



**GREEN OCEAN CORPORATION BERHAD**

(Company No: 632267-P)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018**

**GREEN OCEAN CORPORATION BERHAD**

(Company No: 632267-P)  
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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018**

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

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPOND ING QUARTER	CHANGES %	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPOND ING PERIOD	CHANGES %
	31/12/2018 RM'000	31/12/2017 RM'000		31/12/2018 RM'000	31/12/2017 RM'000	
<b>Continuing operations</b>						
Revenue	122,359	31,247	291.59	272,060	144,617	88.12
Cost of sales	(120,165)	(31,159)	285.65	(266,470)	(144,481)	84.43
Gross profit	2,194	88	2,393.18	5,590	136	4,010.29
Other operating income	1	35	(97.14)	90	115	(21.74)
Depreciation and amortization	(134)	(325)	(58.77)	(407)	(957)	(57.47)
Operating expenses	(1,115)	(259)	330.50	(1,969)	(858)	129.49
Operating profit/(loss)	946	(461)	305.21	3,304	(1,564)	311.25
Interest expense	(354)	(75)	372.00	(1,081)	(262)	312.60
Profit/(loss) before tax	592	(536)	210.45	2,223	(1,826)	221.74
Income tax expense	-	-	-	-	-	-
<b>Profit/(Loss) for the period</b>	592	(536)	210.45	2,223	(1,826)	221.74
<b>Other comprehensive income</b>	-	-	-	-	-	-
<b>Total comprehensive profit/(loss) for the period</b>	592	(536)	210.45	2,223	(1,826)	221.74
Profit/(Loss) for the period attributable to: Equity holders of the parent	592	(536)	210.45	2,223	(1,826)	221.74
<b>Total comprehensive profit/(loss) for the period attributable to: Equity holders of the parent</b>	592	(536)	210.45	2,223	(1,826)	221.74
<b>Basic profit/(loss) per share (sen)</b>	0.20	(0.20)		0.77	(0.67)	

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>31/12/2018 RM'000</b>	<b>31/12/2017 RM'000</b>	<b>31/12/2018 RM'000</b>	<b>31/12/2017 RM'000</b>
Other items included in the statement of profit and loss and other comprehensive income were:-				
Gain from derivatives	-	40	29	120
Gain on disposal of PPE	77	-	77	-

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018**

	<b>UNAUDITED AS AT END OF CURRENT QUARTER 31/12/2018 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	19,648	19,900
<b>Current Assets</b>		
Inventories	14,566	10,074
Trade receivables	7,431	1,714
Amount owing by related party	6,374	-
Other receivables and prepaid expenses	7,049	3,668
Cash and bank balances	2,505	2,499
	<u>37,925</u>	<u>17,955</u>
<b>Total assets</b>	<u>57,573</u>	<u>37,855</u>
<b>Equity and Liabilities</b>		
Issued capital	34,189	34,189
Revaluation reserve	8,930	8,930
Accumulated losses	(20,829)	(23,052)
Total equity	<u>22,290</u>	<u>20,067</u>
<b>Non-current Liabilities</b>		
Deferred revenue	255	94
Hire purchase creditors	-	77
Deferred taxation	609	609
	<u>864</u>	<u>780</u>
<b>Current Liabilities</b>		
Trade payables	2,442	452
Amount owing to related party	-	-
Other payables and accrued expenses	6,742	1,024
Amount owing to directors	-	61
Bank borrowings	25,235	15,256
Deferred revenue	-	161
Hire purchase creditors	-	54
	<u>34,419</u>	<u>17,008</u>
Total liabilities	<u>35,283</u>	<u>17,788</u>
<b>Total equity and liabilities</b>	<u>57,573</u>	<u>37,855</u>
<b>Net assets per share attributable to ordinary equity holders of the parent (sen)</b>	<u>7.69</u>	<u>6.93</u>

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 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 recognized income and expense for the period				
- Profit for the period	-	-	2,223	2,223
Balance as at 31 December 2018	<u>34,189</u>	<u>8,930</u>	<u>(20,829)</u>	<u>22,290</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 THIRD QUARTER ENDED 31 DECEMBER 2018****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

	<b>CURRENT PERIOD TO DATE 31/12/2018 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 31/12/2017 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	2,223	(1,826)
Adjustments for:		
Depreciation of property, plant & equipment	407	956
Gain on disposal of PPE	(77)	-
Government grant recognized	-	(120)
Interest expense	1,081	262
Operating Profit Before Working Capital Changes	3,634	(728)
Changes In Working Capital:		
Net change in current assets	(13,590)	15,346
Net change in current liabilities	1,273	(17,197)
Cash Used In Operations	(8,683)	(2,579)
Net income tax paid	(*)	(*)
Interest expense	(1,081)	(262)
Net Cash Used In Operating Activities	(9,764)	(2,841)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of PPE	77	-
Purchase of property, plant and equipment	(155)	(485)
Net Cash From/(Used In) Investing Activities	(78)	(485)

\*Denotes less than RM1,000/-.

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FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018**

	<b>CURRENT PERIOD TO DATE 31/12/2018 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 31/12/2017 RM'000</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net of repayment and drawdown of short-term borrowings	9,979	(673)
Proceeds from issuance of shares	-	3,943
Repayment of hire purchase creditors	(131)	(41)
Net Cash From Financing Activities	9,848	3,229
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT</b>	6	(97)
<b>CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR</b>	2,499	680
<b>CASH AND CASH EQUIVALENT AT END OF YEAR</b>	2,505	583

**Cash and cash equivalent comprise of:**

	<b>CURRENT PERIOD TO DATE 31/12/2018 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 31/12/2017 RM'000</b>
Cash on hand and at banks	2,505	583

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 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 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 <sup>1</sup>
MFRS 17	Insurance Contracts <sup>3</sup>
Amendments to MFRS 9	Prepayment Features with Negative Compensation <sup>1</sup>
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement <sup>1</sup>
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures <sup>1</sup>
Amendments to MFRSs	Annual Improvements to MFRSs 2015 - 2017 Cycle <sup>1</sup>





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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
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**A8 Segment information**

The segment information for the financial period ended 31 December 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	122,359	-	122,359
Inter-segment	-	-	-
Total	<u>122,359</u>	<u>-</u>	<u>122,359</u>
<b>RESULTS</b>			
Segment results	1,017	(71)	946
Interest expense	(354)	-	(354)
Profit/(Loss) before tax	663	(71)	592
Income tax expense	-	-	-
Profit/(Loss) for the period	<u>663</u>	<u>(71)</u>	<u>592</u>
<b>FINANCIAL POSITION</b>			
Total assets	<u>57,392</u>	<u>181</u>	<u>57,573</u>
Total liabilities	<u>35,193</u>	<u>90</u>	<u>35,283</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 2 quarters 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 RM50,000.00 comprising 50,000 ordinary shares of RM1.00 each. The principal activity of AGESB is 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 higher revenue of RM122.36 million for the current quarter as compared to RM31.25 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 RM0.59 million for the current quarter as compared to loss before tax of RM0.54 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 RM122.36 million for the current quarter as compared to RM79.42 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 lower profit before tax of RM0.59 million for the current quarter as compared to the preceding quarter profit before tax of RM0.80 million. The lower profit mainly due to the 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 products have been generally on a downward trend during the current financial year. This was generally due to the increasing supplies, higher forecast for inventories of palm oil products and weaker demands. Despite the current challenges faced in the commodities market, nevertheless, the Group continues to undertake initiatives to explore and introduce new products and has begun to trade in other palm oil and biomass products, and continue to explore other new business opportunities to be less dependent on palm oil commodities to mitigate pricing fluctuations.

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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.

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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 31 December 2018 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Bankers' acceptance	21,370	-	21,370
Bank overdraft	3,865	-	3,865
Total borrowings	<u>25,235</u>	<u>-</u>	<u>25,235</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 31/12/2018 RM'000	AS AT PRECEDING FINANCIAL YEAR 31/03/2018 RM'000
Total accumulated losses		
Realised losses	(20,829)	(23,052)
Unrealised profits/(losses)	-	-
	<u>(20,829)</u>	<u>(23,052)</u>
Less : Consolidated adjustments	-	-
Total Group accumulated losses	<u>(20,829)</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 31 December 2018.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
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	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2018	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2017	CURRENT YEAR TO DATE 31/12/2018	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2017
Profit/(Loss) for the period (RM'000)	592	(536)	2,223	(1,826)
Weighted average number of shares in issue ('000)	289,711	272,681	289,711	272,681
Basic profit/(losses) per share (sen)	<u>0.20</u>	<u>(0.20)</u>	<u>0.77</u>	<u>(0.67)</u>

By Order of the Board

WONG YUET CHYN (MAICSA 7047163)

Company Secretary

Kuala Lumpur

20 February 2019