



TRANSOCEAN HOLDINGS BHD

(Company No.: 36747-U)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR PERIOD ENDED NOVEMBER 30, 2008

Dated January 16, 2009



**INTERIM FINANCIAL REPORT
FINANCIAL YEAR 2009
Second Quarter ended November 30, 2008**

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The Board of Directors is pleased to announce the Interim Financial Report on consolidated results of the Group for the Financial Year 2009, 2nd Quarter ended November 30, 2008.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/11/08 RM'000	Preceding Year Quarter Ended 30/11/07 RM'000	Current Year-To-Date Ended 30/11/08 RM'000	Preceding Year-To-Date Ended 30/11/07 RM'000
Revenue	12,447	9,212	25,583	18,265
Other operating income	84	29	112	60
Operating profit before depreciation and finance cost	825	1,004	2,313	1,868
Impairment loss	0	0	0	0
Depreciation & amortization	(591)	(605)	(1,182)	(1,205)
Profit from operations	234	399	1,131	663
Finance cost	(273)	(330)	(578)	(677)
	(39)	69	553	(14)
Share of profit of associate	25	40	5	65
Profit/(Loss) before taxation	(14)	109	558	51
Income tax expense	(229)	(105)	(487)	(179)
Profit/(Loss) for the period	(243)	4	71	(128)
Attributable to :				
Equity holders of the parent	(275)	(80)	(21)	(305)
Minority interest	32	84	92	177
	(243)	4	71	(128)
Loss per share attributable to equity holders of the parent :				
- Basic (sen)	(0.67)	(0.28)	(0.05)	(1.05)
- Diluted (sen)	-----	Not applicable	-----	-----

(The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended May 31, 2008 and the accompanying explanatory notes attached to the Interim Financial Report)



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CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited	Audited
	As At	As At
	30/11/08	31/05/08
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	37,973	34,213
Investment property	700	700
Investment in associates	367	362
Other investments	3	3
Intangible assets	3,562	3,562
	<u>42,605</u>	<u>38,840</u>
Current Assets		
Inventories	746	545
Trade receivables	13,120	13,685
Other receivables	2,146	1,092
Cash and bank balances	113	1,071
	<u>16,125</u>	<u>16,393</u>
TOTAL ASSETS	<u>58,730</u>	<u>55,233</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	40,999	40,999
Other reserve	5,615	5,615
Accumulated losses	(18,009)	(17,988)
	<u>28,605</u>	<u>28,626</u>
Minority interest	964	872
Total equity	<u>29,569</u>	<u>29,498</u>
Liabilities		
Non-current liabilities		
Borrowings	2,919	4,101
Deferred tax liabilities	1,077	1,077
	<u>3,996</u>	<u>5,178</u>



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Current liabilities

Borrowings	15,961	11,327
Trade payables	6,627	6,318
Other payables	2,126	2,550
Tax payable	451	362
	<u>25,165</u>	<u>20,557</u>

Total liabilities

29,161 **25,735**

TOTAL EQUITY AND LIABILITIES

58,730 **55,233**

Net assets per share attributable to ordinary equity holders of the parent (RM)

0.70 **0.70**

(The Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the year ended May 31, 2008 and the accompanying explanatory notes attached to the Interim Financial Report)



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent					Total Equity RM'000
	Share Capital RM'000	Non- distributable Other Reserve RM'000	Accumulated Loss RM'000	Shareholders' Equity RM'000	Minority Interest RM'000	
As at June 1, 2008	40,999	5,615	(17,988)	28,626	872	29,498
Net profit/(loss) for the period	0	0	(21)	(21)	92	71
Balance as at November 30, 2008	40,999	5,615	(18,009)	28,605	964	29,569
As at June 1, 2007	28,999	5,586	(16,398)	18,187	594	18,781
Deferred taxation representing net income recognized directly in equity	0	29	0	29	0	29
Profit/(Loss) for the year	0	0	(1,590)	(1,590)	278	(1,312)
Issue of ordinary shares	12,000	0	0	12,000	0	12,000
Balance as at May 31, 2008	40,999	5,615	(17,988)	28,626	872	29,498

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended May 31, 2008 and the accompanying explanatory notes attached to the Interim Financial Report)

**INTERIM FINANCIAL REPORT
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	Current Year-To- Date Ended 30/11/09 RM'000	Preceding Year-To- Date Ended 30/11/08 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	558	51
Adjustment for :-		
Non-cash items	992	1,242
Non-operating items	384	602
Operating profit before working capital changes	1,934	1,895
Changes in working capital :-		
Net change in current assets	(637)	(75)
Net change in current liabilities	(115)	474
Cash generated from operations	1,182	2,294
Interest paid	(578)	(677)
Taxation paid	(122)	(84)
Net cash generated from operating activities	482	1,533
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(4,918)	(104)
Net dividend received	14	10
Proceeds from disposal of property, plant and equipment	10	0
Net cash used in investing activities	(4,894)	(94)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of revolving credit and banker's acceptance	3,991	0
Repayment of loans, hire-purchase and lease payables	(923)	(1,309)
Net cash generated from/(used in) financing activities	3,068	(1,309)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,344)	(130)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(6,190)	(7,118)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(7,534)	(6,988)
Cash and cash equivalents comprise :-		
Cash and bank balances	113	90
Bank overdrafts (included within short term borrowings in Note 23)	(7,647)	(7,087)
	(7,534)	(6,988)

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended May 31, 2008 and the accompanying explanatory notes attached to the Interim Financial Report)



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NOTES TO THE INTERIM FINANCIAL REPORT

**SECTION A
DISCLOSURE NOTES AS REQUIRED UNDER FRS 134**

1 Basis of preparation

The Interim Financial Report has been prepared under the historical cost convention except for the revaluation of freehold land included within property, plant and equipment. Investment property is stated at fair value.

The Interim Financial Report is Unaudited and has been prepared in accordance with the requirement of FRS 134 : Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The Interim Financial Report should be read in conjunction with the audited financial statements of the Group for the year ended May 31, 2008 The explanatory notes attached to the Interim Financial Report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended May 31, 2008.

2 Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended May 31, 2008 except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective for financial period beginning June 1, 2008 :-

FRSs, Amendment to FRS and Interpretations	Effective for financial periods beginning on or after
FRS 107 : Cash Flow Statements	1 July 2007
FRS 111 : Construction Contracts	1 July 2007
FRS 112 ; Income Taxes	1 July 2007
FRS 118 : Revenue	1 July 2007
FRS 120 : Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
Amendments to FRS 121 : The Effects of Changes in Foreign Exchange Rates- Net Investment in Foreign Operation	1 July 2007
FRS 134 : Interim Financial Reporting	1 July 2007



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FRS 137 : Provisions, Contingent Liabilities and Contingent Assets	1 July 2007
IC Interpretation 1 : Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Interpretation 2 : Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretation 5 : Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation funds.	1 July 2007
IC Interpretation 6 : Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7 : Applying the Restatement Approach under FRS 129 Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8 : Scope of FRS 2	1 July 2007

Standards and interpretations issued but not yet effective

The following new FRS and interpretations were issued but not yet effective and have not been applied by the Group:

FRSs and Interpretations	Effective for financial periods beginning on or after
FRS 4 : Insurance Contracts	1 January 2010
FRS 7 : Financial Instruments : Disclosures	1 January 2010
FRS 8 : Operating Segments	1 July 2009
FRS 139 : Financial Instruments : Recognition and Measurement	1 January 2010
IC Interpretation 9 : Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 : Interim Financial Reporting and Impairment	1 January 2010

The Group is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.



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The other FRSs and Interpretations are expected to have no significant impact on the financial statements of the Group upon their initial application.

(c) Significant Accounting Estimates and Judgements

(1) Critical Judgements Made in Applying Accounting Policies

There are no critical judgements made by management in the process of applying the Group's accounting policies that have significant effect on the amounts recognized in the financial statements.

(i) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that the property does not qualify as investment property.



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(ii) Operating lease commitments – the Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

(2) Key Sources of Estimation Uncertainty

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Depreciation of motor vehicles

The cost of motor vehicles for operation and administrative purposes is depreciated on a straight-line basis over the asset's useful lives. Management estimates that the useful lives of these motor vehicles range from 5 to 10 years. These are common life expectancies applied in the industry. Changes in the expected level of usage could impact the economic useful lives and the residual value of these assets, therefore depreciation charges could be revised.

(ii) Provision for doubtful debts

The policy for provision for doubtful debts of the Group is based on the evaluation of collectability and ageing analysis of the receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current credit worthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, additional allowances may be required.

(iii) Deferred tax assets

Deferred tax assets are recognised for unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses, capital allowances and other deductible temporary differences can be utilised. Significant management decision is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with tax planning strategies.



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3 Auditors' Report on preceding annual financial statements

The auditors' report on the financial statements for the year ended May 31, 2008 was not subject to any qualification.

4 Segmental information

	Trading of Tyres RM'000	Logistics Solution RM'000	Total RM'000
Segment :			
Revenue	6,970	18,613	25,583
Profit before taxation	519	39	558
Assets	14,421	44,309	58,730
Liabilities	8,925	20,236	29,161

The results are for the current 6 month period ended 30 November 2008. No geographical segmental reporting is presented as the Group operates within one geographical area, wholly in Malaysia. The other segments are not significant to be disclosed.

5 Unusual items due to their nature, size and incidence

There were no unusual items affecting the Group's assets, liabilities, equity, net income or cash flows during the financial period ended November 30, 2008.

6 Changes in estimates

There were no changes in estimates that have had a material effect on the current financial period results.

7 Comments about seasonal or cyclical factors

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

8 Dividends paid

No dividend has been paid or declared by the Company since the end of the previous financial year.

9 Carrying amount of revalued assets

The valuations of property, plant and equipment have been brought forward without amendment from the audited financial statements for the year ended May 31, 2008.

10 Debt and equity securities

The Company has not issued nor repaid any debt and equity securities for the financial year to date.



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11 Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter under review.

12 Capital commitments

There were no amount of commitments for the purchase of property, plant and equipment not provided for in the quarter under review.

13 Changes in contingent liabilities and contingent assets

Contingent liabilities of the Company as at January 16, 2009, other than material litigation as disclosed in Note 23, since the last annual balance sheet date comprise:-

	As at 16/01/09 RM'000	As at 31/05/08 RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	4,903	4,356
- unsecured	3,107	4,390
	<u>8,010</u>	<u>8,746</u>

14 Subsequent events

There were no event of a material nature has arisen that have not been reflected in the financial statement in the interval between the end of the current quarter and the date of this report.



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**SECTION B
DISCLOSURE NOTES AS REQUIRED UNDER BURSA SECURITIES LISTING
REQUIREMENTS**

15 Performance review

During the second quarter for financial year 2009, the Group recorded an operating profit before depreciation and finance cost of RM0.83 million (FY2008, RM1.00 million) on the back of a total revenue of RM12.45 million (FY2008, RM9.21 million). The Group's revenue increased by 35.2% for the quarter under review as compared to the preceding year corresponding quarter. This primary reason behind the increase was the inclusion of the results of the recently acquired subsidiary. The operating profit margin however declined from 13.3% to 7.3%.

Depreciation decreased by 3.3% from RM0.61 million to RM0.59 million. Finance cost decreased by 18.2% from RM0.33 million to RM0.27 million.

The Group recorded a loss before taxation amounting to RM0.01 million (FY2008, a profit of RM0.11 million) and overall loss attributable to the equity holders of the parent was RM0.28 million as compared to loss of RM0.08 million recorded in the preceding year corresponding quarter.

16 Comment on material change in profit before taxation

	Current Quarter 30/11/08 RM'000	Immediate Preceding Quarter 31/08/08 RM'000	Variation %
Gross revenue	12,447	13,136	(5.24%)
Operating profit before depreciation and finance cost	825	1,488	(44.56%)
Profit/(Loss) before taxation and results from associated company	(39)	593	(106.58%)
Net profit/(loss) attributable to equity holders of the parent	(275)	255	(208.23%)

The Group's gross revenue decreased marginally by 5.25% from RM13.14 million to RM12.45 million.



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Operating profit margin decreased by 43.4% from 12.5% to 7.3%. The decrease in the margin was mainly due to the higher operating cost experienced.

The net loss attributable to equity holders of the parent varied by 208.2% from a profit of RM0.26 million to a loss of RM0.28 million.

17 Commentary on prospects

The Group believes that it would be facing a challenging times ahead due to the uncertain current global economic situation.

18 Profit forecast or profit guarantee

The Group is not involved in any profit guarantee arrangement or providing any forecast profit.

19 Income tax expense

	Current Quarter 30/11/08 RM'000	Current Year-to-date 30/11/08 RM'000
Current year provision	229	487
Provision in prior year taxation	0	0
Deferred taxation	0	0
	<hr/>	<hr/>
	229	487

The effective rate of taxation of the Group is higher than the statutory rate of taxation principally due to losses of certain subsidiaries were not set off against profits made by other companies in the Group.

20 Sale of unquoted investment and/or properties

There was no sale of unquoted investment and/or properties by the Group for the current quarter and financial year.

21 Quoted Securities

There was no purchase or disposal of quoted securities by the Group for the current quarter and financial year-to-date.



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22 Corporate proposal

There was no corporate proposal by the Group for the current quarter and financial year.

23 Borrowings

Total Group borrowings as at November 30, 2008 were as follows :-

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Long term borrowings			
Term loan	1,720	733	2,453
Hire-purchase and lease payables	466	0	466
	<u>2,186</u>	<u>733</u>	<u>2,919</u>
Short term borrowings			
Overdrafts	5,649	1,998	7,647
Term loan	1,721	549	2,270
Banker's acceptance and revolving credit	5,644	0	5,644
Hire-purchase and lease payables	400	0	400
	<u>13,414</u>	<u>2,547</u>	<u>15,961</u>
Total Borrowings	<u>15,600</u>	<u>3,280</u>	<u>18,880</u>

As at January 16, 2009, the Group does not have any exposure in borrowings and debt securities denominated in foreign currency.

24 Off balance sheet financial instruments

The Group does not have any financial instruments with off balance sheet risk as at January 16, 2009.



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25 Changes in material litigation

The Group is not engaged in any material litigation and is not aware of any proceedings, which might materially affect the position or business of the Group as at January 16, 2009 except for the following:

(i) Transocean Haulage Services Sdn Bhd (“THS”), a subsidiary of Transocean Holdings Bhd, was served with a Winding-up Petition pursuant to Section 218(1)(e) of the Companies Act, 1965 by a creditor. The Winding –up Petition was for the failure of THS to make payment of RM75,730 being the amount due and owing by THS pursuant to a court judgement obtained by creditor against THS. The petition has been fixed for hearing on February 26, 2009. There has been some proposal towards settlement of the judgement sum.

(ii) THS has commenced legal action against E-Haul Logistics Sdn Bhd (“EHaul”) and Michael Tan (“MT”) to recover the sum of RM739,200 for invoices outstanding and the sum of RM1,685,423 for estimated repair costs and losses suffered. The summons has been served on EHaul and MT. Judgement in default was obtained against EHaul as the EHaul did not enter appearance whilst MT has entered appearance and has filed a statement of defence on 24 December 2008. THS is currently replying to the statement of defence.

26 Dividend payable

The Directors do not recommend the payment of any dividend in respect of the current financial period under review.



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27 Profit/(Loss) per share

Basic profit/(loss) per share amounts are calculated by dividing profit/(loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of shares in issue during the period.

	Current Year Quarter Ended 30/11/08	Preceding Year Quarter Ended 30/11/07	Current Year-To-Date Ended 30/11/08	Preceding Year-To-Date Ended 30/11/07
Profit/(Loss) attributable to ordinary equity holders of the parent (RM'000)	(275)	(80)	(21)	(305)
No of ordinary shares in issue ('000)	40,999	28,999	40,999	28,999
Basic profit/(loss) per share (sen)	(0.67)	(0.28)	(0.05)	(1.05)

28 Authorisation for issue

The Interim Financial Report was authorized for issue by the Board of Directors in accordance with a resolution of the directors on January 21, 2009.

By order of the Board
Dated 21st day of January, 2009