



GREEN OCEAN CORPORATION BERHAD

(Company No: 632267-P)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016**

GREEN OCEAN CORPORATION BERHAD

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS
AND OTHER COMPREHENSIVE INCOME FOR
THE THIRD QUARTER ENDED 31 DECEMBER 2016**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2016 RM'000	31/12/2015 RM'000	31/12/2016 RM'000	31/12/2015 RM'000
Continuing operations				
Revenue	52,728	57,573	142,082	121,567
Cost of sales	(52,349)	(56,859)	(140,851)	(121,231)
Gross profit	379	714	1,231	336
Other operating income	41	53	125	958
Depreciation and amortisation	(316)	(650)	(948)	(913)
Operating expenses	(383)	(225)	(980)	(772)
Operating profit/(loss)	(279)	(108)	(572)	(391)
Interest expense	(76)	(3)	(81)	(13)
Profit/(Loss) before tax	(355)	(111)	(653)	(404)
Income tax expense	-	-	-	-
Profit/(Loss) for the period	(355)	(111)	(653)	(404)
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive Profit/(loss) for the period	(355)	(111)	(653)	(404)
Profit/(Loss) for the period attributable to:				
Equity holders of the parent	(355)	(111)	(653)	(404)
Total comprehensive profit/(loss) for the period attributable to: Equity holders of the parent	(355)	(111)	(653)	(404)
Basic profit/(loss) per share (sen)	(0.13)	(0.04)	(0.25)	(0.15)

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
	31/12/2016 RM'000	31/12/2015 RM'000	31/12/2016 RM'000	31/12/2015 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	41	53	125	165

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	UNAUDITED AS AT END OF CURRENT QUARTER 31/12/2016 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR 31/03/2016 RM'000
Non-current Assets		
Property, plant and equipment	18,875	19,823
Current Assets		
Inventories	1,280	1,167
Trade receivables	38,070	36,477
Other receivables and prepaid expenses	1,775	439
Cash and bank balances	757	705
	41,882	38,788
Total assets	60,757	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	(16,330)	(15,677)
Total equity	19,711	20,364
Non-current Liabilities		
Deferred revenue	295	416
Hire purchase creditors	125	189
Deferred taxation	444	444
	864	1,049
Current Liabilities		
Trade payables	12,112	11,327
Amount owing to related party	20,319	24,930
Other payables and accrued expenses	800	488
Amount owing to directors	252	252
Bank borrowings	6,475	-
Deferred revenue	161	161
Hire purchase creditors	63	40
	40,182	37,198
Total liabilities	41,046	38,247
Total equity and liabilities	60,757	58,611
Net assets per share attributable to ordinary equity holders of the parent (sen)	7.48	7.73

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FOR THE PERIOD ENDED 31 DECEMBER 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 period					
- loss 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>
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	-	-	-	(653)	(653)
Balance as at 31 December 2016	<u>26,337</u>	<u>3,909</u>	<u>5,795</u>	<u>(16,330)</u>	<u>19,711</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 THIRD QUARTER ENDED 31 DECEMBER 2016****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2016**

	CURRENT PERIOD TO DATE 31/12/2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2015 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) for the period	(653)	(404)
Adjustments for:		
Depreciation of property, plant & equipment	949	913
Government grant recognized	(121)	(121)
Interest expense	81	13
	<hr/>	<hr/>
Operating Profit/(Loss) Before Working Capital Changes	256	401
Changes In Working Capital:		
Net change in current assets	(2,128)	(9,624)
Net change in current liabilities	(3,784)	9,097
	<hr/>	<hr/>
Cash Used In Operations	(5,656)	(126)
Net income tax (paid)/refunded	(1)	(1)
Interest expense	(81)	(13)
	<hr/>	<hr/>
Net Cash Generated From/(Used In) Operating Activities	(5,738)	(140)
	<hr/>	<hr/>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	*	(241)
	<hr/>	<hr/>
Net Cash Generated From/(Used In) Investing Activities	*	(241)
	<hr/>	<hr/>

*Denotes less than RM1,000/-.

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	CURRENT PERIOD TO DATE 31/12/2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2015 RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from drawdown of short-term borrowings	6,475	-
Repayment of hire purchase creditors	(41)	(63)
Net Cash Generated From/(Used In) Financing Activities	6,434	(63)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	696	(444)
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR	61	622
CASH AND CASH EQUIVALENT AT END OF YEAR	757	178

Cash and cash equivalent comprise of:

	CURRENT PERIOD TO DATE 31/12/2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2015 RM'000
Cash on hand and at banks	757	178

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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 2016.

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 2016 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
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The segment information for the financial period ended 31 December 2016 is as follows:

	Bio Technology RM'000	Others RM'000	Consolidated RM'000
REVENUE			
External	52,728	-	52,728
Inter-segment	-	-	-
Total	<u>52,728</u>	<u>-</u>	<u>52,728</u>
RESULTS			
Segment results	(149)	(130)	(279)
Interest expense	(74)	(2)	(76)
Profit/(Loss) before tax	<u>(223)</u>	<u>(132)</u>	<u>(355)</u>
Income tax expense	-	-	-
Profit/(Loss) for the period	<u>(223)</u>	<u>(132)</u>	<u>(355)</u>
FINANCIAL POSITION			
Total assets	<u>60,530</u>	<u>227</u>	<u>60,757</u>
Total liabilities	<u>40,373</u>	<u>673</u>	<u>41,046</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 lower revenue of RM52.73 million for the current quarter as compared to RM57.57 million in the preceding period corresponding quarter. The decrease in the Group revenue was mainly due to lower trading activities in palm oil products and low level of crushing activities. The Group however, recorded a higher loss before tax of RM0.35 million for the current quarter as compared to loss before tax of RM0.11 million in the preceding period corresponding quarter. The current quarter's loss was higher due to lower profit margins, and financing cost incurred from drawdown of new banking facilities.

B2 Variation of results against preceding quarter

The Group recorded higher revenue of RM52.73 million for the current quarter as compared to RM36.41 million in the preceding quarter. The increase in the Group revenue was due to higher trading activities in palm oil products.

The Group recorded higher loss before tax of RM0.35 million for the current quarter as compared to the preceding quarter loss before tax of RM0.028 million. The higher losses before tax recorded was due to lower profit margins from certain palm oil products, and financing cost incurred from drawdown of new banking facilities.

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.

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

Saved as disclosed below, there were no corporate proposals announced but not yet completed as the date of this report.

On 4 March 2016, RHB Investment Bank Berhad (“RHB Investment Bank”) on GOCB’s behalf had announced that it proposed to undertake a private placement exercise of up to 32,921,686 new ordinary shares of RM0.10 each in GOCB to Bumiputera investors to be identified and/or approved by the Ministry of International Trade and Industry (“MITI”) at an issue price to be determined.

Bursa Securities had vide its letter dated 14 September 2016, approved the listing of and quotation for 24,450,000 Placement Shares to be issued pursuant to the Proposed Private Placement pursuant to Section 132D of Companies Act, 1965, subject to the following conditions:-

(i) GOCB and RHB Investment Bank must fully comply with the relevant provisions under the Bursa Securities ACE Market Listing Requirements pertaining to the implementation of the Proposed Private Placement;

(ii) GOCB and RHB Investment Bank to inform Bursa Securities upon the completion of the Proposed Private Placement; and

(iii) GOCB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval once the Proposed Private Placement is completed.

On 23 September 2016, the Company has also announced that the Board has fixed the issue price of the Placement Shares at par value of RM0.10 per Placement Shares.

As at the date of this report, no Bumiputera investors have been identified and/or approved by MITI, and accordingly none of the Placement Shares have been issued and allotted.

B7 Group's borrowings and debt securities

The Group’s borrowings and debts securities as at 31 December 2016 are as follows:

	Short Term RM’000	Long Term RM’000	Total RM’000
Bankers’ acceptance	6,475	-	6,475
Hire purchase creditors	63	125	188
Total borrowings	<u>6,538</u>	<u>125</u>	<u>6,663</u>

The bankers’ acceptance is banking facilities granted for working capital and are secured against the first legal charge over the freehold land and building, and personal guarantee of a director. 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.

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All the borrowings are denominated in Ringgit Malaysia.

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

	AS AT END OF CURRENT QUARTER 31/12/2016 RM'000	AS AT PRECEDING FINANCIAL YEAR 31/03/2016 RM'000
Total accumulated losses		
Realised losses	(13,878)	(13,141)
Unrealised profits/(losses)	84	-
	<u>(13,794)</u>	<u>(13,141)</u>
Less : Consolidated adjustments	(2,536)	(2,536)
Total Group accumulated losses	<u><u>(16,330)</u></u>	<u><u>(15,677)</u></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 31 December 2016.

B11 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2016	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2015	CURRENT YEAR TO DATE 31/12/2016	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2015
Profit/(Loss) for the period (RM'000)	(355)	(111)	(653)	(404)
Weighted average number of shares in issue ('000)	263,373	263,373	263,373	263,373
Basic earnings/(loss) per share (sen)	<u>(0.13)</u>	<u>(0.04)</u>	<u>(0.25)</u>	<u>(0.15)</u>

By Order of the Board

WONG YUET CHYN (MAICSA 7047163)
Company Secretary
Kuala Lumpur
28 February 2017