



**GREEN OCEAN CORPORATION BERHAD**

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS**

**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2010**

**GREEN OCEAN CORPORATION BERHAD**

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2010****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2010**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2010 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2009 RM'000	CURRENT YEAR TO DATE 31/12/2010 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2009 RM'000
Revenue	45,052	26,208	96,209	68,264
Cost of sales	<u>(43,510)</u>	<u>(24,396)</u>	<u>(92,459)</u>	<u>(65,535)</u>
Gross profit	1,542	1,812	3,750	2,729
Other operating income	38	52	108	110
Depreciation and amortisation	(507)	(766)	(1,381)	(1,937)
Operating expenses	<u>(1,037)</u>	<u>(897)</u>	<u>(3,213)</u>	<u>(3,189)</u>
Operating profit/(loss)	36	201	(736)	(2,287)
Interest expense	(115)	(186)	(399)	(492)
Interest income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit/(Loss) before tax	(79)	15	(1,135)	(2,779)
Income tax expense	<u>17</u>	<u>(7)</u>	<u>-</u>	<u>(21)</u>
Profit/(Loss) for the period	(62)	8	(1,135)	(2,800)
Other comprehensive income	-	-	-	-
Total comprehensive profit/ (loss) for the period	<u>(62)</u>	<u>8</u>	<u>(1,135)</u>	<u>(2,800)</u>
Profit/(Loss) for the period attributable to:				
Equity holders of the parent	<u>(62)</u>	<u>8</u>	<u>(1,135)</u>	<u>(2,800)</u>
Total comprehensive profit /(loss) for the period attributable to:				
Equity holders of the parent	<u>(62)</u>	<u>8</u>	<u>(1,135)</u>	<u>(2,800)</u>
Basic earnings/(loss) per share (sen)	<u>(0.04)</u>	<u>0.00</u>	<u>(0.67)</u>	<u>(1.65)</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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(Company No: 632267-P)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2010****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2010**

	<b>UNAUDITED AS AT END OF CURRENT QUARTER 31/12/2010 RM'000</b>	<b>AUDITED AS AT PRECEDING FINANCIAL YEAR 31/03/2010 RM'000</b>
<b>Non-current Assets</b>		
Property, plant and equipment	16,978	18,303
Development expenditure	105	156
Goodwill	736	736
	<hr/>	<hr/>
	17,819	19,195
	<hr/>	<hr/>
<b>Current Assets</b>		
Inventories	4,719	1,813
Trade receivables	8,643	3,131
Other receivables and prepaid expenses	1,155	1,442
Short term investments	-	66
Cash and bank balances	1,670	2,064
	<hr/>	<hr/>
	16,187	8,516
	<hr/>	<hr/>
<b>Total assets</b>	<b>34,006</b>	<b>27,711</b>
	<hr/>	<hr/>
<b>Equity and Liabilities</b>		
Issued capital	16,950	16,950
Share premium	1,359	1,359
Accumulated losses	(4,874)	(3,739)
	<hr/>	<hr/>
Total equity	13,435	14,570
	<hr/>	<hr/>
<b>Non-current Liabilities</b>		
Long term borrowings	4,002	-
Hire purchase creditors	301	376
Deferred taxation	139	139
	<hr/>	<hr/>
	4,442	515
	<hr/>	<hr/>
<b>Current Liabilities</b>		
Trade payables	7,434	3,773
Other payables and accrued expenses	3,396	2,971
Hire purchase creditors	98	97
Short term borrowings	5,201	5,785
	<hr/>	<hr/>
	16,129	12,626
	<hr/>	<hr/>
Total liabilities	20,571	13,141
	<hr/>	<hr/>
<b>Total equity and liabilities</b>	<b>34,006</b>	<b>27,711</b>
	<hr/>	<hr/>
<b>Net assets per share attributable to ordinary equity holders of the parent (sen)</b>	<b>7.93</b>	<b>8.60</b>
	<hr/>	<hr/>

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2010****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2010**

	<b>Issued and paid up capital RM'000</b>	<b>Non-distributable reserve - Share premium RM'000</b>	<b>Distributable reserve - Unappropriated profit RM'000</b>	<b>Total RM'000</b>
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>(1,135)</u>	<u>(1,135)</u>
Balance as at 31 December 2010	<u>16,950</u>	<u>1,359</u>	<u>(4,874)</u>	<u>13,435</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 THIRD QUARTER ENDED 31 DECEMBER 2010****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 DECEMBER 2010**

	<b>CURRENT YEAR TO DATE 31/12/2010 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 31/12/2009 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss for the period	(1,135)	(2,800)
Adjustments for:		
Amortisation of development expenditure	51	943
Depreciation of property, plant and equipment	1,330	994
Property, plant and equipment written off	-	4
Doubtful receivables recovered	34	-
Income tax expense	-	21
Interest expense	(399)	(492)
Operating Profit Before Working Capital Changes	(119)	(1330)
Changes In Working Capital:		
Net change in current assets	(8,168)	285
Net change in current liabilities	4,086	2,493
Cash (Used In)/From Operations	(4,201)	1,448
Net income tax refund/(paid)	18	11
Interest expense	399	492
Net Cash (Used In)/ From Operating Activities	(3,784)	1,951
<b>CASH FLOW USED IN INVESTING ACTIVITIES</b>		
(Placement)/Withdrawal of short-term investments	66	-
Purchase of property, plant and equipment	(5)	(5,068)
Proceeds from disposal of fixed assets	-	-
Net Cash From/(Used In) Investing Activities	61	(5,068)

(Forward)

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FOR THE THIRD QUARTER ENDED 31 DECEMBER 2010**

	<b>CURRENT YEAR TO DATE 31/12/2010 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 31/12/2009 RM'000</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Drawdown/(Repayment) of short-term borrowings	(1,984)	1,108
Drawdown/(Repayment) of long-term borrowings	5,402	-
Drawdown/(Repayment) of hire purchase creditors	(74)	(18)
Net Cash From/(Used In) Financing Activities	3,344	1,090
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENT</b>	(379)	(2,027)
<b>CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR</b>	2,049	4,458
<b>CASH AND CASH EQUIVALENT AT END OF YEAR</b>	1,670	2,431

**Cash and cash equivalent comprise of:**

	<b>CURRENT YEAR TO DATE 31/12/2010 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 31/12/2009 RM'000</b>
Cash on hand and at banks	1,670	2,431

**GREEN OCEAN CORPORATION BERHAD**

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 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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FOR THE THIRD QUARTER ENDED 31 DECEMBER 2010**

**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 THIRD QUARTER ENDED 31 DECEMBER 2010****A8 Segment information**

The segment information for the financial period ended 31 December 2010 is as follows:

	<b>Information Communication Technology RM'000</b>	<b>Bio Technology RM'000</b>	<b>Others RM'000</b>	<b>Consolidated RM'000</b>
<b>REVENUE</b>				
External	2,019	94,190	-	96,209
Inter-segment	-	-	-	-
Total	<u>2,019</u>	<u>94,190</u>	<u>-</u>	<u>96,209</u>
<b>RESULTS</b>				
Segment results	(689)	624	(671)	(737)
Interest expense	-	(386)	(13)	(399)
Profit/(Loss) before tax	<u>(689)</u>	<u>238</u>	<u>(684)</u>	<u>(1,135)</u>
Income tax expense	-	-	-	-
Profit/(Loss) for the period	<u>(689)</u>	<u>238</u>	<u>(684)</u>	<u>(1,135)</u>
<b>FINANCIAL POSITION</b>				
Total assets	<u>1,105</u>	<u>31,985</u>	<u>916</u>	<u>34,006</u>
Total liabilities	<u>1,491</u>	<u>18,293</u>	<u>787</u>	<u>20,571</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 event**

On 5 January 2011, the Company announced that it proposed to implement a private placement of up to 16,950,000 new ordinary shares of RM0.10 each ("GOCB Share(s)" or "Share(s)") in GOCB ("Placement Share(s)"), representing not more than ten percent (10%) of the issued and paid-up share capital of the Company, to third party investors to be identified for the Group working capital requirements.

The Placement Shares will be issued based on a discount, if any, of not more than ten percent (10%) to the five (5)-days volume weighted average market price ("VWAP") of GOCB Shares immediately preceding the price-fixing date. In any case, the issue price of the Placement Shares will not be lower than the par value of GOCB Shares of RM0.10 each.

The Placement Shares shall, upon allotment and issue, rank pari passu in all respects with the existing Shares of the Company, save and except that the Placement Shares will not be entitled to any dividend, right, allotment and/or other distribution that may be declared, made or paid prior to the date of allotment of the said Placement Shares.

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**A10 Subsequent event (contd)**

The Company has obtained the approval from Bursa Malaysia Securities Berhad (“Bursa Securities”) on 10 January 2011.

The Proposed Private Placement may be implemented in tranches within six months from the date of approval of Bursa Securities for the Proposed Private Placement or any extended period as may be approved by Bursa Securities.

**A11 Contingent assets and contingent liabilities**

There were no material contingent assets as at 31 December 2010.

As at 31 December 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.

**A12 Capital commitments**

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

	<b>CURRENT YEAR TO DATE</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER</b>
	<b>31/12/2010</b>	<b>31/12/2009</b>
	<b>RM'000</b>	<b>RM'000</b>
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 RM45.05 million for the current quarter as compared to RM26.21 million in the preceding year corresponding quarter. The significant increase in Group revenue was due to improved performance for the Bio-Technology segment. Loss before tax was RM79,000 compared to the profit of RM15,000 in the preceding year corresponding quarter due mainly to lower gross margin of Bio-Technology segment and higher loss in ICT segment.

Revenue of RM96.21 million for the period ended 31 December 2010 was higher by 41% compared to RM68.26 million in the preceding year corresponding quarter attributed by improved performance for the Bio-Technology segment. The loss before tax of RM1.14 million was 59% lower compared to preceding year corresponding quarter loss of RM2.78 million due mainly to the overall 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 RM45.05 million for the current quarter as compared to RM25.71 million in the preceding quarter. The significant increase in the Group's revenue was mainly attributable to higher contribution from Bio-Technology segment.

Current quarter loss before tax of RM79,000 was slightly higher compared to the loss of RM16,000 in preceding quarter due mainly to lower gross margin from Bio-Technology segment.

**B3 Prospects**

The Directors remain cautious in the prospects in view of the prevailing uncertain global economic conditions and competitive situation in the local market, in which the Group businesses are operating. 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)  
(Incorporated in Malaysia)**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2010****B5 Taxation**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2010 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2009 RM'000	CURRENT YEAR TO DATE 31/12/2010 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2009 RM'000
<b>In respect of the current period:</b>				
Estimated current tax (credit)/expense	(17)	26	-	78
Deferred taxation	-	(19)	-	(57)
	<u>(17)</u>	<u>7</u>	<u>-</u>	<u>21</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 31 December 2010 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Trust receipts	3,801	-	3,801
Term loan	1,400	4,002	5,402
Hire purchase creditor	98	301	399
Total borrowings	<u>5,299</u>	<u>4,303</u>	<u>9,602</u>

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FOR THE THIRD QUARTER ENDED 31 DECEMBER 2010**

**B10 Group's borrowings and debt securities (contd)**

As at 31 December 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 Breakdown of Realised and Unrealised Group Profits/(Losses)**

	<b>AS AT END OF CURRENT QUARTER 31/12/2010 RM'000</b>	<b>AS AT PRECEDING FINANCIAL YEAR 31/03/2010 RM'000</b>
Realised profits/(losses)	(5,408)	(4,273)
Unrealised profits/(losses)	534	534
Total retained profits/ (accumulated losses)	<u>(4,874)</u>	<u>(3,739)</u>

**B13 Material litigation**

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

**B14 Dividends**

The Directors have not recommended or declared any dividends for the quarter ended 31 December 2010.

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**B15 Earnings per share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2010	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2009	CURRENT YEAR TO DATE 31/12/2010	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2009
Profit/(Loss) for the period (RM'000)	(62)	8	(1,135)	(2,800)
Weighted average number of shares in issue ('000)	169,500	169,500	169,500	169,500
Basic earnings/(loss) per share (sen)	<u>(0.04)</u>	<u>0.00</u>	<u>(0.67)</u>	<u>(1.65)</u>

By Order of the Board

WONG KEO ROU (MAICSA 7021435)  
Company Secretary  
Kuala Lumpur  
Date: 22 February 2011