



**GREEN OCEAN CORPORATION BERHAD**

(Company No: 632267-P)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 30 JUNE 2018**

**GREEN OCEAN CORPORATION BERHAD**

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 30 JUNE 2018**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS  
AND OTHER COMPREHENSIVE INCOME FOR  
CURRENT QUARTER AND YEAR TO DATE ENDED 30 JUNE 2018**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPOND ING QUARTER	CHANGES %	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPOND ING PERIOD	CHANGES %
	30/06/2018 RM'000	30/06/2017 RM'000		30/06/2018 RM'000	30/06/2017 RM'000	
<b>Continuing operations</b>						
Revenue	70,278	71,295	(1.43)	70,278	71,295	(1.43)
Cost of sales	(68,619)	(71,081)	(3.46)	(68,619)	(71,081)	(3.46)
Gross profit	1,659	214	675.23	1,659	214	675.23
Other operating income	106	40	165.00	106	40	165.00
Depreciation and amortisation	(139)	(316)	(56.01)	(139)	(316)	(56.01)
Operating expenses	(421)	(272)	54.78	(421)	(272)	54.78
Operating profit/(loss)	1,205	(334)	460.78	1,205	(334)	460.78
Interest expense	(376)	(80)	370.00	(376)	(80)	370.00
Profit/(loss) before tax	829	(414)	300.24	829	(414)	300.24
Income tax expense	-	-	-	-	-	-
<b>Profit/(Loss) for the period</b>	829	(414)	300.24	829	(414)	300.24
<b>Other comprehensive income</b>	-	-	-	-	-	-
<b>Total comprehensive profit/(loss) for the period</b>	829	(414)	300.24	829	(414)	300.24
Profit/(Loss) for the period attributable to: Equity holders of the parent	829	(414)	300.24	829	(414)	300.24
<b>Total comprehensive profit/(loss) for the period attributable to: Equity holders of the parent</b>	829	(414)	300.24	829	(414)	300.24
<b>Basic profit/(loss) per share (sen)</b>	0.29	(0.16)		0.29	(0.16)	

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 2018 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**

	<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>30/06/2018 RM'000</b>	<b>30/06/2017 RM'000</b>	<b>30/06/2018 RM'000</b>	<b>30/06/2017 RM'000</b>
Other items included in the statement of profit and loss and other comprehensive income were:-				
Gain from derivatives	29	40	29	40
Gain on disposal of PPE	77	-	77	-

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 30 JUNE 2018****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018**

	<b>UNAUDITED AS AT END OF CURRENT QUARTER 30/06/2018 RM'000</b>	<b>AUDITED AS AT PRECEDING FINANCIAL YEAR 31/03/2018 RM'000</b>
<b>Non-current Assets</b>		
Property, plant and equipment	19,850	19,900
<b>Current Assets</b>		
Inventories	23,157	10,074
Trade receivables	15,335	1,714
Other receivables and prepaid expenses	3,299	3,668
Cash and bank balances	6,415	2,499
	48,206	17,955
<b>Total assets</b>	<b>68,056</b>	<b>37,855</b>
<b>Equity and Liabilities</b>		
Issued capital	34,189	34,189
Revaluation reserve	8,930	8,930
Accumulated losses	(22,223)	(23,052)
Total equity	20,896	20,067
<b>Non-current Liabilities</b>		
Deferred revenue	94	94
Hire purchase creditors	-	77
Deferred taxation	609	609
	703	780
<b>Current Liabilities</b>		
Trade payables	5,229	452
Amount owing to related party	15,699	-
Other payables and accrued expenses	2,565	1,024
Amount owing to directors	-	61
Bank borrowings	22,803	15,256
Deferred revenue	161	161
Hire purchase creditors	-	54
	46,457	17,008
Total liabilities	47,160	17,788
<b>Total equity and liabilities</b>	<b>68,056</b>	<b>37,855</b>
<b>Net assets per share attributable to ordinary equity holders of the parent (sen)</b>	<b>7.21</b>	<b>6.93</b>

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 30 JUNE 2018****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2018**

	<b>Issued and paid up capital</b>	<b>Non- Distributable reserve</b>	<b>Distributable reserve</b>	<b>Total</b>
	<b>RM'000</b>	<b>Revaluation reserve RM'000</b>	<b>Unappropriated profit RM'000</b>	<b>RM'000</b>
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	-	3,135	-	3,135
Total recognised income and expense for the period				
- Loss for the year	-	-	(7,511)	(7,511)
Balance as at 31 March 2018	<u>34,189</u>	<u>8,930</u>	<u>(23,052)</u>	<u>20,067</u>
Balance as at 1 April 2018	34,189	8,930	(23,052)	20,067
Total recognised income and expense for the period				
- Profit for the period	-	-	829	829
Balance as at 30 June 2018	<u>34,189</u>	<u>8,930</u>	<u>(22,223)</u>	<u>20,896</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 2018 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 2018****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 JUNE 2018**

	<b>CURRENT PERIOD TO DATE 30/06/2018 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 30/06/2017 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	829	(414)
Adjustments for:		
Depreciation of property, plant & equipment	139	316
Gain on disposal of PPE	(77)	-
Government grant recognized	(22)	(40)
Interest expense	376	80
Operating Profit Before Working Capital Changes	1,245	58
Changes In Working Capital:		
Net change in current assets	(26,334)	5,923
Net change in current liabilities	21,955	(6,361)
Cash Used In Operations	(3,134)	(496)
Net income tax paid	(*)	(*)
Interest expense	(376)	(80)
Net Cash Used In Operating Activities	(3,510)	(576)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of PPE	99	-
Purchase of property, plant and equipment	(89)	(*)
Net Cash From/(Used In) Investing Activities	10	(*)

\*Denotes less than RM1,000/-.

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	<b>CURRENT PERIOD TO DATE 30/06/2018 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 30/06/2017 RM'000</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net of repayment and drawdown of short-term borrowings	7,547	107
Repayment of hire purchase creditors	(131)	(14)
Net Cash From Financing Activities	7,416	93
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT</b>	3,916	(483)
<b>CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR</b>	2,499	680
<b>CASH AND CASH EQUIVALENT AT END OF YEAR</b>	6,415	197

**Cash and cash equivalent comprise of:**

	<b>CURRENT PERIOD TO DATE 30/06/2018 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 30/06/2017 RM'000</b>
Cash on hand and at banks	6,415	197

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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 2018.

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**

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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**A8 Segment information**

The segment information for the financial period ended 30 June 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	70,278	-	70,278
Inter-segment	-	-	-
Total	<u>70,278</u>	<u>-</u>	<u>70,278</u>
<b>RESULTS</b>			
Segment results	1,224	(19)	1,205
Interest expense	<u>(375)</u>	<u>(1)</u>	<u>(376)</u>
Profit/(Loss) before tax	849	(20)	829
Income tax expense	-	-	-
Profit/(Loss) for the period	<u>849</u>	<u>(20)</u>	<u>829</u>
<b>FINANCIAL POSITION</b>			
Total assets	<u>67,861</u>	<u>194</u>	<u>68,055</u>
Total liabilities	<u>46,995</u>	<u>164</u>	<u>47,159</u>

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

There was no valuation exercise conducted on the property, plant and equipment of the Group during the quarter 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**

During the quarter under review, the Group has incorporated a wholly owned subsidiary namely Ace Green Energy Sdn Bhd ("AGESB"), The issued and paid-up share capital of AGESB is RM2.00 comprising 2 ordinary shares of RM1.00 each. The principal activity of AGESB are to carry out the business of wholesale of a variety of goods. The Directors of AGESB are Datuk Seri Chiau Beng Teik and Encik Mohd Yusri bin Md Yusof.

Save as disclosed above, none of the Directors, substantial shareholders and persons connected with the Directors or substantial shareholders of Green Ocean has any interest, direct or indirect, in the incorporation of AGESB.

**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 slightly lower revenue of RM70.28 million for the current quarter as compared to RM71.29 million in the preceding period corresponding quarter. The decrease in the Group revenue was due to lower trading activities in palm oil products which was offset by the higher revenue derived from the palm kernel production of crude palm kernel oil and palm kernel expeller activities during the quarter under review. The Group registered a higher profit before tax of RM0.83 million for the current quarter as compared to loss before tax of RM0.41 million in the preceding period corresponding quarter. The higher profits registered during the quarter under review were due to better margins derived from the trading of palm oil products and the sale of crude palm kernel oil derived from the tolling contract and palm kernel expeller activities.

**B2 Variation of results against preceding quarter**

The Group recorded higher revenue of RM70.28 million for the current quarter as compared to RM10.06 million in the preceding quarter. The higher revenue was due to the increase in the trading activities in palm oil products and the sale of crude palm kernel oil derived from the tolling contract and palm kernel expeller activities during the quarter under review.

The Group managed to register a higher profit before tax of RM0.83 million for the current quarter as compared to the preceding quarter loss before tax of RM5.48 million, due to better margins derived from the trading of palm oil products and the sale of crude palm kernel oil and palm kernel expeller. In addition, the higher losses before tax incurred in the preceding quarter were due to the full impairment of the fractionation plant which was idle, and written down of inventories value due to declined market prices.

**B3 Prospects**

With the additional working capital raised from the private placement exercise and banking facilities for its palm kernel crushing production, the Group believes that it will be able to enhance its palm kernel crushing activities and trading activities so as to improve its revenue and profitability despite the current challenges faced in the commodities market.

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 Group's borrowings and debt securities**

The Group's borrowings and debts securities as at 30 June 2018 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Bankers' acceptance	20,144	-	20,144
Bank overdraft	2,659	-	2,659
Total borrowings	<u>22,803</u>	<u>-</u>	<u>22,803</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 30/06/2018 RM'000	AS AT PRECEDING FINANCIAL YEAR 31/03/2018 RM'000
Total accumulated losses		
Realised losses	(22,223)	(23,052)
Unrealised profits/(losses)	-	-
	<u>(22,223)</u>	<u>(23,052)</u>
Less : Consolidated adjustments	-	-
Total Group accumulated losses	<u>(22,223)</u>	<u>(23,052)</u>

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**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 2018.

**B11 Earnings per share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/06/2018	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2017	CURRENT YEAR TO DATE 30/06/2018	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2017
Profit/(Loss) for the period (RM'000)	829	(414)	829	(414)
Weighted average number of shares in issue ('000)	289,711	263,373	289,711	263,373
Basic profit/(losses) per share (sen)	<u>0.29</u>	<u>(0.16)</u>	<u>0.29</u>	<u>(0.16)</u>

By Order of the Board

WONG YUET CHYN (MAICSA 7047163)  
Company Secretary  
Kuala Lumpur  
3 August 2018