



**GREENYIELD BERHAD**

(Company No. 952216-1)

# ANNUAL REPORT

# 2012



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# Corporate Information

## BOARD OF DIRECTORS

### THAM FOO KEONG

*Executive Chairman and Group Managing Director*

### THAM FOO CHOON

*Deputy Group Managing Director*

### THAM KIN WAI

*Executive Director*

### YONG SWEE LIN

*Independent Non-Executive Director*

### DR SIVAKUMARAN A/L SEENIVASAGAM

*Executive Director*

### DR ZAINOL BIN MD EUSOF

*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*

### WONG KOK FONG

*Member,  
Financial Controller*

### DR ZAINOL BIN MD EUSOF

*Member,  
Independent Non-Executive Director*

## 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*



### 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

### REGISTRAR

Tricor Investor Services Sdn Bhd  
Level 17, The Gardens North Tower  
Mid Valley City, Lingkaran Syed Putra  
59200 Kuala Lumpur

Tel : 03 – 2264 3883  
Fax: 03 – 2282 1886

### 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

### 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

### WEBSITE

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

### COMPANY SECRETARIES

Ng Yen Hoong (LS 008016)  
Wong Peir Chyun (MAICSA 7018710)

### LISTING

Main Market of Bursa Malaysia Securities Berhad

Stock Name : GREENYB  
Stock Code : 0136

### SOLICITOR

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

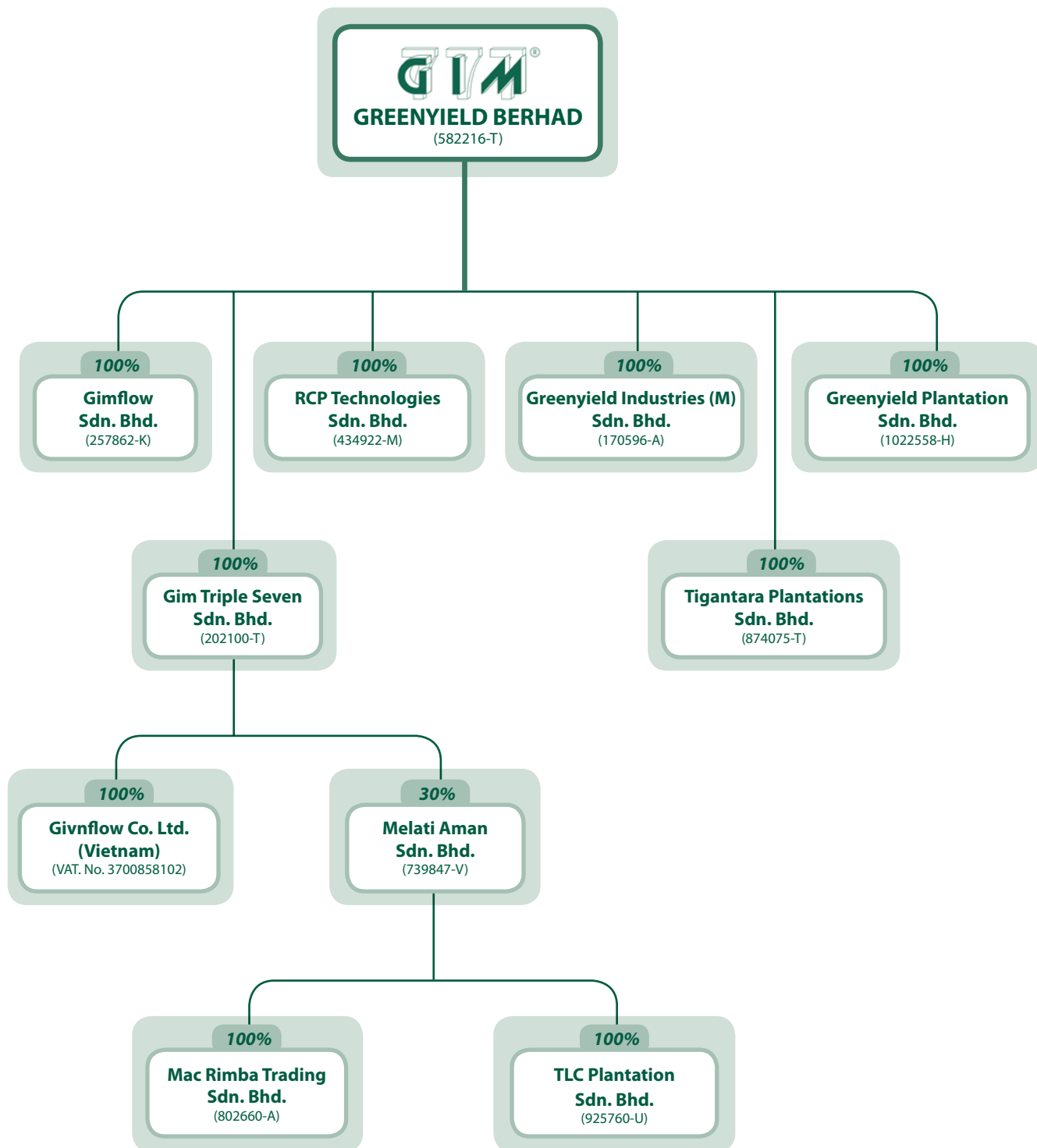
Tel : 03 – 2166 4616  
Fax: 03 – 2166 5616

### PRINCIPAL BANKER

Public Bank Berhad  
HSBC Bank Malaysia Berhad  
United Overseas Bank (Malaysia) Berhad

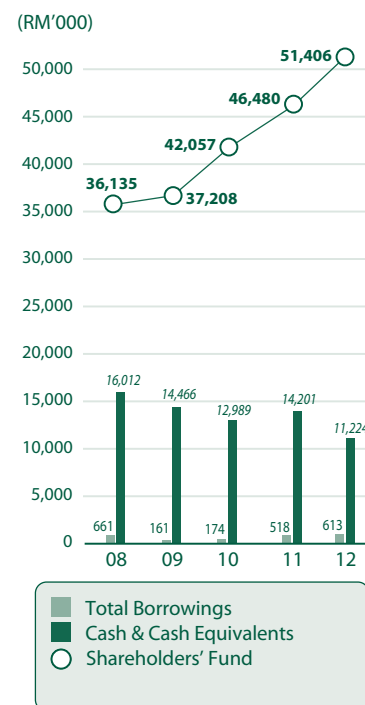
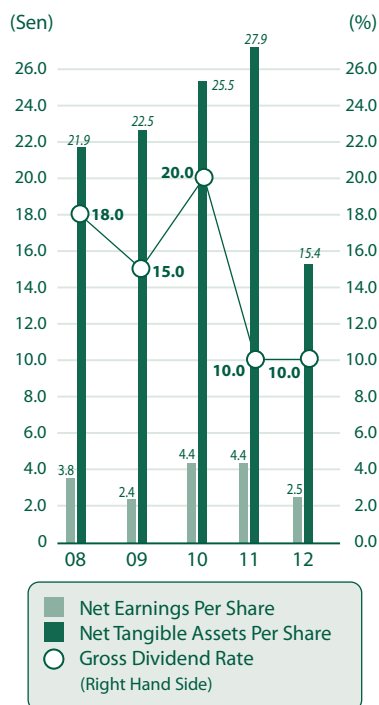
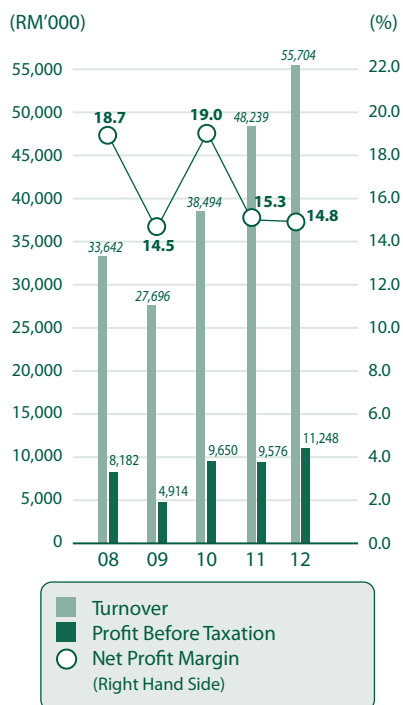


## Corporate Structure *as at 12 November 2012*



# Group Financial Review

	Financial Year Ended				
	31.7.2008 (RM'000)	31.7.2009 (RM'000)	31.7.2010 (RM'000)	31.7.2011 (RM'000)	31.7.2012 (RM'000)
Turnover	33,642	27,696	38,494	48,239	55,704
Earnings Before Interest, Depreciation, Amortisation and Taxation	9,476	6,222	11,183	11,872	13,873
Profit Before Taxation	8,182	4,914	9,650	9,576	11,248
Taxation	1,878	901	2,326	2,192	2,991
Profit After Taxation and Minority Interest	6,304	4,013	7,324	7,384	8,257
Net Profit Margin (%)	18.7	14.5	19.0	15.3	14.8
Net Tangible Assets	36,117	37,191	42,041	46,467	51,394
Net Tangible Assets Per Share (sen)	21.9	22.5	25.5	27.9	15.4
Net Earnings Per Share (sen)	3.8	2.4	4.4	4.4	2.5
Gross Dividend Rate (%)	18	15	20	10	10
Total Borrowings	661	161	174	518	613
Cash and Cash Equivalents	16,012	14,466	12,989	14,201	11,224
Shareholders' Fund	36,135	37,208	42,057	46,480	51,406
Gearing Ratio (%)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash
Fully Paid-Up Share Capital ('000 units)	165,000	165,000	165,000	166,841	333,740
Weighted Average Share Capital ('000 units)	165,000	165,000	165,000	165,789	288,478



# Profile of the Board of Directors

## **MR THAM FOO KEONG**

*56 years of age, Malaysian*

*Executive Chairman and Group Managing Director*

Mr Tham Foo Keong was appointed to the Board on 26 March 2005. He is responsible for the direction of the Group's business with emphasis in business development and corporate strategy. He graduated with a Bachelor of Science degree with Second Class Honours (First Division) 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 took over the position of Managing Director of Greenyfield Industries (M) Sdn. Bhd., a wholly-owned subsidiary of the Company.

## **MR THAM FOO CHOON**

*52 years of age, Malaysian*

*Deputy Group Managing Director*

Mr Tham Foo Choon was appointed to the Board on 26 March 2005. He is responsible for the marketing activities of the Group. He has undergone marketing and management training courses, and has over 20 years of experience in the marketing of agriculture related products and services.

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

*67 years of age, Malaysian*

*Executive Director*

Dr Sivakumaran A/L Seenivasagam was appointed to the Board 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 Cameroons, 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.

## Profile of the Board of Directors (cont'd)

### **MR THAM KIN WAI**

*44 years of age, Malaysian  
Executive Director*

Mr Tham Kin Wai was appointed to the Board on 23 January 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. 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 Greenfield Industries (M) Sdn Bhd ("GYI") and subsequently, he rose to the rank of General Manager of GYI in 2001.

### **DR ZAINOL BIN MD EUSOF**

*62 years of age, Malaysian  
Independent Non - Executive Director*

Dr Zainol Bin Md. Eusof was appointed to the Board on 26 March 2005. He is the chairman of the Audit Committee, Remuneration Committee and Nomination Committee of the Company as well as the member of the Option Committee. Dr Zainol holds a Bachelor of Science degree in Geology from Universiti Malaya, 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 Petroleum Nasional Berhad and an external examiner for the Ph.D programme of Universiti Putra Malaysia.

### **MR YONG SWEE LIN**

*44 years of age, Malaysian  
Independent Non – Executive Director*

Mr Yong Swee Lin was appointed to the Board on 23 January 2009. He is 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**

*68 years of age, Malaysian*

*Independent Non – Executive Director*

Mr Mahbob was appointed to the Board on 1 July 2009. He is a member of the Audit Committee of the Company. Currently he is a Board member of TH Plantations Berhad and FIMA Bulking Sdn. Bhd. (a subsidiary of Kumpulan Fima Berhad).

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.

### **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 Greenyield Berhad and its Subsidiaries (“the Group”), I take great pleasure to report another year of favorable results for the financial year ended 31 July 2012.”***

### **ECONOMIC REVIEW**

Since the beginning of the 2008 financial crisis of the North, the United States Government is still struggling to find the best method to create a sustainable recovery for their economies. Meanwhile the sovereign debt crisis of certain European Union nations continues unresolved. This ripple effect has caused a massive amount of collateral damage to most economies and commodities globally.

The past twelve (12) months of financial year 2012 have been very challenging for the Group due to the weak Euro and US dollar. However, with the Group's dedicated staff putting in extra hours of hard diligent work, many problems were mitigated and the Group achieved a healthy profit for the year under review.

### **FINANCIAL REVIEW**

For the financial year under review, the Group recorded a profit before tax of RM11.2 million and an accumulated retained earnings of RM18.0 million after paying RM3.3 million for dividends and another RM13.1 million for Bonus Issue. The Group also recorded a healthy cash flow of RM8.8 million after investing RM2.1 million for Property, Plant and Equipment and RM2.3 million for Rubber Plantations.

The Group's Art Stone Plant Pots business has been growing annually as planned. The global demand for tropical commodity has also been good for the past few years. Going forward, the Group shall look into available and affordable financing methods to substantially expand the factory production capacity as well as the acreage of Rubber Plantations within the ASEAN region.

### **PERFORMANCE REVIEW**

During the financial year under review, the Group encountered fluctuation in customer's demand where revenue increased in the first half of the financial year but declined subsequently due to slowdown in customer's order particularly for the plantation products.

Despite the above, the Group recorded a revenue of RM55.7million for the financial year ended 31 July 2012 as compared to RM48.2 million for the preceding year, representing an increase of RM7.5 million or 15.6%.

The Group also reported a higher profit after tax of RM8.257 million for the financial year ended 31 July 2012 as compared to RM7.384 million for the preceding year, representing an increase of 11.8%.

### **RESEARCH AND DEVELOPMENT**

We continue to invest in Research and Development and increased expenditure to RM0.4 million, equivalent to 0.7% of revenue for the financial year ended 31 July 2012. Programmes are in place to introduce new products and enhancements of existing products during the current year.

## Chairman's Statement (cont'd)

### BUSINESS OUTLOOKS AND PROSPECTS

The Board foresees 2013 as another challenging year for the Group's businesses in both plantation and non-plantation segment. The Board will continue to carry out its planned strategies and focus its capabilities on developing and launching new and improved products and services to stimulate customer's demand.

### DIVIDEND

The Board of Directors has proposed to declare a single-tier final dividend of 1.0 sen per ordinary share for the financial year ended 31 July 2012, subject to the approval of shareholders at the forthcoming Tenth Annual General Meeting.

### CORPORATE SOCIAL RESPONSIBILITY

The Group believes that doing business in a sustainable way and delivering long term benefits for shareholders are complementary. As such, the Group believed in the following guiding sustainability principles:-

- Ensure a safe and healthy workplace and social well being for all our employees;
- Ensure our products and services meet the international safety and environmental standards;
- Understand and mitigate our responsibilities on protection of life and the environment; and
- Improve the livelihoods of those who use our products and services to enhance their productivity and returns.

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. We are confident that the improvement in yields and productivity derived is also benefiting wholly or partially to all that surrounds them.

### 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 served globally. On behalf of the Board, I would like to express our thanks 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 Greenyard Berhad (“the Company”) is committed towards the adoption of the principles and best practices in corporate governance as enshrined in the Malaysian Code of Corporate Governance (“the Code”) and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirement”) by the Company and its subsidiaries (“the Group”). It is recognized that the adoption of the highest standards of corporate governance is imperative for the enhancement of shareholders’ value.

The Group has complied with the Best Practices set out in Part 2 of the Code throughout the financial year ended 31 July 2012 unless otherwise stated.

## A. 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. The Board has overall responsibility for the performance of the Group. This includes strategic planning, continuous review of the Group’s business operations and performance, monitoring, implementing and review of appropriate processes and internal controls to manage business risk, and generally ensuring that the Group is being efficiently managed and its business are conducted in accordance with high standards of accountability and transparency. 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 interest of all stakeholders. The selection and composition of the directors are carefully considered to ensure that the Board is well balanced.

### Board Balance and Composition

The Board consists of a total of seven (7) Directors, comprising four (4) Executive Directors and three (3) Independent Non-Executive Directors, which fulfils the prescribed Listing Requirement of minimum one-third of the Board to be independent. The Board has reviewed its size and composition and is satisfied that its current size and composition is effective for the proper functioning of the Group.

The Board recognises the need to appoint a Senior Independent Non-Executive Director, as prescribed under the Best Practices of the Code. 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.

A brief description on the background of each director is presented on pages 6 of 8 of the Annual Report.

### Board Meetings

In order to manage the Group efficiently, the Board meets on a quarterly basis, deliberating on a variety of matters that includes the Group’s financial results, major investments, strategic decisions and the overall direction of the Group. During the financial year ended 31 July 2012, four (4) Board meetings were held and all the directors have complied with the requirements in respect of board meeting attendance as provided in the Listing Requirement.

The details of the Directors’ attendance are as listed below:-

Directors	No. of Board Meetings attended	Percentage of Attendance (%)
Tham Foo Keong	4/4	100
Tham Foo Choon	4/4	100
Dr Sivakumaran A/L Seenivasagam	4/4	100
Tham Kin Wai	4/4	100
Dr Zainol Bin Md Eusof	4/4	100
Yong Swee Lin	4/4	100
Mahbob Bin Abdullah	4/4	100



## Statement of Corporate Governance (cont'd)

### A. DIRECTORS (continued)

#### Supply and Access of Information

All members of the Board are supplied with information on a timely manner. The Board papers are circulated prior to Board meetings 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) financial report (e.g. quarterly financial results);
- ii) business development report;
- iii) operational matters;
- iv) corporate developments of the Group;
- v) audit reports; and
- vi) regulatory compliance matters and updates issued by the various regulatory authorities.

In furtherance of their duties, the directors have unrestricted access to any information pertaining to the Group from the Management as well as the advice and services of the Company Secretary and external auditors as well as independent professional advisers whenever necessary, at the Company's expense in accordance with established procedure which has been communicated to them.

#### 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.

During the financial year ended 31 July 2012, the directors have attended the following training, conferences, seminars, and/ or workshops as listed below:-

Directors	Training/Seminar/Conference	Date
Tham Foo Keong	• IRRDB International Rubber Conference	14-17 December 2011
	• UOB Corporate Seminar 2012 – Global Market Outlook – What to Expect for the Dragon Year 2012	20 March 2012
	• Key Recommendations from Malaysian Code on Corporate Governance 2012 and the Corporate Disclosure Guide 2011	27 June 2012
Tham Foo Choon	• Hanoi Rubber Conference	2-4 December 2011
	• IRRDB International Rubber Conference	14-17 December 2011
	• UOB Corporate Seminar 2012 – Global Market Outlook – What to Expect for the Dragon Year 2012	20 March 2012
	• Seminar on Natural Rubber, held in Guatemala, Central America	8 August 2011
	• XI Latinamerican and IX Iberoamerican Conferences on Rubber Technology and Expocaucho 2011, held in Medellin, Colombia	7-11 November 2011
	• Seminar and Expo held in conjunction with the National Meeting on Natural Rubber, held in Sao Paulo, Brazil	13 April 2012
• Key Recommendations from Malaysian Code on Corporate Governance 2012 and the Corporate Disclosure Guide 2011	27 June 2012	

## Statement of Corporate Governance (cont'd)

### A. DIRECTORS (continued)

#### Directors' Training and Continuing Education Programme (continued)

Directors	Training/Seminar/Conference	Date
Dr Sivakumaran A/L Seenivasagam	• Seminar on Natural Rubber, held in Guatemala, Central America	8 August 2011
	• XI Latinamerican and IX Iberoamerican Conferences on Rubber Technology and Expocaucho 2011, held in Medellin, Colombia	7-11 November 2011
	• Seminar and Expo held in conjunction with the National Meeting on Natural Rubber, held in Sao Paulo, Brazil	13 April 2012
Tham Kin Wai	• Branding for the Global Market, organized by Malaysia External Trade Development Corporation	12 April 2012
	• Key Recommendations from Malaysian Code on Corporate Governance 2012 and the Corporate Disclosure Guide 2011	27 June 2012
Dr Zainol Bin Md Eusof	• IRRDB International Rubber Conference	14-17 December 2011
	• Key Recommendations from Malaysian Code on Corporate Governance 2012 and the Corporate Disclosure Guide 2011	27 June 2012
Yong Swee Lin	• National Tax Seminar	20 October 2011
	• New Public Rulings in 2011	18 November 2011
Mahbob Bin Abdullah	• The New Corporate Blueprint and Regulatory Updates Seminar 2011	14 December 2011
	• Board's Role in Governance & Audit Committee Oversight Responsibilities – Passion Beyond Numbers	11 May 2012
	• Key Recommendations from Malaysian Code on Corporate Governance 2012 and the Corporate Disclosure Guide 2011	27 June 2012

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.

#### 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 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.

Each director of the Board holds not more than ten directorships in public listed companies and not more than fifteen directorships in non-public listed companies, as prescribed in the Listing Requirement.



## Statement of Corporate Governance (cont'd)

### A. DIRECTORS (continued)

#### 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 fiduciary duties.

#### i) Audit Committee

The members of the Audit Committee as well as their duties and responsibilities as reflected in the terms of reference of the Audit Committee are set out on Pages 20 to 24 of this Annual Report.

#### (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 primary function of the Nomination Committee is to review the Board's structure, size and composition, and make recommendation to the Board on suitable candidates for appointment as director or member of the Board. The Nomination Committee also assists the Board in reviewing, on an annual basis, the required mix of skills, experience and effectiveness of the Board as well as the performance of the directors.

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 2012 with full attendance.

#### (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 meets as and when necessary and shall meet at least once a year. The Remuneration Committee held one (1) meeting during the financial year ended 31 July 2012 with full attendance.

## Statement of Corporate Governance (cont'd)

### A. DIRECTORS (continued)

#### (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 necessary and may decide by way of circular resolution.

### B. DIRECTORS' REMUNERATION

The aggregate remuneration of directors received from the Company and subsidiary companies for the financial year ended 31 July 2012 are as follows:-

Category	Fees	Salaries	Bonuses and other emoluments	EPF & SOCSO	Benefit-in-kind	Share Options Granted under ESOS	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Executive Directors	–	1,098	209	122	–	–	1,429
Non-Executive Directors	54	–	10	–	–	–	64

The numbers of directors of the Company whose total remuneration fall within the following band are as follows:-

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





## Statement of Corporate Governance (cont'd)

### 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 form of communication, providing shareholders and investors with an overview of the Group's activities and performance. The Annual General Meeting provides the principal platform for dialogue and avenue for direct interaction between the Board of Directors and shareholders or investors. The Board welcome 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.

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

### D. ACCOUNTABILITY AND AUDIT

#### Financial Reporting

The Board is committed in presenting a balanced, clear and meaningful assessment of the Group's financial performance and prospects through its annual financial statements and quarterly announcements to its shareholders. The Board is assisted by the Audit Committee in reviewing the Group's financial reporting processes and accuracy of its financial results and scrutinizing information for disclosure to ensure compliance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

A statement by the Directors of their responsibilities for preparing the financial statements is set out under the Statement on Directors' Responsibility on Page 17 of this Annual Report.

#### Internal Controls

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 efforts 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 Main Market Listing Requirements. The fees paid to the professional service firm for the financial year ended 31 July 2012 was RM24,000.00.

The Statement on Internal Controls is set out on Pages 18 to 19 of the Annual Report providing an overview of the state of internal controls within the Group.

## Statement of Corporate Governance (cont'd)

### D. ACCOUNTABILITY AND AUDIT (continued)

#### Relationship with External Auditors

The Group through the Audit Committee, has always maintained a close, formal and transparent 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.

The Audit Committee undertakes to meet the external auditors at least twice a year without the presence of Executive Directors or management to discuss its audit plan, annual financial statements and their audit findings. The Audit Committee reviews with the external auditors the annual audited financial statements before recommending them to the Board for its approval.

The total fees paid to the external auditors for the financial year ended 31 July 2012 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 RM94,500.00 for the financial year ended 31 July 2012.

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 RM14,000.00 for the financial year ended 31 July 2012.

The role of the Audit Committee in relation to the external auditors is more particularly described in the Audit Committee Report on pages 20 to 24 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 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 2012, the directors have:-

- adopted suitable accounting policies and applied them consistently;
- ensured that applicable accounting standards have been followed;
- made judgements 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 12 November 2012.



# Statement on Internal Control

## INTRODUCTION

The Malaysia Code on Corporate Governance requires the Board of Directors of the listed companies to maintain a sound system of internal controls to safeguard shareholders' investment and the Groups' assets.

The Board is pleased to provide the Statement on Internal Control which outlines the natures and scope of internal controls of the Group for the financial year ended 31 July 2012, under Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and as guided by the "Statement on Internal Control – Guidance for Directors of Public Listed Companies".

## THE BOARD'S RESPONSIBILITY

The Board recognizes the importance of a sound system of internal control and effective risk management practices to ensure good corporate governance. The Board affirms its overall responsibility for reviewing the adequacy and the integrity of the Groups' internal control system.

However, there are inherent limitations in any system of internal controls, it should be appreciated that such system is designed to manage and minimise risk appropriately rather than to eliminate the risk. Hence, it is imperative to note that any internal control system can only provide reasonable and not absolute assurance against material misstatement, fraud or loss.

The Board will continue taking necessary measures to strengthen its internal control system to address any weakness identified.

## RISK MANAGEMENT FRAMEWORK

The Board's primary objective and direction in managing the Group's risk are focused on the achievement of the Group's business objectives. 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. The Risk Management Policy will provide for a consistent basis in management of risks within defined risk, return parameters and tolerances. Risk Management Policy will provide an effective framework for identification, evaluation, management and reporting of the Group's risk.

The Risk Management Committee comprising of the Executive Directors and senior management of the Group are responsible for the implementation of appropriate system of controls and strategies in order to mitigate the risk. All the Group risk related matters were deliberated at the Executive 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 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 under review, the internal auditors have carried out their review according to the approved Internal Audit Plan. The review covered the assessment on the adequacy and effectiveness of internal controls on selected 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, including cost incurred for internal audit function.

## Statement on 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 thereof 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. These procedures are applicable across the Group of which provide for continuous assurance to the management and to the Board on human resource 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 Greenyield 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
- Term of reference has 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 coverage and allow the Group to receive an efficient and effective level of audit coverage.

### CONCLUSION

The Board is of the view that there were no significant weaknesses in the system of internal control of the Group that may have a material impact on the operations of the Group for the financial year ended 31 July 2012. The Board will continue to take appropriate measures to strengthen and improve its internal control structure in order to manage the risk more effectively.

This statement has been made in accordance with a resolution passed in the Board of Director on 12 November 2012.



# Audit Committee Report

## COMPOSITION & MEETINGS OF AUDIT COMMITTEE

For the financial year ended 31 July 2012, 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 2012
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 Greenyield 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) fulfil such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad.

### TERMS OF REFERENCE (continued)

#### 1. Composition (continued)

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 programmes, processes, the results of the internal audit programmes, 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;
- (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;



## Audit Committee Report (cont'd)

### TERMS OF REFERENCE (continued)

#### 2. Functions (continued)

- (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.

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.

### TERMS OF REFERENCE (continued)

#### 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 (continued)

#### 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 recognizes that an internal audit function is essential to ensure the effectiveness of the Group's systems of internal control and is an integral part of the risk management process. Subsequent to the financial year ended 31 July 2012, the Group has outsourced its internal audit function to a professional service firm to provide the Board with assurance on the adequacy 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 and the professional service firm conducting the internal audit function shall report directly to the Audit Committee.

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## Directors' Report for the year ended 31 July 2012

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 July 2012.

### Principal activities

The Company is principally engaged in investment holding, 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	8,256,756	5,341,486

### Reserves and provisions

There were no material transfers to or from reserves and provisions during the year under review, except as disclosed in the financial statements.

### 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 17 January 2012.

The final dividend recommended by the Directors in respect of the year ended 31 July 2012 is 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 2012 (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 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:

Company	Number of ordinary shares of RM0.10 each			
	At 1.8.2011	Bonus issue	(Sold)	At 31.07.2012
<b>Direct interest</b>				
Tham Foo Keong	5,486,580	5,486,580	–	10,973,160
Tham Foo Choon	4,049,580	4,049,580	–	8,099,160
Dr. Sivakumaran A/L Seenivasagam	1,100,710	1,100,710	–	2,201,420
Dr. Zainol Bin Md. Eusof	105,000	105,000	–	210,000
Tham Kin Wai	1,086,000	1,086,000	–	2,172,000
Mahbob Bin Abdullah	135,000	135,000	–	270,000
Yong Swee Lin	–	20,000	–	20,000
<b>Deemed interest</b>				
Tham Foo Keong*	9,581,280	9,581,280	–	19,162,560
<b>Ultimate holding company, Greenyield Holdings Sdn. Bhd.</b>				
<b>Deemed interest</b>				
Tham Foo Keong	87,771,530	87,771,530	–	175,543,060
Tham Foo Choon	87,771,530	87,771,530	–	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 to have interest in the shares of all subsidiaries during the financial year to the extent that Greenyield 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 issue of the Employees Share Option Scheme (ESOS).

## Directors' Report for the year ended 31 July 2012 (cont'd)

### Issue of shares

During the financial year, the Company issued:

- i) 28,900 new ordinary shares of RM0.10 each for cash arising from exercise of employees share options at an exercise price of RM0.21 per ordinary share.
- ii) 166,870,000 new ordinary shares of RM0.10 each via bonus issue on the basis of one bonus share for every one existing ordinary share of RM0.10 each held.

There were no other 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 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 Bye-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 proceeding 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 some 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

## Directors' Report for the year ended 31 July 2012 (cont'd)

### Options granted over unissued shares (continued)

- 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 be extended for up to seven (7) years.

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 1.8.2011	Granted	(Exercised)	(Forfeited)	
13 October 2006	0.21	411,900	–	(28,900)	(14,000)	369,000

The Company has extended its existing ESOS which is expiring on 12 October 2012 for a further period of three (3) years, 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 statements of financial position and statements of comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- there are no bad debts to be written off and no provision needs to be made for doubtful debts, and
- 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:

- that would render it necessary to write off any bad debts or provide for any doubtful debts, or
- that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- 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
- 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:

- 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
- any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 July 2012 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.



## Directors' Report for the year ended 31 July 2012 (cont'd)

### Significant and subsequent events

Significant and subsequent events are disclosed in Note 27.

### 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: 12 November 2012

## Statements of Financial Position *as at 31 July 2012*

	Note	Group		Company	
		2012 RM	2011 RM	2012 RM	2011 RM
<b>Assets</b>					
Property, plant and equipment	3	18,984,266	19,254,346	2,357	2,637
Intangible assets	4	11,358	13,747	–	–
Prepaid lease payments	5	3,439,062	664,470	–	–
Investments in subsidiaries	6	–	–	18,565,486	15,765,486
Investment in associate	7	563,828	580,345	–	–
Other investments	8	3,510,000	2,000,000	–	–
<b>Total non-current assets</b>		<b>26,508,514</b>	<b>22,512,908</b>	<b>18,567,843</b>	<b>15,768,123</b>
Trade and other receivables	9	11,609,989	10,532,797	15,366,728	14,263,127
Inventories	10	11,375,613	8,007,955	–	–
Current tax assets		1,233,531	1,140,284	72,556	51,981
Cash and cash equivalents	11	11,223,762	14,201,185	5,125,853	4,985,067
<b>Total current assets</b>		<b>35,442,895</b>	<b>33,882,221</b>	<b>20,565,137</b>	<b>19,300,175</b>
<b>Total assets</b>		<b>61,951,409</b>	<b>56,395,129</b>	<b>39,132,980</b>	<b>35,068,298</b>
<b>Equity</b>					
Share capital	12	33,374,000	16,684,110	33,374,000	16,684,110
Reserves	12	18,031,679	29,796,144	3,684,094	18,363,829
<b>Total equity attributable to owners of the Company</b>		<b>51,405,679</b>	<b>46,480,254</b>	<b>37,058,094</b>	<b>35,047,939</b>
<b>Liabilities</b>					
Borrowings	13	386,584	303,047	–	–
Deferred tax liabilities	14	1,461,828	1,506,519	–	–
<b>Total non-current liabilities</b>		<b>1,848,412</b>	<b>1,809,566</b>	<b>–</b>	<b>–</b>
Trade and other payables	16	8,471,047	7,890,608	2,074,886	20,359
Borrowings	13	226,271	214,701	–	–
<b>Total current liabilities</b>		<b>8,697,318</b>	<b>8,105,309</b>	<b>2,074,886</b>	<b>20,359</b>
<b>Total liabilities</b>		<b>10,545,730</b>	<b>9,914,875</b>	<b>2,074,886</b>	<b>20,359</b>
<b>Total equity and liabilities</b>		<b>61,951,409</b>	<b>56,395,129</b>	<b>39,132,980</b>	<b>35,068,298</b>

The notes on page 36 to 72 are an integral part of these financial statements.





# Statement of Comprehensive Income

for the year ended 31 July 2012

	Note	Group		Company	
		2012 RM	2011 RM	2012 RM	2011 RM
<b>Revenue</b>	17	55,703,569	48,239,090	6,217,865	22,093,177
Cost of sales		(36,298,959)	(30,659,563)	–	–
<b>Gross profit</b>		19,404,610	17,579,527	6,217,865	22,093,177
Other income		1,779,055	818,729	5	200
Distribution expenses		(1,266,903)	(1,093,638)	–	–
Administrative expenses		(7,489,207)	(7,023,352)	(776,014)	(572,276)
Other expenses		(1,203,578)	(790,997)	–	–
<b>Results from operating activities</b>		11,223,977	9,490,269	5,441,856	21,521,101
Finance costs		(124,181)	(86,030)	(88)	(35)
Interest income		164,336	182,671	86,009	94,618
<b>Operating profit</b>		11,264,132	9,586,910	5,527,777	21,615,684
Share of loss in associate (net)		(16,517)	(10,950)	–	–
<b>Profit before tax</b>	18	11,247,615	9,575,960	5,527,777	21,615,684
Income tax expense	20	(2,990,859)	(2,191,987)	(186,291)	(4,446,130)
<b>Profit for the year</b>		8,256,756	7,383,973	5,341,486	17,169,554
<b>Other comprehensive expense, net of tax</b>					
Foreign currency translation differences for foreign operations		–	(10,370)	–	–
<b>Total other comprehensive expense for the year</b>		–	(10,370)	–	–
<b>Total comprehensive income for the year</b>		8,256,756	7,373,603	5,341,486	17,169,554
<b>Basic earnings per ordinary share (sen):</b>	21	2.47	2.21		
<b>Diluted earnings per ordinary share (sen):</b>	21	2.47	2.21		

The notes on page 36 to 72 are an integral part of these financial statements.

## Statements of Changes In Equity for the year ended 31 July 2012

Group	Note	Attributable to owners of the Company					Total equity RM
		Share capital RM	Share premium RM	Share option reserve RM	Translation reserve RM	Retained earnings RM	
<b>At 1 August 2010</b>		16,500,000	3,168,484	197,709	10,370	22,180,795	42,057,358
Foreign currency translation differences for foreign operations		-	-	-	(10,370)	-	(10,370)
Other total comprehensive income for the year		-	-	-	(10,370)	-	(10,370)
Profit for the year		-	-	-	-	7,383,973	7,383,973
Total comprehensive income for the year		-	-	-	(10,370)	7,383,973	7,373,603
Share options exercised		184,110	343,171	(166,242)	-	-	361,039
Dividends to owners of the Company	22	-	-	-	-	(3,311,746)	(3,311,746)
<b>At 31 July 2011/1 August 2011</b>		16,684,110	3,511,655	31,467	-	26,253,022	46,480,254
Profit for the year		-	-	-	-	8,256,756	8,256,756
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</b>		33,374,000	-	31,467	-	18,000,212	51,405,679
		Note 12	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 2010</b>		16,500,000	3,168,484	197,709	962,899		20,829,092
Total comprehensive income for the year		-	-	-	17,169,554		17,169,554
Share options exercised		184,110	343,171	(166,242)	-		361,039
Dividends to owners of the Company	22	-	-	-	(3,311,746)		(3,311,746)
<b>At 31 July 2011/ 1 August 2011</b>		16,684,110	3,511,655	31,467	14,820,707		35,047,939
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</b>		33,374,000	-	31,467	3,652,627		37,058,094
		Note 12	Note 12	Note 12			

The notes on page 36 to 72 are an integral part of these financial statements.



## Statements of Cash Flows for the year ended 31 July 2012

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
<b>Cash flows from operating activities</b>				
Profit before tax	11,247,615	9,575,960	5,527,777	21,615,684
Adjustments for:				
Amortisation of intangible assets	1,272	3,460	–	–
Amortisation of prepaid lease payments	23,515	20,474	–	–
Depreciation of property, plant and equipment	2,459,823	2,174,836	280	163
Dividend income	–	–	(6,217,865)	(22,093,177)
Finance costs	124,181	86,030	88	35
Gain on disposal of property, plant and equipment (net)	(60,376)	(90,151)	–	–
Interest income	(164,336)	(182,671)	(86,009)	(94,618)
Property, plant and equipment written off	4,069	9,444	–	–
Share of loss in associate (net)	16,517	10,950	–	–
Trademark written off	1,117	–	–	–
Unrealised foreign exchange gain	(51,938)	–	–	–
Operating profit/(loss) before changes in working capital	13,601,459	11,608,332	(775,729)	(571,913)
Changes in working capital:				
Inventories	(3,367,658)	(1,980,721)	–	–
Trade and other payables	580,439	3,827,438	2,054,527	15,359
Trade and other receivables	(1,025,254)	(1,784,356)	(1,103,600)	(11,080,889)
Cash generated from/(used in) operations	9,788,986	11,670,693	175,198	(11,637,443)
Interest paid	(101,597)	(61,794)	(88)	(35)
Income taxes paid	(3,703,203)	(3,042,434)	(2,400)	(3,000)
Income taxes refunded	574,407	1,345,223	–	–
<b>Net cash from/(used in) operating activities</b>	<b>6,558,593</b>	<b>9,911,688</b>	<b>172,710</b>	<b>(11,640,478)</b>
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(ii) (2,067,795)	(4,150,941)	–	(2,800)
Acquisition of intangible assets	–	(1,530)	–	–
Acquisition of prepaid lease payments	(2,798,107)	(15,555)	–	–
Acquisition of other investments	(1,510,000)	(2,000,000)	–	–
Addition of investment in subsidiary	–	–	(2,800,000)	(3,491,488)
Increase in pledged deposits placed with licensed banks	(303,059)	(304,279)	–	–
Dividend received	–	–	6,013,398	17,615,001
Interest received	164,336	182,671	86,009	94,618
Proceeds from disposal of property, plant and equipment	294,358	506,509	–	–
<b>Net cash (used in)/ from investing activities</b>	<b>(6,220,267)</b>	<b>(5,783,125)</b>	<b>3,299,407</b>	<b>14,215,331</b>

## Statements of Cash Flows for the year ended 31 July 2012 (cont'd)

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
<b>Cash flows from financing activities</b>				
Dividends paid to shareholders of the Company	(3,337,400)	(3,311,746)	(3,337,400)	(3,311,746)
Interest paid	(22,584)	(24,236)	–	–
Issuance of shares capital	–	361,039	–	361,039
Repayment of finance lease liabilities	(264,893)	(235,807)	–	–
Proceed from ESOS exercised	6,069	–	6,069	–
<b>Net cash used in financing activities</b>	<b>(3,618,808)</b>	<b>(3,210,750)</b>	<b>(3,331,331)</b>	<b>(2,950,707)</b>
Effect of exchange rate fluctuation on cash held	–	(10,370)	–	–
Net (decrease)/increase in cash and cash equivalents	(3,280,482)	907,443	140,786	(375,854)
Cash and cash equivalents at 1 August (i)	12,144,191	11,236,748	4,985,067	5,360,921
<b>Cash and cash equivalents at 31 July (i)</b>	<b>8,863,709</b>	<b>12,144,191</b>	<b>5,125,853</b>	<b>4,985,067</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	
	2012 RM	2011 RM	2012 RM	2011 RM
Deposits with licensed banks	6,622,469	5,565,693	4,869,678	3,375,693
Cash and bank balances	4,601,293	8,635,492	256,175	1,609,374
	11,223,762	14,201,185	5,125,853	4,985,067
Less: Deposits pledged	(2,360,053)	(2,056,994)	–	–
	8,863,709	12,144,191	5,125,853	4,985,067

*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 RM2,427,795 and RM Nil (2011: RM4,730,941 and RM2,800) of which RM360,000 and RM Nil (2011: RM580,000 and RM Nil) were acquired by means of finance lease plans.

The notes on page 36 to 72 are an integral part of these financial statements.



# Notes to the Financial Statements

Greenyard 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 2012 comprise the Company and its subsidiaries (together referred to as the Group) and the Group's interest in associate. The financial statements of the Company as at and for the year ended 31 July 2012 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 a plantation.

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

The financial statements were approved by the Board of Directors on 12 November 2012.

## **1. Basis of preparation**

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

The financial statements of the Group have been prepared in accordance with Financial Reporting Standards (FRSs), generally accepted accounting principles and the Companies Act, 1965 in Malaysia.

The following are accounting standards, amendments and interpretations of the FRS framework that have been issued by the Malaysian Accounting Standards Board (MASB) but have not been adopted by the Group:

#### ***FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012***

- FRS 124, *Related Party Disclosures* (revised)
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Transfers of Financial Assets*
- Amendments to FRS 112, *Income Taxes – Deferred Tax: Recovery of Underlying Assets*

#### ***FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012***

- Amendments to FRS 101, *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*

### 1. Basis of preparation (continued)

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

##### **FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013**

- FRS 10, *Consolidated Financial Statements*
- FRS 11, *Joint Arrangements*
- FRS 12, *Disclosure of Interests in Other Entities*
- FRS 13, *Fair Value Measurement*
- FRS 119, *Employee Benefits (2011)*
- FRS 127, *Separate Financial Statements (2011)*
- FRS 128, *Investments in Associates and Joint Ventures (2011)*
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*

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

- Amendments to FRS 132, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*

##### **FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015**

- FRS 9, *Financial Instruments (2009)*
- FRS 9, *Financial Instruments (2010)*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Mandatory Date of FRS 9 and Transition Disclosures*

The Group's financial statements for annual period beginning on 1 August 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards (MFRSs) issued by the MASB and International Financial Reporting Standards (IFRSs). As a result, the Group will not be adopting the above FRSs, Interpretations and amendments.

#### (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 FRSs 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 other than those disclosed in the following notes:

- Note 6 – Investments in subsidiaries
- Note 7 – Investment in associate
- Note 9 – Trade and other receivables



## 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 have been applied consistently by the Group entities.

#### (a) Basis of consolidation

##### (i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group 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. Subsidiaries are consolidated using the purchase method of accounting.

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's statement of financial position at cost less any impairment losses.

##### (ii) Accounting for 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.

The Group has changed its accounting policy with respect to accounting for business combinations.

From 1 August 2011 the Group has applied FRS 3, Business Combinations (revised) in accounting for business combinations. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share.

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

For acquisitions on or after 1 January 2011, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest 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 as-sets acquired and liabilities assumed.

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

The consideration transferred does not include amounts related to the settlement of pre-existing relationship. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, 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.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

### 2. Significant accounting policies (continued)

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

##### (ii) Accounting for business combinations (continued)

###### *Acquisitions between 1 January 2006 and 1 January 2011*

For acquisitions prior to 1 January 2006 and 1 January 2011, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets and liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

###### *Acquisitions prior to 1 January 2006*

For acquisitions prior to 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

##### (iii) Associate

Associate is an entity, including unincorporated entity, in which the Group has significant influence, but not control, over the financial and operating policies.

Investment in associate is 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 equity accounted 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 investee.

Investment in associate is measured in the Company's statement of financial position at cost less any impairment losses. The cost of the investment 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.

#### (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.





### 2. Significant accounting policies (continued)

#### (b) Foreign currency (continued)

##### (i) Foreign currency transactions (continued)

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 of, in part or in full, the relevant amount in the FCTR is transferred 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 within 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.

### 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 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 measured 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 stated 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.

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 part 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 part will flow to the Group or the Company and its cost can be measured reliably. The carrying amount of the replaced part 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 part 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 site fittings	6 years

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

### 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. On 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 unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. 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 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.



## Notes to the Financial Statements (cont'd)

### 2. Significant accounting policies (continued)

#### (f) Intangible assets (continued)

##### (iii) Amortisation

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

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.

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 manufactured inventories, 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 and highly liquid investments which have an insignificant risk of changes in 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 associate) 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.

### 2. Significant accounting policies (continued)

#### (i) Impairment (continued)

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

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 groups of assets (the "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.

#### (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.



## Notes to the Financial Statements (cont'd)

### 2. Significant accounting policies (continued)

#### (k) Employee benefits (continued)

##### (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.

##### (ii) Dividend income

Dividend income is recognised in profit or loss, when the 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 expenses 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

##### Hire purchase 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.

### 2. Significant accounting policies (continued)

#### (n) Income tax

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

Current tax is the expected tax payable on the taxable income 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 years.

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

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting 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 segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's 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 and project site fittings RM	Total RM
<b>Cost</b>								
At 1 August 2010	1,490,000	1,670,062	6,634,092	5,024,808	2,178,164	762,183	3,651,921	21,411,230
Additions	–	–	98,714	1,936,274	1,432,286	238,000	1,025,667	4,730,941
Disposals	–	–	–	(1,325,994)	(547,488)	–	(59,736)	(1,933,218)
Write-off	–	–	–	(22,368)	–	(4,150)	(214,026)	(240,544)
At 31 July 2011/1 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	–	–	–	777,343	664,888	52,330	933,234	2,427,795
Disposals	–	–	–	–	(435,532)	–	(126,200)	(561,732)
Write-off	–	–	–	(2,100)	–	–	(23,791)	(25,891)
At 31 July 2012	1,490,000	1,670,062	6,732,806	6,387,963	3,292,318	1,048,363	5,187,069	25,808,581
<b>Depreciation</b>								
At 1 August 2010	–	197,377	519,925	1,387,373	431,616	328,933	1,421,963	4,287,187
Depreciation for the year	–	18,479	217,556	594,483	338,031	90,812	915,475	2,174,836
Disposals	–	–	–	(1,237,979)	(255,550)	–	(23,331)	(1,516,860)
Write-off	–	–	–	(20,628)	–	(4,150)	(206,322)	(231,100)
At 31 July 2011/1 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	–	379,664	810,888	1,444,833	534,325	527,335	3,127,270	6,824,315
<b>Carrying amounts</b>								
At 1 August 2010	1,490,000	1,472,685	6,114,167	3,637,435	1,746,548	433,250	2,229,958	17,124,043
At 31 July 2011/1 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	1,490,000	1,290,398	5,921,918	4,943,130	2,757,993	521,028	2,059,799	18,984,266

\* 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 RM1,264,455 (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 2010	–
Addition	2,800
	<hr/>
At 31 July 2011/1 August 2011/31 July 2012	2,800
	<hr/>
<b>Depreciation</b>	
At 1 August 2010	–
Depreciation for the year	163
	<hr/>
At 31 July 2011/1 August 2011	163
Depreciation for the year	280
	<hr/>
At 31 July 2012	443
	<hr/>
<b>Carrying amounts</b>	
At 31 July 2011	2,637
	<hr/>
At 31 July 2012	2,357
	<hr/>

#### 3.1 Land

Included in the carrying amounts of leasehold land are:

	<b>Group</b>	
	<b>2012 RM</b>	<b>2011 RM</b>
Leasehold land with unexpired lease period of more than 50 years	1,290,398	1,454,206
	<hr/>	<hr/>

### 4. Intangible assets

<b>Group</b>	<b>Trademarks</b>	
	<b>2012 RM</b>	<b>2011 RM</b>
<b>Cost</b>		
At 1 August	26,352	24,822
Additional	–	1,530
Written-off	(2,000)	–
	<hr/>	<hr/>
At 31 July	24,352	26,352
	<hr/>	<hr/>
<b>Amortisation</b>		
At 1 August	12,605	9,145
Amortisation for the year	1,272	3,460
Written-off	(883)	–
	<hr/>	<hr/>
At 31 July	12,994	12,605
	<hr/>	<hr/>
<b>Carrying amounts</b>		
At 31 July	11,358	13,747
	<hr/>	<hr/>



## Notes to the Financial Statements (cont'd)

### 5. Prepaid lease payments

	<b>Group RM</b>
<b>Cost</b>	
At 1 August 2010	701,764
Addition	15,555
At 31 July 2011/1 August 2011	717,319
Addition	2,798,107
At 31 July 2012	<u>3,515,426</u>
<b>Amortisation</b>	
At 1 August 2010	32,375
Addition	20,474
At 31 July 2011/1 August 2011	52,849
Addition	23,515
At 31 July 2012	<u>76,364</u>
<b>Carrying amounts</b>	
At 1 August 2010	<u>669,389</u>
At 31 July 2011/1 August 2011	<u>664,470</u>
At 31 July 2012	<u>3,439,062</u>

### 6. Investments in subsidiaries

	<b>Company</b>	
	<b>2012 RM</b>	<b>2011 RM</b>
At cost:		
Unquoted shares	18,565,486	15,765,486

## Notes to the Financial Statements (cont'd)

### 6. Investments in subsidiaries (continued)

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective ownership interest	
			2012 %	2011 %
Greenyield Industries (M) Sdn. Bhd.	Malaysia	Manufacturing and marketing of agricultural systems and products, plastic related products	100	100
Gim Triple Seven Sdn. Bhd. and its subsidiary:-	Malaysia	Marketing and distribution of agricultural related systems and products	100	100
Givnflow Company Limited*	Vietnam	Manufacturing and distribution of agricultural systems and products, plastic related products	100	100
Gimflow Sdn. Bhd.	Malaysia	Marketing and distribution of agricultural related systems and products and project management of plantation	100	100
RCP Technologies Sdn. Bhd.	Malaysia	Trading of agricultural and plantation tools and providing technical and consultancy services	100	100
Tigantara Plantations Sdn. Bhd.	Malaysia	Dormant	100	–

\* Not audited by KPMG and consolidated based on unaudited management accounts due to different financial year end.

### 7. Investment in associate

	Group	
	2012 RM	2011 RM
At cost:		
Unquoted shares*	600,000	600,000
Share of post-acquisition reserves	(36,172)	(19,655)
	<u>563,828</u>	<u>580,345</u>



## Notes to the Financial Statements (cont'd)

### 7. Investment in associate (continued)

Summary financial information on associate:

Group	Country of incorporation	Effective ownership interest %	Loss (100%) RM	Total assets (100%) RM	Total liabilities (100%) RM
<b>2012</b>					
Melati Aman Sdn. Bhd.	Malaysia	30	51,463	14,686,775	11,807,347
<b>2011</b>					
Melati Aman Sdn. Bhd.	Malaysia	30	26,290	9,783,229	8,848,365

The Associate has yet to generate any revenue and accordingly no revenue to be disclosed.

\* The Associate is not audited by KPMG and equity accounted based on unaudited management accounts due to different financial year end.

### 8. Other investments

	Group Unquoted shares	
	2012 RM	2011 RM
<b>Non-current</b>		
Available-for-sale financial assets, at cost	3,510,000	2,000,000

### 9. Trade and other receivables

	Note	Group		Company	
		2012 RM	2011 RM	2012 RM	2011 RM
<b>Trade</b>					
Trade receivables		10,088,071	9,041,070	–	–
<b>Non-trade</b>					
Amount due from subsidiaries	9.1	–	–	15,354,750	14,194,750
Amount due from associate	9.1	–	191,500	–	–
Other receivables		1,167,465	821,354	500	57,398
Deposits		199,808	193,406	4,000	1,000
Prepayments		154,645	285,467	7,478	9,979
		1,521,918	1,491,727	15,366,728	14,263,127
		11,609,989	10,532,797	15,366,728	14,263,127

#### 9.1 Amount due from subsidiaries and associate

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

## Notes to the Financial Statements (cont'd)

### 10. Inventories

	Group	
	2012 RM	2011 RM
At cost:		
Raw materials	4,657,891	3,924,824
Work-in-progress	1,800,777	719,536
Agricultural parts	419,421	310,742
Packaging materials	421,863	361,312
Finished goods	4,075,661	2,691,541
	11,375,613	8,007,955
Recognised in profit or loss:		
Inventories recognised as cost of sales	24,508,444	30,659,563

### 11. Cash and cash equivalents

		Group		Company	
	Note	2012 RM	2011 RM	2012 RM	2011 RM
Deposits with licensed banks	11.1	6,622,469	5,565,693	4,869,678	3,375,693
Cash and bank balances		4,601,293	8,635,492	256,175	1,609,374
		11,223,762	14,201,185	5,125,853	4,985,067

#### 11.1 Deposits with licensed banks pledged for bank facilities

Included in deposits placed with licensed banks is RM2,360,053 (2011: RM2,056,994) pledged for bank facilities granted to subsidiaries.

### 12. Share capital and reserves

#### Share capital

	Group and Company			
	Amount 2012 RM	Number of shares 2012	Amount 2011 RM	Number of shares 2011
Authorised				
Ordinary shares of RM0.10 each	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	25,000,000	250,000,000



## Notes to the Financial Statements (cont'd)

### 12. Share capital and reserves (continued)

Share capital	Group and Company			
	Amount 2012 RM	Number of shares 2012	Amount 2011 RM	Number of shares 2011
Issued and fully paid				
Ordinary shares of RM0.10 each				
At 1 August	16,684,110	166,841,100	16,500,000	165,000,000
Issue of shares under				
- Employee Share Option Scheme	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	16,684,110	166,841,100

Reserves	Note	Group		Company	
		2012 RM	2011 RM	2012 RM	2011 RM
<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	3,543,122	31,467	3,543,122
<b>Distributable</b>					
Retained earnings		18,000,212	26,253,022	3,652,627	14,820,707
		18,031,679	29,796,144	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.

#### 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.

## Notes to the Financial Statements (cont'd)

### 13. Borrowings

	Group	
	2012 RM	2011 RM
<b>Non-current</b>		
Finance lease liabilities	386,584	303,047
<b>Current</b>		
Finance lease liabilities	226,271	214,701

#### Finance lease liabilities

Finance lease liabilities are payable as follows:

Group	Future minimum lease payments 2012 RM	Interest 2012 RM	Present value of minimum lease payments 2012 RM	Future minimum lease payments 2011 RM	Interest 2011 RM	Present value of minimum lease payments 2011 RM
Less than one year	245,657	(19,386)	226,271	231,293	(16,592)	214,701
Between one and five years	414,318	(27,734)	386,584	316,100	(13,053)	303,047
	659,975	(47,120)	612,855	547,393	(29,645)	517,748

### 14. Deferred tax liabilities

Deferred tax liabilities are attributable to the followings:

	Group	
	2012 RM	2011 RM
Property, plant and equipment		
- capital allowances	954,802	960,829
- at fair value adjustment	576,312	584,040
Others	(69,286)	(38,350)
	1,461,828	1,506,519

#### Movement in temporary differences during the year

Group	At 1.8.2010 RM	Recognised in profit or loss RM (Note 20)	At 31.7.2011 RM	Recognised in profit or loss RM (Note 20)	At 31.7.2012 RM
Property, plant and equipment					
- capital allowances	939,091	21,738	960,829	(6,027)	954,802
- at fair value adjustment	591,768	(7,728)	584,040	(7,728)	576,312
Others	(38,350)	-	(38,350)	(30,936)	(69,286)
	1,492,509	14,010	1,506,519	(44,691)	1,461,828





## Notes to the Financial Statements (cont'd)

### 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.

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

	Weighted average exercise price 2012 RM	Number of options 2012	Weighted average exercise price 2011 RM	Number of options 2011
Outstanding at 1 August	0.21	411,900	0.21	2,588,000
Forfeited during the year	0.21	(14,000)	0.21	(335,000)
Exercised during the year	0.21	(28,900)	0.21	(1,841,100)
Outstanding at 31 July	0.21	369,000	0.21	411,900
Exercisable at 31 July	0.21	369,000	0.21	411,900

### 16. Trade and other payables

	Note	Group		Company	
		2012 RM	2011 RM	2012 RM	2011 RM
<b>Trade</b>					
Trade payables		3,958,662	3,477,658	–	–
<b>Non-trade</b>					
Other payables		4,413,955	4,323,351	2,054,886	3,359
Accrued expenses		94,500	84,000	20,000	17,000
Amount due to Directors	16.1	3,930	5,599	–	–
		4,512,385	4,412,950	2,074,886	20,359
		8,471,047	7,890,608	2,074,886	20,359

#### 16.1 Amounts due to Directors

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

### 17. Revenue

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Dividend income - gross	–	–	6,217,865	22,093,177
Sale of goods	55,703,569	48,239,090	–	–
	55,703,569	48,239,090	6,217,865	22,093,177

## Notes to the Financial Statements (cont'd)

### 18. Profit for the year

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Profit for the year is arrived at after charging:				
Amortisation of trademarks (Note 4)	1,272	3,460	–	–
Amortisation of prepaid lease (Note 5)	23,515	20,474	–	–
Auditors' remuneration:				
- Auditors of the Company	94,500	84,000	20,000	17,000
- Other auditors	6,712	6,300	–	–
- Other services by auditors of the Company	14,000	110,400	14,000	110,400
Depreciation of property, plant and equipment (Note 3)	2,459,823	2,174,836	280	163
Interest expense on:				
- Hire purchase	22,584	24,236	–	–
- Others	101,597	61,794	88	35
Personnel expenses (including key management personnel):				
Contribution to Employees' Provident Fund	356,788	414,710	–	–
Wages, salaries and others	6,323,623	5,369,784	–	–
Property, plant and equipment written off	4,069	9,444	–	–
Trademark written off	1,117	–	–	–
Rental of premises	293,525	282,839	–	–
<b>and after crediting:</b>				
Gain on disposal of property, plant and equipment	60,376	90,151	–	–
Interest income on fixed deposits	164,336	182,671	86,009	94,618
Net realised foreign exchange gain	552,385	47,174	–	–
Net unrealised foreign exchange gain	51,938	–	–	–
Dividend income	–	–	6,217,865	22,093,177

### 19. Key management personnel compensation

The key management personnel compensations are as follows:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Directors' emoluments				
- Fees	54,000	46,500	54,000	46,500
- Remuneration	1,375,850	1,376,101	–	–
- Contribution to Employees' Provident Fund	125,897	116,491	–	–
Other short term employee benefits (including estimated monetary value of benefits-in-kind)	6,663	11,252	5,600	10,300
	1,562,410	1,550,344	59,600	56,800



## Notes to the Financial Statements (cont'd)

### 20. Income tax expense

#### Recognised in profit or loss

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
<b>Current tax expense</b>				
Malaysian - current year	2,968,213	2,248,815	185,634	4,459,633
- prior year	67,337	(70,838)	657	(13,503)
	<u>3,035,550</u>	<u>2,177,977</u>	<u>186,291</u>	<u>4,446,130</u>
<b>Deferred tax expense</b>				
Origination and reversal of temporary differences	24,732	48,674	-	-
Over provision in prior years	(69,423)	(34,664)	-	-
	<u>(44,691)</u>	<u>14,010</u>	<u>-</u>	<u>-</u>
	<u>2,990,859</u>	<u>2,191,987</u>	<u>186,291</u>	<u>4,446,130</u>
Profit before tax	<u>11,247,615</u>	<u>9,575,960</u>	<u>5,527,777</u>	<u>21,615,684</u>
Tax calculated using Malaysian tax rate of 25%	2,811,904	2,393,990	1,381,944	5,403,921
Tax incentives	(211,085)	(373,882)	-	-
Non-deductible expenses	412,981	480,942	174,544	123,678
Non assessable income	(20,855)	(203,561)	(1,370,854)	(1,067,966)
	<u>2,992,945</u>	<u>2,297,489</u>	<u>185,634</u>	<u>4,459,633</u>
(Over)/Under provision in prior years	(2,086)	(105,502)	657	(13,503)
	<u>2,990,859</u>	<u>2,191,987</u>	<u>186,291</u>	<u>4,446,130</u>

### 21. Earnings per share

#### Basic earnings per share

The calculation of basic earnings per ordinary share at 31 July 2012 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2012 RM	2011 RM <i>Restated</i>
Profit attributable to ordinary shareholders	8,256,756	7,383,973
Weighted average number of ordinary shares: Issued ordinary shares at beginning and end of the year*	333,740,000	333,740,000
Basic earnings per share (in sen)	2.47	2.21

## 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 2012 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	
	2012 RM	2011 RM Restated
Profit attributable to ordinary shareholders (diluted)	8,256,756	7,383,973
Weighted average number of ordinary shares at 31 July*	333,740,000	333,740,000
Effects of share options on issue	369,000	411,900
Weighted average number of ordinary shares (diluted) at 31 July	334,109,000	334,151,900
Diluted earnings per share (in sen)	2.47	2.21

\* Weighted average number of ordinary shares is adjusted retrospectively as a result of the bonus shares issued during the financial year.

### 22. Dividends

Dividends recognised in the current year by the Company are:

	Sen per share (net of tax)	Total amount RM	Date of payment
<b>2012</b>			
Final 2011 ordinary	1.0	3,337,400	17 January 2012
<b>2011</b>			
Final 2010 ordinary	2.0	3,311,746	07 January 2011

The final dividend recommended by the Directors in respect of the year ended 31 July 2012 is 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 strategy. 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 reportable segments, the plantation products and non-plantation products. 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.

## 23. Operating segment (continued)

	Plantation		Non-plantation		Eliminations		Consolidated	
	2012 RM	2011 RM	2012 RM	2011 RM	2012 RM	2011 RM	2012 RM	2011 RM
Business segments								
Revenue from external customers	40,806,392	35,275,430	14,897,177	12,963,660	—	—	55,703,569	48,239,090
Inter-segment revenue	9,852,508	10,751,794	6,461,580	23,245,716	(16,314,088)	(33,997,510)	—	—
<b>Total segment revenue</b>	<b>50,658,900</b>	<b>46,027,224</b>	<b>21,358,757</b>	<b>36,209,376</b>	<b>(16,314,088)</b>	<b>(33,997,510)</b>	<b>55,703,569</b>	<b>48,239,090</b>
<b>Segment results*</b>								
Depreciation and amortisation								
Unallocated income							(2,484,610)	(2,198,770)
Unallocated expenses							1,779,055	818,729
							(7,475,078)	(6,709,217)
Operating profit							11,223,977	9,490,269
Finance costs							(124,181)	(86,030)
Interest income							164,336	182,671
Share of loss in associate (net)							(16,517)	(10,950)
Tax expense							(2,990,859)	(2,191,987)
<b>Profit for the year</b>							<b>8,256,756</b>	<b>7,383,973</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 segment 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 instrument (including investment in associate).

#### Geographical information

	Revenue RM	Non-current assets RM
<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
<b>2011</b>		
Malaysia	11,406,498	19,285,536
South East Asia other than Malaysia	12,030,420	2,647,027
United States of America	4,100,251	–
Europe	15,284,019	–
Africa	3,858,456	–
Others	1,559,446	–
	48,239,090	21,932,563

#### Major customers

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

Group	Revenue		Segment
	2012 RM	2011 RM	
All common control companies of:			
- Customer A	9,716,224	9,817,740	Non-plantation
- Customer B	6,569,838	5,017,508	Plantation
- Customer C	6,583,667	3,631,986	Plantation
	22,869,729	18,467,234	

## Notes to the Financial Statements (cont'd)

### 24. Financial instruments

#### 24.1 Categories of financial instruments

The table below provides an analysis of the various categories of financial instruments:

- (a) Loans and receivables (L&R);
- (b) Available-for-sale financial assets (AFS); and
- (c) Other financial liabilities measured at amortised cost (OL).

	Carrying amount RM	L&R RM	AFS RM
<b>Financial assets</b>			
<b>Group</b>			
<b>2012</b>			
Other investments	3,510,000	–	3,510,000
Trade and other receivables	11,455,344	11,455,344	–
Cash and cash equivalents	11,223,762	11,223,762	–
	<b>26,189,106</b>	<b>22,679,106</b>	<b>3,510,000</b>
<b>2011</b>			
Other investments	2,000,000	–	2,000,000
Trade and other receivables	10,247,330	10,247,330	–
Cash and cash equivalents	14,201,185	14,201,185	–
	<b>26,448,515</b>	<b>24,448,515</b>	<b>2,000,000</b>
<b>Company</b>			
<b>2012</b>			
Trade and other receivables	15,359,250	15,359,250	–
Cash and cash equivalents	5,125,853	5,125,853	–
	<b>20,485,103</b>	<b>20,485,103</b>	<b>–</b>
<b>2011</b>			
Trade and other receivables	14,253,148	14,253,148	–
Cash and cash equivalents	4,985,067	4,985,067	–
	<b>19,238,215</b>	<b>19,238,215</b>	<b>–</b>
<b>Financial liabilities</b>			
<b>Group</b>			
<b>2012</b>			
Borrowings	612,855		612,855
Trade and other payables	8,471,047		8,471,047
	<b>9,083,902</b>		<b>9,083,902</b>
<b>2011</b>			
Borrowings	517,748		517,748
Trade and other payables	7,890,608		7,890,608
	<b>8,408,356</b>		<b>8,408,356</b>





## Notes to the Financial Statements (cont'd)

### 24. Financial instruments (continued)

#### 24.1 Categories of financial instruments (continued)

	Carrying amount RM	OL RM
<b>Financial liabilities</b>		
<b>Company</b>		
<b>2012</b>		
Trade and other payables	2,074,886	2,074,886
<b>2011</b>		
Trade and other payables	20,359	20,359

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

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Net gains/(losses) on:				
Loans and receivables	768,659	229,845	86,009	94,618
Other liabilities	(124,181)	(86,030)	(88)	(35)
	644,478	143,815	85,921	94,583

#### 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.

### 24. Financial instruments (continued)

#### 24.4 Credit risk (continued)

##### Receivables (continued)

###### *Exposure to credit risk, credit quality and collateral*

At the end of reporting date, there were no significant concentrations of credit risk other than 46% of the Group's trade debts owed by three (3) customers (2011 – 24% by two (2) customers). The maximum exposure to credit risk is represented by the carrying amount of each financial asset 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, which are deemed to have higher credit risk, are monitored individually.

The ageing of trade receivables as at the end of the reporting period was:

Group	Gross RM	Individual impairment RM	Net RM
<b>2012</b>			
Not past due	5,916,141	–	5,916,141
Past due 0 - 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>2011</b>			
Not past due	4,281,361	–	4,281,361
Past due 0 - 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.

##### Investments and other financial assets

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

Investments are allowed only with counterparties that have a good credit rating.



### 24. Financial instruments (continued)

#### 24.4 Credit risk (continued)

##### Investments and other financial assets (continued)

###### *Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the Group has only invested in both domestic and overseas equities. The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligations.

The investments and other financial assets are unsecured.

###### *Impairment losses*

There is no allowance for impairment losses of investments and other financial assets 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 year.

#### 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.

## Notes to the Financial Statements (cont'd)

### 24. Financial instruments (continued)

#### 24.5 Liquidity risk (continued)

##### Maturity analysis

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

Group	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM	Over 1 year RM
<b>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	2.35 – 3.45	9,131,022	8,716,704	414,318
<b>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	2.35 – 3.45	8,438,001	8,121,901	316,100
<b>Company</b>					
<b>2012</b>					
<i>Non-derivative financial liabilities</i>					
Trade and other payables	2,074,886	–	2,074,886	2,074,886	–
<b>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, purchases and borrowings 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).



## Notes to the Financial Statements (cont'd)

### 24. Financial instruments (continued)

#### 24.6 Market risk (continued)

##### 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 2012, the Group did not have any hedging contracts or arrangement for any foreign currency.

*Exposure to foreign currency risk*

The Group's exposure to foreign currency (a currency which is other than the 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>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>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% 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	
	2012 RM	2011 RM	2012 RM	2011 RM
USD	553,679	611,934	553,679	611,934
EUR	98,421	115,577	98,421	115,577

A 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.

### 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:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
<b>Fixed rate instruments</b>				
Fixed deposits	6,622,469	5,565,693	4,869,678	3,375,693
Finance lease liabilities	(612,855)	(517,748)	–	–
	6,009,614	5,047,945	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 (1) fixed-rate fixed deposits which are deposited within 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.

It was not practicable to estimate the fair value of the Group's investment in unquoted shares due to the lack of comparable quoted market price and the inability to estimate fair value without incurring excessive costs.

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

	2012		2011	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Finance lease liabilities	612,855	612,855	517,748	517,748

##### *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.



## Notes to the Financial Statements (cont'd)

### 24. Financial instruments (continued)

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

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

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

	2012	2011
Finance lease liabilities	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 2012, the Group's strategy, which was unchanged from 2011, was to maintain an optimal debt-to-equity ratio.

	Group	
	2012 RM	2011 RM
Total borrowings (Note 13)	612,855	517,748
Less: Cash and cash equivalents (Note 11)	(11,223,762)	(14,201,185)
Net debt	(10,610,907)	(13,683,437)
Total equity	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.

### 26. Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group 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 and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group.

The Group has related party relationship with its subsidiaries and associate, Directors and key management personnel.

## Notes to the Financial Statements (cont'd)

### 26. Related parties (continued)

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	
	2012 RM	2011 RM	2012 RM	2011 RM
<b>Subsidiaries</b>				
Dividend income	–	–	6,217,865	22,093,177

Significant related party balances related to the above transactions are disclosed in Note 9 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 on terms and conditions that are not materially different from that obtainable in transactions with non-related parties.

### 27. Significant and subsequent events

- On 8 November 2011, the Company announced to Bursa Malaysia Securities Berhad the followings:
  - The completion of the listing of and quotation for 166,870,000 new ordinary shares of RM0.10 each pursuant to the Proposed Bonus Issue on ACE Market of Bursa Malaysia Securities Berhad.
  - The increase in the authorised share capital of Greenyield from RM25,000,000 comprising 250,000,000 shares to RM50,000,000 comprising 500,000,000 shares.
- On 2 December 2011, Greenyield Berhad entered into a Shares Sale and Purchase Agreement (“SPA”) with Chang Farn Kheang and Yoo Yoon Cheong for the acquisition of the entire issued and paid-up share capital in Tigantara Plantations Sdn. Bhd. (“TPSB”) together with the right to use over the 400 hectares of land for a total cash consideration of RM2,800,000. TPSB has an authorized capital of RM500,000 and paid-up share capital of RM10,000.
- On 8 February 2012, the Company has completed the transfer of the listing of and quotation for the entire issued and paid-up share capital of Greenyield from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad.
- On 29 October 2012, the Company has incorporated a new wholly-owned subsidiary, Greenyield Plantation Sdn. Bhd. (“GPSB”), a private limited company incorporated in Malaysia. The initial authorised capital of GPSB is RM1,000,000 divided into 1,000,000 ordinary shares of RM1.00 each and the paid up capital is RM2.00 which is divided into 2 ordinary shares of RM1.00 each. GPSB’s principal activity is in the business of plantation.

On 7 November 2012, GPSB increased its paid up share capital to RM500,000 which is divided into 500,000 ordinary shares of RM1.00 each.





## Notes to the Financial Statements (cont'd)

### 28. Supplementary 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 2012, 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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
The retained profits of the Company and its subsidiaries:				
- Realised	27,715	36,020	3,653	14,821
- Unrealised	(937)	(1,036)	–	–
	26,778	34,984	3,653	14,821
The share of retained profits from associate:				
- Realised	(36)	(20)	–	–
	26,742	34,964	3,653	14,821
Less: Consolidation adjustments	(8,742)	(8,711)	–	–
Total group retained profits as per consolidated accounts	18,000	26,253	3,653	14,821

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 31 to 71 are drawn up in accordance with the Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial positions of the Group and of the Company as at 31 July 2012 and of their financial performances and cash flows for the year then ended.

In the opinion of the Directors, the information set out in Note 28 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: 12 November 2012

.....  
**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 Greenyield Berhad, do solemnly and sincerely declare that the financial statements set out on pages 31 to 72 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 12 November 2012.

.....  
**Wong Kok Fong**

Before me:



# Independent Auditors' Report

## to the members of Greenyild Berhad

### Report on the Financial Statements

We have audited the financial statements of Greenyild Berhad, which comprise the statements of financial position as at 31 July 2012 of the Group and of the Company, and the statements of 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 31 to 71.

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

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine are 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 have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial positions of the Group and of the Company as of 31 July 2012 and of their financial performances and cash flows for the year then ended.

### 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 the auditors' reports of the subsidiary of which we have not acted as auditors, which are indicated in Notes 6 to the financial statements.
- 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.

## Independent Auditors' Report to the members of Greenyield Berhad

### 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 28 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements. 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

Petaling Jaya,

Date: 12 November 2012

#### **Lee Yee Keng**

Approval Number: 2880/04/13(J)  
Chartered Accountant



## 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 31.07.2012 (RM)
No. 116, Jalan Lapan, Kompleks Perabot Olak Lempit, Tg. Duabelas, 42700 Banting, Selangor Darul Ehsan	Greenyfield Industries (M) Sdn. Bhd.	Factory; Single storey factory with a 3-storey office annexe	Leasehold expiring on 26.09.2087	11	130,680 sq.ft/ *75,110 sq.ft	31.01.1995 (A)/ 23.03.2004 (V)	2,882,651.91
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	15	3,728 sq.ft	24.01.1997 (A)	1,401,984.00
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	4	6,800 sq.m/ 73,195 sq.ft	04.03.2008 (A)	1,545,041.45
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	1	1,400 sq.ft	02.03.2012 (A)	270,587.75

Note: \* On building only

## Analysis of Shareholdings As At 31 October 2012

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	0.189	40	0.000
100 – 1,000	29	2.741	12,900	0.004
1,001 – 10,000	320	30.246	1,889,200	0.566
10,001 – 100,000	534	50.473	20,323,800	6.090
100,001 to less than 5% of issued shares	171	16.162	118,901,440	35.627
5% and above of issued shares	2	0.189	192,612,620	57.713
<b>Total</b>	<b>1,058</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	Greenyfield 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	Tham Foo Choon	8,099,160	2.426
5	Tham Fau Sin	5,377,020	1.611
6	Tham Chong Sing	5,277,220	1.581
7	Fu Ah Kiow @ Oh (Fu) Soon Guan	4,278,000	1.281
8	UOB Kay Hian Nominees (Asing) Sdn. Bhd. Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)	3,642,300	1.091
9	JF Apex Nominees (Tempatan) Sdn. Bhd. Huatai Financial Holdings (HK) Limited for Greenyfield Holdings Sdn. Bhd.	3,000,000	0.898
10	JP Apex Nominees (Tempatan) Sdn. Bhd. Huatai Financial Holdings (HK) Limited for Huatai HK SPC-Huatai Von Malaysia Fund Segregated Portfolio	2,502,000	0.749
11	Sivakumaran A/L Seenivasagam	2,201,420	0.659
12	Tham Kin Wai	2,172,000	0.650
13	JF Apex Nominees (Tempatan) Sdn. Bhd. Huatai Financial Holdings (HK) Limited for Fu Ah Kiow @ Oh (Fu) Soon Guan	2,000,000	0.599
14	Lim Seng Keong	1,920,000	0.575
15	Chang Mun Lin	1,800,000	0.539
16	Ang Yook Chu @ Ang Yoke Fong	1,728,000	0.517
17	Tham Kinyiq	1,652,000	0.494
18	Chan Mee Yee	1,600,000	0.479
19	Tham Kin Leet	1,556,000	0.466
20	Tay Kim Chai	1,509,260	0.452
21	Teo Kwee Hock	1,437,800	0.430
22	Er Wan Inn	1,433,900	0.429
23	Lee Beng Chuan	1,413,000	0.423
24	Chi Bee Chin	1,382,000	0.414



## Analysis of Shareholdings As At 31 October 2012 (cont'd)

### LIST OF TOP 30 HOLDERS (cont'd)

No.	Name	No. of Shares Held	% of Issued Shares
25	Ang Lip Chee	1,357,800	0.406
26	Tham Chui Ping	1,292,000	0.387
27	Maybank Securities Nominees (Asing) Sdn. Bhd. Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)	1,246,000	0.373
28	OSK Nominees (Tempatan) Sdn. Berhad Pledged Securities Account for Foo Peng Boon	1,155,000	0.346
29	Public Invest Nominees (Asing) Sdn. Bhd. Exempt an for Phillip Securities Pte Ltd (Clients)	1,079,000	0.323
30	Ang Lip Chee	1,023,200	0.306
<b>Total</b>		<b>266,619,860</b>	<b>79.888</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	0.660	—	—
Tham Kin Wai	2,172,000	0.651	—	—
Dr Zainol Bin Md Eusof	210,000	0.062	—	—
Yong Swee Lin	20,000	0.006	—	—
Mahbob Bin Abdullah	270,000	0.081	—	—

Note:

- (i) Deemed interested through shares held by Greenyfield 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	
Greenyfield 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>	5,277,220	1.581	173,450,060 <sup>(c)</sup>	51.971
Tham Fau Sin <sup>(a)</sup>	5,377,020	1.611	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 Greenyfield 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 Greenyfield Holdings Sdn. Bhd. pursuant to Section 6A(4) of the Companies Act, 1965.

# Notice of Tenth Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Tenth 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 Friday, 21 December 2012 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 2012 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 2013. **Resolution 1**
3. To declare a single tier final dividend of 1.0 sen per Ordinary Share for the financial year ended 31 July 2012 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) Yong Swee Lin **Resolution 3**
  - ii) Mahbob Bin Abdullah **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/Special Resolutions of the Company:-

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

**"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 Tenth Annual General Meeting (cont'd)

7. **Ordinary Resolution II - 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")**

**Resolution 7**

"**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 latest audited 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.

**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."

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

8. **Special Resolution - Proposed Amendments to the Company's Articles of Association** **Resolution 8**

"**THAT** the amendments to the Articles of Association of the Company as set out in Appendix I of this Annual Report 2012 ("Proposed Amendments") be and are hereby approved and adopted."

9. 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: 28th November 2012

## Notice of Dividend Entitlement and Payment

**NOTICE IS HEREBY GIVEN THAT**, subject to the approval of the shareholders at the Tenth 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 2012 will be payable to shareholders of the Company on 15 January 2013. The entitlement date for the said dividend shall be 8 January 2013.

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 2013 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: 28th November 2012



## Notice of Tenth 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 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 at least one (1) Proxy in respect of each securities account it holds with Ordinary Shares of the Company standing to the credit of the said Securities Account.*
5. *Where a member of the company is an exempt authorized nominee as defined under the SICDA, which holds Ordinary Shares in the Company for multiple beneficial owners in one Securities Account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.*
6. *Where the authorized nominee or an exempt authorized nominee appoints more than one (1) proxy, 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 14 December 2012 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 Tenth 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 investment(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 Ninth 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 28 November 2012 circulated together with the Annual Report 2012, 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.*

**(iv) Resolution 8 - Proposed Amendments to the Articles of Association**

*The proposed Resolution 8 is to amend the Company's Articles of Association to be in line with the recent amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The details of the Proposed Amendments are as set out in Appendix I on Pages 85 to 86 of this Annual Report.*



## APPENDIX I

### Proposed Amendments to the Articles of Association

THAT the existing Articles of Association of Greenfield Berhad is proposed to be amended in the following manner:-

Article	Existing Provisions	Amended Provisions
To insert new interpretation on to Article 2	Interpretation  <b>(No provision)</b>	Interpretation  Share Issuance Scheme means a scheme involving a new issuance of shares to the employees.
To amend Article 3(b)(i)	No Director shall participate in a share scheme for employees of the Company unless the shareholders in general meetings have approved of the specific allotment to be made to such Director (including Non-Executive Directors).	No Director shall participate in a share issuance scheme for employees of the Company unless the shareholders in general meetings have approved of the specific allotment to be made to such Director (including Non-Executive Directors).
To amend Article 54(a)	In every notice convening a general meeting, there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint more than two (2) proxies to attend and vote in his place, and that a proxy need not be a Member.	In every notice of general meeting of the Company there shall appear with reasonable prominence, a statement that a Member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote at the meeting except where a Member is an authorised nominee as defined under the Central Depositories Act, in which event it may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of the said Securities Account.
To amend Article 67(a)	A Member may appoint more than two (2) proxies to attend the same meeting. Where a Member appoints more than two (2) proxies, the appointment shall not be valid unless the Member specifies the proportion of his shareholding to be represented by each proxy.	A Member of the Company who is entitled to attend and vote at a meeting of the Company, or at a meeting of any class of Members of the Company, may appoint not more than two (2) proxies to attend and vote instead of the Member at the meeting.
To amend Article 67(b)	Where a Member of the Company is an authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.	Where a Member of the Company is an authorized nominee as defined under the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of the said Securities Account.
To insert new Article 67(c)	(no provision)	Where a Member or the authorized nominee appoints two (2) proxies, or where an exempt authorized nominee appoints two (2) or more proxies, the appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.

## Proposed Amendments to the Articles of Association (cont'd)

Article	Existing Provisions	Amended Provisions
To insert new Article 67(d)	(no provision)	Where a Member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each Omnibus Account it holds. An exempt authorized nominee refers to an authorized nominee defined under Central Depositories Act which is exempted from compliance with the provisions of subsection 25A (1) of Central Depositories Act.
To amend Article 68	The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointer or of his attorney duly authorized in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorized. A proxy may but need not be a Member of the Company. If the proxy is not a Member of the Company, he need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.	The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointer or of his attorney duly authorized 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 authorized. The Directors may but shall not be bound to require evidence of the authority of any such attorney or officer. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting.

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## PROXY FORM

### GREENYIELD BERHAD

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

No. of shares held

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

of .....

being a member of **GREENYIELD BERHAD**, hereby appoint .....

.....(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 Tenth 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 Friday, 21 December 2012 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 2012 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 2013.	1		
3.	To declare a single tier final dividend of 1.0 sen per Ordinary Share for the financial year ended 31 July 2012 as recommended by the Directors.	2		
4.	To re-elect Yong Swee Lin who retires pursuant to Article 74 of the Company's Articles of Association.	3		
5.	To re-elect Mahbob Bin Abdullah 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		
9.	Proposed Amendments to the Company's Articles of Association	8		

[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 ..... 2012.

.....  
Signature / Common Seal of Shareholder

#### NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint 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 at least one (1) Proxy in respect of each Securities Account it holds with Ordinary Shares of the Company standing to the credit of the said Securities Account.
5. Where a member of the company is an exempt authorized nominee as defined under the SICDA, which holds Ordinary Shares in the Company for multiple beneficial owners in one Securities Account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
6. Where the authorized nominee or an exempt authorized nominee appoints more than one (1) proxy, 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 14 December 2012 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.





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AFFIX  
STAMP

**The Company Secretary**

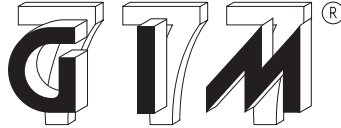
**GREENYIELD BERHAD** (582216-T)  
Level 18, The Gardens North Tower,  
Mid Valley City, Lingkaran Syed Putra,  
59200 Kuala Lumpur

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





Listed on the Main Market of Bursa Malaysia Securities Berhad

## ERRATA

### TO ALL SHAREHOLDERS OF GREENYIELD BERHAD

Dear Sirs/Madam,

#### **ANNUAL REPORT 2012 DATED 28 NOVEMBER 2012**

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We refer to the Annual Report 2012 dated 28 November 2012 and wish to inform as follows:-

- (i) The Table of Contents of the Annual Report 2012 is to be amended in the following manner highlighted in bold for your easy reference:-

2	Corporate Information
4	Corporate Structure
5	Group Financial Review
6	Profile of the Board of Directors
9	Chairman's Statement
11	Statement of Corporate Governance
18	Statement on Internal Control
20	Audit Committee Report
<b>25</b>	<b>Additional Compliance Information</b>
26	Financial Statements
76	List of Properties
77	Analysis of Shareholdings
79	Notice of Tenth Annual General Meeting
84	Appendix I
	Proposed Amendments to the Articles of Association
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- (ii) The page number 25 re: "Additional Compliance Information" has been omitted in the Annual Report 2012.

We attach herewith the amended Table of Contents and page 25 of Annual Report 2012 for your reference.

By order of the Board

**NG YEN HOONG (LS 0008016)**  
**WONG PEIR CHYUN (MAICSA 7018710)**  
Company Secretaries  
Kuala Lumpur

Date : 28 November 2012

## **GREENYIELD BERHAD**

(No: 582216-T)

No. 21 & 23, Jalan Seksyen 3/7, Taman Kajang Utama,  
43000 Kajang, Selangor Darul Ehsan, Malaysia.

Tel: 603-87368777 Fax: 603-87372636 (Marketing) / 87370723 (Finance)  
Website: [www.greenyield.com.my](http://www.greenyield.com.my) E-mail: [enquiry@greenyield.com.my](mailto:enquiry@greenyield.com.my)

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## Additional Compliance Information

### 1. UTILISATION OF PROCEEDS

There were no proceeds raised from any corporate proposal during the financial year ended 31 July 2012.

### 2. SHARE BUY-BACK

During the financial year ended 31 July 2012, 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 2012.

### 4. DEPOSITORY RECEIPT PROGRAMME

The Company does not have any depository programme in place during the financial year ended 31 July 2012.

### 5. SANCTIONS AND/OR PENALTIES

During the financial year ended 31 July 2012, 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 2012 was RM14,000.00 for works done to verify the Statement on Internal Control and other reporting.

### 7. VARIATION IN RESULTS

There were no significant variance between the results for the financial year ended 31 July 2012 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 2012, 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 2012.

The Company has extended its existing ESOS which is expiring on 12 October 2012 for a further period of three (3) years, i.e. from 13 October 2012 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.

