



GREEN OCEAN CORPORATION BERHAD

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017**

GREEN OCEAN CORPORATION BERHAD

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS
AND OTHER COMPREHENSIVE INCOME FOR
CURRENT QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2017**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPOND ING QUARTER	CHANGES %	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPOND ING PERIOD	CHANGES %
	31/12/2017 RM'000	31/12/2016 RM'000		31/12/2017 RM'000	31/12/2016 RM'000	
Continuing operations						
Revenue	31,247	52,728	(40.74)	144,617	142,082	1.78
Cost of sales	(31,159)	(52,349)	(40.48)	(144,481)	(140,851)	2.58
Gross profit	88	379	(76.78)	136	1,231	(88.95)
Other operating income	35	41	(14.63)	115	125	(8.00)
Depreciation and amortisation	(325)	(316)	2.85	(957)	(948)	0.95
Operating expenses	(259)	(383)	(32.38)	(858)	(980)	(12.45)
Operating loss	(461)	(279)	65.23	(1,564)	(572)	173.43
Interest expense	(75)	(76)	(1.31)	(262)	(81)	223.45
Loss before tax	(536)	(355)	50.98	(1,826)	(653)	179.63
Income tax expense	-	-	-	-	-	-
Loss for the period	(536)	(355)	50.98	(1,826)	(653)	179.63
Other comprehensive income	-	-		-	-	-
Total comprehensive loss for the period	(536)	(355)	50.98	(1,826)	(653)	179.63
Loss for the period attributable to:						
Equity holders of the parent	(536)	(355)	50.98	(1,826)	(653)	179.63
Total comprehensive loss for the period attributable to:						
Equity holders of the parent	(536)	(355)	50.98	(1,826)	(653)	179.63
Basic loss per share (sen)	(0.20)	(0.13)		(0.67)	(0.25)	

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
	31/12/2017 RM'000	31/12/2016 RM'000	31/12/2017 RM'000	31/12/2016 RM'000
Other items included in the statement of profit and loss and other comprehensive income were:-				
Loss on foreign exchange	(5)		(5)	
Gain from derivatives	40	41	120	125

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

	UNAUDITED AS AT END OF CURRENT QUARTER 31/12/2017 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR 31/03/2017 RM'000
Non-current Assets		
Property, plant and equipment	18,088	18,559
Current Assets		
Inventories	6,688	1,181
Trade receivables	3,697	25,484
Amount owing by related party	1,408	-
Other receivables and prepaid expenses	1,402	466
Cash and bank balances	583	680
	<u>13,778</u>	<u>27,811</u>
Total assets	<u><u>31,866</u></u>	<u><u>46,370</u></u>
Equity and Liabilities		
Issued capital	34,189	30,247
Revaluation reserve	5,795	5,795
Accumulated losses	(17,367)	(15,541)
Total equity	<u>22,617</u>	<u>20,501</u>
Non-current Liabilities		
Deferred revenue	134	255
Hire purchase creditors	71	120
Deferred taxation	444	444
	<u>649</u>	<u>819</u>
Current Liabilities		
Trade payables	1,602	7,300
Amount owing to related party	-	10,147
Other payables and accrued expenses	884	464
Amount owing to directors	-	361
Bank borrowings	5,890	6,563
Deferred revenue	161	161
Hire purchase creditors	63	54
	<u>8,600</u>	<u>25,050</u>
Total liabilities	<u>9,249</u>	<u>25,869</u>
Total equity and liabilities	<u><u>31,866</u></u>	<u><u>46,370</u></u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	<u>8.28</u>	<u>7.79</u>

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 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	26,338	3,909	5,795	(15,677)	20,365
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
Issuance of ordinary shares	4,030				4,030
Share issue expenses	(88)				(88)
Total recognised income and expense for the period - Loss for the period	-	-	-	(1,826)	(1,826)
Balance as at 31 December 2017	<u>34,189</u>	<u>-</u>	<u>5,795</u>	<u>(17,367)</u>	<u>22,617</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 THIRD QUARTER ENDED 31 DECEMBER 2017****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

	CURRENT PERIOD TO DATE 31/12/2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2016 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(1,826)	(653)
Adjustments for:		
Depreciation of property, plant & equipment	956	949
Gain on disposal of subsidiaries	-	-
Government grant recognized	(120)	(121)
Interest expense	262	81
Operating Profit/(Loss) Before Working Capital Changes	(728)	256
Changes In Working Capital:		
Net change in current assets	15,346	(2,128)
Net change in current liabilities	(17,197)	(3,784)
Cash Used In Operations	(2,579)	(5,656)
Net income tax paid	(*)	(1)
Interest expense	(262)	(81)
Net Cash Used In Operating Activities	(2,841)	(5,738)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(485)	(*)
Net Cash Used In Investing Activities	(485)	(*)

*Denotes less than RM 1,000/-.

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	CURRENT PERIOD TO DATE 31/12/2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2016 RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Net of repayment and drawdown of short-term borrowings	(673)	6,475
Proceeds from issuance of shares	3,943	-
Repayment of hire purchase creditors	(41)	(41)
Net Cash From Financing Activities	3,229	6,434
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	(97)	696
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR	680	61
CASH AND CASH EQUIVALENT AT END OF YEAR	583	757

Cash and cash equivalent comprise of:

	CURRENT PERIOD TO DATE 31/12/2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2016 RM'000
Cash on hand and at banks	583	757

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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

Pursuant to the private placement corporate exercise approved by Bursa Malaysia Securities Berhad on 10 November 2017, the Company has issued 26,337,300 new ordinary shares at an issue price of RM0.153 each, and the new ordinary shares were listed on the ACE Market on 23 November 2017.

Other than the above, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities by the Company during the quarter under review.

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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.

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 December 2017 is as follows:

	Palm Oil Products RM'000	Others RM'000	Consolidated RM'000
REVENUE			
External	31,247	-	31,247
Inter-segment	-	-	-
Total	<u>31,247</u>	<u>-</u>	<u>31,247</u>
RESULTS			
Segment results	(409)	(52)	(461)
Interest expense	(73)	(2)	(75)
Profit/(Loss) before tax	<u>(482)</u>	<u>(54)</u>	<u>(536)</u>
Income tax expense	-	-	-
Profit/(Loss) for the period	<u>(482)</u>	<u>(54)</u>	<u>(536)</u>
FINANCIAL POSITION			
Total assets	<u>30,311</u>	<u>147</u>	<u>30,458</u>
Total liabilities	<u>7,113</u>	<u>728</u>	<u>7,841</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 lowered revenue of RM31.25 million for the current quarter as compared to RM52.73 million in the preceding period corresponding quarter. The decrease in the Group revenue was mainly due to lower trading activities in palm oil products. The Group recorded a higher loss before tax of RM0.54 million for the current quarter as compared to loss before tax of RM0.36 million in the preceding period corresponding quarter. The current quarter's loss was higher mainly due to lower trading revenue.

B2 Variation of results against preceding quarter

The Group recorded lower revenue of RM31.25 million for the current quarter as compared to RM42.07 million in the preceding quarter. The decrease in the Group revenue was due to lower trading activities in palm oil products.

The Group however, recorded a loss before tax of RM0.54 million for the current quarter as compared to the preceding quarter loss before tax of RM0.88 million. The current quarter's loss was lower as compared to preceding quarter's loss as in the preceding quarter there was a higher loss arising from sale of certain palm kernel expeller at a lower selling price.

B3 Prospects

The Group recently raised working capital via the recent private placement exercise, and continues to explore other financing means, for its palm kernel crushing production. The Group believes that with the additional working capital available, the Group will be able to enhance its palm kernel crushing activities so as to improve its revenue and profitability in future.

The Group also continues to undertake 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 Status of utilisation of proceeds

The Company raised RM3.98 mil from the private placement of 26,337,300 new ordinary shares at an issue price of RM0.153 each.

The utilisation of proceeds from the Placement Shares were utilised as follows:-

	Amount raised	Utilised as at	Balance
	RM'000	31.12.2017	unutilised
	RM'000	RM'000	RM'000
Working capital	3,331	(2,822)	509
Renovation expenses	500	(492)	8
Estimated expenses in relation to the private placement	150	(87)	63
	3,981	(3,401)	580

B8 Group's borrowings and debt securities

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

	Short Term	Long Term	Total
	RM'000	RM'000	RM'000
Bankers' acceptance	5,890	-	5,890
Hire purchase creditors	63	71	134
Total borrowings	<u>5,953</u>	<u>71</u>	<u>6,024</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.

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	AS AT END OF CURRENT QUARTER 31/12/2017 RM'000	AS AT PRECEDING FINANCIAL YEAR 31/03/2017 RM'000
Total accumulated losses		
Realised losses	(12,525)	(10,699)
Unrealised profits/(losses)	-	-
	<u>(12,525)</u>	<u>(10,699)</u>
Less : Consolidated adjustments	(4,842)	(4,842)
Total Group accumulated losses	<u><u>(17,367)</u></u>	<u><u>(15,541)</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 2017.

B11 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2017	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2016	CURRENT YEAR TO DATE 31/12/2017	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2016
Loss for the period (RM'000)	(536)	(355)	(1,826)	(653)
Weighted average number of shares in issue ('000)	272,681	263,373	272,681	263,373
Basic losses per share (sen)	<u>(0.20)</u>	<u>(0.13)</u>	<u>(0.67)</u>	<u>(0.25)</u>

By Order of the Board

WONG YUET CHYN (MAICSA 7047163)
Company Secretary
Kuala Lumpur
28 February 2018