



GREEN OCEAN CORPORATION BERHAD

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

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014

GREEN OCEAN CORPORATION BERHAD

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS
AND OTHER COMPREHENSIVE INCOME FOR
THE THIRD QUARTER ENDED 31 DECEMBER 2014**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2013 RM'000	CURRENT YEAR TO DATE 31/12/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2013 RM'000
Revenue	24,182	1,403	37,372	9,984
Cost of sales	<u>(23,569)</u>	<u>(1,532)</u>	<u>(36,337)</u>	<u>(10,565)</u>
Gross profit	613	(129)	1,035	(581)
Other operating income	-	-	-	-
Depreciation and amortisation	(318)	(332)	(967)	(981)
Operating expenses	<u>(140)</u>	<u>(632)</u>	<u>(872)</u>	<u>(2,319)</u>
Operating profit/(loss)	155	(1,093)	(804)	(3,881)
Interest expense	(43)	(54)	(250)	(193)
Profit/(Loss) before tax	112	(1,147)	(1,054)	(4,074)
Income tax expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit/(Loss) for the period	112	(1,147)	(1,054)	(4,074)
Other comprehensive income	-	-	-	-
Total comprehensive Profit/(loss) for the period	<u>112</u>	<u>(1,147)</u>	<u>(1,054)</u>	<u>(4,074)</u>
Profit/(Loss) for the period attributable to: Equity holders of the parent	<u>112</u>	<u>(1,147)</u>	<u>(1,054)</u>	<u>(4,074)</u>
Total comprehensive profit/(loss) for the period attributable to: Equity holders of the parent	<u>112</u>	<u>(1,147)</u>	<u>(1,054)</u>	<u>(4,074)</u>
Basic profit/(loss) per share (sen)	<u>0.05</u>	<u>(0.57)</u>	<u>(0.44)</u>	<u>(2.01)</u>

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 THIRD QUARTER ENDED 31 DECEMBER 2014****NOTES TO CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER
COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2013 RM'000	CURRENT YEAR TO DATE 31/12/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2013 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	(77)	(20)	132	(75)

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	UNAUDITED AS AT END OF CURRENT QUARTER 31/12/2014 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR 31/03/2014 RM'000
Non-current Assets		
Property, plant and equipment	21,072	22,035
Current Assets		
Inventories	6,438	1,837
Trade receivables	12,360	490
Other receivables and prepaid expenses	450	437
Other financial asset	136	304
Cash and bank balances	577	192
	<u>19,961</u>	<u>3,260</u>
Total assets	<u>41,033</u>	<u>25,295</u>
Equity and Liabilities		
Issued capital	26,337	20,259
Share premium	3,909	3,483
Revaluation reserve	5,795	5,795
Accumulated losses	(16,303)	(15,249)
Total equity	<u>19,738</u>	<u>14,288</u>
Non-current Liabilities		
Long term borrowings	-	-
Deferred revenue	617	738
Hire purchase creditors	213	179
Deferred taxation	444	444
	<u>1,274</u>	<u>1,361</u>
Current Liabilities		
Trade payables	18,273	2,350
Other payables and accrued expenses	1,181	693
Amount owing to directors	263	5,041
Deferred revenue	161	161
Other financial liability	27	63
Hire purchase creditors	116	265
Short term borrowings	-	1,073
	<u>20,021</u>	<u>9,646</u>
Total liabilities	<u>21,295</u>	<u>11,007</u>
Total equity and liabilities	<u>41,033</u>	<u>25,295</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	<u>7.49</u>	<u>7.05</u>

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2014**

	Issued and paid up capital RM'000	Non-distributable		Distributable reserve	Total RM'000
		Share premium RM'000	Revaluation reserve RM'000	Unappropriated profit 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)
Surplus arising from revaluation 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	-	-	-	(1,054)	(1,054)
Balance as at 31 December 2014	<u>26,337</u>	<u>3,909</u>	<u>5,795</u>	<u>(16,303)</u>	<u>19,738</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 THIRD QUARTER ENDED 31 DECEMBER 2014****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2014**

	CURRENT YEAR TO DATE 31/12/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2013 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the period	(1,054)	(4,074)
Adjustments for:		
Depreciation of property, plant & equipment	967	981
Government grant recognized	(121)	40
Other expenses	132	-
Other income	-	(86)
Interest expense	250	193
Operating Profit/(Loss) Before Working Capital Changes	174	(2,946)
Changes In Working Capital:		
Net change in current assets	(16,480)	3,003
Net change in current liabilities	11,633	(1,894)
Cash Used In Operations	(4,673)	(1,837)
Net income tax (paid)/refunded	(4)	22
Interest expense	(250)	(193)
Net Cash Used In Operating Activities	(4,927)	(2,008)
CASH FLOW USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4)	(515)
Net Cash Used In Investing Activities	(4)	(515)

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	CURRENT YEAR TO DATE 31/12/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2013 RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds from issuance of new shares	6,504	-
Repayment of short-term borrowings	(1,073)	(1,005)
Repayment of long-term borrowings	-	(999)
Drawdown/(Repayment) of hire purchase creditors	(115)	297
Net Cash Generated From/(Used In) Financing Activities	5,316	(1,707)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	385	(4,230)
CASH AND CASH EQUIVALENT AT BEGINNING OF PERIOD	192	4,272
CASH AND CASH EQUIVALENT AT END OF PERIOD	577	42

Cash and cash equivalent comprise of:

	CURRENT YEAR TO DATE 31/12/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2013 RM'000
Cash on hand and at banks	577	42

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
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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 Cycle³

Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2011 - 2013 Cycle³

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
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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.

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.

A7 Dividends paid

There were no dividends paid during the quarter under review.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014****A8 Segment information**

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

	Bio Technology RM'000	Information Communication Technology RM'000	Others RM'000	Consolidated RM'000
REVENUE				
External	24,160	22	-	24,182
Inter-segment	-	-	-	-
Total	<u>24,160</u>	<u>22</u>	<u>-</u>	<u>24,182</u>
RESULTS				
Segment results	272	-	(117)	155
Interest expense	(36)	-	(7)	(43)
Profit/(Loss) before tax	<u>236</u>	<u>-</u>	<u>(124)</u>	<u>112</u>
Income tax expense	-	-	-	-
Profit/(Loss) for the period	<u>236</u>	<u>-</u>	<u>(124)</u>	<u>112</u>
FINANCIAL POSITION				
Total assets	<u>40,684</u>	<u>16</u>	<u>333</u>	<u>41,033</u>
Total liabilities	<u>19,814</u>	<u>810</u>	<u>671</u>	<u>21,295</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 RM24.18 million for the current quarter as compared to RM1.40 million in the preceding period corresponding quarter. The increase in Group revenue was due to higher production of palm kernel crushing activities. The Group recorded a Profit before tax of RM0.11 million for the current quarter as compared to loss before tax of RM1.15 million in the preceding period corresponding quarter. The improvement were due to higher revenue arising from increased in palm kernel crushing activities 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 higher revenue of RM24.18 million for the current quarter as compared to RM1.40 million in the preceding quarter. The increase in the Group revenue were mainly due to higher production of palm kernel crushing activities and renewed orders from our customers following the improvement of the global CPKO prices after recent months of depressed market price trend.

The Group recorded a slightly improved current quarter profit before tax of RM0.11 million as compared to the preceding quarter loss before tax of RM1.15 million mainly due to higher revenue and improved margins as global CPKO prices had increased and 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, it is also facing low supply of raw materials due to the recent flood which affected many states nationwide.

Notwithstanding the current raw materials shortage 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	Balance
	RM'000	28.8.2014	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	Long Term	Total
	RM'000	RM'000	RM'000
Term loan	-	-	-
Hire purchase creditors	116	213	329
Total borrowings	<u>116</u>	<u>213</u>	<u>329</u>

As at 31 December 2014, the wholly owned subsidiary, Ace Edible Oil Industries Sdn Bhd had fully settled its bank borrowings, which were previously 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.

GREEN OCEAN CORPORATION BERHAD(Company No: 632267-P)
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FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014****B9 Breakdown of Realised and Unrealised Group Profits/(Losses)**

	AS AT END OF CURRENT QUARTER 31/12/2014 RM'000	AS AT PRECEDING FINANCIAL YEAR 31/03/2014 RM'000
Total accumulated losses		
Realised losses	(11,0481)	(10,386)
Unrealised profits/(losses)	(132)	260
	<u>(11,180)</u>	<u>(10,126)</u>
Less : Consolidated adjustments	(5,123)	(5,123)
Total Group accumulated losses	<u>(16,303)</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 31 December 2014.

B12 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2014	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2013	CURRENT YEAR TO DATE 31/12/2014	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2013
Profit/(Loss) for the period (RM'000)	112	(1,147)	(1,054)	(4,074)
Weighted average number of shares in issue ('000)	240,388	202,595	240,388	202,595
Basic earnings/(loss) per share (sen)	0.05	(0.57)	(0.44)	(2.01)

By Order of the Board

WONG KEO ROU (MAICSA 7021435)
Company Secretary
Kuala Lumpur
27 February 2015