



GREEN OCEAN CORPORATION BERHAD

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

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

GREEN OCEAN CORPORATION BERHAD

(Company No: 632267-P)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2010 RM'000	CURRENT YEAR TO DATE 31/12/2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2010 RM'000
Revenue	31,542	45,052	124,001	96,209
Cost of sales	<u>(31,534)</u>	<u>(43,510)</u>	<u>(121,560)</u>	<u>(92,459)</u>
Gross profit	8	1,542	2,441	3,750
Other operating income	(88)	38	84	108
Depreciation and amortisation	(380)	(507)	(1,155)	(1,381)
Operating expenses	<u>(2,181)</u>	<u>(1,037)</u>	<u>(4,334)</u>	<u>(3,213)</u>
Operating profit/(loss)	(2,641)	36	(2,964)	(736)
Interest expense	(144)	(115)	(468)	(399)
Profit/(Loss) before tax	(2,785)	(79)	(3,432)	(1,135)
Income tax expense	<u>-</u>	<u>17</u>	<u>-</u>	<u>-</u>
Profit/(Loss) for the period	(2,785)	(62)	(3,432)	(1,135)
Other comprehensive income	-	-	-	-
Total comprehensive profit/ (loss) for the period	<u>(2,785)</u>	<u>(62)</u>	<u>(3,432)</u>	<u>(1,135)</u>
Profit/(Loss) for the period attributable to:				
Equity holders of the parent	<u>(2,785)</u>	<u>(62)</u>	<u>(3,432)</u>	<u>(1,135)</u>
Total comprehensive profit /(loss) for the period attributable to:				
Equity holders of the parent	<u>(2,785)</u>	<u>(62)</u>	<u>(3,432)</u>	<u>(1,135)</u>
Basic earnings/(loss) per share (sen)	<u>(1.59)</u>	<u>(0.04)</u>	<u>(1.96)</u>	<u>(0.67)</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 THIRD QUARTER ENDED 31 DECEMBER 2011****NOTES TO CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2010 RM'000	CURRENT YEAR TO DATE 31/12/2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2010 RM'000
Other items included in the statement of comprehensive income were:-				
Interest income	-	-	-	-
Allowance for doubtful and write off of receivables	-	-	-	-
Provision and write off of inventories	-	-	-	-
Gain or loss on disposal of quoted or unquoted investments or properties	-	-	-	-
Impairment of goodwill	736	-	736	-
Foreign exchange (gain) or loss	-	-	(46)	(3)
(Gain) or loss on derivatives	686	-	1,117	-
Exceptional items	-	-	-	-

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

	UNAUDITED AS AT END OF CURRENT QUARTER 31/12/2011 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR 31/03/2011 RM'000
Non-current Assets		
Property, plant and equipment	12,702	16,573
Goodwill	-	736
	<hr/> 12,702	<hr/> 17,309
Current Assets		
Inventories	1,258	4,814
Trade receivables	2,292	6,907
Other receivables and prepaid expenses	8,512	1,922
Other financial asset	454	2,307
Cash and bank balances	2,229	1,524
	<hr/> 14,745	<hr/> 17,474
Total assets	<hr/> 27,447	<hr/> 34,783
Equity and Liabilities		
Issued capital	18,645	16,950
Share premium	1,263	1,359
Accumulated losses	(10,024)	(6,592)
Total equity	<hr/> 9,884	<hr/> 11,717
Non-current Liabilities		
Long term borrowings	2,864	3,799
Deferred revenue	1,100	1,220
Hire purchase creditors	206	280
Deferred taxation	139	139
	<hr/> 4,309	<hr/> 5,438
Current Liabilities		
Trade payables	6,807	9,738
Other payables and accrued expenses	3,834	2,269
Other financial liability	381	1,117
Hire purchase creditors	97	97
Short term borrowings	2,135	4,407
	<hr/> 13,254	<hr/> 17,628
Total liabilities	<hr/> 17,563	<hr/> 23,066
Total equity and liabilities	<hr/> 27,447	<hr/> 34,783
Net assets per share attributable to ordinary equity holders of the parent (sen)	<hr/> 5.65	<hr/> 6.91

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 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
Issue of ordinary shares	1,695	(96)	-	1,599
Total recognised income and expense for the period - loss for the period	<u>-</u>	<u>-</u>	<u>(3,432)</u>	<u>(3,432)</u>
Balance as at 31 December 2011	<u>18,645</u>	<u>1,263</u>	<u>(10,024)</u>	<u>9,884</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 THIRD QUARTER ENDED 31 DECEMBER 2011****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2011**

	CURRENT YEAR TO DATE 31/12/2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2010 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the period	(3,432)	(1,135)
Adjustments for:		
Amortisation of development expenditure	-	51
Depreciation of property, plant and equipment	1,155	1,330
Doubtful receivables recovered	-	34
Income tax expense	-	-
Other (gains)/losses	1,117	-
Impairment of goodwill	736	-
Gain on disposal of property, plant and equipment	(82)	-
Interest expense	468	399
Operating Profit Before Working Capital Changes	(38)	679
Changes In Working Capital:		
Net change in current assets	4,120	(8,168)
Net change in current liabilities	(1,204)	4,086
Cash From/(Used In) Operations	2,878	(3,403)
Net income tax refund/(paid)	31	18
Interest expense	(468)	(399)
Net Cash From/ (Used In) Operating Activities	2,441	(3,784)
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	(70)	(5)
Net Cash From/(Used In) Investing Activities	(55)	61

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	CURRENT YEAR TO DATE 31/12/2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2010 RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds from issue of shares	1,599	-
Drawdown/(Repayment) of short-term borrowings	(2,272)	(1,984)
Drawdown/(Repayment) of long-term borrowings	(935)	5,402
Drawdown/(Repayment) of hire purchase creditors	(73)	(74)
Net Cash From/(Used In) Financing Activities	(1,681)	3,344
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	705	(379)
CASH AND CASH EQUIVALENT AT BEGINNING OF PERIOD	1,524	2,049
CASH AND CASH EQUIVALENT AT END OF PERIOD	2,229	1,670

Cash and cash equivalent comprise of:

	CURRENT YEAR TO DATE 31/12/2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2010 RM'000
Cash on hand and at banks	2,229	1,670

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
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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 attributable to this subsidiary stood at RM7.1 million 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 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.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011**

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

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. The fire incident has affected the net income of the Group.

As at 31 December 2011, the carrying value of the affected property, plant and equipment was RM2.34 million after deducting salvage value of RM0.37 million. The carrying value of inventories affected was RM4.51 million after deducting salvage value of RM0.65 million.

Based on the correspondences with the loss adjustors, the Management is confident that the insurance claim to be compensated will not be less than the carrying values of the affected property, plant and equipment and inventories as stated above. Hence, no gain or loss is reported in the financial statements for the quarter under review.

Also, the insurance claim for consequential loss for the business is not recorded in the financial statements until the claim amount is more certain.

Other than the above, 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

On 4 October 2011, the Company issued 16,950,000 ordinary shares of RM0.10 each at par for the implementation of private placement of shares.

Other than the above, 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 2011****A8 Segment information**

The segment information for the financial period ended 31 December 2011 is as follows:

	Information Communication Technology RM'000	Bio Technology RM'000	Others RM'000	Consolidated RM'000
REVENUE				
External	366	123,635	-	124,001
Inter-segment	-	-	-	-
Total	<u>366</u>	<u>123,635</u>	<u>-</u>	<u>124,001</u>
RESULTS				
Segment results	(9)	(2,398)	(557)	(2,964)
Interest expense	-	(456)	(12)	(468)
Profit/(Loss) before tax	<u>(9)</u>	<u>(2,854)</u>	<u>(569)</u>	<u>(3,432)</u>
Income tax expense	-	-	-	-
Profit/(Loss) for the period	<u>(9)</u>	<u>(2,854)</u>	<u>(569)</u>	<u>(3,432)</u>
FINANCIAL POSITION				
Total assets	<u>710</u>	<u>26,190</u>	<u>547</u>	<u>27,447</u>
Total liabilities	<u>1,101</u>	<u>15,927</u>	<u>535</u>	<u>17,563</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

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 Contingent assets and contingent liabilities

There were no material contingent assets as at 31 December 2011.

As at 31 December 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.

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A13 Capital commitments

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

	CURRENT YEAR TO DATE 31/12/2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2010 RM'000
Approved and contracted for	<u>1,185</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 RM31.54 million for the current quarter as compared to RM45.05 million in the preceding period corresponding quarter. The reduction in Group revenue was due to lower palm kernel prices for the Bio-Technology segment. The fire incident that occurred on 6 November 2011 had also resulted in lower palm kernel oil production volume. Accordingly, a higher loss before tax of RM2.79 million was recorded compared to RM62,000 in the preceding period corresponding quarter.

Revenue of RM124 million for the period ended 31 December 2011 was higher by 29% compared to RM96.21 million in the preceding period corresponding quarter attributed mainly by hike in palm kernel prices in the Bio-Technology segment. The loss before tax of RM3.43 million was higher compared to preceding period corresponding quarter loss of RM1.14 million due mainly to higher raw material cost of the Bio-Technology segment, and the impairment of goodwill of RM736,000.

B2 Variation of results against preceding quarter

The Group recorded revenue of RM31.54 million for the current quarter as compared to RM44.43 million in the preceding quarter. The decrease in the Group revenue was mainly due to the fire incident that occurred on 6 November 2011, resulted in lower palm kernel oil production volume.

Current quarter loss before tax of RM2.79 million was significantly higher compared to the loss of RM0.27 million in preceding quarter due mainly to lower production volume subsequent to the fire incident, higher raw material cost from Bio-Technology segment, and the impairment of goodwill of RM736,000.

B3 Prospects

The production of palm kernel oil and palm kernel expeller has been interrupted since 6 November 2011 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 still finalizing the insurance claim with the loss adjustors and insurance company. The Company has commenced preparing the restoration works with the contractors and suppliers.

The Management estimates that the production of palm kernel to recommence in August 2012.

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
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B5 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2010 RM'000	CURRENT YEAR TO DATE 31/12/2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2010 RM'000
In respect of the current period:				
Estimated current tax (credit)/expense	-	(17)	-	-
Deferred taxation	-	-	-	-
	-	(17)	-	-

There is no provision for taxation for the financial period as the companies in the Group have no chargeable income.

B6 Status of corporate proposals announced but not completed

The proposed private placement announced on 5 January 2011 was completed during the quarter on 4 October 2011.

B7 Status of utilisation of proceeds

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

B8 Group's borrowings and debt securities

The Group's borrowings and debts securities as at 31 December 2011 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Trust receipts	735	-	735
Term loan	1,400	2,864	4,264
Hire purchase creditors	97	206	303
Total borrowings	2,232	3,070	5,302

As at 31 December 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.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
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	AS AT END OF CURRENT QUARTER 31/12/2011 RM'000	AS AT PRECEDING FINANCIAL YEAR 31/03/2011 RM'000
Total retained profits/(accumulated losses)		
Realised profits/(losses)	(4,393)	(3,050)
Unrealised profits/(losses)	761	1,202
	<hr/>	<hr/>
	(4,332)	(1,848)
Less : Consolidated adjustments	(5,692)	(4,744)
Total Group retained profits/ (accumulated losses)	<hr/> (10,024) <hr/>	<hr/> (6,592) <hr/>

B10 Material litigation

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

B11 Dividends

The Directors have not recommended or declared any dividend for the quarter ended 31 December 2011.

B12 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2011	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2010	CURRENT YEAR TO DATE 31/12/2011	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2010
Profit/(Loss) for the period (RM'000)	(2,785)	(62)	(3,432)	(1,135)
Weighted average number of shares in issue ('000)	174,986	169,500	174,986	169,500
Basic earnings/(loss) per share (sen)	<hr/> (1.59) <hr/>	<hr/> (0.04) <hr/>	<hr/> (1.96) <hr/>	<hr/> (0.67) <hr/>

By Order of the Board

WONG KEO ROU (MAICSA 7021435)
Company Secretary
Kuala Lumpur
27 February 2012