



**GREEN OCEAN CORPORATION BERHAD**

(Company No: 632267-P)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 MARCH 2018**

**GREEN OCEAN CORPORATION BERHAD**

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 MARCH 2018**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS  
AND OTHER COMPREHENSIVE INCOME FOR  
CURRENT QUARTER AND YEAR TO DATE ENDED 31 MARCH 2018**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CHANGES %	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	CHANGES %
	31/03/2018 RM'000	31/03/2017 RM'000		31/03/2018 RM'000	31/03/2017 RM'000	
<b>Continuing operations</b>						
Revenue	10,055	58,878	(82.92)	154,672	200,960	(23.03)
Cost of sales	(13,500)	(56,737)	(76.21)	(157,981)	(197,588)	(20.04)
Gross profit/(loss)	(3,445)	2,141	(260.91)	(3,309)	3,372	(198.13)
Other operating income	41	40	(14.63)	156	165	(5.45)
Depreciation and amortisation	(328)	(316)	2.50	(1,285)	(1,264)	1.66
Operating expenses	(1,631)	(287)	468.29	(2,486)	(1,266)	96.37
Operating profit/(loss)	(5,363)	1,578	(439.86)	(6,924)	1,007	(787.59)
Interest expense	(116)	(79)	46.84	(378)	(160)	136.25
Profit/(loss) before tax	(5,479)	1,499	(465.51)	(7,302)	847	(962.10)
Income tax expense	-	-	-	-	-	-
<b>Profit/(Loss) for the period</b>	(5,479)	1,499	(465.51)	(7,302)	847	(962.10)
<b>Other comprehensive income</b>	-	-	-	-	-	-
<b>Total comprehensive profit/(loss) for the period</b>	(5,479)	1,499	(465.51)	(7,302)	847	(962.10)
Profit/(Loss) for the period attributable to: Equity holders of the parent	(5,479)	1,499	(465.51)	(7,302)	847	(962.10)
<b>Total comprehensive profit/(loss) for the period attributable to: Equity holders of the parent</b>	(5,479)	1,499	(465.51)	(7,302)	847	(962.10)
<b>Basic profit/(loss) per share (sen)</b>	(2.01)	0.57		(2.68)	0.32	

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 FOURTH QUARTER ENDED 31 MARCH 2018****NOTES TO CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER  
COMPREHENSIVE INCOME**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>CURRENT YEAR QUARTER</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER</b>	<b>CURRENT YEAR TO DATE</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD</b>
	<b>31/03/2018 RM'000</b>	<b>31/03/2017 RM'000</b>	<b>31/03/2018 RM'000</b>	<b>31/03/2017 RM'000</b>
Other items included in the statement of profit and loss and other comprehensive income were:-				
Loss on foreign exchange	-	-	(5)	-
Gain from derivatives	41	40	156	165
Impairment of property, plant and equipment	(1,165)	-	(1,165)	-
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**GREEN OCEAN CORPORATION BERHAD**

(Company No: 632267-P)  
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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 MARCH 2018****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2018**

	<b>UNAUDITED AS AT END OF CURRENT QUARTER 31/03/2018 RM'000</b>	<b>AUDITED AS AT PRECEDING FINANCIAL YEAR 31/03/2017 RM'000</b>
<b>Non-current Assets</b>		
Property, plant and equipment	19,900	18,559
<b>Current Assets</b>		
Inventories	10,283	1,181
Trade receivables	1,706	25,484
Other receivables and prepaid expenses	3,446	466
Cash and bank balances	2,500	680
	17,935	27,811
<b>Total assets</b>	<b>37,835</b>	<b>46,370</b>
<b>Equity and Liabilities</b>		
Issued capital	34,189	30,247
Revaluation reserve	9,095	5,795
Accumulated losses	(22,843)	(15,541)
Total equity	20,441	20,501
<b>Non-current Liabilities</b>		
Deferred revenue	134	255
Hire purchase creditors	68	120
Deferred taxation	444	444
	646	819
<b>Current Liabilities</b>		
Trade payables	538	7,300
Amount owing to related party	-	10,147
Other payables and accrued expenses	770	464
Amount owing to directors	-	361
Bank borrowings	15,256	6,563
Deferred revenue	121	161
Hire purchase creditors	63	54
	16,748	25,050
Total liabilities	17,394	25,869
<b>Total equity and liabilities</b>	<b>37,835</b>	<b>46,370</b>
<b>Net assets per share attributable to ordinary equity holders of the parent (sen)</b>	<b>7.50</b>	<b>7.79</b>

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 MARCH 2018****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2018**

	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)
Increased in valuation during the year	-	-	3,300	-	3,300
Total recognised income and expense for the period					
- Loss for the year	-	-	-	(7,302)	(7,302)
Balance as at 31 March 2018	<u>34,189</u>	<u>-</u>	<u>9,095</u>	<u>(22,843)</u>	<u>20,441</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 FOURTH QUARTER ENDED 31 MARCH 2018****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2018**

	<b>CURRENT PERIOD TO DATE 31/03/2018 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 31/03/2017 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	(7,302)	136
Adjustments for:		
Depreciation of property, plant & equipment	1,284	1,265
Impairment of property, plant and equipment	1,165	-
Gain on disposal of subsidiaries	-	-
Government grant recognized	(161)	(161)
Interest expense	378	157
Operating Profit/(Loss) Before Working Capital Changes	(4,636)	1,397
Changes In Working Capital:		
Net change in current assets	11,700	10,950
Net change in current liabilities	(16,968)	(18,830)
Cash Used In Operations	(5,268)	(7,880)
Net income tax paid	(*)	(2)
Interest expense	(378)	(157)
Net Cash Used In Operating Activities	(10,282)	(6,642)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(490)	(*)
Net Cash Used In Investing Activities	(490)	(*)

\*Denotes less than RM1,000/-.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 MARCH 2018**

	<b>CURRENT PERIOD TO DATE 31/03/2018 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 31/03/2017 RM'000</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net of repayment and drawdown of short-term borrowings	8,693	6,671
Proceeds from issuance of shares	3,943	-
Repayment of hire purchase creditors	(44)	(54)
Net Cash From Financing Activities	<u>12,592</u>	<u>6,617</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT</b>	<u>1,820</u>	<u>(25)</u>
<b>CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR</b>	<u>680</u>	<u>705</u>
<b>CASH AND CASH EQUIVALENT AT END OF YEAR</b>	<u>2,500</u>	<u>680</u>

**Cash and cash equivalent comprise of:**

	<b>CURRENT PERIOD TO DATE 31/03/2018 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 31/03/2017 RM'000</b>
Cash on hand and at banks	<u>2,500</u>	<u>680</u>

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 MARCH 2018**

**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) <sup>3</sup>
MFRS 15	Revenue from Contracts with Customers <sup>2</sup>
Amendments to MFRS 101	Disclosure Initiative <sup>1</sup>
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation <sup>1</sup>
Amendments to MFRS 127	Equity Method in Separate Financial Statements <sup>1</sup>



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Amendments to MFRSs      Annual Improvements to MFRSs 2012 - 2014 Cycle<sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

<sup>3</sup> 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.

The share capital was increased via the transfer out of share premium due to the coming into effect of Companies Act 2016, effective 1<sup>st</sup> 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 31 March 2018 is as follows:

	<b>Palm Oil Products RM'000</b>	<b>Others RM'000</b>	<b>Consolidated RM'000</b>
<b>REVENUE</b>			
External	10,055	-	10,055
Inter-segment	-	-	-
Total	<u>10,055</u>	<u>-</u>	<u>10,055</u>
<b>RESULTS</b>			
Segment results	(5,254)	(109)	(5,363)
Interest expense	(114)	(2)	(116)
Profit/(Loss) before tax	<u>(5,368)</u>	<u>(111)</u>	<u>(5,479)</u>
Income tax expense	-	-	-
Profit/(Loss) for the period	<u>(5,368)</u>	<u>(111)</u>	<u>(5,479)</u>
<b>FINANCIAL POSITION</b>			
Total assets	<u>37,708</u>	<u>127</u>	<u>37,835</u>
Total liabilities	<u>17,094</u>	<u>300</u>	<u>17,394</u>

**A9 Valuation of property, plant and equipment**

During the quarter and financial period under review, the Group revalued its freehold land located at Lot 742, 4<sup>th</sup> Mile, Jalan Kapar, 42100 Klang via the appointment of the valuer, PPC International Sdn Bhd.

**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 RM10.06 million for the current quarter as compared to RM58.88 million in the preceding period corresponding quarter. The decrease in the Group revenue was due to lower trading activities in palm oil products during the quarter under review, as more of the working capital was shifted to buy raw material for the palm kernel production instead for trading activities. The Group incurred a higher loss before tax of RM5.48 million for the current quarter as compared to profit tax of RM1.50 million in the preceding period corresponding quarter. In addition to the losses incurred from the trading activities, the current quarter's losses were higher due to (i) full impairment of the fractionation plant which has been idling, and (ii) written down of inventories value due to declining market prices.

**B2 Variation of results against preceding quarter**

The Group recorded lower revenue of R10.06 million for the current quarter as compared to RM31.25 million in the preceding quarter. The decrease in the Group revenue was due to lower trading activities in palm oil products during the quarter under review, as more of the working capital was shifted to buy raw material for the palm kernel production instead for trading activities.

The Group incurred a higher loss before tax of RM5.48 million for the current quarter as compared to the preceding quarter loss before tax of RM0.54 million. In addition to the losses incurred from the trading activities, the current quarter's losses were higher due to (i) full impairment of the fractionation plant which has been idling, and (ii) written down of inventories value due to declining market prices.

**B3 Prospects**

The Group has raised additional working capital from the private placement exercise and banking facilities for its palm kernel crushing production. The Group had also recently entered into a tolling contract with Palm Oleo (Klang) Sdn Bhd for sale of crude palm kernel oil. The Group believes that with the additional working capital available, and the tolling contract, the Group will be able to enhance its palm kernel crushing activities and trading activities so as to improve its revenue and profitability in future.

Nevertheless, 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.

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**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.

**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	31.03.2018	unutilised
	RM'000	RM'000	RM'000
Working capital	3,331	(3,331)	0
Renovation expenses	500	(500)	0
Estimated expenses in relation to the private placement	150	(150)	0
	3,981	(3,981)	0

**B8 Group's borrowings and debt securities**

The Group's borrowings and debts securities as at 31 March 2018 are as follows:

	Short Term	Long Term	Total
	RM'000	RM'000	RM'000
Bankers' acceptance	15,256	-	15,256
Hire purchase creditors	63	68	131
Total borrowings	<u>15,319</u>	<u>68</u>	<u>15,387</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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	<b>AS AT END OF CURRENT QUARTER 31/03/2018 RM'000</b>	<b>AS AT PRECEDING FINANCIAL YEAR 31/03/2017 RM'000</b>
Total accumulated losses		
Realised losses	(18,001)	(10,699)
Unrealised profits/(losses)	-	-
	<u>(18,001)</u>	<u>(10,699)</u>
Less : Consolidated adjustments	(4,842)	(4,842)
Total Group accumulated losses	<u>(22,843)</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 31 March 2018.

**B11 Earnings per share**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>CURRENT YEAR QUARTER 31/03/2018</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER 31/03/2017</b>	<b>CURRENT YEAR TO DATE 31/03/2018</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 31/03/2017</b>
Profit/(Loss) for the period (RM'000)	(5,479)	1,499	(7,302)	847
Weighted average number of shares in issue ('000)	272,681	263,373	272,681	263,373
Basic profit/(losses) per share (sen)	<u>(2.01)</u>	<u>0.57</u>	<u>(2.68)</u>	<u>0.32</u>

By Order of the Board

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