



GREEN OCEAN CORPORATION BERHAD

(Company No: 632267-P)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2018**

GREEN OCEAN CORPORATION BERHAD

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2018**

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

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPOND ING QUARTER	CHANGES %	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPOND ING PERIOD	CHANGES %
	30/09/2018 RM'000	30/09/2017 RM'000		30/09/2018 RM'000	30/09/2017 RM'000	
Continuing operations						
Revenue	79,423	42,075	88.77	149,701	113,370	32.05
Cost of sales	(77,686)	(42,241)	83.91	(146,305)	(113,322)	29.11
Gross profit	1,737	(166)	1,144.64	3,396	48	7,066.21
Other operating income	0	40	-100.00	106	80	32.07
Depreciation and amortization	(134)	(316)	(57.61)	(273)	(632)	(56.73)
Operating expenses	(450)	(327)	37.66	(871)	(599)	45.36
Operating profit/(loss)	1,153	(769)	249.91	2,358	(1,103)	313.75
Interest expense	(352)	(107)	228.62	(728)	(187)	289.30
Profit/(loss) before tax	801	(876)	191.52	1,630	(1,290)	226.39
Income tax expense	-	-	-	-	-	-
Profit/(Loss) for the period	801	(876)	191.52	1,630	(1,290)	226.39
Other comprehensive income	-	-		-	-	
Total comprehensive profit/(loss) for the period	801	(876)	191.52	1,630	(1,290)	226.39
Profit/(Loss) for the period attributable to: Equity holders of the parent	801	(876)	191.52	1,630	(1,290)	226.39
Total comprehensive profit/(loss) for the period attributable to: Equity holders of the parent	801	(876)	191.52	1,630	(1,290)	226.39
Basic profit/(loss) per share (sen)	0.28	(0.33)		0.56	(0.49)	

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 SECOND QUARTER ENDED 30 SEPTEMBER 2018****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
	30/09/2018 RM'000	30/09/2017 RM'000	30/09/2018 RM'000	30/09/2017 RM'000
Other items included in the statement of profit and loss and other comprehensive income were:-				
Gain from derivatives	106	80	135	80
Gain on disposal of PPE	77	-	77	-

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

	UNAUDITED AS AT END OF CURRENT QUARTER 30/09/2018 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR 31/03/2018 RM'000
Non-current Assets		
Property, plant and equipment	19,724	19,900
Current Assets		
Inventories	32,335	10,074
Trade receivables	2,982	1,714
Other receivables and prepaid expenses	7,022	3,668
Cash and bank balances	4,656	2,499
	46,995	17,955
Total assets	66,719	37,855
Equity and Liabilities		
Issued capital	34,189	34,189
Revaluation reserve	8,930	8,930
Accumulated losses	(21,422)	(23,052)
Total equity	21,697	20,067
Non-current Liabilities		
Deferred revenue	94	94
Hire purchase creditors	-	77
Deferred taxation	609	609
	703	780
Current Liabilities		
Trade payables	1,990	452
Amount owing to related party	15,285	-
Other payables and accrued expenses	3,665	1,024
Amount owing to directors	-	61
Bank borrowings	23,218	15,256
Deferred revenue	161	161
Hire purchase creditors	-	54
	44,319	17,008
Total liabilities	45,022	17,788
Total equity and liabilities	66,719	37,855
Net assets per share attributable to ordinary equity holders of the parent (sen)	7.49	6.93

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

	Issued and paid up capital	Non- Distributable reserve	Distributable reserve	Total
	RM'000	Revaluation reserve RM'000	Unappropriated profit RM'000	RM'000
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 recognized income and expense for the period				
- Profit for the period	-	-	1,630	1,630
Balance as at 30 September 2018	<u>34,189</u>	<u>8,930</u>	<u>(21,422)</u>	<u>21,697</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 SECOND QUARTER ENDED 30 SEPTEMBER 2018****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2018**

	CURRENT PERIOD TO DATE 30/09/2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2017 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	1,630	(1,290)
Adjustments for:		
Depreciation of property, plant & equipment	273	632
Gain on disposal of PPE	(77)	-
Government grant recognized	-	(80)
Interest expense	728	187
Operating Profit Before Working Capital Changes	2,554	(551)
Changes In Working Capital:		
Net change in current assets	(26,883)	11,088
Net change in current liabilities	19,403	(12,229)
Cash Used In Operations	(4,926)	(1,692)
Net income tax paid	(*)	(*)
Interest expense	(727)	(187)
Net Cash Used In Operating Activities	(5,653)	(1,880)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of PPE	77	-
Purchase of property, plant and equipment	(98)	(*)
Net Cash From/(Used In) Investing Activities	(21)	(*)

*Denotes less than RM1,000/-.

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	CURRENT PERIOD TO DATE 30/09/2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2017 RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Net of repayment and drawdown of short-term borrowings	7,962	2,203
Repayment of hire purchase creditors	<u>(131)</u>	<u>(22)</u>
Net Cash From Financing Activities	<u>7,831</u>	<u>2,181</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	<u>2,157</u>	<u>301</u>
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR	<u>2,499</u>	<u>680</u>
CASH AND CASH EQUIVALENT AT END OF YEAR	<u><u>4,656</u></u>	<u><u>981</u></u>

Cash and cash equivalent comprise of:

	CURRENT PERIOD TO DATE 30/09/2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2017 RM'000
Cash on hand and at banks	<u>4,656</u>	<u>981</u>

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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 2017 as follows:

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 140	Transfers of Investment Property
Amendments to MFRSs IC Interpretation 22	Annual Improvements to MFRSs 2014 - 2016 Cycle Foreign Currency Transactions and Advance Consideration

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 authorization 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 ¹
MFRS 17	Insurance Contracts ³
Amendments to MFRS 9	Prepayment Features with Negative Compensation ¹
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement ¹
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures ¹
Amendments to MFRSs	Annual Improvements to MFRSs 2015 - 2017 Cycle ¹

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A8 Segment information

The segment information for the financial period ended 30 September 2018 is as follows:

	Palm Oil Products RM'000	Others RM'000	Consolidated RM'000
REVENUE			
External	79,423	-	79,423
Inter-segment	-	-	-
Total	<u>79,423</u>	<u>-</u>	<u>79,423</u>
RESULTS			
Segment results	1,197	(44)	1,153
Interest expense	(352)	-	(352)
Profit/(Loss) before tax	<u>845</u>	<u>(44)</u>	<u>801</u>
Income tax expense	-	-	-
Profit/(Loss) for the period	<u>845</u>	<u>(44)</u>	<u>801</u>
FINANCIAL POSITION			
Total assets	<u>66,529</u>	<u>190</u>	<u>66,719</u>
Total liabilities	<u>44,949</u>	<u>73</u>	<u>45,022</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 last 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. During the quarter under review, the issued and paid-up share capital of AGESB has increased from RM2.00 to RM50,000.00 comprising 50 ordinary shares of RM1.00 each.

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 higher revenue of RM79.42 million for the current quarter as compared to RM42.08 million in the preceding period corresponding quarter. The increase in the Group revenue was due to higher trading activities in palm oil products and 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 RM0.80 million for the current quarter as compared to loss before tax of RM0.88 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.

B2 Variation of results against preceding quarter

The Group recorded higher revenue of RM79.42 million for the current quarter as compared to RM70.28 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 register a slightly lower profit before tax of RM0.80 million for the current quarter as compared to the preceding quarter profit before tax of RM0.83 million. The lower profit mainly due to the slightly lower margins derived from the trading of palm oil products and the sale of crude palm kernel oil and sales of palm expeller.

B3 Prospects

The market prices for crude palm kernel oil have been generally on a downwards trend during the current financial year. This was generally due to the increasing supplies and higher forecast for inventories of palm oil products. Despite the current challenges faced in the commodities market, nevertheless, the Group 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 Group's borrowings and debt securities

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

	Short Term RM'000	Long Term RM'000	Total RM'000
Bankers' acceptance	18,932	-	18,932
Bank overdraft	4,286	-	4,286
Total borrowings	<u>23,218</u>	<u>-</u>	<u>23,218</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 two directors.

All the borrowings are denominated in Ringgit Malaysia.

B8 Breakdown of Realized and Unrealized Group Profits/(Losses)

	AS AT END OF CURRENT QUARTER 30/09/2018 RM'000	AS AT PRECEDING FINANCIAL YEAR 31/03/2018 RM'000
Total accumulated losses		
Realised losses	(21,422)	(23,052)
Unrealised profits/(losses)	-	-
	<u>(21,422)</u>	<u>(23,052)</u>
Less : Consolidated adjustments	-	-
Total Group accumulated losses	<u>(21,422)</u>	<u>(23,052)</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 September 2018.

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B11 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2018	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2017	CURRENT YEAR TO DATE 30/09/2018	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2017
Profit/(Loss) for the period (RM'000)	801	(876)	1,630	(1,290)
Weighted average number of shares in issue ('000)	289,711	263,373	289,711	263,373
Basic profit/(losses) per share (sen)	<u>0.28</u>	<u>(0.33)</u>	<u>0.56</u>	<u>(0.49)</u>

By Order of the Board

WONG YUET CHYN (MAICSA 7047163)

Company Secretary

Kuala Lumpur

14 November 2018