



GREEN OCEAN CORPORATION BERHAD

(Company No: 632267-P)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014

GREEN OCEAN CORPORATION BERHAD

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014****CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS
AND OTHER COMPREHENSIVE INCOME FOR
THE SECOND QUARTER ENDED 30 SEPTEMBER 2014**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2013 RM'000	CURRENT YEAR TO DATE 30/09/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2013 RM'000
Revenue	5,050	1,969	13,190	8,580
Cost of sales	(4,973)	(2,390)	(12,768)	(9,032)
Gross profit	77	(421)	422	(452)
Other operating income	-	-	-	-
Depreciation and amortisation	(325)	(332)	(650)	(649)
Operating expenses	(269)	(783)	(732)	(1,689)
Operating loss	(517)	(1,536)	(960)	(2,790)
Interest expense	(59)	(64)	(207)	(138)
Loss before tax	(576)	(1,600)	(1,167)	(2,928)
Income tax expense	-	-	-	-
Loss for the period	(576)	(1,600)	(1,167)	(2,928)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(576)	(1,600)	(1,167)	(2,928)
Loss for the period attributable to:				
Equity holders of the parent	(576)	(1,600)	(1,167)	(2,928)
Total comprehensive loss for the period attributable to:				
Equity holders of the parent	(576)	(1,600)	(1,167)	(2,928)
Basic loss per share (sen)	(0.25)	(0.79)	(0.51)	(1.45)

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 2014 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014****NOTES TO CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER
COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2013 RM'000	CURRENT YEAR TO DATE 30/09/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2013 RM'000
Other items included in the statement of profit and loss and other comprehensive income were:-				
Allowance for doubtful and write off of receivables	-	-	-	-
Provision and write off of inventories	-	-	-	-
Gain or loss on disposal of quoted or unquoted investments or properties	-	-	-	-
Reversal of impairment on property, plant & equipment	-	-	-	-
Foreign exchange (gain) or loss	-	-	-	-
(Gain) or loss on derivatives	1	44	209	44

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014**

	UNAUDITED AS AT END OF CURRENT QUARTER 30/09/2014 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR 31/03/2014 RM'000
Non-current Assets		
Property, plant and equipment	21,385	22,035
Current Assets		
Inventories	12,001	1,837
Trade receivables	4,452	490
Other receivables and prepaid expenses	465	437
Other financial asset	32	304
Cash and bank balances	33	192
	16,983	3,260
Total assets	38,368	25,295
Equity and Liabilities		
Issued capital	26,337	20,259
Share premium	3,909	3,483
Revaluation reserve	5,795	5,795
Accumulated losses	(16,416)	(15,249)
Total equity	19,625	14,288
Non-current Liabilities		
Long term borrowings	-	-
Deferred revenue	679	738
Hire purchase creditors	226	179
Deferred taxation	444	444
	1,349	1,361
Current Liabilities		
Trade payables	13,664	2,350
Other payables and accrued expenses	1,426	693
Amount owing to directors	1,730	5,041
Deferred revenue	161	161
Other financial liability	-	63
Hire purchase creditors	138	265
Short term borrowings	275	1,073
	17,394	9,646
Total liabilities	18,743	11,007
Total equity and liabilities	38,368	25,295
Net assets per share attributable to ordinary equity holders of the parent (sen)	7.45	7.05

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2014**

	Issued and paid up capital RM'000	Non-distributable Share premium RM'000	Revaluation reserve RM'000	Distributable reserve Unappropriated profit RM'000	Total RM'000
Balance as at 1 April 2013	20,259	3,483	-	(9,762)	13,980
Total recognised income and expense for the year - loss for the year	-	-	-	(5,487)	(5,487)
Created during the year	-	-	5,795	-	5,795
Balance as at 31 March 2014	<u>20,259</u>	<u>3,483</u>	<u>5,795</u>	<u>(15,249)</u>	<u>14,288</u>
Balance as at 1 April 2014	20,259	3,483	5,795	(15,249)	14,288
Issuance of ordinary shares	6,078	608	-	-	6,686
Share issue expenses	-	(182)	-	-	(182)
Total recognised income and expense for the period - loss for the period	-	-	-	(1,167)	(1,167)
Balance as at 30 September 2014	<u>26,337</u>	<u>3,909</u>	<u>5,795</u>	<u>(16,416)</u>	<u>19,625</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 2014 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2014**

	CURRENT YEAR TO DATE 30/09/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2013 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the period	(1,167)	(2,928)
Adjustments for:		
Depreciation of property, plant & equipment	650	649
Government grant recognized	(58)	80
Other expenses	209	-
Other income	-	(105)
Interest expense	207	138
	<hr/>	<hr/>
Operating Loss Before Working Capital Changes	(159)	(2,166)
Changes In Working Capital:		
Net change in current assets	(14,151)	3,843
Net change in current liabilities	8,736	(4,086)
	<hr/>	<hr/>
Cash Used In Operations	(5,574)	(2,409)
Net income tax (paid)/refunded	(4)	8
Interest expense	(207)	(138)
	<hr/>	<hr/>
Net Cash Used In Operating Activities	(5,785)	(2,539)
CASH FLOW USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(506)
	<hr/>	<hr/>
Net Cash Used In Investing Activities	-	(506)
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FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014**

	CURRENT YEAR TO DATE 30/09/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2013 RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds from issuance of new shares	6,504	-
Repayment of short-term borrowings	(798)	(672)
Repayment of long-term borrowings	-	(820)
Drawdown/(Repayment) of hire purchase creditors	(80)	318
Net Cash Generated From/(Used In) Financing Activities	5,626	(1,174)
NET DECREASE IN CASH AND CASH EQUIVALENT	(159)	(4,219)
CASH AND CASH EQUIVALENT AT BEGINNING OF PERIOD	192	4,272
CASH AND CASH EQUIVALENT AT END OF PERIOD	33	53

Cash and cash equivalent comprise of:

	CURRENT YEAR TO DATE 30/09/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2013 RM'000
Cash on hand and at banks	33	53

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 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 2014.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2014 except for the adoption of MFRSs relevant to the Group as indicated below:

MFRS 7	Financial Instruments: Disclosures (Amendments relating to Disclosures - Offsetting Financial Assets and Liabilities)
MFRS 10	Consolidated Financial Statements
MFRS 10	Consolidated Financial Statements (Amendments relating to Transition Guidance)
MFRS 13	Fair Value Measurement
MFRS 101	Presentation of Financial Statements (Amendments relating to Presentation of Items of Other Comprehensive Income)
MFRS 119	Employee Benefits (IAS 19 as amended by IASB in June 2011)
MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)
Amendments to MFRSs contained in the document entitled Annual Improvements 2009 - 2011 cycle	

The adoption of these revised Standards and Amendments have not had material impact on the amounts reported in the financial statements of the Group and of the Company.

Standards and Amendments in issue but not yet effective

At the date of authorisation for issue these financial statements, the new and revised Standards relevant to the Group and the Company which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

Amendments to MFRS 119	Employee Benefits (Amendments relating to Defined Benefit Plans: Employee Contributions) ³
Amendments to MFRS 132	Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities) ²
Amendments to MFRS 136	Impairment of Assets (Amendments relating to Recoverable Amounts Disclosures for Non-Financial Assets) ²
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting) ²
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2010 - 2012 Cycle ³	
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2011 - 2013 Cycle ³	

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014**

A2 Qualification of annual financial statements

The preceding year annual audited financial statements were not subject to any qualification. However, an emphasis of matter was highlighted in the auditors' report, on the Group's net current liabilities position as a result of losses incurred in current and previous financial years. Notwithstanding the above, the financial statements of the Group have been prepared on a going-concern basis, which presumes, among others, the continued financial support from a director of the Company and the ability of the Group to generate profits and sufficient cash flows to sustain its operations and consequently, the realisation of assets and the settlement of liabilities will occur in the ordinary course of business.

The said director of the Company has confirmed to provide financial support to the Group so as to enable the Group both to meet its liabilities as they fall due and to carry on its business without a significant curtailment of operations.

A3 Seasonal or cyclical factors

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

A4 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.

A5 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.

A6 Debt and equity securities

Pursuant to the private placement and the issuance of the free warrants corporate exercise as approved by the shareholders at the Extraordinary General Meeting held on 1 July 2014, the Company has issued 60,778,500 ordinary shares of RM0.10 each at an issue price of RM0.11 each and 65,843,362 free warrants.

The new ordinary shares were listed on the ACE Market on 14 July 2014 and the free warrants was admitted to the Official List of Bursa Securities and listed and quoted on 18 August 2014.

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

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
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There were no dividends paid during the quarter under review.

A8 Segment information

The segment information for the financial period ended 30 September 2014 is as follows:

	Bio Technology RM'000	Information Communication Technology RM'000	Others RM'000	Consolidated RM'000
REVENUE				
External	5,016	34	-	5,050
Inter-segment	-	-	-	-
Total	<u>5,016</u>	<u>34</u>	<u>-</u>	<u>5,050</u>
RESULTS				
Segment results	(386)	19	(151)	(518)
Interest income/(expense)	(52)	-	(6)	(58)
Profit/(Loss) before tax	<u>(438)</u>	<u>19</u>	<u>(157)</u>	<u>(576)</u>
Income tax expense	-	-	-	-
Profit/(Loss) for the period	<u>(438)</u>	<u>19</u>	<u>(157)</u>	<u>(576)</u>
FINANCIAL POSITION				
Total assets	<u>38,015</u>	<u>37</u>	<u>316</u>	<u>38,368</u>
Total liabilities	<u>17,180</u>	<u>822</u>	<u>741</u>	<u>18,743</u>

A9 Valuation of property, plant and equipment

The Group did not revalue any of its property, plant and equipment during the quarter under review.

A10 Subsequent events

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

A11 Changes in the composition of the group

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

A12 Capital commitments

There were no capital commitments in the Group for the quarter under review.

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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 higher revenue of RM5.1 million for the current quarter as compared to RM2.0 million in the preceding period corresponding quarter. The increase in Group revenue was due to higher production of palm kernel crushing activities. Loss before tax of RM0.58 million was lower for the current quarter as compared to loss before tax of RM1.60 million in the preceding period corresponding quarter primarily due to higher revenue and improved margins, and lower operating expenses due to the cost reduction program implemented in beginning year 2014.

B2 Variation of results against preceding quarter

The Group recorded lower revenue of RM5.1 million for the current quarter as compared to RM8.1 million in the preceding quarter. The decrease in the Group revenue was mainly due to the depressed orders from our customers as the customers adopted a wait and see attitude in view of the continuing depressed market price trend.

The Group recorded a slightly lower current quarter loss before tax of RM0.58 million as compared to the preceding quarter loss before tax of RM0.59 million mainly due to lower operating expenses arising from the cost reduction program implemented and lower interest expenses.

B3 Prospects

The prospect of the Group for the current financial year remains challenging as the Group continues to concentrate on enhancing its palm kernel crushing activities so as to improve its revenue. The Group continues facing suppressing orders due to the depressing trend of the global CPKO price.

Notwithstanding the current deflating price situation, the Group has taken initiative steps to trade in other palm oil products.

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

There are no other pending corporate proposals.

B7 Status of utilisation of proceeds

The Company raised RM6.7 mil from the private placement of 60,778,500 new ordinary shares of RM0.10 each, represented thirty percent (30%) of the issued and paid up capital of the Company, at an issue price of RM0.11 each.

The utilisation of proceeds from the Placement Shares were utilised as follows:-

	Amount raised	Utilised as at 28.8.2014	Balance unutilised
	RM'000	RM'000	RM'000
Working capital	6,504	(6,504)	-
Estimated expenses in relation to the private placement	182	(182)	-
	6,686	(6,686)	-

B8 Group's borrowings and debt securities

The Group's borrowings and debts securities as at 30 September 2014 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Term loan	275	-	275
Hire purchase creditors	138	226	364
Total borrowings	413	226	639

As at 30 September 2014, the wholly owned subsidiary, Ace Edible Oil Industries Sdn Bhd has credit facilities of RM0.3 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.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
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	AS AT END OF CURRENT QUARTER 30/09/2014 RM'000	AS AT PRECEDING FINANCIAL YEAR 31/03/2014 RM'000
Total accumulated losses		
Realised losses	(11,084)	(10,386)
Unrealised profits/(losses)	(209)	260
	<u>(11,293)</u>	<u>(10,126)</u>
Less : Consolidated adjustments	(5,123)	(5,123)
Total Group accumulated losses	<u>(16,416)</u>	<u>(15,249)</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 30 September 2014.

B12 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2014	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2013	CURRENT YEAR TO DATE 30/09/2014	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2013
Profit/(Loss) for the period (RM'000)	(576)	(1,600)	(1,167)	(2,928)
Weighted average number of shares in issue ('000)	228,833	202,595	228,833	202,595
Basic earnings/(loss) per share (sen)	<u>(0.25)</u>	<u>(0.79)</u>	<u>(0.51)</u>	<u>(1.45)</u>

By Order of the Board

WONG KEO ROU (MAICSA 7021435)
Company Secretary
Kuala Lumpur
28 November 2014