



TRANSOCEAN HOLDINGS BHD

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

UNAUDITED INTERIM FINANCIAL REPORT FOR PERIOD ENDED MAY 31, 2009

Dated July 30, 2009



**INTERIM FINANCIAL REPORT
FINANCIAL YEAR 2009
Fourth Quarter ended May 31, 2009**

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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, 4th Quarter ended May 31, 2009

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/05/09 RM'000	Preceding Year Quarter Ended 31/05/08 RM'000	Current Year-To-Date Ended 31/05/09 RM'000	Preceding Year-To-Date Ended 31/05/08 RM'000
Revenue	10,430	11,629	45,183	40,133
Other operating income	218	29	378	176
Operating (loss)/profit before depreciation and finance cost	(175)	422	1,633	3,003
Depreciation & amortization	(562)	(777)	(2,462)	(2,587)
(Loss)/Profit from operations	(737)	(355)	(829)	416
Finance cost	(284)	(341)	(1,235)	(1,359)
	(1,021)	(696)	(2,064)	(943)
Share of (loss)/profit of associate	(11)	12	(34)	84
(Loss) before taxation	(1,032)	(684)	(2,098)	(859)
Income tax expense	(191)	(224)	(412)	(453)
(Loss) for the period	(1,223)	(908)	(2,510)	(1,312)
Attributable to :				
Equity holders of the parent	(1,192)	(955)	(2,531)	(1,590)
Minority interest	31	47	21	278
	(1,223)	(908)	(2,510)	(1,312)
Loss per share attributable to equity holders of the parent :				
- Basic (sen)	(2.91)	(2.33)	(6.17)	(3.88)
- 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
	31/05/09	31/05/08
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	37,608	34,213
Investment property	0	700
Investment in associates	328	362
Other investments	3	3
Intangible assets	3,562	3,562
	<u>41,501</u>	<u>38,840</u>
Current Assets		
Inventories	403	545
Trade receivables	11,860	13,685
Other receivables	652	1,092
Cash and bank balances	202	1,071
	<u>13,117</u>	<u>16,393</u>
Assets Held for sale	700	0
TOTAL ASSETS	<u>55,318</u>	<u>55,233</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	40,999	40,999
Other reserve	5,651	5,615
Accumulated losses	(20,519)	(17,988)
	<u>26,131</u>	<u>28,626</u>
Minority interest	893	872
Total equity	<u>27,024</u>	<u>29,498</u>
Liabilities		
Non-current liabilities		
Borrowings	6,849	4,101
Deferred tax liabilities	943	1,077
	<u>7,792</u>	<u>5,178</u>



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Current liabilities

Borrowings	11,314	11,327
Trade payables	5,648	6,318
Other payables	3,168	2,550
Tax payable	372	362
	<hr/>	<hr/>
	20,502	20,557

Total liabilities

28,294 **25,735**

TOTAL EQUITY AND LIABILITIES

55,318 **55,233**

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

0.64 **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
Deferred taxation representing net income recognized directly in equity	0	36	0	36	0	36
Loss for the year	0	0	(2,531)	(2,531)	21	(2,510)
Balance as at May 31, 2009	40,999	5,651	(20,519)	26,131	893	27,024
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 31/05/09 RM'000	Preceding Year-To- Date Ended 31/05/08 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(2,098)	(859)
Adjustment for :-		
Non-cash items	3,352	3,555
Non-operating items	1,893	1,379
Operating profit before working capital changes	3,147	3,965
Changes in working capital :-		
Net change in current assets	667	(1,538)
Net change in current liabilities	(884)	(237)
Cash generated from/(used in) operations	2,930	2,189
Interest paid	(1,264)	(1,357)
Taxation paid	(230)	(375)
Net cash generated from operating activities	1,436	456
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(6,818)	(193)
Purchase of subsidiary	0	(8,329)
Net dividend received	14	10
Proceeds from disposal of property, plant and equipment	699	60
Net cash used in investing activities	(6,105)	(8,452)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	0	12,000
Drawdown of loans and credit facilities	6,461	398
Repayment of loans, hire-purchase and lease payables	(2,382)	(3,473)
Net cash generated from financing activities	4,079	8,924
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(590)	928
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(6,190)	(7,118)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(6,780)	(6,190)
Cash and cash equivalents comprise :-		
Cash and bank balances	202	1,071
Bank overdrafts (included within short term borrowings in Note 23)	(6,982)	(7,261)
	(6,780)	(6,190)

(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

The adoptions of the FRSs, Amendment to FRS and Interpretations did not result in significant change in the accounting policies of the Group.

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 123 : Borrowing Costs	1 January 2010
FRS 139 : Financial Instruments : Recognition and Measurement	1 January 2010
Amendments to FRS 1 : First time Adoption of Financial Reporting Standards	1 January 2010
Amendments to FRS 2 : Share-based payment : Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 127 : Consolidated and Separate Financial Statements : Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
IC Interpretation 9 : Reassessment of Embedded Derivatives	1 January 2010



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IC Interpretation 10 : Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11 : FRS 2- Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13 : Customer Loyalty Programmes	1 January 2010
IC Interpretation 14 : FRS 119- The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction	1 January 2010

The Group is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 7 and FRS 139.

The other FRSs and Interpretations are expected to have no significant impact on the financial statements of the Group upon their initial application except for the changes in the disclosures arising from the adoption of FRS 8.

(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	13,668	31,515	45,183
Profit/(Loss) before taxation	656	(2,754)	(2,098)
Assets	14,790	40,528	55,318
Liabilities	9,021	19,273	28,294

The results are for the current 12 month period ended May 31, 2009. 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 May 31, 2009.

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.

11 Changes in the composition of the Group

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



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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 July 24, 2009, other than material litigation as disclosed in Note 25, since the last annual balance sheet date comprise:-

	As at 24/07/09 RM'000	As at 31/05/08 RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	4,559	4,356
- unsecured	2,808	4,390
	<u>7,367</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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NOTES TO THE INTERIM FINANCIAL REPORT

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

15 Performance review

During the fourth quarter for financial year 2009, the Group recorded an operating loss before depreciation and finance cost of RM0.17million (FY2008, operating profit RM0.42 million) on the back of a total revenue of RM10.43 million (FY2008, RM11.63 million). The Group’s revenue decreased by 10.3% for the quarter under review as compared to the preceding year corresponding quarter due to the slowdown in business volume brought about by the world economic uncertainty. The operating profit margin however declined from 3.6% to an operating loss of 1.7% due to high operation costs.

Depreciation decreased by 28.2% from RM0.78 million to RM0.56million. Finance cost decreased by 17.6% from RM0.34 million to RM0.28 million.

The Group recorded a loss before taxation amounting to RM1.03 million (FY2008, a loss of RM0.68 million) and overall loss attributable to the equity holders of the parent was RM1.19 million as compared to loss of RM0.96 million recorded in the preceding year corresponding quarter.

16 Comment on material change in profit before taxation

	Current Quarter 31/05/09 RM'000	Immediate Preceding Quarter 28/02/09 RM'000	Variation %
Gross revenue	10,430	9,170	13.74%
Operating (loss) before depreciation and finance cost	(175)	(505)	(65.55%)
(Loss) before taxation and results from associated company	(1,021)	(1,597)	(36.07%)
Net (loss) attributable to equity holders of the parent	(1,192)	(1,319)	(9.63%)

The Group’s gross revenue increased by 13.74% from RM9.17 million to RM10.43 million.



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Operating loss margin decreased from 5.5% to 1.7%. The decrease in the margin was mainly due to the lower operating cost experienced.

The net loss attributable to equity holders of the parent decreased by 9.6% from a loss of RM1.32 million to a loss of RM1.19 million.

17 Commentary on prospects

The Group expects the current global economic uncertainty to bring business challenges ahead for the Group.

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 31/05/09 RM'000	Current Year-to-date 31/05/09 RM'000
Current year provision	290	538
Provision in prior year taxation	(4)	(31)
Deferred taxation	(95)	(95)
	<u>191</u>	<u>412</u>

The current year-to-date income tax expenses of the Group is 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 May 31, 2009 were as follows :-

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Long term borrowings			
Term loan	5,367	423	5,790
Hire-purchase and lease payables	1,059	0	1,059
	<u>6,426</u>	<u>423</u>	<u>6,849</u>
Short term borrowings			
Overdrafts	5,208	1,774	6,982
Term loan	1,215	628	1,843
Banker's acceptance and revolving credit	1,820	0	1,820
Hire-purchase and lease payables	669	0	669
	<u>8,912</u>	<u>2,402</u>	<u>11,314</u>
Total Borrowings	<u>15,338</u>	<u>2,825</u>	<u>18,163</u>

As at July 24, 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 July 24, 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 April 22, 2009 except for Transocean Haulage Services Sdn Bhd (“THS”), a subsidiary of Transocean Holdings Bhd, 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.

An order had been obtained in respect of amendment to the writ of summons and statement of claim. Upon extraction from the court, our solicitors will serve upon the EHaul and MT solicitors.

26 Dividend payable

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

27 Loss per share

Basic loss per share amounts are calculated by dividing 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 31/05/09	Preceding Year Quarter Ended 31/05/08	Current Year-To-Date Ended 31/05/09	Preceding Year-To-Date Ended 31/05/08
Loss attributable to ordinary equity holders of the parent (RM'000)	(1,192)	(955)	(2,531)	(1,590)
No of ordinary shares in issue ('000)	40,999	40,999	40,999	40,999
Loss per share (sen)	(2.91)	(2.33)	(6.17)	(3.88)

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 July 30, 2009.

By order of the Board
Dated 30th day of July, 2009