

GREENYIELD BERHAD

(Company No. 582216-T)

(Incorporated in Malaysia)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the second quarter ended 31 January 2017

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	31 January		31 January	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Revenue	8,854	12,321	15,560	20,175
Cost of sales	(5,570)	(6,903)	(10,155)	(12,405)
Gross profit	3,284	5,418	5,405	7,770
Other operating income	632	935	939	2,248
Distribution expenses	(79)	(99)	(119)	(474)
Administrative expenses	(2,355)	(2,538)	(4,303)	(4,416)
Other operating expenses	(132)	(98)	(255)	(248)
Profit from operations	1,350	3,618	1,667	4,880
Finance costs	(121)	(148)	(238)	(292)
Interest income	42	84	71	105
Operating profit	1,271	3,554	1,500	4,693
Share of profit/(loss) in associates, net of tax	50	8	20	(13)
Profit before taxation	1,321	3,562	1,520	4,680
Income tax expense	(309)	(1,148)	(484)	(1,597)
Net profit for the period	1,012	2,414	1,036	3,083
Other comprehensive income for the period	(125)	107	(12)	107
Total comprehensive income for the period	887	2,521	1,024	3,190
Profit attributable to:				
Owners of the company	1,012	2,414	1,036	3,083
Non-controlling interests	-	-	-	-
Profit for the period	1,012	2,414	1,036	3,083
Total comprehensive income attributable to:				
Owners of the company	887	2,521	1,024	3,190
Non-controlling interests	-	-	-	-
Total comprehensive income for the period	887	2,521	1,024	3,190

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the second quarter ended 31 January 2017

(Cont'd)

(The figures have not been audited)

	Individual Quarter 3 months ended 31 January		Cumulative Quarter 6 months ended 31 January	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Earnings per share[^]				
Basic earnings per ordinary share (sen)	<u>0.30</u>	<u>0.72</u>	<u>0.31</u>	<u>0.92</u>
Diluted earnings per ordinary share (sen)	<u>0.30</u>	<u>0.72</u>	<u>0.31</u>	<u>0.92</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 January 2017

(The figures have not been audited)

	As at 31.01.2017 RM'000	Audited As at 31.7.2016 RM'000
Assets		
Property, plant and equipment	20,357	21,003
Intangible assets	40	43
Prepaid lease payments	3,356	3,380
Plantation development expenditure	5,377	4,922
Investment in associates	14,810	14,790
Total non-current assets	<u>43,940</u>	<u>44,138</u>
Inventories	9,527	10,463
Trade, other receivables and prepayments	9,580	8,451
Current tax assets	2,208	2,194
Cash and cash equivalents	8,326	12,779
Total current assets	<u>29,641</u>	<u>33,887</u>
Total assets	<u>73,581</u>	<u>78,025</u>
Equity		
Share capital	33,374	33,374
Reserves	22,956	23,934
Total equity attributable to owners of the Company	<u>56,330</u>	<u>57,308</u>
Liabilities		
Borrowings	11,579	11,783
Deferred tax liabilities	1,423	1,455
Total non-current liabilities	<u>13,002</u>	<u>13,238</u>
Trade and other payables	3,177	6,369
Borrowings	1,072	1,110
Total current liabilities	<u>4,249</u>	<u>7,479</u>
Total liabilities	<u>17,251</u>	<u>20,717</u>
Total equity and liabilities	<u>73,581</u>	<u>78,025</u>
Net Assets ("NA") per share attributable to Shareholders of the Company (sen)	<u>16.88</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.

GREENYIELD BERHAD

(Company No. 582216-T)

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Condensed Consolidated Statement of Changes in Equity for the second quarter ended 31 January 2017

(The figures have not been audited)

	<u>Non – distributable</u>			<u>Distributable</u>	<u>Total equity</u> RM'000
	<u>Share capital</u> RM'000	<u>Share option reserve</u> RM'000	<u>Translation reserve</u> RM'000	<u>Retained earnings</u> RM'000	
<i>Attributable to shareholders of the Company</i>					
<u>6 months ended</u>					
<u>31 January 2017</u>					
Balance as at 01 August 2016	33,374	-	77	23,857	57,308
Foreign currency translation differences for foreign operations	-	-	(12)	-	(12)
Profit for the period	-	-	-	1,036	1,036
Total comprehensive income for the period	-	-	(12)	1,036	1,024
Dividends to owners of the Company	-	-	-	(2,002)	(2,002)
At 31 January 2017	33,374	-	65	22,891	56,330
<u>6 months ended</u>					
<u>31 January 2016</u>					
Balance as at 01 August 2015	33,374	31	65	23,803	57,273
Foreign currency translation differences for foreign operations	-	-	107	-	107
Profit for the period	-	-	-	3,083	3,083
Total comprehensive income for the period	-	-	107	3,083	3,190
Dividends to owners of the Company	-	-	-	(2,503)	(2,503)
Transfer of share option reserve upon the expiry of share option	-	(31)	-	31	-
At 31 January 2016	33,374	-	172	24,414	57,960

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.

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Condensed Consolidated Statement of Cash Flows for the second quarter ended 31 January 2017

(The figures have not been audited)

	Current period to date 31.01.2017 RM'000	Previous period to date 31.01.2016 RM'000
Cash flows from operating activities		
Profit before tax	1,520	4,680
Adjustments for:		
Depreciation of property, plant and equipment	877	916
Amortisation of prepaid lease payments	16	16
Amortisation of intangible assets	3	1
Interest income	(71)	(105)
Unrealised foreign exchange gain	(309)	(729)
Finance costs	238	292
Share of (profit)/loss in associates	(20)	13
Operating profit before working capital changes	<u>2,254</u>	<u>5,084</u>
Changes in working capital:		
Inventories	936	(1,106)
Receivables, deposits and prepayments	(789)	2,636
Payables and accruals	(3,192)	(4,061)
Cash (used in)/generated from operations	<u>(791)</u>	<u>2,553</u>
Interest paid	(18)	(23)
Tax paid	(655)	(1,638)
Tax refund	179	13
Net cash (used in)/generated from operating activities	<u>(1,285)</u>	<u>905</u>
Cash flows for investing activities		
Acquisition of property, plant and equipment	(66)	(827)
Acquisition of intangible assets	-	(2)
Acquisition of prepaid lease payment	(7)	(4)
Investment in associates	(321)	(399)
Proceed from disposal of property, plant and equipment	-	66
(Increase)/decrease in pledged deposits placed with licensed banks	(30)	1,620
Interest received	71	105
Plantation development expenditure	(400)	(663)
Net cash used in investing activities	<u>(753)</u>	<u>(104)</u>

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Condensed Consolidated Statement of Cash Flows for the second quarter ended 31 January 2017

(Cont'd)

(The figures have not been audited)

	Current period to date 31.01.2017 RM'000	Previous period to date 31.01.2016 RM'000
Cash flows for financing activities		
Repayment of term loans (net)	(107)	(399)
Repayment of finance lease liabilities (net)	(135)	(171)
Interest paid	(231)	(268)
Dividend paid	(2,002)	(2,503)
Net cash used in financing activities	(2,475)	(3,341)
Net decrease in cash and cash equivalents	(4,513)	(2,540)
Effect of exchange rate fluctuation on cash & cash equivalents	30	107
Cash and cash equivalents at beginning of the period	10,770	12,430
Cash and cash equivalents at end of the period	6,287	9,997
	Current period to date 31.01.2017 RM'000	Previous period to date 31.01.2016 RM'000
Cash and cash equivalents comprise of:		
Deposits with licensed banks	2,048	1,015
Cash and bank balances	6,278	9,905
	8,326	10,920
Less: Deposits pledged	(2,039)	(923)
	6,287	9,997

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

The Company paid a single tier final dividend of 0.60 sen per ordinary share amounting to RM2,002,440 in respect of the financial year ended 31 July 2016 on 16 January 2017 to shareholders of the Company.

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 six months ended 31 January</i>	2017	2016	2017	2016	2017	2016	2017	2016
<i>Business segments</i>								
Revenue from external customers	7,119	7,716	8,441	12,459	-	-	15,560	20,175
Inter-segment revenue	1,046	1,286	899	773	(1,945)	(2,059)	-	-
Total segment revenue	8,165	9,002	9,340	13,232	(1,945)	(2,059)	15,560	20,175
Segment results*							5,405	7,770
Depreciation and amortization							(896)	(933)
Unallocated income							939	2,248
Unallocated expenses							(3,781)	(4,205)
Operating profit							1,667	4,880
Finance costs							(238)	(292)
Interest income							71	105
Share of profit/(loss) in associates							20	(13)
Tax expenses							(484)	(1,597)
Profit for the period							1,036	3,083

* 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:

	6 months ended	
	31 January	
	2017	2016
	RM'000	RM'000
Amortisation of intangible assets	3	1
Amortisation of prepaid lease payments	16	16
Depreciation of property, plant and equipment	877	916
Finance costs	238	292
	<u> </u>	<u> </u>
and after crediting:		
Interest income	71	105
Net realised foreign exchange gain	325	1,221
Net unrealised foreign exchange gain	328	729
	<u> </u>	<u> </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 other than as disclosed below:

On 25 January 2017, Greenyield Plantation Sdn Bhd (“GPSB”), a wholly-owned subsidiary has been placed under members’ voluntary winding-up. GPSB is presently dormant.

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 and the financial period-to-date.

16. Capital Commitments

	As at 31.01.2017 RM'000	As at 31.01.2016 RM'000
Contracted but not provided for - property, plant and equipment	-	-

17. Review of Group performance

For the period ended 31 January 2017, the Group's revenue was RM15.56 million compared to RM20.18 million in the previous period ended 31 January 2016, a decrease of 22.9% as a result of decrease in sales of both plantation and non-plantation products. The Group's EBITDA in the second quarter ended 31 January 2017 was RM2.6 million as compared to RM5.8 million in previous second quarter ended 31 January 2016, a decrease of 55.2%. In addition to the lower sales from both plantation and non-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 RM1.3 million in the current quarter ended 31 January 2017 compared to profit before taxation of RM0.2 million in the immediate preceding quarter ended 31 October 2016. The increase in profit is primarily due to increased 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:

	6 months ended 31 January	
	2017	2016
	RM'000	RM'000
Estimated current tax payable	484	1,541
Under provision in prior period	-	56
Transfer from deferred taxation	-	-
	<u>484</u>	<u>1,597</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 January 2017, except the following:

Gim Triple Seven Sdn Bhd, a wholly-owned subsidiary of the Company had on 23 January 2017 entered into Sale and Purchase Agreements with Serba Sentosa Sdn Bhd to acquire a six-storey shop office located at MKH Boulevard, Jalan Bukit, 43000 Kajang, Selangor Darul Ehsan for a total cash consideration of RM5,700,000 (inclusive of Goods and Services Tax).

These transactions were announced to Bursa Malaysia Securities Berhad on 23 January 2017.

The proposed acquisitions are pending completion.

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

25. Borrowing and debt securities

	As at 31.01.2017 RM'000	As at 31.7.2016 RM'000
Current		
Secured		
Finance lease liabilities	181	262
Term loans	891	848
	<u>1,072</u>	<u>1,110</u>
Non-current		
Secured		
Finance lease liabilities	55	108
Term loans	11,524	11,675
	<u>11,579</u>	<u>11,783</u>
	<u>12,651</u>	<u>12,893</u>

26. Off balance sheet financial instruments

As at 23 March 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 January 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 31.01.2017 RM'000	As at 31.01.2016 RM'000
Total retained profits of Greenyield Berhad and its subsidiaries:-		
- Realised	31,475	32,905
- Unrealised	(977)	(545)
	<u>30,498</u>	<u>32,360</u>
Total share of loss from associates company:-		
- Realised	(148)	(177)
- Unrealised	-	-
	<u>30,350</u>	<u>32,183</u>
Less : Consolidated adjustments	(7,459)	(7,769)
Total Group retained profits as per consolidated account	<u>22,891</u>	<u>24,414</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. Dividends

The Company paid a single tier final dividend of 0.60 sen per ordinary share in respect of the financial year ended 31 July 2016 on 16 January 2017 to shareholders of the Company.

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		Cumulative Quarter	
	3 months ended		6 months ended	
	31 January		31 January	
	2017	2016	2017	2016
Profit after taxation (RM'000)	1,012	2,414	1,036	3,083
Number of ordinary shares in issue ('000)	333,740	333,740	333,740	333,740
Basic earnings per share (sen)	0.30	0.72	0.31	0.92

(b) Diluted earnings per share

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	31 January		31 January	
	2017	2016	2017	2016
Profit after taxation (RM'000)	1,012	2,414	1,036	3,083
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	333,740	333,740	333,740
Diluted earnings per share (sen)	0.30	0.72	0.31	0.92

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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 23 March 2017.