



GREEN OCEAN CORPORATION BERHAD

(Company No: 632267-P)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2017**

GREEN OCEAN CORPORATION BERHAD

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2017****CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS
AND OTHER COMPREHENSIVE INCOME FOR
THE FIRST QUARTER ENDED 30 JUNE 2017**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/06/2017 RM'000	30/06/2016 RM'000	30/06/2017 RM'000	30/06/2016 RM'000
Continuing operations				
Revenue	71,295	52,948	71,295	52,948
Cost of sales	(71,081)	(52,720)	(71,081)	(52,720)
Gross profit	214	228	214	228
Other operating income	40	40	40	40
Depreciation and amortisation	(316)	(316)	(316)	(316)
Operating expenses	(272)	(219)	(272)	(219)
Operating profit	(334)	(267)	(334)	(267)
Interest expense	(80)	(2)	(80)	(2)
Loss before tax	(414)	(269)	(414)	(269)
Income tax expense	-	-	-	-
Loss for the period	(414)	(269)	(414)	(269)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(414)	(269)	(414)	(269)
Loss for the period attributable to: Equity holders of the parent	(414)	(269)	(414)	(269)
Total comprehensive loss for the period attributable to: Equity holders of the parent	(414)	(269)	(414)	(269)
Basic loss per share (sen)	(0.16)	(0.10)	(0.16)	(0.10)

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 2017 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
	30/06/2017 RM'000	30/06/2016 RM'000	30/06/2017 RM'000	30/06/2016 RM'000
Other items included in the statement of profit and loss and other comprehensive income were:-				
Gain or (loss) on derivatives	40	40	40	40

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2017****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	UNAUDITED AS AT END OF CURRENT QUARTER 30/06/2017 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR 31/03/2017 RM'000
Non-current Assets		
Property, plant and equipment	18,244	18,559
Current Assets		
Inventories	1,580	1,181
Trade receivables	18,506	25,484
Other receivables and prepaid expenses	1,124	466
Cash and bank balances	197	680
	21,407	27,811
Total assets	39,651	46,370
Equity and Liabilities		
Issued capital	30,247	30,247
Share premium	-	-
Revaluation reserve	5,795	5,795
Accumulated losses	(15,955)	(15,541)
Total equity	20,087	20,501
Non-current Liabilities		
Deferred revenue	215	255
Hire purchase creditors	98	120
Deferred taxation	444	444
	757	819
Current Liabilities		
Trade payables	7,300	7,300
Amount owing to related party	3,818	10,147
Other payables and accrued expenses	407	464
Amount owing to directors	388	361
Bank borrowings	6,670	6,563
Deferred revenue	161	161
Hire purchase creditors	63	54
	18,807	25,050
Total liabilities	19,564	25,869
Total equity and liabilities	39,651	46,370
Net assets per share attributable to ordinary equity holders of the parent (sen)	7.63	7.79

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FOR THE FIRST QUARTER ENDED 30 JUNE 2017****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 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 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 year - Profit for the year	-	-	-	136	136
Balance as at 31 March 2017	<u>30,247</u>	<u>-</u>	<u>5,795</u>	<u>(15,541)</u>	<u>20,501</u>
Balance as at 1 April 2017	30,247	-	5,795	(15,541)	20,501
Total recognised income and expense for the period - Loss for the period	-	-	-	(414)	(414)
Balance as at 31 March 2017	<u>30,247</u>	<u>-</u>	<u>5,795</u>	<u>(15,955)</u>	<u>20,087</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 2017 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 2017****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2017**

	CURRENT PERIOD TO DATE 30/06/2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2016 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(414)	(269)
Adjustments for:		
Depreciation of property, plant & equipment	316	316
Gain on disposal of subsidiaries	-	-
Government grant recognized	(40)	(40)
Interest expense	80	2
Operating Profit/(Loss) Before Working Capital Changes	(58)	9
Changes In Working Capital:		
Net change in current assets	5,923	(9,805)
Net change in current liabilities	(6,361)	10,502
Cash Generated From/(Used In) Operations	(496)	706
Net income tax paid	(*)	(*)
Interest expense	(80)	(2)
Net Cash Generated From/(Used In) Operating Activities	(576)	703
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(*)	(*)
Net Cash Used In Investing Activities	(*)	(*)

*Denotes less than RM1,000/-.

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	CURRENT PERIOD TO DATE 30/06/2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2016 RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from drawdown of short-term borrowings	107	-
Repayment of hire purchase creditors	(14)	(14)
Net Cash Generated From/(Used In) Financing Activities	93	(14)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	(483)	689
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR	680	61
CASH AND CASH EQUIVALENT AT END OF YEAR	197	750

Cash and cash equivalent comprise of:

	CURRENT PERIOD TO DATE 30/06/2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2016 RM'000
Cash on hand and at banks	197	750

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2017**

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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A7 Dividends paid

There were no dividends paid during the quarter under review.

A8 Segment information

The segment information for the financial period ended 30 June 2017 is as follows:

	Bio Technology RM'000	Others RM'000	Consolidated RM'000
REVENUE			
External	71,295	-	71,295
Inter-segment	-	-	-
Total	<u>71,295</u>	<u>-</u>	<u>71,295</u>
RESULTS			
Segment results	(239)	(95)	(334)
Interest expense	(78)	(2)	(80)
Profit/(Loss) before tax	<u>(317)</u>	<u>(97)</u>	<u>(414)</u>
Income tax expense	-	-	-
Profit/(Loss) for the period	<u>(317)</u>	<u>(97)</u>	<u>(414)</u>
FINANCIAL POSITION			
Total assets	<u>39,453</u>	<u>198</u>	<u>39,651</u>
Total liabilities	<u>18,863</u>	<u>701</u>	<u>19,564</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 higher revenue of RM71.29 million for the current quarter as compared to RM52.95 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 RM0.41 million for the current quarter as compared to loss before tax of RM0.27 million in the preceding period corresponding quarter. The current quarter's loss was higher due to lower profit margins from trading activities, and higher financing cost arising from drawdown of new bank borrowings.

B2 Variation of results against preceding quarter

The Group recorded higher revenue of RM71.29 million for the current quarter as compared to RM58.88 million in the preceding quarter. The increase in the Group revenue was due to higher trading activities in palm oil products.

The Group however, recorded a loss before tax of RM0.41 million for the current quarter as compared to the preceding quarter profit before tax of RM0.79 million. The preceding quarter's profit before tax was due to better profit margins arising from trading of certain palm oil products. The current quarter's loss was higher due to lower profit margins from trading activities, and higher financing cost arising from drawdown of new bank borrowings.

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 material, and lack of working capital.

In an effort to counter the challenges mentioned above, the Group has taken initiative steps to explore and introduce new products, to trade in other palm oil products, and to explore other new business opportunities.

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

There were no other corporate proposals announced but not yet completed as the date of this report.

B7 Group's borrowings and debt securities

The Group's borrowings and debts securities as at 30 June 2017 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Bankers' acceptance	6,670	-	6,670
Hire purchase creditors	63	98	161
Total borrowings	<u>6,733</u>	<u>98</u>	<u>6,831</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 30/06/2017 RM'000	AS AT PRECEDING FINANCIAL YEAR 31/03/2017 RM'000
Total accumulated losses		
Realised losses	(11,113)	(10,699)
Unrealised profits/(losses)	-	-
	<u>(11,113)</u>	<u>(10,699)</u>
Less : Consolidated adjustments	(4,842)	(4,842)
Total Group accumulated losses	<u>(15,955)</u>	<u>(15,541)</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 2017.

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B11 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/06/2017	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2016	CURRENT YEAR TO DATE 30/06/2017	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2016
Loss for the period (RM'000)	(414)	(269)	(414)	(269)
Weighted average number of shares in issue ('000)	263,373	263,373	263,373	263,373
Basic losses per share (sen)	<u>(0.16)</u>	<u>(0.10)</u>	<u>(0.16)</u>	<u>(0.10)</u>

By Order of the Board

WONG YUET CHYN (MAICSA 7047163)

Company Secretary

Kuala Lumpur

29 August 2017