



GREEN OCEAN CORPORATION BERHAD

(Company No: 632267-P)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015

GREEN OCEAN CORPORATION BERHAD

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015****CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS
AND OTHER COMPREHENSIVE INCOME FOR
THE THIRD QUARTER ENDED 31 DECEMBER 2015**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2015 RM'000	31/12/2014 RM'000	31/12/2015 RM'000	31/12/2014 RM'000
Continuing operations				
Revenue	57,573	24,182	121,567	37,372
Cost of sales	(56,859)	(23,569)	(121,231)	(36,337)
Gross profit	714	613	336	1,035
Other operating income	53	-	958	-
Depreciation and amortisation	(650)	(318)	(913)	(967)
Operating expenses	(225)	(140)	(772)	(872)
Operating profit/(loss)	(108)	155	(391)	(804)
Interest expense	(3)	(43)	(13)	(250)
Profit/(Loss) before tax	(111)	112	(404)	(1,054)
Income tax expense	-	-	-	-
Profit/(Loss) for the period	(111)	112	(404)	(1,054)
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive profit/(loss) for the period attributable to: Equity holders of the parent	(111)	112	(404)	(1,054)
Basic profit/(loss) per share (sen)	(0.04)	0.05	(0.15)	(0.44)

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 2015 and the accompanying explanatory notes attached to the interim financial statements.

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**NOTES TO CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER
COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2014 RM'000	CURRENT YEAR TO DATE 31/12/2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2014 RM'000
Other items included in the statement of profit and loss and other comprehensive income were:-				
Gain on disposal of subsidiaries	-	-	793	-
(Gain) or loss on derivatives	53	(77)	165	132

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**

	UNAUDITED AS AT END OF CURRENT QUARTER 31/12/2015 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR 31/03/2015 RM'000
Non-current Assets		
Property, plant and equipment	20,156	20,828
Current Assets		
Inventories	1,220	1,603
Trade receivables	19,438	10,078
Other receivables and prepaid expenses	1,091	443
Cash and bank balances	178	622
	21,927	12,746
Total assets	42,083	33,574
Equity and Liabilities		
Issued capital	26,337	26,337
Share premium	3,909	3,909
Revaluation reserve	5,795	5,795
Accumulated losses	(16,359)	(15,955)
Total equity	19,682	20,086
Non-current Liabilities		
Deferred revenue	456	577
Hire purchase creditors	126	229
Deferred taxation	444	444
	1,026	1,250
Current Liabilities		
Trade payables	330	976
Amount owing to related party	20,052	10,446
Other payables and accrued expenses	491	436
Amount owing to directors	225	144
Deferred revenue	161	161
Hire purchase creditors	116	75
	21,375	12,238
Total liabilities	22,401	13,488
Total equity and liabilities	42,083	33,574
Net assets per share attributable to ordinary equity holders of the parent (sen)	7.47	7.63

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2015**

	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 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 year					
- loss for the year	-	-	-	(706)	(706)
Balance as at 31 March 2015	<u>26,337</u>	<u>3,909</u>	<u>5,795</u>	<u>(15,955)</u>	<u>20,086</u>
Balance as at 1 April 2015	26,337	3,909	5,795	(15,955)	20,086
Total recognised income and expense for the year					
- profit for the period	-	-	-	(404)	(404)
Balance as at 31 December 2015	<u>26,337</u>	<u>3,909</u>	<u>5,795</u>	<u>(16,359)</u>	<u>19,682</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 2015 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 2015****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2015**

	CURRENT PERIOD TO DATE 31/12/2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2014 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) for the period	(404)	(1,054)
Adjustments for:		
Depreciation of property, plant & equipment	913	967
Government grant recognized	(121)	(121)
Other (gains)/losses	-	132
Interest expense	13	250
Operating Profit/(Loss) Before Working Capital Changes	401	174
Changes In Working Capital:		
Net change in current assets	(9,624)	(16,480)
Net change in current liabilities	9,097	11,633
Cash Used In Operations	(126)	(4,673)
Net income tax (paid)/refunded	(1)	(4)
Interest expense	(13)	(250)
Net Cash Generated From/(Used In) Operating Activities	(140)	(4,927)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(241)	(4)
Net Cash Generated From/(Used In) Investing Activities	(241)	(4)

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	CURRENT PERIOD TO DATE 31/12/2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2014 RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds from issuance of new shares	-	6,504
Repayment of short-term borrowings	-	(1,073)
Repayment of hire purchase creditors	(63)	(115)
	<hr/>	<hr/>
Net Cash Generated From/(Used In) Financing Activities	(63)	5,316
	<hr/>	<hr/>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	(444)	385
	<hr/>	<hr/>
CASH AND CASH EQUIVALENT AT BEGINNING OF PERIOD	622	192
	<hr/>	<hr/>
CASH AND CASH EQUIVALENT AT END OF PERIOD	178	577
	<hr/>	<hr/>

Cash and cash equivalent comprise of:

	CURRENT PERIOD TO DATE 31/12/2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2014 RM'000
Cash on hand and at banks	178	577
	<hr/>	<hr/>

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015**

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 2015.

In this interim report, related parties are companies other than subsidiaries or associated companies, owned and/or controlled by common shareholders or directors who are common with the Company.

In the current financial year, the Group and the Company have adopted all the new and revised Standards and Amendments issued by the Malaysian Accounting Standards Board (“MASB”) that are relevant to their operations and effective for annual periods beginning on or after 1 April 2015 as follows:

Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 119	Defined Benefit Plans: Employee Contributions
Amendments to MFRSs	Annual Improvements to MFRSs 2010 - 2012 Cycle
Amendments to MFRSs	Annual Improvements to MFRSs 2011 - 2013 Cycle

The adoption of these revised Standards and Amendments has not had any material impact on the amounts reported in the financial statements of the Group and of the Company in the current and previous financial years.

Standards and Amendments in issue but not yet effective

At the date of authorisation for issue of 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:

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014) ³
MFRS 15	Revenue from Contracts with Customers ²
Amendments to MFRS 101	Disclosure Initiative ¹
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to MFRS 127	Equity Method in Separate Financial Statements ¹

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Amendments to MFRSs Annual Improvements to MFRSs 2012 - 2014 Cycle¹

¹ Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

³ Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

The directors anticipate that the abovementioned Standards and Amendments where applicable, will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these Standards and Amendments will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

A2 Qualification of annual financial statements

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

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, other than the disposal of the subsidiaries as stated in note B7.

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

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 2015****A8 Segment information**

The segment information for the financial period ended 31 December 2015 is as follows:

	Bio Technology RM'000	Others RM'000	Consolidated RM'000
REVENUE			
External	57,573	-	57,573
Inter-segment	-	-	-
Total	<u>57,573</u>	<u>-</u>	<u>57,573</u>
RESULTS			
Segment results	(29)	(79)	(108)
Interest expense	(*)	(2)	(3)
Profit/(Loss) before tax	<u>(30)</u>	<u>(81)</u>	<u>(111)</u>
Income tax expense	-	-	-
Profit/(Loss) for the period	<u>(30)</u>	<u>(81)</u>	<u>(111)</u>
FINANCIAL POSITION			
Total assets	<u>41,798</u>	<u>285</u>	<u>42,083</u>
Total liabilities	<u>21,757</u>	<u>644</u>	<u>22,401</u>

*Denotes less than RM1,000

A9 Valuation of property, plant and equipment

The Group did not revalue any of its property, plant and equipment during the quarter and financial period 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 and financial period under review, other than the disposal of the subsidiaries as stated in note B7.

A12 Capital commitments

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

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
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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 RM57.57 million for the current quarter as compared to RM24.18 million in the preceding period corresponding quarter. The increase in the Group revenue was mainly due to higher trading activities in palm oil products. The Group recorded a higher loss before tax of RM0.11 million for the current quarter as compared to profit before tax of RM0.11 million in the preceding period corresponding quarter. The loss before tax for the current quarter was higher as a result of lower selling prices of palm kernel oil due to suppressed global prices as compared to previous year. The operations of the palm kernel crushing activities continued to incur losses due to its low level of crushing activities.

B2 Variation of results against preceding quarter

The Group recorded higher revenue of RM57.57 million for the current quarter as compared to RM48.67 million in the preceding quarter. The increase in the Group revenue was due to higher trading activities in palm oil products.

The Group recorded a lower loss before tax of RM0.11 million for the current quarter as compared to the preceding quarter loss before tax of RM0.74 million. The current quarter losses were lower in tandem with higher revenue and better margin from certain palm oil products in the current quarter under review.

B3 Prospects

The prospect of the Group for the remaining 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 and lack of working capital.

Notwithstanding, the Group has taken steps to explore and introduce new products, and to trade in other palm oil related 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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There are no other pending corporate proposals.

B7 Profit/(Loss) From Discontinued Operations

On 17 April 2015, the Company disposed of its entire interest in Online DM Sdn. Bhd., Ace Biomass Sdn. Bhd., Online One Software (MSC) Sdn. Bhd., and Online Storage Technology Sdn. Bhd. The results of the discontinued operations up till the date of disposal and the comparatives are as follows:-

	9 months financial period ended	
	31 December 2015	31 December 2014
	RM	RM
Revenue	-	89,760
Cost of sales	-	-
Gross profit	-	89,760
Other operating income	-	-
Depreciation and amortisation	(83)	(744)
Operating expenses	(2,044)	(52,618)
Operating profit/(loss)	(2,127)	36,398
Interest expense	-	(200)
Profit/(loss) before tax	(2,127)	36,198
Income tax expense	-	-
Profit/(loss) for the period	(2,127)	36,198

Effects of the disposal on the financial position are as follows:-

	RM
Property, plant & equipment	421
Trade receivables	7,538
Other receivables	7,066
Cash and cash equivalents	1,427
Trade and other payables	(1,472,186)
Net liabilities disposed of	(1,455,734)

Consideration:-

Sales consideration	8
Net liabilities disposed off	1,455,734
Waiver of inter-company debts owing by/(to) disposed subsidiaries	(663,111)
Profit from discontinued operations	792,631

Net cash outflow arising from disposal of subsidiaries:-

Cash consideration received	8
Less: Cash and cash equivalents disposed of	(1,427)
	(1,419)

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B8 Group's borrowings and debt securities

The Group's borrowings and debts securities as at 31 December 2015 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Hire purchase creditors	116	126	242
Total borrowings	<u>116</u>	<u>126</u>	<u>242</u>

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 30/09/2015 RM'000	AS AT PRECEDING FINANCIAL YEAR 31/03/2015 RM'000
Total accumulated losses		
Realised losses	(14,212)	(13,808)
Unrealised profits/(losses)	19	19
	<u>(14,193)</u>	<u>(13,789)</u>
Less : Consolidated adjustments	(2,166)	(2,166)
Total Group accumulated losses	<u>(16,359)</u>	<u>(15,955)</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 2015.

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B12 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2015	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2014	CURRENT YEAR TO DATE 31/12/2015	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2014
Profit/(Loss) for the period (RM'000)	(111)	112	(404)	(1,054)
Weighted average number of shares in issue ('000)	263,373	248,221	263,373	248,221
Basic earnings/(loss) per share (sen)	<u>(0.04)</u>	<u>0.05</u>	<u>(0.15)</u>	<u>(0.44)</u>

By Order of the Board

WONG KEO ROU (MAICSA 7021435)

Company Secretary

Kuala Lumpur

25 February 2016