



**GREEN OCEAN CORPORATION BERHAD**

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS**

**FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2013**

**GREEN OCEAN CORPORATION BERHAD**

(Company No: 632267-P)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2013****CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS  
AND OTHER COMPREHENSIVE INCOME FOR  
THE SECOND QUARTER ENDED 30 SEPTEMBER 2013**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2013 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2012 RM'000	CURRENT YEAR TO DATE 30/09/2013 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2012 RM'000
Revenue	1,969	21,597	8,580	49,156
Cost of sales	(2,390)	(21,332)	(9,032)	(47,964)
Gross profit	(421)	265	(452)	1,192
Other operating income	-	1,507	-	1,612
Depreciation and amortisation	(332)	(238)	(649)	(477)
Operating expenses	(783)	(732)	(1,689)	(1,352)
Operating profit/(loss)	(1,536)	802	(2,790)	975
Interest expense	(64)	(112)	(138)	(229)
Profit/(Loss) before tax	(1,600)	690	(2,928)	746
Income tax expense	-	-	-	-
Profit/(Loss) for the period	(1,600)	690	(2,928)	746
Other comprehensive income	-	-	-	-
Total comprehensive profit/ (loss) for the period	(1,600)	690	(2,928)	746
Profit/(Loss) for the period attributable to:				
Equity holders of the parent	(1,600)	690	(2,928)	746
Total comprehensive profit /(loss) for the period attributable to:				
Equity holders of the parent	(1,600)	690	(2,928)	746
Basic earnings/(loss) per share (sen)	(0.79)	0.37	(1.45)	0.40

The Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the financial year ended 31 March 2013 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 2013****NOTES TO CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND  
OTHER COMPREHENSIVE INCOME**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>CURRENT YEAR QUARTER 30/09/2013 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER 30/09/2012 RM'000</b>	<b>CURRENT YEAR TO DATE 30/09/2013 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 30/09/2012 RM'000</b>
Other items included in the statement of profit and loss and other comprehensive income were:-				
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	-	1
Reversal of impairment on property, plant & equipment	-	1,300	-	1,300
Foreign exchange (gain) or loss	-	-	-	35
(Gain) or loss on derivatives	44	-	44	(50)

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2013****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2013**

	<b>UNAUDITED AS AT END OF CURRENT QUARTER 30/09/2013 RM'000</b>	<b>AUDITED AS AT PRECEDING FINANCIAL YEAR 31/03/2013 RM'000</b>
<b>Non-current Assets</b>		
Property, plant and equipment	17,180	17,322
<b>Current Assets</b>		
Inventories	690	2,274
Trade receivables	4,172	5,611
Other receivables and prepaid expenses	622	1,450
Other financial asset	30	143
Cash and bank balances	53	4,272
	5,567	13,750
<b>Total assets</b>	<b>22,747</b>	<b>31,072</b>
<b>Equity and Liabilities</b>		
Issued capital	20,259	20,259
Share premium	3,483	3,483
Accumulated losses	(12,690)	(9,762)
<b>Total equity</b>	<b>11,052</b>	<b>13,980</b>
<b>Non-current Liabilities</b>		
Long term borrowings	179	998
Deferred revenue	979	899
Hire purchase creditors	364	115
Deferred taxation	139	139
	1,661	2,151
<b>Current Liabilities</b>		
Trade payables	3,041	6,564
Other payables and accrued expenses	5,060	5,622
Other financial liability	4	223
Hire purchase creditors	138	68
Short term borrowings	1,791	2,464
	10,034	14,941
<b>Total liabilities</b>	<b>11,695</b>	<b>17,092</b>
<b>Total equity and liabilities</b>	<b>22,747</b>	<b>31,072</b>
<b>Net assets per share attributable to ordinary equity holders of the parent (sen)</b>	<b>5.46</b>	<b>6.90</b>

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2013****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

	<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 2012	18,645	1,263	(9,210)	10,698
Issue of ordinary shares	1,614	2,220	-	3,834
Total recognised income and expense for the year - loss for the year	-	-	(552)	(552)
Balance as at 31 March 2013	<u>20,259</u>	<u>3,483</u>	<u>(9,762)</u>	<u>13,980</u>
Balance as at 1 April 2013	20,259	3,483	(9,762)	13,980
Issue of ordinary shares	-	-	-	-
Total recognised income and expense for the period - profit/(loss) for the period	-	-	(2,928)	(2,928)
Balance as at 30 September 2013	<u>20,259</u>	<u>3,483</u>	<u>(12,688)</u>	<u>11,052</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 2013 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 2013****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

	<b>CURRENT YEAR TO DATE 30/09/2013 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 30/09/2012 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) for the period	(2,928)	746
Adjustments for:		
Depreciation of property, plant & equipment	649	477
Government grant recognized	80	80
Other (gains)/losses	(105)	(50)
Gain on disposal of property, plant and equipment	-	(1)
Impairment of Goodwill	-	-
Impairment of PPE/(Reversal)	-	(1,300)
Interest expense	138	229
Exceptional items	-	-
Inventories written off	-	-
Operating Profit/(Loss) Before Working Capital Changes	(2,166)	181
Changes In Working Capital:		
Net change in current assets	3,843	(354)
Net change in current liabilities	(4,086)	(2,987)
Cash From/(Used In) Operations	(2,409)	(3,160)
Net income tax refund/(paid)	8	-
Interest expense	(138)	(229)
Insurance compensation received	-	3,679
Net Cash From/ (Used In) Operating Activities	(2,539)	2,225
<b>CASH FLOW USED IN INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	-	136
Purchase of property, plant and equipment	(506)	(3,456)
Net Cash From/(Used In) Investing Activities	(506)	(3,320)

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	<b>CURRENT YEAR TO DATE 30/09/2013 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 30/09/2012 RM'000</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net proceeds from issues of shares	-	-
Drawdown/(Repayment) of short-term borrowings	(672)	(210)
Drawdown/(Repayment) of long-term borrowings	(820)	(747)
Drawdown/(Repayment) of hire purchase creditors	318	(48)
Net Cash From/(Used In) Financing Activities	(1,174)	(1,005)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT</b>	(4,219)	(4,035)
<b>CASH AND CASH EQUIVALENT AT BEGINNING OF PERIOD</b>	4,272	7,143
<b>CASH AND CASH EQUIVALENT AT END OF PERIOD</b>	53	3,108

**Cash and cash equivalent comprise of:**

	<b>CURRENT YEAR TO DATE 30/09/2013 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 30/09/2012 RM'000</b>
Cash on hand and at banks	53	3,108

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2013**

**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 2013.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2013 except for the adoption of MFRSs relevant to the Group as indicated below:

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosures of Interests in Other Entities
MFRS 13	Fair Value Measurements
MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associates and Joint Ventures
Amendment to MFRS 101	Presentation of items of Other Comprehensive Income

**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.



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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
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There were no dividends paid during the quarter under review.

**A8 Segment information**

The segment information for the financial period ended 30 September 2013 is as follows:

	<b>Bio Technology RM'000</b>	<b>Information Communication Technology RM'000</b>	<b>Others RM'000</b>	<b>Consolidated RM'000</b>
<b>REVENUE</b>				
External	1,936	33	-	1,969
Inter-segment	-	-	-	-
Total	<u>1,936</u>	<u>33</u>	<u>-</u>	<u>1,969</u>
<b>RESULTS</b>				
Segment results	(1,209)	(7)	(320)	(1,536)
Interest income/(expense)	(58)	-	(6)	(64)
Profit/(Loss) before tax	<u>(1,267)</u>	<u>(7)</u>	<u>(326)</u>	<u>(1,600)</u>
Income tax expense	-	-	-	-
Profit/(Loss) for the period	<u>(1,267)</u>	<u>(7)</u>	<u>(326)</u>	<u>(1,600)</u>
<b>FINANCIAL POSITION</b>				
Total assets	<u>18,048</u>	<u>4,083</u>	<u>424</u>	<u>22,555</u>
Total liabilities	<u>5,832</u>	<u>4,800</u>	<u>871</u>	<u>11,503</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 Capital commitments**

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

	<b>CURRENT YEAR TO DATE 30/09/2013 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER 30/09/2012 RM'000</b>
Approved and contracted for	-	-
Contracted but not provided for	-	2,365*

\*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 RM2.0 million for the current quarter as compared to RM21.6 million in the preceding period corresponding quarter. The reduction in Group revenue was due to lower production. Loss before tax of RM1.33 million was recorded compared to gain before tax of RM0.69 million in the preceding period corresponding quarter primarily due to lower revenue.

**B2 Variation of results against preceding quarter**

The Group recorded revenue of RM2.0 million for the current quarter as compared to RM6.6 million in the preceding quarter. The decrease in the Group revenue was mainly due to the decrease in operations from the palm kernel production.

The Group recorded a current quarter loss before tax of RM1.60 million as compared to the preceding quarter loss before tax of RM1.33 million mainly due to lower revenue.

**B3 Prospects**

The Group is in discussion with various parties to promote its Novelin product domestically and internationally, in view that there is no further progress from Sime Darby Food & Beverage Marketing Sdn Bhd (SDFBM) pursuant to the Supply Agreement entered on 27 November 2012.

**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.

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**B6 Status of corporate proposals announced but not completed**

On 26 August 2013, the Company announced that it proposes to undertake the following:

- (i) issuance of redeemable convertible notes (“**Notes**”) with an aggregate principal amount of up to RM100.0 million;
- (ii) issuance of 50,648,750 free warrants (“**Warrants**”) on the basis of one (1) Warrant for every four (4) existing ordinary shares of RM0.10 each (“**Green Ocean Shares**”) held in Green Ocean;
- (iii) increase in its authorised share capital from RM50,000,000 comprising 500,000,000 Green Ocean Shares to RM100,000,000 comprising 1,000,000,000 Green Ocean Shares; and
- (iv) amendments to its memorandum of association, (collectively referred to as the “**Proposals**”).

Pursuant to the Proposals, the Company had on 26 August 2013, entered into a conditional subscription agreement (“**Subscription Agreement**”) with Advance Opportunities Fund (“**Subscriber**”) and Advance Capital Partners Pte Ltd (i.e. the investment manager of the Subscriber) (“**ACP**”) for the Proposed Notes Issue, with an aggregate principal value of up to RM100.0 million and in five (5) equal tranches, subject to the terms and conditions as set out in the Subscription Agreement.

On 20 November 2013, the Company announced that Advance Opportunities Fund, being the Subscriber of the Notes has vide its letter dated 20 November 2013 agreed to amend the Fulfilment Date, as defined in the Subscription Agreement, from “**the date falling three (3) calendar months from the date of this Agreement, or such other date as the Parties may agree in writing**” to “**the date falling six (6) calendar months from the date of this Agreement, or such other date as the Parties may agree in writing**”.

The abovementioned Fulfilment Date is the date for the parties to fulfil the conditions precedent under the Subscription Agreement, the details of which are set out in the 1<sup>st</sup> Announcement.

Save as stated above, all the terms and conditions of the Subscription Agreement shall continue to apply and to have full force and effect.

**B7 Status of utilisation of proceeds**

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

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
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The Group's borrowings and debts securities as at 30 September 2013 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Trust receipts	133	-	133
Term loan	1,658	179	1,837
Hire purchase creditors	138	364	502
Total borrowings	<u>1,929</u>	<u>543</u>	<u>2,472</u>

As at 30 September 2013, 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 30/09/2013 RM'000	AS AT PRECEDING FINANCIAL YEAR 31/03/2013 RM'000
Total retained profits/(accumulated losses)		
Realised profits/(losses)	(7,268)	(4,400)
Unrealised profits/(losses)	44	103
	<u>(7,224)</u>	<u>(4,297)</u>
Less : Consolidated adjustments	(5,465)	(5,465)
Total Group retained profits/ (accumulated losses)	<u>(12,689)</u>	<u>(9,762)</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 2013.

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**B12 Earnings per share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2013	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2012	CURRENT YEAR TO DATE 30/09/2013	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2012
Profit/(Loss) for the period (RM'000)	(1,600)	690	(2,928)	746
Weighted average number of shares in issue ('000)	202,595	186,450	202,595	186,450
Basic earnings/(loss) per share (sen)	<u>(0.79)</u>	<u>0.37</u>	<u>(1.45)</u>	<u>0.40</u>

By Order of the Board

WONG KEO ROU (MAICSA 7021435)  
Company Secretary  
Kuala Lumpur  
26 November 2013