



GREEN OCEAN CORPORATION BERHAD

(Company No: 632267-P)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2017**

GREEN OCEAN CORPORATION BERHAD

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2017****CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS
AND OTHER COMPREHENSIVE INCOME FOR
THE FOURTH QUARTER ENDED 31 MARCH 2017**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2017 RM'000	31/03/2016 RM'000	31/03/2017 RM'000	31/03/2016 RM'000
Continuing operations				
Revenue	58,878	72,304	200,960	193,871
Cost of sales	(57,447)	(70,816)	(198,298)	(192,047)
Gross profit	1,431	1,488	2,662	1,824
Other operating income	41	(16)	166	942
Depreciation and amortisation	(316)	(352)	(1,264)	(1,265)
Operating expenses	(287)	(436)	(1,267)	(1,208)
Operating profit	869	684	297	293
Interest expense	(79)	(2)	(160)	(15)
Profit before tax	790	682	137	278
Income tax expense	-	-	-	-
Profit for the period	790	682	137	278
Other comprehensive income	-	-	-	-
Total comprehensive Profit for the period	790	682	137	278
Profit for the period attributable to: Equity holders of the parent	790	682	137	278
Total comprehensive profit for the period attributable to: Equity holders of the parent	790	682	137	278
Basic earnings per share (sen)	0.30	0.27	0.05	0.11

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
	31/03/2017 RM'000	31/03/2016 RM'000	31/03/2017 RM'000	31/03/2016 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	(16)	166	149

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2017****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017**

	UNAUDITED AS AT END OF CURRENT QUARTER 31/03/2017 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR 31/03/2016 RM'000
Non-current Assets		
Property, plant and equipment	18,560	19,823
Current Assets		
Inventories	1,181	1,167
Trade receivables	25,491	36,477
Other receivables and prepaid expenses	1,243	439
Cash and bank balances	682	705
	28,597	38,788
Total assets	47,157	58,611
Equity and Liabilities		
Issued capital	30,246	26,337
Share premium	-	3,909
Revaluation reserve	5,795	5,795
Accumulated losses	(15,540)	(15,677)
Total equity	20,501	20,364
Non-current Liabilities		
Deferred revenue	255	416
Hire purchase creditors	111	189
Deferred taxation	444	444
	810	1,049
Current Liabilities		
Trade payables	7,769	11,327
Amount owing to related party	10,147	24,930
Other payables and accrued expenses	891	488
Amount owing to directors	252	252
Bank borrowings	6,563	-
Deferred revenue	161	161
Hire purchase creditors	63	40
	25,846	37,198
Total liabilities	26,656	38,247
Total equity and liabilities	47,157	58,611
Net assets per share attributable to ordinary equity holders of the parent (sen)	7.78	7.73

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
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FOR THE PERIOD ENDED 31 MARCH 2017**

	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					
- 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>(15,658)</u>	<u>20,364</u>
Balance as at 1 April 2016	26,337	3,909	5,795	(15,677)	20,364
Transfer of share premium out to share capital due to the coming into effect of Companies Act 2016	3,909	(3,909)	-	-	-
Total recognised income and expense for the period					
- profit for the year	-	-	-	137	137
Balance as at 31 March 2017	<u>30,246</u>	<u>-</u>	<u>5,795</u>	<u>(15,540)</u>	<u>20,501</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 FOURTH QUARTER ENDED 31 MARCH 2017****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2017**

	CURRENT PERIOD TO DATE 31/03/2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2016 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax from continuing operation	137	(464)
Profit for the year from discontinued operation	-	742
	<hr/>	<hr/>
	137	278
Adjustments for:		
Depreciation of property, plant & equipment	1,265	1,266
Gain on disposal of subsidiaries	-	(762)
Government grant recognized	(161)	(161)
Interest expense	159	13
	<hr/>	<hr/>
Operating Profit Before Working Capital Changes	1,400	634
Changes In Working Capital:		
Net change in current assets	11,135	(25,974)
Net change in current liabilities	(18,265)	25,775
	<hr/>	<hr/>
Cash Used In Operations	(5,730)	435
Net income tax (paid)/refunded	2	(*)
Interest expense	(159)	(13)
	<hr/>	<hr/>
Net Cash Generated From/(Used In) Operating Activities	(5,887)	422
	<hr/>	<hr/>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1)	(262)
Net cashflow form disposal of subsidiaries	-	(1)
	<hr/>	<hr/>
Net Cash Generated From/(Used In) Investing Activities	(1)	(263)
	<hr/>	<hr/>

*Denotes less than RM1,000/-.

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	CURRENT PERIOD TO DATE 31/03/2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2016 RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from drawdown of short-term borrowings	6,563	-
Repayment of hire purchase creditors	(54)	(76)
Net Cash Generated From/(Used In) Financing Activities	6,509	(76)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	621	83
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR	61	622
CASH AND CASH EQUIVALENT AT END OF YEAR	682	705

Cash and cash equivalent comprise of:

	CURRENT PERIOD TO DATE 31/03/2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2016 RM'000
Cash on hand and at banks	682	705

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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.

The share capital was increased via the transfer out of share premium due to the coming into effect of Companies Act 2016, effective 1st February, 2017.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
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A7 Dividends paid

There were no dividends paid during the quarter under review.

A8 Segment information

The segment information for the financial period ended 31 March 2017 is as follows:

	Bio Technology RM'000	Others RM'000	Consolidated RM'000
REVENUE			
External	58,878	-	58,878
Inter-segment	-	-	-
Total	<u>58,878</u>	<u>-</u>	<u>58,878</u>
RESULTS			
Segment results	983	(115)	868
Interest expense	(76)	(2)	(78)
Profit/(Loss) before tax	<u>907</u>	<u>(117)</u>	<u>790</u>
Income tax expense	-	-	-
Profit/(Loss) for the period	<u>907</u>	<u>(117)</u>	<u>790</u>
FINANCIAL POSITION			
Total assets	<u>47,045</u>	<u>112</u>	<u>47,157</u>
Total liabilities	<u>25,961</u>	<u>695</u>	<u>26,656</u>

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 RM58.88 million for the current quarter as compared to RM72.30 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 profit before tax of RM0.79 million for the current quarter as compared to profit before tax of RM0.68 million in the preceding period corresponding quarter. The current quarter's profit was higher due to better profit margins from trading activities.

B2 Variation of results against preceding quarter

The Group recorded higher revenue of RM58.88 million for the current quarter as compared to RM52.73 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 profit before tax of RM0.79 million for the current quarter as compared to the preceding quarter loss before tax of RM0.35 million. The higher profit before tax recorded was due to better profit margins from certain palm oil products.

B3 Prospects

The prospect of the Group 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 and completed

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.

RHB Investment Bank had announced on 20 January 2017, on behalf of the Company that the Company has deemed to have complied with the Bumiputera Equity Condition, after it had, on a best effort basis, undertaken the necessary steps to implement the Private Placement to comply with the Bumiputera Equity Condition, which includes obtaining MITI’s assistance on the allocation of the Placement Shares to Bumiputera investors. None of the Placement Shares were subscribed by the Bumiputera investors.

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

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B7 Group's borrowings and debt securities

The Group's borrowings and debts securities as at 31 March 2017 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Bankers' acceptance	6,563	-	6,563
Hire purchase creditors	63	111	174
Total borrowings	<u>6,626</u>	<u>111</u>	<u>6,737</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.

All the borrowings are denominated in Ringgit Malaysia.

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

	AS AT END OF CURRENT QUARTER 31/03/2017 RM'000	AS AT PRECEDING FINANCIAL YEAR 31/03/2016 RM'000
Total accumulated losses		
Realised losses	(13,878)	(13,141)
Unrealised profits/(losses)	874	-
	<u>(13,004)</u>	<u>(13,141)</u>
Less : Consolidated adjustments	(2,536)	(2,536)
Total Group accumulated losses	<u>(15,540)</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 31 March 2017.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
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B11 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/03/2017	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2016	CURRENT YEAR TO DATE 31/03/2017	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2016
Profit for the period (RM'000)	790	682	137	278
Weighted average number of shares in issue ('000)	263,373	263,373	263,373	263,373
Basic earnings per share (sen)	0.30	0.27	0.05	0.11

By Order of the Board

WONG YUET CHYN (MAICSA 7047163)

Company Secretary

Kuala Lumpur

30 May 2017