



GREEN OCEAN CORPORATION BERHAD

(Company No: 632267-P)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2016**

GREEN OCEAN CORPORATION BERHAD

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2016**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS
AND OTHER COMPREHENSIVE INCOME FOR
THE FIRST QUARTER ENDED 30 JUNE 2016**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/06/2016 RM'000	30/06/2015 RM'000	30/06/2016 RM'000	30/06/2015 RM'000
Continuing operations				
Revenue	52,948	15,325	52,948	15,325
Cost of sales	(52,720)	(15,330)	(52,720)	(15,330)
Gross profit	228	(5)	228	(5)
Other operating income	40	854	40	854
Depreciation and amortisation	(316)	(178)	(316)	(178)
Operating expenses	(219)	(228)	(219)	(228)
Operating profit/(loss)	(267)	443	(267)	443
Interest expense	(2)	*	(2)	*
Profit/(Loss) before tax	(269)	443	(269)	443
Income tax expense	-	-	-	-
Profit/(Loss) for the period	(269)	443	(269)	443
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive Profit/(loss) for the period	(269)	443	(269)	443
Profit/(Loss) for the period attributable to:				
Equity holders of the parent	(269)	443	(269)	443
Total comprehensive profit/(loss) for the period attributable to: Equity holders of the parent	(269)	443	(269)	443
Basic profit/(loss) per share (sen)	(0.10)	0.17	(0.10)	0.17

*Denotes less than RM1,000

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 2016 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	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/06/2016 RM'000	30/06/2015 RM'000	30/06/2016 RM'000	30/06/2015 RM'000
Other items included in the statement of profit and loss and other comprehensive income were:-				
Gain on disposal of subsidiaries	-	793	-	793
(Gain) or loss on derivatives	40	61	40	61

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2016****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016**

	UNAUDITED AS AT END OF CURRENT QUARTER 30/06/2016 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR 31/03/2016 RM'000
Non-current Assets		
Property, plant and equipment	19,508	19,823
Current Assets		
Inventories	1,692	1,167
Trade receivables	45,183	36,477
Other receivables and prepaid expenses	1,984	439
Cash and bank balances	750	705
	49,609	38,788
Total assets	69,117	58,611
Equity and Liabilities		
Issued capital	26,337	26,337
Share premium	3,909	3,909
Revaluation reserve	5,795	5,795
Accumulated losses	(15,946)	(15,677)
Total equity	20,095	20,364
Non-current Liabilities		
Deferred revenue	375	416
Hire purchase creditors	175	189
Deferred taxation	444	444
	994	1,049
Current Liabilities		
Trade payables	20,822	11,327
Amount owing to related party	25,930	24,930
Other payables and accrued expenses	823	488
Amount owing to directors	252	252
Deferred revenue	161	161
Hire purchase creditors	40	40
	48,028	37,198
Total liabilities	49,022	38,247
Total equity and liabilities	69,117	58,611
Net assets per share attributable to ordinary equity holders of the parent (sen)	7.63	7.73

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2016****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2016**

	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 2015	26,337	3,909	5,795	(15,955)	20,086
Total recognised income and expense for the year					
- profit for the year	-	-	-	278	278
Balance as at 31 March 2016	<u>26,337</u>	<u>3,909</u>	<u>5,795</u>	<u>(15,677)</u>	<u>20,364</u>
Balance as at 1 April 2016	26,337	3,909	5,795	(15,677)	20,364
Total recognised income and expense for the period					
- loss for the period	-	-	-	(269)	(269)
Balance as at 30 June 2016	<u>26,337</u>	<u>3,909</u>	<u>5,795</u>	<u>(15,946)</u>	<u>20,095</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 2016 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2016****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2016**

	CURRENT PERIOD TO DATE 30/06/2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2015 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) for the period	(269)	443
Adjustments for:		
Depreciation of property, plant & equipment	316	178
Government grant recognized	(40)	(40)
Interest expense	2	*
	<hr/>	<hr/>
Operating Profit/(Loss) Before Working Capital Changes	9	581
Changes In Working Capital:		
Net change in current assets	(9,805)	(3,227)
Net change in current liabilities	10,502	2,656
	<hr/>	<hr/>
Cash Used In Operations	706	10
Net income tax (paid)/refunded	*	*
Interest expense	(2)	*
	<hr/>	<hr/>
Net Cash Generated From/(Used In) Operating Activities	703	9
	<hr/>	<hr/>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	*	(229)
	<hr/>	<hr/>
Net Cash Generated From/(Used In) Investing Activities	*	(229)
	<hr/>	<hr/>

*Denotes less than RM1,000/-.

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	CURRENT PERIOD TO DATE 30/06/2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2015 RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of short-term borrowings	-	-
Repayment of hire purchase creditors	(14)	(24)
Net Cash Generated From/(Used In) Financing Activities	(14)	(24)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	689	(244)
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR	61	622
CASH AND CASH EQUIVALENT AT END OF YEAR	750	378

Cash and cash equivalent comprise of:

	CURRENT PERIOD TO DATE 30/06/2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2015 RM'000
Cash on hand and at banks	750	378

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2016**

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 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 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 16	Leases (Effective 1 January 2019)
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 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.

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 FIRST QUARTER ENDED 30 JUNE 2016****A8 Segment information**

The segment information for the financial period ended 30 June 2016 is as follows:

	Bio Technology RM'000	Others RM'000	Consolidated RM'000
REVENUE			
External	52,948	-	52,948
Inter-segment	-	-	-
Total	<u>52,948</u>	<u>-</u>	<u>52,948</u>
RESULTS			
Segment results	(172)	(95)	(267)
Interest expense	(*)	(2)	(2)
Profit/(Loss) before tax	<u>(172)</u>	<u>(95)</u>	<u>(269)</u>
Income tax expense	-	-	-
Profit/(Loss) for the period	<u>(172)</u>	<u>(95)</u>	<u>(269)</u>
FINANCIAL POSITION			
Total assets	<u>68,082</u>	<u>1,035</u>	<u>69,117</u>
Total liabilities	<u>47,553</u>	<u>1,469</u>	<u>49,022</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.

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 RM52.95 million for the current quarter as compared to RM15.32 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 however, recorded a loss before tax of RM0.27 million for the current quarter as compared to profit before tax of RM0.44 million in the preceding period corresponding quarter. The previous quarter's profit was due to the gain on disposal of subsidiaries being recognized. The current quarter however, continued to incur losses due to its low level of crushing activities.

B2 Variation of results against preceding quarter

The Group recorded lower revenue of RM52.95 million for the current quarter as compared to RM72.30 million in the preceding quarter. The decrease in the Group revenue was due to lower trading activities in palm oil products.

The Group recorded loss before tax of RM0.27 million for the current quarter as compared to the preceding quarter profit before tax of RM0.70 million. The profit before tax for the previous quarter was due to better profit margins from certain palm oil products.

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 sufficient working capital.

In an effort to counter the challenges mentioned above, the Group has taken initiative steps to explore and introduce new products, and 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 sufficient unabsorbed tax losses carried forward.

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B6 Status of corporate proposals announced but not completed

There are no other pending corporate proposals.

B7 Group's borrowings and debt securities

The Group's borrowings and debts securities as at 30 June 2016 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Hire purchase creditors	40	175	215
Total borrowings	<u>40</u>	<u>175</u>	<u>215</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.

B8 Breakdown of Realised and Unrealised Group Profits/(Losses)

	AS AT END OF CURRENT QUARTER 30/06/2016 RM'000	AS AT PRECEDING FINANCIAL YEAR 31/03/2016 RM'000
Total accumulated losses		
Realised losses	(13,450)	(13,141)
Unrealised profits/(losses)	40	-
	<u>(13,410)</u>	<u>(13,141)</u>
Less : Consolidated adjustments	(2,536)	(2,536)
Total Group accumulated losses	<u>(15,946)</u>	<u>(15,677)</u>

B9 Material litigation

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

B10 Dividends

The Directors have not recommended or declared any dividend for the quarter ended 30 June 2016.

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B11 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/06/2016	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2015	CURRENT YEAR TO DATE 30/06/2016	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2015
Profit/(Loss) for the period (RM'000)	(269)	443	(269)	443
Weighted average number of shares in issue ('000)	263,373	263,373	263,373	263,373
Basic earnings/(loss) per share (sen)	<u>(0.10)</u>	<u>0.17</u>	<u>(0.10)</u>	<u>0.17</u>

By Order of the Board

WONG YUET CHYN (MAICSA 7047163)
Company Secretary
Kuala Lumpur
30 August 2016