



# **TRANSOCEAN HOLDINGS BHD**

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

## **UNAUDITED INTERIM FINANCIAL REPORT FOR 6 MONTHS PERIOD ENDED November 30, 2011**

*Dated January 19, 2012*



**INTERIM FINANCIAL REPORT**  
**For 6 Months Period Ended November 30, 2011**

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The Board of Directors is pleased to announce the Interim Financial Report on consolidated results of the Group for Financial Period from September 1, 2011 to November 30, 2011.

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/11/11 RM'000	Preceding Year Quarter Ended 30/11/10 RM'000	Current Year-To-Date Ended 30/11/11 RM'000	Preceding Year-To-Date Ended 30/11/10 RM'000
<b>Revenue</b>	<b>8,069</b>	<b>7,462</b>	<b>17,108</b>	<b>15,482</b>
Operating profit before depreciation and finance cost	976	1,192	1,706	2,049
Depreciation & amortization	(297)	(292)	(545)	(589)
<b>Profit from operations</b>	<b>679</b>	<b>900</b>	<b>1,161</b>	<b>1,460</b>
Finance cost	(285)	(307)	(544)	(625)
	394	593	617	835
Share of loss of associate	-	(35)	-	(30)
<b>Profit before taxation</b>	<b>394</b>	<b>558</b>	<b>617</b>	<b>805</b>
Income tax expense	(47)	(152)	(154)	(300)
<b>Profit for the period</b>	<b>347</b>	<b>406</b>	<b>463</b>	<b>505</b>
<b>Attributable to :</b>				
Owners of the parent	347	361	463	505
Non - controlling interests	-	45	-	-
	347	406	463	505
Profit per share attributable to owners of the parent :				
- Basic (sen)	0.85	0.88	1.13	1.23
- Diluted (sen)	-----	Not applicable	-----	-----

(The Condensed Consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended May 31, 2011 and the accompanying explanatory notes attached to the Interim Financial Report)

**INTERIM FINANCIAL REPORT**  
**For 6 Months Period Ended November 30, 2011****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited As At 30/11/11 RM'000</b>	<b>Audited As At 31/05/11 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	32,270	31,605
Prepaid land lease payments	2,049	2,049
Investment in associates	-	351
Intangible assets	3,613	3,562
	<u>37,932</u>	<u>37,567</u>
<b>Current Assets</b>		
Inventories	364	421
Trade receivables	10,596	13,161
Other receivables	999	3,165
Tax Recoverable	48	-
Cash and bank balances	1,211	1,028
	<u>13,218</u>	<u>17,775</u>
<b>TOTAL ASSETS</b>	<u><b>51,150</b></u>	<u><b>55,342</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	40,999	40,999
Other reserve	8,534	8,534
Accumulated losses	(18,591)	(18,807)
<b>Total equity</b>	<u><b>30,942</b></u>	<u><b>30,726</b></u>
<b>Non-current liabilities</b>		
Borrowings	2,483	2,517
Deferred tax liabilities	1,324	1,324
	<u>3,807</u>	<u>3,841</u>



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**Current liabilities**

Borrowings	10,681	9,327
Trade payables	3,742	5,231
Other payables	1,978	5,941
Tax payables	-	276
	<u>16,401</u>	<u>20,775</u>

**Total liabilities**

**20,208**                      **24,616**

**TOTAL EQUITY AND LIABILITIES**

**51,150**                      **55,342**

**Net assets per share attributable to owners of the parent (RM)**

**0.75**                      **0.75**

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended May 31, 2011 and the accompanying explanatory notes attached to the Interim Financial Report)



# TRANSOCEAN HOLDINGS BHD (36747-U)

## INTERIM FINANCIAL REPORT For 6 Months Period Ended November 30, 2011

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Parent			Total RM'000	Total Equity RM'000
	Share Capital RM'000	Non- distributable Other Reserve RM'000	Accumulated Losses RM'000		
At June 1, 2011	40,999	8,534	(18,807)	30,726	30,726
Net Profit for the financial year	-	-	463	463	463
Changes arising from Changes in Composition of the Group	-	-	(247)	(247)	(247)
Total comprehensive income	-	-	216	216	216
Balance as at November 30, 2011	40,999	8,534	(18,591)	30,942	30,942
At June 1, 2010	40,999	5,652	(20,113)	26,538	26,538
Total comprehensive income for the year	-	2,882	1,306	4,188	4,188
At May 31, 2011	40,999	8,534	(18,807)	30,726	30,726

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended May 31, 2011 and the accompanying explanatory notes attached to the Interim Financial Report)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	<b>Current Year-To- Date Ended 30/11/11 RM'000</b>	<b>Preceding Year-To- Date Ended 30/11/10 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	617	805
Adjustment for :-		
Non-cash items	590	618
Non-operating items	512	142
Operating profit before working capital changes	<u>1,719</u>	<u>1565</u>
Changes in working capital :-		
Net change in current assets	4,706	1,100
Net change in current liabilities	<u>(5,204)</u>	<u>(2,282)</u>
Cash generated used in operations	1,221	383
Interest paid	(544)	(625)
Taxation paid	(610)	(117)
<b>Net cash generated from/ (used in) operating activities</b>	<u><b>67</b></u>	<u><b>(359)</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(1,236)	(14)
Net dividend received	-	-
Proceeds from disposal of property, plant and equipment	32	1,099
<b>Net cash (used in) generated from investing activities</b>	<u><b>(1,204)</b></u>	<u><b>1,085</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of revolving credit and banker's acceptance	544	-
Repayment of loans, hire-purchase and lease payables	(79)	(1,450)
<b>Net cash generated from/ (used in) financing activities</b>	<u><b>465</b></u>	<u><b>(1,450)</b></u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(672)</b>	<b>(724)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u><b>(4,993)</b></u>	<u><b>(6,020)</b></u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u><b>(5,665)</b></u></u>	<u><u><b>(6,744)</b></u></u>
Cash and cash equivalents comprise :-		
Cash and bank balances	1,211	244
Bank overdrafts (included within short term borrowings in Note 23)	(6,876)	(6,988)
	<u><u><b>(5,665)</b></u></u>	<u><u><b>(6,744)</b></u></u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended May 31, 2011 and the accompanying explanatory notes attached to the Interim Financial Report)



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**NOTES TO THE INTERIM FINANCIAL REPORT**

**SECTION A**

**Selected Explanatory Notes: FRSs 134 Paragraph 16**

**1. Basis of preparation**

The condensed financial statement are unaudited and have been prepared in accordance with the requirement of Financial Reporting Standard ('FRS') 134: Interim Financial Reporting and Paragraph 9.22 of the Bursa Malaysia Securities Berhad ("Bursa Securities")'s Listing Requirements.

The accounting policies and methods of computation adopted by the Company and its subsidiaries for these interim financial statements are in compliance with the new and revised FRSS, amendments to FRS and IC Interpretations issued by the Malaysian Accounting Standards Board ("MASB")

The condensed financial report should be read in conjunction with the audited financial statements of the Group for the year ended May 31, 2011. 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.

**2. Accounting policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended May 31, 2011 except for the adoption of the following new and amended FRS and IC Interpretations with effect from 1 June 2011 as disclosed below:-

<b>New/Revised FRSs, Amendments to FRSs and IC Interpretations</b>	<b>Effective for financial periods beginning on or after</b>
FRS 3 : Business Combinations (Revised)	1 July 2010
FRS 127 : Consolidation and Separate Financial Statements (Revised)	1 July 2010
Amendments to FRS 2 : Share-based Payments	1 July 2010
Amendments to FRS 5 : Non-current Assets held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 138 : Intangible Assets	1 July 2010
Amendments to IC Interpretation 9 ; Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 12 : Service Concessions Arrangements	1 July 2010
IC Interpretation 16 : Hedges of a Net Investment in a	1 July 2010





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Foreign Operation	
IC Interpretation 17 : Distribution of Non-cash Assets to Owners	1 July 2010
IC Interpretation 18 : Transfers of Assets from Customers	1 January 2011
Amendments to FRS contained in the documents entitled “Improvements to FRS, (2010)”	1 January 2011
IC Interpretation 4 : Determining Whether An Arrangement Contains a Lease	1 January 2011

The application of the above FRSs, Amendments to FRSs and Interpretation did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

**Significant Accounting Estimates and Judgements**

**(1) Critical Judgments Made in Applying Accounting Policies**

There are no critical judgments 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 except for the following :

**(2) Key Sources of Estimation Uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position, 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



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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, 2011 was not subject to any qualification.

**4. Items affecting assets, liabilities, equity, net income or cash flows**

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual of their nature, size or incidence for the current quarter under review and/or financial year-to-date.

**5. Segmental information**

**a. Business segments**

The results are for the 6 months period ended 30 November 2011.

	Trading of Tyres RM'000	Logistics Singapore RM'000	Logistics Solution RM'000	Total RM'000
Segment :				
Revenue	7,851	918	8,339	17,108
Profit/(Loss)before taxation	611	288	(282)	617
Assets	15,463	2,020	33,667	51,150
Liabilities	7,004	1,191	12,013	20,208

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For 6 Months Period Ended November 30, 2011**b. Geographical segments**

The results are for the 6 months period ended 30 November 2011 for geographical segments.

	<b>Malaysia</b>	<b>Singapore</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>					
External	16,190	918	-	-	17,108
Inter-segment	550	1,216	-	(1,766)	-
<b>Total revenue</b>	<b>16,740</b>	<b>2,134</b>		<b>(1,766)</b>	<b>17,108</b>
Profit from operations					1,161
Finance costs					(544)
					-
Profit before taxation					617
<b>Other Information</b>					
Segment assets	49,146	2,004	-	-	51,150
Capital expenditure	-	-	-	-	-

**6. 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, 2011.

**7. Changes in estimates**

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

**8. Comments about seasonal or cyclical factors**

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



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**9. Dividends paid**

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

**10. Debt and equity securities**

The Company has not issued or repaid any debt and equities security for the financial year to date.

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

On 28 July 2010, the Group entered into a conditional Share Purchase Agreement (“CSPA”) with TFS Line Pte. Ltd to acquire the remaining 200,100 ordinary shares of Singapore Dollar 1.00 each in TFS Logistics Pte.Ltd (“TFS Logistics”) representing 80% of the issued and paid up share capital of TFS Logistics, at a total consideration of SD 400,571.00.

The parties had subsequently mutually agreed to adjust the Purchase Consideration from SG400,751.00 to SGD198,009.90 based on the results of the Due Diligence Review. The Company had fully paid the balance of the purchase consideration in cash on 30 June 2011. TFS Logistics had since become a wholly owned subsidiary of the Group.

Other than the above transaction, there were no significant changes in the composition of the group.

**12. Capital commitments**

Capital commitments as at November 30, 2011 are shown below:

Fleet Replacement Exercise – Gerak Intensif Sdn. Bhd - Ordered of 5 trucks amounting to RM 1,600,000.

Computer integration Project – Total project cost RM150,000.Current outstanding at RM 124,000.

Apart from the above, there was no commitment for the purchase of property, plant and equipment not provided for in the quarter under review.



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**13. Changes in contingent liabilities and contingent assets**

Contingent liabilities of the Company as at November 30, 2011, other than material litigation as disclosed in Note 25, since the last annual statement of financial position date comprise:-

	As at 30/11/11 RM'000	As at 31/05/11 RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	3,231	3,437
- unsecured	1,070	1,128
	<u>4,301</u>	<u>4,565</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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**NOTES TO THE INTERIM FINANCIAL REPORT**

**SECTION B**

**Additional information required by the Bursa Securities' Listing Requirements**

**15. Performance review**

The Group recorded revenue of RM8.069 million and net profit after taxation of RM0.347 million for the quarter under review as compared to revenue of RM7.46 million and profit after taxation of RM0.116 million. The revenue increased by RM0.61 million or 8% as compared to the preceding year corresponding quarter.

**16. Comment on results against preceding quarter**

	Current Quarter 30/11/11 RM'000	Immediate Preceding Quarter 31/08/11 RM'000	Variation %
Gross revenue	8,069	9,039	(10.73)%
Operating profit / (loss) before depreciation and finance cost	976	731	33.52%
Profit before taxation and results from associate	394	224	75.89%
Net profit attributable to owners of the parent	347	116	>100%

The group's revenue decreased by RM0.970 million or (10.73)% compared to the preceding quarter.

Increase in profit before taxation for the quarter as compared with the previous quarter were due to effective cost control for logistics division and the inclusion of profits from the Singapore unit.



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**17. Commentary on prospects**

Global economic and trade flows will be affected by the uncertain factors such as; euro zone debt crisis, sluggish US economy, major countries' uncertainty due to election years, inflation from food prices increases and natural disasters.

Malaysian economy remained promising with government projected at 5% growth for the year 2012 due to election budgets, aggressive implementation of government ETP projects and strong domestic demands.

The group is confident of maintaining its performance for the year 2012.

**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 30/11/11 RM'000	Current Year-to-date 30/11/11 RM'000
Current year provision	47	154

The income tax expenses are mainly incurred by the Company and certain of its subsidiaries.

**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 in the current quarter and financial year-to-date.

**22. Corporate proposal**

There was no corporate proposal by the Group for the current quarter and financial year-to-date other than disclosed in Note 11.



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**23. Borrowings**

Total Group borrowings as at November 30, 2011 were as follows :-

	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Long term borrowings</b>			
Term loan	1,497	64	1,561
Hire-purchase and lease payables	922	-	922
	<u>2,419</u>	<u>64</u>	<u>2,483</u>
<b>Short term borrowings</b>			
Overdrafts	6,089	786	6,876
Term loan	1,130	263	1,393
Banker's acceptance revolving credit and	2,232	-	2,232
Hire-purchase and lease payables	180	-	180
	<u>9,631</u>	<u>1,049</u>	<u>10,681</u>
<b>Total Borrowings</b>	<b><u>12,050</u></b>	<b><u>1,113</u></b>	<b><u>13,164</u></b>

As at January 18, 2012, the Group does not have any exposure in borrowings and debt securities denominated in foreign currency.

**24. Off balance sheet financial instruments**

There were no financial instruments with off balance sheet risks at the date of issue of the report.

**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 19, 2011 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") on 10 October 2008 to recover the sum of RM754,798 for invoices outstanding and the sum of RM1,700,577 for estimated repair costs and losses suffered. The Court has decided to schedule the case for case management on 13 August 2012.





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**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 owners of the parent by the weighted average number of shares in issue during the period.

	<b>Current Year Quarter Ended 30/11/11</b>	<b>Preceding Year Quarter Ended 31/08/10</b>	<b>Current Year-To-Date Ended 30/11/11</b>	<b>Preceding Year-To-Date Ended 31/08/10</b>
Profit attributable to owners of the parent (RM'000)	347	144	463	144
No of ordinary shares in issue ('000)	40,999	40,999	40,999	40,999
Basic profit per share (sen)	0.85	0.35	1.13	0.35

**28. Disclosure of Realised and Unrealised Losses**

**The accumulated losses of the Group are analysed as follows:-**

	<b>Current Quarter 30/11/2011 RM'000</b>	<b>Immediate Preceding Quarter 31/08/2011 RM'000</b>
<b>Total accumulated losses of the Group:-</b>		
- Realised	(17,732)	(17,832)
- Unrealised	(859)	(859)
<b>Total accumulated losses</b>	<b>(18,591)</b>	<b>(18,691)</b>



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**29. Change of financial year end**

The company changed its financial year end from May 31 to December 31 during the financial period.

The current financial statements of the company shall be made up for a seven (7) months period commencing from June 1, 2011 to December 31, 2011.

**30. Authorisation for issue**

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

**By order of the Board**

Dated 19th day of January, 2012