

# GREENYIELD BERHAD

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

## Condensed consolidated income statement for the first quarter ended 31 October 2009

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31 October		31 October	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Revenue	4,418	4,364	4,418	4,364
Cost of sales	<u>(2,800)</u>	<u>(2,248)</u>	<u>(2,800)</u>	<u>(2,248)</u>
<b>Gross profit</b>	1,618	2,116	1,618	2,116
Other operating income	181	203	181	203
Other operating expenses	(15)	(48)	(15)	(48)
Distribution expenses	(227)	(354)	(227)	(354)
Administrative expenses	<u>(1,102)</u>	<u>(1,034)</u>	<u>(1,102)</u>	<u>(1,034)</u>
<b>Profit from operations</b>	455	883	455	883
Finance costs	<u>(9)</u>	<u>(17)</u>	<u>(9)</u>	<u>(17)</u>
<b>Profit before taxation</b>	446	866	446	866
Income tax expense	<u>(137)</u>	<u>(241)</u>	<u>(137)</u>	<u>(241)</u>
<b>Net profit for the period</b>	<u>309</u>	<u>625</u>	<u>309</u>	<u>625</u>
<b>Earnings per share<sup>^</sup></b>				
Basic earnings per ordinary share (sen)	<u>0.19</u>	<u>0.38</u>	<u>0.19</u>	<u>0.38</u>
Diluted earnings per ordinary share (sen)	<u>0.18</u>	<u>0.37</u>	<u>0.18</u>	<u>0.37</u>

Note:

<sup>^</sup> 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 2009 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 2009

(The figures have not been audited)

	At 31.10.2009 RM'000	At 31.07.2009 RM'000
<b>Non-Current Assets</b>		
Property, plant and equipment	12,856	12,972
Prepaid lease payments	2,160	2,171
Intangible assets	19	17
Investment in associates	600	330
<b>Total non-current assets</b>	<b>15,635</b>	<b>15,490</b>
<b>Current Assets</b>		
Inventories	5,551	5,078
Receivables, deposits and prepayments	5,353	4,285
Current tax assets	1,940	1,607
Cash and cash equivalents	13,308	14,466
<b>Total current assets</b>	<b>26,152</b>	<b>25,436</b>
<b>Total assets</b>	<b>41,787</b>	<b>40,927</b>
<b>Equity</b>		
Share capital	16,500	16,500
Share premium	3,168	3,168
Share option reserve/Capital reserve	208	208
Retained profits	17,640	17,331
<b>Total equity attributable to shareholders of the Company</b>	<b>37,516</b>	<b>37,207</b>
<b>Non-Current Liabilities</b>		
Loans and borrowings	143	43
Deferred tax liabilities	1,392	1,394
<b>Total non-current liabilities</b>	<b>1,535</b>	<b>1,437</b>
<b>Current Liabilities</b>		
Payables and accruals	2,566	2,164
Loans and borrowings	170	118
<b>Total current liabilities</b>	<b>2,736</b>	<b>2,282</b>
<b>Total liabilities</b>	<b>4,271</b>	<b>3,719</b>
<b>Total equity and liabilities</b>	<b>41,787</b>	<b>40,927</b>
<b>Net Assets ("NA") per share attributable to shareholders of the Company (sen)</b>	<b>22.74</b>	<b>22.55</b>

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 July 2009 and the accompanying explanatory notes attached to the interim financial report.

# GREENYIELD BERHAD

(Company No. 582216-T)

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## Condensed consolidated statement of changes in equity for the first quarter ended 31 October 2009

(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	Translation Reserve	Retained Profits	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 August 2008	16,500	3,168	179	-	16,288	36,135
Foreign exchange translation differences	-	-	-	10	-	10
Profit for the year	-	-	-	-	4,013	4,013
Total recognised income and expenses for the year	-	-	-	10	4,013	4,023
Share based payment	-	-	19	-	-	19
Dividends to shareholders	-	-	-	-	(2,970)	(2,970)
At 31 July / 1 August 2009	16,500	3,168	198	10	17,331	37,207
Issue of new shares	-	-	-	-	-	-
Utilisation from share premium	-	-	-	-	-	-
Profit for the period	-	-	-	-	309	309
Share based payment	-	-	-	-	-	-
Dividends to shareholders	-	-	-	-	-	-
At 31 October 2009	16,500	3,168	198	10	17,640	37,516

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 July 2009 and the accompanying explanatory notes attached to the interim financial report.

# GREENYIELD BERHAD

(Company No. 582216-T)  
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## Condensed consolidated cash flow statement for the first quarter ended 31 October 2009

(The figures have not been audited)

	Current year to date 31.10.2009 RM'000	Audited Preceding financial year ended 31.07.2009 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	446	4,914
Adjustments for :		
Depreciation	342	1,212
Amortisation of prepaid lease payments	14	25
Amortisation of intangible assets	-	1
Gain on disposal of property, plant and equipment - net	(65)	(58)
Property, plant and equipment written off	2	13
Tax penalty written off	8	-
Interest income	(94)	(278)
Finance costs	9	69
Share based payments	-	19
	<hr/>	<hr/>
Operating profit before working capital changes	662	5,917
Changes in working capital:		
Inventories	(473)	214
Receivables, deposits and prepayments	(1,071)	681
Payables and accruals	402	(493)
	<hr/>	<hr/>
Cash generated from operations	(480)	6,319
Interest paid	(7)	(49)
Tax paid	(771)	(2,483)
Tax refund	291	203
	<hr/>	<hr/>
<b>Net cash (used in)/generated from operating activities</b>	<hr/> <b>(967)</b>	<hr/> <b>3,990</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(281)	(2,010)
Purchase of prepaid leasehold land	-	-
Proceed from disposal of property, plant and equipment	116	81
Increase in pledged deposits placed with licensed banks	(3)	(33)
Interest received	94	278
Acquisition of associate	(270)	(330)
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	<hr/> <b>(344)</b>	<hr/> <b>(2,014)</b>
<b>Cash flows from financing activities</b>		
Proceeds from other borrowings	192	-
Repayment of borrowings	-	(243)
Repayment of hire purchase liabilities	(40)	(335)
Proceeds from issue of new shares	-	-
Utilisation from share premium	-	-
Interest paid	(2)	(19)
Dividend paid	-	(2,970)
	<hr/>	<hr/>
<b>Net cash generated from/(used in) financing activities</b>	<hr/> <b>150</b>	<hr/> <b>(3,567)</b>
<b>Effect of exchange rate fluctuation on cash held</b>	<hr/> <b>-</b>	<hr/> <b>12</b>

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## Condensed consolidated cash flow statement for the first quarter ended 31 October 2009 (cont'd)

(The figures have not been audited)

	Current year to date 31.10.2009 RM'000	Audited Preceding financial year ended 31.07.2009 RM'000
Net decrease in cash and cash equivalents	(1,161)	(1,579)
Cash and cash equivalents at beginning of the year	13,401	14,980
Cash and cash equivalents at end of the period/year	12,240	13,401

	Current year to date 31.10.2009 RM'000	Audited Preceding financial year ended 31.07.2009 RM'000
<b>Cash and cash equivalents comprise of:</b>		
Deposits with licensed bank	11,194	11,193
Cash and bank balances	2,114	3,273
	13,308	14,466
Less: Deposits pledged	(1,068)	(1,065)
	12,240	13,401

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 July 2009 and the accompanying explanatory notes attached to the

# GREENYIELD BERHAD

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interim financial report.

## 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 ACE 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 2009.

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 2009.

### 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 2009 in their report dated 13 November 2009.

### 3. Seasonal or cyclical factors

The Group’s sales and therefore its revenue are 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**

No dividend has been 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	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.

# GREENYIELD BERHAD

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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 three months</i> <i>ended 31 October</i>	Plantation		Non-plantation		Eliminations		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008
<i>Business segments</i>								
Revenue from external customers	3,715	4,940	1,664	1,446	961	2,022	4,418	4,364
Segment results *							1,618	2,116
Unallocated income							181	203
Unallocated expenses							(1,344)	(1,436)
Operating profit							455	883
Interest expenses							(9)	(17)
Profit before tax							446	866
Tax expenses							(137)	(241)
<b>Profit for the period</b>							<b>309</b>	<b>625</b>

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

<i>RM('000)</i> <i>For the three months ended</i> <i>31 October</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	751	1,872	1,037	557	-	204



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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</i> <i>ended 31 October</i>	North America		Others		Consolidated	
	2009	2008	2009	2008	2009	2008
<i>Geographical segments</i>						
Revenue from external customers by location	457	625	2,173	1,106	4,418	4,364

### 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

On 2 October 2009, Greenyield's wholly-owned subsidiary – Gim Triple Seven Sdn. Bhd. incorporated a new 70% owned subsidiary known as Greenyield-Sheiphia Holdings (Myanmar) Sdn. Bhd. The balance 30% equity interest is owned by Dr. Rohani Binti Sher Jung (NRIC no. 730103-02-6292).

Save and except for the above, 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 21 December 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.

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## Notes to the interim financial report (cont'd)

### 14. Capital Commitment

	As at 31.10.2009 RM'000	As At 31.07.2009 RM'000
<b>Property, plant and equipments</b>		
Contracted but not provided for and payable		
Within one year	<u>77</u>	<u>80</u>

### 15. Review of performance

For the quarter ended 31 October 2009 and cumulative quarter 3 months ended 31 October 2009, the Group registered a marginal increase of 1.24% in its revenue to RM4.42 million as compared to the same period in the previous financial year ended 31 October 2008. However, higher production cost trimmed net profit to RM0.31 million, against RM0.63 million achieved during the quarter ended 31 October 2008.

### 16. Variation of results against preceding quarter

The Group achieved revenue of RM4.42 million during the quarter ended 31 October 2009, an improvement of 29.3% from RM3.42 million recorded during the quarter ended 31 July 2009. The increase was mainly attributed to higher sales of Artstone plant pots especially to the European markets. Meanwhile, the wet season capped demand for plantation-related products and services.

The improvement in revenue enabled the Group to derive a net profit of RM0.31 million as compared to a net loss of RM0.03 million registered during the preceding quarter ended 31 July 2009.

### 17. Future prospects

The Board continues to view the current financial year prospects as challenging. Meanwhile, the weakening of the US Dollar against the Ringgit will be a challenge to the Group as about 75% of the group revenue is denominated in US Dollar. The Group is seeking ways to mitigate the negative impact of the declining US Dollar against the Ringgit.

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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	
	2009	2008
	RM'000	RM'000
Estimated current tax payable	139	243
Under/(Over)provision in prior year	-	-
Transfer from deferred taxation	(2)	(2)
	<u>137</u>	<u>241</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 22 December 2009, there were no corporate proposals announced but not completed.

# GREENYIELD BERHAD

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## Notes to the interim financial report (cont'd)

### 22. Borrowing and debt securities

	At end of current quarter 31.10.2009 RM'000	At 31.07.2009 RM'000
<b>Current</b>		
<i>Secured</i>		
Hire purchase creditors	170	118
<b>Non-current</b>		
<i>Secured</i>		
Hire purchase creditors	144	42
	<u>314</u>	<u>160</u>

### 23. Off balance sheet financial instruments

As at 22 December 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 22 December 2009.

### 25. Dividends

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

The Board of Directors have recommended a single tier final dividend of 1.5 sen per share in respect of the financial year ended 31 July 2009 and the shareholders have approved the proposal during the Seventh Annual General Meeting held on 22 December 2009. The entitlement date for the said dividend shall be 7 January 2010.

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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	
	2009	2008	2009	2008
Profit after taxation (RM'000)	309	625	309	625
Number of ordinary shares in issue ('000)	165,000	165,000	165,000	165,000
Basic earnings per share (sen)	0.19	0.38	0.19	0.38

#### (b) Diluted earnings per share

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31 October		31 October	
	2009	2008	2009	2008
Profit after taxation (RM'000)	309	625	309	625
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)	2,595	2,595	2,595	2,595
Adjusted number of ordinary shares in issue ('000)	167,595	167,595	167,595	167,595
Diluted earnings per share (sen)	0.18	0.37	0.18	0.37

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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 2009 is as follows:

Purpose	Allocation of proceeds RM'000	Amount utilised from 20 October 2006 to 31 October 2009 RM'000	Amount unutilised RM'000	Explanation on amount unutilised
Research and development (R&D)	1,500	-	1,500	Utilization schedule – 19 Oct 2012
Capital expenditure	1,850	-	1,850	Utilization schedule – 19 Oct 2012
Setting up of marketing and technical support service centres	300	-	300	Utilization schedule – 19 Oct 2012
Repayment of borrowings	1,500	1,500	-	N/A
Working capital	2,223	*960	1,263	Utilization schedule – 19 Oct 2012
Estimated listing expenses	1,502	*1,502	-	#N/A
Total	8,875	3,962	4,913	

\* 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 2009.