

GREENYIELD BERHAD

(Company No. 582216-T)

(Incorporated in Malaysia)

Condensed consolidated income statement for the fourth quarter ended 31 July 2010

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31.07.2010	31.07.2009	31.07.2010	31.07.2009
	RM'000	RM'000	RM'000	RM'000
Revenue	9,147	3,416	38,779	27,696
Cost of sales	(6,400)	(2,525)	(22,784)	(17,934)
Gross profit	2,747	891	15,995	9,762
Other operating income	248	133	811	911
Other operating expenses	(304)	(21)	(497)	(131)
Distribution expenses	(369)	(341)	(1,339)	(1,185)
Administrative expenses	(1,303)	(1,166)	(5,247)	(4,374)
Profit from operations	1,019	(504)	9,723	4,983
Finance costs	(22)	(7)	(67)	(69)
Share of loss of equity accounted investees, net of tax	(1)	-	(9)	-
Profit before taxation	996	(511)	9,647	4,914
Income tax expense	(308)	482	(2,542)	(901)
Net profit for the period	688	(29)	7,105	4,013
Profit attributable to:				
Owners of the Company	685	(29)	7,105	4,013
Minority Interests	3	-	-	-
Profit for the period	688	(29)	7,105	4,013
Earnings per share[^]				
Basic earnings / (loss) per ordinary share (sen)	0.42	(0.02)	4.31	2.43
Diluted earnings / (loss) per ordinary share (sen)	0.42	(0.02)	4.31	2.43

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 as at 31 July 2010

(The figures have not been audited)

	Current year as at 31.07.2010 (Unaudited) RM'000	Preceding year as at 31.07.2009 (Audited) RM'000
Non-Current Assets		
Property, plant and equipment	15,658	12,972
Prepaid lease payments	2,204	2,171
Intangible assets	16	17
Investment in associates	591	330
Total non-current assets	18,469	15,490
Current Assets		
Inventories	6,027	5,078
Receivables, deposits and prepayments	9,450	5,892
Current tax assets	1,498	-
Cash and cash equivalents	12,989	14,466
Total current assets	29,964	25,436
Total assets	48,433	40,926
Equity		
Share capital	16,500	16,500
Share premium	3,168	3,168
Share option reserve/Capital reserve	205	208
Retained earnings	21,961	17,331
Total equity attributable to shareholders of the Company	41,834	37,207
Minority interests	-	-
Total equity	41,834	37,207
Non-Current Liabilities		
Loans and borrowings	58	43
Deferred tax liabilities	1,386	1,394
Total non-current liabilities	1,444	1,437
Current Liabilities		
Payables and accruals	5,039	2,164
Loans and borrowings	116	118
Total current liabilities	5,155	2,282
Total liabilities	6,599	3,719
Total equity and liabilities	48,433	40,926
Net Assets ("NA") per share attributable to shareholders of the Company (sen)	25.35	22.55

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 statement of changes in equity for the fourth quarter ended 31 July 2010

(The figures have not been audited)

	<u>Non – distributable</u>				<u>Distributable</u>			Total Equity
	Share Capital	Share Premium	Share Option Reserve	Translation Reserve	Retained Earnings	Total	Minority interests	
	RM'000	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	-	36,135
Foreign exchange translation differences	-	-	-	10	-	10	-	10
Profit for the year	-	-	-	-	4,013	4,013	-	4,013
Total recognised income and expenses for the year	-	-	-	10	4,013	4,023	-	4,023
Share based payment	-	-	19	-	-	19	-	19
Dividends to shareholders	-	-	-	-	(2,970)	(2,970)	-	(2,970)
At 31 July / 1 August 2009	16,500	3,168	198	10	17,331	37,207	-	37,207
Issue of new shares	-	-	-	-	-	-	-	-
Utilisation from share premium	-	-	-	-	-	-	-	-
Foreign exchange translation differences	-	-	-	(3)	-	(3)	-	(3)
Profit for the period	-	-	-	-	7,105	7,105	-	7,105
Minority interests	-	-	-	-	-	-	-	-
Share based payment	-	-	-	-	-	-	-	-
Dividends to shareholders	-	-	-	-	(2,475)	(2,475)	-	(2,475)
At 31 July 2010	16,500	3,168	198	7	21,961	41,834	-	41,834

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 cash flow statement for the fourth quarter ended 31 July 2010

(The figures have not been audited)

	Current year Ended 31.07.2010 (Unaudited) RM'000	Preceding year Ended 31.07.2009 (Audited) RM'000
Cash flows from operating activities		
Profit before tax	9,648	4,914
Adjustments for :		
Depreciation	1,397	1,212
Amortisation of prepaid lease payments	27	25
Amortisation of intangible assets	1	1
Gain on disposal of property, plant and equipment - net	(80)	(58)
Property, plant and equipment written off	12	13
Property, plant and equipment convert to stock	38	-
Tax penalty written off	8	-
Interest income	(286)	(278)
Finance costs	67	69
Share of loss in associated	9	-
Share based payments	-	19
	<hr/>	<hr/>
Operating profit before working capital changes	10,841	5,917
Changes in working capital:		
Inventories	(949)	214
Receivables, deposits and prepayments	(5,227)	681
Payables and accruals	2,875	(493)
	<hr/>	<hr/>
Cash generated from operations	7,540	6,319
Interest paid	(54)	(49)
Tax paid	(2,740)	(2,483)
Tax refund	291	203
	<hr/>	<hr/>
Net cash generated from operating activities	5,037	3,990
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,208)	(2,010)
Proceed from disposal of property, plant and equipment	154	81
Decrease in pledged deposits placed with licensed banks	(688)	(33)
Interest received	286	278
Acquisition of associate	(270)	(330)
	<hr/>	<hr/>
Net cash used in investing activities	(4,726)	(2,014)
Cash flows from financing activities		
Repayment of borrowings	-	(243)
Repayment of hire purchase liabilities	(179)	(335)
Proceeds from hire purchase	192	-
Interest paid	(13)	(19)
Dividend paid	(2,475)	(2,970)
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Net cash used in financing activities	(2,475)	(3,567)
Effect of exchange rate fluctuation on cash held	-	12

GREENYIELD BERHAD

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

(The figures have not been audited)

	Current year Ended 31.07.2010 (Unaudited) RM'000	Preceding year Ended 31.07.2009 (Audited) RM'000
Net decrease in cash and cash equivalents	(2,164)	(1,579)
Cash and cash equivalents at beginning of the year	13,401	14,980
Cash and cash equivalents at end of the year	<u>11,237</u>	<u>13,401</u>
	Current year Ended 31.07.2010 (Unaudited) RM'000	Preceding year Ended 31.07.2009 (Audited) RM'000
Cash and cash equivalents comprise of:		
Deposits with licensed bank	9,875	11,193
Cash and bank balances	<u>3,114</u>	<u>3,273</u>
	12,989	14,466
Less: Deposits pledged	<u>(1,752)</u>	<u>(1,065)</u>
	<u>11,237</u>	<u>13,401</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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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.

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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

No dividend has been paid during the 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 Artstone Plant Pot and other plastic-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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Notes to the interim financial report (cont'd)

8. Segmental reporting (cont'd)

<i>RM('000)</i> <i>For the twelve months</i> <i>ended 31 July</i>	Plantation		Non-plantation		Eliminations		Consolidated	
	2010	2009	2010	2009	2010	2009	2010	2009
<i>Business segments</i>								
Revenue from external customers	33,374	24,952	13,759	11,141	8,354	8,397	38,779	27,696
Segment results *							15,995	9,762
Unallocated income							525	634
Unallocated expenses							(7,083)	(5,690)
Operating profit							9,437	4,705
Share of loss of equity accounted investee, net of tax							(9)	-
Interest expenses							(67)	(69)
Interest incomes							286	278
Profit before tax							9,647	4,914
Tax expenses							(2,542)	(901)
Profit for the year							7,105	4,013

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

<i>RM('000)</i> <i>For the twelve months</i> <i>ended 31 July</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	6,245	7,061	12,486	6,103	-	461

<i>RM('000)</i> <i>For the twelve months</i> <i>ended 31 July</i>	North America		Others		Consolidated	
	2010	2009	2010	2009	2010	2009
<i>Geographical segments</i>						
Revenue from external customers by location	4,880	4,855	15,168	9,216	38,779	27,696

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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

On 21 July 2010, the Group had terminated the Shareholders' Agreement and disposed of its entire shareholding of 70% of the issued and paid up capital of Greenyeld-Sheiphia Holdings (Myanmar) Sdn Bhd.

Save 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 and contingent liabilities as at 29 September 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 31.07.2010 RM'000	As At 31.07.2009 RM'000
Property, plant and equipments		
Contracted but not provided for and payable		
Within one year	<u>72</u>	<u>80</u>

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Notes to the interim financial report (cont'd)

15. Review of performance

For cumulative year ended 31 July 2010, the Group recorded revenue of RM38.78 million, an increase of 40.0% as compared to RM27.70 million achieved during the same period in the previous financial year ended 31 July 2009. Meanwhile, net profit after taxation for the year ended 31 July 2010 was RM7.10 million, an improvement of 77.1% as compared to RM4.01 million registered a year ago.

The improvement in group revenue is mainly attributed to strong demand for plantation-related products and services buoyed by firm natural rubber prices and increase in demand for natural rubber. Meanwhile sales of Artstone plant pots to the American, European and Australian markets during the period experienced an upward trend.

16. Variation of results against preceding quarter

The Group achieved revenue of RM9.15 million during the quarter ended 31 July 2010 as compared to RM14.54 million recorded during the quarter ended 30 April 2010. The significant decrease is mainly due to lower sales of the plantation products and services as arising from cyclical demand of natural rubber.

As a result of the decrease in revenue, net profit after taxation during the quarter ended 31 July 2010, decrease to RM0.69 million from RM4.15 million registered in the preceding quarter.

17. Future prospects

The Board views the following year prospects to be consciously promising. However, the weakness of the US Dollar and the Euro continue to be of concern as substantial portion of the group revenue is derived from the export markets.

18. Tax expense

The taxation figures are as follows:

	12 months ended	
	31 July	
	2010	2009
	RM'000	RM'000
Estimated current tax payable	2,476	854
Under/(Over)provision in prior year	74	19
Transfer from deferred taxation	(8)	28
	<u>2,542</u>	<u>901</u>

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Notes to the interim financial report (cont'd)

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

The proposals to facilitate the compliance with the Bumiputera equity condition, comprising the Proposed Special Issue and Proposed Private Placement (collectively referred to as the "Proposals"), as announced on 28 January 2010 and 2 February 2010, 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. Bursa Malaysia Securities Berhad ("**Bursa Securities**") had also *vide* its letter dated 24 March 2010 approved the listing of and quotation for up to 17,913,300 new ordinary shares of RM0.10 each ("**Shares**") in Greenyield to be issued pursuant to the Proposed Special Issue.

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, as at 29 September 2010, there were no corporate proposals announced but not completed.

22. Borrowing and debt securities

	At end of current quarter 31.07.2010 RM'000	At 31.07.2009 RM'000
Current Secured		
Hire purchase creditors	58	118
Non-current Secured		
Hire purchase creditors	116	42
	174	160

23. Off balance sheet financial instruments

As at 29 September 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 29 September 2010.

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Notes to the interim financial report (cont'd)

25. Dividends

The Board of Directors is recommending a final dividend of 2.0 sen per share in respect of the financial year ended 31 July 2010 for shareholders' approval at the forthcoming Annual General Meeting. The entitlement date will be fixed at a later date.

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		12 months ended	
	31 July		31 July	
	2010	2009	2010	2009
Profit after taxation (RM'000)	688	(29)	7,105	4,013
Number of ordinary shares in issue ('000)	165,000	165,000	165,000	165,000
Basic earnings per share (sen)	0.42	(0.02)	4.31	2.43

(b) Diluted earnings per share

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31 July		31 July	
	2010	2009	2010	2009
Profit after taxation (RM'000)	688	(29)	7,105	4,013
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)	-	-	-	-
Adjusted number of ordinary shares in issue ('000)	165,000	165,000	165,000	165,000
Diluted earnings per share (sen)	0.42	(0.02)	4.31	2.43

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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 July 2010 is as follows:

Purpose	Allocation of proceeds RM'000	Amount utilised from 20 October 2006 to 31 July 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	<u>8,875</u>	<u>3,962</u>	<u>4,913</u>	

* 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 29 September 2010.