GREENYIELD BERHAD
(Company No. 582216-T)

ANNUAL REPORT 2010






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NOTICE OF EIGHTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighth Annual General Meeting of **GREENYIELD BERHAD** will be held at Cempaka Room, Level 3, Hotel Equatorial Bangi-Putrajaya, Off Persiaran Bandar, 43650 Bandar Baru Bangi, Selangor Darul Ehsan on Wednesday, 22 December 2010 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 2010 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 of an amount not exceeding RM72,000.00 per annum. **Resolution 1**

3. To declare a single tier final dividend of 2.0 sen per Ordinary Share for the fi nancial year ended 31 July 2010 as recommended by the Directors. **Resolution 2**

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

   i) Tham Foo Choon **Resolution 3**
   ii) Dr Sivakumaran A/L Seenivasagam **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, pass the following resolutions with or without modifications as Ordinary Resolutions of the Company:-

6. **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 issued 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."

7. **Proposed renewal of authority for the Company to purchase its own Ordinary Shares of not more than ten percent (10%) of the 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 ACE 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 ACE 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 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 Rule 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."

BY ORDER OF THE BOARD

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

Date: 30 November 2010

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the Eighth Annual General Meeting of the Company, a single tier final dividend of 2.0 sen per Ordinary Share in respect of the financial year ended 31 July 2010 will be payable to shareholders of the Company on 14 January 2011. The entitlement date for the said dividend shall be 7 January 2011.

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 7 January 2011 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)
Secretaries
Kuala Lumpur

Date: 30 November 2010

NOTES :

1. *A member entitled to attend and vote at the meeting is entitled to appoint two (2) or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company.*

2. *Where a member appoints two (2) or more proxies, the appointment shall be invalid unless the member specifies the proportions 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 its Common Seal or under the hand of an officer or attorney duly authorised.*

4. *The instrument appointing a proxy 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 48 hours before the time for holding the meeting.*

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) 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 Issued Share Capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

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

As at the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the Seventh 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) Proposed Renewal of Authority for the Share Buy-Back

Shareholders are advised to refer to the Statement to Shareholders dated 30 November 2010 circulated together with the Annual Report 2010, 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 issued and paid-up share capital of the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

THAM FOO KEONG	*Executive Chairman and Group Managing Director*
THAM FOO CHOON	*Deputy Group Managing Director*
DR. SIVAKUMARAN A/L SEENIVASAGAM	*Executive Director*
THAM KIN WAI	*Executive Director*
LOKE CHEE KIEN (RESIGNED ON 30 SEPTEMBER 2010)	*Executive Director*
DR. ZAINOL BIN MD. EUSOF	*Independent Non-Executive Director*
YONG SWEE LIN	*Independent Non-Executive Director*
MAHBOB BIN ABDULLAH	*Independent Non-Executive Director*

AUDIT COMMITTEE

DR. ZAINOL BIN MD. EUSOF
Chairman, Independent Non-Executive Director

YONG SWEE LIN
Member, Independent Non-Executive Director

MAHBOB BIN ABDULLAH
Member, Independent Non-Executive Director

REMUNERATION COMMITTEE

DR. ZAINOL BIN MD. EUSOF
Chairman, Independent Non-Executive Director

YONG SWEE LIN
Member, Independent Non-Executive Director

NOMINATION COMMITTEE

DR. ZAINOL BIN MD. EUSOF
Chairman, Independent Non-Executive Director

YONG SWEE LIN
Member, Independent Non-Executive Director

CORPORATE INFORMATION
(continued)

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

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

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

REGISTRAR

Tricor Investor Services Sdn Bhd
(Formerly known as Tenaga Koperat 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

WEBSITE

www.greenyield.com.my
http://greenyield.listedcompany.com

COMPANY SECRETARIES

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

LISTING

ACE Market of Bursa Malaysia Securities Berhad

Stock Name : GREENYB
Stock Code : 0136

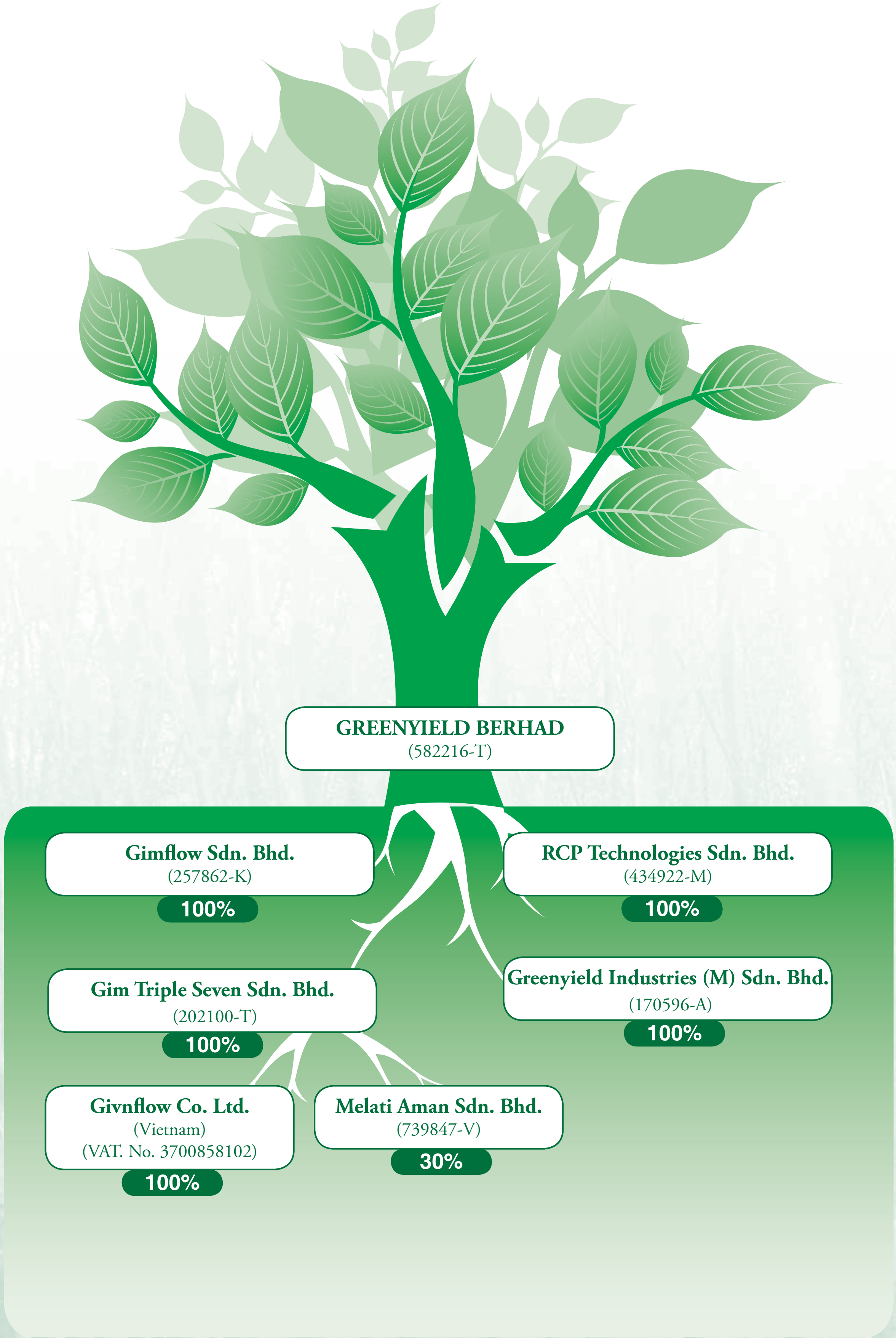
SOLICITOR

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 23 November 2010



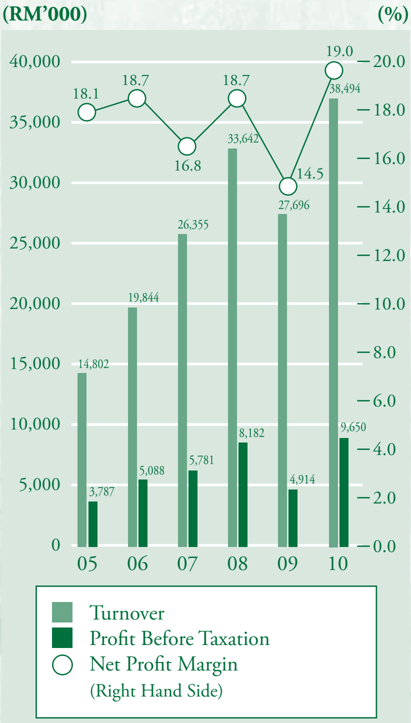
GROUP FINANCIAL REVIEW

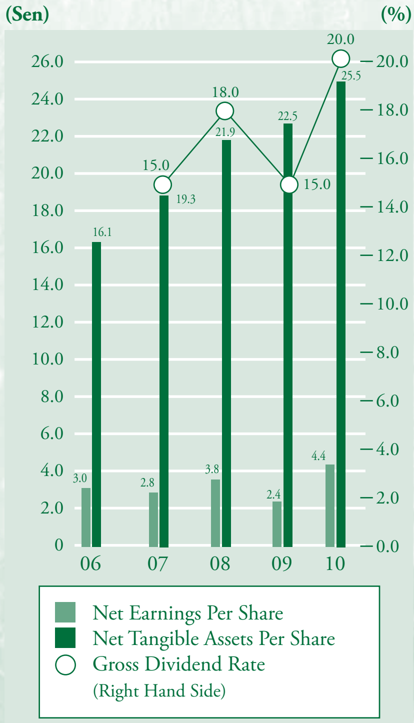
	Financial Year Ended					
	31.7.2005* (RM'000)	31.7.2006 (RM'000)	31.7.2007 (RM'000)	31.7.2008 (RM'000)	31.7.2009 (RM'000)	31.7.2010 (RM'000)
Turnover	14,802	19,844	26,355	33,642	27,696	38,494
Earnings Before Interest, Depreciation, Amortisation and Taxation	4,759	6,053	6,753	9,476	6,222	11,183
Profit Before Taxation	3,787	5,088	5,781	8,182	4,914	9,650
Taxation	1,107	1,371	1,359	1,878	901	2,326
Profit After Taxation and Minority Interest	2,680	3,718	4,421	6,304	4,013	7,324
Net Profit Margin (%)	18.1	18.7	16.8	18.7	14.5	19.0
Net Tangible Assets	N/A	19,731	31,808^	36,117	37,191	42,041
Net Tangible Assets Per Share (sen)	N/A	16.1	19.3^	21.9	22.5	25.5
Net Earnings Per Share (sen)	2.2	3.0	2.8	3.8	2.4	4.4
Gross Dividend Rate (%)	-	-	15	18	15	20
Total Borrowings	N/A	2,303	1,183	661	161	174
Cash and Cash Equivalents	N/A	3,059	12,956	16,012	14,466	12,989
Shareholders' Fund	N/A	19,753	31,827	36,135	37,208	42,057
Gearing Ratio (%)	N/A	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash
Fully Paid-Up Share Capital ('000 units)	N/A	122,740	165,000	165,000	165,000	165,000
Weighted Average Share Capital ('000 units)	N/A	122,740	155,738	165,000	165,000	165,000

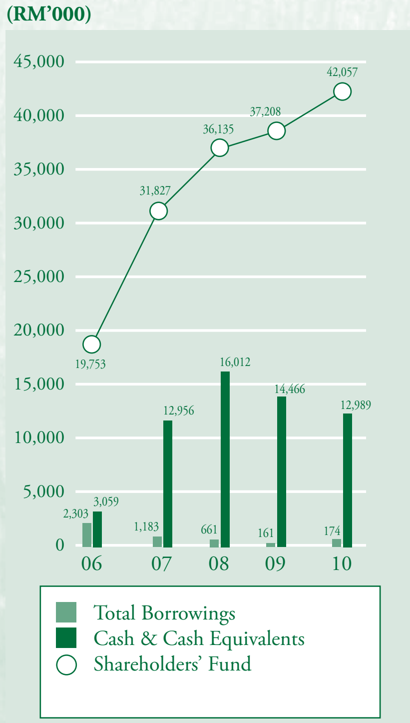
* *The figures for financial year ended 2005 is prepared based on a proforma consolidated basis for illustrative purposes only, based on the assumption that the current structure of the Group has been in existence throughout the financial year under review.*

^ *Adjusted for the adoption of the revised FRS112.*

The number of shares for financial year ended 2005 and 2006 was based on the issued and paid-up share capital of 122,740,000 ordinary shares.







PROFILE OF THE BOARD OF DIRECTORS

MR THAM FOO KEONG

54 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 Greenyield Industries (M) Sdn. Bhd., a wholly-owned subsidiary of the Company.

MR THAM FOO CHOON

50 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

65 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.

MR THAM KIN WAI

42 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 Greenyield Industries (M) Sdn. Bhd. ("GYI") and subsequently, he rose to the rank of General Manager of GYI in 2001.

DR. ZAINOL BIN MD. EUSOF

60 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. Dr Zainol holds a Bachelor of Science degree in Geology from Universiti Malaya, and obtained his Master of Science and Doctor of Philosopy 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 Petroliam Nasional Berhad and an external examiner for the Ph.D programme of Universiti Putra Malaysia.

Dr. Zainol currently is the Director of Operations with Leadhardware Sdn. Bhd., a company specializes in energy and communication projects. His role is to monitor the progress of the company's projects, from implementation to financial performance, and reports to public agencies concerned.

MR YONG SWEE LIN

42 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 Arab 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.

MR MAHBOB BIN ABDULLAH

66 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 also a Director of Felda Plantations Sdn. Bhd., Felda Palm Industries Sdn. Bhd., Felda Vegetable Oil Products Sdn. Bhd., Felda-IFFCO Sdn. Bhd., 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 10 years, other than traffic offences, if any.

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to report that Greenyield Berhad ("Greenyield") achieved an improved performance for the financial year ended 31 July 2010.

Operating Results

Despite the continued weakening of the Euros and the USD against the Malaysian Ringgit for the period under review, Greenyield's performance improved favourably with group revenue for the financial year ended 31 July 2010 surging by RM10.8 million to RM38.5 million from RM27.7 million a year ago. The prudent management of Greenyield enabled the group to achieve a consolidated profit after tax of RM7.3 million, an increase of RM3.3 million from RM4.0 million recorded in the financial year ended 31 July 2009.

Market Outlook

The fundamental strength and diversity of our business had given us the confidence and the resources to improve our earnings for the financial year ended 31 July 2010. The management of Greenyield regards the year ahead as challenging since the prevailing global financial situation remains volatile. However, we cautiously look forward to further improve our earnings subject to the global economy gathering strength on the back of an uninterrupted recovery.

Research & Development

Greenyield continues to invest significantly in Research and Development activities, where Research & Development expenditure reached RM0.8 million during the financial year, equivalent to 2.1% of revenue. The R&D activities are focused primarily in developing new products for the agriculture sector and further improving existing products to expand market share and increase sales volume. The significant investment in R&D is expected to bear fruit in the next couple of years.

Board Changes

Mr Loke Chee Kien resigned from our Board as Executive Director on 30 September 2010. On behalf of the Board of Directors, I wish to record our sincere thanks and appreciation for his contributions rendered during his tenure as Executive Director in our Company.

Dividend

The Board is recommending a final dividend of 2.0 sen per ordinary share for the financial year ended 31 July 2010. This proposed dividend is subject to your approval at the forthcoming Annual General Meeting.

Acknowledgement

Once again, I wish to take this opportunity to thank all our shareholders, customers, business associates, financiers, suppliers and regulatory authorities for their continuous support and understanding extended to us during the year. I also wish to thank my fellow Board members, management and staff for their support, guidance and contributions. The dedication and untiring efforts of all involved have enabled the Greenyield group to be a trusted and reliable business partner to companies we serve globally.

Tham Foo Keong
Executive Chairman

MANAGEMENT'S DISCUSSION

Review of Group's Performance During the Financial Year

Greenyield's revenue and profit have improved satisfactorily. For the financial year ended 31 July 2010, group turnover increased 39.0% to RM38.5 million from RM27.7 million recorded a year ago. Meanwhile, consolidated net profit after tax was RM7.3 million, an improvement of 82.5% from RM4.0 million achieved in financial year ended 31 July 2009.

The major revenue and profit contributor for the Group continues to come from plantation-related system, products and services. In addition the strong demand for Artstone plant pots from the USA and European markets have significantly increased its contribution to the group's profitability.

INDUSTRY TREND AND DEVELOPMENT

Plantation-related Systems, Products and Services

During the financial year, natural rubber prices (SMR20 grade) were trading at a new high of RM10.50 per kg in March 2010 (source from Malaysia Rubber Board website). We are of the opinion that as long as natural rubber prices remain favourable, the growth in demand for Greenyield's plantation-related systems, products and services will be positive.

Due to favourable natural rubber prices during the period under review, many plantation owners around the world have intensified their efforts to maximise their yield productivity. Greenyield took the opportunity to advise customers to adopt appropriate technologies such as the RF5G system to enhance their yield productivity. Several of our customers accepted our advice and implemented on a large scale the RF5G system in their respective plantations.

Non-Plantation Related Products

Artstone plant pots continued to be the impetus of growth for Greenyield as sales in the USA and Europe improved significantly as compared to the preceding year. Greenyield believes that the encouraging results are largely due to the uniqueness of the Artstone plant pots and the close working relationship between Greenyield and its buyers in the USA and Europe.

Greenyield continues to expand its markets for Artstone plant pots by actively participating in trade and garden fairs around the world.

Corporate Developments

In Vietnam, Givnflow Co. Ltd. (100%-owned by Gim Triple Seven Sdn. Bhd.) has completed the construction of a factory and started production of RF5G stimulation gas with the first sales being recorded in May 2010.

Meanwhile, Greenyield is planning to explore opportunities within the ASEAN region by exploring to develop and/or manage rubber plantations and rubber processing factories either solely or on a joint venture basis.

Research & Development ("R & D")

Greenyield's focus on R & D will continue to remain strong since it is the Company's belief that continuous innovations in generating new or improved products and technologies will ensure Greenyield's sustainable growth within the relevant market segment over the next several years. This commitment is supported by the increased investment in R & D from RM0.7 million in the preceding year to RM0.8 million in the current year. The Group will continue to invest up to 2.5 % of its total revenue on R & D annually.

The activities of the R & D Division are primarily focussed on enhancing the effectiveness of existing products & technologies through incorporation of critical improvements, carrying out adaptive research on products developed elsewhere but marketed by the company and developing new products for the Agriculture sector with emphasis on the natural rubber industry. The relevant critical improvements incorporated thus far include the more effective RF5G applicator, transparent external sealant and an upgraded gas regulator for the RRIMFLOW system which continues to be a key product of the Company. Work is currently in progress to further improve another key product namely Ethephon Plus through modifications to existing formulation. Activities during the year under review also involved evaluation of Green Plus, a foliar liquid nutrient formulation and Frumone, a flower / fruit inducing formulation on a much broader spectrum of agricultural crops and ornamental plants to promote wider acceptance of these two products by the agriculture sector with consequently greater market penetration. The adaptive research was geared towards developing an improved sealant for Ebor Eaves or RF Eaves, a product designed to keep the tapping panel of rubber trees dry after rain and ensuring that the Greenyield Latex coagulant is comparable if not better than all other similar products in the market.

Research & Development ("R & D") (continued)

The R & D division in keeping with its objective of developing new products for the Agriculture Industry is continuing its research activities on "Crop Plus" Organic Fertilizer and Biopesticide. The "Crop Plus" Organic Fertilizer formulated using agricultural waste materials and for which a Malaysian patent has been granted (Number MY-140848-A) is being developed both as a high potency potting mixture and a substitute fertilizer for inorganic fertilizers. It is expected based on work already carried out that the "Crop Plus" Organic Fertilizer as a potting mixture can be launched in the market early next year. Work will however continue over a longer period to develop it as a substitute for inorganic fertilizers with further fortification of the formulation by incorporation of beneficial microbes and useful bio-enzymes. Current research on the Biopesticide formulation for which Utility Innovations have been granted in both Thailand and Vietnam is being developed both as a preventive treatment against pest attack and as a curative treatment after pest attack on agricultural crops. Research is focussed on developing appropriate formulations targeted to treat different pest attacks on a variety of agricultural crops. Studies will also be carried out to develop the Biopesticide formulation as a product to treat household pests in keeping with growing environmental and health concerns about using inorganically derived pesticides.

The sharp increase in the selling price of land planted with mature rubber trees has prevented Greenyield from utilizing the RM 1.5 million allocated from its initial public offering proceeds for the purchase of such land which is required for setting up field laboratories and a nursery for its R & D activities. However this has not been a major setback to Greenyield pursuing aggressively its R & D goals enumerated above because the Company has been able through both R & D Collaborative Agreement with a Research Institute and facilities provided by friendly rubber plantation companies to carry out the required R & D activities. Greenyield through its wholly owned subsidiary, RCP Technologies Sdn. Bhd. has entered into a Research Collaboration Agreement (RCA) with the Rubber Research Institute of Vietnam ("RRIV"), a government of Vietnam agency tasked with developing state of the art technologies and products both for the upstream and downstream sectors of the natural rubber industry in Vietnam. The RCA will initially be focused on developing an improved Ethephon Plus formulation to replace an existing formulation through evaluation of several promising new formulations, testing of Green Plus as a potent foliar nutrient for rubber seedlings and buddings in the production and source bush nurseries and evaluation of the RF3G short cut system on young mature rubber tapped on second virgin panel to enable commercial introduction of this system on young mature rubber in all rubber plantations in Vietnam. It is expected that with RRIV's established reputation and track record, the expected outcomes from the R & D collaboration will be widely accepted by the rubber industry in Vietnam in particular and the world in general.

Corporate Social Responsibility ("CSR")

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

In line with the "Green" concept, Greenyield encourages all its employees to adopt methods of conserving energy and resources as much as possible in order to reduce the effect of global warming. Additionally Greenyield also emphasises the adoption of strict health and safety measures as an integral part of our employees' work ethics. Greenyield also continues to intensify efforts to develop products which are environment friendly and recyclable.

Prospect

Greenyield expects another challenging year ahead as the global economic situation remains volatile. However, Greenyield is taking the necessary steps to achieve better results by launching improved plantation related products and non-plantation related products with new aesthetic designs for the garden sector.

Greenyield will intensify its effort to find new customers, new markets and new investment opportunities around the world for purposes of seeking a reliable and sustainable income over the long term.

In order for the group to operate in a more efficient and effective manner, Greenyield has initiated implementation of the Enterprise Resource Planning ("ERP") system. This computerised system is expected to provide timely information to the management in handling situations which may arise from rapid changes in both the National and Global economies.

STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors of Greenyield Berhad ("the Company") is fully committed to fully recognize and appreciates the importance of maintaining the highest standard of corporate governance by constantly having an effective corporate governance framework. The Board ensures that high standards of fairness, accountability, responsibility, transparency and integrity are attained and maintained in running the Group's operations and business. The Board is confident that an effective corporate governance framework will enable the Company to enhance shareholders' value on a sustainable basis while protecting shareholders and stakeholders' interests.

The statement below sets out how the Group has applied the principles and the best practices as governed by the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirement") and the Malaysian Code on Corporate Governance ("the Code"). Unless otherwise stated, the Board has throughout the financial year ended 31 July 2010 complied with best practices indicated in the Code.

A. DIRECTORS

Board Composition, Balance and Responsibilities

Greenyield is led and managed by an effective Board consisting of professionals and competent directors with different qualification, expertise and experience that are highly relevant to the management of the Group's businesses. The profile of each Director is presented on pages 9 and 11 of this Annual Report.

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 managed and its businesses are conducted in accordance with high standards of accountability and transparency. The Executive Directors are responsible for implementing the corporate strategies and management of day-to-day operations of Greenyield. The Independent Non-Executive Directors are responsible in exercising independent judgment and to act in the best interests of Greenyield ensuring that decisions made by the Board are deliberated fully and objectively with regard to the long term interest of all stakeholders.

The current Board comprises seven (7) members, including four (4) Executive Directors and three (3) Independent Non-Executive Directors. This composition has complied with the minimum one-third requirement for Independent Directors to be on the Board.

Mr Tham Foo Keong continues to hold the roles of Chairman and Group Managing Director ("Group MD") due to his proven track-record in displaying his entrepreneurship and leadership skills, business acumen and in-depth experience in the plantation industry, especially the natural rubber industry. Although the roles are combined, the Board is of the view that there are sufficient Independent Directors on the Board to ensure fair and objective deliberations at Board Meetings and who are capable of exercising independent judgments. The Chairman/Group MD always abstains from all deliberations and voting on matters, which he is directly or deemed interested.

The presence of three (3) Independent Non-Executive Directors fulfils the pivotal role in corporate accountability. They collectively provide the necessary checks and balances i.e. unbiased and independent views, advice and judgments on issues of strategies, performance and resources.

Dr. Zainol Bin Md. Eusof serves the Group as the Senior Independent Non–Executive Director. If there are any concerns pertaining to the Group, please do not hesitate to contact Dr. Zainol at Greenyield's registered address.

Board Meetings

During the financial year ended 31 July 2010, four (4) Board Meetings were held on the following dates:-

i. 29 September 2009
ii. 22 December 2009
iii. 23 March 2010
iv. 29 June 2010

Details of attendance at the Board Meetings are as follows:-

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
Loke Chee Kien (Resigned on 30 September 2010)	4/4	100

All the Directors have complied with the minimum 50% attendance requirement in respect of Board Meetings as stipulated by the Listing Requirements.

All proceedings of the Board Meetings are minuted which are then circulated to all Directors for their perusal prior to confirmation of the minutes at the following Board Meeting.

Supply and Access of Information

The agenda together with Board papers are circulated on a timeliness manner prior to Board meetings to enable the Directors to review and consider matters to be deliberated and if necessary, seek additional information or clarification from the Management in order to be fully briefed before the meeting. 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 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.

STATEMENT OF CORPORATE GOVERNANCE
(continued)

Directors' Training

All members of the Board have attended the Mandatory Accreditation Programme prescribed by Bursa Securities. During the financial year ended 31 July 2010, some directors have attended the following training programme/ seminar:-

Directors	Subject	Date
Tham Kin Wai	Mandatory Accreditation Programme for Directors of Public Listed Companies	18 & 19 August 2009
	Understanding of ISO 9001:2008	24 June 2010
Yong Swee Lin	Mandatory Accreditation Programme for Directors of Public Listed Companies	18 & 19 August 2009
	Insight on Voluntary Winding-Up Striking Off Application and Its Procedures	6 October 2009
	The 2010 Budget Seminar	3 November 2009
	Corporate Frauds – Detection and Prevention	4 & 5 November 2009
	Corporate Entity Valuation	4 & 5 February 2010
Mahbob Bin Abdullah	Mandatory Accreditation Programme for Directors of Public Listed Companies	27 & 28 October 2009

The Directors will continue to undergo other relevant training programs that can further enhance their knowledge in the latest development relevant to the Group, to enable them to discharge their responsibilities effectively.

During the year, Tham Foo Keong, Tham Foo Choon, Dr. Sivakumaran A/L Seenivasagam, Dr. Zainol Bin Md. Eusof and Mahbob Bin Abdullah did not attend any formal Seminars/Training programmes due to their tight business schedules. The Board of Directors were regularly updated and advised by independent professionals on regulatory changes and matters on governance, to enable them to discharge their responsibilities effectively.

Retirement and Re-election

The Articles of Association of the Company provide that at least one third of the Directors are subject to retirement by rotation at every Annual General Meeting. The Directors to retire in each year are those who have been longest in office since their appointment or re-appointment. In addition, new Director(s) appointed to the Board shall also retire at the next coming Annual General Meeting following the appointment.

All Directors are further required to retire from office once at least in three (3) years. All retiring Directors are eligible for re-election/re-appointment.

Board Committees

The Board has delegated specific responsibilities to subcommittees to assist the Board in carrying out its fiduciary duties. They are:-

i) Audit Committee
ii) Nomination Committee
iii) Remuneration Committee

All the above committees have written terms of reference and operating procedures that have been adopted by the Board.

i) Audit Committee

The primary objective of the Audit Committee is to assist the Board of Directors to review the adequacy and integrity of the Group's internal control/systems, financial accounting and reporting matters.

The Audit Committee comprises all Independent Non-Executive Directors. The committee is chaired by Dr. Zainol Bin Md. Eusof, while the other members are Independent Non-Executive Directors, Yong Swee Lin and Mahbob Bin Abdullah.

The composition and terms of reference of the Audit Committee are as set in the Audit Committee Report on pages 23 to 26.

(ii) Nomination Committee

The Nomination Committee reviews the Board structure, size and composition, and makes recommendation to the Board suitable candidates for appointment as Directors and the Committees 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 and the performance of the directors.

The Nomination Committee comprises two (2) Independent Non-Executive Directors. The committee is chaired by Dr. Zainol Bin Md. Eusof, while the other member is Yong Swee Lin.

The Nomination Committee meets as and when necessary and shall meet at least once a year. For the financial year ended 31 July 2010, the Nomination Committee met once to review of the structure, size and composition of the Board, the effectiveness of the Board and the performance of the directors.

(iii) Remuneration Committee

The Remuneration Committee is entrusted, among others, with the responsibility for setting the policy framework and for making recommendations to the Board on all elements of the remuneration of Directors including key senior management officers. Directors' remuneration will be a matter to be determined by the Board as a whole with the Director concerned abstaining from deliberations and voting on decisions in respect of his individual remuneration.

The Remuneration Committee comprises two (2) Independent Non-Executive Directors. The committee is chaired by Dr. Zainol Bin Md. Eusof, while the other member is Yong Swee Lin.

The Remuneration Committee meets as and when necessary and shall meet at least once a year. The Remuneration Committee met once during the financial year ended 31 July 2010.

B. DIRECTORS' REMUNERATION

The Remuneration Committee recommends to the Board the framework for the remuneration of the Executive and Non-Executive Directors. The remuneration of the Directors of the Company for the financial year ended 31 July 2010 is paid by the Group and the details are as follows:-

	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
• Fees	-	36
• Salaries	1,193	-
• Bonuses & other emoluments	363	10
• Share options granted under ESOS	307	18
	1,863	64

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

	No. of Directors	
Remuneration Band	**Executive Directors**	**Non-Executive Directors**
• Less than RM50,000	-	3
• RM50,000 – RM100,000	-	-
• RM100,001 – RM150,000	1	-
• RM150,001 – RM200,000	1	-
• RM200,001 – RM250,000	-	-
• RM250,001 – RM300,000	-	-
• RM300,001 – RM350,000	-	-
• RM350,001 – RM400,000	2	-
• More than RM400,001	1	-
	5	3

C. RELATIONSHIP WITH SHAREHOLDERS & INVESTORS

The Board recognises and acknowledges the importance of being accountable to its investors and as such has maintained an active and constructive communication policy that enables the Board and Management to communicate effectively with its investors.

The various channels of communication are through the quarterly results, research reports, announcements, circulars and the holding of Annual General Meeting ("AGM"). However, any information that may be regarded as undisclosed material information about the Group will not be given to any single shareholder or shareholder Group.

The Annual Report of Greenyield form as a key channel of communication with its shareholders and investors. Greenyield strives to present its Annual Report as comprehensive and informative as possible.

Greenyield's AGM remains the principal forum for dialogue with shareholders. The Company will hold its 8th AGM on 22 December 2010. The Board welcomes shareholders' participation at the AGM. 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.

Greenyield also responds to requests for meetings with institutional shareholders and analysts to provide them a better understanding of the business activities of the Group.

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

Greenyield is a member of the Malaysian Investor Relations Association ("MIRA") and has been selected to participate in the Investor Relations Incentive Programme ("IRIP"). MIRA is Malaysia's first professional association committed to developing and advancing the proficiency of its members in the field of investor relations ("IR"). Greenyield is utilizing MIRA's expertise in establishing and implementing an IR programme.

Any queries to Greenyield may be conveyed to the following person:-

Mr. Tham Foo Keong, Executive Chairman and Group Managing Director
Tel : 03 – 8736 8777; Fax: 03 – 8737 0723

D. ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is committed in presenting a balanced and meaningful assessment of the Group's financial position and prospects through its annual financial statements and quarterly announcements to its shareholders. The Audit Committee assists the Board in overseeing the Group's financial reporting processes and the quality of its financial reporting.

The Statement by the Directors of their responsibilities in relation to the financial statements is set out on page 65 of this Annual Report.

Internal Controls

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

For the financial year ended 31 July 2010, the Board continue to engage an independent professional firm for the provision of Internal Audit ("IA") services to Greenyield Berhad. The professional firm has proposed an Internal Audit Charter ("IAC") and an Internal Audit Plan ("IAP"). The Audit Committee has approved the IAC and IAP. The IAP takes into consideration of the following aspects:-

- Core business and activities of the Group;
- Risk profile of the Group;
- Need for compliance auditing;
- Management expectations and concerns; and
- Improvement opportunities.

The Board is confident that the above aspects will improve the Group's risk coverage and allow the Group to receive an efficient and effective level of audit coverage.

The Statement on Internal Control is set out on page 21 to 22 of the Annual Report.

Relationship with Auditors

Through the Audit Committee, Greenyield maintains a formal and transparent relationship with the Group's external auditors. The Audit Committee convene meetings with the external auditors without the attendance of the executive members of the committee. The role of the Audit Committee in relation to the external auditors is more particularly described in the Audit Committee Report on pages 23 to 26 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 2010, 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 23 November 2010.

STATEMENT ON INTERNAL CONTROL

INTRODUCTION

The Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market require directors of listed companies to make a statement in the annual report about the state of their internal controls. The Malaysia Code on Corporate Governance requires 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 following statement on the state of internal control of the Group for the financial year ended 31 July 2010. The statement has been prepared in accordance with the "Statement on Internal Control – Guidance for Directors of Public Listed Companies".

BOARD RESPONSIBILITIES

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

However, there are limitations that are inherent in any system of internal control and such systems are designed to manage and control risk appropriately rather to eliminate them. Hence, it is imperative to note that any internal control system can only provide reasonable and not absolute assurance against material misstatement 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 has 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.

During the financial year under review, the Group has formally set-up a Risk Management Committee as proposed by Risk Management Policy. The Risk Management Committee comprises mainly Executive Directors of the Group together with the assistance of Internal Audit Consultant are responsible for the implementation of appropriate system of controls and strategies in order to mitigate the risk. Prior to the Risk Management Committee set-up, the Group's risk related matters were deliberated at the Executive Committee meetings which are held on a regular basis.

The Risk Management Committee will review and update its risk management policies in line with changes in its business environment, strategies and activities.

INTERNAL AUDIT

The internal audit consultants are independent of the activities they audit and they have direct reporting responsibility to the Audit Committee. The engagement of the independent internal audit consultants will assist the Audit Committee in providing independent assessment on the adequacy, efficiency and effectiveness of internal control system and ensuring operational compliance with standard operating procedures within the Group.

During the financial year ended 31 July 2010, 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 internal controls of selected key processes for one of the Group's subsidiary. 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.

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 Malaysia;

- 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 continuous assurance to management and to the Board on human resource management;

- The engagement of an independent professional firm to 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;

- 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

- Terms of reference have been formalised 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 2010. The Board will continue to take necessary 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 Directors on 23 November 2010.

AUDIT COMMITTEE REPORT

MEMBERSHIP & MEETINGS OF AUDIT COMMITTEE

The Audit Committee was established in compliance with Rule 15.09 of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market ("Listing Requirements") and comprises 3 members as follows:-

		Composition of the Audit Committee	Attendance at the Audit Committee Meeting during the financial year ended 31 July 2010
Chairman	:	**Dr. Zainol Bin Md. Eusof** *Independent Non-Executive Director*	5/5
Members	:	**Yong Swee Lin** *Independent Non-Executive Director*	5/5
		Mahbob Bin Abdullah *Independent Non-Executive Director*	5/5

SUMMARY OF ACTIVITIES OF COMMITTEE

During the financial year ended 31 July 2010, the Committee has carried out the following activities:-

- reviewed the quarterly reports and audited financial statements of the Group prior to submission to the Board for consideration and approval;
- in conjunction with the quarterly reports, reviews were carried out on the Company's compliance with the Listing Requirements, MASB and applicable regulatory requirements;
- reviewed the related party transactions entered into by the Group;
- reviewed the fees of the external auditors;
- consider the re-appointment of the external auditors;
- reviewed with the external auditors the audit plan, scope of work and audit report; and
- reviewed the management letter issues and Management's responses.

TERMS OF REFERENCE OF AUDIT COMMITTEE

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.

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

TERMS OF REFERENCE OF AUDIT COMMITTEE (continued)

1. Composition (continued)

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

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

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

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

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

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

2. Functions

The functions of the Audit Committee are as follows:-

(i) To review the nomination of external auditors and their audit fees;

(ii) To review the adequacy of existing external audit arrangements, with particular emphasis on the scope and quality of the audit;

(iii) To review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;

(iv) To review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

(v) To review the quarterly results and financial statements of the Company with both the external auditors, if applicable, and management focusing particularly on:-

  (a) changes in or implementation of major accounting policy changes;

  (b) significant and unusual events; and

  (c) compliance with accounting standards and other legal requirements;

(vi) To review with the external auditors, the audit report and audit plan and evaluation of the system of internal controls;

(vii) To review any management letter sent by the external auditors to the Company and the management's response to such letter;

(viii) To review any letter of resignation from the Company's external auditors;

(ix) To review whether there is reason (supported by grounds) to believe that the listed corporation's external auditor is 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 ACE Market, the Audit Committee shall promptly report such matter to Bursa Malaysia Securities Berhad.

4. Meetings

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

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

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

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

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

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

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

4. Meetings (continued)

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.

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 Directors' 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

For the financial year ended 31 July 2010, the Board continue to engage an independent professional firm for the provision of Internal Audit ("IA") services. The professional firm has proposed an Internal Audit Charter ("IAC") and an Internal Audit Plan ("IAP") for the three (3) financial years ended 31 July 2010 and shall be extended to the financial year ending 31 July 2011. The Audit Committee has approved the IAC and IAP. The IAP takes into consideration of the following aspects:-

- Core business and activities of the Group;
- Risk profile of the Group;
- Need for compliance auditing;
- Management expectations and concerns; and
- Improvement opportunities.

The Board is confident that the above aspects will improve the Group's risk coverage and allow the Group to receive an efficient and effective level of audit coverage.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

Greenyield Berhad was listed on the ACE Market of Bursa Malaysia Securities Berhad through an initial public offering. A total of RM8,875,000 was raised from the initial public offering. The status of the allocation and utilisation of the proceeds from the public issue as at 31 July 2010 are as follows:

Purpose	Allocation of proceeds (RM'000)	Amount utilised from 20 October 2006 to 31 July 2010 (RM'000)	Amount unutilised (RM'000)
Research and development	1,500	-	1,500
Capital expenditure	1,850	-	1,850
Setting up of marketing and technical support service centres	300	-	300
Repayment of borrowings	1,500	1,500	-
Working capital	2,223	*960	1,263
Estimated listing expenses	1,502	*1,502	-
Total	**8,875**	**3,962**	**4,913**

* Reclassification of utilization

The Company had obtained the approval of the Securities Commission ("SC") vide its letter dated 14 July 2008 for the extension of time for the utilization of proceeds. It was also stated in the said letter that Greenyield need not apply for approval from SC for any extension of time or revision to the utilization of proceeds from the public issue of Greenyield in the future.

On 16 October 2009, the Board of Directors of Greenyield Berhad announced that the Company has extended the timeframe for the utilization of the balance of the proceeds raised from the public issue, which is expiring on 19 October 2009 for a further period of three (3) years to 19 October 2012.

2. SHARE BUY-BACK

During the financial year ended 31 July 2010, the Company did not enter into any share buy-back transaction.

3. OPTIONS, WARRANTS AND CONVERTIBLE SECURITIES

During the financial year ended 31 July 2010, there were no exercise of options, warrants and convertible securities.

4. DEPOSITORY RECEIPT PROGRAMME

During the financial year ended 31 July 2010, the Company did not sponsor any depository receipt programme.

5. SANCTIONS AND/OR PENALTIES

During the financial year ended 31 July 2010, 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

For the financial year ended 31 July 2010, the amount of non-audit fees paid out or payable to external auditors by the Group is RM9,000.

7. PROFIT ESTIMATE, FORECAST OR PROJECTION

No profit estimate, forecast or projection has been given by the Company in respect of the financial year.

8. VARIATION IN RESULTS

There is no significant variance between the results for the financial year ended 31 July 2010 and the unaudited results previously released by the Company.

9. PROFIT GUARANTEE

No profit guarantee had been given by the Company in respect of the financial year.

10. MATERIAL CONTRACTS

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

11. MATERIAL CONTRACTS RELATING TO LOANS

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

12. REVALUATION POLICY ON LANDED PROPERTIES

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

13. OPTIONS GRANTED TO DIRECTORS PURSUANT TO THE EMPLOYEE SHARE OPTION SCHEME

Name of Directors	Amount of Options Offered	Amount of Options Exercised
Executive Directors		
1. Tham Foo Keong	335,000	-
2. Tham Foo Choon	335,000	-
3. Dr. Sivakumaran A/L Seenivasagam	335,000	-
4. Tham Kin Wai	120,000	-
Non-Executive Directors		
5. Dr. Zainol Bin Md. Eusof	85,000	-

The Company has extended its existing ESOS for a further period of three (3) years, to 12 October 2012, in accordance with the terms of the ESOS Bye-Laws. The ESOS extension is not subject to any approvals from Bursa Malaysia Securities Berhad, Securities Commission or the shareholders of the Company.

FINANCIAL STATEMENTS

DIRECTORS' REPORT
For the year ended 31 July 2010

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 2010.

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	7,324,308	3,449,484

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 final ordinary dividend of 1.5 sen per ordinary share totalling RM2,475,000 in respect of the year ended 31 July 2009 on 07 January 2010.

The final dividend recommended by the Directors in respect of the year ended 31 July 2010 is 2.0 sen per ordinary share totalling RM3,300,000.

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
Loke Chee Kien (resigned on 30 September 2010)

Directors' interests

The interests and deemed interests in the ordinary shares and options 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:

	Number of ordinary shares of RM0.10 each			
	At 1.8.2009	**Bought**	**(Sold)**	**At 31.07.2010**
Company				
Direct interest				
Tham Foo Keong	5,151,580	-	-	5,151,580
Tham Foo Choon	3,714,580	-	-	3,714,580
Dr. Sivakumaran A/L Seenivasagam	765,710	-	-	765,710
Dr. Zainol Bin Md. Eusof	20,000	-	-	20,000
Tham Kin Wai	966,000	-	-	966,000
Mahbob Bin Abdullah	100,000	35,000	-	135,000
Loke Chee Kien (resigned on 30 September 2010)	20,000	-	-	20,000
Deemed interest				
Tham Foo Keong*	9,531,280	-	-	9,531,280
Loke Chee Kien# (resigned on 30 September 2010)	7,380,610	-	-	7,380,610
Ultimate holding company, Greenyield Holdings Sdn. Bhd.				
Deemed interest				
Tham Foo Keong	83,390,920	-	-	83,390,920
Tham Foo Choon	83,390,920	-	-	83,390,920

	Number of options over ordinary shares of RM0.10 each			
	At 1.8.2009	**Granted**	**(Exercised)**	**At 31.7.2010**
Direct interest in the Company				
Tham Foo Keong	335,000	-	-	335,000
Tham Foo Choon	335,000	-	-	335,000
Dr. Sivakumaran A/L Seenivasagam	335,000	-	-	335,000
Dr. Zainol Bin Md. Eusof	85,000	-	-	85,000
Tham Kin Wai	120,000	-	-	120,000
Loke Chee Kien (resigned on 30 September 2010)	335,000	-	-	335,000

* 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.

In accordance with Section 134(12)(c) of the Companies Act, 1965, the deemed interests of the spouse of Loke Chee Kien in the shares of the Company shall be treated as the interests of Loke Chee Kien.

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 the related company) 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).

Issue of shares

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

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the 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

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 to 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:

		Number of options over ordinary shares of RM0.10 each				
Date of offer	**Exercise price (RM)**	**At 1.8.2009**	**Granted**	**(Exercised)**	**(Forfeited)**	**At 31.7.2010**
13 October 2006	0.21	2,595,000	-	-	(7,000)	2,588,000

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

i) there are no bad debts to be written off and no provision need to be made for doubtful debts, and

ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the Directors are not aware of any circumstances:

i) that would render it necessary to write off any bad debts or provide for any doubtful debts, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company, or

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

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

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

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

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

Other statutory information (continued)

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 results of the operations of the Group and of the Company for the financial year ended 31 July 2010 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

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

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

....

Tham Foo Keong

....

Tham Foo Choon

Kajang, Selangor Darul Ehsan

Date: 23 November 2010

BALANCE SHEETS
As at 31 July 2010

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Assets					
Property, plant and equipment	3	15,651,358	12,971,817	-	-
Intangible assets	4	15,677	17,033	-	-
Prepaid lease payments	5	2,142,074	2,171,533	-	-
Investment in subsidiaries	6	-	-	12,273,998	12,273,998
Investment in associate	7	591,295	330,000	-	-
Total non-current assets		18,400,404	15,490,383	12,273,998	12,273,998
Receivables, deposits and prepayments	8	8,748,441	4,285,231	3,182,238	2,508,476
Inventories	9	6,027,234	5,077,632	-	-
Current tax assets		1,621,050	1,607,552	16,935	15,637
Cash and cash equivalents	10	12,989,463	14,465,996	5,360,921	5,081,959
Total current assets		29,386,188	25,436,411	8,560,094	7,606,072
Total assets		47,786,592	40,926,794	20,834,092	19,880,070
Equity					
Share capital	11	16,500,000	16,500,000	16,500,000	16,500,000
Reserves	11	25,557,358	20,707,818	4,329,092	3,354,608
Total equity		42,057,358	37,207,818	20,829,092	19,854,608
Liabilities					
Loans and borrowings	12	57,732	42,940	-	-
Deferred tax liabilities	13	1,492,509	1,393,916	-	-
Total non-current liabilities		1,550,241	1,436,856	-	-
Payables and accruals	15	4,063,170	2,164,019	5,000	25,462
Loans and borrowings	12	115,823	118,101	-	-
Total current liabilities		4,178,993	2,282,120	5,000	25,462
Total liabilities		5,729,234	3,718,976	5,000	25,462
Total equity and liabilities		47,786,592	40,926,794	20,834,092	19,880,070

The notes on page 40 to 64 are an integral part of these financial statements.

INCOME STATEMENTS
For the year ended 31 July 2010

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Revenue	16	38,493,758	27,696,164	3,585,000	3,000,000
Cost of sales		(22,579,578)	(17,934,614)	-	-
Gross profit		15,914,180	9,761,550	3,585,000	3,000,000
Other income		603,885	633,523	-	-
Distribution expenses		(1,339,251)	(1,185,579)	-	-
Administrative expenses		(5,248,142)	(4,373,606)	(300,212)	(212,030)
Other expenses		(490,700)	(130,930)	-	-
Results from operating activities		9,439,972	4,704,958	3,284,788	2,787,970
Finance costs		(67,035)	(68,792)	(65)	(29)
Interest income		286,022	278,249	165,083	136,435
Operating profit		9,658,959	4,914,415	3,449,806	2,924,376
Share of loss in associate (net)		(8,705)	-	-	-
Profit before tax	17	9,650,254	4,914,415	3,449,806	2,924,376
Taxation	19	(2,325,946)	(901,017)	(322)	14,437
Profit for the year		7,324,308	4,013,398	3,449,484	2,938,813
Basic earnings per ordinary share (sen):	20	4.44	2.43		
Diluted earnings per ordinary share (sen):	20	4.38	2.43		

The notes on page 40 to 64 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
for the year ended 31 July 2010

Group	Note	Share capital RM	Share premium RM	Share option reserve RM	Translation reserve RM	Retained earnings RM	Total equity RM
		← Attributable to equity holders of the Company →					
		← Non-distributable			→	Distributable	
At 1 August 2008		16,500,000	3,168,484	178,654	-	16,288,089	36,135,227
Foreign exchange translation differences		-	-	-	10,138	-	10,138
Profit for the year		-	-	-	-	4,013,398	4,013,398
Total recognised income and expense for the year		-	-	-	10,138	4,013,398	4,023,536
Share-based payments	14	-	-	19,055	-	-	19,055
Dividends to shareholders	21	-	-	-	-	(2,970,000)	(2,970,000)
At 31 July 2009/1 August 2009		16,500,000	3,168,484	197,709	10,138	17,331,487	37,207,818
Foreign exchange translation differences		-	-	-	232	-	232
Profit for the year		-	-	-	-	7,324,308	7,324,308
Total recognised income and expense for the year		-	-	-	232	7,324,308	7,324,540
Dividends to shareholders	21	-	-	-	-	(2,475,000)	(2,475,000)
At 31 July 2010		16,500,000	3,168,484	197,709	10,370	22,180,795	42,057,358
		Note 11	Note 11	Note 11	Note 11		

Company	Note	Share capital RM	Share premium RM	Share option reserve RM	(Accumulated losses)/ Retained earnings RM	Total equity RM
		← Attributable to equity holders of the Company →				
		← Non–distributable		→	Distributable	
At 1 August 2008		16,500,000	3,168,484	178,654	19,602	19,866,740
Profit for the year		-	-	-	2,938,813	2,938,813
Share-based payments	14	-	-	19,055	-	19,055
Dividends to shareholders	21	-	-	-	(2,970,000)	(2,970,000)
At 31 July 2009/ 1 August 2009		16,500,000	3,168,484	197,709	(11,585)	19,854,608
Profit for the year		-	-	-	3,449,484	3,449,484
Dividends to shareholders	21	-	-	-	(2,475,000)	(2,475,000)
At 31 July 2010		16,500,000	3,168,484	197,709	962,899	20,829,092
		Note 11	Note 11	Note 11		

The notes on page 40 to 64 are an integral part of these financial statements.

CASH FLOW STATEMENTS
for the year ended 31 July 2010

	Note	Group		Company	
		2010	2009	2010	2009
		RM	RM	RM	RM
Cash flows from operating activities					
Profit before tax		9,650,254	4,914,415	3,449,806	2,924,376
Adjustments for:					
Amortisation of prepaid lease payments		34,830	24,678	-	-
Amortisation of intangible assets		1,356	1,357	-	-
Depreciation of property, plant and equipment		1,420,828	1,212,512	-	-
Finance costs		67,035	68,792	65	29
Gain on disposal of property, plant and equipment (net)		(158,418)	(57,792)	-	-
Interest income		(286,022)	(278,249)	(165,083)	(136,435)
Share-based payments		-	19,055	-	1,954
Property, plant and equipment written off		11,939	12,552	-	-
Share of loss in associate (net)		8,705	-	-	-
Operating profit before changes in working capital		10,750,507	5,917,320	3,284,788	2,789,924
Changes in working capital:					
Inventories		(949,602)	214,461	-	-
Payables and accruals		170,463	(493,455)	(20,462)	4,627
Receivables, deposits and prepayments		(2,725,360)	680,721	(673,762)	(480,630)
Cash generated from operations		7,246,008	6,319,047	2,590,564	2,313,921
Interest paid		(54,006)	(49,370)	(65)	(29)
Taxes paid		(2,539,832)	(2,483,119)	(1,800)	(1,200)
Taxes refunded		298,978	203,394	180	-
Net cash from operating activities		4,951,148	3,989,952	2,588,879	2,312,692
Cash flows from investing activities					
Acquisition of property, plant and equipment	(ii)	(4,032,343)	(2,010,212)	-	-
Acquisition of prepaid lease payments		(5,371)	-	-	-
Acquisition of associate		(270,000)	(330,000)	-	-
Increase in pledged deposits placed with licensed banks		(687,568)	(32,912)	-	-
Interest received		286,022	278,249	165,083	136,435
Proceeds from disposal of subsidiary	(iii)	1	-	-	-
Proceeds from disposal of property, plant and equipment		270,455	80,620	-	-
Net cash (used in)/ from investing activities		(4,438,804)	(2,014,255)	165,083	136,435

CASH FLOW STATEMENTS
for the year ended 31 July 2010 (continued)

		Group		Company	
		2010	2009	2010	2009
		RM	RM	RM	RM
Cash flows from financing activities					
Dividends paid to shareholders of the Company		(2,475,000)	(2,970,000)	(2,475,000)	(2,970,000)
Interest paid		(13,029)	(19,422)	-	-
Repayment of bills payable		-	(243,000)	-	-
Repayment of hire purchase liabilities		(179,486)	(334,660)	-	-
Net cash used in financing activities		(2,667,515)	(3,567,082)	(2,475,000)	(2,970,000)
Effect of exchange rate fluctuation on cash held		(8,930)	12,356	-	-
Net (decrease)/increase in cash and cash equivalents		(2,164,101)	(1,579,029)	278,962	(520,873)
Cash and cash equivalents at 1 August	(i)	13,400,849	14,979,878	5,081,959	5,602,832
Cash and cash equivalents at 31 July	(i)	11,236,748	13,400,849	5,360,921	5,081,959

i) Cash and cash equivalents

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Deposits with licensed banks	9,557,684	11,192,498	5,332,212	4,876,726
Cash and bank balances	3,431,779	3,273,498	28,709	205,233
	12,989,463	14,465,996	5,360,921	5,081,959
Less: Deposits pledged	(1,752,715)	(1,065,147)	-	-
	11,236,748	13,400,849	5,360,921	5,081,959

ii) Acquisition of property, plant and equipment

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM4,224,343 (2009 - RM2,088,212) of which RM192,000 (2009 - RM78,000) were acquired by means of hire purchase plans.

iii) Disposal of subsidiary

On 2 October 2009, Greenyield-Sheiphia Holdings (Myanmar) Sdn. Bhd. a subsidiary, was incorporated, in which the Group had 70% equity interest amounting to RM7,000. Subsequently on 21 July 2010, the Group has disposed off the same subsidiary for a cash consideration of RM1.

The notes on page 40 to 64 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Greenyield Berhad is a public limited liability company incorporated and domiciled in Malaysia and is listed on the ACE 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 2010 comprise the Company and its subsidiaries and the Group's interest in associate (together referred to as the Group). The financial statements of the Company as at and for the year ended 31 July 2010 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 Greenyield Holdings Sdn. Bhd., a company incorporated in Malaysia.

The financial statements were approved by the Board of Directors on 23 November 2010.

1. Basis of preparation

(a) Statement of compliance

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

The Group and the Company have not applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the Group and the Company:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2010

- FRS 4, *Insurance Contracts*
- FRS 7, *Financial Instruments: Disclosures*
- FRS 101, *Presentation of Financial Statements* (revised)
- FRS 123, *Borrowing Costs* (revised)
- FRS 139, *Financial Instruments: Recognition and Measurement*
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards*
- Amendments to FRS 2, *Share-based Payment: Vesting Conditions and Cancellations*
- Amendments to FRS 7, *Financial Instruments: Disclosures*
- Amendments to FRS 101, *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*
- Amendments to FRS 127, *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
- Amendments to FRS 132, *Financial Instruments: Presentation*
  - *Puttable Financial Instruments and Obligations Arising on Liquidation*
  - *Separation of Compound Instruments*

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2010 (continued)

- Amendments to FRS 139, *Financial Instruments: Recognition and Measurement*
  - *Reclassification of Financial Assets*
  - *Collective Assessment of Impairment for Banking Institutions*
- Improvements to FRSs (2009)
- IC Interpretation 9, *Reassessment of Embedded Derivatives*
- IC Interpretation 10, *Interim Financial Reporting and Impairment*
- IC Interpretation 11, FRS 2 – *Group and Treasury Share Transactions*
- IC Interpretation 13, *Customer Loyalty Programmes*
- IC Interpretation 14, FRS 119 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 March 2010

- Amendments to FRS 132, *Financial Instruments: Presentation – Classification of Rights Issues*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010

- FRS 1, *First-time Adoption of Financial Reporting Standards* (revised)
- FRS 3, *Business Combinations* (revised)
- FRS 127, *Consolidated and Separate Financial Statements* (revised)
- Amendments to FRS 2, *Share-based Payment*
- Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 138, *Intangible Assets*
- IC Interpretation 12, *Service Concession Agreements*
- IC Interpretation 15, *Agreements for the Construction of Real Estate*
- IC Interpretation 16, *Hedges of a Net Investment in a Foreign Operation*
- IC Interpretation 17, *Distribution of Non-cash Assets to Owners*
- Amendments to IC Interpretation 9, *Reassessment of Embedded Derivatives*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2011

- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards*
  - *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*
  - *Additional Exemptions for First-time Adopters*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
- Amendments to FRS 2, *Group Cash-settled Share Based Payment*
- IC Interpretation 4, *Determining whether an Arrangement contains a Lease*
- IC Interpretation 18, *Transfers of Assets from Customers*

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

- from the annual period beginning 1 August 2010 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 January 2010 and 1 March 2010, except for FRS 4 and IC Interpretation 13 and 14 which are not applicable to the Group and the Company; and
- from the annual period beginning 1 August 2011 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, except for FRS 138 and IC Interpretation 12 and 15 which are not applicable to the Group and the Company.

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively, is not expected to have any financial impacts to the current and prior periods financial statements upon their first adoption.

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

The impacts and disclosures as required by FRS 108.30(b), Accounting Policies, Changes in Accounting Estimates and Errors, in respect of applying FRS 7 and FRS 139 are not disclosed by virtue of the exemptions given in these respective FRSs.

The initial applications of the other standards, amendments and interpretations are not expected to have any material impact on the financial statements of the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(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 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 period in which the estimate is revised and in any future periods 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.

2. Significant accounting policies

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

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including 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 balance sheet at cost less any impairment losses.

2. Significant accounting policies (continued)

(ii) Associate

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

Associate is accounted for in the consolidated financial statements using the equity method. The consolidated financial statements include the Group's share of the profit or loss of the equity accounted associate, 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 equity accounted associate, the carrying amount of that interest (including any long-term investments) is reduced to nil 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 stated in the Group's balance sheet at cost less any impairment losses.

(iii) 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 balance sheet date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies are translated at exchange rates at the dates of the transactions except for those that are measured at fair value, which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statements.

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

The assets and liabilities of operations in functional currencies other than RM are translated to RM at exchange rates at the balance sheet date. The income and expenses of operations in functional currencies other than RM, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in translation reserve.

(c) 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.

2. Significant accounting policies (continued)

(c) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

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.

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 expenses" respectively in the income statements.

(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 and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statements as incurred.

(iii) Depreciation

Depreciation is recognised in the income statements 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:

• Leasehold 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 reassessed at the balance sheet date.

(d) Prepaid lease

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as prepaid lease payments.

The leasehold land is amortised on a straight-line basis over the lease term of forty eight (48) to eighty two (82) years.

Leases, where the Group does not assume substantially all the risks and rewards of the ownership are classified as operating leases and, the leased assets are not recognised on the Group's balance sheet.

Payments made under operating leases are recognised in the income statements on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

2. Significant accounting policies (continued)

(e) Intangible assets

(i) Trademarks

Trademarks that are acquired by the Group are stated at cost less any accumulated amortisation and any impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(iii) Amortisation

Intangible assets with indefinite useful lives 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 of intangible assets is charged to the income statements on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful lives are as follows:

- Trademarks 10 - 20 years

(f) Inventories

Raw materials, work-in-progress, finished goods, agricultural parts, packaging materials and trading 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.

(g) Receivables

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks. For the purpose of the cash flow statement, cash and cash equivalents are presented net of pledged deposits.

2. Significant accounting policies (continued)

(i) Impairment of assets

The carrying amounts of assets except for financial assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, recoverable amount is estimated usually at each reporting date.

The recoverable amount of an asset or cash-generating 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. 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").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statements. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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 the income statement in the year in which the reversals are recognised.

(j) Equity instruments

All equity instruments are stated at cost on initial recognition and are not re-measured subsequently.

(k) Loans and borrowings

Loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statements over the period of the loans and borrowings using the effective interest method.

All interest and other costs incurred in connection with borrowings are expensed as incurred.

Hire purchase liability

Property, 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 income statements over the period of the hire purchase agreement using the sum of digits method.

(l) 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 income statements in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

2. Significant accounting policies (continued)

(l) 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.

(m) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

(n) Revenue recognition

(i) Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, 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.

(ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(iii) Project management

As soon as the outcome of a project management contract can be estimated reliably, contract revenue and expenses are recognised in the income statement 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 the income statement.

(o) Interest income and borrowing costs

Interest income is recognised as it accrues, using the effective interest method.

All borrowing costs are recognised in the income statements using the effective interest method, in the period in which they are incurred.

2. Significant accounting policies (continued)

(p) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statements except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax 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 balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

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

Unutilised reinvestment allowance and investment tax allowance are treated as tax base of assets and are recognised as a reduction of tax expense as and when they are utilised. 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.

(q) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. 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 for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(r) Operating segments

In the previous years, a segment was a distinguishable component of the Group that was engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment) which was subject to risks and rewards that were different from those of other segments.

Following the adoption of FRS 8, Operating Segments, an operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. 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.

3. Property, plant and equipment

Group	Freehold land and building* RM	Leasehold buildings RM	Plant and machinery RM	Motor vehicles RM	Renovation RM	Factory and office fittings and equipments and project site fittings RM	Total RM
Cost							
At 1 August 2008	1,490,000	4,921,806	2,956,219	2,166,129	581,404	2,361,382	14,476,940
Additions	-	-	1,362,890	92,604	180,779	451,939	2,088,212
Disposals	-	-	(170,050)	(65,125)	-	(18,089)	(253,264)
Write-off	-	-	(4,820)	-	-	(157,552)	(162,372)
At 31 July 2009/ 1 August 2009	1,490,000	4,921,806	4,144,239	2,193,608	762,183	2,637,680	16,149,516
Additions	-	1,712,286	1,051,325	363,786	-	1,096,946	4,224,343
Disposals	-	-	(170,671)	(379,230)	-	(23,369)	(573,270)
Write-off	-	-	(85)	-	-	(59,336)	(59,421)
At 31 July 2010	1,490,000	6,634,092	5,024,808	2,178,164	762,183	3,651,921	19,741,168
Depreciation							
At 1 August 2008	-	323,719	754,743	313,492	167,231	786,258	2,345,443
Depreciation for the year	-	91,635	432,346	255,437	78,824	354,270	1,212,512
Disposals	-	-	(155,813)	(65,125)	-	(9,498)	(230,436)
Write-off	-	-	(2,530)	-	-	(147,290)	(149,820)
At 31 July 2009/ 1 August 2009	-	415,354	1,028,746	503,804	246,055	983,740	3,177,699
Depreciation for the year	-	104,571	475,688	260,470	82,878	497,221	1,420,828
Disposals	-	-	(117,029)	(332,658)	-	(11,548)	(461,235)
Write-off	-	-	(32)	-	-	(47,450)	(47,482)
At 31 July 2010	-	519,925	1,387,373	431,616	328,933	1,421,963	4,089,810
Carrying amounts							
At 1 August 2008	1,490,000	4,598,087	2,201,476	1,852,637	414,173	1,575,124	12,131,497
At 31 July 2009/1 August 2009	1,490,000	4,506,452	3,115,493	1,689,804	516,128	1,653,940	12,971,817
At 31 July 2010	1,490,000	6,114,167	3,637,435	1,746,548	433,250	2,229,958	15,651,358

* 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 hire purchase plans

The carrying amounts of motor vehicle acquired under hire purchase plans are RM389,939 (2009 - RM481,441).

4. Intangible assets

	Trademarks 2010 RM	Trademarks 2009 RM
Cost		
At 31 July/ 1 August	24,822	24,822
Amortisation		
At 1 August	7,789	6,432
Amortisation for the year	1,356	1,357
At 31 July	9,145	7,789
Carrying amounts		
At 31 July	15,677	17,033

5. Prepaid lease payments

	Group 2010 RM	Group 2009 RM
Cost		
At 1 August	2,264,817	2,264,817
Addition	5,371	-
At 31 July	2,270,188	2,264,817
Amortisation		
At 1 August	93,284	68,606
Amortisation for the year	34,830	24,678
At 31 July	128,114	93,284
Carrying amounts		
At 31 July	2,142,074	2,171,533

6. Investments in subsidiaries

	Company 2010 RM	Company 2009 RM
At cost:		
Unquoted shares	12,273,998	12,273,998

6. Investments in subsidiaries (continued)

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective ownership interest 2010 %	2009 %
Greenyield Industries (M) Sdn. Bhd.	Malaysia	Manufacturing and marketing of agricultural systems and products, plastic related products	100	100
Gim Triple Seven Sdn. Bhd.	Malaysia	Marketing and distribution of agricultural related systems and products	100	100
Gimflow Sdn. Bhd.	Malaysia	Marketing and distribution of agricultural related systems and products and project management of a plantation	100	100
RCP Technologies Sdn. Bhd.	Malaysia	Trading of agricultural and plantation tools and providing technical and consultancy services	100	100
Subsidiary of Gim Triple Seven Sdn. Bhd.				
Givnflow Company Limited*	Vietnam	Marketing and distribution of agricultural systems and products, plastic related products consultancy services	100	100

* Not audited by KPMG. Consolidated based on management accounts.

7. Investment in associate

	Group 2010 RM	2009 RM
At cost:		
Unquoted shares*	600,000	330,000
Share of post-acquisition reserves	(8,705)	-
	591,295	330,000

Summary financial information on associate:

Group

	Country of incorporation	Effective ownership interest %	Loss (100%) RM'000	Total assets (100%) RM'000	Total liabilities (100%) RM'000
2010					
Melati Aman Sdn. Bhd.	Malaysia	30	27,652	3,343,021	2,372,036
2009					
Melati Aman Sdn. Bhd.	Malaysia	30	1,144	906,500	807,644

The associate is yet to generate any revenue and accordingly no revenue to be disclosed.

* Not audited by KPMG. Equity accounted based on management accounts.

8. Receivables, deposits and prepayments

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Trade					
Trade receivables		7,734,903	4,038,326	-	-
Non-trade					
Amount due from subsidiaries	8.2	-	-	3,173,238	2,498,851
Amount due from associate	8.2	465,000	-	-	-
Other receivables		333,079	158,873	-	8,625
Deposits		70,417	33,220	1,500	1,000
Prepayments		145,042	54,812	7,500	-
		1,013,538	246,905	3,182,238	2,508,476
		8,748,441	4,285,231	3,182,238	2,508,476

8.1 Analysis of foreign currency exposure

Foreign currency profile of receivables, deposits and prepayments that are not in the functional currencies of the Group are as follows:

Functional currency	Foreign currency	Group 2010 RM	Group 2009 RM
RM	USD	4,529,386	2,369,208
RM	EURO	565,125	101,203
RM	YEN	-	23,595
USD	USD	221,581	12

8.2 Amount due from subsidiaries and associate

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

9. Inventories

	Group 2010 RM	Group 2009 RM
At cost:		
Raw materials	1,893,527	1,394,990
Work-in-progress	1,555,883	420,090
Agricultural parts	1,474,050	2,499,063
Packaging materials	269,276	226,547
Finished goods	834,498	536,942
	6,027,234	5,077,632

10. Cash and cash equivalents

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Deposits with licensed banks	10.2	9,557,684	11,192,498	5,332,212	4,876,726
Cash and bank balances		3,431,779	3,273,498	28,709	205,233
		12,989,463	14,465,996	5,360,921	5,081,959

10.1 Analysis of foreign currency exposure

Foreign currency profile of cash and cash equivalents that are not in the functional currencies of the Group are as follows:

Functional currency	Foreign currency	Group 2010 RM	Group 2009 RM
RM	USD	131,976	857,875
RM	EURO	519,547	-
USD	USD	699,553	102,908

10.2 Deposits with licensed banks pledged for bank facilities

Included in deposits placed with licensed banks is RM1,752,715 (2009 - RM1,065,147) pledged for bank facilities granted to subsidiaries.

11. Share capital and reserves

Share capital

	Company Amount 2010 RM	Number of shares 2010	Amount 2009 RM	Number of shares 2009
Authorised				
Ordinary shares of RM0.10 each	25,000,000	250,000,000	25,000,000	250,000,000
Issued and fully paid Ordinary shares of RM0.10 each	16,500,000	165,000,000	16,500,000	165,000,000

11. Share capital and reserves (continued)

Reserves		Group		Company	
		2010	2009	2010	2009
	Note	RM	RM	RM	RM
Non-distributable					
Share premium reserve	11.2	3,168,484	3,168,484	3,168,484	3,168,484
Share option reserve	11.3	197,709	197,709	197,709	197,709
Translation reserve	11.4	10,370	10,138	-	-
		3,376,563	3,376,331	3,366,193	3,366,193
Distributable					
Retained earnings/ (Accumulated losses)		22,180,795	17,331,487	962,899	(11,585)
		25,557,358	20,707,818	4,329,092	3,354,608

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

11.1 Share capital

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

11.2 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.

11.3 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.

11.4 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations as well as from the translation of liabilities that hedge the Company's net investment in a foreign subsidiary.

12. Loans and borrowings

	Group	
	2010	2009
	RM	RM
Non-current		
Hire purchase liabilities	57,732	42,940
Current		
Hire purchase liabilities	115,823	118,101

12. Loans and borrowings (continued)

Hire purchase liabilities

Hire purchase liabilities are payable as follows:

Group	Payments 2010 RM	Interest 2010 RM	Principal 2010 RM	Payments 2009 RM	Interest 2009 RM	Principal 2009 RM
Less than one year	123,117	(7,294)	115,823	123,107	(5,006)	118,101
Between one and five years	59,182	(1,450)	57,732	44,701	(1,761)	42,940
	182,299	(8,744)	173,555	167,808	(6,767)	161,041

13. Deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	Group 2010 RM	Group 2009 RM
Property, plant and equipment		
- capital allowances	939,091	794,420
- revaluation	591,768	599,496
Others	(38,350)	-
	1,492,509	1,393,916

Movement in temporary differences during the year

Group	At 1.8.2008 RM	Recognised in income statements RM (Note 19)	At 31.7.2009 RM	Recognised in income statements RM (Note 19)	At 31.7.2010 RM
Property, plant and equipment					
- capital allowances	883,688	(89,268)	794,420	144,671	939,091
- revaluation	607,224	(7,728)	599,496	(7,728)	591,768
Others	-	-	-	(38,350)	(38,350)
Unutilised reinvestment allowances	(125,130)	125,130	-	-	-
	1,365,782	28,134	1,393,916	98,593	1,492,509

14. Employee benefits

Share-based payments

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.

14. Employee benefits (continued)

Share-based payments (continued)

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

	Weighted average exercise price 2010 RM	Number of options 2010	Weighted average exercise price 2009 RM	Number of options 2009
At 1 August	0.21	2,595,000	0.21	3,157,000
Forfeited during the year	0.21	(7,000)	0.21	(562,000)
At 31 July	0.21	2,588,000	0.21	2,595,000
Exercisable at 31 July	0.21	2,588,000	0.21	2,595,000

	2010 RM	2009 RM
Employee expenses		
Group		
Total expense recognised as share-based payments (Note 17)	-	19,055
Company		
Total expense recognised as share-based payments (Note 17)	-	1,954

15. Payables and accruals

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Trade					
Trade payables		2,648,406	1,626,913	-	-
Non-trade					
Other payables		1,383,742	484,842	-	25,433
Accrued expenses		25,355	51,139	5,000	-
Amount due to Directors	15.2	5,667	1,125	-	-
Amount due to subsidiaries	15.3	-	-	-	29
		1,414,764	537,106	5,000	25,462
		4,063,170	2,164,019	5,000	25,462

15. Payables and accruals (continued)

15.1 Analysis of foreign currency exposure

Foreign currency profile of payables and accruals that are not in the functional currencies of the Group are as follows:

Functional currency	Foreign currency	Group 2010 RM	Group 2009 RM
RM	USD	760,471	91,583
USD	USD	36,400	70,551

15.2 Amounts due to Directors

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

15.3 Amounts due to subsidiaries

In the previous year, the amounts due to subsidiaries were unsecured, interest free and repayable on demand.

16. Revenue

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Dividend income	-	-	3,585,000	3,000,000
Sale of goods	38,493,758	27,696,164	-	-
	38,493,758	27,696,164	3,585,000	3,000,000

17. Profit before tax

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Profit before tax is arrived at after charging:				
Amortisation of prepaid lease payments (Note 5)	34,830	24,678	-	-
Amortisation of trademarks (Note 4)	1,356	1,357	-	-
Auditors' remuneration:				
- Auditors of the Company	75,000	75,000	15,000	15,000
- Other auditors	16,146	3,450	-	-
- Other services by auditors of the Company	9,000	9,000	9,000	9,000
Depreciation of property, plant and equipment (Note 3)	1,420,828	1,212,512	-	-
Interest expense on:				
- Hire purchase	13,029	13,413	-	-
- Loans	-	6,009	-	-
- Others	54,006	49,370	65	29
Net realised foreign exchange loss	64,932	-	-	-

17. Profit before tax (continued)

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM	**RM**	**RM**	**RM**
Personnel expenses (including key management personnel):				
- Contribution to Employees' Provident Fund	367,391	288,276	-	-
- Share-based payments (Note 14)	-	19,055	-	1,954
- Wages, salaries and others	4,369,067	3,275,990	-	-
Property, plant and equipment written off	11,939	12,552	-	-
Rental of premises	232,040	227,299	-	-
and after crediting:				
Gain on disposal of property, plant and equipment	158,418	57,792	-	-
Interest income on fixed deposits	286,022	278,249	165,083	136,435
Net realised foreign exchange gain	-	420,219	-	-

18. Key management personnel compensation

The key management personnel compensations are as follows:

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM	**RM**	**RM**	**RM**
Directors' emoluments				
- Fees	36,000	29,290	36,000	29,290
- Remuneration	1,479,272	1,153,677	-	-
- Contribution to Employees' Provident Fund	144,714	126,156	-	-
Other short term employee benefits (including estimated monetary value of benefits-in-kind)	9,800	56,900	9,800	9,400
	1,669,786	1,366,023	45,800	38,690

19. Taxation

Recognised in the income statements

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM	**RM**	**RM**	**RM**
Current tax expense				
Malaysian - current year	2,155,829	853,674	3,105	1,204
- prior year	71,524	19,209	(2,783)	(15,641)
	2,227,353	872,883	322	(14,437)
Deferred tax expense				
Origination and reversal of temporary differences	213,507	226,807	-	-
Under provision in prior years	(114,914)	(198,673)	-	-
	98,593	28,134	-	-
	2,325,946	901,017	322	(14,437)

19. Taxation (continued)

Reconciliation of tax expense

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM	**RM**	**RM**	**RM**
Profit before tax	9,650,254	4,914,415	3,449,806	2,924,376
Tax calculated using Malaysian tax rate of 25%	2,412,564	1,228,604	862,451	731,094
Tax incentives	(192,330)	(278,211)	-	-
Non-deductible expenses	200,289	163,228	56,802	37,082
Non assessable income	(19,175)	(26,686)	(916,148)	(766,972)
Other items	(32,012)	(6,454)	-	-
	2,369,336	1,080,481	3,105	1,204
Over provision in prior years	(43,390)	(179,464)	(2,783)	(15,641)
	2,325,946	901,017	322	(14,437)

20. Earnings per share

Basic earnings per share

The calculation of basic earnings per ordinary share at 31 July 2010 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2010	**2009**
	RM	**RM**
Profit attributable to ordinary shareholders	7,324,308	4,013,398
Weighted average number of ordinary shares:		
Issued ordinary shares at beginning and end of the year	165,000,000	165,000,000
Basic earnings per share (in sen)	4.44	2.43

Diluted earnings per share

The calculation of diluted earnings per ordinary share at 31 July 2010 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	
	2010	**2009**
	RM	**RM**
Profit attributable to ordinary shareholders (diluted)	7,324,308	4,013,398
Weighted average number of ordinary shares at 31 July	165,000,000	165,000,000
Effects of share options on issue*	2,588,000	-
Weighted average number of ordinary shares (diluted) at 31 July	167,588,000	165,000,000
Diluted earnings per share (in sen)	4.38	2.43

* The share option on issue has no effect on the calculation of diluted earnings per share for the prior year as the exercise price of the ESOS exceeds the average market price of ordinary shares.

21. Dividends

Dividends recognised in the current year by the Company are:

	Sen per share (net of tax)	Total amount RM	Date of payment
2010			
Final 2009 ordinary	1.50	2,475,000	07 January 2010
2009			
Final 2008 ordinary	1.80	2,970,000	16 January 2009

The final dividend recommended by the Directors in respect of the year ended 31 July 2010 is 2.0 sen per share totalling RM3,300,000.

22. Operating segment

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and managing 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 a 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.

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

Segment assets and liabilities

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

22. Operating segment (continued)

	Plantation		Non-plantation		Eliminations		Consolidated	
	2010	2009	2010	2009	2010	2009	2010	2009
	RM	RM	RM	RM	RM	RM	RM	RM
Business segments								
Revenue from external customers	26,273,891	19,554,901	12,219,867	8,141,263	-	-	38,493,758	27,696,164
Inter-segment revenue	8,528,619	5,396,737	3,585,000	3,000,000	(12,113,619)	(8,396,737)	-	-
Total segment revenue	34,802,510	24,951,638	15,804,867	11,141,263	(12,113,619)	(8,396,737)	38,493,758	27,696,164
Segment results*							15,914,180	9,761,550
Unallocated income							603,885	633,523
Unallocated expenses							(7,078,093)	(5,690,115)
Operating profit							9,439,972	4,704,958
Finance costs							(67,035)	(68,792)
Interest income							286,022	278,249
Share of loss in associate (net)							(8,705)	-
Tax expense							(2,325,946)	(901,017)
Profit for the year							7,324,308	4,013,398

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

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

2010	**Revenue RM**	**Non-current assets RM**
Malaysia	5,837,027	15,103,003
South East Asia other than Malaysia	12,606,135	2,706,106
United States of America	4,880,845	-
Europe	10,602,459	-
Africa	3,545,388	-
Others	1,021,904	-
	38,493,758	17,809,109

22. Operating segment (continued)

2009	Revenue RM	Non-current assets RM
Malaysia	7,061,396	14,480,013
South East Asia other than Malaysia	6,103,225	680,370
North Asia	460,888	-
United States of America	4,855,174	-
Europe	2,074,367	-
Africa	5,669,536	-
Others	1,471,578	-
	27,696,164	15,160,383

Major customers

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

Group	Revenue 2010 RM	Revenue 2009 RM	Segment
All common control companies of:			
- Customer A	5,948,474	2,074,367	Non-plantation
- Customer B	4,504,508	4,390,381	Non-plantation
- Customer C	4,498,401	3,067,897	Plantation
- Customer D	3,958,843	564,836	Plantation
	18,910,226	10,097,481	

23. Financial instruments

Exposure to credit, foreign currency and interest rate risks arises in the normal course of the Group's businesses. The Group's and the Company's overall financial risk management objective is to ensure that the Group and the Company creates value for its shareholders. Financial risk management is carried out through risk reviews, internal control system and adherence to the Group's and the Company's financial risk management policies. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

The Group's exposure to credit risk arises through its trade receivables. Management has an informal credit policy in place and the exposure to credit risk is monitored on an ongoing basis through review of receivables ageing.

At the balance sheet date, there were no significant concentrations of credit risk other than 60% (2009 - 33%) of trade receivables owed by three (2009 - two) debtors.

The maximum exposure to credit risk is represented by the carrying amount of the trade receivables in the balance sheet.

23. Financial instruments (continued)

Foreign currency risk

The Group is exposed to foreign currency risk on sales that are denominated in a currency other than the functional currencies of the Group. The currencies giving rise to this risk are primarily United States Dollars (USD) and Euro.

The Group has set up USD bank accounts as a natural hedge against any fluctuation in USD. However, the Board keeps their policy under review.

Interest rate risk

The Group's fixed-rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's investment in variable-rate borrowings are also exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and short-term receivables and payables are not exposed to interest rate risk.

Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their average effective interest rates at the balance sheet date and the periods in which they mature, or if earlier, reprice.

Group	**Average effective interest rate**	**Total**	**Less than 1 year**	**1 - 2 years**	**2 - 3 years**	**3 -4 years**	**4 -5 years**	**More than 5 years**
2010	**%**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
Fixed rate instruments								
Financial assets								
Deposits with licensed banks	2.6	9,557,683	9,557,683	-	-	-	-	-
Financial liabilities								
Hire purchase	6.0	173,555	115,823	52,325	5,407	-	-	-
2009								
Fixed rate instruments								
Financial assets								
Deposits with licensed banks	2.7	11,192,498	11,192,498	-	-	-	-	-
Financial liabilities								
Hire purchase	5.0	161,041	118,101	29,025	13,915	-	-	-
2010								
Fixed rate instruments								
Financial assets								
Deposits with licensed banks	2.5	5,332,212	5,332,212	-	-	-	-	-
2009								
Fixed rate instruments								
Financial assets								
Deposits with licensed banks	3.0	4,876,726	4,876,726	-	-	-	-	-

23. Financial instruments (continued)

Fair values

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables, and amounts due from/(to) subsidiaries, approximate fair values due to the relatively short term nature of these financial instruments.

The fair values of other financial liabilities carried on the balance sheet as at 31 July are shown below:

Group	2010 Carrying amount RM	2010 Fair value RM	2009 Carrying amount RM	2009 Fair value RM
Financial liabilities				
Hire purchase liabilities	173,555	160,883	161,041	152,970

The fair values of the hire purchase liabilities are determined using estimated future cash flows discounted using market related rate for a similar instrument at the balance sheet date.

24. Capital commitment

	Group 2010 RM	Group 2009 RM
Property, plant and equipment		
Contracted but not provided for		
Payable within one year	72,167	79,819

25. Subsequent events

On 15 October 2010, the Company announced to the Bursa Malaysia Securities Berhad its intention to transfer the listing of and quotation for its entire issued and paid-up share capital from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad.

STATEMENT BY DIRECTORS/ STATUTORY DECLARATION

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 35 to 64 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 of 31 July 2010 and of their financial performances and cash flows for the year then ended.

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: 23 November 2010

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 35 to 64 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 23 November 2010.

………………………………..
Wong Kok Fong

Before me:

INDEPENDENT AUDITORS' REPORT
To the Members of Greenyield Berhad

Report on the Financial Statements

We have audited the financial statements of Greenyield Berhad, which comprise the balance sheets as at 31 July 2010 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 35 to 64.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 judgment, 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 Company's preparation and fair presentation of the financial statements 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 Company'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 2010 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 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.

c) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other 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

Lee Yee Keng
Approval Number: 2880/04/11(J)
Chartered Accountant

Petaling Jaya,
Date: 23 November 2010

LIST OF PROPERTIES

Registered Owner & Address of Property	Title	Date of Acquisition (A)/ Revaluation (R)	Age of Building (Years)	Tenure	Existing Use	Land Area / Build-Up Area	Audited Net Book Value As At 31.07.2010 (RM)
Greenyield Industries (M) Sdn. Bhd. No. 116, Jalan Lapan Kompleks Perabot Olak Lempit Tg. Duabelas, 42700 Banting Selangor Darul Ehsan	Land and building held under PT 4055, H.S. (M) 5725 Mukim of Tg Duabelas District of Kuala Langat Selangor Darul Ehsan	31.01.1995 (A) 23.03.2004 (R)	9	Leasehold (Expiry on 26.09.2087)	Factory	130,680 sq ft / 75,110 Sq ft*	5,887,501
Gim Triple Seven Sdn. Bhd. No. 21 & 23 Jalan Seksyen 3/7 Taman Kajang Utama 43000 Kajang Selangor Darul Ehsan	PT 35634 & PT 35635 Mukim of Kajang District of Hulu Langat Selangor Darul Ehsan	24.01.1997 (A)	13	Freehold	Office Building	3,728 sq ft	1,490,000
Givnflow Company Limited (Vietnam) No. 10, VSIP II Street 7, Vietnam – Singapore Industrial Park II, Binh Duong Industry – Service – Urban Complex, Ben Cat Distrcit, Binh Duong Province	Land Lot 282	04.03.2008 (A)	2	Leasehold (Expiry on 16.10.2055)	Vacant	6,800 sqm (73,195 Sq ft)	2,361,232

Note : * Building only

ANALYSIS OF SHAREHOLDINGS
As at 1 November 2010

Authorised Share Capital	:	RM25,000,000.00
Issued and Paid-Up Share Capital	:	RM16,500,000.00
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	3	0.293	70	0.000
100 – 1,000	125	12.183	112,600	0.068
1,001 – 10,000	458	44.639	3,062,450	1.856
10,001 – 100,000	357	34.795	13,108,400	7.945
100,001 to less than 5% of issued shares	81	7.895	51,413,670	31.160
5% and above of issued shares	2	0.195	97,302,810	58.971
Total	1,026	100.00	165,000,000	100.00

LIST OF TOP 30 HOLDERS

No.	Name	No. of Shares Held	% of Issued Shares
1	Greenyield Holdings Sdn. Bhd.	87,771,530	53.194
2	Twong Yoke Peng	9,531,280	5.776
3	Tham Foo Keong	5,151,580	3.122
4	Tham Foo Choon	3,714,580	2.251
5	Teo Kwee Hock	3,269,700	1.981
6	Fu Ah Kiow @ Oh (Fu) Soon Guan	3,139,000	1.902
7	Tham Fau Sin	2,598,510	1.574
8	Tham Chong Sing	2,568,510	1.556
9	Mayban Securities Nominees (Asing) Sdn. Bhd. (Exempt an for UOB Kay Hian Pte. Ltd.)	2,440,100	1.478
10	Chi Bee Chin	1,453,000	0.880
11	Saw Kee Thiam	1,217,000	0.737
12	Saw Kee Thiam	1,153,500	0.699
13	JF Apex Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Teo Siew Lai)	988,200	0.598
14	Tham Kin Wai	966,000	0.585
15	Lim Seng Keong	960,000	0.581
16	Chang Mun Lin	900,000	0.545
17	Tham Kin Leet	843,000	0.510
18	Tham KinYiq	796,000	0.482
19	Sivakumaran A/L Seenivasagam	765,710	0.464
20	Er Wan Inn	700,900	0.424
21	Ang Lip Chee	678,900	0.411
22	Tham Chui Ping	646,000	0.391
23	Ang Lip Chee	575,000	0.348
24	Teoh Boon Beng @ Teoh Eng Kuan	550,000	0.333
25	HDM Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Kok Boon Lim)	525,000	0.318

ANALYSIS OF SHAREHOLDINGS
As at 1 November 2010 (continued)

LIST OF TOP 30 HOLDERS (continued)

No.	Name	No. of Shares Held	% of Issued Sharess
26	Citigroup Nominees (Asing) Sdn. Bhd. (Pershing LLC for Gregory Alexander)	500,000	0.303
27	Kay Yew Kiang	500,000	0.303
28	HLG Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Tan Chu Liong)	478,300	0.289
29	Kenanga Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Cheng Siok Wah)	475,000	0.287
30	Choo Wing Sing	413,600	0.250
	Total	136,269,900	82.587

DIRECTORS' SHAREHOLDINGS

Name of Directors	No. of Shares Held Direct	%	Indirect	%
Tham Foo Keong	5,151,580	3.12	97,302,810 (i)	58.97
Tham Foo Choon	3,714,580	2.25	87,771,530 (ii)	53.19
Dr. Sivakumaran A/L Seenivasagam	765,710	0.46	-	-
Tham Kin Wai	966,000	0.59	-	-
Dr. Zainol Bin Md. Eusof	20,000	0.01	-	-
Yong Swee Lin	-	-	-	-
Mahbob Bin Abdullah	135,000	0.08	-	-

Note:
(i) Deemed interested via his substantial shareholdings in Greenyield Holdings Sdn. Bhd. and shareholding held by his spouse.
(ii) Deemed interested via his substantial shareholdings in Greenyield Holdings Sdn. Bhd.

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	No. of Shares Held Direct	%	Indirect	%
Greenyield Holdings Sdn. Bhd.	87,771,530	53.19	-	-
Twong Yoke Peng	9,531,280	5.78	-	-
Tham Foo Keong (a)	5,151,580	3.12	97,302,810 (b)	58.97
Tham Foo Choon (a)	3,714,580	2.25	87,771,530 (c)	53.19
Tham Fau Sin (a)	2,598,510	1.57	87,771,530 (c)	53.19
Tham Chong Sing (a)	2,568,510	1.56	87,771,530 (c)	53.19

Notes
(a) Brothers
(b) Deemed interested via his substantial shareholdings in Greenyield Holdings Sdn. Bhd. and shareholding held by his spouse.
(c) Deemed interested via their substantial shareholdings in Greenyield Holdings Sdn. Bhd.

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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 Eighth Annual General Meeting of the Company to be held at Cempaka Room, Level 3, Hotel Equatorial Bangi-Putrajaya, Off Persiaran Bandar, 43650 Bandar Baru Bangi, Selangor Darul Ehsan on Wednesday, 22 December 2010 at 11.00 a.m. and at any adjournment thereof in respect of my/our shareholding in the manner indicated below:-

AGENDA				
ORDINARY BUSINESS				
1.	To receive the Audited Financial Statements for the financial year ended 31 July 2010 together with the Reports of the Directors and Auditors thereon.			
		Resolution	**For**	**Against**
2.	To approve the aggregate Directors' fees payable to the Directors of the Company of an amount not exceeding RM72,000.00 per annum.	1		
3.	To declare a single tier final dividend of 2.0 sen per Ordinary Share for the financial year ended 31 July 2010 as recommended by the Directors.	2		
4.	To re-elect Tham Foo Choon who retires pursuant to Article 74 of the Company's Articles of Association.	3		
5.	To re-elect Dr Sivakumaran A/L Seenivasagam 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		
SPECIAL BUSINESS				
7.	Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares.	6		
8.	Proposed Renewal of Authority for the Share Buy-Back	7		

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

....
Signature / Common Seal of Shareholder

Dated this .... day of .... 2010.

NOTES :

1. *A member entitled to attend and vote at the meeting is entitled to appoint two (2) or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company.*
2. *Where a member appoints two (2) or more proxies, the appointment shall be invalid unless the member specifies the proportions 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 its Common Seal or under the hand of an officer or attorney duly authorised.*
4. *The instrument appointing a proxy 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 48 hours before the time for holding the meeting.*

PLEASE FOLD HERE

Affix
stamp

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

PLEASE FOLD HERE