



GREEN OCEAN CORPORATION BERHAD

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

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012

GREEN OCEAN CORPORATION BERHAD

(Company No: 632267-P)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2011 RM'000	CURRENT YEAR TO DATE 31/12/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2011 RM'000
Revenue	27,983	31,542	77,139	124,001
Cost of sales	<u>(27,864)</u>	<u>(31,534)</u>	<u>(75,827)</u>	<u>(121,560)</u>
Gross profit	119	8	1,312	2,441
Other operating income	-	(88)	1,612	84
Depreciation and amortisation	(202)	(380)	(679)	(1,155)
Operating expenses	<u>(1,078)</u>	<u>(2,181)</u>	<u>(2,430)</u>	<u>(4,334)</u>
Operating profit/(loss)	(1,161)	(2,641)	(185)	(2,964)
Interest expense	(84)	(144)	(313)	(468)
Profit/(Loss) before tax	(1,245)	(2,785)	(498)	(3,432)
Income tax expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit/(Loss) for the period	(1,245)	(2,785)	(498)	(3,432)
Other comprehensive income	-	-	-	-
Total comprehensive profit/ (loss) for the period	<u>(1,245)</u>	<u>(2,785)</u>	<u>(498)</u>	<u>(3,432)</u>
Profit/(Loss) for the period attributable to:				
Equity holders of the parent	<u>(1,245)</u>	<u>(2,785)</u>	<u>(498)</u>	<u>(3,432)</u>
Total comprehensive profit /(loss) for the period attributable to:				
Equity holders of the parent	<u>(1,245)</u>	<u>(2,785)</u>	<u>(498)</u>	<u>(3,432)</u>
Basic earnings/(loss) per share (sen)	<u>(0.67)</u>	<u>(1.59)</u>	<u>(0.27)</u>	<u>(1.96)</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 THIRD QUARTER ENDED 31 DECEMBER 2012****NOTES TO CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2011 RM'000	CURRENT YEAR TO DATE 31/12/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2011 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	-
Impairment of property, plant & equipment/ goodwill	-	736	-	736
Reversal of impairment on property, plant & equipment	-	-	1,300	-
Foreign exchange (gain) or loss	-	-	35	(46)
(Gain) or loss on derivatives	44	686	(6)	1,117
Exceptional items	-	-	-	-

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012**

	UNAUDITED AS AT END OF CURRENT QUARTER 31/12/2012 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR 31/03/2012 RM'000
Non-current Assets		
Property, plant and equipment	17,466	11,171
Current Assets		
Inventories	1,783	1,403
Trade receivables	7,644	2,007
Other receivables and prepaid expenses	1,627	5,079
Other financial asset	324	135
Cash and bank balances	775	7,143
	12,153	15,767
Total assets	29,619	26,938
Equity and Liabilities		
Issued capital	18,645	18,645
Share premium	1,263	1,263
Accumulated losses	(9,708)	(9,210)
Total equity	10,200	10,698
Non-current Liabilities		
Long term borrowings	1,418	2,538
Deferred revenue	1,100	1,060
Hire purchase creditors	-	182
Deferred taxation	139	139
	2,657	3,919
Current Liabilities		
Trade payables	8,643	7,541
Other payables and accrued expenses	5,698	1,630
Other financial liability	347	163
Hire purchase creditors	206	97
Short term borrowings	1,868	2,890
	16,762	12,321
Total liabilities	19,419	16,240
Total equity and liabilities	29,619	26,938
Net assets per share attributable to ordinary equity holders of the parent (sen)	5.47	6.02

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 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	-	-	(2,618)	(2,618)
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/(loss) for the period	-	-	(498)	(498)
Balance as at 31 December 2012	<u>18,645</u>	<u>1,263</u>	<u>(9,708)</u>	<u>10,200</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 THIRD QUARTER ENDED 31 DECEMBER 2012****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2012**

	CURRENT YEAR TO DATE 31/12/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2011 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) for the period	(498)	(3,432)
Adjustments for:		
Depreciation of property, plant & equipment	678	1,155
Government grant recognized	40	-
Other (gains)/losses	(5)	1,117
Gain on disposal of property, plant and equipment	-	(82)
Impairment of Goodwill	-	736
Reversal on Impairment of PPE	(1,300)	-
Interest expense	313	468
	<hr/>	<hr/>
Operating Profit/(Loss) Before Working Capital Changes	(772)	(38)
Changes In Working Capital:		
Net change in current assets	(6,380)	4,120
Net change in current liabilities	5,170	(1204)
	<hr/>	<hr/>
Cash From/(Used In) Operations	(1,982)	2,878
Net income tax refund/(paid)	-	31
Interest expense	(313)	(468)
Insurance compensation received	3,679	-
	<hr/>	<hr/>
Net Cash From/ (Used In) Operating Activities	1,384	2,441
CASH FLOW USED IN INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	136	15
Purchase of property, plant and equipment	(5,674)	(70)
	<hr/>	<hr/>
Net Cash From/(Used In) Investing Activities	(5,538)	(55)

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FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012**

	CURRENT YEAR TO DATE 31/12/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2011 RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds from issues of shares	-	1,599
Drawdown/(Repayment) of short-term borrowings	(1,022)	(2,272)
Drawdown/(Repayment) of long-term borrowings	(1,120)	(935)
Drawdown/(Repayment) of hire purchase creditors	(72)	(73)
Net Cash From/(Used In) Financing Activities	<u>(2,214)</u>	<u>(1,681)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	<u>(6,368)</u>	<u>705</u>
CASH AND CASH EQUIVALENT AT BEGINNING OF PERIOD	<u>7,143</u>	<u>1,524</u>
CASH AND CASH EQUIVALENT AT END OF PERIOD	<u><u>775</u></u>	<u><u>2,229</u></u>

Cash and cash equivalent comprise of:

	CURRENT YEAR TO DATE 31/12/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2011 RM'000
Cash on hand and at banks	<u><u>775</u></u>	<u><u>2,229</u></u>

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

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 2012****A8 Segment information**

The segment information for the financial period ended 31 December 2012 is as follows:

	Bio Technology RM'000	Information Communication Technology RM'000	Others RM'000	Consolidated RM'000
REVENUE				
External	24,002	3,981	-	27,983
Inter-segment	-	-	-	-
Total	<u>24,002</u>	<u>3,981</u>	<u>-</u>	<u>27,983</u>
RESULTS				
Segment results	(1,050)	84	(150)	(1,116)
Interest expense	(80)	-	(4)	(84)
Profit/(Loss) before tax	<u>(1,130)</u>	<u>84</u>	<u>(154)</u>	<u>(1,200)</u>
Income tax expense	-	-	-	-
Profit/(Loss) for the period	<u>(1,130)</u>	<u>84</u>	<u>(154)</u>	<u>(1,200)</u>
FINANCIAL POSITION				
Total assets	<u>25,572</u>	<u>3,998</u>	<u>49</u>	<u>29,619</u>
Total liabilities	<u>13,982</u>	<u>4,738</u>	<u>699</u>	<u>19,419</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.

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A12 Contingent assets and contingent liabilities

There were no material contingent assets as at 31 December 2012.

As at 31 December 2012, the Company has issued corporate guarantee to a local licensed bank for term loan and other credit facilities totalling RM4.7 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 31/12/2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2011 RM'000
Approved and contracted for	-	1,185
Contracted but not provided for	<u>349*</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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**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 RM27.98 million for the current quarter as compared to RM31.5 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 oil prices from the Bio-Technology segment. Loss before tax of RM1.24 million was recorded compared to loss before tax of RM2.79 million in the preceding period corresponding quarter due primarily to lower raw material cost of the Bio-Technology segment.

B2 Variation of results against preceding quarter

The Group recorded revenue of RM27.98 million for the current quarter as compared to RM21.59 million in the preceding quarter. The increase in the Group revenue was mainly due to the increase in operations as the palm kernel production lines which were affected by fire on 6 November 2011 had resumed operations on 19 November 2012.

The Group recorded a current quarter loss before tax of RM1.24 million as compared to the preceding quarter profit before tax of RM0.69 million mainly due to Crude Palm Kernel Oil trading loss of RM0.81 million. Also, the Group has incurred additional expenses for the trial run in relation to the Supply Agreement entered into with a subsidiary of Sime Darby Berhad on 27 November 2012.

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.

During the quarter, the Group had also commenced trial runs in relation to the Supply Agreement entered into with a subsidiary of Sime Darby Berhad on 27 November 2012 and expects first delivery of our Novelin oil within the first half of 2013, barring unforeseen circumstances.

The Group will continue to seek avenues to broaden our earnings base.

B4 Profit forecast / Profit guarantee

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

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

On 23 January 2013, the Company has announced its undertaking for the private placement of up to 10% of the issued and paid-up share capital of the Company for the purpose of raising working capital for the Group.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
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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 2012 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Trust receipts	365	-	-
Term loan	1,503	1,418	2,921
Hire purchase creditors	206	-	206
Total borrowings	<u>2,074</u>	<u>1,418</u>	<u>3,127</u>

As at 31 December 2012, the wholly owned subsidiary, Ace Edible Oil Industries Sdn Bhd has credit facilities of RM4.7 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.

B9 Breakdown of Realised and Unrealised Group Profits/(Losses)

	AS AT END OF CURRENT QUARTER 31/12/2012 RM'000	AS AT PRECEDING FINANCIAL YEAR 31/03/2012 RM'000
Total retained profits/(accumulated losses)		
Realised profits/(losses)	(4,244)	(4,101)
Unrealised profits/(losses)	-	(12)
	<u>(4,244)</u>	<u>(4,113)</u>
Less : Consolidated adjustments	(5,465)	(5,097)
Total Group retained profits/ (accumulated losses)	<u>(9,708)</u>	<u>(9,210)</u>

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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 2012.

B12 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2012	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2011	CURRENT YEAR TO DATE 31/12/2012	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2011
Profit/(Loss) for the period (RM'000)	(1,245)	(2,785)	(498)	(3,432)
Weighted average number of shares in issue ('000)	186,450	174,986	186,450	174,986
Basic earnings/(loss) per share (sen)	<u>(0.67)</u>	<u>(1.59)</u>	<u>(0.27)</u>	<u>(1.96)</u>

By Order of the Board

WONG KEO ROU (MAICSA 7021435)
Company Secretary
Kuala Lumpur
28 February 2013