

GREENYIELD BERHAD
(200201014553) (582216 T)
(Incorporated in Malaysia)

**MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD
AT MELATI ROOM, LEVEL 2, BANGI RESORT HOTEL, OFF PERSIARAN BANDAR,
43650 BANDAR BARU BANGI, SELANGOR DARUL EHSAN, ON THURSDAY, 7 JULY
2022 AT 11.00 A.M.**

Present : Dr Zainol Bin Md Eusof ("Chairman")
Others as per Attendance List

1. CHAIRMAN

On behalf of the Board, the Chairman welcomed all present to the Company's Extraordinary General Meeting ("EGM").

The Chairman then introduced the Board members and Company Secretary to the shareholders.

2. QUORUM

Upon confirming the presence of the requisite quorum pursuant to Clause 53(1) of the Company's Constitution, the Chairman called the meeting to order at 11.00 a.m.

3. NOTICE

There being no objection, the notice convening the meeting, having been circulated earlier to all the members of the Company and advertised in *The New Straits Times* within the statutory period, was taken as read.

Before proceeding to the items on the agenda, the Chairman informed the members that in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions tabled at the EGM were to be voted by poll. The poll would be conducted after all items on the agenda had been dealt with. The Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd., had been appointed as the Poll Administrator for the polling process and Asia Securities Sdn Bhd had been appointed as the Independent Scrutineer to validate the votes cast.

**4. RESOLUTION 1: ORDINARY RESOLUTION
PROPOSED ACQUISITION BY GREENYIELD OF 11,700,000 ORDINARY
SHARES IN GREENYIELD RUBBER HOLDINGS (M) LTD (“GRHM”) (GRHM
SHARES”), REPRESENTING 65% EQUITY INTEREST IN GRHM FOR A
PURCHASE CONSIDERATION OF UP TO RM87,809,653, SUBJECT TO
ADJUSTMENTS, TO BE SATISFIED VIA CASH, ISSUANCE OF NEW
ORDINARY SHARES IN GREENYIELD (“GREENYIELD SHARES”)
 (“CONSIDERATION SHARES”) AND IRREDEEMABLE CONVERTIBLE
PREFERENCE SHARES IN GREENYIELD (“ICPS”) (“PROPOSED
ACQUISITION”)**

The Chairman informed that the full text of the Ordinary Resolution was set out in the Notice of meeting and the detailed information on the Proposed Acquisition was set out in the Circular to Shareholders dated 15 June 2022.

The Chairman informed that the Company had received a letter dated 30 June 2022 from the Minority Shareholder Watch Group (“MSWG”). For the benefit of the shareholders present, the Chairman invited Mr Chan Wen Hong, Head of Corporate Finance of the Company, to present a summary of the Proposed Acquisition, and to subsequently read out the points raised by MSWG in their letter and respond to any queries from the floor.

Mr Chan Wen Hong presented the summary of the Proposed Acquisition, and presented the queries raised by MSWG and the respective responses from the Company (attached hereto as “Appendix A”).

Mr Chan passed the chair back to the Chairman.

The Chairman then invited questions from the floor. Among others, the following were discussed:-

- (a) Mr Virendra Tansukhlal Doshi (“Mr Doshi), a proxy appointed by the shareholder of the Company, enquired on how the issuance of up to 226,047,962 Consideration Shares would affect the minority shareholders in terms of dilution. He also enquired how the Proposed Acquisition would affect the Company’s bottom line profitability and whether there will be better dividends to the shareholders. Mr Tham Kin-On (“Mr KO Tham”), the Executive Director of the Company, replied that the shareholdings of minority shareholders will be diluted once the Proposed Acquisition is implemented but we should consider the proposal holistically. The Company will endeavour to issue consideration shares and ICPS at fair

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and reasonable prices, close to the average share prices of the Company at the time the agreements for the Proposed Acquisition were signed. This was done to preserve the value of the shares held by the minority shareholders. Also, Management believes that the Proposed Acquisition can generate good returns over the years and thus enhance shareholders' value.

Mr Chan added that there was no fixed dividend policy in place, but the Board will annually review the Company's cash flow affordability and balance the need for future investments (if any) before proposing any dividend to be declared to the shareholders. Mr Chan further highlighted that the Company had been declaring dividend quite consistently over the years, except for two financial years in the past due to small loss and the COVID-19 pandemic.

- (b) Mr Doshi further enquired on whether there was any moratorium period imposed on the Consideration Shares to be issued to the vendors. Mr KO Tham replied in the negative and further highlighted that the Proposed Acquisition was a related party transaction and one of the major vendors, Greenyield Holdings Sdn Bhd ("GHSB"), is also the Company's controlling shareholder. GHSB will primarily receive ordinary shares and ICPS during the Proposed Acquisition, hence Management believes that incentives are aligned as the Company's major shareholders would not want to see a loss in value to any party. Mr KO Tham added that part of the purchase consideration would be settled via issuance of ICPS, which could only be converted to Ordinary Shares if the public shareholding spread requirement is met.

There being no further questions from the floor, the Chairman informed that the Interested Directors and Major Shareholders and persons connected with them had abstained and would continue to abstain from all deliberation and voting on this resolution.

The Chairman put the following motion to the meeting for consideration and the poll on this resolution was conducted after the meeting had deliberated on all the items on the agenda:

***"THAT,** subject to the passing of the Special Resolution, conditions precedent stipulated in the conditional share sale agreement dated 21 March 2022 entered into by the Company with Greenyield Holdings Sdn Bhd, Premium Commodities Sdn Bhd, Tham Foo Keong, Tham Foo Choon, Tham Kin-On and Foong Sai*

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Cheong (collectively, the “Vendors”) in respect of the Proposed Acquisition (“SSA”) being fulfilled or waived (as the case may be), approval be and is hereby given to the Company to acquire 11,700,000 GRHM Shares, representing 65.0% equity interest in GRHM from the Vendors for a total purchase consideration of up to RM87,809,653, which is subject to adjustments and to be satisfied in the following manner:

- (i) cash consideration amounting to RM3,000,000;*
- (ii) issuance of up to 226,047,962 Consideration Shares; and*
- (iii) issuance of up to 66,399,113 ICPS,*

subject to the terms and conditions as stipulated in the SSA;

THAT *approval be and is hereby given to the Company to allot and issue the Consideration Shares and ICPS at the issue price of RM0.29 per Consideration Share and per ICPS to satisfy the purchase consideration in respect of the Proposed Acquisition in accordance with the terms and conditions as stipulated in the SSA;*

THAT *the Consideration Shares and the new Greenyeld Shares to be issued upon conversion of the ICPS shall, upon allotment and issuance, rank equally in all respects with each other and the existing Greenyeld Shares, save and except that the Consideration Shares and the new Greenyeld Shares to be issued upon conversion of the ICPS shall not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment of the Consideration Shares and the new Greenyeld Shares to be issued upon conversion of the ICPS;*

THAT *the ICPS shall, upon allotment and issuance, rank equally in all respects among themselves without any preference or priority among themselves, and shall rank in priority to any class of ordinary shares in the capital of Greenyeld but shall rank equally (and not in priority) with existing Greenyeld Shares insofar as the right to receive dividends and/or distributions is concerned;*

AND THAT *the Board of Directors of the Company (“Board”) be and is hereby authorised and empowered to sign and execute all documents, do all things and acts as may be required, necessary or appropriate to give full effect to the Proposed Acquisition with full power to assent to any conditions, modifications,*

variations and/or amendments in any manner as may be required or permitted and to deal with all matters relating thereto and to take all such steps and do all acts and things for and on behalf of the Company in any manner as they may deem fit or necessary or expedient to implement, finalise and give full effect to the Proposed Acquisition.”

5. **RESOLUTION 2: SPECIAL RESOLUTION**
PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY
(“PROPOSED AMENDMENTS”)

The Chairman informed that the full text of the Special Resolution was set out in the Notice of meeting and the detailed information on the Proposed Amendments was set out in the Circular to Shareholders dated 15 June 2022.

The Chairman informed that the Interested Directors and Major Shareholders and persons connected with them had abstained and would continue to abstain from all deliberation and voting on this resolution.

The following motion was put to the meeting for consideration.

*“**THAT**, subject to the passing of the Ordinary Resolution, approval be and is hereby given for the Company to amend the existing Constitution of the Company in the manner as set out in **Appendix X** of the circular to shareholders of the Company in relation to the Proposed Acquisition and Proposed Amendments dated 15 June 2022 to enable the Company to implement the Proposed Acquisition;*

***AND THAT** the Board be and is hereby authorised and empowered to take all steps and do all such acts, deeds and things as are necessary and/or expedient in order to implement, finalise and give full effect to the above with full power to assent to any conditions, modifications, variations and/or amendments in any manner as the Board may deem fit.”*

6. **CONDUCT OF POLL**

Having dealt with all the items on the agenda, the Chairman invited the Poll Administrator to brief the floor on the polling procedure. The meeting proceeded to vote on Resolutions 1 and 2 by poll. The Chairman adjourned the meeting at 11.37 a.m. for the Poll Administrator and the Scrutineer to complete the counting and verification of the votes.

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Upon notification by the Scrutineer on the completion of verification of votes, the Chairman called the meeting to order at 11.54 a.m. and announced the poll results.

Based on the poll results attached hereto as "Appendix B", the Chairman declared Resolutions 1 and 2 carried.

7. CLOSURE

There being no further business, the meeting concluded at 11.55 a.m. with a vote of thanks to the Chair.

CONFIRMED AS A CORRECT RECORD

CHAIRMAN
DR ZAINOL BIN MD EUSOF

Dated:

TJA:CH:YPY
Minutes of the Extraordinary General Meeting held on 7 July 2022

**GREENYIELD BERHAD [200201014553 (582216 T)]
 QUESTIONS AND ANSWERS ARISING FROM THE LETTER FROM THE MINORITY
 SHAREHOLDERS WATCH GROUP (“MSWG”)**

Proposed Acquisition of 65% equity interest in Greenyeld Rubber Holdings (M) Ltd (“GRHM”)

Q1 The GRHM Group has 15,313 Ha plantation properties inclusive of a crumb rubber factory, located in Papua New Guinea (“PNG”). [page 5 of the Circular dated 15 June 2022 (“Circular”)]

- (a) What was the capacity utilisation rate and total cost of operating the crumb rubber factory for FYE 31 July 2018, 17-month FPE 31 December 2019 and FYE 31 December 2021?**
- (b) Given the declining production of the plantation (page 118 of the Circular), is the crumb rubber factory operating at an optimal level?**

R1 (a) The capacity utilisation rate of the factory is as follows:

Year	Utilisation (%)
FYE 31 July 2018	65.9
FPE 31 Dec 2019 ⁽¹⁾	46.3
FYE 31 Dec 2020	49.2
FYE 31 Dec 2021 (unaudited)	46.7

Note:

(1) 17 months due to change in financial year.

The average capacity utilisation rate for the 4 financial years/periods was 52%. However, during peak production months, the factory capacity utilisation rate can reach 86%.

The capacity utilisation rate for FYE 31 July 2018 was higher due to the one-off boost in production after unprocessed raw material, i.e., rubber cup lumps, were brought forward from FYE 31 July 2017 when the factory was refurbished.

The factory costs were as follows:

FYE⁽¹⁾	Factory Cost (PGK'million)	Factory Cost (RM'million)⁽²⁾
31 Dec 2018	3.24	3.89
31 Dec 2019	2.26	2.71
31 Dec 2020	2.01	2.41
31 Dec 2021 (unaudited)	1.97	2.36

Notes:

- (1) *The rubber processing factory is owned by Galley Reach Holdings Ltd (“Galley Reach”) Group in Papua New Guinea. Galley Reach’s financial year end of 31 December and hence the factory costs have been analysed based on Galley Reach’s financial year.*
- (2) *Based on the foreign exchange rate of PGK1.00: RM1.20 used.*

(b) Unit production costs can be lowered if the rubber processing factory can process more raw materials during periods of spare capacity. The GRHM Group is continuously looking into ways to secure higher amounts of raw material, for example, by increasing plantation production, and/or purchasing more rubber cup lumps from smallholders.

Q2 In relation to the 9 parcels of expired agricultural lease lands, there is a supermarket owned and operated by a third party located on Portion 123. (Section 2.1.1, page 8 of the Circular)

To what extent does the said supermarket contribute rental income to GRHM Group? Is there a lease agreement between the said third party and GRHM? If yes, what is the duration of the lease agreement?

R2 The supermarket contributes rental income of PGK12,000 per year (RM14,400 per year based on the foreign exchange rate of PGK1.00: RM1.20). The rental contribution from the supermarket is not significant but the supermarket eases to need for the estate workers to travel to the city to purchase goods.

There is currently no valid lease agreement in place between the operator of the supermarket and the GRHM Group as Portion 123 has expired. The GRHM Group will consider signing a new lease agreement with the supermarket operator once the land title for Portion 123 is renewed.

Q3 Rental income (Note 21, Appendix VI, page 177 of the Circular):

	31.12.2020	31.12.2019	31.7.2018
	USD	USD	USD
Rental Income	21,600	47,535	78,770

What is the reason for declining rental income received by GRHM over the years?

R3 Rental income declined from 2018 to 2019 as Tolukuma Gold Mines Limited which had rented land from Galley Reach for the purposes of operating a helipad, went into liquidation and ceased paying rental to Galley Reach.

Rental income declined from 2019 to 2020 due to lower machine rental charged to a wood processing company which had rented machines from Galley Reach to assist with setting up its facility.

Q4 A large business segment of the Group involving pawnbroking and retail and trading of gold and jewellery has temporarily suspended operations for up to seven weeks during the said period. (Note 29, Appendix VI, page 185 of the Circular)

Which company of GRHM Group is involved in pawnbroking and retail and trading of gold and jewellery? For the past 3 financial year, what was the revenue contribution to GRHM Group's total revenue?

- R4 There is an error in Note 29 of the Accountants' Report on GRHM regarding the Covid-19 Pandemic. The GRHM Group is not involved in pawnbroking and retail and trading of gold and jewellery. The paragraph was erroneously inserted and does not affect the figures stated or the other pages of the accountants' report. The error is deeply regretted.

GREENYIELD BERHAD

(200201014553)

Appendix B**Extraordinary General Meeting**

Melati Room, Level 2, Bangi Resort Hotel, Off Persiaran Bandar,

43650 Bandar Baru Bangi, Selangor Darul Ehsan.

On **07-July-2022** at **11:00AM****Result On Voting By Poll**

Resolution(s)	Vote For		Vote Against		Total Votes	
	No of Units	%	No of Units	%	No of Units	%
Ordinary Resolution 1	47,390,020	100.0000	0	0.0000	47,390,020	100.0000
Special Resolution 1	47,390,020	100.0000	0	0.0000	47,390,020	100.0000