



GREEN OCEAN CORPORATION BERHAD

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

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011

GREEN OCEAN CORPORATION BERHAD

(Company No: 632267-P)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2010 RM'000	CURRENT YEAR TO DATE 30/09/2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2010 RM'000
Revenue	44,425	25,713	92,459	51,157
Cost of sales	<u>(42,865)</u>	<u>(24,079)</u>	<u>(90,027)</u>	<u>(48,949)</u>
Gross profit	1,560	1,634	2,432	2,208
Other operating income	127	40	172	70
Depreciation and amortisation	(382)	(412)	(775)	(874)
Operating expenses	<u>(1,418)</u>	<u>(1,124)</u>	<u>(2,152)</u>	<u>(2,176)</u>
Operating profit/(loss)	(113)	138	(323)	(772)
Interest expense	(158)	(154)	(324)	(284)
Interest income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit/(Loss) before tax	(271)	(16)	(647)	(1,056)
Income tax expense	<u>-</u>	<u>(17)</u>	<u>-</u>	<u>(17)</u>
Profit/(Loss) for the period	(271)	(33)	(647)	(1,073)
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive profit/ (loss) for the period	<u>(271)</u>	<u>(33)</u>	<u>(647)</u>	<u>(1,073)</u>
Profit/(Loss) for the period attributable to:				
Equity holders of the parent	<u>(271)</u>	<u>(33)</u>	<u>(647)</u>	<u>(1,073)</u>
Total comprehensive profit /(loss) for the period attributable to:				
Equity holders of the parent	<u>(271)</u>	<u>(33)</u>	<u>(647)</u>	<u>(1,073)</u>
Basic earnings/(loss) per share (sen)	<u>(0.16)</u>	<u>(0.02)</u>	<u>(0.38)</u>	<u>(0.63)</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 2011 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 2011****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011**

	UNAUDITED AS AT END OF CURRENT QUARTER 30/09/2011 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR 31/03/2011 RM'000
Non-current Assets		
Property, plant and equipment	15,798	16,573
Goodwill	736	736
	<hr/> 16,534 <hr/>	<hr/> 17,309 <hr/>
Current Assets		
Inventories	5,109	4,814
Trade receivables	5,052	6,907
Other receivables and prepaid expenses	1,764	1,922
Other financial asset	1,842	2,307
Cash and bank balances	925	1,524
	<hr/> 14,692 <hr/>	<hr/> 17,474 <hr/>
Total assets	<hr/> 31,226 <hr/>	<hr/> 34,783 <hr/>
Equity and Liabilities		
Issued capital	16,950	16,950
Share premium	1,359	1,359
Accumulated losses	(7,239)	(6,592)
Total equity	<hr/> 11,070 <hr/>	<hr/> 11,717 <hr/>
Non-current Liabilities		
Long term borrowings	3,183	3,799
Deferred revenue	1,140	1,220
Hire purchase creditors	230	280
Deferred taxation	139	139
	<hr/> 4,692 <hr/>	<hr/> 5,438 <hr/>
Current Liabilities		
Trade payables	8,243	9,738
Other payables and accrued expenses	2,466	2,269
Other financial liability	1,083	1,117
Hire purchase creditors	97	97
Short term borrowings	3,575	4,407
	<hr/> 15,464 <hr/>	<hr/> 17,628 <hr/>
Total liabilities	<hr/> 20,156 <hr/>	<hr/> 23,066 <hr/>
Total equity and liabilities	<hr/> 31,226 <hr/>	<hr/> 34,783 <hr/>
Net assets per share attributable to ordinary equity holders of the parent (sen)	<hr/> 6.53 <hr/>	<hr/> 6.91 <hr/>

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

	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 2010	16,950	1,359	(3,739)	14,570
Total recognised income and expense for the year - loss for the year	<u>-</u>	<u>-</u>	<u>(2,853)</u>	<u>(2,853)</u>
Balance as at 31 March 2011	<u>16,950</u>	<u>1,359</u>	<u>(6,592)</u>	<u>11,717</u>
Balance as at 1 April 2011	16,950	1,359	(6,592)	11,717
Total recognised income and expense for the period - loss for the period	<u>-</u>	<u>-</u>	<u>(647)</u>	<u>(647)</u>
Balance as at 30 September 2011	<u>16,950</u>	<u>1,359</u>	<u>(7,239)</u>	<u>11,070</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 2011 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 2011****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

	CURRENT YEAR TO DATE 30/09/2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2010 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the period	(647)	(1,073)
Adjustments for:		
Amortisation of development expenditure	-	33
Depreciation of property, plant and equipment	775	841
Doubtful receivables recovered	-	(34)
Income tax expense	-	17
Other (gains)/losses	431	-
Gain on disposal of property, plant and equipment	(82)	-
Property, plant and equipment written off	1	-
Interest expense	324	284
Operating Profit Before Working Capital Changes	802	68
Changes In Working Capital:		
Net change in current assets	1,583	(1,456)
Net change in current liabilities	(1,139)	652
Cash From/(Used In) Operations	1,246	(736)
Net income tax refund/(paid)	32	35
Interest expense	(324)	(284)
Net Cash From/ (Used In) Operating Activities	954	(985)
CASH FLOW USED IN INVESTING ACTIVITIES		
(Placement)/Withdrawal of short-term investments	-	66
Proceeds from disposal of property, plant and equipment	15	-
Purchase of property, plant and equipment	(71)	-
Net Cash From/(Used In) Investing Activities	(56)	66

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FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011**

	CURRENT YEAR TO DATE 30/09/2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2010 RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown/(Repayment) of short-term borrowings	(832)	(185)
Drawdown/(Repayment) of long-term borrowings	(616)	-
Drawdown/(Repayment) of hire purchase creditors	(49)	(50)
Net Cash From/(Used In) Financing Activities	(1,497)	(235)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENT	(599)	(1,154)
CASH AND CASH EQUIVALENT AT BEGINNING OF PERIOD	1,524	2,049
CASH AND CASH EQUIVALENT AT END OF PERIOD	925	895

Cash and cash equivalent comprise of:

	CURRENT YEAR TO DATE 30/09/2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2010 RM'000
Cash on hand and at banks	925	895

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011**

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 financial statements for the year ended 31 March 2011.

Ace Edible Oil Industries Sdn Bhd, a subsidiary involved in the production of premium cooking oil is in the advanced stage of negotiation to supply its entire production to a conglomerate. The carrying value of the production facility and the goodwill attributable to this subsidiary stood at RM7.1 million and RM736,000 respectively as at 31 March 2011.

The interim financial statements have been prepared on the basis that the negotiation will culminate to an agreement to supply the entire production. If the agreement does not materialize, the recoverable amount and hence the need for impairment for the production facility and the goodwill may need to be re-assessed.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2011 except for the adoption of the new/ revised FRS and IC Interpretations for financial year beginning 1 April 2011.

FRS 3	Business Combinations (Revised)
Amendments to FRS 1	Limited Exemption from Comparative FRS 7
	Disclosures for First-Time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 138	Intangible Assets

FRS, IC Interpretations and Amendments to IC Interpretation issued but not yet effective

The following FRS was issued but not yet effective and has not been applied by the Group:

	Effective for annual period beginning on or after
FRS 124	Related Party Disclosures 1 January 2012

The adoption of these standards and interpretations are not expected to have significant impact on the financial statements of the Group.

A2 Qualification of annual financial statements

The preceding year annual audited financial statements were not subject to any qualification.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011****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.

A8 Segment information

The segment information for the financial period ended 30 September 2011 is as follows:

	Information Communication Technology RM'000	Bio Technology RM'000	Others RM'000	Consolidated RM'000
REVENUE				
External	259	92,200	-	92,459
Inter-segment	-	-	-	-
Total	<u>259</u>	<u>92,200</u>	<u>-</u>	<u>92,459</u>
RESULTS				
Segment results	(14)	77	(386)	(323)
Interest expense	-	(316)	(8)	(324)
Profit/(Loss) before tax	<u>(14)</u>	<u>(239)</u>	<u>(394)</u>	<u>(647)</u>
Income tax expense	-	-	-	-
Profit/(Loss) for the period	<u>(14)</u>	<u>(239)</u>	<u>(394)</u>	<u>(647)</u>
FINANCIAL POSITION				
Total assets	<u>736</u>	<u>29,550</u>	<u>940</u>	<u>31,226</u>
Total liabilities	<u>1,144</u>	<u>18,159</u>	<u>853</u>	<u>20,156</u>

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FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011**

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

(a) On 4 October 2011, the Company issued 16,950,000 ordinary shares of RM0.10 each at the issue price of RM0.10 per share pursuant to the implementation of the proposed private placement announced on 5 January 2011. The shares were listed and quoted on the Bursa Malaysia Securities Berhad.

(b) On 6 November 2011, a fire broke out at the premises of the Company's wholly owned subsidiary, Ace Edible Oil Industries Sdn Bhd ("ACE"). The fire destroyed a factory building, the palm kernel production lines, warehouse and palm kernel inventories therein. The factory building, plant & machinery and inventories are insured against fire.

ACE is in collaboration with insurer, engineers and contractors to ascertain the actual extent and quantum of the damages and losses caused by the fire. The financial impact of this incident is being assessed. The incident was announced to Bursa Malaysia Securities Berhad on 11 November 2011.

Other than the above, there is no other 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 Contingent assets and contingent liabilities

There were no material contingent assets as at 30 September 2011.

As at 30 September 2011, the Company has issued corporate guarantee to a local licensed bank for term loan, trust receipt and other credit facilities totalling RM10.9 million 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.

A13 Capital commitments

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

	CURRENT YEAR TO DATE 30/09/2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2010 RM'000
Approved and contracted for	<u>1,190</u>	<u>933</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 RM44.43 million for the current quarter as compared to RM25.71 million in the preceding period corresponding quarter. The significant increase in Group revenue was due to hike in palm kernel prices for the Bio-Technology segment. A higher loss before tax of RM0.27 million was recorded compared to RM33,000 in the preceding period corresponding quarter. The higher loss was attributed to lower gross margin from the Bio-Technology segment, negated by lower loss from ICT segment.

Revenue of RM92.46 million for the period ended 30 September 2011 was higher by 81% compared to RM51.16 million in the preceding period corresponding quarter attributed by hike in palm kernel prices for the Bio-Technology segment. The loss before tax of RM0.65 million was 39% lower compared to preceding period corresponding quarter loss of RM1.06 million due mainly to lower loss recorded by the ICT segment.

B2 Variation of results against preceding quarter

The Group recorded revenue of RM44.43 million for the current quarter as compared to RM48.03 million in the preceding quarter. The decrease in the Group revenue was mainly attributable to changes in palm kernel prices in the Bio-Technology segment.

Current quarter loss before tax of RM0.27 million was lower compared to the loss of RM0.38 million in preceding quarter due mainly to better gross margin from Bio-Technology segment and lower loss recorded by the ICT segment.

B3 Prospects

On 6 November 2011, the production of palm kernel oil and palm kernel expeller has been interrupted due to fire that destroyed among others, a factory building, palm kernel production lines and the warehouse. However, the premium cooking oil refinery plant, the storage tanks, office, laboratory and workshop are not affected by the fire.

The Management is now finalizing the insurance claim with the loss adjustors and has started working with the contractors and suppliers to commence the restoration works.

The Management estimated that the interruption on palm kernel production to last about six months.

B4 Profit forecast / Profit guarantee

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

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011****B5 Taxation**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2010 RM'000	CURRENT YEAR TO DATE 30/09/2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2010 RM'000
In respect of the current period:				
Estimated current tax (credit)/expense	-	17	-	17
Deferred taxation	-	-	-	-
	-	17	-	17

There is no provision for taxation for the financial period as the companies in the Group have no chargeable income. The effective tax rate for the prior 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 period-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

The proposed private placement announced on 5 January 2011 was completed on 4 October 2011 subsequent to the financial period as disclosed in note A10.

B9 Status of utilisation of proceeds

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

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011****B10 Group's borrowings and debt securities**

The Group's borrowings and debts securities as at 30 September 2011 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Trust receipts	2,078	-	2,078
Term loan	1,400	3,183	4,583
Hire purchase creditors	97	230	327
	<u>3,575</u>	<u>3,413</u>	<u>6,988</u>

As at 30 September 2011, the wholly owned subsidiary, Ace Edible Oil Industries Sdn Bhd has credit facilities of RM10.9 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 creditors is in respect of lease financing for assets utilised by the Company, of which the portion due within one year has been classified as short term.

All the borrowings are denominated in Ringgit Malaysia.

B11 Derivative Financial instruments

With the adoption of Financial Reporting Standards ("FRS") 139, financial derivatives are recognized on their respective contract dates.

B12 Breakdown of Realised and Unrealised Group Profits/(Losses)

	AS AT END OF CURRENT QUARTER 30/09/2011 RM'000	AS AT PRECEDING FINANCIAL YEAR 31/03/2011 RM'000
Total retained profits/(accumulated losses)		
Realised profits/(losses)	(3,101)	(3,050)
Unrealised profits/(losses)	747	1,202
	<u>(2,354)</u>	<u>(1,848)</u>
Less : Consolidated adjustments	(4,885)	(4,744)
Total Group retained profits/ (accumulated losses)	<u>(7,239)</u>	<u>(6,592)</u>

B13 Material litigation

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

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
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B14 Dividends

The Directors have not recommended or declared any dividend for the quarter ended 30 September 2011.

B15 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2011	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2010	CURRENT YEAR TO DATE 30/09/2011	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2010
Profit/(Loss) for the period (RM'000)	(271)	(33)	(647)	(1,073)
Weighted average number of shares in issue ('000)	169,500	169,500	169,500	169,500
Basic earnings/(loss) per share (sen)	<u>(0.16)</u>	<u>(0.02)</u>	<u>(0.38)</u>	<u>(0.63)</u>

By Order of the Board

WONG KEO ROU (MAICSA 7021435)
Company Secretary
Kuala Lumpur
23 November 2011