

# GREENYIELD BERHAD

(Company No. 582216-T)

(Incorporated in Malaysia)

## Condensed consolidated statement of comprehensive income for the second quarter ended 31 January 2012

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	31 January		31 January	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	13,768	15,465	27,343	23,489
Cost of sales	(8,562)	(9,122)	(17,317)	(14,407)
<b>Gross profit</b>	5,206	6,343	10,026	9,082
Other operating income	482	228	971	399
Other operating expenses	(353)	(151)	(609)	(374)
Distribution expenses	(327)	(296)	(654)	(546)
Administrative expenses	(2,214)	(2,630)	(3,926)	(3,944)
<b>Profit from operations</b>	2,794	3,494	5,808	4,617
Finance costs	(26)	(15)	(44)	(22)
<b>Net Profit</b>	2,768	3,479	5,764	4,595
Share of loss in associate	6	-	(10)	(1)
<b>Profit before taxation</b>	2,774	3,479	5,754	4,594
Income tax expense	(773)	(972)	(1,557)	(1,301)
<b>Net profit for the period</b>	<u>2,001</u>	<u>2,507</u>	<u>4,197</u>	<u>3,293</u>
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>2,001</u>	<u>2,507</u>	<u>4,197</u>	<u>3,293</u>
<b>Profit attributable to:</b>				
Owners of the company	2,001	2,507	4,197	3,293
Minority interests	-	-	-	-
<b>Profit for the period</b>	<u>2,001</u>	<u>2,507</u>	<u>4,197</u>	<u>3,293</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the company	2,001	2,507	4,197	3,293
Minority interests	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>2,001</u>	<u>2,507</u>	<u>4,197</u>	<u>3,293</u>

# GREENYIELD BERHAD

(Company No. 582216-T)

(Incorporated in Malaysia)

## Condensed consolidated statement of comprehensive income for the second quarter ended 31 January 2012 (cont'd)

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	31 January		31 January	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
<b>Earnings per share<sup>^</sup></b>				
Basic earnings per ordinary share (sen)	<u>0.60</u>	<u>1.51</u>	<u>1.26</u>	<u>1.99</u>
Diluted earnings per ordinary share (sen)	<u>0.60</u>	<u>1.50</u>	<u>1.26</u>	<u>1.97</u>

Note:

<sup>^</sup> Please refer to Note 29 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 2011 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 January 2012

(The figures have not been audited)

	At 31.01.2012 RM'000	Audited As At 31.07.2011 RM'000
<b>Assets</b>		
Property, plant and equipment	19,078	19,254
Prepaid lease payment	652	665
Intangible assets	2,808	14
Investment in associate	570	580
Other investment	2,000	2,000
<b>Total non-current assets</b>	<u>25,108</u>	<u>22,513</u>
Inventories	7,400	8,008
Receivables, deposits and prepayments	15,182	10,533
Current tax assets	1,063	1,140
Cash and cash equivalents	12,261	14,201
<b>Total current assets</b>	<u>35,906</u>	<u>33,882</u>
<b>Total assets</b>	<u><u>61,014</u></u>	<u><u>56,395</u></u>
<b>Equity</b>		
Share capital	33,374	16,684
Reserves	13,925	29,796
<b>Total equity attributable to owners of the Company</b>	<u>47,299</u>	<u>46,480</u>
<b>Liabilities</b>		
Loans and borrowings	276	303
Deferred tax liabilities	1,503	1,507
<b>Total non-current liabilities</b>	<u>1,779</u>	<u>1,810</u>
Payables and accruals	11,836	7,890
Loans and borrowings	100	215
<b>Total current liabilities</b>	<u>11,936</u>	<u>8,105</u>
<b>Total liabilities</b>	<u>13,715</u>	<u>9,915</u>
<b>Total equity and liabilities</b>	<u><u>61,014</u></u>	<u><u>56,395</u></u>
<b>Net Assets ("NA") per share attributable to shareholders of the Company (sen)</b>	<u>14.17</u>	<u>27.86</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 July 2011 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 2012

(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	Minority interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>6 months ended</u></b>								
<b><u>31 January 2012</u></b>								
Balance as at 01 August 2011	16,684	3,512	31	-	26,253	46,480	-	46,480
Effect of adopting FRS 139	-	-	-	-	(50)	(50)	-	(50)
Restated at 01 August 2011	16,684	3,512	31	-	26,203	46,430	-	46,430
Adjustment FRS139	-	-	-	-	3	3	-	3
Profit for the period	-	-	-	-	4,197	4,197	-	4,197
Share option exercised	3	3	-	-	-	6	-	6
Dividends to shareholders	-	-	-	-	(3,337)	(3,337)	-	(3,337)
Bonus Issue	16,687	(3,515)	-	-	(13,172)	-	-	-
At 31 January 2012	33,374	-	31	-	13,894	47,299	-	47,299
<b><u>6 months ended</u></b>								
<b><u>31 January 2011</u></b>								
Balance as at 01 August 2010	16,500	3,168	198	10	22,181	42,057	-	42,057
Share option exercised	59	65	-	-	-	124	-	124
Transfer to share premium for share option	-	49	(49)	-	-	-	-	-
Profit for the period	-	-	-	-	3,293	3,293	-	3,293
Minority interests	-	-	-	-	-	-	-	-
Share based payment	-	-	-	-	-	-	-	-
Dividends to shareholders	-	-	-	-	(3,312)	(3,312)	-	(3,312)
At 31 January 2011	16,559	3,282	149	10	22,162	42,162	-	42,162

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2011 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 cash flows for the second quarter ended 31 January 2012

(The figures have not been audited)

	Current year to date 31.01.2012 RM'000	Preceding year to date 31.01.2011 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	5,754	4,594
Adjustments for :		
Depreciation of property, plant and equipment	1,075	1,011
Amortisation of prepaid lease payments	12	15
Amortisation of intangible assets	1	1
Gain on disposal of property, plant and equipment - net	(1)	-
Property, plant and equipment written off	-	5
Trademark written off	1	-
Interest income	(96)	(140)
Finance costs	44	22
Share of loss in associate (net)	10	1
Operating profit before working capital changes	6,800	5,509
Changes in working capital:		
Inventories	608	(1,895)
Receivables, deposits and prepayments	(4,649)	(3,020)
Payables and accruals	1,856	5,301
Cash generated from operations	4,615	5,895
Interest paid	(32)	(14)
Tax paid	(1,964)	(1,535)
Tax refund	480	1,345
<b>Net cash generated from operating activities</b>	<b>3,099</b>	<b>5,691</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(899)	(2,954)
Acquisition of subsidiary net of cash	(752)	-
Proceed from disposal of property, plant and equipment	2	253
Increase in pledged deposits placed with licensed banks	(153)	(140)
Interest received	96	140
<b>Net cash used in investing activities</b>	<b>(1,706)</b>	<b>(2,701)</b>
<b>Cash flows from financing activities</b>		
Proceeds from loan and borrowings	-	580
Repayment of loan and borrowings	(142)	(80)
Proceeds from exercise of share option	6	123
Interest paid	(12)	(8)
Dividend paid	(3,337)	(3,312)
<b>Net cash used in financing activities</b>	<b>(3,485)</b>	<b>(2,697)</b>
<b>Effect of exchange rate fluctuation on cash held</b>	<b>-</b>	<b>-</b>

# GREENYIELD BERHAD

(Company No. 582216-T)

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## Condensed consolidated statement of cash flows for the second quarter ended 31 January 2012 (cont'd)

(The figures have not been audited)

	Current year to date 31.01.2012 RM'000	Preceding year to date 31.01.2011 RM'000
Net (decrease)/increase in cash and cash equivalents	(2,092)	293
Cash and cash equivalents at beginning of the year	12,144	11,237
Cash and cash equivalents at end of the period	10,052	11,530

	Current year to date 31.01.2012 RM'000	Preceding year to date 31.01.2011 RM'000
<b>Cash and cash equivalents comprise of:</b>		
Deposits with licensed banks	3,026	7,856
Cash and bank balances	9,235	5,566
	12,261	13,422
Less: Deposits pledged	(2,209)	(1,892)
	10,052	11,530

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 July 2011 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 audited financial statements of the Group as at and for the financial year ended 31 July 2011.

### **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 2011 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 2011. 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 2011.

### **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 stimulation systems are generally slow.

In addition to the above, sales of the stimulation systems are also affected by prolonged periods of heavy rain or drought as 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.

# GREENYIELD BERHAD

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

### 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.

### 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

On 8 November 2011, 166,870,000 new ordinary shares of RM0.10 each have been issued pursuant to the Bonus Issue. The enlarged issued and paid up share capital of the Company as at 31 January 2012 are as follows:-

	No of Shares '000	RM'000
As at 1 November 2011	166,870	16,687
Ordinary Shares issued pursuant to the Bonus Issue of 1 to 1	166,870	16,687
As at 31 January 2012	<u>333,740</u>	<u>33,374</u>

Other than the above, 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

A single tier final dividend of 1.0 sen per share in respect of the financial year ended 31 July 2011 was paid during this quarter.



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

### 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 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	
	2012	2011	2012	2011	2012	2011	2012	2011
<i>For the six months ended 31 January</i>								
<i>Business segments</i>								
Revenue from external customers	26,767	21,943	7,865	9,815	7,289	8,269	27,343	23,489
Segment results *							10,026	9,082
Unallocated income							971	399
Unallocated expenses							(5,189)	(4,864)
Operating profit							5,808	4,617
Interest expenses							(44)	(22)
Net Profit							5,764	4,595
Share of loss in associate							(10)	(1)
Profit before tax							5,754	4,594
Tax expenses							(1,557)	(1,301)
<b>Profit for the period</b>							<b>4,197</b>	<b>3,293</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.

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

### 11. Subsequent events

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.

### 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 and liabilities as at 21 March 2012 (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 for the current quarter and the financial year-to-date.

### 15. Capital Commitments

	<b>As at 31.01.2012 RM'000</b>
<b>Investment in subsidiary</b>	2,044
Contracted but not provided for	
<b>Property, Plant and Equipment</b>	265
Contracted but not provided for	
	<hr/>
	2,309
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## Notes to the condensed consolidated interim financial statements (cont'd)

### 16. Review of Group performance

For the current quarter ended 31 January 2012, the Group recorded revenue of RM13.8 million, a decrease of 1.7% as compared to RM15.5 million recorded for the preceding year quarter ended 31 January 2011. As a result, a lower net profit before tax of RM2.8 million against RM3.5 million was achieved during the preceding year quarter ended 31 January 2011.

The decrease in revenue was mainly due to decrease in sales for the plantation related products and services.

### 17. Variation of results against preceding quarter

The Group recorded revenue of RM13.8 million during the quarter ended 31 January 2012, an increase of RM0.2 million as compared to RM13.6 million recorded for the preceding quarter ended 31 October 2011. The increase is mainly due to orders received for non-plantation related products.

As a result of the increase in revenue, the Group recorded a profit before tax of RM2.8 million during the quarter ended 31 January 2012.

### 18. Future prospects

The Board view the current financial year prospect as challenging. The Group will source and implement logical and available measures to minimize the impact of all known factors affecting the profit margin.

### 19. Variance of actual profit from profit forecast

The Group has not announced or disclosed any profit forecast in public document.

### 20. Tax expense

The taxation figures are as follows:

	6 months ended	
	31 January	
	2012	2011
	RM'000	RM'000
Estimated current tax payable	1,561	1,301
Under/(Over)provision in prior period	-	-
Transfer from deferred taxation	(4)	-
	<u>1,557</u>	<u>1,301</u>

# GREENYIELD BERHAD

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

### 21. Unquoted investments and properties

There was no other purchase or sale of unquoted investments and/or properties for the current quarter and financial year-to-date.

### 22. Quoted investments

There was no purchase or disposal of quoted securities for the current quarter and financial year-to-date.

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

There were no corporate proposals announced as at 31 January 2012.

### 24. Borrowing and debt securities

	At 31.01.2012 RM'000	Audited As at 31.07.2011 RM'000
<b>Current</b>		
<i>Secured</i>		
Hire purchase creditors	100	215
<b>Non-current</b>		
<i>Secured</i>		
Hire purchase creditors	276	303
	376	518

### 25. Off balance sheet financial instruments

As at 22 March 2012, the Group does not have any off balance sheet financial instruments.

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

### 26. Realised and Unrealised Profits/ Losses

The breakdown of the retained profits of the Group as at 31 January 2012, into realised and unrealised profits, pursuant to a directive issued by Bursa Securities on 25 March 2010 and 20 December 2010 is as follows:-

	<b>As at 31.01.2012 RM'000</b>	<b>Audited As at 31.07.2011 RM'000</b>
Total retained profits /(loss) of Greenyield Berhad and its subsidiaries:-		
- Realised	23,685	36,020
- Unrealised	(1,036)	(1,036)
	<u>22,649</u>	<u>34,984</u>
Total share of retained profits / (loss) from associate company:-		
- Realised	(30)	(20)
- Unrealised	-	-
	<u>22,619</u>	<u>34,964</u>
Less: Consolidation adjustments	(8,725)	(8,711)
Total Group retained profits as per consolidated account	<u><u>13,894</u></u>	<u><u>26,253</u></u>

### 27. Material litigation

There was no material litigation which would materially and adversely affect the financial position of the Group as at 22 March 2012.

### 28. Dividends

The Company paid a single tier final dividend of 1.0 sen each per share in respect of the financial year ended 31 July 2011 on 17 January 2012 to shareholders of the Company whose names appeared on the Register of Depositors as at 10 January 2012.

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

### 29. 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		6 months ended	
	31 January		31 January	
	2012	2011	2012	2011
Profit after taxation (RM'000)	2,001	2,507	4,197	3,293
Number of ordinary shares in issue ('000)	333,740	165,587	333,740	165,587
Basic earnings per share (sen)	0.60	1.51	1.26	1.99

#### (b) *Diluted earnings per share*

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	31 January		31 January	
	2012	2011	2012	2011
Profit after taxation (RM'000)	2,001	2,507	4,197	3,293
Number of ordinary shares in issue ('000)	333,740	165,587	333,740	165,587
Adjusted for assumed exercise of ESOS options for no consideration ('000)	383	1,666	383	1,666
Adjusted number of ordinary shares in issue ('000)	334,123	167,253	334,123	167,253
Diluted earnings per share (sen)	0.60	1.50	1.26	1.97

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

### **30. Status of utilisation of proceeds**

On 31 January 2012, there was no status of utilisation of proceeds under review.

### **31. 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 2011 in their report dated 11 November 2011.

### **32. Authorisation for Issue**

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors on 22 March 2012.