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Appendix I

ENCLOSED
Proxy Form

NOTICE IS HEREBY GIVEN that the Fifth 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 Friday, 21 December 2007 at 11.00 a.m. for the following purposes:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 July 2007 together with the Reports of the Directors and Auditors thereon.
2. To declare a final dividend of 15%, comprising 5% tax exempt and 10% less tax at 27%, for the financial year ended 31 July 2007.
3. To re-elect the following Directors retiring by rotation pursuant to Article 74 of the Articles of Association of the Company:-
 - i) Mr. Tham Foo Choon
 - ii) Dr. Sivakumaran A/L Seenivasagam
 - iii) Encik Ishak Bin Said
4. To consider, and if thought fit, pass the following resolution:-

“**THAT** pursuant to Section 129(6) of the Companies Act, 1965, Y. Bhg. Tan Sri Datuk Arshad Bin Ayub be re-appointed as Director to hold office until the next Annual General Meeting.”
5. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration.

As Special Business

To consider and, if thought fit, pass the following resolutions:-

6. **Authority under Section 132D of the Companies Act, 1965 for the Directors to allot and issue shares**

“**THAT** pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the Issued Share Capital of the Company for the time being, subject always to the approval of all the relevant regulatory bodies being obtained for such allotment and issuance.”

7. Proposed Amendments to the Articles of Association of the Company

“**THAT** the deletions, alterations, modifications, variations and additions to the Articles of Association of the Company as set out in Appendix I attached with the Annual Report for the financial year ended 31 July 2007 be and are hereby approved.”

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143)
SAW BEE LEAN (MAICSA 0793472)
Secretaries

Kuala Lumpur

Date: 29 November 2007

Ordinary Resolution 1

Ordinary Resolution 2

Ordinary Resolution 3

Ordinary Resolution 4

Ordinary Resolution 5

Ordinary Resolution 6

Ordinary Resolution 7

Ordinary Resolution 8

Special Resolution 1

NOTICE OF FIFTH ANNUAL GENERAL MEETING (cont'd)

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NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the Fifth Annual General Meeting of the Company, a final dividend of 15%, comprising 5% tax exempt and 10% less tax at 27% in respect of the financial year ended 31 July 2007 will be paid to shareholders of the Company on 28 January 2008. The entitlement date for the said dividend shall be 7 January 2008.

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 2008 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

TAI YIT CHAN (MAICSA 7009143)
SAW BEE LEAN (MAICSA 0793472)
Secretaries

Kuala Lumpur

Date : 29 November 2007

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 7, Setia 1, 15 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time for holding the meeting.*

EXPLANATORY NOTES ON SPECIAL BUSINESS

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

The Ordinary Resolution 8, if passed, will empower the Directors to allot and 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.

6. *Proposed Amendments to the Articles of Association of the Company*

The Special Resolution 1, if passed, will bring the Articles of Association of the Company to be in line with the recent amendments to the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market, the Companies Act, 1965 and to enhance administrative efficiency.

BOARD OF DIRECTORS

THAM FOO KEONG	<i>Executive Chairman and Group Managing Director</i>
THAM FOO CHOON	<i>Deputy Group Managing Director</i>
LOKE CHEE KIEN	<i>Executive Director</i>
DR. SIVAKUMARAN A/L SEENIVASAGAM	<i>Executive Director</i>
TAJUDDIN BIN ISMAIL	<i>Executive Director</i>
Y. BHG. TAN SRI DATUK ARSHAD BIN AYUB	<i>Independent Non-Executive Director</i>
DR. ZAINOL BIN MD. EUSOF	<i>Independent Non-Executive Director</i>
DR. SHAIKH AWADZ BIN SHAIKH ABDULLAH	<i>Independent Non-Executive Director</i>
ISHAK BIN SAID	<i>Non-Independent Non-Executive Director</i>

AUDIT COMMITTEE

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

DR. SHAIKH AWADZ BIN SHAIKH ABDULLAH
Member, Independent Non-Executive Director

LOKE CHEE KIEN
Member, Executive Director

REMUNERATION COMMITTEE

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

DR. SHAIKH AWADZ BIN SHAIKH ABDULLAH
Member, Independent Non-Executive Director

ISHAK BIN SAID
Member, Non-Independent Non-Executive Director

NOMINATION COMMITTEE

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

DR. SHAIKH AWADZ BIN SHAIKH ABDULLAH
Member, Independent Non-Executive Director

ISHAK BIN SAID
Member, Non-Independent Non-Executive Director

CORPORATE INFORMATION (cont'd)

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REGISTERED OFFICE

Level 7, Setia 1
15 Lorong Dungun, Damansara Heights
50490 Kuala Lumpur
Tel : 03 – 2095 7188
Fax: 03 – 2095 0988

AUDITORS

KPMG (AF 0758)
Chartered Accountants
Wisma KPMG, Jalan Dungun
Damansara Heights
50490 Kuala Lumpur
Tel : 03 – 2095 3388
Fax: 03 – 2095 0971

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

Symphony Share Registrars Sdn. Bhd.
Level 26, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel : 03 – 2721 2364
Fax: 03 – 2721 2530

WEBSITE

www.greenyield.com.my

COMPANY SECRETARIES

Tai Yit Chan (MAICSA 7009143)
Saw Bee Lean (MAICSA 0793472)

LISTING

MESDAQ Market of Bursa Malaysia Securities Berhad

Stock Name : GREENYB
Stock Code : 0136

SOLICITOR

Radzlan, Low & Partners
Advocates & Solicitors
Unit C-1-8, Block C
Megan Avenue 1
189 Jalan Tun Razak
50400 Kuala Lumpur
Tel : 03 – 2166 4616
Fax: 03 – 2166 5616

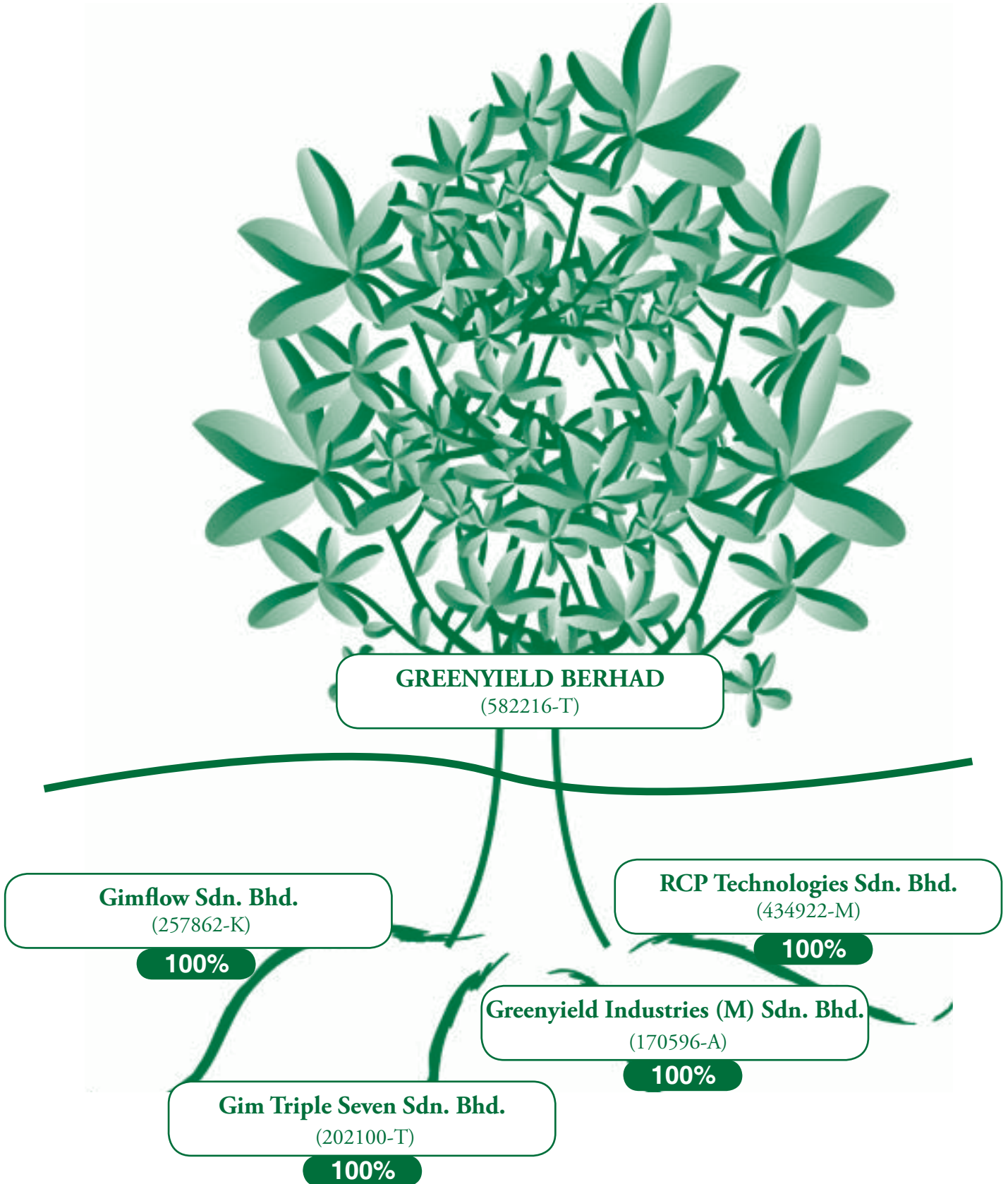
SPONSOR

AmInvestment Bank Berhad
22nd Floor, Bangunan AmBank Group
55 Jalan Raja Chulan
50200 Kuala Lumpur
Tel : 03 – 2078 2633 / 44 / 55
Fax: 03 – 2070 2170

PRINCIPAL BANKER

Public Bank Berhad

CORPORATE STRUCTURE



GROUP FINANCIAL REVIEW

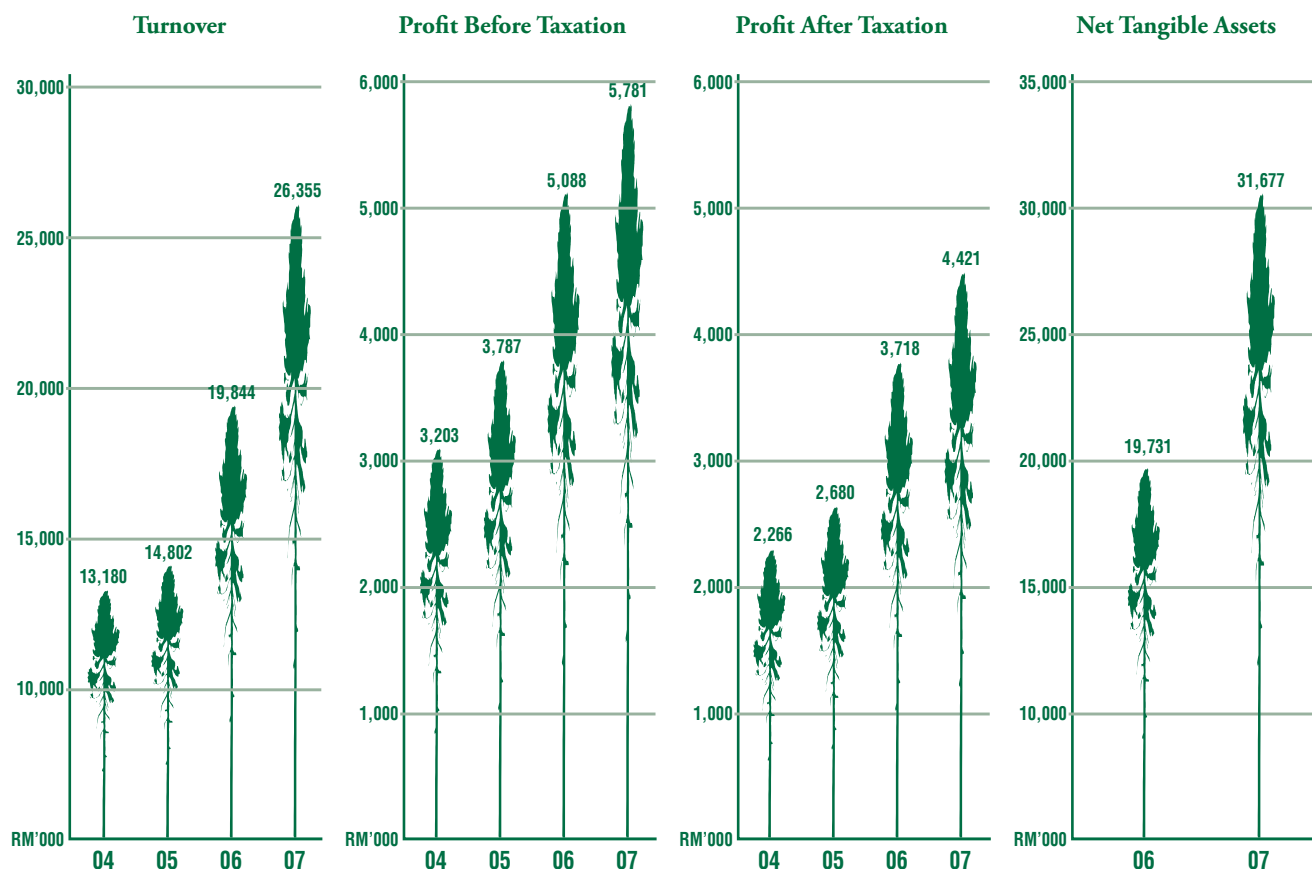
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ANNUAL REPORT 2007

Group	FINANCIAL YEAR ENDED			
	31.07.2004*	31.07.2005*	31.07.2006	31.07.2007
	RM'000	RM'000	RM'000	RM'000
Turnover	13,180	14,802	19,844	26,355
Earnings Before Interest, Depreciation, Amortisation and Taxation	4,176	4,759	6,053	6,753
Profit Before Taxation	3,203	3,787	5,088	5,781
Taxation	937	1,107	1,371	1,359
Profit After Taxation and Minority Interest	2,266	2,680	3,718	4,421
Net Tangible Assets	N/A	N/A	19,731	31,677
Net Tangible Assets Per Share (sen)	N/A	N/A	16.1	19.2
Net Earnings Per Share (sen)	1.8	2.2	3.0	2.8
Gross Dividend Rate (%)	-	-	-	-
Fully Paid-Up Share Capital ('000 units)	N/A	N/A	122,740	165,000
Weighted Average Share Capital ('000 units)	N/A	N/A	122,740	155,738

* The figures for financial years ended 31 July 2004 and 2005 are 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 years under review.

The number of shares for financial years ended 2004, 2005 and 2006 was based on the issued and paid-up share capital of 122,740,000 ordinary shares.



MR THAM FOO KEONG

51 years of age, Malaysian

Executive Chairman and Group Managing Director

Mr Tham Foo Keong was appointed to the Board on 26 March 2005. He is responsible for the direction of the Group's business with emphasis in business development and corporate strategy. He graduated with a Bachelor of Science degree with Second Class Honours (First Division) in Production Engineering from Leeds Polytechnic, United Kingdom.

He started his career in 1981 as a Production Planning Engineer in ASEA Manufacturing Sdn. Bhd. He joined Scientex Industries Berhad as a Planning and Maintenance Manager in 1983, before moving to Brown Boveri Corporation (M) Sdn. Bhd. as Factory Manager in 1985 and subsequently, he was promoted to Divisional Manager. In 1988, he took over the position of Managing Director of Greenyfield Industries (M) Sdn. Bhd., a wholly-owned subsidiary of the Company.



MR THAM FOO CHOON

47 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.

MR LOKE CHEE KIEN

38 years of age, Malaysian

Executive Director

Mr Loke Chee Kien was appointed to the Board on 26 March 2005. He is a member of the Audit Committee of the Company. Mr Loke is the Group's Director of Corporate Planning, Finance and Operations. He graduated with a Bachelor of Business (Accountancy) degree with Distinction from the Royal Melbourne Institute of Technology, Australia (now known as RMIT University) and obtained his Master of Business Administration (Finance) degree with Distinction from the University of Hull, UK. He is a Chartered Accountant of the Malaysian Institute of Accountants and also a Certified Practising Accountant ("CPA") of CPA Australia.



Mr Loke has collectively over ten (10) years of experience in corporate planning, corporate finance and investment research. He joined Arab-Malaysian Corporation Berhad as an Executive before moving to Chase Manhattan Bank Berhad as an Analyst in Corporate and Investment Banking. In 1995, he joined Jupiter Securities Sdn. Bhd. as a Research Analyst and was subsequently promoted to Assistant Manager of Research. Thereafter, he was attached to Deutsche Morgan Grenfell as an Analyst. Between 1997 and 2002, he held several senior positions in the field of corporate investments— Head of Research in Sarawak Securities Sdn. Bhd. and OSK Research Sdn. Bhd.; Consultant of the Minority Shareholders' Watchdog Group. He joined the Greenyfield Group in 2002.

PROFILE OF THE BOARD OF DIRECTORS
(cont'd)**DR. SIVAKUMARAN A/L SEENIVASAGAM***62 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 Camerouns, Malawi and Papua New Guinea and as a Consultant for the Common Fund for Commodities based in Amsterdam.

Dr Sivakumaran was responsible for the development of the RRIMFLOW system for which a patent was granted to the MRB. He received the RRIM Gold Medal in 1993 and the service excellence award from the RRIM in 1992 for his research contributions in the field of rubber exploitation and, in particular, the development of labour saving technologies. He was a member of the Task Force on the Rubber Eco-Project under the auspices of the International Rubber Study Group of the United Kingdom from 2004 to 2006. He is currently a member of the Editorial Board of the Journal of Rubber Research of the MRB.

**ENCIK TAJUDDIN BIN ISMAIL***59 years of age, Malaysian**Executive Director*

Encik Tajuddin Bin Ismail was appointed to the Board on 26 March 2005. He is responsible for the Group's Marketing Division, in charge of marketing and resource planning. He graduated from Louisiana State University, USA with a Bachelor of Science degree and obtained a Master of Science degree from the same university.

He started his career in the rubber industry as a Rubber Instructor with the Rubber Research Institute of Malaysia ("RRIM") in 1971 before being promoted to Research Officer in the Soil & Crop Management Division. He had been a Group Leader of the Integrated Farming Group of the RRIM and Advisor to Federal Land Consolidation and Rehabilitation Authority on the implementation of integrated farming projects in rubber and oil palm plantations and RRIM State Advisory Officer for Selangor. He was later promoted to Manager of the RRIM Experimental Station in Sungai Buloh where he was involved in the management and supervision of approximately 420 staff and plantation workers. In 1994, he received the Malaysian Rubber Research and Development Board's Gold Medal Award for his contributions in integrated farming research. He last served as the Deputy General Manager/Senior Consultant of RRIM-Consult during his employment with the RRIM.

He was the Head of the Taman Warisan Pertanian Project in Putrajaya, a project undertaken by Marditech Corporation Sdn. Bhd., from 1 December 2002 to 30 June 2004. He is currently an alternate Board member of the Rubber Industry Smallholders Development Authority.

PROFILE OF THE BOARD OF DIRECTORS (cont'd)



Y. BHG. TAN SRI DATUK ARSHAD BIN AYUB

79 years of age, Malaysian

Independent Non - Executive Director

Y. Bhg. Tan Sri Datuk Arshad Bin Ayub joined the Board on 28 July 2006. Y. Bhg. Tan Sri graduated with a Diploma in Agriculture from Serdang Agricultural College, Selangor and holds a Bachelor of Science (Honours) in Economics and Statistics from University College of Wales, Aberystwyth, United Kingdom. He had a distinguished career in the Malaysian Civil Service. Among the senior positions he held were Deputy Governor of Bank Negara Malaysia, Deputy Director General in the Economic Planning Unit of the Prime Minister's Department and Secretary General in the Ministry of Agriculture and the Ministry of Land and Regional Development.

He currently also sits on the Board of Kulim (Malaysia) Berhad, KPJ Healthcare Berhad, Sindora Berhad, LBI Capital Berhad, Audrey International (M) Berhad, Tomypak Holdings Berhad, Top Glove Corporation Berhad and Malayan Flour Mills Berhad. Y. Bhg. Tan Sri also serves on the Board of several non-listed public company and private limited companies, among others, Bata (M) Sdn. Bhd., CSR Building Materials (M) Sdn. Bhd., PFM Capital Holdings Berhad and ARB-JMF Asset Management Sdn. Bhd.

He is presently the President of the Malaysian Rubber Products Manufacturers Association, Chairman of the Malaysian Rubber Export Promotion Council and a member of the Malaysian Rubber Board. He is also the Chairman of Lembaga Pengarah Universiti Malaya and a member of Lembaga Bersekutu Pemegang Amanah Pengajian Tinggi Islam Malaysia.

DR. ZAINOL BIN MD. EUSOF

57 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 Philosophy in Soil Science from the State University of Ghent, Belgium.

He was attached to the Rubber Research Institute of Malaysia from 1974 until 2002, where he last served as Head of the Crop Management Unit. During his tenure with the RRIM, he represented RRIM in several national and international conferences and headed the RRIM collaborative research projects with the International Board for Soil Research and Management. He has published over 72 papers in soil science, agronomy and land management during the course of his career, and carried out post-doctorate research at the Ohio State University and the University of West Indies. He was also involved in a joint research effort with the Australian Centre for International Agricultural Research from 1986 to 1992 and with the International Water Management Institute from 2000 to 2002.

In 1995, Dr. Zainol received the RRIM service excellence award for his contribution to research in soil management systems. From 1998 to 2002, he headed the programme on the development of Low Intensity Tapping Systems at the RRIM. During the same period, he was a member of the Urea Research Council for Petroliaam Nasional Berhad and an external examiner for the Ph.D programme of Universiti Putra Malaysia.

Dr. Zainol is currently a director and Vice-President for Operations of Apac-Aces (M) Sdn. Bhd., a company involved in satellite communications.



PROFILE OF THE BOARD OF DIRECTORS (cont'd)



DR. SHAIKH AWADZ BIN SHAIKH ABDULLAH

60 years of age, Malaysian

Independent Non - Executive Director

Dr. Shaikh Awadz Bin Shaikh Abdullah was appointed to the Board on 26 March 2005. He is a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. He holds a Diploma in Agriculture from the College of Agriculture, Serdang and a Bachelor of Science in Crop Production and Soil Fertility from the Louisiana State University, USA. He also obtained a Master of Science in Forage Crops Production and a Ph. D in Philosophy in Forage Legume Production and Physiology from the University of Arkansas, USA.

He started his career as an Agriculture Assistant with Muda Agricultural and Development Authority (MADA) in Alor Setar, Kedah Darul Aman in 1969. Thereafter, he was attached to ESSO Chemical (M) Sdn. Bhd. as a Technical Sales Executive before joining Dunlop Estate Berhad as an Assistant Manager. Between 1974 and 2001, he held various positions in Universiti Putra Malaysia, Serdang, ranging from Agricultural Assistant to Farm Director responsible for the planning, budgeting, management and implementation of farm programmes. He was a Board member of the Malaysian Rubber Research Development Board and a Director of the Universiti Agriculture Park. He is presently a contract Associate Professor attached to the Faculty of Agriculture of Universiti Putra Malaysia.

ENCIK ISHAK BIN SAID

60 years of age, Malaysian

Non-Independent Non-Executive Director

Encik Ishak Bin Said was appointed to the Board on 26 March 2005. He is a member of the Remuneration Committee and Nomination Committee of the Company. He graduated with a Bachelor of Science in Statistics and Quantitative Methods, and a Master of Science in Marketing from Louisiana State University, USA. From 1971 to 2001, he was attached to the Rubber Research Institute of Malaysia where he held various senior positions and last served as the Director of the Eastern Region of Peninsular Malaysia. Between 2001 and February 2005, he was the Manager of the Orchard Complex for the Taman Warisan Pertanian Project in Putrajaya. He is presently a Plantation Consultant on a freelance basis.



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. He is also the brother in-law of Mr Loke Chee Kien.

CONVICTION OF OFFENCES

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

Dear Shareholders,

On behalf of the Board of Directors of Greenyield Berhad ("Greenyield" or "the Group"), it gives me great pleasure to present you the Annual Report and Financial Statements for the financial year ended 31st July 2007.

The year 2007 was a challenging year for Greenyield. The hike in the prices of raw material coupled with the weakening US Dollar contributed to an increase in production cost which consequently reduced profit margins.

Despite the challenges that we faced in the year under review, the Group managed to improve its overall revenue and profits particularly by increasing its sales markedly via the export market.



Review of Performance

For the financial year ended ("FYE") 31 July 2007, Greenyield recorded a consolidated profit after tax of RM 4.4 million on the back of a turnover of RM 26.4 million (consolidated turnover FYE 31 July 2006: RM 19.8 million). Despite taking into consideration of the impact of FRS2, Share Based Payment, where RM 0.12 million was charged to the profit and loss account in connection with Greenyield's Employee Share Option Scheme ("ESOS"), the audited consolidated profit after tax reflects a growth of 19% as compared to the FYE 31 July 2006 consolidated profit after tax of RM 3.7 million. The encouraging increase in consolidated profit after tax was a result of a marked increase in export sales.

Market Outlook

Continued encouraging economic growth in Asia and robust crude oil prices are anticipated to persist. As a result, global demand for natural rubber is expected to remain strong and therefore demand for Greenyield's plantation related product and services are anticipated to be favorable. For the non-plantation related product segment, a positive outlook is expected as the Group continues to receive enquiries, particularly for the Artstone Plant Pots, from North America and Europe.

In light of the above factors and despite the challenges resulting from the expected hike in raw materials prices coupled with the weakening US Dollar, the Group maintains a positive outlook on continuous growth in terms of revenue and profitability through adoption of aggressive marketing strategies and increase in production efficiencies.

Research & Development

Research & Development ("R & D") plays an important role in underpinning the continuing growth of Greenyield through the introduction of commercially viable systems and products to the plantation industry. For the FYE 31 July 2007, Greenyield spent RM 0.53 million on R & D representing 2.0% of the Group's consolidated revenue.

Thus far, Greenyield has successfully developed products such as RF3G (an improved easy to fix gaseous stimulation jacket) and GreenPlus (a vigor and growth enhancing plant foliar liquid nutrient formulation), both of which are expected to reach the market soon.

On 13 November 2006, Gim Triple Seven Sdn. Bhd. ("GTSSB"), a wholly-owned subsidiary of Greenyield Berhad, filed patent on a Biopesticide formulation and Organic Plus Fertilizer with the Intellectual Property Corporation of Malaysia ("MyIPO"). R & D work on Biopesticide and Organic Plus Fertilizer are currently being conducted.

Future Prospects

The Board is of the view that there is a growing demand for agricultural products, both for the food and non-food industries, to be produced from sustainable mode of cultivation and hence expects a good market for the Biopesticide and Organic Plus Fertilizer when these products are ready for commercialization.

The Board is also of the view that there is a growing global market demand for environmental friendly recyclable products manufactured from composite material like the Artstone Plant Pots.

Dividend

The Board is recommending a final dividend of 15%, comprising 5% tax exempt and 10% less tax at 27%, for the FYE 31 July 2007. This proposed dividend is subject to your approval at the forthcoming Annual General Meeting.

Acknowledgement

On behalf of the Board, I would like to express our thanks to our shareholders, customers, business associates, financiers, suppliers and regulatory authorities for their confidence in us and continuous support and understanding extended to us during the year.

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

Tham Foo Keong
Executive Chairman.

Industry Trend and Development

During the financial year ended 31 July 2007, demand growth for natural rubber was unabated due to the continued encouraging economic growth in China, India and Vietnam. The demand growth was largely attributed to rising sales from the manufacturing of products that require natural rubber, such as manufacture of tires, glove, condom and rubber treads. New findings for the use of natural rubber also boosted demand. Coupled by the inability to boost the production of natural rubber significantly through the use of traditional rubber tapping techniques, the prices of natural rubber increased during the financial year under review.

Many rubber plantation owners and smallholders are turning to agro-technology based systems and products, to enhance the yield of their rubber trees. This is especially when new planting of rubber trees will require approximately 5 years before the trees commence producing latex, and it is not unusual for the rubber trees to take more than 10 years before they record optimum yield. Due to strong demand for ways to increase the yield of rubber trees in the shortest possible time, many systems and products have been introduced in the market where unsubstantiated results and claims were made from these new systems and products.

However, Greenyield Berhad (or "the Group") is unfazed by such competition as the Group has the experience and expertise to maintain its leading position. The effectiveness of the gaseous and liquid stimulation system of Greenyield is backed by a proven track record of more than 10 years. Moreover, Greenyield is backed by a team of experienced and qualified research & development personnel that continues to introduce and enhance the Group's agro-technology based systems and products. This is evident from the growth registered in the sales of plantation related systems and products by the Group during the financial year ended 31 July 2007.

Meanwhile, the buoyant mood of consumers in the United States in 2006 and early part of 2007 resulted in the robust demand for Greenyield's non-plantation product, namely the Artstone Plant Pots. Encouraging orders from the United States' major retail outlets enabled the commercial trial for Artstone Plant Pots during the financial year under review, to be a success.

Research & Development

The Research & Development ("R & D") division of Greenyield forms an integral part of the activities of the Group in its effort to enhance the performance of its existing systems and products while at the same time generating new cutting-edge systems and technologies that will enhance the profitability of the Group. The R & D division also strives to improve the R & D processes to be more efficient and effective as well as reducing the time frame needed to bring the researched systems and products to the commercial market.

The R & D division has commenced researching into developing two new products, namely Biopesticide and Organic Plus Fertilizer.

- (I) Bio-pesticide is a pesticide formulation made from natural sources. It has the potential to be used as an alternative to chemical pesticides to control damage caused by rats and rhinoceros beetles to oil-palm seedlings and damage caused by insects to flowers, fruits of vegetable plants and tree crops.

This R & D is targeted to provide the agriculture industry, especially the oil-palm industry, with an effective, environmentally-friendly biopesticide, derived entirely from natural and sustainable resources. Due to the size and economic importance of the oil palm industry in Malaysia and around the world, the ability to reduce the damages to the crops would translate into considerable benefits to oil palm plantation owners and smallholders if R & D on this product to be carried out in the next few years establishes the biopesticide as an effective method to control the damage caused by pests involved.

- (II) Organic waste from plantation and agricultural waste of commercially-grown crops and plants form the basic composition of Organic Plus Fertilizer. Greenyield believes that there is a growing global demand for agricultural products, both for the food and non-food industries, to be produced from sustainable modes of cultivation using products such as fertilizers that are naturally derived without the use of inorganically-derived products, such as fertilizers manufactured from by-products of the petroleum industry. The Group will carry out the required R & D to evaluate if the Organic Plus Fertilizer is an effective alternative for the currently used inorganic fertilizers.

On 15 November 2006, Greenyield filed patent applications for the bio-pesticide and organic fertilizer with the Intellectual Property Corporation of Malaysia ("MyIPO"). The purpose of filing patent applications for the inventions is to protect the intellectual property rights of Greenyield's R & D work and its systems and products when they are successfully commercialized.

On 23 November 2006, MyIPO had certified that, under the provisions of the Trade Marks Act 1976 and the Trade Marks Regulations 1997, the trade mark "E-Phon Plus" has been registered in Gim Triple Seven Sdn. Bhd.'s (a wholly-owned subsidiary of Greenyield Berhad) name as proprietor of the said trade mark in the Register for a period of ten (10) years from 25 February 2003 to 25 February 2013 in Class 1 in respect of chemical products used in agriculture, horticulture and forestry.

During the financial year ended 31 July 2007, Greenyield increased its investment in R & D to RM0.53 million from RM0.40 million in the previous financial year. The Group is committed to invest between 2.0% and 2.5% of its revenue in R & D every year. Meanwhile, Greenyield Berhad's wholly-owned subsidiary, RCP Technologies Sdn. Bhd., was granted the ISO 9001:2000 certification.

Pursuant to the listing of Greenyield Berhad, an amount of RM1.5 million has been allocated for R & D purposes. The amount will be utilized for the acquisition of about 30 acres of land planted with mature rubber trees to be used as field laboratories for R & D on the Low Intensity Tapping System ("LITS") and other yield-enhancement technologies, and the acquisition of about another 20 acres of land for the setting up of a nursery to conduct R & D on fertilizers, growth promoters and chemicals for young plants. Greenyield has yet to finalize any acquisition due to lack of suitable land with the targeted acreage and pricing, and is contemplating several ways to secure the planned acquisition.

Review of Group's Performance During the Financial Year

The financial year ended 31 July 2007 was a challenging year. Despite achieving record sales of plantation related systems and products and encouraging demand for Artstone Plant Pots, margin was under pressure. This is largely due to the strengthening of the Ringgit against the Greenback which slashed the Ringgit value of Greenyield's export sales as they are denominated in US Dollar. The assumption for foreign exchange rate for export sales in the consolidated net profit forecast was RM3.60/USD. During the financial year, the Management adopted several methods to mitigate the negative impact of the strengthening of the Ringgit. In addition, the rising cost of raw materials added pressure to the margin.

For the financial year ended 31 July 2007, Greenyield recorded a consolidated net profit of RM4.4 million on the back of a record turnover of RM26.4 million. The audited consolidated net profit is marginally lower than Greenyield's consolidated net profit forecast of RM4.55 million, due to lower gross margin recorded. However, this is an improvement as compared to its previous financial year's consolidated net profit and turnover of RM3.7 million and RM19.8 million respectively.

Prospects

Demand growth for natural rubber is not anticipated to deteriorate in view of the confidence in the continued economic growth in countries like China, India and Vietnam. As the supply of natural rubber is unlikely to increase as many rubber plantations still rely on traditional tapping techniques while the global penetration rate of yield enhancement systems remained low, demand for gaseous and liquid stimulation systems are expected to remain strong especially from major rubber producing countries like Thailand, Indonesia, Vietnam and Malaysia.

Adverse effect from the sub-prime problem in the United States is expected to have an impact on demand for properties and consumer demand. Despite feedback on the demand for Artstone Plant Pots in America and Europe from our agents remain positive, the Management is exploring ways to mitigate any slowdown in demand growth. The Management is currently conducting feasibility studies on the possibility of exporting the Artstone Plant Pots to Australia and the Middle East.

STATEMENT ON CORPORATE GOVERNANCE

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ANNUAL REPORT 2007

The Board of Directors of Greenyield Berhad (“the Company”) fully recognises and appreciates the importance of good corporate governance and is committed to achieving high standards of corporate governance within the Group towards enhancing shareholders’ value.

The statement below sets out how the Group has applied the principles of the Malaysian Code on Corporate Governance (“the Code”) and the extent of compliance with the best practices of good corporate governance as set out in Part 1 and Part 2 of the Code. Unless otherwise stated, the Board has throughout the financial year ended 31 July 2007 complied with best practices indicated in the Code.

A. DIRECTORS**Board Composition, Balance and Responsibilities**

The Company is led and managed by a Board comprising members with a good mix of the necessary knowledge, skills and wide range of experience relevant to the Group.

As at the date of this report, the Board comprises nine (9) members, including five (5) Executive Directors and four (4) Non-Executive Directors, three (3) of whom are independent. This composition has complied with the minimum one-third requirement for Independent Directors to be on the Board.

The profile of each Director is presented in pages 8 to 11 of this Annual Report.

The role of Chairman and Group Managing Director (“Group MD”) are not separated in view of the incumbent’s special knowledge of the business. 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 judgements. 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 directors and one (1) non-executive director 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 has been identified as the Senior Independent Non-Executive Director to whom concerns may be conveyed.

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 business conducted in accordance with high standards of accountability and transparency.

Board Meetings

During the financial year ended 31 July 2007, five (5) Board Meetings were held on the following dates:-

- i. 25 September 2006
- ii. 31 October 2006
- iii. 21 December 2006
- iv. 28 March 2007
- v. 21 June 2007

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

Directors	No. of Board Meetings attended	Percentage of Attendance (%)
Tham Foo Keong	5/5	100.0
Y. Bhg. Tan Sri Datuk Arshad Bin Ayub	3/5	60.0
Tham Foo Choon	5/5	100.0
Loke Chee Kien	5/5	100.0
Dr. Sivakumaran A/L Seenivasagam	4/5	80.0
Tajuddin Bin Ismail	3/5	60.0
Dr. Zainol Bin Md. Eusof	5/5	100.0
Dr. Shaikh Awadz Bin Shaikh Abdullah	4/5	80.0
Ishak Bin Said	5/5	100.0

All the Directors have complied with the minimum 50% attendance requirement in respect of Board Meetings as stipulated by the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market ("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 of Information

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 independent professional advisers whenever necessary, at the Company's expense in accordance with established procedure which has been communicated to them.

The agenda together with Board papers are circulated on a timely 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 areas of financial, operational, technology matters, corporate developments of the Company and regulatory compliance matters. In addition, the Board is also kept informed of the updates issued by the various regulatory authorities.

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.

Directors' Training and Continuing Education Program

All members of the Board have attended the Mandatory Accreditation Programme ("MAP") within the time frame stipulated in the Listing Requirements.

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.

STATEMENT ON CORPORATE GOVERNANCE
(cont'd)**Board Committees**

The following committees have been established to assist the Board in carrying out its fiduciary duties:-

- 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 Audit Committee with the majority being Independent Non-Executive Directors comprises the following members:-

Chairman : **Dr. Zainol Bin Md. Eusof**
(Independent Non-Executive Director)

Members : **Dr. Shaikh Awadz Bin Shaikh Abdullah**
(Independent Non-Executive Director)

Loke Chee Kien
(Executive Director)

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 composition and terms of reference of the Audit Committee are as set in the Audit Committee Report on pages 23 to 25.

(ii) Nomination Committee

The Nomination Committee comprises wholly of Non-Executive Directors, with the majority consisting of Independent Non-Executive Directors as follows:-

Chairman : **Dr. Zainol Bin Md. Eusof**
(Independent Non-Executive Director)

Members : **Dr. Shaikh Awadz Bin Shaikh Abdullah**
(Independent Non-Executive Director)

Ishak Bin Said
(Non-Independent Non-Executive Director)

The Nomination Committee reviews the Board structure, size, 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 Committees of the Board.

(iii) **Remuneration Committee**

The Remuneration Committee with the majority being Independent Non-Executive Directors comprises the following members:-

Chairman : **Dr. Zainol Bin Md. Eusof**
(Independent Non-Executive Director)

Members : **Dr. Shaikh Awadz Bin Shaikh Abdullah**
(Independent Non-Executive Director)

Ishak Bin Said
(Non-Independent Non-Executive Director)

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.

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 2007 is paid by the Group and the details are as follows:-

	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
• Fees	-	32
• Salaries	906	-
• Bonuses	76	-
• Other Benefits	104	5
	1,086	37

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

Remuneration Band	No of Directors	
	Executive Directors	Non-Executive Directors
• Less than RM50,000	-	4
• RM 50,000 – RM100,000	1	-
• RM 100,001 – RM150,000	1	-
• RM 150,001 – RM200,000	-	-
• RM 200,001 – RM250,000	-	-
• RM 250,001 – RM300,000	3	-
• More than RM300,001	-	-
	5	4

STATEMENT ON CORPORATE GOVERNANCE
(cont'd)**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 on material corporate exercise, 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.

Greenyield Berhad's AGM remains the principal forum for dialogue with shareholders. The Company will hold its second public AGM on 21 December 2007. The Board welcomes shareholder participation at the AGM. Shareholders who are unable to attend are encouraged to appoint proxies 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 Berhad 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.

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

Loke Chee Kien
Executive 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 in page 20 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 and external auditors, to safeguard the Group's assets.

D. ACCOUNTABILITY AND AUDIT (cont'd)

Internal Controls (cont'd)

During the financial year ended 31 July 2007, the Group does not have an internal audit department and the Audit Committee relied on discussions with the Management and Executive Directors, review of financial statements and input from the external auditors to discharge its duties.

On 28 September 2007, the Board has engaged an independent professional firm for the provision of Internal Audit ("IA") services to Greenyild Berhad. The professional firm shall identify auditable areas and risk significance of each business processes, taking 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 aspects above 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 in page 21 and 22 of the Annual Report.

Relationship with Auditors

The Board maintains a formal and transparent relationship with the external auditors through the Audit Committee to meet their professional requirements. The role of the Audit Committee in relation to the external auditors is more particularly described in the Audit Committee Report in pages 23 to 25 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 applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of the results 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 2007, the Directors have :-

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- ensured that applicable accounting standards have been followed;
- 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 position 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 6 November 2007.

STATEMENT ON INTERNAL CONTROL

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INTRODUCTION

The Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market require directors of listed companies to make a statement in the annual report about the state of their internal controls. The Malaysian 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 2007. 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 risks appropriately rather than 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

The Board regards risk management as an integral part of the Group's business operations, and it is in the process of establishing a risk management framework for identifying, evaluating and managing the significant risks faced by the Group. Presently, the Board's primary objective and direction in managing the Group's risks are focused on the achievement of the Group's business objectives.

On 28 September 2007, the Board has engaged an independent professional firm for the provision of Enterprise Risk Management ("ERM") services to Greenyield Berhad. The overall engagement objectives for ERM services are to assist the Board in the following areas:-

- Development of an ERM framework which incorporates a suitable oversight structure, risk management policy, reporting mechanisms, risk parameters, and process and mechanisms for risk identification, profiling, assessment and treatment;
- Development of an enterprise risk profile to be used as a baseline for the deployment of the ERM framework referred to above; and
- Enhancing risk consciousness, to create an impetus to change amongst key personnel.

INTERNAL CONTROL FRAMEWORK

The Board is ultimately responsible for the implementation and maintenance of the Group's internal processes and procedures. 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.

INTERNAL CONTROL FRAMEWORK (cont'd)

- 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 limits and terms to reduce the exposure of credit risks.
- The organisational structure of the Company and its subsidiaries has defined lines of accountability and authorities for all aspects of the business.
- Internal control procedures include the publication of the Employees Handbook, which highlights policies on health and safety, staff performance and serious misconduct. These procedures are relevant across the Group to provide for continuous assurance to be given at increasingly higher levels of management and finally to the Board.
- Terms of reference have been written for the Board Committees namely the Audit Committee, Nomination Committee, Remuneration Committee and Option Committee.

During the financial year ended 31 July 2007, the Group does not have an internal audit department and the Audit Committee relied on discussions with the Management and Executive Directors, review of financial statements and input from the external auditors to discharge its duties.

On 28 September 2007, the Board has engaged an independent professional firm for the provision of Internal Audit ("IA") services to Greenyield Berhad. The professional firm shall submit internal audit charter and internal audit plan for the review and approval of the Audit Committee, prior to the execution of the internal audit. The internal audit plan shall take 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 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 2007. The Board will continue to take necessary measures to strengthen and improve its internal control structure in order to manage the risks more effectively.

This statement has been made in accordance with a resolution passed by the Board of Directors on 6 November 2007.

AUDIT COMMITTEE REPORT

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MEMBERSHIP & MEETINGS OF AUDIT COMMITTEE

The Audit Committee was established in compliance with Rule 15.10 of the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ 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 2007
Chairman	Dr. Zainol Bin Md. Eusof <i>Independent Non-Executive Director</i>	6/6
Members	Dr. Shaikh Awadz Bin Shaikh Abdullah <i>Independent Non-Executive Director</i>	5/6
	Loke Chee Kien <i>Executive Director</i>	6/6

INTERNAL AUDIT FUNCTION

During the financial year ended 31 July 2007, the Group does not have an internal audit department and the Audit Committee relied on discussions with the Management and Executive Directors, review of financial statements and input from the external auditors to discharge its duties.

On 28 September 2007, the Board has engaged an independent professional firm for the provision of Internal Audit ("IA") services to Greenyield Berhad. The professional firm shall identify auditable areas and risk significance of each business processes, taking into consideration 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 aspects above will improve the Group's risk coverage and allow the Group to receive an efficient and effective level of audit coverage.

TERMS OF REFERENCE OF AUDIT COMMITTEE**1. COMPOSITION**

The Board of Directors ("BOD") of Greenyield Berhad (the "Company") has resolved to establish a Committee of the BOD to be known as the Audit Committee.

The Audit Committee shall be appointed by the BOD from among their number (pursuant to a resolution of the Board of Directors) and shall be composed of not fewer than three (3) members of whom the majority shall be Independent Directors. The Group Managing Director / Group Chief Executive Officer of the Company shall not be a member of the Audit Committee.

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; or

TERMS OF REFERENCE OF AUDIT COMMITTEE (cont'd)

1. COMPOSITION (cont'd)

- c) fulfil such other requirements as prescribed 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.

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 BOD 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 within two (2) months, but in any case not later than three (3) months.

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 effectiveness of the internal audit function (if any);
- (iv) To review the effectiveness of the internal control and management information systems;
- (v) To review the quarterly results and financial statements of the Company with both the external auditors, if applicable, and management;
- (vi) To review the external auditors' audit report;
- (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 the assistance given by the Company's officers to the external auditors;
- (x) To review all areas of significant financial risk and the arrangements in place to contain those risks to acceptable levels; and
- (xi) To review all related-party transactions and potential conflict of interests situations;
- (xii) To review the allocation of options during the year ender the Company's Employee Share Option Scheme ("ESOS") to ensure that it is in compliance with the allocation criteria determined by the Option Committee and in accordance with the Bye-Laws of the ESOS; and
- (xiii) To consider all other matters delegated by the BOD.

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

AUDIT COMMITTEE REPORT
(cont'd)**3. ACCESS (cont'd)**

- (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 view that a matter reported by it to the BOD has not been satisfactorily resolved resulting in a breach of the Listing Requirements, 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 fulfil its duties. Upon the request of the external auditors or internal auditors (if any), 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 BOD or shareholders.

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

The external auditors or internal auditors (if any) 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 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 Audit Committee and circulating them to committee members and to the other members of the BOD.

A quorum shall consist of a minimum of two (2) Audit Committee members including at least one (1) independent director.

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 BOD's responsibility for preparing the annual audited financial statements; and
- (e) Statement about the state of internal control of the Company and its subsidiaries.

6. STATEMENT ON EMPLOYEE SHARE OPTION SCHEME ("ESOS") BY THE COMMITTEE

The Audit Committee has reviewed and verified that the allocation of options granted during the financial year ended 31 July 2007 were in compliance with the criteria determined by the Option Committee and in accordance with the Bye-Laws of the ESOS.

1. UTILISATION OF PROCEEDS

Greenyield Berhad was listed on the MESDAQ 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 2007 is as follows:

Purpose	Allocation of proceeds (RM'000)	Amount utilised from 20 October 2006 to 31 July 2007 (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 in Malaysia	300	-	300
Repayment of borrowings	1,500	1,500	-
Working capital	2,223	200	2,023
Estimated listing expenses	1,502	1,466	36
Total	8,875	3,166	5,709

2. SHARE BUY-BACK

During the financial year ended 31 July 2007, the Company did not enter into any share buy-back transaction.

3. OPTIONS, WARRANTS AND CONVERTIBLE SECURITIES

During the financial year ended 31 July 2007, there were no exercise of options, warrants and convertible securities.

4. DEPOSITORY RECEIPT PROGRAMME

During the financial year ended 31 July 2007, the Company did not sponsor any depository receipt programme.

5. SANCTIONS AND/OR PENALTIES

During the financial year ended 31 July 2007, 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 2007, the amount of non-audit fees paid out or payable to external auditors by the Group is RM14,925.

7. PROFIT ESTIMATE, FORECAST OR PROJECTION

For the financial year ended 31 July 2007, the Group achieved a consolidated profit after tax ("PAT") after minority interest of RM4,421,436 as compared to a profit forecast of RM4,555,000 released in the Prospectus dated 27 September 2006.

8. VARIATION IN RESULTS

There is no significant variance between the results for the financial year ended 31 July 2007 and the unaudited results previously released by the Company.

ADDITIONAL COMPLIANCE INFORMATION (cont'd)

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 revalues its property comprising land and buildings every 5 years and at shorter intervals whenever the fair value of the revalued assets are expected to differ materially from their carrying value.

13. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

The Group did not undertake any corporate social responsibility activities during the financial year ended 31 July 2007.

14. 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. Loke Chee Kien	335,000	-
4. Dr. Sivakumaran A/L Seenivasagam	335,000	-
5. Tajuddin Bin Ismail	335,000	-
Non-Executive Directors		
6. Y. Bhg. Tan Sri Datuk Arshad Bin Ayub	85,000	-
7. Dr. Zainol Bin Md. Eusof	85,000	-
8. Dr. Shaikh Awadz Bin Shaikh Abdullah	85,000	-
9. Ishak Bin Said	85,000	-

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DIRECTORS' REPORT
for the year ended 31 July 2007**29**

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 2007.

Principal activities

The Company is principally engaged in investment holding, whilst the principal activities of the subsidiaries are as stated in note 5 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM	Company RM
Profit/(Loss) for the year	4,421,436	(20,726)

Reserves and provisions

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

Dividends

No dividend was paid during the year.

The Directors recommended a final dividend of 15%, comprising 5% tax exempt and 10%, less tax at 27%, amounting RM2,029,500 in respect of the financial year ended 31 July 2007.

Directors of the Company

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

Tham Foo Keong
Tan Sri Datuk Arshad Bin Ayub
Tham Foo Choon
Loke Chee Kien
Dr. Sivakumaran A/L Seenivasagam
Tajuddin Bin Ismail
Ishak Bin Said
Dr. Zainol Bin Md. Eusof
Dr. Shaikh Awadz Bin Shaikh Abdullah

Directors of the Company (cont'd)

The holdings and deemed holdings in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM0.10 each			At 31.7.2007
	At 1.8.2006	Bought	Sold	
Direct interest in the Company				
Tham Foo Keong	5,851,580	1,467,000	2,167,000	5,151,580
Tan Sri Datuk Arshad Bin Ayub	-	20,000	-	20,000
Tham Foo Choon	5,851,580	-	2,137,000	3,714,580
Loke Chee Kien	-	20,000	-	20,000
Dr. Sivakumaran A/L Seenivasagam	745,710	20,000	-	765,710
Tajuddin Bin Ismail	-	20,000	-	20,000
Ishak Bin Said	-	20,000	-	20,000
Dr. Zainol Bin Md. Eusof	-	20,000	-	20,000
Dr. Shaikh Awadz Bin Shaikh Abdullah	-	20,000	-	20,000
Deemed interest through ultimate holding company, Greenyield Holdings Sdn. Bhd.				
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 31.7.2007
	At 1.8.2006	Granted	Exercised	
Direct interest in the Company				
Tham Foo Keong	-	335,000	-	335,000
Tan Sri Datuk Arshad Bin Ayub	-	85,000	-	85,000
Tham Foo Choon	-	335,000	-	335,000
Loke Chee Kien	-	335,000	-	335,000
Dr. Sivakumaran A/L Seenivasagam	-	335,000	-	335,000
Tajuddin Bin Ismail	-	335,000	-	335,000
Ishak Bin Said	-	85,000	-	85,000
Dr. Zainol Bin Md. Eusof	-	85,000	-	85,000
Dr. Shaikh Awadz Bin Shaikh Abdullah	-	85,000	-	85,000

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) 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 or any other body corporate apart from the issue of the Employees' Share Option Scheme (ESOS).

DIRECTORS' REPORT

for the year ended 31 July 2007 (cont'd)

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Issue of shares and debentures

During the financial year, the Company increased its issued and fully paid-up share capital from RM12,274,000 to RM16,500,000 by the issuance of 42,260,000 new ordinary shares of RM0.10 each in conjunction with the listing of the Company on the MESDAQ market of Bursa Malaysia Securities Berhad.

Options granted over unissued shares

At an extraordinary general meeting held on 2 August 2006, the Company's shareholders approved the establishment of an Employees' Share Option Scheme (ESOS). The aggregate number of options exercised and options offered and to be offered under the scheme shall not exceed 15,000,000 new ordinary shares at any time during the existence of the ESOS to eligible Directors and employees of the Group.

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
- vii) The ESOS shall be in force for a period of three (3) years commencing 13 October 2006. The ESOS may at the discretion of the options committee be extended for up to seven (7) years.

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

Date of offer	Exercise price (RM)	Number of options over ordinary shares of RM0.10 each				At 31.7.2007
		At 1.8.2006	Granted	Exercised	Forfeited	
13 October 2006	0.21	-	3,462,000	-	21,000	3,441,000

Except for the option holder who has granted options of 300,000 and above, the Company has been granted exemption by the Companies Commission of Malaysia from having to disclose in this report the names of persons to whom options have been granted during the financial year and details of their holdings as required by Section 169(11) of the Companies Act, 1965. This information has been separately filed with the Companies Commission of Malaysia.

No option holders were granted options of 300,000 and above other than the Directors of the Company which have been disclosed in the preceding paragraph.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) there are no bad debts to be written off and no provision 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 misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

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

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 2007 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.

Significant events

- (i) On 24 February 2005, the Securities Commission approved the listing of and quotation for the entire issued and paid-up share capital of the Company. The listing scheme involve the following:

Issue of 42,260,000 new ordinary shares of RM0.10 each at an issue price of RM0.21 per ordinary share by way of private placement and public offer payable in full on application comprising:-

- 35,260,000 new ordinary shares of RM0.10 each available for placement to selected investors;
- 3,000,000 new ordinary shares of RM0.10 each available for application by the public; and
- 4,000,000 new ordinary shares of RM0.10 each available for application by the eligible directors and employees of the Group, and other persons who have contributed to the success of the Group.

The Company has on 15 August 2006 entered into a sponsorship agreement with AmMerchant Bank Berhad whereby the Company has appointed AmMerchant Bank Berhad to act as sponsor from the date of listing of the Company until 31 July 2008.

DIRECTORS' REPORT
for the year ended 31 July 2007 (cont'd)

Significant events (cont'd)

The Company has on 17 August 2006 entered into an underwriting agreement with AmMerchant Bank Berhad and Alliance Investment Bank Berhad to underwrite 3,000,000 shares which will be made available for application under the public offer; and 4,000,000 shares which will be made available for application by the eligible directors and employees of the Group, and other persons who have contributed to the success of the Group.

The Company was listed and quoted on the MESDAQ Market of Bursa Malaysia Securities Berhad on 20 October 2006.

- (ii) A debt guarantee agreement dated 23 August 2006 was signed between the Company and Greenyield Holdings Sdn. Bhd., Tham Foo Keong and Tham Foo Choon respectively ("Promoters") whereby the Promoters unconditionally and irrevocably obtained the sum of RM2,055,000 being an irrevocable, unconditional and enforceable bank guarantee facility in favour of the Company to guarantee the collection of all the trade receivables of the Group that were in dispute, under legal course of action or exceeding 4 months as at 31 July 2006, as well as those which would be more than 6 months as at 30 September 2006 if it remained unpaid. On 28 August 2006, the Company had called upon the bank guarantee and the amount of RM2,055,000 has been paid to the Company on 29 August 2006 in settlement of all the trade receivables of the Group that were in dispute, under legal case of action or exceeding 4 months as at 31 July 2006.

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:

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 36 to 61 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards for entities, other than private entities, issued by the Malaysian Accounting Standards Board so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 July 2007 and of their results and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors:

.....
Tham Foo Keong

.....
Tham Foo Choon

Kajang, Selangor Darul Ehsan

Date: 6 November 2007

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

I, **Loke Chee Kien**, the Director primarily responsible for the financial management of Greenyeld Berhad, do solemnly and sincerely declare that the financial statements set out on pages 36 to 61 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 6 November 2007.

.....
Loke Chee Kien

Before me:

REPORT OF THE AUDITORS to the members of Greenyield Berhad

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ANNUAL REPORT 2007

We have audited the financial statements set out on pages 36 to 61. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards for entities, other than private entities, issued by the Malaysian Accounting Standards Board so as to give a true and fair view of:
 - i) the state of affairs of the Group and of the Company at 31 July 2007 and of their results and cash flows for the year ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries have been properly kept in accordance with the provisions of the said Act.

We are satisfied that the financial statements 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 consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

KPMG
Firm Number: AF 0758
Chartered Accountants

Foong Mun Kong
Partner
Approval Number: 2613/12/08(J)

Kuala Lumpur, Malaysia

Date: 6, November 2007

BALANCE SHEETS
as at 31 July 2007

ANNUAL REPORT 2007

	Note	Group		Company	
		2007 RM	2006 RM	2007 RM	2006 RM
Assets					
Property, plant and equipment	3	13,388,348	12,155,075	-	-
Intangible assets	4	19,746	21,103	-	-
Investments in subsidiaries	5	-	-	12,273,998	12,273,998
Total non-current assets		13,408,094	12,176,178	12,273,998	12,273,998
Current Assets					
Receivables, deposits and prepayments	6	6,470,753	9,028,666	1,813,900	336,767
Inventories	7	4,751,683	2,830,615	-	-
Cash and cash equivalents	8	12,956,340	3,059,225	5,662,048	502
Total current assets		24,178,776	14,918,506	7,475,948	337,269
Total assets		37,586,870	27,094,684	19,749,946	12,611,267
Equity					
Share capital		16,500,000	12,274,000	16,500,000	12,274,000
Reserves		15,197,240	7,478,518	3,227,149	(49,411)
Total equity	9	31,697,240	19,752,518	19,727,149	12,224,589
Liabilities					
Loans and borrowings	10	316,907	956,667	-	-
Deferred tax liabilities	11	1,476,648	1,260,767	-	-
Total non-current liabilities		1,793,555	2,217,434	-	-
Current Liabilities					
Payables and accruals	13	3,179,837	3,577,217	22,797	386,678
Loans and borrowings	10	866,041	1,346,058	-	-
Taxation		50,197	201,457	-	-
Total current liabilities		4,096,075	5,124,732	22,797	386,678
Total liabilities		5,889,630	7,342,166	22,797	386,678
Total equity and liabilities		37,586,870	27,094,684	19,749,946	12,611,267

INCOME STATEMENTS

for the year ended 31 July 2007

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ANNUAL REPORT 2007

	Note	Group		Company	
		2007 RM	2006 RM	2007 RM	2006 RM
Revenue		26,355,209	19,843,814	-	-
Cost of sales		(15,726,125)	(9,771,774)	-	-
Gross profit		10,629,084	10,072,040	-	-
Other income		348,745	151,331	149,284	-
Distribution expenses		(826,302)	(1,843,445)	-	-
Administrative expenses		(3,911,780)	(2,937,944)	(169,739)	(16,100)
Other expenses		(302,058)	(133,223)	-	-
Results from operating activities		5,937,689	5,308,759	(20,455)	(16,100)
Finance costs		(156,866)	(220,263)	(91)	-
Profit/(Loss) before tax	14	5,780,823	5,088,496	(20,546)	(16,100)
Tax expense	15	(1,359,387)	(1,370,817)	(180)	-
Profit/(Loss) for the year		4,421,436	3,717,679	(20,726)	(16,100)
Basic earnings per ordinary share (sen):	16	2.84	3.03		
Diluted earnings per ordinary share (sen):	16	2.79	3.03		

STATEMENTS OF CHANGES IN EQUITY
for the year ended 31 July 2007

Group	Note	Attributable to shareholders of the Company			Total
		Share capital	Share premium	Share option reserve	
		RM	RM	RM	RM
At 1 August 2005		12,274,000	-	-	16,034,839
Profit for the year		-	-	-	3,717,679
At 31 July 2006		12,274,000	-	-	19,752,518
Issue of new shares		4,226,000	4,648,600	-	8,874,600
Listing expenses		-	(1,472,991)	-	(1,472,991)
Share-based payment	12	-	-	121,677	121,677
Profit for the year		-	-	-	4,421,436
Total recognised income and expense for the year		-	-	-	4,421,436
At 31 July 2007		16,500,000	3,175,609	121,677	31,697,240
		Note 9	Note 9	Note 9	
Company					
At 1 August 2005		12,274,000	-	-	12,240,689
Loss for the year		-	-	-	(16,100)
At 31 July 2006		12,274,000	-	-	12,224,589
Issue of new shares		4,226,000	4,648,600	-	8,874,600
Listing expenses		-	(1,472,991)	-	(1,472,991)
Share-based payment	12	-	-	121,677	121,677
Loss for the year		-	-	-	(20,726)
At 31 July 2007		16,500,000	3,175,609	121,677	19,727,149
		Note 9	Note 9	Note 9	

CASH FLOW STATEMENTS

for the year ended 31 July 2007

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	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Cash flows from operating activities				
Profit/(Loss) before tax	5,780,823	5,088,496	(20,546)	(16,100)
Adjustments for:				
Depreciation	814,400	743,011	-	-
Amortisation of intangible assets	1,357	3,194	-	-
Loss/(Gain) on disposal of property, plant and equipment	75,950	(149,668)	-	-
Interest expense	156,866	220,263	-	-
Interest income	(206,823)	(2,454)	(149,235)	-
Share-based payment	121,677	-	11,877	-
Operating profit/ (loss) before changes in working capital	6,744,250	5,902,842	(157,904)	(16,100)
Inventories	(1,921,068)	(153,425)	-	-
Receivables, deposits and prepayments	2,574,956	(902,356)	(1,367,333)	(101,962)
Trade and other payables	(397,380)	(179,979)	(363,881)	118,062
Cash from/ (used in) operations	7,000,758	4,667,082	(1,889,118)	-
Interest paid	(41,168)	(56,598)	-	-
Tax paid	(1,392,948)	(1,345,008)	(180)	-
Tax refund	81,140	180,817	-	-
Net cash from/ (used in) operating activities	5,647,782	3,446,293	(1,889,298)	-
Cash flows from investing activities				
Purchase of property, plant and equipment (ii)	(1,848,073)	(928,835)	-	-
Proceeds from disposal of property, plant and equipment	374,450	188,535	-	-
Renewal of intangible assets	-	(2,040)	-	-
Interest received	206,823	2,454	149,235	-
Net cash (used in)/ from investing activities	(1,266,800)	(739,886)	149,235	-
Cash flows from financing activities				
Proceeds from other borrowings	285,000	1,176,548	-	-
Repayment of term loan and other borrowings	(1,418,663)	(751,540)	-	-
Decrease/(Increase) in pledged deposits placed with licensed banks	126,266	(2,425)	-	-
Repayment of hire purchase liabilities	(194,931)	(207,195)	-	-
Proceeds from issue of shares	8,874,600	-	8,874,600	-
Listing expenses	(1,472,991)	-	(1,472,991)	-
Interest paid	(115,698)	(163,665)	-	-
Net cash from financing activities	6,083,583	51,723	7,401,609	-
Net increase in cash and cash equivalents	10,464,565	2,758,130	5,661,546	-
Cash and cash equivalents at beginning of year (i)	2,408,932	(349,198)	502	502
Cash and cash equivalents at end of year (ii)	12,873,497	2,408,932	5,662,048	502

CASH FLOW STATEMENTS
for the year ended 31 July 2007 (cont'd)

ANNUAL REPORT 2007

i) Cash and cash equivalents

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

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Deposits with licensed banks	9,786,416	209,109	5,637,304	-
Cash and bank balances	3,169,924	2,850,116	24,744	502
Bank overdraft	-	(441,184)	-	-
	12,956,340	2,618,041	5,662,048	502
Less: Deposits pledged	(82,843)	(209,109)	-	-
	12,873,497	2,408,932	5,662,048	502

ii) Purchase of property, plant and equipment

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM2,498,073 (2006:RM1,099,835) of which RM650,000 (2006:RM171,312) were acquired by means of hire purchase.

NOTES TO THE FINANCIAL STATEMENTS

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ANNUAL REPORT 2007

Greenyield Berhad is a public limited liability company incorporated and domiciled in Malaysia and is listed on the MESDAQ market of Bursa Malaysia Securities Berhad. The addresses of its registered office and principal place of business are as follows:

Registered office

Level 7, Setia 1, 15 Lorong Dungun
Damansara Heights
50490 Kuala Lumpur

Principal place of business

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

The consolidated financial statements as at and for the year ended 31 July 2007 comprise the Company and its subsidiaries (together referred to as the Group). The financial statements of the Company as at and for the year ended 31 July 2007 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 and wood-related products.

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

1. Basis of preparation**(a) Statement of compliance**

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved accounting standards for entities other than the private entities issued by the Malaysian Accounting Standards Board (MASB), accounting principles generally accepted in Malaysia and the provisions of the Companies Act, 1965.

The MASB has issued the following Financial Reporting Standards (FRS) and Interpretations (IC) that are effective for annual period beginning after 1 January 2006, and that have not been applied in preparing these financial statements:

FRSs / Interpretations	Effective date
FRS 117, <i>Leases</i>	1 October 2006
FRS 124, <i>Related Party Disclosures</i>	1 October 2006
FRS 139, <i>Financial Instruments: Recognition and Measurement</i>	To be announced
Amendment to FRS 119 ²⁰⁰⁴ , <i>Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures</i>	1 January 2007
FRS 6, <i>Exploration for and Evaluation of Mineral Resources</i>	1 January 2007
Amendment to FRS 121, <i>The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation</i>	1 July 2007
IC Interpretation 1, <i>Changes in Existing Decommissioning, Restoration and Similar Liabilities</i>	1 July 2007
IC Interpretation 2, <i>Members' Shares in Co-operative Entities and Similar Instruments</i>	1 July 2007
IC Interpretation 5, <i>Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds</i>	1 July 2007

1. Basis of preparation (cont'd)

(a) Statement of compliance (cont'd)

FRSs / Interpretations (cont'd)	Effective date
IC Interpretation 6, <i>Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment</i>	1 July 2007
IC Interpretation 7, <i>Applying the Restatement Approach under FRS 129²⁰⁰⁴ Financial Reporting in Hyperinflationary Economies</i>	1 July 2007
IC Interpretation 8, <i>Scope of FRS 2</i>	1 July 2007
FRS 107, <i>Cash Flow Statements</i>	1 July 2007
FRS 111, <i>Construction Contracts</i>	1 July 2007
FRS 112, <i>Income Taxes</i>	1 July 2007
FRS 118, <i>Revenue</i>	1 July 2007
FRS 120, <i>Accounting for Government Grants and Disclosure of Government Assistance</i>	1 July 2007
FRS 134, <i>Interim Financial Reporting</i>	1 July 2007
FRS 137, <i>Provisions, Contingent Liabilities and Contingent Assets</i>	1 July 2007

The Group and the Company plan to apply the above-mentioned FRSs (except for FRS 6 as explained below and FRS 139 which its effective date has yet to be announced) and ICS for the annual period beginning 1 August 2008.

The impact of applying FRS 117, FRS 124 and FRS 139 on the financial statements upon first adoption of these standards as required by paragraph 30(b) of FRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors* is not disclosed by virtue of the exemptions given in the respective standards.

FRS 6 and IC 1, 2, 5, 6 and 7 are not applicable to the Group and the Company. Hence, no further disclosure is warranted.

The initial application of the other standards and interpretations are not expected to have any material impact on the financial statements of the Group.

The financial statements were approved by the Board of Directors on 6 November 2007.

(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.

(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.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Group and the Company, 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.

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 impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(ii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transaction.

(c) Property, plant and equipment

(i) Recognition and measurement

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bring 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.

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.

(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 those parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

(iii) Depreciation

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leasehold land is amortised in equal instalments over the remaining period of 82 years while buildings are depreciated on a straight-line basis over the shorter of 50 years or leasehold period. Freehold land is not depreciated.

2. Significant accounting policies (cont'd)

(c) Property, plant and equipment (cont'd)

(iii) Depreciation (cont'd)

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

Leasehold land	82 years
Leasehold buildings	50 years
Motor vehicles	10 years
Plant and machinery	12 years
Computer	12 years
Renovation	12 years
Furniture and fittings, office equipment, air-conditioner, empty cylinder and electrical installation	12 years

The depreciable amount is determined after deducting the residual value. Depreciation methods, useful lives and residual values are reassessed at the reporting date.

(d) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and, except for leasehold land classified as property, plant and equipment, the leased assets are not recognised on the Group's balance sheet.

(e) Intangible assets

(i) Trade marks

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

Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

(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

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. 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.

Trade marks are amortised over a period ranging from 10 to 20 years.

2. Significant accounting policies (cont'd)**(f) Inventories**

Raw materials, work-in-progress, finished goods, agricultural parts, packaging materials and trading inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out (FIFO) basis and includes all direct expenditure incurred in bringing the inventories to their present location and condition. For work-in-progress and manufactured inventories, cost consists of materials, direct labour and an appropriate proportion of fixed and variable production overheads.

(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 consists of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(i) Impairment of assets

The carrying amounts of assets 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 at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement.

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

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) Share capital***Shares issue expenses***

Incremental costs directly attributable to issue of shares and share options classified as equity are recognised as a deduction from equity.

(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 statement over the period of the loans and borrowings using the effective interest method.

2. Significant accounting policies (cont'd)

(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 the Employees' Provident Fund are 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.

(ii) Share-based payment transactions

The share option programme allows Group employees to acquire shares of the Company. Following the adoption of FRS 2, Share-based Payment, the grant date fair value of share options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The change in accounting policy is applied retrospectively only for those shares options granted after 31 December 2004 and have not vested as of 1 January 2006 as provided in the transitional provision of FRS 2. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

The fair value of employee stock 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

i) Goods sold

Revenue from 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) Interest income

Interest income is recognised in the income statements as it accrues, taking into account the effective yield on the asset.

(iii) Dividend income

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

2. Significant accounting policies (cont'd)**(o) Lease payments**

Payments made under operating leases are recognised in the income statement 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.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(p) Borrowing costs

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

(q) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statement 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 substantially 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.

Additional taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

(r) 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 share options granted to employees.

(s) Segment reporting

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

3. Property, plant and equipment

Group	Freehold land and building* RM	Leasehold land RM	Leasehold building RM	Plant and machinery RM	Motor vehicles RM	Computer RM	Renovation RM	Furniture and fittings, office equipment, air-conditioner, empty cylinder an delectrical installation RM	Total RM
Cost									
At 1 August 2005	1,490,000	1,578,249	4,921,806	996,107	1,269,338	25,291	413,603	1,505,899	12,200,293
Additions	-	-	-	695,570	143,312	40,594	-	220,359	1,099,835
Disposals	-	-	-	(26,252)	-	-	-	(17,478)	(43,730)
Transfer to inventories	-	-	-	-	-	-	-	(55,954)	(55,954)
At 31 July 2006	1,490,000	1,578,249	4,921,806	1,665,425	1,412,650	65,885	413,603	1,652,826	13,200,444
Additions	-	-	-	531,951	1,325,854	8,913	102,815	528,540	2,498,073
Disposals	-	-	-	(41,500)	(795,365)	-	-	(12,450)	(849,315)
At 31 July 2007	1,490,000	1,578,249	4,921,806	2,155,876	1,943,139	74,798	516,418	2,168,916	14,849,202
Depreciation									
At 1 August 2005	-	13,167	48,816	85,880	69,391	-	16,066	75,492	308,812
Charge for the year	-	18,479	91,635	224,683	175,759	5,455	38,559	188,441	743,011
Disposals	-	-	-	(5,094)	-	-	-	(371)	(5,465)
Transfer to inventories	-	-	-	-	-	-	-	(989)	(989)
At 31 July 2006	-	31,646	140,451	305,469	245,150	5,455	54,625	262,573	1,045,369
Charge for the year	-	18,479	91,635	237,291	205,181	6,804	43,298	211,712	814,400
Disposals	-	-	-	(17,751)	(371,047)	-	-	(10,117)	(398,915)
At 31 July 2007	-	50,125	232,086	525,009	79,284	12,259	97,923	464,168	1,460,854
Carrying Amounts									
At 1 August 2005	1,490,000	1,565,082	4,872,990	910,227	1,199,947	25,291	397,537	1,430,407	11,891,481
At 31 July 2006	1,490,000	1,546,603	4,781,355	1,359,956	1,167,500	60,430	358,978	1,390,253	12,155,075
At 31 July 2007	1,490,000	1,528,124	4,689,720	1,630,867	1,863,855	62,539	418,495	1,704,748	13,388,348

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

Assets under hire purchase arrangements

The carrying amounts of property, plant and equipment acquired under hire purchase arrangements are as follows:

	2007 RM	2006 RM
Motor vehicles	1,331,643	131,158
Plant and machinery	52,906	57,138

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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4. Intangible assets

	Trademarks RM
Cost	
At 1 August 2005	22,782
Additions	2,040
<hr/>	
At 31 July 2006 / 31 July 2007	24,822
<hr/>	
Amortisation	
At 1 August 2005	525
Amortisation charge for the year	3,194
<hr/>	
At 31 July 2006	3,719
Amortisation charge for the year	1,357
<hr/>	
At 31 July 2007	5,076
<hr/>	
Carrying amounts	
At 1 August 2005	22,257
<hr/>	
At 31 July 2006	21,103
<hr/>	
At 31 July 2007	19,746
<hr/>	

5. Investments in subsidiaries

	Company	
	2007 RM	2006 RM
At Cost:		
Unquoted shares	12,273,998	12,273,998
<hr/>		

Details of the subsidiaries are as follows:

Name of company	Country of incorporation	Principal activities	Effective ownership interest	
			2007 %	2006 %
Greenyild Industries (M) Sdn. Bhd.	Malaysia	Manufacturing and marketing of agricultural systems and products, plastic related and wood-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	100	100
RCP Technologies Sdn. Bhd.	Malaysia	Trading of agricultural and plantation tools and providing technical and consultancy services	100	100

6. Receivables, deposits and prepayments

	Note	Group		Company	
		2007 RM	2006 RM	2007 RM	2006 RM
Trade					
Trade receivables		5,076,019	6,591,895	-	-
Less: Allowance for doubtful debts		-	(26,425)	-	-
		5,076,019	6,565,470	-	-
Non-trade					
Tax recoverable		235,636	219,248	-	-
Amount due from subsidiaries	a	-	-	1,809,800	18,211
Amount due from ultimate holding company	a	-	132,129	-	-
Other receivables		296,372	1,041,955	4,100	318,556
Deposits		144,468	658,474	-	-
Prepayments		718,258	411,390	-	-
		1,394,734	2,463,196	1,813,900	336,767
		6,470,753	9,028,666	1,813,900	336,767

Note a

The amounts due from subsidiaries and ultimate holding company are unsecured, interest free and have no fixed terms of repayments.

The foreign currency risk profile of receivables, deposits and prepayments is as follows:

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
- US Dollar	2,756,643	2,461,432	-	-
- Ringgit Malaysia	3,714,110	6,567,234	1,813,900	336,767
	6,470,753	9,028,666	1,813,900	336,767

7. Inventories

	Group	
	2007 RM	2006 RM
At cost:		
Raw materials	1,250,977	941,106
Work-in-progress	993,653	588,176
Finished goods	182,840	226,989
Agricultural parts	2,078,970	581,599
Packaging materials	245,243	133,201
Trading inventories	-	359,544
	4,751,683	2,830,615

Management reviews inventory for excess inventory and obsolescence and records an allowance on the inventory balance based on obsolete or slow moving historical experiences. These reviews require management to estimate future demand for their products. An allowance for slow moving and obsolete inventories is made if inventories are deemed to be obsolete or slow-moving.

8. Cash and cash equivalents

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Deposits with licensed banks	9,786,416	209,109	5,637,304	-
Cash and bank balances	3,169,924	2,850,116	24,744	502
	12,956,340	3,059,225	5,662,048	502

Included in the deposits placed with licensed banks is RM82,843 (2006:RM209,109) pledged for a bank facility granted to a subsidiary.

9. Capital and reserves

Share Capital	Group and Company			
	Amount 2007 RM	Number of shares 2007	Amount 2006 RM	Number of shares 2006
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				
Balance at beginning of year	12,274,000	122,740,000	12,274,000	122,740,000
Issued for cash	4,226,000	42,260,000	-	-
	16,500,000	165,000,000	12,274,000	122,740,000

9. Capital and reserves (cont'd)

Reserves	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Non-distributable				
Share premium reserve	3,175,609	-	3,175,609	-
Share option reserve	121,677	-	121,677	-
	3,297,286	-	3,297,286	-
Distributable				
Retained earnings/ (Accumulated losses)	11,899,954	7,478,518	(70,137)	(49,411)
	15,197,240	7,478,518	3,227,149	(49,411)

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.

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.

10. Loans and borrowings

	Group	
	2007 RM	2006 RM
Non-current		
Term loans – secured	-	800,453
Hire purchase liabilities	316,907	156,214
	316,907	956,667
Current		
Term loans – secured	-	618,210
Bank overdraft – secured	-	441,184
Bills payable- secured	495,000	210,000
Hire purchase liabilities	371,041	76,664
	866,041	1,346,058

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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10. Loans and borrowings (cont'd)

Terms and debt repayment schedule

Group	Year of maturity	Carrying amount RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	Over 5 years RM
2007						
Bill payable - secured	2008	495,000	495,000	-	-	-
2006						
Term loan – secured	2008	1,418,663	618,210	800,453	-	-
Bank overdraft – secured	2007	441,184	441,184	-	-	-
Bill payable – secured	2007	210,000	210,000	-	-	-
		2,069,847	1,269,394	800,453	-	-

Hire purchase liabilities

Hire purchase liabilities are payable as follows:

Group	Payments 2007 RM	Interest 2007 RM	Principal 2007 RM	Payments 2006 RM	Interest 2006 RM	Principal 2006 RM
Less than one year	395,018	(23,977)	371,041	86,836	(10,172)	76,664
Between one and five years	326,112	(9,205)	316,907	166,469	(10,255)	156,214
	721,130	(33,182)	687,948	253,305	(20,427)	232,878

11. Deferred tax liabilities

The recognised deferred tax liabilities are as follows:

	Group	
	2007 RM	2006 RM
Property, plant and equipment		
- capital allowances	621,186	638,087
- revaluation	855,462	622,680
	1,476,648	1,260,767

11. Deferred tax liabilities (cont'd)

Movement in temporary differences during the year

Group	At 1 August 2005 RM	Recognised in income statement RM (Note 15)	At 31 July 2006 RM	Recognised in income statement RM (Note 15)	At 31 July 2007 RM
Property, plant and equipment					
- capital allowances	566,042	72,045	638,087	(16,901)	621,186
- revaluation	638,136	(15,456)	622,680	232,782	855,462
	1,204,178	56,589	1,260,767	215,881	1,476,648

12. Employee benefits

Share-based payment

During the financial year, 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. The options are exercisable at the market price in accordance with these programmes.

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

	Weighted average exercise price 2007 RM	Number of options 2007
At beginning of the year	-	-
Granted during the year	0.21	3,462,000
Forfeited during the year	-	(21,000)
At end of the year	0.21	3,441,000
Exercisable at end of year	0.21	1,156,950

The options outstanding at 31 July 2007 have an exercise price of RM0.21 and weighted average contractual life of 3 years. No shares options were exercised during the financial year.

The fair value of services received in return of sales options granted is based on the fair value of share options granted, measured using Black Scholes model, with the following inputs:

Fair value of share options and assumptions	2007
Weighted average fair value at grant date	RM0.071
Share price at grant date	RM0.21
Exercise price	RM0.21
Expected volatility	54.19%
Weighted average option life	3 years

12. Employee benefits (cont'd)

Share-based payment (cont'd)

	2007 RM
Employee expenses	
Group	
Share options granted in 2007	121,677
<hr/>	
Total expense recognised as share-based payments (Note 14)	121,677
<hr/>	
Company	
Total expense recognised as share-based payments (Note 14)	11,877

13. Payables and accruals

		Group		Company	
	Note	2007 RM	2006 RM	2007 RM	2006 RM
Trade					
Trade payables		2,641,745	2,850,463	-	-
<hr style="border-top: 1px dashed black;"/>					
Non-trade					
Other payables and accruals		535,859	725,444	22,749	95,274
Amount due to Directors	a	2,233	1,310	-	-
Amount due to subsidiaries	a	-	-	48	291,404
<hr style="border-top: 1px dashed black;"/>					
		538,092	726,754	22,797	386,678
<hr/>					
		3,179,837	3,577,217	22,797	386,678

Note a

The amounts due to Directors and subsidiaries are unsecured, interest free and have no fixed terms of repayments.

The foreign currency risk profile of payables and accruals is as follows:

		Group		Company	
		2007 RM	2006 RM	2007 RM	2006 RM
- US Dollar		180,444	18,415	-	-
- Euro Dollar		184,975	141,258	-	-
- Ringgit Malaysia		2,814,418	3,417,544	22,797	386,678
<hr/>					
		3,179,837	3,577,217	22,797	386,678

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14. Profit/(Loss) before tax

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Profit/(Loss) before tax is arrived at after charging:				
Amortisation of trademarks (Note 4)	1,357	3,194	-	-
Auditors' remuneration:				
- Audit services – current	49,375	26,700	8,600	6,000
- Others	14,925	33,100	7,000	-
Depreciation of property, plant and equipment (Note 3)	814,400	743,011	-	-
Loss on disposal of property, plant and equipment	108,352	1,365	-	-
Realised on foreign exchange	193,325	175,477	-	-
Interest expense on:				
- Bank overdraft	4,581	119,833	-	-
- Term loan	63,724	22,270	-	-
- Other borrowings	47,393	78,160	-	-
- Others	41,168	-	91	-
Directors' emoluments				
- Fees	32,000	-	32,800	-
- Remuneration	835,106	705,580	36,800	-
- Contribution to Employees' Provident Fund	84,769	77,838	-	-
Personnel expenses:				
- Contribution to Employees' Provident Fund	162,550	143,189	-	-
- Wages, salaries and others	2,139,222	1,809,046	-	-
- Share-based payments (Note 12)	121,677	-	11,877	-
Rental of premises	128,030	39,900	-	-
and after crediting				
Gain on disposal of property, plant and equipment	32,402	151,033	-	-
Interest income	206,823	2,454	149,235	-
Gain on realised foreign exchange	97,541	23,813	-	-

15. Tax expense

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Current tax expense				
Malaysian - current year	1,167,438	1,346,954	180	-
- prior year	(23,932)	(32,726)	-	-
Deferred tax expense				
Origination and reversal of temporary differences	193,067	57,154	-	-
Under/(Over)provided in prior year	22,814	(565)	-	-
	1,359,387	1,370,817	180	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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15. Tax expense (cont'd)

Reconciliation of tax expense

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Profit/ (Loss) before tax	5,780,823	5,088,496	(20,546)	(16,100)
Tax calculated using Malaysian tax rate of 27% (2006: 28%) *	1,560,822	1,427,779	(5,547)	(4,508)
Tax incentive	(81,686)	(68,741)	-	-
Effect of change in tax rate	(48,610)	-	-	-
Non-deductible expenses	86,220	62,130	5,367	4,508
Reinvestment allowance	(124,030)	-	-	-
Other items	(32,211)	(17,060)	-	-
	1,360,505	1,404,108	180	-
Overprovision in prior years	(1,118)	(33,291)	-	-
	1,359,387	1,370,817	180	-

* In the Malaysian Budget 2007, it was announced that the corporate income tax rate will be reduced to 26% in 2008 and to 25% in 2009. Consequently deferred tax assets and liabilities are measured using these tax rates.

16. Earnings per share

Basic earnings per share

The calculation of the basic earnings per share at 31 July 2007 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2007 RM	2006 RM
Profit attributable to ordinary shareholders	4,421,436	3,717,679
Weighted average number of ordinary shares:		
Issued ordinary shares at beginning of year	122,740,000	122,740,000
Effect of shares issued during the year	32,998,000	-
Weighted average number of ordinary shares year end	155,738,000	122,740,000
Basic earnings per share (in sen)	2.84	3.03

16. Earnings per share (cont'd)

Diluted earnings per share

The calculation of the diluted earnings per share at 31 July 2007 was based on the 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:

	2007 RM	Group 2006 RM
Profit attributable to ordinary shareholders (diluted)	4,421,436	3,717,679

Diluted earnings per share

	2007 RM	Group 2006 RM
Weighted average number of ordinary shares at year end	155,738,000	122,740,000
Effects of share options on issue	2,596,500	-
	158,334,500	122,740,000
Diluted earnings per share (in sen)	2.79	3.03

17. Dividend

After the balance sheet date, the Directors have recommended a final dividend of 15%, comprising 5% tax exempt and 10%, less tax at 27%, in respect of the year ended 31 July 2007. These dividends will be recognised in subsequent financial reports upon approval by the shareholders.

	RM
Final dividend of 15%	
- Tax exempt	825,000
- Non-tax exempt	1,204,500
	2,029,500

18. Segmental reporting

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure. Inter-segment pricing is determined based on negotiated terms.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The Group's revenue is mainly generated from the sale of plantation products and non-plantation products.

Business segments

The Group comprises the following main business segments:

Plantation products	Development, manufacture and marketing of agricultural products and services based on agro-technology.
Non-plantation products	Manufacturing and marketing of plastic-related and wood-related products.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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18. Segmental reporting (cont'd)

	Plantation		Non-plantation		Eliminations		Consolidated	
	2007 RM	2006 RM	2007 RM	2006 RM	2007 RM	2006 RM	2007 RM	2006 RM
Business segments								
Revenue from external customers	31,295,626	24,329,086	4,232,341	2,404,335	(9,172,759)	(6,889,607)	26,355,209	19,843,814
Segment results*							10,629,084	10,072,040
Unallocated income							348,745	151,331
Unallocated expenses							(5,040,140)	(4,914,612)
Operating profit							5,937,689	5,308,759
Interest expense							(156,866)	(220,263)
Profit before tax							5,780,823	5,088,496
Tax expense							(1,359,387)	(1,370,817)
Profit for the year							4,421,436	3,717,679

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

	Malaysia		South East Asia other than Malaysia		North Asia	
	2007 RM	2006 RM	2007 RM	2006 RM	2007 RM	2006 RM
Geographical segments						
Revenue from external customers by location of customers	6,409,340	6,920,453	13,932,599	9,181,367	1,752,834	1,322,897

	North America		Others		Consolidated	
	2007 RM	2006 RM	2007 RM	2006 RM	2007 RM	2006 RM
Geographical segments						
Revenue from external customers by location of customers	1,744,091	610,124	2,516,345	1,808,973	26,355,209	19,843,814

19. Financial instruments

Financial risk management objectives and policies

Exposure to credit, interest rate and currency risks arises in the normal course of the Group's and the Company's businesses. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

19. Financial instruments (cont'd)

Credit risk

The Group's primary exposure to credit risk arises from trade receivables. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis through review of receivable aging.

As at the balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Currency risk

The Group is exposed to foreign currency risk on sales that are denominated in a currency other than the Company's functional currency. The currency giving rise to this risk is primarily United States Dollar.

The Group does not hedge these exposures by purchasing forward exchange currency contracts. However, the Board keeps this 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 investments in variable-rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

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 RM	Less than 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM
2007								
Financial assets								
Deposits with licensed banks	3.4	9,786,416	9,786,416	-	-	-	-	-
Financial liabilities								
Bills payable – secured	4.6	495,000	495,000	-	-	-	-	-
Hire purchase	2.5	687,948	371,041	316,907	-	-	-	-
		1,182,948	866,041	316,907				
2006								
Financial assets								
Deposits with licensed banks	3.3	209,109	209,109	-	-	-	-	-
Financial liabilities								
Bank overdraft – secured	8.0	441,184	441,184	-	-	-	-	-
Bills payables – secured	3.5	210,000	210,000	-	-	-	-	-
Term loans – secured	6.2	1,418,663	618,210	800,453	-	-	-	-
Hire purchase	5.5	232,878	76,664	156,214	-	-	-	-
		2,302,725	1,346,058	956,667	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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19. Financial instruments (cont'd)**Fair values**

As at balance sheet date, the carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and amounts due from/(to) related companies and ultimate holding company approximate fair value due to the relatively short term nature of these financial instruments.

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

Group	2007 Carrying amount RM	2007 Fair value RM	2006 Carrying amount RM	2006 Fair value RM
Financial liabilities				
Term loan – secured	-	-	1,418,663	1,219,588
Hire purchase liabilities	687,948	680,219	232,878	199,573

20. Contingent liability

Subsequent to 31 July 2007, the subsidiary companies have secured new credit facilities amounting to RM4.5 million obtained from a local licensed bank which guaranteed by the Company. Accordingly, the Company is contingently liable to the extent of the amount of the credit facilities utilised by its subsidiary companies.

21. Capital commitment

Group	2007 RM	2006 RM
Property, plant and equipment		
Contracted but not provided for and payable		
Within one year	629,197	-

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 31.07.2007 (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)	6	Leasehold (Expiry on 26.09.2087)	Factory	130,680 sq ft / 75,110 Sq ft*	6,217,844.00
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) 07.07.2002 (R)	10	Freehold	Office Building	3,728 sq ft	1,490,000.00

Note : * Building only

ANALYSIS OF SHAREHOLDINGS
As at 31 October 2007

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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	0.21	70	0.00
100 - 1,000	152	10.81	142,200	0.09
1,001 - 10,000	665	47.30	4,477,650	2.71
10,001 - 100,000	497	35.35	17,594,400	10.66
100,001 to less than 5% of issued shares	87	6.19	49,863,480	30.22
5 % and above of issued shares	2	0.14	92,922,200	56.32
Total	1,406	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.	83,390,920	50.54
2	Twong Yoke Peng	9,531,280	5.78
3	Yap Kim Lian	7,380,610	4.47
4	Tham Foo Keong	5,151,580	3.12
5	Tham Foo Choon	3,714,580	2.25
6	Tham Fau Sin	2,598,510	1.57
7	Tham Chong Sing	2,568,510	1.56
8	Saw Kee Thiam	2,054,500	1.25
9	Chi Bee Chin	1,403,900	0.85
10	Saw Kee Thiam	1,217,000	0.74
11	Tham Kin Wai	966,000	0.59
12	Lim Seng Keong	936,200	0.57
13	Tham Kin Leet	843,000	0.51
14	Tham Kinyiq	833,000	0.50
15	Sivakumaran A/L Seenivasagam	765,710	0.46
16	Er Wan Inn	672,000	0.41
17	Teo Kwee Hock	647,000	0.39
18	Tham Chui Ping	646,000	0.39
19	Kenanga Nominees (Tempatan) Sdn. Bhd.: Pledged Securities Account for Chen Siok Wah	643,000	0.39
20	HDM Nominees (Tempatan) Sdn. Bhd.: Pledged Securities Account for Kok Boon Lim	600,000	0.36
21	Ang Lip Chee	575,000	0.35
22	Kay Yew Kiang	500,000	0.30
23	Chang Mun Lin	500,000	0.30
24	JF Apex Nominees (Tempatan) Sdn. Bhd.: Pledged Securities Account for Chin Chee Keong	455,900	0.28
25	Ng Ser Yong	400,100	0.24
26	Yeoh Oon Cheng	400,000	0.24
27	Chan Kid Ching	400,000	0.24
28	Lee Sok Ngim	400,000	0.24
29	Lim Khye Hin	400,000	0.24
30	Tan Buck Soon	400,000	0.24
TOTAL		130,994,300	79.37

ANALYSIS OF SHAREHOLDINGS
As at 31 October 2007 (cont'd)

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DIRECTORS' SHAREHOLDINGS

Name of Directors	No. of Shares Held			
	Direct	%	Indirect	%
Tham Foo Keong	5,151,580	3.12	⁽ⁱ⁾ 92,922,200	56.32
Tham Foo Choon	3,714,580	2.25	⁽ⁱⁱ⁾ 83,390,920	50.54
Loke Chee Kien	20,000	0.01	⁽ⁱⁱⁱ⁾ 7,380,610	4.47
Dr. Sivakumaran A/L Seenivasagam	765,710	0.46	-	-
Tajuddin Bin Ismail	20,000	0.01	-	-
Y. Bhg. Tan Sri Datuk Arshad Bin Ayub	20,000	0.01	-	-
Dr. Zainol Bin Md. Eusof	20,000	0.01	-	-
Dr. Shaikh Awadz Bin Shaikh Abdullah	20,000	0.01	-	-
Ishak Bin Said	20,000	0.01	-	-

Notes:

- (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.
(iii) Deemed interested in shareholdings held by his spouse.

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	No. of Shares Held			
	Direct	%	Indirect	%
Greenyield Holdings Sdn. Bhd.	83,390,920	50.54	-	-
Tham Foo Keong ^(a)	5,151,580	3.12	^(b) 92,922,200	56.32
Tham Foo Choon ^(a)	3,714,580	2.25	^(c) 83,390,920	50.54
Tham Chong Sing ^(a)	2,568,510	1.56	^(c) 83,390,920	50.54
Tham Fau Sin ^(a)	2,598,510	1.57	^(c) 83,390,920	50.54
Twong Yoke Peng	9,531,280	5.78	-	-

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.

APPENDIX I

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Articles of Association of the Company are proposed to be amended in the following manner:-

Article No.	Existing Articles	Amended Articles
3(b)(ii)	No issue of preference shares shall be made which would result in the total nominal value of issued preference shares exceeding the total nominal value of the issued ordinary shares at any time.	To delete and to renumber 3(b)(iii) to (v) as 3(b)(ii) to (iv)
4(a)	Subject to Article 3(b) (ii), the Company shall have power to issue preference shares carrying a right to redemption out of profits or liable to be redeemed at the option of the Company or to issue preference capital ranking equally with or in priority to preference shares already issued and the Directors may, subject to the provisions of the Act, redeem such shares on such terms and in such manner and either at par or at a premium as they may think fit.	The Company shall have power to issue preference shares carrying a right to redemption out of profits or liable to be redeemed at the option of the Company or to issue preference capital ranking equally with or in priority to preference shares already issued and the Directors may, subject to the provisions of the Act, these Articles, the Listing Requirements and any other relevant rules, regulations and guidelines for the time being in force including modifications, amendments and reenactments in relation thereto, to redeem such shares on such terms and in such manner and whether at par or at premium as they may think fit.
4(b)	The holders of preference shares must be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up.	To delete and to renumber 4(c) as 4(b)
75A	None	The cost of serving the notice as required to propose the election of a Director, where the nomination is made by a member, shall be borne by the member making the nomination.
84	The office of a Directors shall become vacant if the Director:- (a) ceases to be a Director by virtue of the Act; (b) becomes bankrupt or makes any arrangement or composition with its creditors generally; (c) becomes prohibited from being a Director by reason of any order made under the Act or other legislation; (d) becomes of unsound mind or a person whose estate is liable to be dealt with in any way under the law relating to mental disorder;	The office of a Directors shall become vacant if the Director:- (a) No change; (b) becomes bankrupt or makes any arrangement or composition with its creditors generally <i>during his term of office</i> ; (c) No change; (d) becomes of unsound mind or a person whose estate is liable to be dealt with in any way under the law relating to mental disorder <i>during his term of office</i> ;

End of Appendix

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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 Fifth 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 Friday, 21 December 2007 at 11.00 a.m. and at any adjournment thereof in respect of my/our shareholding in the manner indicated below:-

No.	Resolution	For	Against
Ordinary Resolution 1	Receipt of Audited Financial Statements for the financial year ended 31 July 2007 and the Reports of the Directors and Auditors		
Ordinary Resolution 2	Declaration a final dividend of 15%, comprising 5% tax exempt and 10% less tax at 27%, for the financial year ended 31 July 2007.		
Ordinary Resolution 3	Re-election of Mr. Tham Foo Choon		
Ordinary Resolution 4	Re-election of Dr. Sivakumaran A/L Seenivasagam		
Ordinary Resolution 5	Re-election of Encik Ishak Bin Said		
Ordinary Resolution 6	Re-appointment of Y. Bhg. Tan Sri Datuk Arshad Bin Ayub as Director pursuant to Section 129(6) of the Companies Act, 1965		
Ordinary Resolution 7	Re-appointment of Auditors		
Ordinary Resolution 8	Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares		
Special Resolution 1	Proposed Amendments to the Articles of Association of the Company		

[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 2007.

NOTES:

- 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.*
- 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.*
- 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.*
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 7, Setia 1, 15 Lorong Dungun, Damansara Heights, 50490 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 7, Setia 1
15 Lorong Dungun
Damansara Heights
50490 Kuala Lumpur

PLEASE FOLD HERE
