



GREEN OCEAN CORPORATION BERHAD

(Company No: 632267-P)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2012

GREEN OCEAN CORPORATION BERHAD

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2012****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2012**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2011 RM'000	CURRENT YEAR TO DATE 30/09/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2011 RM'000
Revenue	21,597	44,425	49,156	92,459
Cost of sales	<u>(21,332)</u>	<u>(42,865)</u>	<u>(47,964)</u>	<u>(90,027)</u>
Gross profit	265	1,560	1,192	2,432
Other operating income	1,507	127	1,612	172
Depreciation and amortisation	(238)	(382)	(477)	(775)
Operating expenses	<u>(732)</u>	<u>(1,418)</u>	<u>(1,352)</u>	<u>(2,152)</u>
Operating profit/(loss)	802	(113)	975	(323)
Interest expense	(112)	(158)	(229)	(324)
Profit/(Loss) before tax	<u>690</u>	<u>(271)</u>	<u>746</u>	<u>(647)</u>
Income tax expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit/(Loss) for the period	690	(271)	746	(647)
Other comprehensive income	-	-	-	-
Total comprehensive profit/(loss) for the period	<u>690</u>	<u>(271)</u>	<u>746</u>	<u>(647)</u>
Profit/(Loss) for the period attributable to:				
Equity holders of the parent	<u>690</u>	<u>(271)</u>	<u>746</u>	<u>(647)</u>
Total comprehensive profit/(loss) for the period attributable to:				
Equity holders of the parent	<u>690</u>	<u>(271)</u>	<u>746</u>	<u>(647)</u>
Basic earnings/(loss) per share (sen)	<u>0.37</u>	<u>(0.16)</u>	<u>0.40</u>	<u>(0.38)</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 2012 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 2012****NOTES TO CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2011 RM'000	CURRENT YEAR TO DATE 30/09/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2011 RM'000
Other items included in the statement of comprehensive income were:-				
Interest income	-	-	-	-
Allowance for doubtful and write off of receivables	-	-	5	-
Provision and write off of inventories	-	-	59	-
Gain or loss on disposal of quoted or unquoted investments or properties	1	82	1	82
Impairment of property, plant & equipment/ goodwill	-	-	-	-
Reversal of impairment on property, plant & equipment	1,300	-	1,300	-
Foreign exchange (gain) or loss	-	25	35	25
(Gain) or loss on derivatives	-	(51)	(50)	(51)
Exceptional items	-	-	-	-

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2012****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2012**

	UNAUDITED AS AT END OF CURRENT QUARTER 30/09/2012 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR 31/03/2012 RM'000
Non-current Assets		
Property, plant and equipment	15,450	11,171
Current Assets		
Inventories	453	1,403
Trade receivables	2,935	2,007
Other receivables and prepaid expenses	1,640	5,079
Other financial asset	533	135
Cash and bank balances	3,108	7,143
	8,669	15,767
Total assets	24,119	26,938
Equity and Liabilities		
Issued capital	18,645	18,645
Share premium	1,263	1,263
Accumulated losses	(8,464)	(9,210)
Total equity	11,444	10,698
Non-current Liabilities		
Long term borrowings	1,792	2,538
Deferred revenue	1,140	1,060
Hire purchase creditors	-	182
Deferred taxation	139	139
	3,071	3,919
Current Liabilities		
Trade payables	4,579	7,541
Other payables and accrued expenses	1,604	1,630
Other financial liability	512	163
Hire purchase creditors	230	97
Short term borrowings	2,679	2,890
	9,604	12,321
Total liabilities	12,675	16,240
Total equity and liabilities	24,119	26,938
Net assets per share attributable to ordinary equity holders of the parent (sen)	6.14	6.02

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2012****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

	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 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 year - loss for the year	<u>-</u>	<u>-</u>	<u>(2,618)</u>	<u>(2,618)</u>
Balance as at 31 March 2012	<u>18,645</u>	<u>1,263</u>	<u>(9,210)</u>	<u>10,698</u>
Balance as at 1 April 2012	18,645	1,263	(9,210)	10,698
Total recognised income and expense for the period - profit for the period	<u>-</u>	<u>-</u>	<u>746</u>	<u>746</u>
Balance as at 30 September 2012	<u>18,645</u>	<u>1,263</u>	<u>(8,464)</u>	<u>11,444</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 2012 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 2012****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

	CURRENT YEAR TO DATE 30/09/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2011 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) for the period	746	(647)
Adjustments for:		
Depreciation of property, plant & equipment	477	775
Government grant recognized	80	-
Other (gains)/losses	(50)	431
Gain on disposal of property, plant and equipment	(1)	(82)
Reversal on impairment of property, plant & equipment	(1,300)	-
Property, plant and equipment written off	-	1
Finance cost	229	324
	<hr/>	<hr/>
Operating Profit/(Loss) Before Working Capital Changes	181	802
Changes In Working Capital:		
Net change in current assets	(354)	1,583
Net change in current liabilities	(2,987)	(1,139)
	<hr/>	<hr/>
Cash From/(Used In) Operations	(3,160)	1,246
Net income tax refund/(paid)	-	32
Interest expense	(229)	(324)
Government grant received	-	-
Insurance compensation received	3,679	-
	<hr/>	<hr/>
Net Cash From/ (Used In) Operating Activities	290	954
CASH FLOW USED IN INVESTING ACTIVITIES		
(Placement)/ Withdrawal of short-term investments	-	-
Proceeds from disposal of property, plant and equipment	136	15
Purchase of property, plant and equipment	(3,456)	(71)
	<hr/>	<hr/>
Net Cash From/(Used In) Investing Activities	(3,320)	(56)

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2012**

	CURRENT YEAR TO DATE 30/09/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2011 RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown/(Repayment) of short-term borrowings	(210)	(832)
Drawdown/(Repayment) of long-term borrowings	(747)	(616)
Drawdown/(Repayment) of hire purchase creditors	(48)	(49)
Net Cash From/(Used In) Financing Activities	(1,005)	(1,497)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	(4,035)	(599)
CASH AND CASH EQUIVALENT AT BEGINNING OF PERIOD	7,143	1,524
CASH AND CASH EQUIVALENT AT END OF PERIOD	3,108	925

Cash and cash equivalent comprise of:

	CURRENT YEAR TO DATE 30/09/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2011 RM'000
Cash on hand and at banks	3,108	925

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2012**

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 2012.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2012 except for the adoption of MFRSs relevant to the Group as indicated below.

On 19 November 2011, MASB issued a new MASB approved accounting network, the Malaysian Financial Reporting Standards (“MFRS Framework”). Following the issuance of the MFRS Framework, the Group has adopted these new accounting standards and MFRS1, First-time adoption of Malaysian Financial Reporting Standards for the financial year beginning 1 April 2012. The transition to the MFRS Framework does not have any material impact to 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.

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

The Group had entered into a Supply Agreement on 27 November 2012 for the production and supply of Novelin to a subsidiary of Sime Darby Berhad.

In view of the concluded agreement, the Group has reassessed the recoverable amount of the Novelin plant and reversed the impairment loss of RM1.3 million recognized in the previous financial year.

Otherwise there are no unusual items affecting assets, liabilities, equity, net income or cash flows.

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.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2012****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 2012 is as follows:

	Bio Technology RM'000	Information Communication Technology RM'000	Others RM'000	Consolidated RM'000
REVENUE				
External	45,914	3,242	-	49,156
Inter-segment	-	-	-	-
Total	<u>45,914</u>	<u>3,242</u>	<u>-</u>	<u>49,156</u>
RESULTS				
Segment results	1,255	(3)	(277)	975
Interest expense	(221)	-	(8)	(229)
Profit/(Loss) before tax	<u>1,034</u>	<u>(3)</u>	<u>(285)</u>	<u>746</u>
Income tax expense	-	-	-	-
Profit/(Loss) for the period	<u>1,034</u>	<u>(3)</u>	<u>(285)</u>	<u>746</u>
FINANCIAL POSITION				
Total assets	<u>23,681</u>	<u>362</u>	<u>78</u>	<u>24,121</u>
Total liabilities	<u>10,839</u>	<u>1,137</u>	<u>700</u>	<u>12,676</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

(A) The Group has completed the reconstruction of the palm kernel production lines which were affected by fire on 6 November 2011 and resumed operations on 19 November 2012.

(B) The Group had on 27 November 2012 entered into a Supply Agreement for the production and supply of Novelin to Sime Darby Foods & Beverages Marketing Sdn Bhd ("SDFBM"), a subsidiary of Sime Darby Berhad.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2012**

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 2012.

As at 30 September 2012, the Company has issued corporate guarantee to a local licensed bank for term loan and other credit facilities totalling RM4.4 million granted to the wholly owned subsidiary, Ace Edible Oil Industries Sdn Bhd (“AEO”). 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 30/09/2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2011 RM'000
Approved and contracted for	-	1,190
Contracted but not provided for	<u>2,365*</u>	<u>-</u>

*This relates to plant and machinery purchased under the insurance cover for the reconstruction of the crusher plant destroyed in the fire.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2012**

**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 RM21.59 million for the current quarter as compared to RM44.42 million in the preceding period corresponding quarter. The reduction in Group revenue was due to the fire incident that occurred on 6 November 2011, and lower palm kernel prices from the Bio-Technology segment. Profit before tax of RM0.690 million was recorded compared to loss before tax of RM0.271 million in the preceding period corresponding quarter due primarily to reversal of an impairment loss on property, plant and equipment of RM1.3 million.

B2 Variation of results against preceding quarter

The Group recorded revenue of RM21.59 million for the current quarter as compared to RM27.56 million in the preceding quarter. The decrease in the Group revenue was mainly due to the decreasing price trend of palm kernel prices from the previous to the current quarter.

Current quarter profit before tax of RM0.69 million was higher compared to the profit of RM0.05 million in preceding quarter due mainly to the reversal of impairment loss on property, plant and equipment amounting to RM1.3 million during the quarter.

B3 Prospects

The Group has completed the reconstruction of the palm kernel production lines which were affected by fire on 6 November 2011 and resumed operations on 19 November 2012.

The Group had on 27 November 2012 entered into a Supply Agreement with a subsidiary of Sime Darby Berhad for the production and supply of Novelin, for a fixed period of 2 years with the option to extend for another year with the same terms.

In view of the developments outlined above, the Management expects the performance of the remaining quarters, barring unforeseen circumstances, to be encouraging.

B4 Profit forecast / Profit guarantee

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

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B5 Taxation

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

B6 Status of corporate proposals announced but not completed

There were no corporate proposals previously announced but not completed.

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 30 September 2012 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Trust receipts	1,202	-	1,202
Term loan	1,477	1,792	3,269
Hire purchase creditors	230	-	230
Total borrowings	<u>2,909</u>	<u>1,792</u>	<u>4,701</u>

As at 30 September 2012, the wholly owned subsidiary, AEO has credit facilities of RM7.1 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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B9 Breakdown of Realised and Unrealised Group Profits/(Losses)

	AS AT END OF CURRENT QUARTER 30/09/2012 RM'000	AS AT PRECEDING FINANCIAL YEAR 31/03/2012 RM'000
Total retained profits/(accumulated losses)		
Realised profits/(losses)	(2,999)	(4,101)
Unrealised profits/(losses)	-	(12)
	<hr/>	<hr/>
	(2,999)	(4,113)
Less : Consolidated adjustments	(5,465)	(5,097)
	<hr/>	<hr/>
Total Group retained profits/ (accumulated losses)	<u>(8,464)</u>	<u>(9,210)</u>

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 30 September 2012.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
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B12 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2012	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2011	CURRENT YEAR TO DATE 30/09/2012	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2011
Profit/(Loss) for the period (RM'000)	690	(271)	746	(647)
Weighted average number of shares in issue ('000)	186,450	169,500	186,450	169,500
Basic earnings/(loss) per share (sen)	0.37	(0.16)	0.40	(0.38)

By Order of the Board

WONG KEO ROU (MAICSA 7021435)
Company Secretary
Kuala Lumpur
30 November 2012