



GREEN OCEAN CORPORATION BERHAD

[Registration No: 200301029847 (632267-P)]

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019**

GREEN OCEAN CORPORATION BERHAD

[Registration No: 200301029847 (632267-P)]

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS
AND OTHER COMPREHENSIVE INCOME FOR
CURRENT QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2019**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CHANGES %	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	CHANGES %
	31/12/2019 RM'000	31/12/2018 RM'000		31/12/2019 RM'000	31/12/2018 RM'000	
Operations						
Revenue	53,952	122,359	(55.91)	159,218	272,060	(41.48)
Cost of sales	(55,530)	(120,165)	(53.79)	(162,247)	(266,470)	(39.11)
Gross profit/(loss)	(1,578)	2,194	(171.92)	(3,029)	5,590	(154.19)
Other operating income	21	1	<100	23	90	(74.44)
Depreciation and amortization	(135)	(134)	0.75	(427)	(407)	4.91
Operating expenses	(1,009)	(1,115)	(9.51)	(2,273)	(1,969)	15.44
Operating profit/(loss)	(2,701)	946	(385.52)	(5,706)	3,304	(272.70)
Interest expense	(403)	(354)	13.84	(949)	(1,081)	(12.21)
Profit/(loss) before tax	(3,104)	592	(624.32)	(6,655)	2,223	(399.37)
Income tax expense	(2)	-	100.00	(2)	-	
Profit/(Loss) for the period	(3,106)	592	(624.66)	(6,657)	2,223	(399.46)
Other comprehensive income	-	-		-	-	
Total comprehensive profit/(loss) for the period	(3,106)	592	(624.66)	(6,657)	2,223	(399.46)
Profit/(Loss) for the period attributable to: Equity holders of the parent	(3,106)	592	(624.66)	(6,657)	2,223	(399.46)
Total comprehensive profit/(loss) for the period attributable to: Equity holders of the parent	(3,106)	592	(624.66)	(6,657)	2,223	(399.46)
Basic profit/(loss) per share (sen)	(1.07)	0.20		(2.30)	0.77	

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 2019 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 2019**

**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
	31/12/2019 RM'000	31/12/2018 RM'000	31/12/2019 RM'000	31/12/2018 RM'000
Other items included in the statement of profit and loss and other comprehensive income were:-				
Gain from derivatives	-	-	-	29
Gain on disposal of PPE	-	77	-	77
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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	UNAUDITED AS AT END OF CURRENT QUARTER 31/12/2019 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR 31/03/2019 RM'000
Non-current Assets		
Property, plant and equipment	19,082	19,509
Current Assets		
Inventories	11,657	13,132
Trade receivables	4,323	18,123
Amount owing by related party	6,756	-
Other receivables and prepaid expenses	1,255	3,364
Tax recoverable	1	1
Cash and bank balances	3,439	2,491
	27,431	37,111
Total assets	46,513	56,620
Equity and Liabilities		
Issued capital	34,189	34,189
Revaluation reserve	8,930	8,930
Accumulated losses	(27,784)	(21,127)
Total equity	15,335	21,992
Non-current Liabilities		
Hire purchase creditors	-	-
Deferred taxation	609	609
	609	609
Current Liabilities		
Trade payables	2,636	2,906
Amount owing to related party	-	1,274
Other payables and accrued expenses	1,896	2,171
Amount owing to directors	27	27
Bank borrowings	26,010	27,641
Hire purchase creditors	-	-
	30,569	34,019
Total liabilities	31,178	34,628
Total equity and liabilities	46,513	56,620
Net assets per share attributable to ordinary equity holders of the parent (sen)	5.29	7.59

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2019**

	Issued and paid up capital	Non- Distributable reserve	Distributable reserve	
	RM'000	Revaluation reserve RM'000	Unappropriated profit RM'000	Total RM'000
Balance as at 1 April 2018	34,189	8,930	(23,052)	20,067
Issuance of ordinary shares	-			-
Share issue expenses	-			-
Increased in valuation during the year		-	-	-
Total recognised income and expense for the period				
- Profit for the year			1,925	1,925
Balance as at 31 March 2019	<u>34,189</u>	<u>8,930</u>	<u>(21,127)</u>	<u>21,992</u>
Balance as at 1 April 2019	34,189	8,930	(21,127)	21,992
Total recognized income and expense for the period				
- Loss for the period			(6,657)	(6,657)
Balance as at 31 December 2019	<u>34,189</u>	<u>8,930</u>	<u>(27,784)</u>	<u>15,335</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 2019 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 2019****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

	CURRENT PERIOD TO DATE 31/12/2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2018 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	(6,657)	2,223
Adjustments for:		
Depreciation of property, plant & equipment	427	407
Gain on disposal of PPE	-	(77)
Government grant recognized	-	-
Income tax expenses	2	-
Finance costs	949	1,081
Operating Profit/(Loss) Before Working Capital Changes	(5,279)	3,634
Changes In Working Capital:		
Net change in current assets	17,384	(13,590)
Net change in current liabilities	(8,575)	1,273
Cash Used In Operations	3,530	(8,683)
Net income tax paid	(2)	-
Interest expense	-	-
Net Cash From/(Used In) Operating Activities	3,528	(8,683)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of PPE	-	77
Purchase of property, plant and equipment	-	(155)
Net Cash From/(Used In) Investing Activities	-	(78)

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FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019**

	CURRENT PERIOD TO DATE 31/12/2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2018 RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Net of repayment and drawdown of short-term borrowings	(1,660)	6,114
Finance costs paid	(949)	(1,081)
Proceeds from issuance of shares	-	-
Repayment of hire purchase creditors	-	(131)
Net Cash From/(Used In) Financing Activities	(2,609)	4,902
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	919	(3,859)
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR	(1,741)	2,499
CASH AND CASH EQUIVALENT AS AT 31 DECEMBER 2019	(822)	(1,360)

Cash and cash equivalent comprise of:

	CURRENT PERIOD TO DATE 31/12/2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2018 RM'000
Cash and bank balances	3,439	2,505
Bank overdraft	(4,261)	(3,865)
	(822)	(1,360)

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019**

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 2019.

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 2019 as follows:

Amendments to MFRS 3	Business Combinations – Definition of a Business
Amendments to MFRS 101	Presentation of Financial Statements – Definition Material
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors – Definition Material

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 17	Insurance Contracts ¹
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²

¹ Effective for annual periods beginning on or after 1 January 2021

² Effective date deferred to a date to be announced by MASB

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.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019**

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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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019****A8 Segment information**

The segment information for the financial period ended 31 December 2019 is as follows:

	Palm Oil Products RM'000	Others RM'000	Consolidated RM'000
REVENUE			
External	159,218	-	159,218
Inter-segment	-	-	-
Total	<u>159,218</u>	<u>-</u>	<u>159,218</u>
RESULTS			
Segment results	(5,080)	(626)	(5,706)
Interest expense	(949)	-	(949)
Profit/(Loss) before tax	<u>(6,029)</u>	<u>(626)</u>	<u>(6,655)</u>
Income tax expense	(2)	-	(2)
Profit/(Loss) for the period	<u>(6,031)</u>	<u>(626)</u>	<u>(6,657)</u>
FINANCIAL POSITION			
Total assets	<u>46,347</u>	<u>166</u>	<u>46,513</u>
Total liabilities	<u>31,109</u>	<u>69</u>	<u>31,178</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

There were no changes to the composition of the Group for the quarter under review.

A12 Capital commitments

There were no capital commitments in the Group for the quarter under review.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019**

**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 RM53.9 million for the current quarter as compared to RM122.4 million in the preceding period corresponding quarter. The decrease in the Group revenue was due to lower trading activities in palm oil products and cessation of a tolling contract and palm kernel expeller during the quarter under review. The Group registered a loss before tax of RM3.1 million for the current quarter as compared to profit before tax of RM0.6 million in the preceding period corresponding quarter. The loss registered during the quarter under review were generally due to the lower trading price derived from the trading activities in related palm oil products.

B2 Variation of results against preceding quarter

The Group recorded higher revenue of RM53.9 million for the current quarter as compared to RM48.8 million in the preceding quarter. The higher revenue was due to the higher trading activities in palm oil products during the quarter under review.

However, the Group register a loss before tax of RM3.1 million for the current quarter as compared to the preceding quarter loss before tax of RM2.2 million. The loss before tax is attributable to the lower trading price derived from the trading activities in related palm oil products.

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B3 Prospects

The market prices for crude palm commodities have remained subdued as in the previous several quarters. This was generally due to the increasing supplies, higher forecast for inventories of palm oil products and weaker demands. To mitigate the unforeseeable market condition, the Group has undertaken initiatives to explore and introduce new products and has begun to trade in other palm oil and biomass products, and explored other new business opportunities to be less dependent on palm oil commodities to mitigate the prevailing market scenario. The Group has successfully delivered the first coal shipment. The Group is expecting further orders in this financial year.

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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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019****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 2019 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Bankers' acceptance	21,749	-	21,749
Bank overdraft	4,261	-	4,261
Total borrowings	<u>26,010</u>	<u>-</u>	<u>26,010</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 31/12/2019 RM'000	AS AT PRECEDING FINANCIAL YEAR 31/03/2019 RM'000
Total accumulated losses		
Realised losses	(22,942)	(16,285)
Unrealised profits/(losses)	-	-
	<u>(22,942)</u>	<u>(16,285)</u>
Less : Consolidated adjustments	(4,842)	(4,842)
Total Group accumulated losses	<u>(27,784)</u>	<u>(21,127)</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 2019.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019****B11 Earnings per share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2019	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2018	CURRENT YEAR TO DATE 31/12/2019	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2018
Profit/(Loss) for the period (RM'000)	(3,106)	592	(6,657)	2,223
Weighted average number of shares in issue ('000)	289,711	289,711	289,711	289,711
Basic profit/(losses) per share (sen)	<u>(1.07)</u>	<u>0.20</u>	<u>(2.30)</u>	<u>0.77</u>

By Order of the Board

WONG YUET CHYN (MAICSA 7047163)

Company Secretary

Kuala Lumpur

28 February 2020