

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 2016

(The figures have not been audited)

	Individual Quarter 3 months ended 31 October		Cumulative Quarter 3 months ended 31 October	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue	6,706	7,855	6,706	7,855
Cost of sales	(4,585)	(5,503)	(4,585)	(5,503)
Gross profit	2,121	2,352	2,121	2,352
Other operating income	307	1,312	307	1,312
Distribution expenses	(40)	(375)	(40)	(375)
Administrative expenses	(1,947)	(1,877)	(1,947)	(1,877)
Other operating expenses	(124)	(150)	(124)	(150)
Profit from operations	317	1,262	317	1,262
Finance costs	(117)	(143)	(117)	(143)
Interest income	29	21	29	21
Operating profit	229	1,140	229	1,140
Share of loss in associate, net of tax	(30)	(21)	(30)	(21)
Profit before taxation	199	1,119	199	1,119
Income tax expense	(175)	(450)	(175)	(450)
Net profit for the period	24	669	24	669
Other comprehensive income for the period	113	64	113	64
Total comprehensive income for the period	137	733	137	733
Profit attributable to:				
Owners of the company	24	669	24	669
Non-controlling interests	-	-	-	-
Profit for the period	24	669	24	669
Total comprehensive income attributable to:				
Owners of the company	137	733	137	733
Non-controlling interests	-	-	-	-
Total comprehensive income for the period	137	733	137	733

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the first quarter ended 31 October 2016 (Cont'd)

(The figures have not been audited)

	Individual Quarter 3 months ended 31 October		Cumulative Quarter 3 months ended 31 October	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Earnings per share[^]				
Basic earnings per ordinary share (sen)	<u>0.01</u>	<u>0.20</u>	<u>0.01</u>	<u>0.20</u>
Diluted earnings per ordinary share (sen)	<u>0.01</u>	<u>0.20</u>	<u>0.01</u>	<u>0.20</u>

Note:

[^] 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 2016 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 2016

(The figures have not been audited)

	As at 31.10.2016 RM'000	Audited As at 31.7.2016 RM'000
Assets		
Property, plant and equipment	20,755	21,003
Intangible assets	42	43
Prepaid lease payments	3,330	3,380
Plantation development expenditure	5,167	4,922
Investment in associates	14,760	14,790
Total non-current assets	<u>44,054</u>	<u>44,138</u>
Inventories	10,069	10,463
Trade, other receivables and prepayments	9,546	8,451
Current tax assets	2,571	2,194
Cash and cash equivalents	9,602	12,779
Total current assets	<u>31,788</u>	<u>33,887</u>
Total assets	<u><u>75,842</u></u>	<u><u>78,025</u></u>
Equity		
Share capital	33,374	33,374
Reserves	24,071	23,934
Total equity attributable to owners of the Company	<u>57,445</u>	<u>57,308</u>
Liabilities		
Borrowings	11,818	11,783
Deferred tax liabilities	1,455	1,455
Total non-current liabilities	<u>13,273</u>	<u>13,238</u>
Trade and other payables	4,007	6,369
Borrowings	1,117	1,110
Total current liabilities	<u>5,124</u>	<u>7,479</u>
Total liabilities	<u>18,397</u>	<u>20,717</u>
Total equity and liabilities	<u><u>75,842</u></u>	<u><u>78,025</u></u>
Net Assets ("NA") per share attributable to Shareholders of the Company (sen)	<u>17.21</u>	<u>17.17</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 July 2016 and the accompanying explanatory notes attached to the interim financial report.

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Condensed Consolidated Statement of Changes in Equity for the first quarter ended 31 October 2016

(The figures have not been audited)

	<u>Non – distributable</u>			<u>Distributable</u>	
	<i>Attributable to shareholders of the Company</i>				
	Share capital	Share option reserve	Translation reserve	Retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>3 months ended</u>					
<u>31 October 2016</u>					
Balance as at 01 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
<u>3 months ended</u>					
<u>31 October 2015</u>					
Balance as at 01 August 2015	33,374	31	65	23,803	57,273
Foreign currency translation differences for foreign operations	-	-	64	-	64
Profit for the period	-	-	-	669	669
Total comprehensive income for the period	-	-	64	669	733
At 31 October 2015	33,374	31	129	24,472	58,006

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2016 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 2016

(The figures have not been audited)

	Current period to date 31.10.2016 RM'000	Previous period to date 31.10.2015 RM'000
Cash flows from operating activities		
Profit before tax	199	1,119
Adjustments for:		
Depreciation of property, plant and equipment	439	453
Amortisation of prepaid lease payments	9	8
Amortisation of intangible assets	1	-
Interest income	(29)	(21)
Finance costs	117	143
Share of loss in associate	30	21
Operating profit before working capital changes	766	1,723
Changes in working capital:		
Inventories	394	(806)
Receivables, deposits and prepayments	(1,085)	289
Payables and accruals	(2,362)	(2,354)
Cash used in operations	(2,287)	(1,148)
Interest paid	(10)	(8)
Tax paid	(536)	(801)
Tax refund	-	10
Net cash used in operating activities	(2,833)	(1,947)
Cash flows for investing activities		
Acquisition of property, plant and equipment	(45)	(750)
Acquisition of intangible assets	-	(2)
Proceed from disposal of property, plant and equipment	-	64
Decrease in pledged deposits placed with licensed banks	-	(5)
Interest received	29	21
Plantation development expenditure	(218)	(263)
Net cash used in investing activities	(234)	(935)

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Condensed Consolidated Statement of Cash Flows for the first quarter ended 31 October 2016

(Cont'd)

(The figures have not been audited)

	Current period to date 31.10.2016 RM'000	Previous period to date 31.10.2015 RM'000
Cash flows for financing activities		
Proceeds from/(Repayment of) term loans (net)	109	(199)
Repayment of finance lease liabilities (net)	(67)	(85)
Interest paid	(117)	(135)
Net cash used in financing activities	(75)	(419)
Net decrease in cash and cash equivalents	(3,142)	(3,301)
Effect of exchange rate fluctuation on cash & cash equivalents	(35)	64
Cash and cash equivalents at beginning of the period	10,770	12,430
Cash and cash equivalents at end of the period	7,593	9,193

	Current period to date 31.10.2016 RM'000	Previous period to date 31.10.2015 RM'000
Cash and cash equivalents comprise of:		
Deposits with licensed banks	2,019	2,635
Cash and bank balances	7,583	9,107
	9,602	11,742
Less: Deposits pledged	(2,009)	(2,549)
	7,593	9,193

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 July 2016 and the accompanying explanatory notes attached to the interim financial report.

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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, 1965 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 2016. 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 2016.

2. Significant accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 July 2016. The adoption of the MFRS framework did not have any material impact on the financial statements of the Group.

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 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 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>	Plantation		Non-Plantation		Eliminations		Consolidated	
<i>For the three months ended 31 October</i>	2016	2015	2016	2015	2016	2015	2016	2015
<i>Business segments</i>								
Revenue from external customers	3,027	4,510	3,678	3,345	-	-	6,706	7,855
Inter-segment revenue	354	540	308	113	(662)	(653)	-	-
Total segment revenue	3,381	5,050	3,986	3,458	(662)	(653)	6,706	7,855
Segment results*							2,121	2,352
Depreciation and amortization							(449)	(461)
Unallocated income							307	1,312
Unallocated expenses							(1,662)	(1,941)
Operating profit							317	1,262
Finance costs							(117)	(143)
Interest income							29	21
Share of loss in associates							(30)	(21)
Tax expenses							(175)	(450)
Profit for the period							24	669

* 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:

	3 months ended 31 October	
	2016	2015
	RM'000	RM'000
Amortisation of intangible assets	1	-
Amortisation of prepaid lease payments	9	8
Depreciation of property, plant and equipment	439	453
Finance costs	117	143
	<u>117</u>	<u>143</u>
and after crediting:		
Interest income	29	21
Net realised foreign exchange gain	40	782
Net unrealised foreign exchange gain	153	360
	<u>153</u>	<u>360</u>

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 other changes in the composition of the Group during this 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.

15. Related party transactions

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

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

16. Capital Commitments

	As at 31.10.2016 RM'000	As at 31.10.2015 RM'000
Contracted but not provided for - property, plant and equipment	<u>-</u>	<u>627</u>

17. Review of Group performance

For the period ended 31 October 2016, the Group's revenue was RM6.71 million compared to RM7.86 million in the previous period ended 31 October 2015, a decrease of 14.6% as a result of decrease in sales of plantation products. The Group's EBITDA in the first quarter ended 31 October 2016 was RM0.7 million as compared to RM1.7 million in previous first quarter ended 31 October 2015, a decrease of 58.8%. In addition to the lower sales from the plantation segment, EBITDA was lower because of reduced contribution from net foreign exchange gains.

18. Variation of results against preceding quarter

The Group recorded a profit before taxation of RM0.2 million in the current quarter ended 31 October 2016 compared to loss before taxation of RM0.6 million in the immediate preceding quarter ended 31 July 2016. The increase in profit is primarily due to increase sales of non-plantation related products in this quarter.

19. Future prospects

The Board expects a challenging year ahead, in particular for the plantation business segment.

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:

	3 months ended 31 October	
	2016 RM'000	2015 RM'000
Estimated current tax payable	175	428
Under provision in prior period	-	49
Transfer from deferred taxation	-	(27)
	<u>175</u>	<u>450</u>

22. Unquoted investments and properties

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

23. Quoted investments

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

24. Status of corporate proposals announced but not completed

There were no corporate proposals announced as at 31 October 2016.

25. Borrowing and debt securities

	As at 31.10.2016 RM'000	As at 31.7.2016 RM'000
	Current	
Secured		
Finance lease liabilities	235	262
Term loans	882	848
	<u>1,117</u>	<u>1,110</u>
Non-current		
Secured		
Finance lease liabilities	68	108
Term loans	11,750	11,675
	<u>11,818</u>	<u>11,783</u>
	<u>12,935</u>	<u>12,893</u>

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

26. Off balance sheet financial instruments

As at 20 December 2016, 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 2016, 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 31.10.2016 RM'000	As at 31.10.2015 RM'000
Total retained profits of Greenyield Berhad and its subsidiaries:-		
- Realised	32,861	33,348
- Unrealised	(1,283)	(942)
	<u>31,578</u>	<u>32,406</u>
Total share of loss from associate company:-		
- Realised	(198)	(185)
- Unrealised	-	-
	<u>31,380</u>	<u>32,221</u>
Less : Consolidated adjustments	(7,499)	(7,749)
Total Group retained profits as per consolidated account	<u><u>23,881</u></u>	<u><u>24,472</u></u>

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. Dividends

The Board of Directors has recommended a single tier final dividend of 0.60 sen per ordinary share in respect of the financial year ended 31 July 2016 for shareholders' approval at the forthcoming Annual General Meeting. The entitlement date for the said dividend shall be 4 January 2017.

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

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	
	2016	2015	2016	2015
Profit after taxation (RM'000)	24	669	24	669
Number of ordinary shares in issue ('000)	333,740	333,740	333,740	333,740
Basic earnings per share (sen)	0.01	0.20	0.01	0.20

(b) *Diluted earnings per share*

	Individual Quarter 3 months ended 31 October		Cumulative Quarter 3 months ended 31 October	
	2016	2015	2016	2015
Profit after taxation (RM'000)	24	669	24	669
Number of ordinary shares in issue ('000)	333,740	333,740	333,740	333,740
Adjusted for assumed exercised of ESOS options for no consideration ('000)	-	-	-	-
Adjusted number of ordinary shares in issue ('000)	333,740	334,740	333,740	334,740
Diluted earnings per share (sen)	0.01	0.20	0.01	0.20

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

31. Status of utilisation of proceeds

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

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 2016 in their report dated 8 November 2016.

33. Authorisation for Issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors on 20 December 2016.