

GREENYIELD BERHAD

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

Condensed consolidated income statement for the first quarter ended 31 October 2008

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31 October		31 October	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Revenue	4,364	2,966	4,364	2,966
Cost of sales	<u>(2,248)</u>	<u>(1,967)</u>	<u>(2,248)</u>	<u>(1,967)</u>
Gross profit	2,116	999	2,116	999
Other operating income	203	106	203	106
Other operating expenses	(48)	(19)	(48)	(19)
Distribution expenses	(354)	(243)	(354)	(243)
Administrative expenses	<u>(1,034)</u>	<u>(973)</u>	<u>(1,034)</u>	<u>(973)</u>
Profit from operations	883	(130)	883	(130)
Finance costs	<u>(17)</u>	<u>(24)</u>	<u>(17)</u>	<u>(24)</u>
(Loss)/Profit before taxation	866	(154)	866	(154)
Income tax expense	<u>(241)</u>	<u>2</u>	<u>(241)</u>	<u>2</u>
Net profit for the period	<u>625</u>	<u>(152)</u>	<u>625</u>	<u>(152)</u>
Earnings per share[^]				
Basic earnings per ordinary share (sen)	<u>0.38</u>	<u>(0.09)</u>	<u>0.38</u>	<u>(0.09)</u>
Diluted earnings per ordinary share (sen)	<u>0.38</u>	<u>(0.09)</u>	<u>0.38</u>	<u>(0.09)</u>

Note:

[^] Please refer to Note 26 for details of the computations.

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 July 2008 and the accompanying explanatory notes attached to the interim financial report.

GREENYIELD BERHAD

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

Condensed consolidated balance sheet at 31 October 2008

(The figures have not been audited)

	At 31.10.2008 RM'000	At 31.07.2008 RM'000 Restated
Non-Current Assets		
Property, plant and equipment	12,236	12,132
Prepaid lease payments	2,191	2,196
Intangible assets	18	18
Total non-current assets	<u>14,445</u>	<u>14,346</u>
Current Assets		
Inventories	6,585	5,292
Receivables, deposits and prepayments	6,023	4,907
Current tax assets	813	201
Cash and cash equivalents	14,812	16,012
Total current assets	<u>28,233</u>	<u>26,412</u>
Total assets	<u>42,678</u>	<u>40,758</u>
Equity		
Share capital	16,500	16,500
Share premium	3,168	3,168
Share option reserve	193	179
Retained profits	16,913	16,288
Total equity attributable to shareholders of the Company	<u>36,774</u>	<u>36,135</u>
Non-Current Liabilities		
Loans and borrowings	61	95
Deferred tax liabilities	1,364	1,366
Total non-current liabilities	<u>1,425</u>	<u>1,461</u>
Current Liabilities		
Payables and accruals	3,864	2,596
Loans and borrowings	615	566
Total current liabilities	<u>4,479</u>	<u>3,162</u>
Total liabilities	<u>5,904</u>	<u>4,623</u>
Total equity and liabilities	<u>42,678</u>	<u>40,758</u>
Net Assets ("NA") per share attributable to shareholders of the Company (sen)	<u>22.29</u>	<u>21.90</u>

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 July 2008 and the accompanying explanatory notes attached to the interim financial report.

GREENYIELD BERHAD

(Company No. 582216-T)

(Incorporated in Malaysia)

Condensed consolidated statement of changes in equity for the first quarter ended 31 October 2008

(The figures have not been audited)

	<u>Non – distributable</u>			<u>Distributable</u>		
	<i>Attributable to shareholders of the Company</i>					
	Share Capital	Share Premium	Share Option Reserve	Revaluation Reserve	Retained Profits	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 August 2007, as restated	16,500	3,176	122	-	12,030	31,827
Issue of new shares	-	-	-	-	-	-
Utilisation from share premium	-	(7)	-	-	-	(7)
Share based payment	-	-	57	-	-	57
Net profit for the year	-	-	-	-	6,304	6,304
Dividends to shareholders	-	-	-	-	(2,046)	(2,046)
At 31 July / 1 August 2008, as restated	16,500	3,168	179	-	16,288	36,135
Issue of new shares	-	-	-	-	-	-
Utilisation from share premium	-	-	-	-	-	-
Transfer of reserve	-	-	-	14	-	14
Share based payment	-	-	-	-	-	-
Net profit for the period	-	-	-	-	625	625
Dividends to shareholders	-	-	-	-	-	-
At 31 October 2008	16,500	3,168	179	14	16,913	36,774

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 July 2008 and the accompanying explanatory notes attached to the interim financial report.

GREENYIELD BERHAD

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Condensed consolidated cash flow statement for the first quarter ended 31 October 2008

(The figures have not been audited)

	Current year to date 31.10.2008 RM'000	Audited Preceding financial year ended 31.07.2008 RM'000
Cash flows from operating activities		
Profit before tax	866	8,182
Adjustments for :		
Depreciation	287	1,183
Amortisation of prepaid lease payments	4	19
Amortisation of intangible assets	-	1
(Gain)/Loss on disposal of property, plant and equipment	2	(11)
Write off of property, plant and equipment	1	21
Interest income	(91)	(301)
Interest expenses	17	91
Share based payment	-	57
	<hr/>	<hr/>
Operating profit before working capital changes	1,086	9,242
Changes in working capital:		
Inventories	(1,292)	(540)
Trade and other receivables	(741)	1,328
Trade and other payables	1,268	(584)
	<hr/>	<hr/>
Cash generated from operations	321	9,446
Interest paid	(10)	(45)
Tax paid	(917)	(2,123)
Tax refund	-	249
	<hr/>	<hr/>
Net cash generated from operating activities	(606)	7,527
Cash flows from investing activities		
Purchase of property, plant and equipment	(396)	(1,422)
Purchase of prepaid leasehold land	-	(687)
Proceed from disposal of property, plant and equipment	3	78
Increase in pledged deposits placed with licensed banks	(2,080)	(949)
Interest received	91	301
	<hr/>	<hr/>
Net cash used in investing activities	(2,383)	(2,679)
Cash flows from financing activities		
Proceeds from other borrowings	124	-
Repayment of term loan and other borrowings	(300)	(252)
Repayment of hire purchase liabilities	(108)	(390)
Proceeds from issue of new shares	-	-
Utilisation from share premium	-	(7)
Interest paid	(7)	(46)
Dividend paid	-	(2,046)
	<hr/>	<hr/>
Net cash (used in)/generated from financing activities	(291)	(2,741)

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Condensed consolidated cash flow statement for the first quarter ended 31 October 2008 (cont'd)

(The figures have not been audited)

	Current year to date 31.10.2008 RM'000	Audited Preceding financial year ended 31.07.2008 RM'000
Net increase in cash and cash equivalents	(3,280)	2,107
Cash and cash equivalents at beginning of the year	14,980	12,873
Cash and cash equivalents at end of the year	11,700	14,980

	Current year to date 31.10.2008 RM'000	Audited Preceding financial year ended 31.07.2008 RM'000
Cash and cash equivalents comprise of:		
Deposits with licensed bank	12,949	10,545
Cash and bank balances	1,863	5,467
	14,812	16,012
Less: Deposits pledged	(3,112)	(1,032)
	11,700	14,980

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 July 2008 and the accompanying explanatory notes attached to the interim financial report.

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Notes to the interim financial report

1. Basis of preparation

This interim financial report is unaudited and has been prepared in compliance with the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market and Financial Reporting Standard (FRS) 134, *Interim Financial Reporting*, issued by the Malaysian Accounting Standards Board (MASB).

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Company and its subsidiaries ("the Group") subsequent to 31 July 2008.

During the financial year, the Group adopted FRS 112, *Income Taxes*, replacing FRS 112²⁰⁰⁴, *Income Taxes*.

FRS 112, *Income Taxes*, which is effective for the financial period beginning on or after 1 July 2007, allows recognition of deferred tax assets pertaining to unutilized reinvestment allowance recognition is treated as a change of accounting policies and accordingly, is recognized retrospectively and certain comparative figures have been restated.

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 July 2008.

2. Auditors' report on preceding annual financial statements

The auditors have expressed an unqualified opinion on the Group's statutory financial statements for the year ended 31 July 2008 in their report dated 14 November 2008.

3. Seasonal or cyclical factors

The Group's sales and therefore its revenue is seasonal. During the wintering season for rubber trees, which typically occurs from February to April in most natural rubber producing countries, sales of the stimulation systems are generally slow. Sales of the stimulation systems are also affected by prolonged periods of heavy rain or drought as the customers are usually advised against using stimulation systems during such periods since they are unlikely to be able to tap the rubber trees because of the weather conditions and therefore unable to fully benefit from the stimulation systems. In view of the above, one of the major factors which causes the revenue and profitability of the Group to fluctuate is inclement weather.

4. Unusual items affecting the assets, liabilities, equity, net income or cash flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current quarter.

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Notes to the interim financial report (cont'd)

5. Achievement of financial estimates or forecasts

There have been no financial estimates or forecasts previously announced or disclosed in a public document in respect of the current financial year.

6. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the Company during the quarter under review.

7. Dividends paid

There were no dividends paid during the current quarter.

8. 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 and services	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.

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Notes to the interim financial report (cont'd)

8. Segmental reporting (cont'd)

Geographical segments

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

<i>RM('000)</i>	Plantation		Non-plantation		Eliminations		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007
<i>For the three months ended 31 October</i>								
Business segments								
Revenue from external customers	4,940	3,595	1,446	964	2,022	1,593	4,364	2,96
Segment results *							2,116	99
Unallocated income							203	10
Unallocated expenses							(1,435)	(1,235)
Operating profit							883	(130)
Interest expenses							(17)	(24)
Profit before tax							866	(154)
Tax expenses							(241)	
Profit for the year							625	(152)

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

<i>RM('000)</i>	Malaysia		South East Asia other than Malaysia		North Asia	
	2008	2007	2008	2007	2008	2007
<i>For the three months ended 31 October</i>						
Geographical segments						
Revenue from external customers by location	1,872	1,582	557	-	204	381

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Notes to the interim financial report (cont'd)

8. Segmental reporting (cont'd)

<i>RM('000)</i> <i>For the three months ended</i> <i>31 October</i>	North America		Others		Consolidated	
	2008	2007	2008	2007	2008	2007
<i>Geographical segments</i>						
Revenue from external customers by location	625	431	1,106	572	4,364	2,966

9. Property, plant and equipment

The valuations of land and buildings have been brought forward, without amendment from the previous annual report.

10. Subsequent events

Other than as disclosed in Notes 12 and 14, there were no material events subsequent to the period ended of this current quarter that have not been reflected in the financial statements for the current quarter.

11. Changes in composition of the Group

There were no changes in the composition of the Group during the current quarter.

12. Changes in contingent assets and contingent liabilities

There were no contingent assets as at 17 December 2008 (being the latest practicable date not earlier than 7 days from the date of issue of this interim financial report).

13. Related party transactions

There were no material related party transactions incurred for the current quarter and financial year-to-date.

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Notes to the interim financial report (cont'd)

14. Capital Commitment

	As at 31.10.2008 RM'000	As At 31.07.2008 RM'000
Property, plant and equipments		
Contracted but not provided for and payable		
Within one year	<u>81</u>	<u>73</u>

15. Review of performance

For the quarter ended 31 October 2008 and cumulative quarter 3 months ended 31 October 2008, the Group recorded a revenue of RM4.36 million and a net profit after taxation of RM0.63 million. As compared to the same period in the previous financial year ended 31 July 2008, revenue was RM2.97 million, an improvement of 47.1% while a net loss after taxation of RM0.15 million was registered.

The improvement was mainly attributed to the robust demand for non-plantation related products particularly Artstone plant pots exported to the American, European and Australian markets during the period under review.

16. Variation of results against preceding quarter

The Group recorded revenue of RM4.36 million during the quarter ended 31 October 2008 as compared to RM6.84 million achieved during the quarter ended 31 July 2008. The drop was mainly due to lower sales of plantation-related products and services during the period under review as major natural rubber producing countries reduced their tapping activities as a result of unfavourable weather conditions and downtrend in natural rubber prices. However, demand for non-plantation related products, namely Artstone plant pots remained firm.

Due to the lower sales recorded during the quarter ended 31 October 2008, net profit after taxation declined to RM0.63 million as compared to a net profit after taxation of RM1.20 million registered during the preceding quarter ended 31 July 2008.

17. Future prospects

The Board views the prospects for the remaining of the financial year ending 31 July 2009 will be challenging, in view of the present depressed global economic situation, measures by major natural rubber producers to cut back on production and the dampened commodity prices. As the Group is not immuned to the adverse effect of the current global economic deceleration, the Management is exploring ways to minimize the negative effect from the slowdown.

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Notes to the interim financial report (cont'd)

18. Tax expense

The taxation figures are as follows:

	3 months ended	
	31 October	
	2008	2007
	RM'000	RM'000
Estimated current tax payable	243	-
Transfer from deferred taxation	<u>(2)</u>	<u>(2)</u>
	<u>241</u>	<u>(2)</u>

There was no tax expense provided in the quarter ended 31 October 2007 due to the utilisation of our accumulated capital allowances and tax incentives.

19. Unquoted investments and properties

There was no purchase or sale of unquoted investments and/or properties for the current quarter and financial year-to-date.

20. Quoted investments

There was no purchase or disposal of quoted securities for the current quarter and financial year-to-date.

21. Status of corporate proposals announced but not completed

As at 22 December 2008, there were no corporate proposals announced but not completed.

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Notes to the interim financial report (cont'd)

22. Borrowing and debt securities

	At end of current quarter 31.10.2008 RM'000	At 31.07.2008 RM'000
Current		
<i>Secured</i>		
Short term revolving credit	368	243
Hire purchase creditors	247	323
	615	566
Non-current		
<i>Secured</i>		
Hire purchase creditors	61	95
	61	95
	676	661

23. Off balance sheet financial instruments

As at 22 December 2008, the Group does not have any off balance sheet financial instruments.

24. Material litigation

There was no material litigation which would materially and adversely affect the financial position of the Group as at 22 December 2008.

25. Dividends

There were no dividends paid or declared in respect of the current quarter under review.

The Board of Directors has recommended a final dividend of 1.8 sen per share in respect of the financial year ended 31 July 2008 and the shareholders have approved the proposal during the Sixth Annual General Meeting held on 22 December 2008. The entitlement date for the said dividend shall be 9 January 2009.

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Notes to the interim financial report (cont'd)

26. Earnings per share

(a) *Basic earnings per share*

The calculation of the basic earnings per share for the current quarter is based on the net profit attributable to shareholders divided by the number of weighted average number of ordinary shares.

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31 October		31 October	
	2008	2007	2008	2007
Profit/(Loss) after taxation (RM'000)	625	(152)	625	(152)
Number of ordinary shares in issue ('000)	165,000	165,000	165,000	165,000
Basic earnings per share (sen)	0.38	(0.09)	0.38	(0.09)

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Notes to the interim financial report (cont'd)

26. Earnings per share (cont'd)

(b) Diluted earnings per share

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31 October		31 October	
	#2008	*2007	#2008	*2007
Profit after taxation (RM'000)	625	(152)	625	(152)
Number of ordinary shares in issue ('000)	165,000	165,000	165,000	165,000
Adjusted for assumed exercise of ESOS options for no consideration ('000)	-	3,441	-	3,441
Adjusted number of ordinary shares in issue ('000)	165,000	168,441	165,000	168,441
Diluted earnings per share (sen)	0.38	(0.09)	0.38	(0.09)

* As at 31 October 2007, the number of share options unexercised are 3,441,000.

There is no dilution in earnings per share for the current quarter as the exercise price of the ESOS exceeds the average market price of ordinary shares.

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Notes to the interim financial report (cont'd)

27. Status of utilisation of proceeds

The status of the allocation and utilisation of the proceeds from the public issue as at 31 October 2008 is as follows:

Purpose	Allocation of proceeds RM'000	Amount utilised from 20 October 2006 to 31 October 2008 RM'000	Amount unutilised RM'000	Explanation on amount unutilised
Research and development (R&D)	1,500	-	1,500	Utilization schedule – 19 Oct 2009
Capital expenditure	1,850	-	1,850	Utilization schedule – 19 Oct 2009
Setting up of marketing and technical support service centres	300	-	300	Utilization schedule – 19 Oct 2009
Repayment of borrowings	1,500	1,500	-	N/A
Working capital	2,223	*428	1,795	Utilization schedule – 19 Oct 2009
Estimated listing expenses	1,502	*1,502	-	#N/A
Total	8,875	3,430	5,445	

* Reclassification of utilization

The remaining unutilised proceeds allocated to defray listing expenses amounting to approximately RM0.029 million has been reallocated as working capital of the Group.

28. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 22 December 2008.