

# GREENYIELD BERHAD

(Company No. 582216-T)

(Incorporated in Malaysia)

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the first quarter ended 31 October 2017

(The figures have not been audited)

	Individual Quarter 3 months ended 31 October		Cumulative Quarter 3 months ended 31 October	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
<b>Revenue</b>	9,265	6,706	9,265	6,706
Cost of sales	(7,156)	(4,585)	(7,156)	(4,585)
<b>Gross profit</b>	2,109	2,121	2,109	2,121
Other operating income	135	307	135	307
Distribution expenses	(465)	(40)	(465)	(40)
Administrative expenses	(1,999)	(1,947)	(1,999)	(1,947)
Other operating expenses	(191)	(124)	(191)	(124)
<b>Profit/(Loss) from operations</b>	(411)	317	(411)	317
Finance costs	(183)	(117)	(183)	(117)
Interest income	28	29	28	29
<b>Operating profit/(loss)</b>	(566)	229	(566)	229
Share of profit/(loss) in associates, net of tax	-	(30)	-	(30)
<b>Profit/(Loss) before taxation</b>	(566)	199	(566)	199
Income tax expense	(2)	(175)	(2)	(175)
<b>Net profit/(loss) for the period</b>	(568)	24	(568)	24
Other comprehensive income for the period	(22)	113	(22)	113
<b>Total comprehensive income/(loss) for the period</b>	(590)	137	(590)	137
<b>Profit/(Loss) attributable to:</b>				
Owners of the company	(568)	24	(568)	24
Non-controlling interests	-	-	-	-
<b>Profit/(Loss) for the period</b>	(568)	24	(568)	24
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the company	(590)	137	(590)	137
Non-controlling interests	-	-	-	-
<b>Total comprehensive income/(loss) for the period</b>	(590)	137	(590)	137

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## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the first quarter ended 31 October 2017

(Cont'd)

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31 October		31 October	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
<b>Earnings/(loss) per share<sup>^</sup></b>				
Basic earnings/(loss) per ordinary share (sen)	(0.17)	0.01	(0.17)	0.01

Note:

<sup>^</sup> Please refer to Note 30 for details of the computations.

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 July 2017 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 Financial Position as at 31 October 2017

(The figures have not been audited)

	As at 31.10.2017 RM'000	Audited As at 31.07.2017 RM'000
<b>Assets</b>		
Property, plant and equipment	31,891	31,272
Intangible assets	68	63
Prepaid lease payments	3,021	3,034
Investment in associates	15,342	15,342
<b>Total non-current assets</b>	<u>50,322</u>	<u>49,711</u>
Inventories	10,018	9,650
Trade, other receivables and prepayments	7,039	6,658
Current tax assets	2,290	2,587
Cash and cash equivalents	7,758	8,867
<b>Total current assets</b>	<u>27,105</u>	<u>27,762</u>
<b>Total assets</b>	<u><u>77,427</u></u>	<u><u>77,473</u></u>
<b>Equity</b>		
Share capital	33,374	33,374
Reserves	402	424
Retained earnings	21,509	22,077
<b>Total equity attributable to owners of the Company</b>	<u>55,285</u>	<u>55,875</u>
<b>Liabilities</b>		
Borrowings	15,815	15,903
Deferred tax liabilities	1,443	1,446
<b>Total non-current liabilities</b>	<u>17,258</u>	<u>17,349</u>
Trade and other payables	3,767	3,115
Borrowings	1,117	1,134
<b>Total current liabilities</b>	<u>4,884</u>	<u>4,249</u>
<b>Total liabilities</b>	<u>22,142</u>	<u>21,598</u>
<b>Total equity and liabilities</b>	<u><u>77,427</u></u>	<u><u>77,473</u></u>
<b>Net Tangible Assets (“NTA”) per share attributable to Shareholders of the Company (sen)</b>	<u>16.5</u>	<u>16.7</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 July 2017 and the accompanying explanatory notes attached to the interim financial report.

# GREENYIELD BERHAD

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## Condensed Consolidated Statement of Changes in Equity for the first quarter ended 31 October 2017

(The figures have not been audited)

*Attributable to shareholders of the Company*

	<i>← Non-distributable →</i>		<i>Distributable</i>	
	Share capital	Translation reserve	Retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000
<b><u>3 months ended</u></b> <b><u>31 October 2017</u></b>				
Balance as at 1 August 2017	33,374	424	22,077	55,875
Foreign currency translation differences for foreign operations	-	(22)	-	(22)
Loss for the period	-	-	(568)	(568)
Total comprehensive income for the period	-	(22)	(568)	(590)
At 31 October 2017	33,374	402	21,509	55,285

### **3 months ended** **31 October 2016**

Balance as at 1 August 2016	33,374	77	23,857	57,308
Foreign currency translation differences for foreign operations	-	113	-	113
Profit for the period	-	-	24	24
Total comprehensive income for the period	-	113	24	137
At 31 October 2016	33,374	190	23,881	57,445

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2017 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 2017

(The figures have not been audited)

	Current period to date 31.10.2017 RM'000	Previous period to date 31.10.2016 RM'000
<b>Cash flows from operating activities</b>		
Profit/(Loss) before taxation	(566)	199
Adjustments for:		
Depreciation of property, plant and equipment	452	439
Amortisation of prepaid lease payments	5	9
Amortisation of intangible assets	5	1
Interest income	(28)	(29)
Finance costs	183	117
Property, plant and equipment written off	2	-
Share of (profit)/loss in associates	-	30
Operating profit before working capital changes	53	766
Changes in working capital:		
Inventories	(335)	394
Receivables, deposits and prepayments	(770)	(1,085)
Payables and accruals	652	(2,362)
Cash used in operations	(400)	(2,287)
Interest paid	-	(10)
Tax paid	(367)	(536)
Tax refund	658	-
<b>Net cash used in operating activities</b>	<b>(109)</b>	<b>(2,833)</b>
<b>Cash flows for investing activities</b>		
Acquisition of property, plant and equipment	(664)	(263)
Acquisition of intangible assets	(10)	-
Interest received	28	29
<b>Net cash used in investing activities</b>	<b>(646)</b>	<b>(234)</b>

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## Condensed Consolidated Statement of Cash Flows for the first quarter ended 31 October 2017

(Cont'd)

(The figures have not been audited)

	Current period to date 31.10.2017 RM'000	Previous period to date 31.10.2016 RM'000
<b>Cash flows for financing activities</b>		
Proceeds from/(Repayment of) term loans (net)	(67)	109
Repayment of finance lease liabilities (net)	(40)	(67)
Interest paid	(228)	(117)
<b>Net cash used in financing activities</b>	<b>(335)</b>	<b>(75)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,090)</b>	<b>(3,142)</b>
<b>Effect of exchange rate fluctuation on cash &amp; cash equivalents</b>	<b>(18)</b>	<b>(35)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>6,786</b>	<b>10,770</b>
<b>Cash and cash equivalents at end of the period</b>	<b>5,678</b>	<b>7,593</b>

	Current period to date 31.10.2017 RM'000	Previous period to date 31.10.2016 RM'000
<b>Cash and cash equivalents comprise of:</b>		
Deposits with licensed banks	2,090	2,019
Cash and bank balances	5,668	7,583
	7,758	9,602
Less: Deposits pledged	(2,080)	(2,009)
	5,678	7,593

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 July 2017 and the accompanying explanatory notes attached to the interim financial report.

# GREENYIELD BERHAD

(Company No. 582216-T)

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## Notes to the Condensed Consolidated Interim Financial Statements

### 1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRSs”) and the requirements of the Companies Act, 2016 in Malaysia.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 July 2017. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 July 2017.

### 2. Significant accounting policies

The significant accounting policies adopted in preparing these condensed consolidated financial statements are consistent with those in the audited financial statements for the year ended 31 July 2017 except as follows:

*MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017*

- Amendments to MFRS 12, Disclosure of Interests in Other Entities (under Annual Improvements to MFRS Standards 2014-2016 Cycle)
- Amendments to MFRS 107, Statement of Cash Flows: Disclosure Initiative
- Amendments to MFRS 112, Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of the above did not have any material impact on the financial statements of the Group in the period of initial application.

### 3. Estimates

There were no material changes to financial estimates made in respect of the current financial period that have been previously announced or disclosed.

### 4. Operational seasons and cycles

The plantation industry is subject to seasonal and cyclical factors such as weather and commodity prices.

### 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 financial quarter.

# **GREENYIELD BERHAD**

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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 the current financial 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 units, 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.
- Non-plantation products      Manufacturing and marketing of plastic-related products.

There are varying levels of integration between reportable segments, namely 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> <i>For the three</i> <i>months</i> <i>ended 31 October</i>	<b>Plantation</b>		<b>Non-Plantation</b>		<b>Eliminations</b>		<b>Consolidated</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<i><b>Business segments</b></i>								
Revenue from external customers	5,190	3,027	4,075	3,679	-	-	9,265	6,706
Inter-segment revenue	725	354	490	308	(1,215)	(662)	-	-
Total segment revenue	5,915	3,381	4,565	3,987	(1,215)	(662)	9,265	6,706
Segment results*							2,109	2,121
Depreciation and amortisation							(462)	(449)
Unallocated income							135	307
Unallocated expenses							(2,193)	(1,662)
Operating profit/(loss)							(411)	317
Finance costs							(183)	(117)
Interest income							28	29
Share of profit/(loss) in associates							-	(30)
Tax expenses							(2)	(175)
<b>Profit/(Loss) for the period</b>							<b>(568)</b>	<b>24</b>

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

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## Notes to the Condensed Consolidated Interim Financial Statements (Cont'd)

### 10. Profit for the period

Profit for the period is arrived at after charging:

	Individual Quarter 3 months ended 31 October		Cumulative Quarter 3 months ended 31 October	
	2017	2016	2017	2016
Amortisation of intangible assets	5	1	5	1
Amortisation of prepaid lease payments	5	9	5	9
Depreciation of property, plant and equipment	452	439	452	439
Finance cost	183	117	183	117
Net unrealised foreign exchange loss	102	-	102	-

and after crediting:

Interest income	28	29	28	29
Net realised foreign exchange gain	46	40	46	40
Net unrealised foreign exchange gain	-	153	-	153

### 11. Property, plant and equipment

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

### 12. 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.

### 13. Changes in composition of the Group

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

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

There were no material contingent liabilities or contingent assets as at the date of this report.

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## Notes to the Condensed Consolidated Interim Financial Statements (Cont'd)

### 15. Related party transactions

There were no material related party transactions for the current quarter.

### 16. Capital commitments

	As at 31.10.2017 RM'000	As at 31.10.2016 RM'000
<b>Contracted but not provided for</b>		
- property, plant and equipment	<u>27</u>	<u>-</u>

### 17. Review of Group performance (Q1 FYE 2018 vs. Q1 FYE 2017)

For the first quarter ended 31 October 2017, the Group's revenue was RM9.3 million compared to RM6.7 million in the quarter ended 31 October 2016. The increase of 38.8% was a result of higher sales from both plantation and non-plantation products. However, the Group recorded loss before taxation of RM0.6 million compared to profit of RM0.2 million in the financial period ended 31 October 2016 due to reduced net margin arising from higher operating costs.

### 18. Variation of results against immediate preceding quarter (Q1 FYE 2018 vs. Q4 FYE 2017)

The Group recorded a lower loss before taxation of RM0.6 million in the current quarter ended 31 October 2017 as compared to RM1.8 million in the immediate preceding quarter ended 31 July 2017. This was mainly owing to improved sales from both segments, totaling RM9.3 million, against RM6.7 million recorded in the immediate preceding quarter. Sales remain to be mainly export led.

### 19. Future prospects

The global economy has gradually shown modest improvement in recent months, although recovery has been reported to be uneven. In addition, the plantation and non-plantation segments performance will continue to be influenced by strong competition and varied consumer sentiments across many geographical regions. In mitigating this, the Group is focusing on product diversification and market penetration strategies, while investing in research and development activities. The Board is cautiously optimistic that the approach undertaken will improve the Group's bottom line in the coming quarters.

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

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

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## Notes to the Condensed Consolidated Interim Financial Statements (Cont'd)

### 21. Tax expense

The taxation figures are as follows:

	Individual Quarter 3 months ended 31 October		Cumulative Quarter 3 months ended 31 October	
	2017	2016	2017	2016
Current tax expense				
Inside Malaysia				
- current financial year	-	175	-	175
Outside Malaysia				
- prior financial year	4	-	4	-
Deferred tax expense	(2)	-	(2)	-
	<u>2</u>	<u>175</u>	<u>2</u>	<u>175</u>

The effective tax rate of the Group for the current financial period were lower than the statutory tax rate due to the current period losses made by subsidiaries.

### 22. Unquoted investments and properties

There was no purchase or sale of unquoted investments and/or properties for the current quarter.

### 23. Quoted investments

There was no purchase or disposal of quoted securities for the current quarter.

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

There were no corporate proposals announced pending completion as at 31 October 2017.

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## Notes to the Condensed Consolidated Interim Financial Statements (Cont'd)

### 25. Borrowing and debt securities

	As at 31.10.2017 RM'000	As at 31.7.2017 RM'000
<b>Current</b>		
Finance lease liabilities	44	76
Term loans (secured)	1,073	1,058
	<u>1,117</u>	<u>1,134</u>
<b>Non-current</b>		
Finance lease liabilities	25	32
Term loans (secured)	15,790	15,871
	<u>15,815</u>	<u>15,903</u>
	<u>16,932</u>	<u>17,037</u>

All of the Group's borrowings are denominated in Ringgit Malaysia.

### 26. Off balance sheet financial instruments

As at 20 December 2017, the Group does not have any off balance sheet financial instruments.

### 27. Realised and unrealised profits/(losses)

The breakdown of the retained profits of the Group as at 31 October 2017, into realised and unrealised profits, pursuant to a directive issued by Bursa Securities on 25 March 2010 and 20 December 2010 is as follows:-

	As at 31.10.2017 RM'000	As at 31.07.2017 RM'000
Total retained profits of Greenyeld Berhad and its subsidiaries:-		
- Realised	29,614	30,217
- Unrealised	(874)	(861)
	<u>28,740</u>	<u>29,356</u>
Total share of profit from associates:-		
- Realised	(87)	(87)
Less : Consolidated adjustments	<u>(7,144)</u>	<u>(7,192)</u>
Total Group retained profits as per consolidated account	<u>21,509</u>	<u>22,077</u>

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## Notes to the Condensed Consolidated Interim Financial Statements (Cont'd)

### 28. Material litigation

There was no material litigation which would materially and adversely affect the financial position of the Group for the current quarter under review.

### 29. Proposed dividend

The Board of Directors has recommended a single tier final dividend of 0.30 sen per ordinary share in respect of the financial year ended 31 July 2017 for shareholders' approval at the forthcoming Annual General Meeting. The entitlement date for the said dividend shall be 4 January 2018.

### 30. Earnings per ordinary share

#### (a) *Basic earnings per ordinary share*

The calculation of the basic earnings per share for the current period is based on the net profit attributable to shareholders divided by the number of weighted average number of ordinary shares.

	Individual Quarter 3 months ended 31 October		Cumulative Quarter 3 months ended 31 October	
	2017	2016	2017	2016
Profit/(Loss) after taxation (RM'000)	(568)	24	(568)	24
Number of ordinary shares in issue ('000)	333,740	333,740	333,740	333,740
Basic earnings/(loss) per share (sen)	(0.17)	0.01	(0.17)	0.01

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

There are no diluted earnings per share during the current and previous financial year as the Group do not have any convertible financial instruments.

### 31. Status of utilisation of proceeds

Not applicable as the Group does not have any corporate proposal to raise funds for the period under review.

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## **Notes to the Condensed Consolidated Interim Financial Statements (Cont'd)**

### **32. 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 2017 in their report dated 8 November 2017.

### **33. Authorisation for issue**

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors on 20 December 2017.