



GREEN OCEAN CORPORATION BERHAD

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

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2010

GREEN OCEAN CORPORATION BERHAD

(Company No: 632267-P)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2010****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2010**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2010 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2009 RM'000	CURRENT YEAR TO DATE 30/09/2010 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2009 RM'000
Revenue	25,713	20,480	51,157	42,056
Cost of sales	<u>(24,079)</u>	<u>(19,993)</u>	<u>(48,949)</u>	<u>(41,140)</u>
Gross profit	1,634	487	2,208	916
Other operating income	40	28	70	58
Depreciation and amortisation	(412)	(591)	(874)	(1,171)
Operating expenses	<u>(1,124)</u>	<u>(973)</u>	<u>(2,176)</u>	<u>(2,292)</u>
Operating profit/(loss)	138	(1,049)	(772)	(2,489)
Interest expense	(154)	(162)	(284)	(306)
Interest income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit/(Loss) before tax	(16)	(1,211)	(1,056)	(2,795)
Income tax expense	<u>(17)</u>	<u>(8)</u>	<u>(17)</u>	<u>(14)</u>
Profit/(Loss) for the period	(33)	(1,219)	(1,073)	(2,809)
Other comprehensive income	-	-	-	-
Total comprehensive profit/ (loss) for the period	<u>(33)</u>	<u>(1,219)</u>	<u>(1,073)</u>	<u>(2,809)</u>
Profit/(Loss) for the period attributable to: Equity holders of the parent	<u>(33)</u>	<u>(1,219)</u>	<u>(1,073)</u>	<u>(2,809)</u>
Total comprehensive profit /(loss) for the period attributable to: Equity holders of the parent	<u>(33)</u>	<u>(1,219)</u>	<u>(1,073)</u>	<u>(2,809)</u>
Basic earnings/(loss) per share (sen)	<u>(0.02)</u>	<u>(0.72)</u>	<u>(0.63)</u>	<u>(1.66)</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the financial year ended 31 March 2010 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 2010****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2010**

	UNAUDITED AS AT END OF CURRENT QUARTER 30/09/2010 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR 31/03/2010 RM'000
Non-current Assets		
Property, plant and equipment	17,462	18,303
Development expenditure	122	156
Goodwill	736	736
	<u>18,320</u>	<u>19,195</u>
Current Assets		
Inventories	2,871	1,813
Trade receivables	3,592	3,131
Other receivables and prepaid expenses	1,376	1,442
Short term investments	-	66
Cash and bank balances	895	2,064
	<u>8,734</u>	<u>8,516</u>
Total assets	<u>27,054</u>	<u>27,711</u>
Equity and Liabilities		
Issued capital	16,950	16,950
Share premium	1,359	1,359
Accumulated losses	(4,812)	(3,739)
Total equity	<u>13,497</u>	<u>14,570</u>
Non-current Liabilities		
Hire purchase creditors	325	376
Deferred taxation	139	139
	<u>464</u>	<u>515</u>
Current Liabilities		
Trade payables	3,458	3,773
Other payables and accrued expenses	3,937	2,971
Hire purchase creditors	98	97
Short term borrowings	5,600	5,785
	<u>13,093</u>	<u>12,626</u>
Total liabilities	<u>13,557</u>	<u>13,141</u>
Total equity and liabilities	<u>27,054</u>	<u>27,711</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	<u>7.96</u>	<u>8.60</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the financial year ended 31 March 2010 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 2010****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2010**

	Issued and paid up capital RM'000	Non-distributable reserve - Share premium RM'000	Distributable reserve - Unappropriated profit RM'000	Total RM'000
Balance as at 1 April 2009	16,950	1,359	3,466	21,775
Total recognised income and expense for the year - loss for the year	<u>-</u>	<u>-</u>	<u>(7,205)</u>	<u>(7,205)</u>
Balance as at 31 March 2010	<u>16,950</u>	<u>1,359</u>	<u>(3,739)</u>	<u>14,570</u>
Balance as at 1 April 2010	16,950	1,359	(3,739)	14,570
Total recognised income and expense for the period - loss for the period	<u>-</u>	<u>-</u>	<u>(1,073)</u>	<u>(1,073)</u>
Balance as at 30 September 2010	<u>16,950</u>	<u>1,359</u>	<u>(4,812)</u>	<u>13,497</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the financial year ended 31 March 2010 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 2010****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2010**

	CURRENT YEAR TO DATE 30/09/2010 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2009 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the period	(1,073)	(2,809)
Adjustments for:		
Amortisation of development expenditure	33	542
Depreciation of property, plant and equipment	841	629
Doubtful receivables recovered	(34)	-
Income tax expense	17	14
Interest expense	(284)	(306)
Operating Profit Before Working Capital Changes	(500)	(1,930)
Changes In Working Capital:		
Net change in current assets	(1,456)	2,923
Net change in current liabilities	652	(132)
Cash (Used In)/From Operations	(1,304)	861
Net income tax refund/(paid)	35	37
Interest expense	284	306
Net Cash (Used In)/ Generated From Operating Activities	(985)	1,204
CASH FLOW USED IN INVESTING ACTIVITIES		
(Placement)/Withdrawal of short-term investments	66	-
Purchase of property, plant and equipment	-	(4,082)
Proceeds from disposal of fixed assets	-	-
Net Cash From/(Used In) Investing Activities	66	(4,082)

(Forward)

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	CURRENT YEAR TO DATE 30/09/2010 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2009 RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown/(Repayment) of short-term borrowings	(185)	1,552
Drawdown/(Repayment) of hire purchase creditors	(50)	5
Net Cash From/(Used In) Financing Activities	(235)	1,557
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENT	(1,154)	(1,321)
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR	2,049	4,458
CASH AND CASH EQUIVALENT AT END OF YEAR	895	3,137

Cash and cash equivalent comprise of:

	CURRENT YEAR TO DATE 30/09/2010 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2009 RM'000
Cash on hand and at banks	895	3,137

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2010**

A EXPLANATORY NOTES PURSUANT TO FRS 134

A1 Basis of preparation

The interim financial statements are unaudited and had been prepared in accordance with the requirements of Financial Reporting Standards (“FRS”) 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’s financial statements for the financial year ended 31 March 2010.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2010 except for the adoption of the new/ revised FRS and IC Interpretations for financial year beginning 1 April 2010.

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised)
FRS 123	Borrowing Costs (Revised)
FRS 132	Financial Instruments: Presentation (Revised)
FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards
Amendment to FRS 7	Financial Instruments: Disclosures
Amendment to FRS 8	Operating Segments
Amendment to FRS 107	Statement of Cash Flows
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 110	Events after the Reporting Period
Amendment to FRS 116	Property, Plant and Equipment
Amendment to FRS 123	Borrowing Costs
Amendment to FRS 132	Financial Instruments: Presentation
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 136	Impairment of Assets
Amendment to FRS 138	Intangible Assets
IC Interpretation 10	Interim Financial Reporting and Impairment

The adoption of these standards and interpretations are not expected to have significant impact on the financial statements of the Group except for the following:-

FRS 101 Presentation of Financial Statements (Revised)

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consist of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to financial statements. With the adoption of the revised FRS 101, the components of the interim financial statements presented comprise statement of financial position, statement of comprehensive income, statement in changes in equity, statement of cash flows and notes to the financial statements. There is no impact on the financial position and results of the Group as this change in accounting policy affects only the presentation financial statements.

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A1 Basis of preparation (contd)

FRS 8 Operating Segments

FRS 8 required identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Group presents its segment information based on its business segments, which is also the basis of presenting its monthly internal management reports. The basis of measurement of segment results, segment assets and segment liabilities are same as the basis of measurement for external reporting.

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

During the quarter under review, 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 SECOND QUARTER ENDED 30 SEPTEMBER 2010****A8 Segment information**

The segment information for the financial period ended 30 September 2010 is as follows:

	Information Communication			
	Technology RM'000	Bio Technology RM'000	Others RM'000	Consolidated RM'000
REVENUE				
External	1,437	49,720	-	51,157
Inter-segment	-	-	-	-
Total	<u>1,437</u>	<u>49,720</u>	<u>-</u>	<u>51,157</u>
RESULTS				
Segment results	(489)	179	(462)	(772)
Interest expense	-	(276)	(8)	(284)
Loss before tax	<u>(489)</u>	<u>(97)</u>	<u>(470)</u>	<u>(1,056)</u>
Income tax expense	(17)	-	-	(17)
Loss for the period	<u>(506)</u>	<u>(97)</u>	<u>(470)</u>	<u>(1,073)</u>
FINANCIAL POSITION				
Total assets	<u>1,302</u>	<u>24,763</u>	<u>989</u>	<u>27,054</u>
Total liabilities	<u>1,446</u>	<u>11,420</u>	<u>691</u>	<u>13,557</u>

A9 Valuation of property, plant and equipment

The Group did not revalue any of its property, plant and equipment during the quarter under review.

A10 Subsequent events

There were no material events subsequent to the end of the quarter under review that have not been reflected in the financial statements for the quarter under review.

A11 Contingent assets and contingent liabilities

There were no material contingent assets as at 30 September 2010.

As at 30 September 2010, the Company has issued corporate guarantee to a local licensed bank for overdraft, trust receipt and other credit facilities totalling RM12,115,000 granted to the wholly owned subsidiary, Ace Edible Oil Industries Sdn Bhd. Accordingly the Company is contingently liable to the extent of credit facilities utilised by the said subsidiary.

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A12 Capital commitments

The Group has the following commitment relating to the purchase of property, plant and equipment:-

	CURRENT YEAR TO DATE 30/09/2010 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2009 RM'000
Approved and contracted for	<u>933</u>	<u>-</u>

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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 revenue of RM25.71 million for the current quarter as compared to RM20.48 million in the preceding year corresponding quarter. The increase in Group revenue was due to improved performance for the Bio-Technology segment. Loss before tax of RM16,000 was significantly lower compared to the loss of RM1.21 million in the preceding year corresponding quarter due mainly to the improvement in the revenue and gross margin of Bio-Technology segment and lower amortization of development expenditure in the ICT segment.

Revenue of RM51.16 million for the period ended 30 September 2010 was higher by 22% compared to RM42.06 million in the preceding year corresponding quarter attributed by improved performance for the Bio-Technology segment. The loss before tax of RM1.06 million was 62% lower compared to preceding year corresponding quarter loss of RM2.80 million due mainly to the improvement in the revenue and gross margin of Bio-Technology segment and lower amortization of development expenditure in the ICT segment.

B2 Variation of results against preceding quarter

The Group recorded revenue of RM25.71 million for the current quarter as compared to RM25.44 million in the preceding quarter. The slight increase in the Group's revenue was mainly attributable to higher contribution from Bio-Technology segment.

Current quarter loss before tax of RM16,000 was sharply lower compared to RM1.04 million in preceding quarter also due mainly to improved performance from Bio-Technology segment.

B3 Prospects

Despite the improved financial performance for the current quarter, the Directors remain cautious in the prospect of the Group businesses in view of the prevailing uncertain global economic conditions and competitive situation in the local market. The Group will continue to exercise prudence in its management approach especially in the areas of cost management and credit control.

B4 Profit forecast / Profit guarantee

The Group did not issue any profit forecast or profit guarantee in any public documents.

GREEN OCEAN CORPORATION BERHAD(Company No: 632267-P)
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FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2010****B5 Taxation**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2010 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2009 RM'000	CURRENT YEAR TO DATE 30/09/2010 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2009 RM'000
In respect of the current period:				
Estimated current tax (credit)/expense	17	27	17	52
Deferred taxation	-	(19)	-	(38)
	<u>17</u>	<u>8</u>	<u>17</u>	<u>14</u>

The effective tax rate for the financial period was higher than the statutory income tax rate in Malaysia due to losses of certain subsidiaries that were not available for set off against taxable profits of other subsidiaries and certain expenses which were not deductible for tax purposes.

B6 Sale of unquoted investments and properties

There were no disposals of unquoted investments and properties during the quarter under review and financial year-to-date.

B7 Quoted securities

There were no acquisitions or disposals of quoted securities during the quarter under review.

B8 Status of corporate proposals announced but not completed

There were no corporate proposals previously announced but not completed.

B9 Status of utilisation of proceeds

There are no proceeds from public issue that was not fully utilised.

B10 Group's borrowings and debt securities

The Group's borrowings and debts securities as at 30 September 2010 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Trust receipts	5,600	-	5,600
Hire purchase creditor	98	325	423

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B10 Group's borrowings and debt securities (contd)

As at 30 September 2010, the wholly owned subsidiary, Ace Edible Oil Industries Sdn Bhd has credit facilities of RM12.115 million. These facilities are secured by way of legal fixed charge over two pieces of freehold land and building, a specific debenture over plant and machinery located on the property, corporate guarantee by the Company and the Government of Malaysia/Syarikat Jaminan Pembiayaan Perniagaan Berhad's guarantee under the Working Capital Guarantee Scheme, and the joint and several guarantees of certain directors. The hire purchase creditor is in respect of a lease financing for asset utilised by the Company, of which the portion of the borrowing due within one year have been classified as short term.

All the borrowings are denominated in Ringgit Malaysia.

B11 Derivative Financial instruments

With the adoption of FRS 139, financial derivatives are recognized on their respective contract dates. The Group has no transaction in the nature of financial derivative.

B12 Material litigation

The Group has no outstanding material litigation as at the date of this report.

B13 Dividends

The Directors have not recommended or declared any dividends for the quarter ended 30 September 2010.

B14 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2010	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2009	CURRENT YEAR TO DATE 30/09/2010	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2009
Profit/(Loss) for the period (RM'000)	(33)	(1,219)	(1,073)	(2,809)
Weighted average number of shares in issue ('000)	169,500	169,500	169,500	169,500
Basic earnings/(loss) per share (sen)	<u>(0.02)</u>	<u>(0.72)</u>	<u>(0.63)</u>	<u>(1.66)</u>

By Order of the Board

WONG KEO ROU (MAICSA 7021435)
Company Secretary
Kuala Lumpur
Date: 23 November 2010