

GREENYIELD BERHAD

(Company No. 582216-T)

(Incorporated in Malaysia)

Condensed consolidated income statement for the second quarter ended 31 January 2010

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	31 January		31 January	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Revenue	10,675	10,986	15,093	15,350
Cost of sales	(6,594)	(6,934)	(9,394)	(9,182)
Gross profit	4,081	4,052	5,699	6,168
Other operating income	181	197	362	400
Other operating expenses	(27)	(32)	(42)	(80)
Distribution expenses	(394)	(253)	(621)	(607)
Administrative expenses	(1,509)	(1,122)	(2,611)	(2,156)
Profit from operations	2,332	2,842	2,787	3,725
Finance costs	(12)	(15)	(21)	(32)
Share of loss of equity accounted investees, net of tax	(6)	-	(6)	-
Profit before taxation	2,314	2,827	2,760	3,693
Income tax expense	(350)	(689)	(487)	(930)
Net profit for the period	1,964	2,138	2,273	2,763
Profit attributable to:				
Owners of the Company	1,965	2,138	2,274	2,763
Minority Interests	(1)	-	(1)	-
Profit for the period	1,964	2,138	2,273	2,763
Earnings per share[^]				
Basic earnings per ordinary share (sen)	1.19	1.30	1.38	1.67
Diluted earnings per ordinary share (sen)	1.17	1.30	1.36	1.67

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 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 January 2010

(The figures have not been audited)

	At 31.01.2010 RM'000	At 31.07.2009 RM'000
Non-Current Assets		
Property, plant and equipment	12,996	12,972
Prepaid lease payments	2,154	2,171
Intangible assets	16	17
Investment in associates	594	330
Total non-current assets	<u>15,760</u>	<u>15,490</u>
Current Assets		
Inventories	5,334	5,078
Receivables, deposits and prepayments	9,491	4,285
Current tax assets	2,284	1,608
Cash and cash equivalents	12,283	14,466
Total current assets	<u>29,392</u>	<u>25,437</u>
Total assets	<u>45,152</u>	<u>40,927</u>
Equity		
Share capital	16,500	16,500
Share premium	3,168	3,168
Share option reserve/Capital reserve	208	208
Retained profits	17,130	17,331
Total equity attributable to shareholders of the Company	<u>37,006</u>	<u>37,207</u>
Minority interests	<u>2</u>	<u>-</u>
Total equity	<u>37,008</u>	<u>37,207</u>
Non-Current Liabilities		
Loans and borrowings	115	43
Deferred tax liabilities	1,390	1,394
Total non-current liabilities	<u>1,505</u>	<u>1,437</u>
Current Liabilities		
Payables and accruals	6,493	2,165
Loans and borrowings	146	118
Total current liabilities	<u>6,639</u>	<u>2,283</u>
Total liabilities	<u>8,144</u>	<u>3,720</u>
Total equity and liabilities	<u>45,152</u>	<u>40,927</u>
Net Assets ("NA") per share attributable to shareholders of the Company (sen)	<u>22.43</u>	<u>22.55</u>

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.

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(Company No. 582216-T)

(Incorporated in Malaysia)

Condensed consolidated statement of changes in equity for the second quarter ended 31 January 2010

(The figures have not been audited)

	<u>Non – distributable</u>			<u>Distributable</u>		Minority interests	Total Equity
	Share Capital	Share Premium	Share Option Reserve	Translation Reserve	Retained Profits		
	RM'000	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	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	-	-	-	-	2,274	(1)	2,273
Minority interests	-	-	-	-	-	3	3
Share based payment	-	-	-	-	-	-	-
Dividends to shareholders	-	-	-	-	(2,475)	-	(2,475)
At 31 January 2010	16,500	3,168	198	10	17,130	2	37,006

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

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Condensed consolidated cash flow statement for the second quarter ended 31 January 2010

(The figures have not been audited)

	Current year to date 31.01.2010 RM'000	Audited Preceding financial year ended 31.07.2009 RM'000
Cash flows from operating activities		
Profit before tax	2,760	4,914
Adjustments for :		
Depreciation	685	1,212
Amortisation of prepaid lease payments	21	25
Amortisation of intangible assets	1	1
Gain on disposal of property, plant and equipment - net	(65)	(58)
Property, plant and equipment written off	3	13
Tax penalty written off	8	-
Interest income	(187)	(278)
Finance costs	22	69
Share of loss in associated	6	-
Share based payments	-	19
Operating profit before working capital changes	3,254	5,917
Changes in working capital:		
Inventories	(256)	214
Receivables, deposits and prepayments	(5,203)	681
Payables and accruals	4,104	(493)
Cash generated from operations	1,899	6,319
Interest paid	(15)	(49)
Tax paid	(1,243)	(2,483)
Tax refund	291	203
Net cash (used in)/generated from operating activities	932	3,990
Cash flows from investing activities		
Purchase of property, plant and equipment	(768)	(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	(432)	(33)
Interest received	187	278
Acquisition of associate	(270)	(330)
Net cash used in investing activities	(1,167)	(2,014)
Cash flows from financing activities		
Proceeds from other borrowings	-	-
Repayment of borrowings	192	(243)
Repayment of hire purchase liabilities	(92)	(335)
Proceeds from issue of new shares	-	-
Utilisation from share premium	-	-
Interest paid	(6)	(19)
Dividend paid	(2,475)	(2,970)
Net cash generated from/(used in) financing activities	(2,381)	(3,567)
Effect of exchange rate fluctuation on cash held	-	12

GREENYIELD BERHAD

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Condensed consolidated cash flow statement for the second quarter ended 31 January 2010 (cont'd)

(The figures have not been audited)

	Current year to date 31.01.2010 RM'000	Audited Preceding financial year ended 31.07.2009 RM'000
Net decrease in cash and cash equivalents	(2,616)	(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	10,785	13,401

	Current year to date 31.01.2010 RM'000	Audited Preceding financial year ended 31.07.2009 RM'000
Cash and cash equivalents comprise of:		
Deposits with licensed bank	9,767	11,193
Cash and bank balances	2,516	3,273
	12,283	14,466
Less: Deposits pledged	(1,498)	(1,065)
	10,785	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 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 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.

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 of plantation products and services 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.

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.

GREENYIELD BERHAD

(Company No. 582216-T)

(Incorporated in Malaysia)

Notes to the interim financial report (cont'd)

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 single tier final dividend of 1.5 sen per share in respect of the financial year ended 31 July 2009 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	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.

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(Company No. 582216-T)

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Notes to the interim financial report (cont'd)

8. Segmental reporting (cont'd)

<i>RM('000)</i> <i>For the six months ended 31 January</i>	Plantation		Non-plantation		Eliminations		Consolidated	
	2010	2009	2010	2009	2010	2009	2010	2009
<i>Business segments</i>								
Revenue from external customers	12,854	14,430	5,241	7,426	3,002	6,506	15,093	15,350
Segment results *							5,699	6,168
Unallocated income							362	400
Unallocated expenses							(3,274)	(2,843)
Operating profit							2,787	3,725
Interest expenses							(21)	(32)
Share of loss of equity accounted investees, net of tax							(6)	-
Profit before tax							2,760	3,693
Tax expenses							(487)	(930)
Profit for the period							2,273	2,763

* 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	
	2010	2009	2010	2009	2010	2009
<i>Geographical segments</i>						
Revenue from external customers by location	1,948	3,964	6,986	1,939	-	466

<i>RM('000)</i> <i>For the six months ended 31 January</i>	North America		Others		Consolidated	
	2010	2009	2010	2009	2010	2009
<i>Geographical segments</i>						
Revenue from external customers by location	1,717	2,114	4,442	6,867	15,093	15,350

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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 22 March 2010 (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 31.01.2010 RM'000	As At 31.07.2009 RM'000
Property, plant and equipments		
Contracted but not provided for and payable		
Within one year	77	80

15. Review of performance

For the 6 months ended 31 January 2010, the Group recorded revenue of RM15.09 million a marginal decline of 1.7% as compared to RM15.35 million achieved during the same period in the previous financial year ended 31 July 2009. Meanwhile, net profit after taxation for the 6 months ended 31 January 2010 was RM2.27 million, a decrease of 17.7% as compared to RM2.76 million registered a year ago.

The drop in revenue and net profit after taxation were mainly due to slower sales of plantation-related products and services as a result of adverse weather condition for rubber tapping. However, demand for non-plantation related products particularly Artstone plant pots continued to be encouraging.

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(Company No. 582216-T)
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Notes to the interim financial report (cont'd)

16. Variation of results against preceding quarter

The Group achieved revenue of RM10.68 million during the quarter ended 31 January 2010 as compared to RM4.42 million recorded during the quarter ended 31 October 2009. The significant increase is mainly due to encouraging demand for Artstone plant pots and plantation-related products and services.

As a result of the increase in revenue, net profit during the quarter ended 31 January 2010 improved to RM1.96 million from RM0.31 million registered in the preceding quarter.

17. Future prospects

The Board views the prospects for the remaining quarters for the financial year ending 31 July 2010 to be promising, though continued economic woes reported around the world with the weakening of the US Dollar needs to be noted since about 75% of the group revenue is derived from the export markets. The Group will however continue to explore ways to outperform the adverse economic condition while seeking ways to mitigate the negative impact of the declining US Dollar against the Ringgit.

18. Tax expense

The taxation figures are as follows:

	6 months ended	
	31 January	
	2010	2009
	RM'000	RM'000
Estimated current tax payable	487	934
Under/(Over)provision in prior year	-	-
Transfer from deferred taxation	-	(4)
	<u>487</u>	<u>930</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.

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Notes to the interim financial report (cont'd)

21. Status of corporate proposals announced but not completed

The proposals to facilitate the compliance with the Bumiputera equity condition, comprising the Proposal Special Issue and Proposed Private Placement (collectively referred to as the "Proposals"), as announced on 28 January 2010 and 2 February 2010, are currently pending the approval of Bursa Malaysia Securities Berhad for the listing of and quotation for the new ordinary shares of RM0.10 each in the Company to be issued pursuant to the Proposed Special Issue. The Proposals had been approved by the Equity Compliance Unit of the Securities Commission and the Ministry of International Trade and Industry *vide* their letter dated 18 March 2010 and 10 March 2010, respectively.

The shareholders' mandate for the Proposed Share Buy-Back, as announced on 24 November 2009, will commence after the completion of the Sponsorship Period on 31 July 2010.

Save as disclosed above, there were no corporate proposals announced but not completed.

22. Borrowing and debt securities

	At end of current quarter 31.01.2010 RM'000	At 31.07.2009 RM'000
Current Secured		
Hire purchase creditors	146	118
Non-current Secured		
Hire purchase creditors	115	42
	261	160

23. Off balance sheet financial instruments

As at 22 March 2010, 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 March 2010.

25. Dividends

The Company paid a single tier final dividend of 1.5 sen per share in respect of the financial year ended 31 July 2009 on 15 January 2010 to shareholders of the Company whose names appeared on the Register of Depositors as at 07 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		6 months ended	
	31 January		31 January	
	2010	2009	2010	2009
Profit after taxation (RM'000)	1,964	2,138	2,273	2,763
Number of ordinary shares in issue ('000)	165,000	165,000	165,000	165,000
Basic earnings per share (sen)	1.19	1.30	1.38	1.67

(b) Diluted earnings per share

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	31 January		31 January	
	2009	2008	2009	2008
Profit after taxation (RM'000)	1,964	2,138	2,273	2,763
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	-
Adjusted number of ordinary shares in issue ('000)	167,595	165,000	167,595	165,000
Diluted earnings per share (sen)	1.17	1.30	1.36	1.67

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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 2010 is as follows:

Purpose	Allocation of proceeds RM'000	Amount utilised from 20 October 2006 to 31 January 2010 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 23 March 2010.