



GREEN OCEAN CORPORATION BERHAD

(Company No: 632267-P)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE FOURTH QUARTER ENDED 31 MARCH 2014

GREEN OCEAN CORPORATION BERHAD

(Company No: 632267-P)
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2014****CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS
AND OTHER COMPREHENSIVE INCOME FOR
THE FOURTH QUARTER ENDED 31 MARCH 2014**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/03/2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2013 RM'000	CURRENT YEAR TO DATE 31/03/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2013 RM'000
Revenue	5,204	12,714	15,188	89,853
Cost of sales	(5,057)	(11,992)	(15,622)	(87,820)
Gross profit	147	722	(434)	2,033
Other operating income	-	958	-	2,575
Depreciation and amortisation	(934)	(347)	(1,915)	(1,026)
Operating expenses	(538)	(1,331)	(2,857)	(3,766)
Operating profit/(loss)	(1,325)	2	(5,206)	(184)
Interest expense	(124)	(55)	(317)	(368)
Profit/(Loss) before tax	(1,449)	(53)	(5,523)	(552)
Income tax expense	-	-	-	-
Profit/(Loss) for the period	(1,449)	(53)	(5,523)	(552)
Other comprehensive income	-	-	-	-
Total comprehensive profit/ (loss) for the period	(1,449)	(53)	(5,523)	(552)
Profit/(Loss) for the period attributable to: Equity holders of the parent	(1,449)	(53)	(5,523)	(552)
Total comprehensive profit /(loss) for the period attributable to: Equity holders of the parent	(1,449)	(53)	(5,523)	(552)
Basic earnings/(loss) per share (sen)	(0.72)	(0.03)	(2.73)	(0.29)

The Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the financial year ended 31 March 2013 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2014****NOTES TO CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND
OTHER COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/03/2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2013 RM'000	CURRENT YEAR TO DATE 31/03/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2013 RM'000
Other items included in the statement of profit and loss and other comprehensive income were:-				
Interest income	-	18	-	18
Allowance for doubtful and write off of receivables	-	705	-	710
Provision and write off of inventories	-	-	-	59
Gain or loss on disposal of quoted or unquoted investments or properties	-	-	-	1
Gain on disposal of property, plant & equipment	(5)	-	(5)	-
Property, plant & equipment written off	18	-	18	-
Impairment/(reversal of impairment) on property, plant & equipment	605	-	605	(1,300)
Foreign exchange loss	-	-	-	35
Gain on derivatives	(235)	(103)	(160)	(109)
Exceptional items-fire incident in a subsidiary that occurred during the year:- Insurance compensation -income	-	852	-	852

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2014****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014**

	UNAUDITED AS AT END OF CURRENT QUARTER 31/03/2014 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR 31/03/2013 RM'000
Non-current Assets		
Property, plant and equipment	21,998	17,322
Current Assets		
Inventories	1,837	2,274
Trade receivables	497	5,611
Other receivables and prepaid expenses	438	1,450
Other financial asset	304	143
Cash and bank balances	192	4,272
	3,268	13,750
Total assets	25,266	31,072
Equity and Liabilities		
Issued capital	20,259	20,259
Share premium	3,483	3,483
Revaluation reserve	5,795	-
Accumulated losses	(15,285)	(9,762)
Total equity	14,252	13,980
Non-current Liabilities		
Long term borrowings	-	998
Deferred revenue	898	899
Hire purchase creditors	306	115
Deferred taxation	444	139
	1,648	2,151
Current Liabilities		
Trade payables	2,000	6,564
Other payables and accrued expenses	6,092	5,622
Other financial liability	63	223
Hire purchase creditors	138	68
Short term borrowings	1,073	2,464
	9,366	14,941
Total liabilities	11,014	17,092
Total equity and liabilities	25,266	31,072
Net assets per share attributable to ordinary equity holders of the parent (sen)	7.03	6.90

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2014****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2014**

	Issued and paid up capital	Non- distributable reserve - Share premium	Non- distributable reserve - Revaluation reserve	Accumulated losses	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 April 2012	18,645	1,263	-	(9,210)	10,698
Issue of ordinary shares	1,614	2,220	-	-	3,834
Total recognised income and expense for the year - loss for the year	-	-	-	(552)	(552)
Balance as at 31 March 2013	<u>20,259</u>	<u>3,483</u>	<u>-</u>	<u>(9,762)</u>	<u>13,980</u>
Balance as at 1 April 2013	20,259	3,483	-	(9,762)	13,980
Revaluation reserve created during the year	-	-	5,795	-	5,795
Total recognised income and expense for the year - loss for the year	-	-	-	(5,523)	(5,523)
Balance as at 31 March 2014	<u>20,259</u>	<u>3,483</u>	<u>5,795</u>	<u>(15,285)</u>	<u>14,252</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the financial year ended 31 March 2013 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2014****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2014**

	CURRENT YEAR TO DATE 31/03/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2013 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the year	(5,523)	(552)
Adjustments for:		
Depreciation of property, plant & equipment	1,310	1,026
Impairment/(reversal of impairment) of property, plant & equipment	605	(1,300)
Government grant recognized	(161)	(161)
Other (gains)/losses	(160)	51
Gain on disposal of property, plant & equipment	(5)	-
Property, plant & equipment written off	18	
Interest expenses	317	368
	<hr/>	<hr/>
Operating Loss Before Working Capital Changes	(3,599)	(568)
Changes In Working Capital:		
Net change in current assets	6,420	(4,670)
Net change in current liabilities	(4,095)	3,015
	<hr/>	<hr/>
Cash Used In Operations	(1,274)	(2,223)
Net income tax refund	144	9
Interest expense	(317)	(368)
Insurance compensation received	-	3,679
	<hr/>	<hr/>
Net Cash From/ (Used In) Operating Activities	(1,447)	1,097
CASH FLOW USED IN INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	10	136
Purchase of property, plant and equipment	(515)	(5,877)
	<hr/>	<hr/>
Net Cash Used In Investing Activities	(505)	(5,741)

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	CURRENT YEAR TO DATE 31/03/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2013 RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds from issues of shares	-	3,834
Drawdown/(Repayment) of short-term borrowings	(1,391)	(426)
Drawdown/(Repayment) of long-term borrowings	(998)	(1,540)
Net Drawdown/(Repayment) of hire purchase creditors	261	(95)
Net Cash From/(Used In) Financing Activities	<u>(2,128)</u>	<u>1,773</u>
NET DECREASE IN CASH AND CASH EQUIVALENT	<u>(4,080)</u>	<u>(2,871)</u>
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR	<u>4,272</u>	<u>7,143</u>
CASH AND CASH EQUIVALENT AT END OF YEAR	<u><u>192</u></u>	<u><u>4,272</u></u>

Cash and cash equivalent comprise of:

	CURRENT YEAR TO DATE 31/03/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2013 RM'000
Cash on hand and at banks	<u><u>192</u></u>	<u><u>4,272</u></u>

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2014**

A EXPLANATORY NOTES PURSUANT TO MFRS 134

A1 Basis of preparation

The interim financial statements are unaudited and had been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134 “Interim Financial Reporting” and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market, and should be read in conjunction with the Group financial statements for the year ended 31 March 2013.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2013 except for the adoption of MFRSs relevant to the Group as indicated below:

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosures of Interests in Other Entities
MFRS 13	Fair Value Measurements
MFRS 116	Property, Plant & Equipment
MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associates and Joint Ventures
Amendment to MFRS 101	Presentation of items of Other Comprehensive Income

A2 Going concern

The financial statements have been prepared on the basis of going concern, on the assumption that the proposed corporate exercises as set out in B6 hereinafter will be successfully completed and implemented in due course.

A3 Qualification of annual financial statements

The preceding year annual audited financial statements were not subject to any qualification.

A4 Seasonal or cyclical factors

The Group's interim operations were not subject to any significant seasonal or cyclical factors.

A5 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows, which are unusual by reason of their nature, size or incidence.

A6 Changes in estimates

There were no changes in the nature and estimates of amounts reported which have a material effect on the results for the quarter under review.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2014**

A7 Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities by the Company during the quarter under review.

A8 Dividends paid

There were no dividends paid during the quarter under review.

A9 Segment information

The segment information for the financial period ended 31 March 2014 is as follows:

	Bio Technology RM'000	Information Communication Technology RM'000	Others RM'000	Consolidated RM'000
REVENUE				
External	5,171	33	-	5,204
Inter-segment	-	-	-	-
Total	<u>5,171</u>	<u>33</u>	<u>-</u>	<u>5,204</u>
RESULTS				
Segment results	(970)	(22)	(333)	(1,325)
Interest expense	(120)	-	(4)	(124)
Loss before tax	<u>(1,090)</u>	<u>(22)</u>	<u>(337)</u>	<u>(1,449)</u>
Income tax expense	-	-	-	-
Loss for the period	<u>(1,090)</u>	<u>(22)</u>	<u>(337)</u>	<u>(1,449)</u>
FINANCIAL POSITION				
Total assets	<u>24,838</u>	<u>42</u>	<u>386</u>	<u>25,266</u>
Total liabilities	<u>9,310</u>	<u>886</u>	<u>818</u>	<u>11,014</u>

A10 Valuation of property, plant and equipment

As announced on 25 March 2014, the Group has revalued the industrial land known as Lot no. PT 72156, Title no. HSM 43704, Mukim of Kapar, District of Klang, State of Selangor.

The value placed by the valuer, Henry Butcher Malaysia (Sel) Sdn Bhd dated 11 March 2014, was RM13.7 million, based on the valuation of a parcel of vacant industrial land.

The net revaluation surplus of RM5.795 million after deferred tax has been incorporated in the financial statements of the quarter under review.

A11 Subsequent event

There was no material event subsequent to the end of the quarter under review.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
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A12 Changes in the composition of the group

There were no changes to the composition of the Group for the quarter under review.

A13 Contingent assets and contingent liabilities

There were no material contingent assets as at 31 March 2014.

As at 31 March 2014, the Company has issued corporate guarantee to a licensed bank for term loan and other credit facilities totaling RM4.7 million granted to the wholly owned subsidiary, Ace Edible Oil Industries Sdn Bhd. Accordingly, the Company is contingently liable to the extent of credit facilities utilized by the said subsidiary.

A14 Capital commitments

The Group has the following commitment relating to the purchase of property, plant and equipment:-

	CURRENT YEAR TO DATE 31/03/2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2013 RM'000
Contracted but not provided for	-	349*

*This relates to plant and machinery purchased under the insurance cover for the reconstruction of the crusher plant destroyed in the fire

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B ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET

B1 Review of performance

The Group recorded revenue of RM5.2 million for the current quarter as compared to RM12.7 million in the preceding period corresponding quarter. The reduction in Group revenue was due to lower production affected by lack of sufficient working capital. Loss before tax of RM1.45 million was recorded for the current quarter compared to RM0.05 million in the preceding period corresponding quarter primarily due to lower revenue and higher expenses incurred such as professional fees, loan interest, utilities and impairment of PPE, despite lower operating expenses.

B2 Variation of results against preceding quarter

The Group recorded revenue of RM5.2 million for the current quarter as compared to RM1.4 million in the preceding quarter. The increase in the Group revenue was mainly due to the increase in operations from the palm kernel production.

The Group recorded a current quarter loss before tax of RM1.45 million as compared to the preceding quarter loss before tax of RM1.15 million. The weaker results was mainly due to the impairment of RM0.605 million on property, plant and equipment, higher expenses incurred such as professional fees, loan interest and utilities despite lower operating expenses arising from the cost reduction exercise implemented.

B3 Prospects

The prospect of the Group for the current financial year remains challenging as the Group continues its effort to secure the procurement of OEM manufacturing of NoveLin/other premium edible oil.

The Group is also currently undergoing several corporate exercises with intention to raise working capital and provide financing arrangements to support the business operation.

B4 Profit forecast / Profit guarantee

The Group did not issue any profit forecast or profit guarantee in any public documents.

B5 Taxation

There is no provision for taxation for the financial year as the companies in the Group have no chargeable income.

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B6 Status of corporate proposals announced but not completed

i) Recurrent related party transactions

As announced on 14 March 2014, the Company intends to seek the approval of its shareholders for the proposed shareholders' mandate pursuant to Rule 10.09(2) of the Bursa Securities ACE Market Listing Requirements for recurrent related party transactions of a revenue and trading nature to be entered into by the Company and its subsidiaries with related parties ('Proposed Shareholders' Mandate') at the forthcoming Extraordinary General Meeting ('EGM') to be convened in due course.

The Proposed Shareholders' Mandate is in respect of recurrent related party transactions within the Group to be entered into from the date of the EGM up to the forthcoming Annual General Meeting ('AGM') of the Company to be convened in year 2014.

The Proposed Shareholders' Mandate, if approved by the shareholders at the forthcoming EGM of the Company will be subject to annual renewal at each subsequent AGM of the Company.

A Circular to Shareholders will be despatched to the shareholders in due course to provide them with the relevant information on the Proposed Shareholders' Mandate and to seek their approval for the resolution to be tabled at the forthcoming EGM.

ii) Proposed private placement and free warrants

As announced by Kenanga Investment Bank Berhad on company's behalf on 28 April 2014, the Company has proposed to undertake the placement of up to 60,778,500 new ordinary shares of RM0.10 each in the Company representing thirty percent (30%) of the issued and paid-up share capital and proposed issuance of up to 65,843,375 free warrants on the basis of one (1) free warrant for every four (4) ordinary shares of RM0.10 each held in the Company. The proposal is pending approval from the relevant authorities and shareholders.

B7 Status of utilisation of proceeds

There are no proceeds from public issue that was not fully utilized.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2014****B8 Group's borrowings and debt securities**

The Group's borrowings and debts securities as at 31 March 2014 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Term loan	1,073	-	1,073
Hire purchase creditors	<u>138</u>	<u>306</u>	<u>444</u>
Total borrowings	<u>1,211</u>	<u>306</u>	<u>1,517</u>

As at 31 March 2014, the wholly owned subsidiary, Ace Edible Oil Industries Sdn Bhd has credit facilities of RM1.1 million. These facilities are secured by way of legal fixed charge over two pieces of freehold land and building, a specific debenture over plant and machinery located on the property, corporate guarantee by the Company and the Government of Malaysia/Syarikat Jaminan Pembiayaan Perniagaan Berhad's guarantee under the Working Capital Guarantee Scheme, and the joint and several guarantees of certain directors. The hire purchase creditors is in respect of lease financing for assets utilised by the Company, of which the portion due within one year has been classified as short term.

All the borrowings are denominated in Ringgit Malaysia.

B9 Breakdown of Realised and Unrealised Group Profits/(Losses)

	AS AT END OF CURRENT QUARTER 31/03/2014 RM'000	AS AT PRECEDING FINANCIAL YEAR 31/03/2013 RM'000
Total accumulated losses		
Realised losses	(9,980)	(4,400)
Unrealised profits	<u>160</u>	<u>103</u>
	(9,820)	(4,297)
Less : Consolidated adjustments	<u>(5,465)</u>	<u>(5,465)</u>
Total Group accumulated losses	<u>(15,285)</u>	<u>(9,762)</u>

B10 Material litigation

The Group has no outstanding material litigation as at the date of this report.

B11 Dividends

The Directors have not recommended or declared any dividend for the quarter ended 31 March 2014.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
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B12 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/03/2014	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2013	CURRENT YEAR TO DATE 31/03/2014	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2013
Loss for the period (RM'000)	(1,449)	(53)	(5,523)	(552)
Weighted average number of shares in issue ('000)	202,595	187,795	202,595	187,795
Basic earnings/(loss) per share (sen)	<u>(0.72)</u>	<u>(0.03)</u>	<u>(2.73)</u>	<u>(0.29)</u>

By Order of the Board

WONG KEO ROU (MAICSA 7021435)
Company Secretary
Kuala Lumpur
30 May 2014