

GREENYIELD BERHAD

(Company No. 582216-T)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the third quarter ended 30 April 2018

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30 April		30 April	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Revenue	11,409	8,443	31,750	24,003
Cost of sales	(8,394)	(5,593)	(23,049)	(15,748)
Gross profit	3,015	2,850	8,701	8,255
Other operating income	364	151	305	1,090
Distribution expenses	(123)	(90)	(788)	(209)
Administrative expenses	(1,913)	(2,057)	(6,311)	(6,359)
Other operating expenses	(262)	(34)	(589)	(289)
Profit from operations	1,081	820	1,318	2,488
Finance costs	(185)	(110)	(552)	(349)
Interest income	22	33	82	104
Operating profit	918	743	848	2,243
Share of profit/(loss) in associates, net of tax	(38)	72	(72)	92
Profit before taxation	880	815	776	2,335
Income tax expense	(562)	139	(562)	(345)
Net profit for the period	318	954	214	1,990
Other comprehensive income for the period	(10)	-	(93)	(12)
Total comprehensive income for the period	308	954	121	1,978
Profit attributable to:				
Owners of the company	318	954	214	1,990
Non-controlling interests	-	-	-	-
Profit for the period	318	954	214	1,990
Total comprehensive income attributable to:				
Owners of the company	308	954	121	1,978
Non-controlling interests	-	-	-	-
Total comprehensive income for the period	308	954	121	1,978

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the third quarter ended 30 April 2018

(Cont'd)

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30 April		30 April	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Earnings per share[^]				
Basic earnings per ordinary share (sen)	0.09	0.29	0.06	0.60

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 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 30 April 2018

(The figures have not been audited)

	As at 30.04.2018 RM'000	Audited As at 31.07.2017 RM'000
Assets		
Property, plant and equipment	31,538	31,272
Intangible assets	63	63
Prepaid lease payments	2,971	3,034
Investment in associates	15,269	15,342
Total non-current assets	49,841	49,711
Inventories	9,298	9,650
Trade, other receivables and prepayments	8,858	6,658
Current tax assets	1,315	2,587
Cash and cash equivalents	8,486	8,867
Total current assets	27,957	27,762
Total assets	77,798	77,473
Equity		
Share capital	33,374	33,374
Reserves	331	424
Retained earnings	21,290	22,077
Total equity attributable to owners of the Company	54,995	55,875
Liabilities		
Borrowings	15,919	15,903
Deferred tax liabilities	1,439	1,446
Total non-current liabilities	17,358	17,349
Trade and other payables	4,246	3,115
Borrowings	1,199	1,134
Total current liabilities	5,445	4,249
Total liabilities	22,803	21,598
Total equity and liabilities	77,798	77,473
Net Assets per share attributable to Shareholders of the Company (sen)	16.5	16.7

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

(Company No. 582216-T)
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Condensed Consolidated Statement of Changes in Equity for the third quarter ended 30 April 2018

(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
<u>9 months ended</u>				
<u>30 April 2018</u>				
Balance as at 1 August 2017	33,374	424	22,077	55,875
Foreign currency translation differences for foreign operations	-	(93)	-	(93)
Profit for the period	-	-	214	214
Total comprehensive income for the period	-	(93)	214	121
Dividends to owners of the Company	-	-	(1,001)	(1,001)
At 30 April 2018	33,374	331	21,290	54,995
<u>9 months ended</u>				
<u>30 April 2017</u>				
Balance as at 1 August 2016	33,374	77	23,857	57,308
Foreign currency translation differences for foreign operations	-	(12)	-	(12)
Profit for the period	-	-	1,990	1,990
Total comprehensive income for the period	-	(12)	1,990	1,978
Dividends to owners of the Company	-	-	(2,002)	(2,002)
At 30 April 2017	33,374	65	23,845	57,284

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 third quarter ended 30 April 2018

(The figures have not been audited)

	Current period to date 30.04.2018 RM'000	Previous period to date 30.04.2017 RM'000
Cash flows from operating activities		
Profit before taxation	776	2,335
Adjustments for:		
Depreciation of property, plant and equipment	1,315	1,330
Amortisation of prepaid lease payments	14	22
Amortisation of intangible assets	9	5
Interest income	(82)	(104)
Unrealised foreign exchange gain	-	(325)
Finance costs	552	349
Gain/(Loss) disposal of Property, plant and equipment	(17)	-
Property, plant and equipment written off	2	-
Share of (profit)/loss in associates	72	(92)
Operating profit before working capital changes	2,641	3,520
Changes in working capital:		
Inventories	337	(134)
Receivables, deposits and prepayments	(2,593)	(1,460)
Payables and accruals	1,940	(1,987)
Cash used in operations	2,325	(61)
Interest paid	-	(7)
Tax paid	(580)	(1,376)
Tax refund	1,271	893
Net cash used in operating activities	3,016	(551)
Cash flows for investing activities		
Acquisition of property, plant and equipment	(1,366)	(1,026)
Acquisition of intangible assets	(10)	(8)
Acquisition of prepaid lease payment	-	(7)
Proceeds from disposal of property, plant and equipment	30	37
Investment in associates	-	(321)
(Increase)/decrease in pledged deposits placed with licensed banks	(65)	(21)
Interest received	82	104
Net cash used in investing activities	(1,329)	(1,242)

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Condensed Consolidated Statement of Cash Flows for the third quarter ended 30 April 2018

(Cont'd)

(The figures have not been audited)

	Current period to date 30.04.2018 RM'000	Previous period to date 30.04.2017 RM'000
Cash flows for financing activities		
Proceeds from/(Repayment of) term loans (net)	(256)	(218)
Repayment of finance lease liabilities (net)	(107)	(204)
Interest paid	(697)	(341)
Dividend paid	(1,001)	(2,002)
Net cash used in financing activities	(2,061)	(2,765)
Net decrease in cash and cash equivalents	(374)	(4,558)
Effect of exchange rate fluctuation on cash & cash equivalents	(71)	30
Cash and cash equivalents at beginning of the period	6,786	10,770
Cash and cash equivalents at end of the period	6,341	6,242
	Current period to date 30.04.2018 RM'000	Previous period to date 30.04.2017 RM'000
Cash and cash equivalents comprise of:		
Deposits with licensed banks	2,155	2,049
Cash and bank balances	6,331	6,232
	8,486	8,281
Less: Deposits pledged	(2,145)	(2,039)
	6,341	6,242

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.

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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.

The following accounting standards, amendments and interpretations have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group:

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

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- Amendments to MFRS 1, *First-Time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2014-2016 Cycle)*
- Amendments to MFRS 128, *Investment in Associates and Joint Ventures (Annual Improvements 2014-2016 Cycle)*
- Amendments to MFRS 140, *Transfer of Investment Property*
- Amendments to MFRS 4, *Applying MFRS 9 Financial Instruments with MFRS 4: Insurance Contracts*
- Amendments to MFRS 2, *Classification and Measurement of Share-based Payment Transactions*
- MFRS 9, *Financial Instruments*
- MFRS 15, *Revenue from Contracts with Customers*
- MFRS 15, *Classification to MFRS 15*

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

2. Significant accounting policies (Cont'd)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, *Leases*

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the financial statements of current period and prior period of the Group except as mentioned below:-

MFRS 9, *Financial Instruments*

MFRS 9 replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous version of MFRS 9. The new standard introduces extensive requirements and guidance for classification and measurement of financial assets and financial liabilities which fall under the scope of MFRS 9, new “expected credit loss model” under the impairment of financial assets and greater flexibility has been allowed in hedge accounting transactions. Upon adoption of MFRS 9, financial assets will be measured at either fair value or amortised cost.

The adoption of MFRS 9 will result in a change in accounting policy. The Group is currently examining the financial impact of adopting MFRS 9.

MFRS 15, *Revenue from Contracts with Customers*

MFRS 15 replaces the guidance in MFRS 111, Construction Contracts, MFRS 118, Revenue, IC Interpretation 13, Customer Loyalty Programmes, IC Interpretation 15, Agreements for Construction of Real Estate, IC Interpretation 18, Transfers of Assets from Customers and IC Interpretation 131, Revenue – Barter Transactions Involving Advertising Services. Upon adoption of MFRS 15, it is expected that the timing of revenue recognition might be different as compared with current practices.

This standard will come into effect on or after 1 January 2018 with early adoption permitted. The adoption of MFRS 15 will result in a change in accounting policy. The Group is currently assessing the financial impact of adopting MFRS 15.

MFRS 16, *Leases*

MFRS 16 replaces MFRS 117, Leases and all previous version of MFRS 117. This standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions.

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

2. Significant accounting policies (Cont'd)

This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

This standard will come into effect on or after 1 January 2019 with early adoption permitted, provided MFRS 15, Revenue from Contract with Customers is also applied. The adoption of MFRS 16 will result in a change in accounting policy. The Group is currently assessing the financial impact of adopting MFRS 16.

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.

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 0.30 sen per ordinary share in respect of the financial year ended 31 July 2017 on 16 January 2018 to shareholders of the Company. No dividend has been paid during the current quarter under review.

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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 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.

<i>RM('000)</i>	Plantation		Non-Plantation		Eliminations		Consolidated	
<i>For the nine months ended 30 April</i>	2018	2017	2018	2017	2018	2017	2018	2017
<i>Business segments</i>								
Revenue from external customers	14,605	11,306	17,145	12,697	-	-	31,750	24,003
Inter-segment revenue	1,884	1,768	1,210	1,381	(3,094)	(3,149)	-	-
Total segment revenue	16,489	13,074	18,355	14,078	(3,094)	(3,149)	31,750	24,003

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

9. Operation segments (Cont'd)

Segment results*	8,701	8,255
Depreciation and amortisation	(1,315)	(1,330)
Unallocated income	305	1,090
Unallocated expenses	(6,373)	(5,527)
Operating profit	1,318	2,488
Finance costs	(552)	(349)
Interest income	82	104
Share of profit/(loss) in associates	(72)	92
Tax expenses	(562)	(345)
Profit for the period	214	1,990

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

10. Profit for the period

Profit for the period is arrived at after charging:

	Individual Quarter 3 months ended 30 April		Cumulative Quarter 9 months ended 30 April	
	2018	2017	2018	2017
Amortisation of intangible assets	2	2	9	5
Amortisation of prepaid lease	4	6	14	22
Depreciation of property, plant and equipment	419	453	1,315	1,330
Finance cost	185	111	552	349
Net realised foreign exchange loss	469	-	529	-
Net unrealised foreign exchange loss	49	-	393	-

and after crediting:

Interest income	22	33	82	104
Net realised foreign exchange gain	540	121	582	446
Net unrealised foreign exchange gain	0	(3)	0	325

11. 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)

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 during the current quarter under review.

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.

16. Capital commitments

	As at 30.04.2018 RM'000	As at 30.04.2017 RM'000
Contracted but not provided for		
- property, plant and equipment	<u>53</u>	<u>-</u>

17. Review of Group performance (YTD Q3 FYE 2018 vs. YTD Q3 FYE 2017)

The Group's revenue was RM31.8 million for the current period ended 30 April 2018 compared to RM24.0 million for the comparative period ended 30 April 2017. The increase of 32.3% was a result of higher sales from both plantation and non-plantation products. However, the Group recorded profit before taxation of RM0.8 million compared to profit before taxation of RM2.3 million in the financial period ended 30 April 2017 due to reduced net margin arising from higher operating costs and lower net foreign exchange gains recorded in other operating income and expenses.

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

18. Variation of results against immediate preceding quarter (Q3 FYE 2018 vs. Q2 FYE 2018)

The Group recorded a profit before taxation of RM0.8 million in the current quarter ended 30 April 2018 as compared of RM0.5 million in the immediate preceding quarter ended 31 January 2018. This was mainly due to improved sales totalling RM11.4 million, against RM11.1 million recorded in the immediate preceding quarter. Sales remain to be mainly export led.

19. Future prospects

The plantation and non-plantation segments performance continue to be influenced by commodity prices 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.

21. Tax expense

The taxation figures are as follows:

	Individual Quarter 3 months ended 30 April		Cumulative Quarter 9 months ended 30 April	
	2018	2017	2018	2017
Current tax expense				
Inside Malaysia				
- current financial year	564	245	564	729
Outside Malaysia				
- prior financial year	(1)	(384)	3	(384)
Deferred tax expense	(1)	-	(5)	-
	<u>562</u>	<u>(139)</u>	<u>562</u>	<u>345</u>

The Group effective tax rate is higher than statutory tax rate mainly due to loss incurred by a subsidiaries is not permitted to offset with taxable profit generated by another subsidiary.

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

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 30 April 2018.

25. Borrowing and debt securities

	As at 30.04.2018 RM'000	As at 31.7.2017 RM'000
Current		
Finance lease liabilities	114	76
Term loans (secured)	1,085	1,058
	<u>1,199</u>	<u>1,134</u>
Non-current		
Finance lease liabilities	331	32
Term loans (secured)	15,588	15,871
	<u>15,919</u>	<u>15,903</u>
	<u>17,118</u>	<u>17,037</u>

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

26. Off balance sheet financial instruments

As at 21 June 2018, 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)

27. Realised and unrealised profits/(losses)

The breakdown of the retained profits of the Group as at 30 April 2018, 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 30.04.2018 RM'000	As at 31.07.2017 RM'000
Total retained profits of Greenyield Berhad and its subsidiaries:-		
- Realised	29,529	30,217
- Unrealised	<u>(853)</u>	<u>(861)</u>
	28,676	29,356
Total share of profit from associates:-		
- Realised	(160)	(87)
Less : Consolidated adjustments	<u>(7,226)</u>	<u>(7,192)</u>
Total Group retained profits as per consolidated account	<u>21,290</u>	<u>22,077</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. Proposed dividend

No dividend has been proposed during the current quarter under review.

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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		Cumulative Quarter	
	3 months ended		9 months ended	
	30 April		30 April	
	2018	2017	2018	2017
Profit after taxation (RM'000)	318	954	214	1,990
Number of ordinary shares in issue ('000)	333,740	333,740	333,740	333,740
Basic earnings per share (sen)	0.09	0.29	0.06	0.60

(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.

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 21 June 2018.