

# GREENYIELD BERHAD

(Company No. 582216-T)

(Incorporated in Malaysia)

## Condensed consolidated statement of comprehensive income for the first quarter ended 31 October 2010

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31 October		31 October	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	8,024	4,418	8,024	4,418
Cost of sales	<u>(5,285)</u>	<u>(2,800)</u>	<u>(5,285)</u>	<u>(2,800)</u>
<b>Gross profit</b>	2,739	1,618	2,739	1,618
Other operating income	171	181	171	181
Other operating expenses	(223)	(15)	(223)	(15)
Distribution expenses	(250)	(227)	(250)	(227)
Administrative expenses	<u>(1,314)</u>	<u>(1,102)</u>	<u>(1,314)</u>	<u>(1,102)</u>
<b>Profit from operations</b>	1,123	455	1,123	455
Finance costs	<u>(7)</u>	<u>(9)</u>	<u>(7)</u>	<u>(9)</u>
<b>Net Profit</b>	1,116	446	1,116	446
Share of loss in associate	<u>(1)</u>	-	<u>(1)</u>	-
<b>Profit before taxation</b>	1,115	446	1,115	446
Income tax expense	<u>(329)</u>	<u>(137)</u>	<u>(329)</u>	<u>(137)</u>
<b>Net profit for the period</b>	<u>786</u>	<u>309</u>	<u>786</u>	<u>309</u>
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>786</u>	<u>309</u>	<u>786</u>	<u>309</u>
<b>Profit attributable to:</b>				
Owners of the company	786	309	786	309
Minority interests	-	-	-	-
<b>Profit for the period</b>	<u>786</u>	<u>309</u>	<u>786</u>	<u>309</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the company	786	309	786	309
Minority interests	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>786</u>	<u>309</u>	<u>786</u>	<u>309</u>

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(Company No. 582216-T)

(Incorporated in Malaysia)

## Condensed consolidated statement of comprehensive income for the first quarter ended 31 October 2010 (cont'd)

(The figures have not been audited)

### Earnings per share<sup>^</sup>

Basic earnings per ordinary  
share (sen)

<u>0.48</u>	<u>0.19</u>	<u>0.48</u>	<u>0.19</u>
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Diluted earnings per ordinary  
share (sen)

<u>0.47</u>	<u>0.18</u>	<u>0.47</u>	<u>0.18</u>
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Note:

<sup>^</sup> Please refer to Note 27 for details of the computations.

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 July 2010 and the accompanying explanatory notes attached to the interim financial report.

# GREENYIELD BERHAD

(Company No. 582216-T)

(Incorporated in Malaysia)

## Condensed consolidated statement of financial position as at 31 October 2010

(The figures have not been audited)

	At 31.10.2010 RM'000	At 31.07.2010 RM'000
<b>Assets</b>		
Property, plant and equipment	15,628	15,651
Prepaid lease payments	2,130	2,142
Intangible assets	18	16
Investment in associate	590	591
<b>Total non-current assets</b>	<b>18,366</b>	<b>18,400</b>
Inventories	7,704	6,027
Receivables, deposits and prepayments	7,145	8,749
Current tax assets	678	1,621
Cash and cash equivalents	14,935	12,989
<b>Total current assets</b>	<b>30,462</b>	<b>29,386</b>
<b>Total assets</b>	<b>48,828</b>	<b>47,786</b>
<b>Equity</b>		
Share capital	16,500	16,500
Share premium	3,168	3,168
Reserves	208	208
Retained profits	22,967	22,181
<b>Total equity attributable to owners of the Company</b>	<b>42,843</b>	<b>42,057</b>
<b>Liabilities</b>		
Loans and borrowings	28	58
Deferred tax liabilities	1,491	1,492
<b>Total non-current liabilities</b>	<b>1,519</b>	<b>1,550</b>
Payables and accruals	4,271	4,063
Loans and borrowings	195	116
<b>Total current liabilities</b>	<b>4,466</b>	<b>4,179</b>
<b>Total liabilities</b>	<b>5,985</b>	<b>5,729</b>
<b>Total equity and liabilities</b>	<b>48,828</b>	<b>47,786</b>
<b>Net Assets ("NA") per share attributable to shareholders of the Company (sen)</b>	<b>25.97</b>	<b>25.49</b>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 July 2010 and the accompanying explanatory notes attached to the interim financial report.

# GREENYIELD BERHAD

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(Incorporated in Malaysia)

## Condensed consolidated statement of changes in equity for the first quarter ended 31 October 2010

(The figures have not been audited)

	<u>Non – distributable</u>				<u>Distributable</u>	
	<i>Attributable to owners 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 2009	16,500	3,168	198	10	17,331	37,207
Profit for the year	-	-	-	-	7,325	7,325
Share based payment	-	-	-	-	-	-
Dividends to shareholders	-	-	-	-	(2,475)	(2,475)
At 31 July / 1 August 2010	16,500	3,168	198	10	22,181	42,057
Issue of new shares	-	-	-	-	-	-
Utilisation from share premium	-	-	-	-	-	-
Profit for the period	-	-	-	-	786	786
Share based payment	-	-	-	-	-	-
Dividends to shareholders	-	-	-	-	-	-
At 31 October 2010	16,500	3,168	198	10	22,967	42,843

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2010 and the accompanying explanatory notes attached to the interim financial report.

# GREENYIELD BERHAD

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## Condensed consolidated statement of cash flows for the first quarter ended 31 October 2010

(The figures have not been audited)

	Current year to date 31.10.2010 RM'000	Audited Preceding financial year ended 31.07.2010 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	1,115	9,650
Adjustments for :		
Depreciation	488	1,421
Amortisation of prepaid lease payments	9	35
Amortisation of intangible assets	-	1
Gain on disposal of property, plant and equipment - net	-	(158)
Property, plant and equipment written off	2	12
Interest income	(58)	(286)
Finance costs	7	67
Share of loss in associated	1	8
Operating profit before working capital changes	1,564	10,750
Changes in working capital:		
Inventories	(1,677)	(949)
Receivables, deposits and prepayments	1,604	170
Payables and accruals	208	(2,725)
Cash generated from operations	1,699	7,246
Interest paid	(4)	(54)
Tax paid	(733)	(2,540)
Tax refund	1,345	299
<b>Net cash generated from operating activities</b>	<b>2,307</b>	<b>4,951</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(468)	(4,032)
Purchase of prepaid leasehold land	-	(5)
Proceed from disposal of property, plant and equipment	1	270
Increase in pledged deposits placed with licensed banks	(64)	(688)
Interest received	58	286
Acquisition of associate	-	(270)
<b>Net cash used in investing activities</b>	<b>(473)</b>	<b>(4,439)</b>
<b>Cash flows from financing activities</b>		
Proceeds from other borrowings	80	-
Repayment of borrowings	-	-
Repayment of hire purchase liabilities	(30)	(179)
Proceeds from issue of new shares	-	-
Utilisation from share premium	-	-
Interest paid	(3)	(13)
Dividend paid	-	(2,475)
<b>Net cash generated from/(used in) financing activities</b>	<b>47</b>	<b>(2,667)</b>
<b>Effect of exchange rate fluctuation on cash held</b>	<b>-</b>	<b>(9)</b>

# GREENYIELD BERHAD

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## Condensed consolidated statement of cash flows for the first quarter ended 31 October 2010 (cont'd)

(The figures have not been audited)

	Current year to date 31.10.2010 RM'000	Audited Preceding financial year ended 31.07.2010 RM'000
Net decrease in cash and cash equivalents	1,881	(2,164)
Cash and cash equivalents at beginning of the year	11,237	13,401
Cash and cash equivalents at end of the period/year	13,118	11,237

	Current year to date 31.10.2010 RM'000	Audited Preceding financial year ended 31.07.2010 RM'000
<b>Cash and cash equivalents comprise of:</b>		
Deposits with licensed bank	9,469	9,557
Cash and bank balances	5,466	3,432
	14,935	12,989
Less: Deposits pledged	(1,817)	(1,752)
	13,118	11,237

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 July 2010 and the accompanying explanatory notes attached to the interim financial report.

# **GREENYIELD BERHAD**

(Company No. 582216-T)

(Incorporated in Malaysia)

## **Notes to the condensed consolidated interim financial statements**

### **1. Basis of preparation**

#### **Statement of compliance**

These condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and FRS 134, *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 July 2010.

### **2. Significant accounting policies**

The accounting policies 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 2010 except for the adoption of new standards, amendments to standards and IC Interpretations that are mandatory for the Group for the financial year beginning 1 August 2010. The adoption of these standards, amendments to standards and IC Interpretations do not have a material impact on the Group's interim financial report.

### **3. Estimates**

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 July 2010.

### **4. Seasonality of operations**

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.

### **5. 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 condensed consolidated interim financial statements (cont'd)**

### **6. 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 quarter.

### **7. 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.

### **8. Dividends paid**

No dividend has been paid during this quarter.

### **9. Operation Segments**

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and managing strategy. For each of the strategic business unit, the Group's Managing Director reviews internal management reports on at least a quarterly basis. The following summary describes the operation in each Group's reportable segments.

- **Plantation products**                      Development, manufacturing and marketing of agricultural products and services based on agro-technology and project management of a plantation.
- **Non-plantation products**              Manufacturing and marketing of plastic-related products.

There are varying levels of integration between reportable segments, the plantation products and non-plantation products. This integration includes marketing activities and transfer of raw materials.

Performance is measured on segment revenue that is reviewed by the Group's Managing Director who is the Group's chief operating decision maker. Segment revenue is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments.



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## Notes to the condensed consolidated interim financial statements (cont'd)

### 9. Operation Segments (cont'd)

<i>RM('000)</i>	Plantation		Non-plantation		Eliminations		Consolidated	
	2010	2009	2010	2009	2010	2009	2010	2009
<i>For the three months ended 31 October</i>								
<i>Business segments</i>								
Revenue from external customers	4,240	3,715	4,808	1,664	1,024	961	8,024	4,418
Segment results *							2,739	1,618
Unallocated income							171	181
Unallocated expenses							(1,787)	(1,344)
Operating profit							1,123	455
Interest expenses							(7)	(9)
Net Profit							1,116	446
Share of loss in associate							(1)	-
Profit before tax							1,115	446
Tax expenses							(329)	(137)
<b>Profit for the period</b>							<b>786</b>	<b>309</b>

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

### 10. Property, plant and equipment

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

### 11. 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.

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## Notes to the condensed consolidated interim financial statements (cont'd)

### 12. Changes in composition of the Group

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

### 13. Changes in contingent assets and contingent liabilities

There were no contingent assets as at 21 December 2010 (being the latest practicable date not earlier than 7 days from the date of issue of this interim financial report).

### 14. Related party transactions

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

### 15. Capital Commitment

	As at 31.10.2010 RM'000	As At 31.07.2010 RM'000
<b>Property, plant and equipments</b>		
Contracted but not provided for		
Within one year	71	72

### 16. Review of Group performance

For the quarter ended 31 October 2010, the Group registered an increase of 81.45% in its revenue to RM8.02 million as compared to the previous quarter ended 31 October 2009. As a results, higher profit before tax of RM1.12 million, against RM0.45 million achieved during the quarter ended 31 October 2009.

The increase in sales was mainly due to non-plantation related product particularly on Artstone plant pots.

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## Notes to the condensed consolidated interim financial statements (cont'd)

### 17. Variation of results against preceding quarter

The Group achieved revenue of RM8.02 million during the quarter ended 31 October 2010, a dropped slightly of 9.48% from RM8.86 million recorded during the quarter ended 31 July 2010. The decrease is mainly due to lower sales of the plantation products and services as a result of prolong wet season experienced by rubber plantation.

The decrease in revenue still enabled the Group to generate a higher profit before tax of RM1.12 million as compared to a profit before tax of RM0.95 million registered during the preceding quarter ended 31 July 2010.

### 18. 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 minimize the negative impact of the declining US Dollar against the Ringgit.

### 19. Tax expense

The taxation figures are as follows:

	3 months ended	
	31 October	
	2010	2009
	RM'000	RM'000
Estimated current tax payable	331	139
Under/(Over)provision in prior year	-	-
Transfer from deferred taxation	(2)	(2)
	<u>329</u>	<u>137</u>

### 20. 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.

### 21. 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 condensed consolidated interim financial statements (cont'd)

### 22. Status of corporate proposals announced but not completed

On 15 October 2010, the Company announced to the Bursa Malaysia Securities Berhad its intention to transfer the listing of and quotation for its entire issued and paid-up share capital from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad.

Save and except for the above, there were no corporate proposals announced but not completed as at 22 December 2010.

### 23. Borrowing and debt securities

	<b>At end of current quarter 31.10.2010 RM'000</b>	<b>At 31.07.2010 RM'000</b>
<b>Current Secured</b>		
Hire purchase creditors	195	116
<b>Non-current Secured</b>		
Hire purchase creditors	28	58
	223	174

### 24. Off balance sheet financial instruments

As at 22 December 2010, the Group does not have any off balance sheet financial instruments.

### 25. Material litigation

There was no material litigation which would materially and adversely affect the financial position of the Group as at 22 December 2010.

### 26. 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 2.0 sen per share in respect of the financial year ended 31 July 2010 and to be approved by shareholders during the Eighth Annual General Meeting held on 22 December 2010. If approved, the entitlement date for the said dividend shall be 7 January 2011.

# GREENYIELD BERHAD

(Company No. 582216-T)

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## Notes to the condensed consolidated interim financial statements (cont'd)

### 27. Earnings per ordinary share

#### (a) Basic earnings per ordinary 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	
	2010	2009	2010	2009
Profit after taxation (RM'000)	786	309	786	309
Number of ordinary shares in issue ('000)	165,000	165,000	165,000	165,000
Basic earnings per share (sen)	0.48	0.19	0.48	0.19

#### (b) Diluted earnings per share

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31 October		31 October	
	2010	2009	2010	2009
Profit after taxation (RM'000)	786	309	786	309
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)	2,253	2,595	2,253	2,595
Adjusted number of ordinary shares in issue ('000)	167,253	167,595	167,253	167,595
Diluted earnings per share (sen)	0.47	0.18	0.47	0.18

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## Notes to the condensed consolidated interim financial statements (cont'd)

### 28. Status of utilisation of proceeds

The status of the allocation and utilisation of the proceeds from the public issue as at 31 October 2010 is as follows:

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

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## **Notes to the condensed consolidated interim financial statements (cont'd)**

### **29. 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 2010 in their report dated 23 November 2010.

### **30. Authorisation for Issue**

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 22 December 2010.