

GREENYIELD BERHAD

(Company No. 582216-T)

(Incorporated in Malaysia)

Condensed consolidated income statement for the second quarter ended 31 January 2009

(The figures have not been audited)

| | Individual Quarter | | Cumulative Quarter | |
|---|--------------------|----------------|--------------------|----------------|
| | 3 months ended | | 6 months ended | |
| | 31 January | | 31 January | |
| | 2009 | 2008 | 2009 | 2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 10,986 | 9,245 | 15,350 | 12,211 |
| Cost of sales | <u>(6,934)</u> | <u>(5,360)</u> | <u>(9,182)</u> | <u>(7,327)</u> |
| Gross profit | 4,052 | 3,885 | 6,168 | 4,884 |
| Other operating income | 197 | 97 | 400 | 203 |
| Other operating expenses | (32) | (57) | (80) | (76) |
| Distribution expenses | (253) | (245) | (607) | (488) |
| Administrative expenses | <u>(1,122)</u> | <u>(1,254)</u> | <u>(2,156)</u> | <u>(2,227)</u> |
| Profit from operations | 2,842 | 2,426 | 3,725 | 2,296 |
| Finance costs | <u>(15)</u> | <u>(21)</u> | <u>(32)</u> | <u>(45)</u> |
| Profit before taxation | 2,827 | 2,405 | 3,693 | 2,251 |
| Income tax expense | <u>(689)</u> | <u>2</u> | <u>(930)</u> | <u>4</u> |
| Net profit for the period | <u>2,138</u> | <u>2,407</u> | <u>2,763</u> | <u>2,255</u> |
| Earnings per share[^] | | | | |
| Basic earnings per ordinary share (sen) | <u>1.30</u> | <u>1.46</u> | <u>1.67</u> | <u>1.37</u> |
| Diluted earnings per ordinary share (sen) | <u>1.30</u> | <u>1.43</u> | <u>1.67</u> | <u>1.34</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 January 2009

(The figures have not been audited)

| | At 31.01.2009 RM'000 | At 31.07.2008 RM'000 |
|--|----------------------------|----------------------------|
| Non-Current Assets | | |
| Property, plant and equipment | 12,808 | 12,132 |
| Prepaid lease payments | 2,172 | 2,196 |
| Intangible assets | 18 | 18 |
| Total non-current assets | <u>14,998</u> | <u>14,346</u> |
| Current Assets | | |
| Inventories | 6,437 | 5,292 |
| Receivables, deposits and prepayments | 11,160 | 5,108 |
| Cash and cash equivalents | 9,536 | 16,012 |
| Total current assets | <u>27,133</u> | <u>26,412</u> |
| Total assets | <u>42,131</u> | <u>40,758</u> |
| Equity | | |
| Share capital | 16,500 | 16,500 |
| Share premium | 3,168 | 3,168 |
| Share option reserve | 191 | 179 |
| Retained profits | 16,081 | 16,288 |
| Total equity attributable to shareholders of the Company | <u>35,940</u> | <u>36,135</u> |
| Non-Current Liabilities | | |
| Loans and borrowings | 89 | 95 |
| Deferred tax liabilities | 1,362 | 1,366 |
| Total non-current liabilities | <u>1,451</u> | <u>1,461</u> |
| Current Liabilities | | |
| Payables and accruals | 4,271 | 2,596 |
| Loans and borrowings | 469 | 566 |
| Total current liabilities | <u>4,740</u> | <u>3,162</u> |
| Total liabilities | <u>6,191</u> | <u>4,623</u> |
| Total equity and liabilities | <u>42,131</u> | <u>40,758</u> |
| Net Assets ("NA") per share attributable to shareholders of the Company (sen) | <u>21.78</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 second quarter ended 31 January 2009

(The figures have not been audited)

| | <u>Non – distributable</u> | | | <u>Distributable</u> | | <u>Total Equity</u> |
|--------------------------------|--|--------------------------|-------------------------------------|----------------------|-----------------------------|-------------------------|
| | <i>Attributable to shareholders of the Company</i> | | | | | |
| | <u>Share Capital</u> | <u>Share Premium</u> | <u>Share Option Reserve</u> | <u>Reserve</u> | <u>Retained Profits</u> | |
| | 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 | 16,500 | 3,168 | 179 | - | 16,288 | 36,135 |
| Issue of new shares | - | - | - | - | - | - |
| Utilisation from share premium | - | - | - | - | - | - |
| Transfer of reserve | - | - | - | 12 | - | 12 |
| Share based payment | - | - | - | - | - | - |
| Net profit for the period | - | - | - | - | 2,763 | 2,763 |
| Dividends to shareholders | - | - | - | - | (2,970) | (2,970) |
| At 31 January 2008 | 16,500 | 3,168 | 179 | 12 | 16,081 | 35,940 |

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 cash flow statement for the second quarter ended 31 January 2009

(The figures have not been audited)

| | Current year to date 31.01.2009 RM'000 | Audited Preceding financial year ended 31.07.2008 RM'000 |
|---|---|---|
| Cash flows from operating activities | | |
| Profit before tax | 3,693 | 8,182 |
| Adjustments for : | | |
| Depreciation | 585 | 1,183 |
| Amortisation of prepaid lease payments | 13 | 19 |
| Amortisation of intangible assets | 1 | 1 |
| (Gain)/Loss on disposal of property, plant and equipment | (28) | (11) |
| Write off of property, plant and equipment | 2 | 21 |
| Interest income | (151) | (301) |
| Interest expenses | 32 | 91 |
| Share based payment | - | 57 |
| | <hr/> | <hr/> |
| Operating profit before working capital changes | 4,147 | 9,242 |
| Changes in working capital: | | |
| Inventories | (1,144) | (540) |
| Trade and other receivables | (5,514) | 1,328 |
| Trade and other payables | 1,704 | (584) |
| | <hr/> | <hr/> |
| Cash generated from operations | (807) | 9,446 |
| Interest paid | (18) | (45) |
| Tax paid | (1,476) | (2,123) |
| Tax refund | - | 249 |
| | <hr/> | <hr/> |
| Net cash (used in)/generated from operating activities | (2,301) | 7,527 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (1,288) | (1,422) |
| Purchase of prepaid leasehold land | - | (687) |
| Proceed from disposal of property, plant and equipment | 47 | 78 |
| Increase in pledged deposits placed with licensed banks | (103) | (949) |
| Interest received | 151 | 301 |
| | <hr/> | <hr/> |
| Net cash used in investing activities | (1,193) | (2,679) |
| Cash flows from financing activities | | |
| Proceeds from other borrowings | 90 | - |
| Repayment of term loan and other borrowings | - | (252) |
| Repayment of hire purchase liabilities | (192) | (390) |
| Proceeds from issue of new shares | - | - |
| Utilisation from share premium | - | (7) |
| Interest paid | (14) | (46) |
| Dividend paid | (2,970) | (2,046) |
| | <hr/> | <hr/> |
| Net cash used in financing activities | (3,086) | (2,741) |

GREENYIELD BERHAD

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Condensed consolidated cash flow statement for the second quarter ended 31 January 2009 (cont'd)

(The figures have not been audited)

| | Current year to date 31.01.2009 RM'000 | Audited Preceding financial year ended 31.07.2008 RM'000 |
|--|---|---|
| Net (decrease)/increase in cash and cash equivalents | (6,580) | 2,107 |
| Cash and cash equivalents at beginning of the year | 14,980 | 12,873 |
| Cash and cash equivalents at end of the year | <u>8,400</u> | <u>14,980</u> |
| | Current year to date 31.01.2009 RM'000 | Audited Preceding financial year ended 31.07.2008 RM'000 |
| Cash and cash equivalents comprise of: | | |
| Deposits with licensed bank | 8,150 | 10,545 |
| Cash and bank balances | 1,386 | 5,467 |
| | <u>9,536</u> | <u>16,012</u> |
| Less: Deposits pledged | <u>(1,136)</u> | <u>(1,032)</u> |
| | <u>8,400</u> | <u>14,980</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

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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

A final dividend of 1.8 sen per share in respect of the financial year ended 31 July 2008 was paid during this 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> <i>For the six months ended 31 January</i> | Plantation | | Non-plantation | | Eliminations | | Consolidated | |
|---|-------------------|--------|-----------------------|-------|---------------------|-------|---------------------|--------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| <i>Business segments</i> | | | | | | | | |
| Revenue from external customers | 14,430 | 13,701 | 7,426 | 3,130 | 6,506 | 4,620 | 15,350 | 12,211 |
| Segment results * | | | | | | | 6,168 | 4,884 |
| Unallocated income | | | | | | | 400 | 203 |
| Unallocated expenses | | | | | | | (2,843) | (2,791) |
| Operating profit | | | | | | | 3,725 | 2,296 |
| Interest expenses | | | | | | | (32) | (45) |
| Profit before tax | | | | | | | 3,693 | 2,251 |
| Tax expenses | | | | | | | (930) | 4 |
| Profit for the year | | | | | | | 2,763 | 2,255 |

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

| <i>RM('000)</i> <i>For the six months ended 31 January</i> | Malaysia | | South East Asia other than Malaysia | | North Asia | |
|---|----------------------|-------|--|-------|---------------------|--------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| <i>Geographical segments</i> | | | | | | |
| Revenue from external customers by location | 3,964 | 3,227 | 1,939 | 2,136 | 466 | 833 |
| | | | | | | |
| <i>RM('000)</i> <i>For the six months ended 31 January</i> | North America | | Others | | Consolidated | |
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| <i>Geographical segments</i> | | | | | | |
| Revenue from external customers by location | 2,114 | 1,988 | 6,867 | 4,027 | 15,350 | 12,211 |

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Notes to the interim financial report (cont'd)

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 20 March 2009 (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.

14. Capital Commitment

| | As at 31.01.2009 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> |

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Notes to the interim financial report (cont'd)

15. Review of performance

For cumulative quarter 6 months ended 31 January 2009, the Group recorded revenue of RM15.35 million an improvement of 25.7% as compared to RM12.21 million achieved during the same period in the previous financial year ended 31 July 2008. Meanwhile, net profit after taxation for the 6 months ended 31 January 2009 was RM2.76 million, an increase of 22.5% as compared to RM2.26 million registered a year ago.

The increase in revenue and net profit after taxation were mainly due to improvement in demand for plantation-related products and services, and continued encouraging demand for non-plantation related products particularly Artstone plant pots from the American, European and Australian markets during the period under review.

16. Variation of results against preceding quarter

The Group achieved revenue of RM10.99 million during the quarter ended 31 January 2009 as compared to RM4.36 million recorded during the quarter ended 31 October 2008. The increase was mainly due to higher sales of plantation-related products and services during the period under review as customers from major natural rubber producing countries increased their purchases after a drop in the preceding quarter. Meanwhile, demand for Artstone plant pots remained encouraging.

As a result of the increase in revenue, net profit after taxation during the quarter ended 31 January 2009, improved to RM2.14 million from RM0.63 million registered in the preceding quarter.

17. Future prospects

The Board continues to view the prospects for the remaining of the financial year ending 31 July 2009 to be challenging, in view of the absence of signs of recovery in the global economy. Despite the encouraging results recorded during the 6 months ended 31 January 2009, the Management continues to explore ways to reduce the adverse effect from the current economic crisis.

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Notes to the interim financial report (cont'd)

18. Tax expense

The taxation figures are as follows:

| | 6 months ended | |
|-------------------------------------|----------------|------------|
| | 31 January | |
| | 2009 | 2008 |
| | RM'000 | RM'000 |
| Estimated current tax payable | 934 | - |
| Under/(Over)provision in prior year | - | - |
| Transfer from deferred taxation | (4) | (4) |
| | <u>930</u> | <u>(4)</u> |

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 26 March 2009, 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 31.01.2009 RM'000 | At 31.07.2008 RM'000 |
|-----------------------------|--|----------------------------|
| Current | | |
| <i>Secured</i> | | |
| Short term revolving credit | 255 | 243 |
| Hire purchase creditors | 214 | 323 |
| | 469 | 566 |
| Non-current | | |
| <i>Secured</i> | | |
| Hire purchase creditors | 89 | 95 |
| | 89 | 95 |
| | 558 | 661 |

23. Off balance sheet financial instruments

As at 26 March 2009, 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 26 March 2009.

25. Dividends

The Company paid a final dividend of 1.8 sen per share in respect of the financial year ended 31 July 2008 on 16 January 2009 to shareholders of the Company whose names appeared on the Register of Depositors as at 9 January 2009.

GREENYIELD BERHAD

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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 | |
|---|--------------------|---------|--------------------|---------|
| | 6 months ended | | 6 months ended | |
| | 31 January | | 31 January | |
| | 2009 | 2008 | 2009 | 2008 |
| Profit after taxation (RM'000) | 2,138 | 2,407 | 2,763 | 2,255 |
| Number of ordinary shares in issue ('000) | 165,000 | 165,000 | 165,000 | 165,000 |
| Basic earnings per share (sen) | 1.30 | 1.46 | 1.67 | 1.37 |

(b) Diluted earnings per share

| | Individual Quarter | | Cumulative Quarter | |
|---|--------------------|---------|--------------------|---------|
| | 6 months ended | | 6 months ended | |
| | 31 January | | 31 January | |
| | #2009 | *2008 | #2009 | *2008 |
| Profit after taxation (RM'000) | 2,138 | 2,407 | 2,763 | 2,255 |
| 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) | 1.30 | 1.43 | 1.67 | 1.34 |

* As at 31 January 2008, 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 January 2009 is as follows:

| Purpose | Allocation of proceeds RM'000 | Amount utilised from 20 October 2006 to 31 January 2009 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 | 960 | 1,263 | Utilization schedule – 19 Oct 2009 |
| Estimated listing expenses | 1,502 | *1,502 | - | N/A |
| Total | <u>8,875</u> | <u>3,962</u> | <u>4,913</u> | |

* Approximately RM0.029 million of unutilised proceeds allocated to defray listing expenses 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 26 March 2009.