



TRANSOCEAN HOLDINGS BHD

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

UNAUDITED INTERIM FINANCIAL REPORT FOR PERIOD ENDED AUGUST 31, 2009

Dated October 27, 2009



**INTERIM FINANCIAL REPORT
FINANCIAL YEAR 2010
First Quarter ended August 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 2010, 1st Quarter ended August 31, 2009.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/08/09 RM'000	Preceding Year Quarter Ended 31/08/08 RM'000	Current Year-To-Date Ended 31/08/09 RM'000	Preceding Year-To-Date Ended 31/08/08 RM'000
Revenue	12,006	13,136	12,006	13,136
Other operating income	478	28	478	28
Operating profit before depreciation and finance cost	1,999	1,489	1,999	1,489
Impairment loss	0	0	0	0
Depreciation & amortization	(515)	(591)	(515)	(591)
Profit from operations	1,484	898	1,484	898
Finance cost	(303)	(305)	(303)	(305)
	1,181	593	1,181	593
Share of profit of associate	4	(20)	4	(20)
Profit/(Loss) before taxation	1,185	573	1,185	573
Income tax expense	(405)	(258)	(405)	(258)
Profit/(Loss) for the period	780	315	780	315
Attributable to :				
Equity holders of the parent	791	255	791	255
Minority interest	(11)	60	(11)	60
	780	315	780	315
Profit/(Loss) per share attributable to equity holders of the parent :				
- Basic (sen)	1.93	0.62	1.93	0.62
- 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, 2009 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
	31/08/09	31/05/09
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	31,554	32,980
Prepaid land lease payments	4,595	4,628
Investment in associates	332	328
Other investments	3	3
Intangible assets	3,562	3,562
	<u>40,046</u>	<u>41,501</u>
Current Assets		
Inventories	651	403
Trade receivables	13,288	11,860
Other receivables	1,064	652
Cash and bank balances	645	202
	<u>15,648</u>	<u>13,117</u>
Assets Held for sale	-	700
TOTAL ASSETS	<u>55,694</u>	<u>55,318</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	40,999	40,999
Other reserve	5,651	5,651
Accumulated losses	(19,728)	(20,519)
	<u>26,922</u>	<u>26,131</u>
Minority interest	882	893
Total equity	<u>27,804</u>	<u>27,024</u>
Liabilities		
Non-current liabilities		
Borrowings	6,453	6,849
Deferred tax liabilities	943	943
	<u>7,396</u>	<u>7,792</u>



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Current liabilities		
Borrowings	11,382	11,314
Trade payables	5,926	5,648
Other payables	2,736	3,168
Tax payable	450	372
	<u>20,494</u>	<u>20,502</u>
Total liabilities	27,890	28,294
TOTAL EQUITY AND LIABILITIES	<u>55,694</u>	<u>55,318</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>0.66</u>	<u>0.64</u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the year ended May 31, 2009 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, 2009	40,999	5,651	(20,519)	26,131	893	27,024
Profit for the period	0	0	791	791	(11)	780
Balance as at August 31, 2009	40,999	5,651	(19,728)	26,922	882	27,804
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

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended May 31, 2009 and the accompanying explanatory notes attached to the Interim Financial Report)

**INTERIM FINANCIAL REPORT
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	Current Year-To- Date Ended 31/08/09 RM'000	Preceding Year-To- Date Ended 31/08/08 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,185	573
Adjustment for :-		
Non-cash items	531	435
Non-operating items	(327)	142
Operating profit before working capital changes	1,389	1,150
Changes in working capital :-		
Net change in current assets	(2,040)	544
Net change in current liabilities	(120)	(62)
Cash generated from operations	(771)	1,632
Interest paid	(303)	(305)
Taxation paid	(146)	(50)
Net cash (used in)/generated from operating activities	(1,220)	1,277
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(386)	(4,735)
Net dividend received	11	14
Proceeds from disposal of property, plant and equipment	2,412	0
Net cash generated from/(used in) investing activities	2,037	(4,721)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of revolving credit and banker's acceptance	0	3,660
Repayment of loans, hire-purchase and lease payables	(1,206)	(375)
Net cash (used in)/generated from financing activities	(1,206)	3,285
NET DECREASE IN CASH AND CASH EQUIVALENTS	(389)	(159)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(6,780)	(6,190)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(7,169)	(6,349)
Cash and cash equivalents comprise :-		
Cash and bank balances	645	1,096
Bank overdrafts (included within short term borrowings in Note 23)	(7,814)	(7,445)
	(7,169)	(6,349)

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended May 31, 2009 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, 2009 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, 2009.

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, 2009.

Standards and interpretations issued but not yet effective

The following new FRSs, Amendments to FRSs 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 (revised)	1 January 2010
FRS 139 : Financial Instruments : Recognition and Measurement	1 January 2010
FRS 101 : Presentation of Financial Statements (revised)	1 January 2010
Amendments to FRS 132 : Financial Instruments : Presentation	1 January 2010
Amendments to FRS 1 : First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements ; Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010



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Amendments to FRS 2 Share-based Payment : Vesting 1 January 2010
Conditions and Cancellations
Amendments to FRS 139 Financial Instruments : 1 January 2010
Recognition and Measurement, FRS 7 : Financial
Instruments : Disclosures and IC Interpretation 9 :
Reassessment of Embedded Derivatives
IC Interpretation 9 : Reassessment of Embedded 1 January 2010
Derivatives
IC Interpretation 10 : Interim Financial Reporting and 1 January 2010
Impairment
IC Interpretation 11 : FRS 2- Group and Treasury Share 1 January 2010
Transactions
IC Interpretation 13 : Customer Loyalty Programmes 1 January 2010
IC Interpretation 14 : FRS 119- The Limit on a Defined 1 January 2010
Benefit Asset, Minimum Funding Requirements and their
interaction

MASB also issued “Improvements to FRSs (2009)” which contain Amendments to twenty two FRSs and is effective for the financial periods beginning on or after 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, FRS 139 and Amendments to FRS 139, FRS 7 and IC Interpretation 9.

The other new FRSs, Amendments to 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, FRS 101 and Amendments to FRS 132.

(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.



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(2) Key Sources of Estimation Uncertainty

The 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 are as discussed below:

(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.

3 Auditors' Report on preceding annual financial statements

The auditors' report on the financial statements for the year ended May 31, 2009 was not subject to any qualification.



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4 Segmental information

	Trading of Tyres RM'000	Logistics Solution RM'000	Total RM'000
Segment :			
Revenue	3,438	8,568	12,006
Profit before taxation	244	941	1,185
Assets	15,241	40,453	55,694
Liabilities	9,287	18,603	27,890

The results are for the current 3 month period ended 31 August 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 August 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, 2009.

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 October 27, 2009, other than material litigation as disclosed in Note 25, since the last annual balance sheet date comprise:-

	As at 27/10/09 RM'000	As at 31/05/09 RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	4,141	5,959
- unsecured	1,681	2,845
	<u>5,822</u>	<u>8,804</u>

14 Subsequent events

There were no events of a material nature which have arisen between the end of the current quarter and the date of this report that have not been reflected in the financial statements except for the disposal of Transocean Agencies Sdn Bhd and Transocean Freight Services Sdn Bhd, two wholly owned subsidiaries of the Group for the sum of RM74,337 and RM493,106 respectively, on October 5, 2009.



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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 first quarter for financial year 2010, the Group recorded an operating profit before depreciation and finance cost of RM2.00 million (FY2009, RM1.49 million) on the back of a total revenue of RM12.01 million (FY2009, RM13.14 million). The Group's revenue decreased by 8.6% for the quarter under review as compared to the preceding year corresponding quarter. This was mainly due to current sluggish economic conditions. The operating profit margin improved from 12.5% to 18.1%.

Depreciation decreased by 12.9% from RM0.59 million to RM0.52 million. Finance cost decreased by 0.6% from RM0.31 million to RM0.30 million.

The Group recorded a profit before taxation amounting to RM1.19 million (FY2009, a profit of RM0.57 million) and overall profit attributable to the equity holders of the parent was RM0.79 million as compared to RM0.26 million recorded in the preceding year corresponding quarter. This was mainly due to the higher profitability margin earned by a certain subsidiary as well as the disposal of motor vehicles of a certain subsidiary.

16 Comment on material change in profit before taxation

	Current Quarter 31/08/09 RM'000	Immediate Preceding Quarter 31/05/09 RM'000	Variation %
Gross revenue	12,006	10,430	15.11%
Operating profit/(loss) before depreciation and finance cost	1,999	(174)	1248.28%
Profit/(Loss) before taxation and results from associate	1,181	(1,020)	215.78%
Net profit/(loss) attributable to equity holders of the parent	791	(1,191)	166.41%

The Group's gross revenue increased by 15.1% from RM10.43 million to RM12.01 million.



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Operating profit margin increased significantly by 1248.28% and was mainly due to the higher margins earned by a subsidiary.

The net profit attributable to equity holders of the parent increased by 166.4% from RM0.80 million as opposed to a loss of RM1.19 million due mainly to the reasons as mentioned in the paragraph above.

17 Commentary on prospects

The Group hopes that the current global economic situation will improve. Any improvement is expected to bring about better results in the coming months ahead.

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 31/08/09 RM'000	Current Year-to-date 31/08/09 RM'000
Current year provision	405	405
Provision in prior year taxation	0	0
Deferred taxation	0	0
	<u>405</u>	<u>405</u>

The current year-to-date income tax expense 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 were no sale of unquoted investment and/or properties by the Group in the current quarter and financial year-to-date.

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-to-date.

23 Borrowings

Total Group borrowings as at August 31, 2009 were as follows :-

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings			
Term loan	5,184	526	5,710
Hire-purchase and lease payables	743	0	743
	5,927	526	6,453
Short term borrowings			
Overdrafts	6,317	1,497	7,814
Term loan	1,128	402	1,530
Banker's acceptance and revolving credit	1,675	0	1,675
Hire-purchase and lease payables	363	0	363
	9,483	1,899	11,382
Total Borrowings	15,410	2,425	17,835

As at October 27, 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 October 27, 2009.

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 October 27, 2009 except for Transocean Haulage Services Sdn Bhd ("THS"), a subsidiary of Transocean Holdings Bhd, which has commenced legal action against EHaul Logistics Sdn Bhd ("EHaul") and Michael Tan ("MT") to recover the sum of RM754,798 for invoices outstanding and the sum of RM1,700,577 for estimated repair costs and losses suffered.



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A sealed copy of the amended writ of summons together with the amended statement of claim dated 26 August 2009 was served on the defendants’ solicitors on September 16, 2009. Our solicitors are in the midst of preparing the application for summary judgement for the invoices outstanding amounting to RM754,798.

26 Dividend payable

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

27 Profit per share

Basic profit per share amounts are calculated by dividing profit 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 31/08/09	Preceding Year Quarter Ended 31/08/08	Current Year-To-Date Ended 31/08/09	Preceding Year-To-Date Ended 31/08/08
Profit attributable to ordinary equity holders of the parent (RM'000)	791	255	791	255
No of ordinary shares in issue ('000)	40,999	40,999	40,999	40,999
Basic profit per share (sen)	1.93	0.62	1.93	0.62

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 October 27, 2009.

By order of the Board
Dated 27th day of October, 2009