CONTINUED)

### Geographical segments

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

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

### Geographical information

	Revenue RM	Non-current assets RM
<b>2013</b>		
Malaysia	5,942,328	24,369,370
South East Asia other than Malaysia	11,980,550	2,250,465
United States of America	5,247,662	-
Europe	14,376,637	-
Africa	6,487,264	-
Others	3,735,355	-
	47,769,796	26,619,835
<b>2012</b>		
Malaysia	9,467,612	23,495,606
South East Asia other than Malaysia	14,794,321	2,449,080
United States of America	3,317,703	-
Europe	16,716,848	-
Africa	6,423,884	-
Others	4,983,201	-
	55,703,569	25,944,686

### Major customers

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

Group	Revenue		Segment
	2013 RM	2012 RM	
All common control companies of:			
- Customer A	8,882,998	9,716,224	Non-plantation
- Customer B	5,493,639	6,569,838	Plantation
- Customer C	3,744,569	6,583,667	Plantation
- Customer D	5,025,861	3,198,132	Non-plantation
	23,147,067	26,067,861	

# Notes to the Financial Statements

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## 24. FINANCIAL INSTRUMENTS

### 24.1 Categories of financial instruments

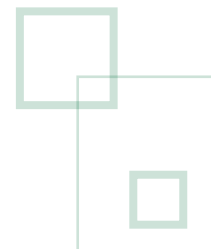
The table below provides an analysis of financial instruments categories as follow:

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

	Carrying amount RM	L&R RM
<b>Financial assets</b>		
<b>Group</b>		
<b>31 July 2013</b>		
Trade and other receivables	9,585,813	9,585,813
Cash and cash equivalents	14,478,524	14,478,524
	<u>24,064,337</u>	<u>24,064,337</u>
<b>Restated</b>		
<b>31 July 2012</b>		
Trade and other receivables	11,455,344	11,455,344
Cash and cash equivalents	11,223,762	11,223,762
	<u>22,679,106</u>	<u>22,679,106</u>
<b>Restated</b>		
<b>1 August 2011</b>		
Trade and other receivables	10,247,330	10,247,330
Cash and cash equivalents	14,201,185	14,201,185
	<u>24,448,515</u>	<u>24,448,515</u>
<b>Company</b>		
<b>31 July 2013</b>		
Trade and other receivables	15,136,250	15,136,250
Cash and cash equivalents	4,808,938	4,808,938
	<u>19,945,188</u>	<u>19,945,188</u>
<b>31 July 2012</b>		
Trade and other receivables	15,359,250	15,359,250
Cash and cash equivalents	5,125,853	5,125,853
	<u>20,485,103</u>	<u>20,485,103</u>
<b>1 August 2011</b>		
Trade and other receivables	14,253,148	14,253,148
Cash and cash equivalents	4,985,067	4,985,067
	<u>19,238,215</u>	<u>19,238,215</u>

# Notes to the Financial Statements

(cont'd)



## 24. FINANCIAL INSTRUMENTS (CONTINUED)

### 24.1 Categories of financial instruments (continued)

	Carrying amount RM	FL RM
<b>Financial liabilities</b>		
<b>Group</b>		
<b>31 July 2013</b>		
Borrowings	528,356	528,356
Trade and other payables	5,645,508	5,645,508
	6,173,864	6,173,864
<b>31 July 2012</b>		
Borrowings	612,855	612,855
Trade and other payables	8,471,047	8,471,047
	9,083,902	9,083,902
<b>1 August 2011</b>		
Borrowings	517,748	517,748
Trade and other payables	7,890,608	7,890,608
	8,408,356	8,408,356
<b>Company</b>		
<b>31 July 2013</b>		
Trade and other payables	2,066,083	2,066,083
	2,074,886	2,074,886
<b>31 July 2012</b>		
Trade and other payables	2,074,886	2,074,886
	20,359	20,359
<b>1 August 2011</b>		
Trade and other payables	20,359	20,359
	20,359	20,359

### 24.2 Net gains and losses arising from financial instruments

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Net gains/(losses) on:				
Loans and receivables	968,685	768,659	44,948	86,009
Financial liabilities measured at amortised cost	(109,432)	(124,181)	(95)	(88)
	859,253	644,478	44,853	85,921



# Notes to the Financial Statements

(cont'd)

## 24. FINANCIAL INSTRUMENTS (CONTINUED)

### 24.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

### 24.4 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 and investment securities. The Company's exposure to credit risk arises principally from 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*

As at the end of reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amount in the statement of financial position.

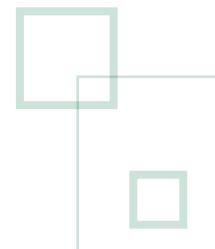
Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit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

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

Group	Gross RM	Individual impairment RM	Net RM
<b>31 July 2013</b>			
Not past due	3,085,089	-	3,085,089
Past due 1 - 30 days	1,910,903	-	1,910,903
Past due 31 - 120 days	2,112,494	-	2,112,494
Past due more than 121 days	968,225	-	968,225
	<b>8,076,711</b>	<b>-</b>	<b>8,076,711</b>

# Notes to the Financial Statements

(cont'd)



## 24. FINANCIAL INSTRUMENTS (CONTINUED)

### 24.4 Credit risk (continued)

Group	Gross RM	Individual impairment RM	Net RM
<b>31 July 2012</b>			
Not past due	5,916,141	-	5,916,141
Past due 1 - 30 days	2,842,870	-	2,842,870
Past due 31 - 120 days	629,591	-	629,591
Past due more than 121 days	699,469	-	699,469
	10,088,071	-	10,088,071
<b>1 August 2011</b>			
Not past due	4,281,361	-	4,281,361
Past due 1 - 30 days	1,895,216	-	1,895,216
Past due 31 - 120 days	2,043,736	-	2,043,736
Past due more than 121 days	820,757	-	820,757
	9,041,070	-	9,041,070

Included in the past due balances are two significant customers of which, one of the customer has made significant payments subsequent to the financial year end and another customer which is a government related company is expected to repay based on its past payment trend.

#### *Impairment losses*

There is no allowance for impairment losses of receivables during the year.

#### **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 except for long term receivable from a foreign subsidiary. 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 their carrying amounts in the statement of financial position.

Advances are only provided to subsidiaries which are wholly owned by the Company.

#### *Impairment losses*

There is no allowance for impairment losses of inter company balances during the financial year.

# Notes to the Financial Statements

(cont'd)

## 24. FINANCIAL INSTRUMENTS (CONTINUED)

### 24.5 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 and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

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

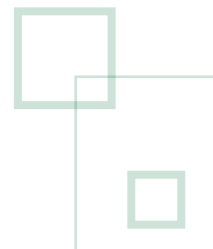
#### *Maturity analysis*

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

Group	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM	Over 1 year RM
<b>31 July 2013</b>					
<i>Non-derivative financial liabilities</i>					
Finance lease liabilities	528,356	2.35 – 3.45	562,847	238,727	324,120
Trade and other payables	5,645,508	-	5,645,508	5,645,508	-
	6,173,864	-	6,208,355	5,884,235	324,120
<b>31 July 2012</b>					
<i>Non-derivative financial liabilities</i>					
Finance lease liabilities	612,855	2.35 – 3.45	659,975	245,657	414,318
Trade and other payables	8,471,047	-	8,471,047	8,471,047	-
	9,083,902	-	9,131,022	8,716,704	414,318
<b>1 August 2011</b>					
<i>Non-derivative financial liabilities</i>					
Finance lease liabilities	517,748	2.35 – 3.45	547,393	231,293	316,100
Trade and other payables	7,890,608	-	7,890,608	7,890,608	-
	8,408,356	-	8,438,001	8,121,901	316,100

# Notes to the Financial Statements

(cont'd)



## 24. FINANCIAL INSTRUMENTS (CONTINUED)

### 24.5 Liquidity risk (continued)

*Maturity analysis (continued)*

Company	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM	Over 1 year RM
<b>31 July 2013</b>					
<i>Non-derivative financial liabilities</i>					
Trade and other payables	2,066,083	-	2,066,083	2,066,083	-
<b>31 July 2012</b>					
<i>Non-derivative financial liabilities</i>					
Trade and other payables	2,074,886	-	2,074,886	2,074,886	-
<b>1 August 2011</b>					
<i>Non-derivative financial liabilities</i>					
Trade and other payables	20,359	-	20,359	20,359	-

### 24.6 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.

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) and Euro Dollar (EUR).

#### 24.6.1 Currency risk

*Risk management objectives, policies and processes for managing the risk*

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

As at 31 July 2013, the Group did not have any hedging contracts or arrangement for any foreign currency.

# Notes to the Financial Statements

(cont'd)

## 24. FINANCIAL INSTRUMENTS (CONTINUED)

### 24.6 Market risk (continued)

#### 24.6.1 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:

Group	Denominated in	
	USD RM	EUR RM
<b>31 July 2013</b>		
Trade receivables	5,241,280	15,329
Trade payables	(1,329,533)	-
Cash and cash equivalents	2,216,162	1,678
<b>Exposure in the statements of financial position</b>	<b>6,127,909</b>	<b>17,007</b>
<b>31 July 2012</b>		
Trade receivables	7,065,653	1,310,878
Trade payables	(1,151,079)	-
Cash and cash equivalents	1,467,809	1,404
<b>Exposure in the statements of financial position</b>	<b>7,382,383</b>	<b>1,312,282</b>
<b>1 August 2011</b>		
Trade receivables	4,678,257	1,533,814
Trade payables	(988,670)	-
Cash and cash equivalents	4,469,536	7,211
<b>Exposure in the statements of financial position</b>	<b>8,159,123</b>	<b>1,541,025</b>

##### *Currency risk sensitivity analysis*

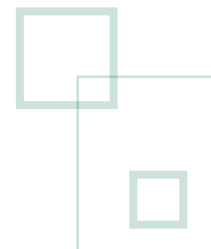
A 10% (2012: 10%) strengthening of the USD and EUR against Ringgit at the end of the reporting period would have increased equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

Group	Equity		Profit or loss	
	2013 RM	2012 RM	2013 RM	2012 RM
USD	459,593	553,679	459,593	553,679
EUR	1,276	98,421	1,276	98,421

A 10% (2012: 10%) weakening of USD and EUR against Ringgit 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.

# Notes to the Financial Statements

(cont'd)



## 24. FINANCIAL INSTRUMENTS (CONTINUED)

### 24.6 Market risk (continued)

#### 24.6.2 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 the fixed deposits 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 was:

	31.7.2013 RM	Group 31.7.2012 RM	1.8.2011 RM	31.7.2013 RM	Company 31.7.2012 RM	1.8.2011 RM
<b>Fixed rate instruments</b>						
Fixed deposits	7,434,920	6,622,469	5,565,693	4,104,260	4,869,678	3,375,693
Finance lease liabilities	(528,356)	(612,855)	(517,748)	-	-	-
	6,906,564	6,009,614	5,047,945	4,104,260	4,869,678	3,375,693

#### *Interest rate risk sensitivity analysis*

##### (a) *Fair value sensitivity analysis for fixed rate instruments*

The Group has only one fixed-rate fixed deposits which are deposited not more than 12 months. Accordingly, the exposure to interest rate risk of the Group is not material and hence, sensitivity analysis is not presented.

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.

### 24.7 Fair value of financial instruments

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

The fair value of financial liabilities together with the carrying amounts shown in the Group's statements of financial position are as follows:

	31.7.2013		31.7.2012		1.8.2011	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Finance lease liabilities	528,356	528,356	612,855	612,855	517,748	517,748

# Notes to the Financial Statements

(cont'd)

## 24. FINANCIAL INSTRUMENTS (CONTINUED)

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

#### *Non-derivative financial liabilities*

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For finance lease, the market rate of interest is determined by reference to similar lease agreements.

#### *Interest rates used to determine fair value*

The interest rates used to discount estimated cash flows, when applicable, are as follows:

	31.7.2013	31.7.2012	1.8.2011
Finance lease liabilities	2.35% - 3.45%	2.35% - 3.45%	2.35% - 3.45%

## 25. 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 investor, creditor 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 2013, the Group's strategy, which was unchanged from 2012, was to maintain an optimal debt-to-equity ratio.

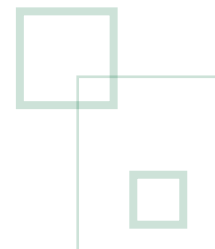
	31.7.2013 RM	Group 31.7.2012 RM	1.8.2011 RM
Total borrowings (Note 13)	528,356	612,855	517,748
Less: Cash and cash equivalents (Note 11)	(14,478,524)	(11,223,762)	(14,201,185)
Net debt	(13,950,168)	(10,610,907)	(13,683,437)
Total equity	53,312,116	51,405,679	46,480,254

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

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

# Notes to the Financial Statements

(cont'd)



## 26. CAPITAL COMMITMENTS

	31.7.2013 RM	Group 31.7.2012 RM	1.8.2011 RM
Capital expenditure commitments:			
Investment in associates:			
Contracted but not provided for	1,458,000	-	-

## 27. 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 and associates, and Directors.

The significant related party transactions of the Group, other than key management personnel compensation as disclosed in Note 19, are as follows:

	Group Transaction amount for the year ended 31 July		Company Transaction amount for the year ended 31 July	
	2013 RM	2012 RM	2013 RM	2012 RM
<b>Subsidiaries</b>				
Dividend income	-	-	3,500,000	6,217,865
Advances	240,803	53,497	-	-
<b>Associates</b>				
Advances	1,664,520	1,318,500	-	-

Significant related party balances related to the above transactions are disclosed in Note 8 and Note 16. The Directors of the Group are of the opinion that all the transactions above have been entered into in the normal course of business and have been established under negotiated terms.



# Notes to the Financial Statements

(cont'd)

## 28. EXPLANATION OF TRANSITION TO MFRSs

As stated in Note 1(a), these are the first financial statements of the Group and of the Company prepared in accordance with MFRSs.

The accounting policies set out in Note 2 have been applied in preparing the financial statements of the Group and of the Company for the financial year ended 31 July 2013, the comparative information presented in these financial statements for the financial year ended 31 July 2012 and in the preparation of the opening MFRS statement of financial position at 1 August 2011 (the Group's date of transition to MFRSs).

The transition to MFRSs does not have financial impact to the financial statements of the Group and of the Company.

## 29. COMPARATIVE FIGURES

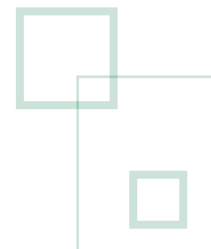
The Group's investment in redeemable convertible preference shares of an associate has been reclassified from other investment to investment in associates to reflect the nature of the investment. The Group's and the Company's prepayments have been reclassified from trade and other receivables to conform with current year presentation.

Hence, the following comparative figures have been restated:

Group	31.7.2012		1.8.2011	
	As restated RM	As previously stated RM	As restated RM	As previously stated RM
<b>Statements of financial position</b>				
Investment in associates	4,073,828	563,828	2,580,345	580,345
Other investment	-	3,510,000	-	2,000,000
Trade and other receivables	11,455,344	11,609,989	10,247,330	10,532,797
Prepayments	154,645	-	285,467	-
<b>Statements of cash flows</b>				
Investment in associates	(1,510,000)	-	-	-
Other investment	-	(1,510,000)	-	-
Trade and other receivables	(1,156,076)	(1,025,254)	-	-
Prepayments	130,822	-	-	-
<b>Company</b>				
<b>Statements of financial position</b>				
Trade and other receivables	15,359,250	15,366,728	14,253,148	14,263,127
Prepayments	7,478	-	9,979	-
<b>Statements of cash flows</b>				
Trade and other receivables	(1,106,101)	(1,103,600)	-	-
Prepayments	2,501	-	-	-

# Notes to the Financial Statements

(cont'd)



## 30. 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 2013, 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	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
The retained profits of the Company and its subsidiaries:				
- Realised	29,924	27,715	3,622	3,653
- Unrealised	(1,084)	(937)	-	-
	28,840	26,778	3,622	3,653
The share of retained profits from associate:				
- Realised	(104)	(36)	-	-
	28,736	26,742	3,622	3,653
Less: Consolidation adjustments	(8,829)	(8,742)	-	-
Total group retained profits as per consolidated accounts	19,907	18,000	3,622	3,653

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 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 43 to 88 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting standards and the requirements of the Companies Act, 1965 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 2013 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 30 on page 89 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 of Directors in accordance with a resolution of the Directors:

.....

**Tham Foo Keong**

Kajang, Selangor Darul Ehsan

Date: 11 November 2013

.....

**Tham Foo Choon**

# Statutory Declaration

pursuant to Section 169(16) of the Companies Act, 1965

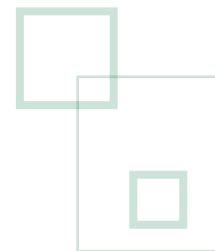
I, **Wong Kok Fong**, the officer primarily responsible for the financial management of Greenyild Berhad, do solemnly and sincerely declare that the financial statements set out on pages 43 to 89 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing 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 11 November 2013.

.....

**Wong Kok Fong**

Before me:



# Independent Auditors' Report

## to the members of Greenfield Berhad

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Greenfield Berhad, which comprise the statements of financial position as at 31 July 2013 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 43 to 88.

#### *Directors' Responsibility for the Financial Statements*

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 July 2013 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b) We have considered the accounts and auditors' report of the subsidiary of which we have not acted as auditors, which is indicated in Note 6 to the financial statements.



# Independent Auditors' Report

## to the members of Greenfield Berhad (cont'd)

- c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

### OTHER REPORTING RESPONSIBILITIES

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 30 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Malaysian Financial Reporting Standards. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, 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.

### OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

#### **KPMG**

Firm Number: AF 0758  
Chartered Accountants

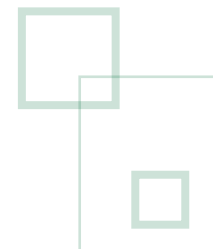
#### **Foong Mun Kong**

Approval Number: 2613/12/14(J)  
Chartered Accountant

Petaling Jaya,

Date: 11 November 2013

# 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 31.07.2013 (RM)
No. 116, Jalan Lapan, Kompleks Perabot Olak Lempit, Tg. Duabelas, 42700 Banting, Selangor Darul Ehsan	Greenyield Industries (M) Sdn Bhd	Factory and Land; Single storey factory with a 3-storey office annexe	Leasehold expiring on 26.09.2087	12	130,680 sq.ft/ *75,110 sq.ft	31.01.1995 (A)/ 23.03.2004 (V)	3,542,235
No. 21 & 23, Jalan Seksyen 3/7, Taman Kajang Utama, 43000 Kajang, Selangor Darul Ehsan	Gim Triple Seven Sdn Bhd	Office building; 4-storey shophouses	Freehold	16	3,728 sq.ft	24.01.1997 (A)	1,490,000
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	5	6,800 sq.m/ 73,195 sq.ft	04.03.2008 (A)	1,413,137
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	2	1,400 sq.ft	02.03.2012 (A)	270,589

Note: \* On building only

# Analysis of Shareholdings

As at 31 October 2013

Authorised Share Capital	:	RM50,000,000.00
Issued and Paid-Up Share Capital	:	RM33,374,000.00
Class of Shares	:	Ordinary Shares of RM0.10 each
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	2	0.194	40	0.000
100 – 1,000	35	3.407	16,700	0.005
1,001 – 10,000	310	30.185	1,810,200	0.542
10,001 – 100,000	510	49.659	19,714,400	5.907
100,001 to less than 5% of issued shares	168	16.358	119,586,040	35.832
5% and above of issued shares	2	0.194	192,612,620	57.713
<b>Total</b>	<b>1,027</b>	<b>100.00</b>	<b>333,740,000</b>	<b>100.00</b>

## LIST OF TOP 30 HOLDERS

No.	Name	No. of Shares Held	% of Issued Shares
1	Greenyard Holdings Sdn Bhd	173,450,060	51.971
2	Twong Yoke Peng	19,062,560	5.711
3	Tham Foo Keong	10,973,160	3.287
4	JF Apex Nominees (Tempatan) Sdn Bhd Huatai Financial Holdings (HK) Limited for Huatai HK SPC-Huatai Von Malaysia Fund Segregated Portfolio	9,002,000	2.697
5	Tham Foo Choon	8,099,160	2.426
6	Tham Fau Sin	6,377,020	1.910
7	Fu Ah Kiow @ Oh (Fu) Soon Guan	4,278,000	1.281
8	Tham Chong Sing	4,277,220	1.281
9	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)	3,263,400	0.977
10	Foong Sai Cheong	2,473,000	0.740
11	Sivakumaran A/L Seenivasagam	2,201,420	0.659
12	Tham Kin Wai	2,172,000	0.650
13	Lim Seng Keong	1,920,000	0.575
14	Chang Mun Lin	1,800,000	0.539
15	Tham Kinyiq	1,652,000	0.494
16	Chan Mee Yee	1,600,000	0.479
17	Tham Kin Leet	1,556,000	0.466
18	Tay Kim Chai	1,509,260	0.452
19	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Foo Peng Boon (8115339)	1,500,000	0.449
20	Chi Bee Chin	1,382,000	0.414
21	Ang Lip Chee	1,357,800	0.406
22	Er Wan Inn	1,303,900	0.390
23	Tham Chui Ping	1,292,000	0.387

# Analysis of Shareholdings

As at 31 October 2013 (cont'd)

## LIST OF TOP 30 HOLDERS (CONT'D)

No.	Name	No. of Shares Held	% of Issued Shares
24	Maybank Securities Nominees (Asing) Sdn Bhd Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)	1,246,000	0.373
25	Public Invest Nominees (Asing) Sdn Bhd Exempt an for Phillip Securities Pte Ltd (Clients)	1,079,000	0.323
26	Ang Lip Chee	1,023,200	0.306
27	Citigroup Nomiees (Asing) Sdn Bhd Pershing LLC for Gregory Alexander	1,000,000	0.299
28	Ting Chuen Peng	955,000	0.286
29	Armaru @ Tharmalingam A/L A. Chinniah	915,700	0.274
30	Choo Wing Sing	827,200	0.247
<b>Total</b>		<b>269,548,060</b>	<b>80.765</b>

## DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct	No. of Shares Held		%
		%	Indirect	
Tham Foo Keong	10,973,160	3.287	192,612,620 <sup>(i)</sup>	57.713
Tham Foo Choon	8,099,160	2.426	175,050,060 <sup>(i)</sup>	52.451
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	-	-

Note:

<sup>(i)</sup> Deemed interested through shares held by Greenyield Holdings Sdn. Bhd. pursuant to Section 6A(4) of the Companies Act, 1965 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.	173,450,060	51.971	-	-
Tham Foo Keong <sup>(a)</sup>	10,973,160	3.287	192,612,620 <sup>(b)</sup>	57.713
Tham Foo Choon <sup>(a)</sup>	8,099,160	2.426	175,050,060 <sup>(b)</sup>	52.451
Tham Chong Sing <sup>(a)</sup>	4,277,220	1.281	173,450,060 <sup>(c)</sup>	51.971
Tham Fau Sin <sup>(a)</sup>	6,377,020	1.910	173,450,060 <sup>(c)</sup>	51.971
Twong Yoke Peng	19,162,560	5.742	-	-

Notes:

(a) Brothers

(b) Deemed interested through shares held by Greenyield Holdings Sdn. Bhd. pursuant to Section 6A(4) of the Companies Act, 1965 and shareholding held by spouse.

(c) Deemed interested through shares held by Greenyield Holdings Sdn. Bhd. pursuant to Section 6A(4) of the Companies Act, 1965.



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# Proxy Form

No. of shares held

## GREENYIELD BERHAD

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

I/We, .....(NRIC/Company No. ....)

of .....

Being a member of **GREENYIELD BERHAD**, hereby appoints .....

.....(NRIC/Company No. ....)

of .....

or failing him/her, .....(NRIC/Company No. ....)

of .....

as my/our proxy to vote for me/us and on my/our behalf at the Eleventh Annual General Meeting of the Company to be held at Dewan Putra Perdana 1, Level 1, Putrajaya Shangri-La, Taman Putra Perdana, Presint 1, Putrajaya, 62000 Wilayah Persekutuan Putrajaya on Thursday, 19 December 2013 at 11.00 a.m. and at any adjournment thereof in respect of my/our shareholding in the manner indicated below:-

AGENDA				
<b>ORDINARY BUSINESS</b>				
1.	To receive the Audited Financial Statements for the financial year ended 31 July 2013 together with the Reports of the Directors and Auditors thereon.			
		<b>Resolution</b>	<b>For</b>	<b>Against</b>
2.	To approve the aggregate Directors' fees payable to the Directors of the Company for an amount not exceeding RM90,000.00 per annum for the financial year ending 31 July 2014.	1		
3.	To declare a single tier final dividend of 1.0 sen per Ordinary Share for the financial year ended 31 July 2013 as recommended by the Directors.	2		
4.	To re-elect Tham Foo Keong who retires pursuant to Article 74 of the Company's Articles of Association.	3		
5.	To re-elect Tham Foo Choon who retires pursuant to Article 74 of the Company's Articles of Association.	4		
6.	To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration.	5		
<b>SPECIAL BUSINESS</b>				
7.	Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares.	6		
8.	Proposed Renewal of Authority for the Share Buy-Back	7		

[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 ..... 2013.

.....  
Signature / Common Seal of Shareholder

### 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. A proxy may but need not be a member of the Company and the provisions of Section 149(1) (b) of the Companies Act, 1965 shall not apply to the Company.
- 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.
- Where the authorized nominee appoints two (2) proxies 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 13 December 2013 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 Registered Office of the Company at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

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AFFIX  
STAMP

**The Company Secretary**

**GREENYIELD BERHAD** (582216-T)  
Level 18, The Gardens North Tower,  
Mid Valley City, Lingkaran Syed Putra,  
59200 Kuala Lumpur

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[www.greenyield.com.my](http://www.greenyield.com.my)

