



# **TRANSOCEAN HOLDINGS BHD**

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

## **UNAUDITED INTERIM FINANCIAL REPORT FOR PERIOD ENDED NOVEMBER 30, 2009**

*Dated January 27, 2010*



**INTERIM FINANCIAL REPORT  
FINANCIAL YEAR 2010  
Second Quarter ended November 30, 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, 2nd Quarter ended November 30, 2009.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/11/09 RM'000	Preceding Year Quarter Ended 30/11/08 RM'000	Current Year-To-Date Ended 30/11/09 RM'000	Preceding Year-To-Date Ended 30/11/08 RM'000
<b>Revenue</b>	<b>10,992</b>	<b>12,447</b>	<b>22,999</b>	<b>25,583</b>
Other operating income	936	84	1,413	112
Operating profit before depreciation and finance cost	2,043	825	4,047	2,313
Impairment loss	0	0	0	0
Depreciation & amortization	(440)	(591)	(954)	(1,182)
<b>Profit from operations</b>	<b>1,603</b>	<b>234</b>	<b>3,093</b>	<b>1,131</b>
Finance cost	(278)	(273)	(581)	(578)
	1,325	(39)	2,512	553
Share of profit of associate	(10)	25	(6)	5
<b>Profit/(Loss) before taxation</b>	<b>1,315</b>	<b>(14)</b>	<b>2,506</b>	<b>558</b>
Income tax expense	(166)	(229)	(570)	(487)
<b>Profit/(Loss) for the period</b>	<b>1,149</b>	<b>(243)</b>	<b>1,936</b>	<b>71</b>
<b>Attributable to :</b>				
Equity holders of the parent	1,181	(275)	1,978	(21)
Minority interest	(32)	32	(42)	92
	1,149	(243)	1,936	71
Profit/(Loss) per share attributable to equity holders of the parent :				
- Basic (sen)	2.88	(0.67)	4.81	(0.05)
- 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, 2009 and the accompanying explanatory notes attached to the Interim Financial Report)



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**CONDENSED CONSOLIDATED BALANCE SHEET**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As At</b>	<b>As At</b>
	<b>30/11/09</b>	<b>31/05/09</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	31,034	32,980
Prepaid land lease payments	4,543	4,628
Investment in associates	322	328
Other investments	3	3
Intangible assets	3,562	3,562
	<u>39,464</u>	<u>41,501</u>
<b>Current Assets</b>		
Inventories	704	403
Trade receivables	13,583	11,860
Other receivables	1,424	652
Cash and bank balances	1,002	202
	<u>16,713</u>	<u>13,117</u>
Assets Held for sale	-	700
<b>TOTAL ASSETS</b>	<b><u>56,177</u></b>	<b><u>55,318</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	40,999	40,999
Other reserve	5,651	5,651
Accumulated losses	(18,541)	(20,519)
	<u>28,109</u>	<u>26,131</u>
Minority interest	851	893
<b>Total equity</b>	<b><u>28,960</u></b>	<b><u>27,024</u></b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Borrowings	5,985	6,849
Deferred tax liabilities	943	943
	<u>6,928</u>	<u>7,792</u>



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<b>Current liabilities</b>		
Borrowings	10,260	11,314
Trade payables	6,432	5,648
Other payables	3,053	3,168
Tax payable	544	372
	<u>20,289</u>	<u>20,502</u>
<b>Total liabilities</b>	<b>27,217</b>	<b>28,294</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>56,177</u></b>	<b><u>55,318</u></b>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	<b>0.69</b>	<b>0.64</b>

(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)



# TRANSOCEAN HOLDINGS BHD (36747-U)

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### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent					
	Share Capital	Non-distributable Other Reserve	Accumulated Loss	Shareholders' Equity	Minority Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at June 1, 2009	40,999	5,651	(20,519)	26,131	893	27,024
Profit for the period	0	0	1,978	1,978	(42)	1,936
Balance as at November 30, 2009	40,999	5,651	(18,541)	28,109	851	28,960
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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	<b>Current Year-To- Date Ended 30/11/09 RM'000</b>	<b>Preceding Year-To- Date Ended 30/11/08 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,506	558
Adjustment for :-		
Non-cash items	482	992
Non-operating items	(324)	384
Operating profit before working capital changes	2,664	1,934
Changes in working capital :-		
Net change in current assets	(2,293)	(637)
Net change in current liabilities	520	(115)
Cash generated from operations	891	1,182
Interest paid	(581)	(578)
Taxation paid	(209)	(122)
<b>Net cash generated from operating activities</b>	<b>101</b>	<b>482</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(448)	(4,918)
Net dividend received	11	14
Proceeds from disposal of property, plant and equipment	2,208	0
Disposal of subsidiaries	849	0
<b>Net cash generated from/(used in) investing activities</b>	<b>2,620</b>	<b>(4,894)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of revolving credit and banker's acceptance	0	3,991
Repayment of loans, hire-purchase and lease payables	(1,671)	(923)
<b>Net cash (used in)/generated from financing activities</b>	<b>(1,671)</b>	<b>3,068</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,050</b>	<b>(1,344)</b>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(6,780)	(6,190)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>(5,730)</b>	<b>(7,534)</b>
Cash and cash equivalents comprise :-		
Cash and bank balances	1,002	113
Bank overdrafts (included within short term borrowings in Note 23)	(6,732)	(7,647)
	<b>(5,730)</b>	<b>(7,534)</b>

(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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Analysis for disposal of subsidiaries

The fair value of the assets and liabilities disposed are as follows:

	RM'000
Property, plant & machinery	628
Net current assets	489
Fair value of assets	<u>1,117</u>
Gain on disposal	<u>310</u>
Total cash consideration	1,427
Less cash and cash equivalents	<u>(578)</u>
Cash on disposal of subsidiaries	<u>849</u>





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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:

<b>FRSs, Amendments to FRSs, Interpretations and Amendments to Interpretations</b>	<b>Effective for financial periods beginning on or after</b>
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 Conditions and Cancellations	1 January 2010
Amendments to FRS 139 Financial Instruments : Recognition and Measurement, FRS 7 : Financial Instruments : Disclosures and Amendments to IC Interpretation 9 : Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 9 : Reassessment of Embedded Derivatives	1 January 2010
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
FRS 1 : First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 : Business Combinations	1 July 2010
FRS 127 : Consolidation and Separate Financial Statements	1 July 2010
IC Interpretation 12 : Service Concessions Arrangements	1 July 2010
IC Interpretation 15 : Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16 : Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 : Distribution of Non-cash Assets to Owners	1 July 2010

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.



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**(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.

**(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.



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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, 2009 was not subject to any qualification.

**4 Segmental information**

	Trading of Tyres RM'000	Logistics Solution RM'000	Total RM'000
Segment :			
Revenue	7,471	15,528	22,999
Profit before taxation	720	1,786	2,506
Assets	15,314	40,863	56,177
Liabilities	9,009	18,208	27,217

The results are for the current 6 months period ended 30 November 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 November 30, 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.



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**11 Changes in the composition of the Group**

Transocean Holdings Bhd and its wholly owned subsidiary, Transocean (M) Sdn Bhd, had on October 5, 2009, entered into a sales and purchase agreement to dispose off its 100% interest in Transocean Agencies Sdn Bhd and Transocean Freight Services Sdn Bhd, respectively, to Ms. Low Lai Yong and Ms. Ooi Cheng Kim for a total consideration of RM74,337 and RM493,106. The sale was completed on October 5, 2009.

**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 22, 2010, other than material litigation as disclosed in Note 25, since the last annual balance sheet date comprise:-

	<b>As at 22/01/10 RM'000</b>	<b>As at 31/05/09 RM'000</b>
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	3,952	5,959
- unsecured	1,634	2,845
	<u>5,586</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.



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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 2010, the Group recorded an operating profit before depreciation and finance cost of RM2.04 million (FY2009, RM0.83 million) on the back of a total revenue of RM10.99 million (FY2009, RM12.45 million). The Group's revenue decreased by 11.7% for the quarter under review as compared to the preceding year corresponding quarter due to damp economic conditions. The operating profit margin improved from 6.7% to 18.6% due to the gain on the disposal of certain motor vehicles and subsidiaries.

Depreciation decreased by 25.4% from RM0.59 million to RM0.44 million. Finance cost remained the same for both periods under review.

The Group recorded a profit before taxation amounting to RM1.31 million (FY2009, a loss of RM0.01 million) and overall profit attributable to the equity holders of the parent was RM1.18 million as compared to loss of RM0.28 million recorded in the preceding year corresponding quarter.

**16 Comment on material change in profit before taxation**

	<b>Current Quarter 30/11/09 RM'000</b>	<b>Immediate Preceding Quarter 31/08/09 RM'000</b>	<b>Variation %</b>
Gross revenue	10,992	12,006	(8.44)%
Operating profit before depreciation and finance cost	2,043	1,998	2.25%
Profit before taxation and results from associate	1,315	1,181	11.35%
Net profit attributable to equity holders of the parent	1,181	791	49.30%

The Group's gross revenue decreased by 8.44% from RM12.00 million to RM10.99 million.



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Operating profit margin increased by 2.25% and was mainly due to the gain on the disposal of certain motor vehicles and subsidiaries.

The net profit attributable to equity holders of the parent increased by 49.30% from RM0.79 million to RM1.18 million due mainly to the reasons as mentioned in the paragraph above.

**17 Commentary on prospects**

The Group remains cautious towards the current economic situation. It is expected that any improvement globally may provide for opportunity of better results.

**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**

	<b>Current Quarter 30/11/09 RM'000</b>	<b>Current Year-to-date 30/11/09 RM'000</b>
Current year provision	166	570
Provision in prior year taxation	0	0
Deferred taxation	0	0
	<hr/>	<hr/>
	166	570

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 was no sale of unquoted investments 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**

Other than disclosed in the announcements in the Bursa Malaysia website dated November 6, 2009, there was no corporate proposal by the Group for the current quarter and financial year-to-date.

**23 Borrowings**

Total Group borrowings as at November 30, 2009 were as follows :-

	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b>Long term borrowings</b>			
Term loan	4,758	476	5,234
Hire-purchase and lease payables	751	0	751
	<u>5,509</u>	<u>476</u>	<u>5,985</u>
<b>Short term borrowings</b>			
Overdrafts	5,513	1,219	6,732
Term loan	1,181	356	1,537
Banker's acceptance and revolving credit	1,677	0	1,677
Hire-purchase and lease payables	314	0	314
	<u>8,685</u>	<u>1,575</u>	<u>10,260</u>
<b>Total Borrowings</b>	<b><u>14,194</u></b>	<b><u>2,051</u></b>	<b><u>16,245</u></b>

As at January 27, 2010, 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 27, 2010.

**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 27, 2010 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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The Group’s solicitor has submitted to the court an application for summary judgement to recover the amount outstanding.

**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.

	<b>Current Year Quarter Ended 30/11/09</b>	<b>Preceding Year Quarter Ended 30/11/08</b>	<b>Current Year-To-Date Ended 30/11/09</b>	<b>Preceding Year-To-Date Ended 30/11/08</b>
Profit/(loss) attributable to ordinary equity holders of the parent (RM'000)	1,181	(275)	1,978	(21)
No of ordinary shares in issue ('000)	40,999	40,999	40,999	40,999
Basic profit/(loss) per share (sen)	2.88	(0.67)	4.81	(0.05)

**28 Authorisation for issue**

The Interim Financial Report was authorized for issue by the Board of Directors.

By order of the Board  
Dated 27<sup>th</sup> day of January, 2010