



**TRANSOCEAN HOLDINGS BHD.**  
*(Incorporated in Malaysia) (36747 U)*



## Annual Report **2011**



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The  
**34<sup>th</sup> Annual  
General Meeting**  
will be held at:

**VENUE** Function Room, Level 2  
Kuala Lumpur International Hotel  
Jalan Raja Muda Abd Aziz  
50738 Kuala Lumpur

**DATE** Thursday, 21 June 2012

**TIME** 10.00 a.m.



## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-fourth (34<sup>th</sup>) Annual General Meeting of Transocean Holdings Bhd (“the Company”) will be held at Function Room, Level 2, Kuala Lumpur International Hotel, Jalan Raja Muda Abd Aziz, 50738 Kuala Lumpur on Thursday, 21 June 2012 at 10.00 a.m. for the following purposes:-

### AGENDA

#### AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the 7 months financial period ended 31 December 2011 together with the Reports of the Directors and Auditors thereon;
2. To re-elect Y.Bhg. Dato’ Sri Mohd Nadzmi Bin Mohd Salleh who retires in accordance with Article 105(1) of the Company’s Articles of Association and being eligible, offer himself for re-election.
3. To consider and, if thought fit, to pass the following resolution in accordance with Section 129(6) of the Companies Act, 1965 as ordinary resolution:-

“THAT En. Zainuddin Bin Din, retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company and to hold office until the conclusion of next Annual General Meeting of the Company.”

4. To re-appoint Messrs. Morison AnuarulAzizanChew as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

RESOLUTION 1

RESOLUTION 2

RESOLUTION 3

#### AS SPECIAL BUSINESS:

5. To consider and if thought fit, to pass the following resolutions:-

- (i) **Ordinary Resolution**  
**Payment of Directors’ Fees**

“THAT the payment of Directors’ fees amounting to Ringgit Malaysia Sixty Thousand (RM60,000.00) only for the 7 months financial period ended 31 December 2011 be and is hereby approved.”

RESOLUTION 4

- (ii) **Ordinary Resolution**  
**Authority to issue and allot shares**

“THAT subject to Section 132D of the Companies Act, 1965 and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per centum (10%) of the issued and paid-up share capital (excluding treasury shares) of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

RESOLUTION 5

(iii) **Ordinary Resolution**

**Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature involving Kumpulan Kenderaan Malaysia Berhad, Lengkap Suci Sdn Bhd, Dato' Sri Mohd Nadzmi Bin Mohd Salleh and persons connected to them ("Proposed Renewal of Shareholders' Mandate")**

"THAT approval be and is hereby given to the Company's subsidiaries to enter into and give effect to recurrent related party transactions with certain subsidiaries of Nadi Corporation Sdn Bhd as prescribed in Section 2.4, Part A of the Circular to Shareholders dated 30 May 2012 ("Circular") involving the interests, direct or indirect of Kumpulan Kenderaan Malaysia Berhad, Lengkap Suci Sdn Bhd, Dato' Sri Mohd Nadzmi bin Mohd Salleh and persons connected to them, namely Konsortium Transnasional Berhad, Nadicorp Holdings Sdn Bhd, Nadi Corporation Sdn Bhd, Trisilco Equity Sdn Bhd, Ibroni Sdn Bhd, Park May Bhd, Tulus Hebat Sdn Bhd, Maracorp Sdn Bhd ("Related Parties") as specified in Section 2.4, Part A of the Circular (hereinafter referred as "RRPT"), and falling within the ambit of Part E, Paragraph 10.09 of Chapter 10 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, which are necessary for the day-to-day operations and undertaken in the ordinary course of business of the Company, on terms not more favourable to Related Parties than those generally available to the public and not detrimental to minority shareholders of the Company.

THAT such approval shall continue to be in force until:

- (a) the conclusion of the Company's next Annual General Meeting ("AGM"), at which time it will lapse, unless the authority is renewed by a resolution passed at the general meeting;
- (b) the expiration of the period within which the Company's AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but must not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by ordinary resolution passed by the Company's shareholders in a general meeting,

whichever is occurs first.

AND FURTHER THAT the Directors of the Company be and hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate."

RESOLUTION 6

(iv) **Special Resolution**

**Proposed amendments to the Articles of Association of the Company ("Proposed Amendments")**

"THAT the proposed deletions, alterations, modifications, variations and additions to the Articles of Association of the Company in the manner as set out under Appendix II of the Circular to Shareholders dated 30 May 2012 ("Circular") and the adoption of new Articles of Association as set out under Appendix III of Circular be and are hereby approved.

AND THAT the Directors and Secretaries be and are hereby authorised to sign and execute all relevant documents, acts and things as may be required for and in connection with and to give effect to the Proposed Amendments with the full power to assent to any conditions, deletion, alteration, modifications, variations and/or amendments as may be required by the relevant authorities."

RESOLUTION 7

By Order of the Board

**TIFLA HAIRI BIN TAIB** (LS 0009488)  
**THUM SOOK FUN** (MAICSA 7025619)  
Company Secretaries

Date: 30 May 2012  
Kuala Lumpur

**Explanatory Note to Special Business****Resolution 4 – Payment of Directors' fees**

The Ordinary Resolution proposed under item 5(i) above is to obtain shareholders' approval for the payment of Directors' fees for the 7 months financial period ended 31 December 2011 as required under Article 113 of the Company's Articles of Association.

**Resolution 5 – Authority to issue and allot shares pursuant to Section 132D of the Companies Act, 1965**

The Ordinary Resolution proposed under item 5(ii) above is primarily to seek for the renewal of a general mandate to give flexibility to the Board of Directors to issue and allot shares up to 10% of the issued share capital (excluding treasury shares) of the Company for the time being, at anytime in their absolute discretion without convening a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this Notice, no new shares were issued pursuant to the mandate granted to the Directors at the last AGM held on 25 November 2011 and it will lapse at the conclusion of the Thirty-fourth Annual General Meeting.

The renewal of the above mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or settlement of banking facilities.

**Resolution 6 – Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature involving Kumpulan Kenderaan Malaysia Berhad, Lengkap Suci Sdn Bhd, Dato' Sri Mohd Nadzmi bin Mohd Salleh and persons connected to them ("Proposed Renewal of Shareholders' Mandate")**

The Ordinary Resolution proposed under item 5(iii) above is to procure shareholders' mandate for all the RRPTs involving the interest, direct or indirect of Kumpulan Kenderaan Malaysia Berhad, Lengkap Suci Sdn Bhd, Dato' Sri Mohd Nadzmi bin Mohd Salleh and persons connected to them as disclosed in the Circular to Shareholders dated 30 May 2012.

**Resolution 7 – Proposed amendments to the Articles of Association of the Company ("Proposed Amendments")**

The Special Resolution proposed under item 5(iv), if passed, will enable the Company to comply with the recent amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

*Further information on the Proposed Renewal of Shareholders' Mandate and Proposed Amendments are set out in the Circular to Shareholders dated 30 May 2012, which is dispatched together with the Company's Annual Report 2011.*

**Notes:**

1. In respect of deposited securities, only members whose name appears on the Record of Depositors as at 15 June 2012 shall be entitled to attend, speak and vote at the said meeting or appoint proxies to attend and/or vote on his/her behalf.
2. A member entitled to attend and vote at the meeting is entitled to appoint more than one proxy to attend and vote in his or her stead. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
3. A proxy may but does not need to be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Notwithstanding this, a member entitled to attend and vote at the meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the meeting shall have the same rights as the member to speak at the meeting.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing. In the case where a member is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised.
6. All proxy forms must be duly executed and deposited at the Registered Office of the Company at No. 38, Jalan Chow Kit, 50350 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.

# STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING



(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election or re-appointment) at this forthcoming Thirty-fourth Annual General Meeting.



## BOARD OF DIRECTORS



## BOARD OF DIRECTORS

**YBhg Dato' Sri Mohd Nadzmi Bin Mohd Salleh** *Executive Chairman/Managing Director*

**Mr. Tan Swee Hock** *Executive Director*

**Encik Zainuddin Bin Din** *Independent Non-Executive Director*

**Encik Muhammad Adib Bin Ariffin** *Independent Non-Executive Director*

**Mr. Woo Kok Boon** *Independent Non-Executive Director*

### COMPANY SECRETARIES

Thum Sook Fun (MAICSA 7025619)

Tifla Hairi Bin Taib (LS0009488)

### REGISTERED OFFICE

No. 38, Jalan Chow Kit  
50350 Kuala Lumpur  
Tel: 03-4047 7878  
Fax: 03-4044 6836

### CORPORATE OFFICE

Lot 2955, 2956 & 2957  
Jalan Perusahaan Sungai Lokan 3  
Kawasan Perusahaan Sungai Lokan  
13400 Butterworth  
Pulau Pinang  
Tel: 04-332 2650  
Fax: 04-323 0867  
Website: [www.transocean.com.my](http://www.transocean.com.my)

### SHARE REGISTRARS

Securities Services (Holdings) Sdn Bhd  
Suite 18.05, MWE Plaza  
No. 8, Lebuhr Farquhar  
10200 Penang  
Tel: 04-263 1966  
Fax: 04-262 8544

### AUDITORS

Morison AnuarulAzizanChew  
(AF 001977)  
Chartered Accountants  
18 Jalan 1/64  
Off Jalan Kolam Air/Jalan Ipoh  
51200 Kuala Lumpur

### PRINCIPAL BANKERS

CIMB Bank Berhad  
Public Bank Berhad  
Malayan Banking Berhad  
RHB Bank Berhad

### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia  
Securities Berhad

## DIRECTORS' PROFILE

**YBhg Dato' Sri Mohd Nadzmi  
Bin Mohd Salleh**  
Executive Chairman/Managing Director



### YBhg Dato' Sri Mohd Nadzmi Bin Mohd Salleh

**Executive Chairman/Managing Director**  
Malaysian, aged 58

Dato' Sri Mohd Nadzmi, has vast experience, especially in the automobile and public transportation industry. Dato' Sri Mohd Nadzmi graduated from Ohio University, US in 1978 with a Bachelor of Science degree in Chemistry and Mathematics, and a Bachelor of Arts degree in Economics. After graduating from the University, he pursued his post-graduate study at the Miami University, US and obtained his Masters degree in Economics and Statistics in 1980.

Dato' Sri Mohd Nadzmi was thrust into the corporate world at an early stage in his career. At the age of 36, he was appointed as Chief Executive Officer of Edaran Otomobil Nasional Berhad ("EON"), the company responsible for the distribution of the Malaysian national car. Prior to his appointment, he had gained recognition for being instrumental in ensuring the successful launch of the Malaysian national car. As a result, he was conferred the title "Man of the Year" from the Malaysian Business Magazine in 1986. During his three (3) year tenure at EON, he managed to diversify the company's business activities to include finance, property and banking. In 1990, he led the company to its successful listing on the Main Board of the KLSE.

His achievements at EON subsequently led to his appointment by the Malaysian Government as the Chief Executive Officer of Perusahaan Otomobil Nasional Berhad ("PROTON"), the company which manufactures the Malaysian national car, at the age of 39. The said appointment earned him the "Outstanding Young Malaysian" award in 1993 from the Malaysian Junior Chamber of Commerce. The following year, he was elected to join the prestigious and exclusive membership of "Global Leaders for Tomorrow" by the World Economic Forum in Davos, Switzerland.

In 1996, Dato' Sri Mohd Nadzmi made the successful transition from a professional manager to an entrepreneur when he left his position as Chief Executive Officer at PROTON and took over the ownership and management of a loss-making company, Mara Holding Sdn Bhd ("Mara Holding"). Dato' Sri Mohd Nadzmi successfully turnaround the company in a span of one and half years, making it a successful venture with five (5) core activities, namely public bus transportation, manufacturing, property, plantation and defence.

Due to his achievement in turning around Mara Holding, he was propelled into the limelight as a turnaround specialist. His services were called upon once again by the Malaysian Government to spearhead a national project involving the provision of high speed train services between the Kuala Lumpur International Airport and the Kuala Lumpur city centre via a company known as Express Rail Link Sdn Bhd ("ERL"). The project has now been successfully implemented and Dato' Sri Mohd Nadzmi is presently the Executive Chairman of ERL as well as Nadicorp Holdings Sdn Bhd and Trisilco Folec Sdn Bhd.

His achievements have earned him many accolades to-date. In 2004, he was named as Malaysia's Ernst & Young Entrepreneur Of The Year (2003) and was the recipient of the Master Entrepreneur of the Year (2003) award. He was awarded Entrepreneur of the Year 2009 by Enterprise Asia.

He was appointed as Director of the Company on 29 November 2007 and does not serve on any board committee. He is also the Chairman and Managing Director of Konsortium Transnasional Berhad and Director of VS Industry Berhad, Kumpulan Kenderaan Malaysia Berhad and Chairman of J.T International Berhad. He also chairs and is a board member of several private companies. He has no family relationship with any director of the Company. He is deemed to have interest as a major shareholder of the Company by virtue of his interest held through Kumpulan Kenderaan Malaysia Berhad. He has no conflict of interest with Transocean Group of Companies and has never been charged for any offence.

## Tan Swee Hock

Executive Director, Malaysian, aged 59

Mr. Tan Swee Hock is a member of the Malaysian Institute of Accountants and is a Fellow of the Association of Chartered Certified Accountants, United Kingdom. He has vast experience, especially in the manufacturing and public transportation industry. His first attachment was with Hanafiah, Raslan & Mohd from 1976 until 1979 as an Audit Assistant. After 1979, he joined Kumpulan Kenderaan Malaysia Berhad as an Accountant from 1980 until 1985. In the year 1985, he joined Nadicorp Holdings Sdn Bhd as the Group Chief Financial Officer until now. During his tenure as the Chief Financial Officer at the abovementioned companies, he had amassed a wealth of entrepreneurial skills and management wisdom, adopting the best practices that each style of management has to offer.

He was appointed as Director of the Company on 29 April 2008 and serve as member of Remuneration Committee. He does not hold any directorships in other public listed companies. He is also Director of Kumpulan Kenderaan Malaysia Berhad. He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with Transocean Group of Companies and has never been charged for any offence.



Tan Swee Hock  
Executive Director



## Zainuddin Bin Din

**Independent Non-Executive Director, Malaysian, aged 71**

En. Zainuddin bin Din graduated with a Bachelor of Economics (Honours) degree from the University of Western Australia and a Masters degree in Business Administration from the University of California, Los Angeles.

He served in the Malaysian Government service until 1976 with his last held position being the Director, Industries Division, Ministry of International Trade and Industry. During his tenure in the civil service, he was involved in formulating and enforcing various government policies, particularly those affecting trade and industry. From 1976 to 1991, he was the Chief Executive Officer of Pertanian Baring Sanwa Merchant Bankers Bhd (now known as Commerce International Merchant Bankers Bhd). After one year with AIA Capital, Hong Kong, he joined Malacca Securities Sdn Bhd as Executive Director for eight years until his resignation from that position in February 2001.

He was appointed as Director of the Company on 8 August 1994 and currently sits in Audit Committee, Nomination Committee and Remuneration Committee as Chairman of the said board committees. He does not hold any directorships in other public listed companies and has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with Transocean Group of Companies and has never been charged for any offence.

## Muhammad Adib Bin Ariffin

**Independent Non-Executive Director, Malaysian, aged 49**

En. Muhammad Adib bin Ariffin holds a Bachelor in Economics (Major in Accounting and Finance) from Monash University, Victoria, Australia. He is a member of Malaysian Institute of Accountants and a Fellow of CPA Australia. He has served over twenty years in several corporations and has held various positions in finance, operations, investments and corporate development. His industry involvement includes financial services, construction, manufacturing, property and agriculture. He is currently the Executive Director of Pelita Diwangsa Sdn Bhd.

He was appointed as a Director of the Company on 29 November 2007 and serves as member of the Audit Committee, Nomination Committee and Remuneration Committee. He does not hold any directorships in other public listed companies except for Konsortium Transnasional Berhad. He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with Transocean Group of Companies and has never been charged for any offence.

*from left to right*

### Zainuddin Bin Din

Independent Non-Executive Director

### Muhammad Adib Bin Ariffin

Independent Non-Executive Director

## Woo Kok Boon

Independent Non-Executive Director, Malaysian, aged 34

Mr. Woo Kok Boon, holds a Bachelor of Arts (Major in Economics) from York University, Toronto, Canada. He started his banking career with Multi-Purpose Bank Berhad. After the banking merger, he held the position of Manager of Sales and Marketing with Alliance Bank Malaysia Berhad. He then moved to Bumiputra-Commerce Finance Berhad and served as the Head of Risk Management Division and Head of Strategic Planning Division during his tenure.

He is currently Executive Director and Chief Executive Officer of Eclimo Marketing Sdn Bhd and a Director of Eclimo Sdn Bhd. He is also involved in several projects in the Green Technology sector.

He was appointed as Director of the Company on 17 October 2011 and serves as member of the Audit Committee, Nomination Committee and Remuneration Committee. He does not hold any directorship in other public listed companies except for Konsortium Transnational Berhad. He has no family relationship with any other Director and/or major shareholder of the Company. He has no conflict of interest with Transocean Group of Companies and has never been charged for any offence.



Woo Kok Boon

Independent Non-Executive Director

## OTHER INFORMATION REQUIRED

by the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad

### UTILISATION OF PROCEEDS

No proceeds were raised by the Company from any corporate exercise or arising from the general mandate pursuant to Section 132D of the Companies Act, 1965 granted by the shareholders at the last Annual General Meeting of the Company during the 7 months financial period ended 31 December 2011.

### SHARE BUY-BACK

During the 7 months financial period ended 31 December 2011, the Company did not enter into any share buy-back transactions.

### OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

No options, warrants or convertible securities were issued/exercised during the 7 months financial period ended 31 December 2011.

### AMERICAN DEPOSITORY RECEIPT (“ADR”) OR GLOBAL DEPOSITORY RECEIPT (“GDR”) PROGRAMME

During the 7 months financial period ended 31 December 2011, the Company did not sponsor any ADR or GDR programme.

### IMPOSITION OF SANCTIONS AND PENALTIES

There were no sanctions or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during 7 months financial period ended 31 December 2011.

### NON-AUDIT FEES

The amount of non-audit fees paid to the external auditors by the Group and by the Company for the 7 months financial period ended 31 December 2011 amounted to RM26,460 and RM4,200 respectively.

<b>KTB</b>	– Konsortium Transnasional Berhad
<b>KKMB</b>	– Kumpulan Kenderaan Malaysia Berhad
<b>Nadicorp</b>	– Nadicorp Holdings Sdn Bhd
<b>NCSB</b>	– Nadi Corporation Sdn Bhd
<b>Trisilco</b>	– Trisilco Equity Sdn Bhd
<b>Ibroni</b>	– Ibroni Sdn Bhd
<b>Usmeta</b>	– Usmeta Manufacturing Sdn Bhd
<b>*</b>	– Dato’ Sri Mohd Nadzmi Bin Mohd Salleh
<b>LSSB</b>	– Lengkap Suci Sdn Bhd
<b>Park May</b>	– Park May Berhad
<b>Tulus Hebat</b>	– Tulus Hebat Sdn Bhd
<b>Maracorp</b>	– Maracorp Sdn Bhd
<b>TLSB</b>	– Transocean Logistics Sdn Bhd

#### NATURE OF TRANSACTION

##### SALES OF TYRES BY USMETA TO

- Kenderaan Klang Banting Berhad
- Syarikat Rembau Tampin Sdn Bhd
- Kenderaan Langkasuka Sdn Bhd
- Syarikat Tanjung Keramat Temerloh Utara Omnibus Berhad
- Syarikat Kenderaan Melayu Kelantan Berhad
- Transnasional Express Sdn Bhd
- Plusliner Sdn Bhd
- Cityliner Sdn Bhd
- Badanbas Sdn Bhd
- Carefree Premium Sdn Bhd

##### PROVISION OF FREIGHT FORWARDING AND TRUCKING RELATED SERVICES BY TLSB TO

- Badanbas Sdn Bhd
- Nadi Green Meadow Sdn Bhd
- PNP Parachute Industries (M) Sdn Bhd
- Puspamara Sdn Bhd

## VARIATION IN RESULTS

There were no variances of 10% or more between the audited results for the 7 months financial period ended 31 December 2011 and the unaudited results of the Group as previously announced.

## PROFIT GUARANTEE

During the 7 months financial period ended 31 December 2011, there were no profit guarantees received by the Company.

## MATERIAL CONTRACTS

The Company had on 28 July 2010 entered into a conditional Share Purchase Agreement (“SPA”) with TFS Line Pte. Ltd. (“TFS Line” or “the Vendor”) to acquire the remaining 200,010 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 SGD400,571.00 only (“Acquisition”). The Acquisition involved the shareholder of TFS Line, namely Mr. Tan Swee Khoo who was a Director of the Company and certain subsidiaries of the group within the preceding 6 months of the date of SPA and deemed interested in the Acquisition by virtue of his son, Mr. Tan Wei Sheng’s equity interest in TFS Line. The Acquisition had been subsequently completed on 30 June 2011 at a total consideration of SGD198,009.90 only.

Save as disclosed above, there were no material contracts entered by the Company and its subsidiaries, involving Directors’ and major shareholders’ interests during the 7 months financial period ended 31 December 2011.

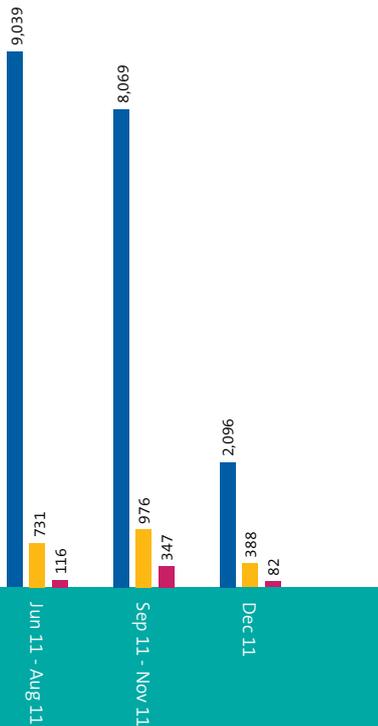
## RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR A TRADING NATURE

The summary of the recurrent related party transactions of a revenue or a trading nature which have been entered by the Group based on the mandate as obtained at the 33<sup>rd</sup> Annual General Meeting held on 25 November 2011 are as follows:-

INTERESTED RELATED PARTIES											TRANSACTIONED VALUE DURING FINANCIAL PERIOD ENDED 31 DECEMBER 2011 (RM)
KTB	KKMB	Nadicorp	NCSB	Trisilco	Ibroni	*	LSSB	Park May	Tulus Hebat	Maracorp	
•	•	•	•	•	•	•	•				376,972
•	•	•	•	•	•	•	•				310,699
•	•	•	•	•	•	•	•				0
•	•	•	•	•	•	•	•				76,970
•	•	•	•	•	•	•	•				573,007
•	•	•	•	•	•	•	•				3,888,356
•	•	•	•	•	•	•	•	•			818,385
•	•	•	•	•	•	•	•		•		0
	•	•	•	•	•	•	•				0
	•	•	•	•	•	•	•				90,875
	•	•	•	•	•	•	•				0
	•	•	•	•	•	•	•				0
	•	•	•	•	•	•	•			•	41,768
	•	•	•	•	•	•	•			•	4,035

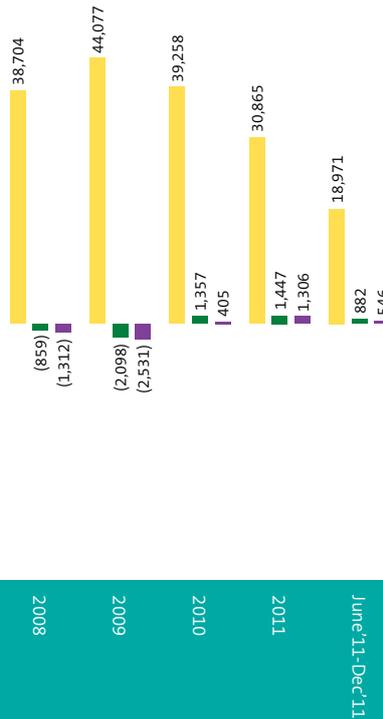
# FINANCIAL HIGHLIGHTS

## Audited Financial Results For 7 Months Financial Period Ended 31 December 2011.



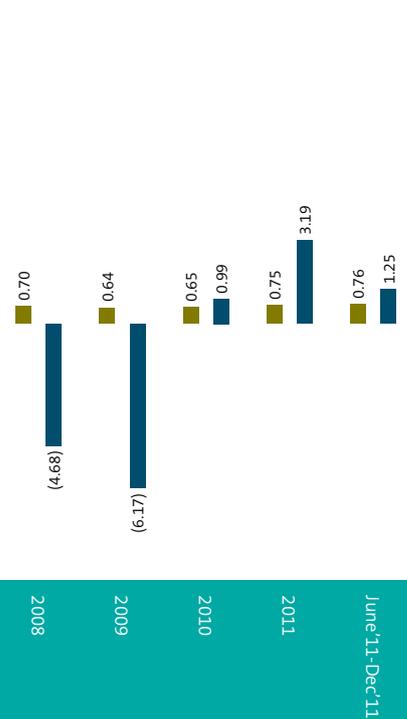
- Revenue (RM'000)
- Operating profit/(loss) before depreciation & finance cost (RM'000)
- Profit/(Loss) attributable to shareholders (RM'000)

## Financial Results



- Group Revenue (RM'000)
- Profit/(Loss) before Taxation (RM'000)
- Profit/(Loss) Attributable to Shareholders (RM'000)

## Group Basic Loss Per Share and Net Asset Per Share



- Net Asset Per Share (RM)
- Earning/(Loss) Per Share (Sen)

### Profit after taxation

RM **0.541** million  
7-month financial period ended 31 Dec 2011

Spurring up our growth momentum with revamped operational systems in place.

### Profit before taxation

RM **0.882** million  
7-month financial period ended 31 Dec 2011

Financially stronger on the back of improved logistic capabilities.

### Revenue

RM **18.971** million  
7-month financial period ended 31 Dec 2011

52% of which was derived from the Logistics Division.

# CHAIRMAN'S STATEMENT



Dear Shareholders,

On behalf of the Board of Directors, it gives me great pleasure to present the Annual Report and Audited Financial Statements for Transocean Holdings Bhd (“Transocean” or “Group”), for the seven-months financial period from 1st June 2011 to 31st December 2011.

(Please note that as the Group has changed its financial year closing date to 31st December as from the year 2011, there is no past year’s comparative data for the seven-months performance up to 31st December 2011).

DATO’ SRI MOHD NADZMI  
BIN MOHD SALLEH  
Executive Chairman/Managing Director

## OVERVIEW

2011 was a turbulent year gripped by natural disasters, Europe’s debt crisis and political upheavals in a number of Middle Eastern countries.

Natural disasters started with earthquakes and tsunamis in Japan, followed by devastating rain storms and flash floods in Brazil, China, Thailand and Australia. There were typhoons and cyclones in the United States of America (USA) and Asian countries while droughts severally affected parts of Africa. All these disasters caused commodity and grain prices to rise and created interruptions in the production of components parts which many global supply chains depend on.

Politically, several Arab countries experienced people revolutions causing the downfall of authoritarian governments of Tunisia, Egypt and Libya with the future of Syria's incumbent government still in the balance. The Arab region is in a state of flux with unclear indication of what forms the future governments of these countries will eventually take. Given that the Arab countries are important producers of petroleum, the political leanings of their future governments would have an important impact upon the world's economy. In the West, sentiments against abuses in the American capitalist practices were expressed through "Occupy Wall Street" demonstrations in New York in September 17 2011 and these developed into "we are 99%" protests against global economic and social inequalities.

The global economy was faced with USA's weak recovery and high unemployment. 2011 was the year USA lost its AAA credit rating while one of the Japan's major corporations was rattled by a corporate governance scandal. The European Union (EU) was badly shaken by debt crisis experienced by a number of its members. China was challenged with how to balance its rapid economic development with inequalities in distribution of its national wealth. All these problems created instability in financial markets.

The Malaysian economy recorded 5.1% growth for the year 2011 as most of its major trading partners are Asian countries which experienced stable economic growth. This growth was attributed to increase in private sector investments and foreign direct investments. The introduction of several government initiatives such as the Government Transformation Programme (GTP) and the Economic Transformation Programme (ETP) provided a conducive business environment to stimulate economic growth.

One of the major growth factors for the Malaysian economy is the country's strategic location, further enhanced by the nation's superior infrastructure facilities. Growth of the country's external trade was made possible due to significant growth in the transportation and logistics industry which provided efficient import and export forwarding, air freight and ocean freight and ocean freight-related services.

Malaysia's logistics industry recorded total revenue of RM117.8 billion for the year 2011 which was slightly lower than the RM120 billion projected last year. The slight decrease was due to supply chain disruptions resulting from production stoppages for automotive and electronic component parts from factories located in Thailand's flood affected areas.

## OPERATION REVIEW

The Group has completed the revamp of its Logistic Division. It has re-energised its long established brand name "Transocean" and has begun to be a major provider of cross border chartered and consolidated trucking services for the Penang/Singapore/Penang sector. The upgrading of the Group's computer system to integrate operation, billing warehouse, and accounting systems with e-billing linkage to customers will be completed in the first quarter of 2012. Financing facility has been obtained for the purchase of ten new trucks under the fleet replacement project while additional financing facilities are under negotiation for another ten new trucks.

TFS Logistic Pte Ltd., the newly acquired subsidiary in Singapore is now fully operational as a logistics hub in Singapore for storing, collecting and delivering of cargoes to support the cross border trucking services from Singapore/ Malaysia and vice versa. Towards the end of the year, the Group has kick-started cross-border trucking services for the Thailand/Malaysia/Singapore sector. Thus, the Group can confidently claim it is now a total logistics solutions provider providing chartered and consolidated cross-border trucking services for the Thailand/Malaysia/Singapore sector as well as providing local haulage services for the whole of Peninsular Malaysia.

## FINANCIAL PERFORMANCE

The Group recorded sales revenue of RM18.971 million for the seven-month period ended 31 December 2011. 52% of the revenue was derived from the Logistics Division with 48% derived from the distribution and marketing of Bridgestone tyres and the manufacturing of retread tyres.

Profit before taxation was RM0.877 million and profit after taxation was RM0.541 million for the seven-month period ended 31 December 2011.

## FUTURE PROSPECTS

The year 2012 will be a year of uncertainty with numerous changes particularly in the political and economic environment. General elections will be held in several countries including USA, France, Germany and China under their respective political systems. Malaysia is also expected to have its general election in 2012. With most national leaders in the western world and China focusing attention on their respective countries elections, and the Arab and African countries trying to achieve political stability, it is hoped that matters pertaining to economic development, including trade, will not be relegated to the back corners.

However, the future is not completely filled with doom and gloom. The European Union has been working hard to resolve its members' debt woes and hopes to find a solution soon. The American economy is shaking off the debt woes of the euro-zone and the Federal debt battle in Congress. Its jobs creation figures have been very encouraging indicating the resilience of the USA economic model. These are encouraging signs that the world's largest economy has begun to gather momentum to once again spearhead global economic recovery and growth. China's economy continues to grow albeit at a slightly slower pace in 2012 compared to the average of 10.4% annually during the last ten years and 9.2% in 2011. The slack in global economic growth due to the euro-zone debt problem will probably be more than made up by the continued steady economic growth in the BRIC countries i.e. Brazil, Russia, India and China.

Being a small and open economy, it is difficult for Malaysia to insulate itself from the effects of a global economic slowdown. The global uncertainty could continue to reduce demand for Malaysian goods and services and depress the prices of the nation's key commodities. Economic growth is projected by Bank Negara at 4 to 5% for the year 2012 with

such growth expected to come from the various initiatives taken by the government and the projected strong support from the private sector.

The Group has foreseen the various changes taking place in the global political and economic scenario and their effects on the Malaysian economy. It has therefore been taking appropriate measures to adapt to such changes in order to remain competitive and further grow its business. With regard to its finances, the Group is now financially stronger. In addition, its logistics division, given the on-going renewal of its fleet of trucks and upgrading of its computer system, can now provide logistics services throughout Peninsular Malaysia as well as for the Thailand/Malaysia/Singapore sector. The Group is also sourcing for strategic alliances with multinational logistics companies in order to expand into the global market.

## DIVIDEND

The Board does not recommend any dividend in respect of the seven-month financial period.

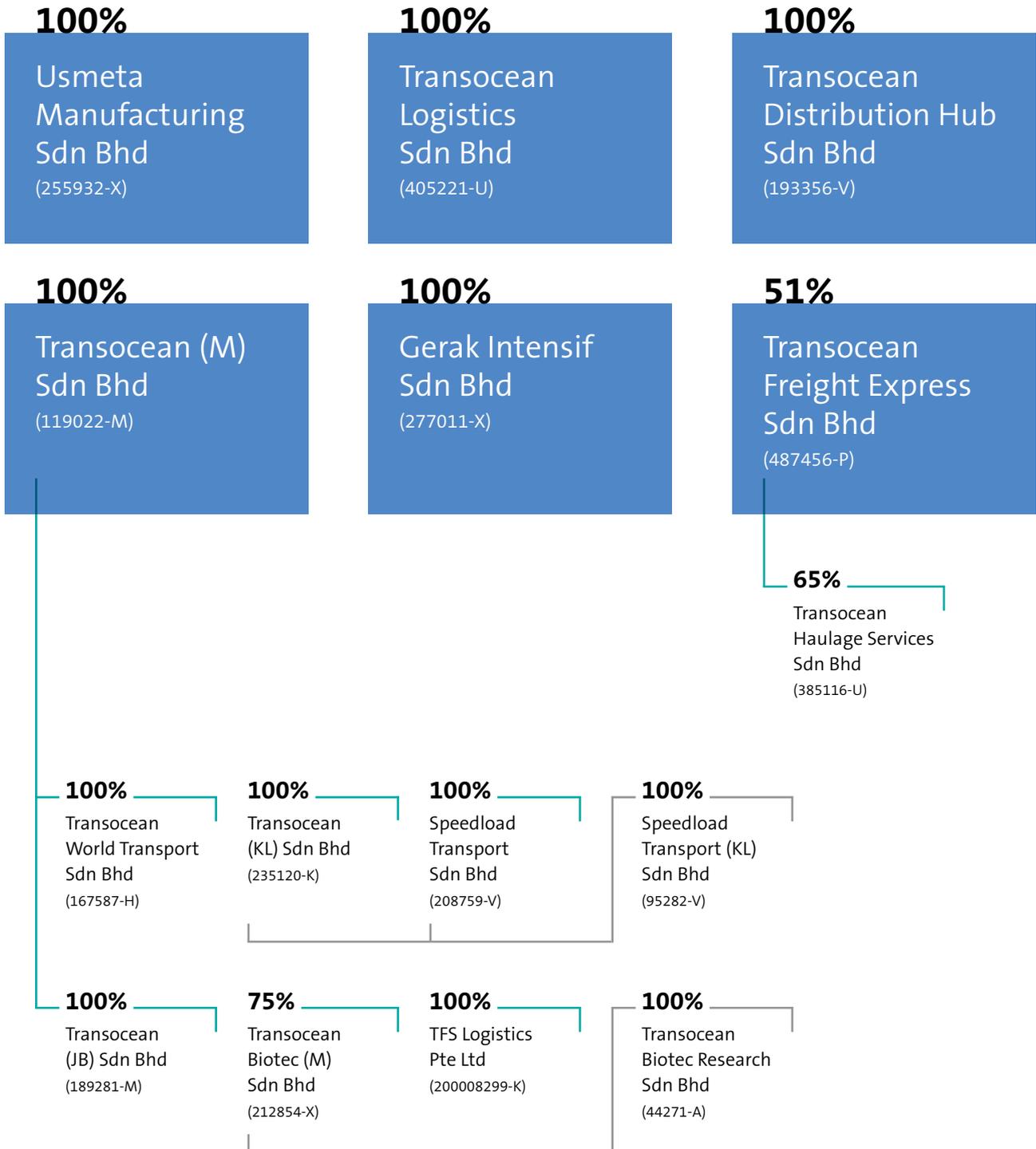
## APPRECIATION

The Board of Directors would like to express our gratitude to all our stakeholders for their unwavering support and continuous faith in the Group. To our shareholders, clients and business partners we look forward to your continued support through the years. My appreciation also goes to my fellow Board members for their invaluable counsel and support in the past years.

Finally, may I accord a special "thank you" to the management team and the hardworking employees for their efforts and commitment during the period under review.

# GROUP ORGANISATION STRUCTURE

as at 31 December 2011



The Board of Directors is committed to continuously strive for the highest standards of corporate governance throughout the Group as a fundamental part of discharging its responsibilities. It views corporate governance as synonymous with three key concepts, namely transparency, accountability as well as corporate performance and acknowledges its role in stewardship of the Group in its direction and operation to protect and enhance shareholders value and to build sustainable business growth for the Group.

The Board totally supports the prescriptions and recommendations of the principles and best practices set out in Part 1 & 2 of the Malaysian Code on Corporate Governance (Revised 2007) ("Code"). The Board is also mindful of the recommendations highlighted in the Securities Commission's five years Corporate Governance Blueprint which was launched on 8 July 2011 and new Malaysian Code on Corporate Governance 2012 issued by Securities Commission on 29 March 2012 to raise the standards of corporate governance in Malaysia.

The Board is pleased to provide the following statement, which outlines the primary corporate governance practices consistently adopted by the Group based on the Code.

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## DIRECTORS

### The Board of Directors

The Board comprises 5 members of whom 3 members are Independent Non-Executive Directors. The Board has more than 1/3 Independent Directors as its members.

An effective Board is the one that made up of a combination of executive directors with intimate knowledge of the business and non-executive directors from diversified industry/business background to bring broad business and commercial experience to the Group. The Group is led by a strong and experienced Board under the Chairman who also assumes the responsibilities of the Managing Director. The roles of Chairman and Managing Director are currently assumed by Dato' Sri Mohd Nadzmi Mohd Salleh in recognition of his entrepreneurial leadership which will lead the Group into a better future. Dato' Sri Mohd Nadzmi Mohd Salleh is assisted by an Executive Director and 3 Independent Non-Executive Directors. No individual dominates the board's decision making and the Board exercises their responsibilities collectively.

The Board placed great importance on the balance of the Board where independent Directors serve as an essential source of impartial and professional guidance to protect the interest of the shareholders. The Independent Non-Executive Directors are of sufficient caliber and experience to bring objectivity, balance and independent judgment to the Boards decisions. This helps to ensure that the highest standards of corporate governance, ethical conduct and integrity are maintained by the Company to the benefit of all stakeholders.

### Board Responsibilities

The Board has overall responsibility for the performance of the Group. This includes strategic planning, overseeing financial and operational performance, monitoring risk management processes, merger and acquisition activities and reviewing the adequacy of internal control systems.

The Board meets at least four (4) times a year and has a formal schedule of matters reserved to it. The Directors meet, review and approve all corporate announcements, including the announcement of the quarterly financial results prior to releasing them to Bursa Malaysia Securities Berhad ("Bursa Securities"). Additional meetings are held as and when required. The Board and its committees are supplied with full and timely information to enable them to discharge their responsibilities. During these meetings, the Board also appraises new investments along with business proposals, reviews the management as well as performance of the businesses and any other strategic issues that may affect the Group. All pertinent issues discussed at the meetings in arriving at the decisions and conclusions in discharging its duties and responsibilities are minuted which are then circulated to all Directors for their perusal prior to confirmation of the minutes at the following Board meeting.

Due to the change of financial year end from 31 May 2012 to 31 December 2011, current financial year covered 7 months period ended 31 December 2011, therefore the Board had held only three (3) meetings during the 7 months financial period ended 31 December 2011.

## Statement of Corporate Governance (cont'd)

### Attendance at Board Meetings

The number of Board of Directors' meeting held during the 7 months financial period ended 31 December 2011 ("financial period") and the number of meetings attended by each director are as follows:

DIRECTORS	NUMBER OF BOARD MEETINGS HELD DURING THE FINANCIAL PERIOD	NUMBER OF MEETINGS ATTENDED BY DIRECTORS DURING THEIR TENURE IN OFFICE
Dato' Sri Mohd Nadzmi Bin Mohd Salleh	3	2
Tan Swee Hock	3	3
Zainuddin Bin Din	3	3
Muhammad Adib Bin Ariffin	3	3
Krishnan A/L Chelliah <i>(resigned with effect from 31 July 2011)</i>	3	1
Mohamad Nizar Bin Mohamad Najib <i>(resigned with effect from 22 August 2011)</i>	3	1
Woo Kok Boon <i>(appointed with effect from 17 October 2011)</i>	N/A	N/A

### Supply of Information

Each Board member receives quarterly operating results and other reports when applicable. Prior to each Board meeting, directors are sent an agenda and a full set of Board papers for each agenda item to be discussed at the meeting. This is issued in sufficient time, at least 5 days prior to the meeting, to enable the directors to obtain further explanations, where necessary, in order to be briefed properly before the meeting. The Board papers include, among others, the following:

- Minutes of previous Board and all Committees of the Board meetings;
- Quarterly performance report of the Group; and
- Major operational and financial issues.

In addition, there are matters reserved specifically for the Board's decision, including the approval of corporate plans and budgets, acquisitions and disposals of assets that are material to the Group, major investments, changes to management and control structure of the Group including key policies, procedures and authority limits.

The Board has in place a procedure for Directors, whether as a full Board or in their individual capacity, to take independent advice, where necessary, in the furtherance of their duties and at the Group's expense.

All Directors have access to the advice and services of the Company Secretaries who are responsible for ensuring that Board procedures are followed.

### Appointments to the Board and Re-election

The proposed appointment of any executive or non-executive director to the Board will be deliberated on by the full Board based upon a formal recommendation

made by the Nomination Committee on the necessity for skills, knowledge, expertise and experience of the proposed director. The Nomination Committee also carried out annual assessment of each Director's Contribution to the Company and recommend for re-appointment and re-election of Directors who are seeking for re-appointment and re-election at the Annual General Meeting.

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subject to election by shareholders at the first opportunity after their appointment. The Articles also provide that the Directors shall retire from office once at least in each three years but shall be eligible for re-election at each Annual General Meeting.

A Director who is over seventy (70) years old is required to submit himself or herself for re-appointment annually in accordance with section 129 (6) of the Companies Act, 1965.

### Directors' Training

As an integral element of the process of appointing new directors, the Nomination Committee ensures that there is an orientation and education programme for new Board members. Directors also receive further training from time to time, particularly on relevant new laws and regulations and changing commercial risks. All directors (including the newly appointed Director, Mr. Woo Kok Boon) have successfully completed the Mandatory Accreditation Programme as required by Bursa Securities on all directors of listed companies. The Directors will continue to undergo other relevant training programmes to keep themselves abreast with the relevant changes in laws, regulations and the business development.

During the year 2011, the Directors attended the following training programmes:

NAME OF DIRECTORS	TITLE OF SEMINAR/COURSE	ORGANIZER
Dato' Sri Mohd Nadzmi Bin Mohd Salleh	Building High Performance Directors	MID Academy Program
Tan Swee Hock	Demystifying Fraud: What directors Need to Know	Bursatra Sdn Bhd
Zainuddin Bin Din	Discharging Audit Committee & Internal Audit function in Compliance with Risk Management Best Practices	Bursatra Sdn Bhd
Muhammad Adib Bin Ariffin	Discharging Audit Committee & Internal Audit function in Compliance with Risk Management Best Practices	Bursatra Sdn Bhd
Woo Kok Boon	Mandatory Accreditation Programme for Directors of Public Listed Company	Bursatra Sdn Bhd

## DIRECTORS' REMUNERATION

### Remuneration Procedure

The Company has adopted the objective as recommended by the Code to determine the remuneration for Directors so as to ensure that the Company attracts and retains suitable Directors needed to run the Group successfully. The component parts of remuneration are structured so as to link

rewards to corporate and individual performance in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of corporate and fiduciary responsibilities borne by the Directors concerned.

The determination of the remuneration of the Executive Directors is a matter for consideration and decision of the Board of Directors.

Directors' remuneration for the 7 months financial period ended 31 December 2011 is as follows:

	SALARY RM	ALLOWANCES RM	FEE RM	OTHERS RM	TOTAL RM
Executive Directors	178,038	2,500	-	-	180,538
Non-Executive Directors	-	2,500	60,000	-	62,500

The number of Directors in each remuneration band for the 7 months financial period ended 31 December 2011 are as follows:

RANGE	EXECUTIVE	NON-EXECUTIVE
Below RM50,000	-	4
RM50,000 - RM100,000	-	-
RM100,001 - RM150,000	-	-
RM150,001 - RM200,000	1	-
RM200,001 - RM250,000	2	-

Although the Code requires that each Director's remuneration be disclosed in details, the Board is of the opinion that the transparency and accountability aspect of this requirement are still appropriately served. The band disclosure made above is in compliance with the Appendix 9C of the Listing Requirements.

### Whistle-Blowing Policy

To enhance corporate governance practices across the Group, a whistle-blowing policy was adopted which provides directors, officers, employees and stakeholders of the Group with an avenue to report suspected improprieties such as illegal or unlawful conduct, contravention of the Group's policies and procedures, acts endangering the health or safety of any individual, public or employee, and any act of concealment of improprieties. The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that the person filing the report, to the extent possible, be protected from reprisal, victimization, harassment or subsequent discrimination.

## Statement of Corporate Governance (cont'd)

Any person who wishes to report a suspected impropriety may submit his/her report to the Chairman of Audit Committee.

### Board Committees

The Board has established three (3) principal Board Committees, to which it has delegated certain responsibilities. There are the Nomination Committee, the Remuneration Committee and the Audit Committee. The membership responsibilities, roles and activities of these Committees are described in greater detail in this statement.

### Nomination Committee

The Nomination Committee ("NC") comprises the follows:

#### Chairman

Zainuddin Bin Din  
(Independent Non-Executive Director)

#### Members

Muhammad Adib Bin Ariffin  
(Independent Non-Executive Director)

Woo Kok Boon  
(Independent Non-Executive Director)  
(appointed with effect from 17 October 2011)

There was two (2) NC meetings held during the 7 months financial period ended 31 December 2011.

The NC is empowered to bring to the Board, recommendations as to the appointment of any new executive or non-executive director, provided that the Chairman of the NC, in developing such recommendations, consults all directors and reflects that consultation in any recommendation of the NC brought forward to the Board. In making its recommendation, the NC will consider the required mix of skills, knowledge, expertise, experience and other qualities, including core competencies which Directors of the Company should bring to the Board.

The NC also ensures that the Board has an appropriate balance of expertise and ability. For this purpose, the Committee regularly reviews the profile of the required skills and attributes. This profile is used to assess the suitability as executive or non-executive directors of candidates put forward by the directors and outside consultants. In addition, the Committee also regularly assesses the effectiveness of the Board as a whole and the contribution of each individual director including Independent Non-Executive Director. All assessments and evaluations carried out by the NC in discharging its functions have been well documented.

### Remuneration Committee

The Remuneration Committee ("RC") comprises the follows:

#### Chairman

Zainuddin Bin Din  
(Independent Non-Executive Director)

### Members

Muhammad Adib Bin Ariffin  
(Independent Non-Executive Director)

Tan Swee Hock  
(Executive Director)

Woo Kok Boon  
(Independent Non-Executive Director)(appointed with effect from 17 October 2011)

There was one (1) RC meeting held during the 7 months financial period ended 31 December 2011.

The Remuneration Committee recommends to the Board the policy framework and quantum values for the Executive Directors' remuneration and its cost, the remuneration and its cost, the remuneration package for each Executive Director, including those serving in subsidiary companies.

### Audit Committee

The Audit Committee ("AC") comprise the follows:

#### Chairman

Zainuddin Bin Din  
(Independent Non-Executive Director)

#### Members

Muhammad Adib Bin Ariffin  
(Independent Non-Executive Director)

Woo Kok Boon  
(Independent Non-Executive Director)  
(appointed with effect from 17 October 2011)

There was three (3) AC meetings held during the 7 months financial period ended 31 December 2011.

The AC's terms of reference include the review of and deliberation on the Group's financial statements, the audit findings of the external auditors arising from their audit of the Group's financial statements and the audit findings and issues raised by internal auditors together with the Management's responses thereon. External auditors, Executive directors and members of Senior Management attend the meetings at the invitation of the AC.

## SHAREHOLDERS

### Dialogue between companies and investors

The Group welcomes dialogues with shareholders and investors to discuss issues and obtain feedback. The Executive Chairman, Chief Executive Officer and Senior Management personnel participate in discussions with shareholders to ensure they are given as accurate and fair representation of the Group's performance and position.

Dialogues and discussions with investors and analysts are conducted within the framework of the relevant Corporate Disclosure Guidelines under the Listing Requirements and comply with the Best Practices in Corporate Disclosure published by the Malaysian Institute of Chartered Secretaries and Administrators.

In addition, Directors' Report and Audited Financial Statements, the Annual Report, Interim Financial Statements together with the Company's announcements and other information about the Group are available on our website (<http://www.transocean.com.my>).

### Annual General Meeting

The Annual General Meeting is the principal forum for dialogue with shareholders. Notice of the Annual General Meeting and annual reports are sent out to shareholders at least 21 days before the date of the meeting.

Besides the usual agenda for the Annual General Meeting, the Board presents the progress and performance of the business as contained in the annual report and provides opportunities for shareholders to raise questions pertaining to the business activities of the Group. All Directors are available to provide responses to questions from the shareholders during these meetings.

For re-election of Directors, the Board ensures that full information is disclosed through the notice of meetings regarding Directors who are retiring and who are willing to serve if re-elected.

An explanatory statement to facilitate full understanding and evaluation of the issues involved will accompany items of special business included in the notice of the meeting.

## ACCOUNTABILITY AND AUDIT

### Financial Reporting

A balanced and meaningful assessment of the Group's financial performance and prospects are presented primarily through the financial statements and the Chairman's Statement in this Annual Report.

In presenting the annual financial statements and quarterly announcements to shareholders, the Directors aim to present a balanced and understandable assessment of the Group's position and prospects. This also applies to other price-sensitive public reports and reports to regulators.

The Groups' quarterly and annual financial results announcements were within the stipulated time frame reinforce the Board's commitment to provide a true and fair view of the Group's operations.

### Internal Control

The Group's Internal audit provides independent and objective assurance of the adequacy and integrity of the system of internal control. Details of the internal audit function and a summary of its activities, together with the state of the Group's internal control, are given

in the Statement on Internal Control as set out in pages 24 to 25 of the Annual Report.

### Relationship with External Auditors

The Group's independent external auditors fill an essential role for the shareholders by enhancing the reliability of the Group's financial statements and giving assurance of the reliability to users of these financial statements. Where deemed appropriate, the Board may discuss audit findings in the absence of the Management.

The external auditors will report on any weaknesses in the internal control systems and any non compliance of accounting standards that come to their attention during the course of their audit works to the Management and Audit Committee.

## STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE

The Company is committed to achieving high standards of corporate governance throughout the Group and to the highest level of integrity and ethical standards in all its business dealings. The Board considers that it has complied throughout the financial year with the Best Practices as set out in the Code.

Statement made in accordance with the resolution passed in the Board of Directors' Meeting held on 23 April 2012.

## CORPORATE SOCIAL RESPONSIBILITY

The Group understands the need to contribute and work together with society and the community in conjunction with our business needs and interests.

The Group, being involved in the logistics industry, primarily uses a large fleet of trucks and prime movers to carry out its business activities. The trucks and prime movers have regularly scheduled essential maintenance works carried out on them to ensure that they are roadworthy and comply with the Department of Environment regulations for emissions. Regular tests are conducted on the vehicles by Puspakom.

The Group takes responsibilities in ensuring road safety by regularly sending drivers to attend good driving and safety courses. Drivers are also subjected to routine medical checks on their health conditions.

The Group also collaborated with Institute of higher learning to provide practical training opportunities to the undergraduates from the field of Logistic, Accounting and Marketing.

## STATEMENT ON INTERNAL CONTROL

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of a public listed company is required to include in its annual report a statement on the state of internal controls of the listed issuer as a group, which has been prepared in accordance with the Statement on Internal Control: Guidance for Directors of Public Listed Companies (“Internal Control Guidance”) issued by the Institute of Internal Auditors Malaysia.

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### **BOARD RESPONSIBILITY**

The Board recognises the importance of sound internal controls to good corporate governance. The Board affirms its overall responsibility for the Group’s systems of internal controls and for reviewing the adequacy and integrity of those systems. Because of the limitations that are inherent in any system of internal control, it should be noted that such systems are designed to provide reasonable, and not absolute, assurance against material misstatement or loss.

The Group has in place an ongoing process for identifying, evaluating, monitoring and managing the operating and financial controls affecting the achievement of its business objectives throughout the period. This process has been in place throughout the 7 months financial period ended 31 December 2011 and up to the date of approval of the annual report. The adequacy and effectiveness of this process have been continually reviewed by the Board and are in accordance with the Internal Control Guidance.

The Board maintains ultimate responsibility over the Group’s systems of internal controls which has been delegated to the management for effective implementation. The role of Internal Audit is to provide reasonable assurance that the designed controls are in place and are operating as intended.

### **RISK MANAGEMENT FRAMEWORK**

The Board and management practice proactive significant risks identification on a quarterly basis or earlier as appropriate, particularly any major proposed transactions, changes in nature of activities and/or operating environment, or venturing into new operating environment which may entail different risks, and put in place the appropriate risk response strategies and controls until those risks are managed to, and maintained at, a level acceptable to the Board.

### **INTERNAL AUDIT FUNCTION**

The Board acknowledges the importance of internal audit function and has engaged the services of an independent professional accounting and consulting firm to provide much of the assurance it requires regarding the effectiveness as well as the adequacy and integrity of the Group’s systems of internal control.

The internal audit function adopts a risk-based approach in developing its audit plan which addresses all the core auditable areas of the Group based on their risk profile. Scheduled internal audits are carried out by the independent auditors based on the audit plan presented to and approved by the Audit Committee. The audit focuses on areas with high risk and inadequate controls to ensure that an adequate action plan has in place to improve the controls. For those areas with high risk and adequate controls, the audit ascertains that the risks are effectively mitigated by the

controls. On a quarterly basis or earlier as appropriate, the internal auditors report to the Audit Committee on areas for improvement and will subsequently follow up to determine the extent of their recommendations that have been implemented.

## INTERNAL CONTROL

Apart from risk management and internal audit, the Group has put in place the following key elements of internal control:

- An organisation structure with well-defined scopes of responsibility, clear lines of accountability, and appropriate levels of delegated authority;
- A process of hierarchical reporting which provides for a documented and auditable trail of accountability;
- Regular and comprehensive information provided to management, covering financial and operational performance and key business indicators, for effective monitoring and decision making;
- A comprehensive business planning and detailed budgeting process where operating units prepare budgets for the coming year which are approved both at operating unit level and by the Board;
- Monthly monitoring of results against budget, with major variances being followed up and management action taken, where necessary;
- Regular visits to operating units by members of the Board and Senior Management; and
- All recurrent related party transactions are dealt in accordance with the Main Market Listing Requirements of Bursa Securities. These recurrent related party transactions are subject to review by the Audit Committee and the Board at their respective meetings.

Based on the internal auditors' report for the 7 months financial period ended 31 December 2011 there is a reasonable assurance that the Group's systems of internal control are generally adequate and appear to be working satisfactorily. A number of minor internal control weaknesses were identified during the financial period, all of which have been, or are being, addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

The Board continues to review and implement measures to strengthen the internal control environment of the Group.

This statement is issued in accordance with a resolution of the Board of Directors' Meeting passed on 23 April 2012.

## STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

This statement is prepared as required by the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad.

The Directors are required to prepare financial statements which give a true and fair view of the state of affairs of the Group and the Company as at the end of each financial year and of their results and their cash flows for that year then ended.

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The Directors consider that in preparing the financial statements:

- the Group and the Company have used appropriate accounting policies and are consistently applied;
- reasonable and prudent judgment and estimates were made; and
- all applicable approved accounting standards in Malaysia have been followed.

The Directors are responsible for ensuring that the Company maintains accounting records that disclose with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the Financial Reporting Standards and the Companies Act 1965.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities.

## COMPOSITION

### Chairman

Zainuddin Bin Din

*(Independent Non-Executive Director)*

### Members

Muhammad Adib Bin Ariffin

*(Independent Non-Executive Director)*

Mohamad Nizar Bin Mohamad Najib

*(Independent Non-Executive Director)*

*(resigned with effect from 22 August 2011)*

Woo Kok Boon

*(Independent Non-Executive Director)*

*(appointed with effect from 17 October 2011)*

All members of the Committee have a working familiarity with basic finance and accounting practices. Encik Muhammad Adib Bin Ariffin is a member of the Malaysian Institute of Accountants.

## SUMMARY OF TERMS OF REFERENCE

### 1. Composition

The Committee members shall be appointed by the Board from among their number and shall consist of not less than three (3) non-executive directors. All the Audit Committee ("AC") must be non-executive directors, with a majority of them being independent directors, including the chairman. All members shall be financially literate and at least one member shall be a professional or qualified accountant.

### 2. Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it needs from any employee and all employees are directed to co-operate with any request made by the Committee.

The Committee is authorised by the Board to obtain external, legal or other independent professional advice on any matter within the terms of reference and to secure the attendance of such external advisors with relevant experience and expertise if it considers necessary.

The Committee is authorised to convene meetings with the external auditors, the internal auditors or both, without the presence of other directors

and employees, whenever deemed necessary. The Committee is authorised to have direct communication channels with the external auditors and persons carrying out the internal audit function or activity (if any).

Where the Committee is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Committee shall promptly report such matter to Bursa Malaysia Securities Berhad.

### 3. Duties and responsibilities

- (a) To review the following and report the same to the Board of Directors of the Company:
  - i) with the external auditors, the audit plan;
  - ii) with the external auditors, their evaluation of the system of internal controls;
  - iii) with the external auditors, their audit report;
  - iv) the assistance given by the officers of the Company to the external auditors;
  - v) the external auditor's management letter and management response;
  - vi) to do the following, in relation to the internal audit function:-
    - review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
    - review the internal audit programme and results of the internal audit process, and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
    - review any appraisal or assessment of the performance of members of the internal audit function;
    - approve any appointment or termination of senior staff members of the internal audit function; and

## Audit Committee Report (cont'd)

- take cognizance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- vii) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particulars on:
- changes in or implementation of major accounting policy changes;
  - significant adjustments arising from the audit;
  - the going concern assumption;
  - significant and unusual event;
  - compliance with accounting standards and other legal requirements; and
- viii) any related party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

To consider and recommend to the Board, the appointment of external auditors, the audit fee and any questions of resignation or dismissal.

To consider other topics as defined by the Board.

To consider and examine such other matters as the Committee considers appropriate.

### 4. Meetings

The Chairman of the Committee shall engage on a continuous basis with senior management such as the Chairman, the Chief Executive Officer, the Chief Financial Officer, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Company.

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. In order to form a quorum, the majority of members present must be independent directors.

As part of its duty to foster open communication, the Chief Financial Officer, a representative of the internal auditors and a representative of the external auditors (if required) will normally attend the meetings. Other Board members and the Group General Manager may attend the meetings upon invitation of the Committee. However, the Committee shall meet with the external auditors without executive Board members present, at least twice a year and whenever necessary.

Questions arising at any meetings of the Committee shall be decided by a majority of votes of the members present and in the case of equality of votes, the Chairman of the Committee shall have a second or casting vote.

The Company Secretaries shall be the secretaries of the Committee and as a reporting procedure, the Minutes shall be circulated to all members of the Board.

During the 7 months financial period ended 31 December 2011, the Committee held a total of three (3) meetings and details of attendance of the Audit Committee members are as follows:

COMMITTEE MEMBERS	NUMBER OF AUDIT COMMITTEE MEETING HELD DURING THE FINANCIAL PERIOD	NUMBER OF MEETINGS ATTENDED BY COMMITTEE MEMBERS DURING THEIR TENURE IN OFFICE
Zainuddin Bin Din	3	3
Muhammad Adib Bin Ariffin	3	3
Mohamad Nizar Bin Mohamad Najib <i>(Resigned with effect from 22 August 2011)</i>	3	1
Woo Kok Boon <i>(Appointed with effect from 17 October 2011)</i>	N/A	N/A

The Chief Financial Officer, the internal auditors and the external auditors shall normally attend meetings upon invitation by the Chairman of the Committee. Other Board members and senior management staff may attend upon invitation of the Committee.

During the 7 months financial period ended 31 December 2011, the non-executive members of the Committee did not had a dialogue session with the external auditors. However, the non-executive members had one dialogue in January 2012 with newly appointed external auditors, Messrs Morison AnuarulAzizanChew on the statutory audit for financial period ended 31 December 2011, which no specific issue in relation thereof that would required further discussion without the presence of the Management.

## SUMMARY OF ACTIVITIES

The Committee met three (3) times during the 7 months financial period ended 31 December 2011 and the following activities were performed by the Audit Committee:-

- i) Reviewed the quarterly and year-end financial statements before submission to the Board of Directors, focusing particularly on
  - public announcement of results;
  - any changes in accounting policies and practice;
  - significant adjustments resulting from the audit;
  - the going concern assumption;
  - compliance with accounting standards;
  - compliance with stock exchange and legal requirements; and
  - quarterly announcement to Bursa Securities.
- ii) Reviewed and made recommendation to the Board on the nomination of external auditors;
- iii) Reviewed with the external auditors:-
  - their audit plan, strategy and scope of the statutory audit of the Group accounts for the financial period ended 31 December 2011;
  - the results and issues arising from their audit of the year end financial statements and their resolutions of such issues highlighted in their report to the Committee.

iv) Reviewed with the Internal Auditors the audit plan to ensure the scope and coverage over the activities of the Group is adequate and also reviewed the reports prepared by them on the state of Internal Control of the Group; and

v) Reviewed any related party transactions that may arise within the Company or Group.

## Internal Audit Function

The Audit Committee is supported by an independent internal audit function. The Audit Committee is aware of the fact that an independent and adequately resourced internal audit function is essential to assist in obtaining the assurance it requires regarding the effectiveness of the system of internal control and has outsourced its internal audit function to UHY.

The main role of the internal audit function is to review the effectiveness of the system of internal control and this is performed with impartiality, proficiency and due professional care.

During the financial period, the internal auditors have conducted a review on the systems of internal control on warehouse management, container haulage services, conversion and production and inventory management of the Group. The internal control function is generally adequate and is working satisfactorily.

The total costs incurred by the Group for maintaining the internal audit function for 7 months financial period ended 31 December 2011 amounted to RM12,710.00

This statement is made in accordance with the resolution passed in the Board of Directors' meeting held on 23 April 2012.

# Financial Statements

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The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial period from 1 June 2011 to 31 December 2011.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, provision of management services and letting of properties.

The principal activities of the subsidiary companies and associated company are stated in Note 4 and Note 5 to the financial statements respectively.

There have been no significant changes in the nature of these activities during the financial period.

## CHANGE OF FINANCIAL YEAR END

The Company changed its financial year end from 31 May to 31 December. Accordingly, the financial statements for the current financial period are drawn up for the period from 1 June 2011 to 31 December 2011 or a period of seven months.

## FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit/(Loss) attributable to:-		
Owners of the Company	511,580	(464,318)
Non-controlling interests	34,455	—
	546,035	(464,318)

## DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the current financial period under review.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial period under review other than those disclosed in the financial statements.

## ISSUE OF SHARES AND DEBENTURES

There were no issues of shares or debentures during the financial period under review.

## DIRECTORS

The Directors who served since the date of the last report are as follows:-

Dato' Sri Mohd Nadzmi Bin Mohd Salleh

Zainuddin Bin Din

Tan Swee Hock

Muhammad Adib Bin Ariffin

Woo Kok Boon

(Appointed on 17.10.2011)

## Directors' Report (cont'd)

### DIRECTORS' INTERESTS

Details of holdings and deemed interests in the share capital and options over the shares of the Company or its related corporations by the Directors holding office at the end of the financial period, according to the register required to be kept under Section 134 of the Companies Act, 1965, were as follows:-

	Number of ordinary shares of RM1.00 each			
	At 1.6.2011	Acquired	Disposed	At 31.12.2011
<b>The Company</b>				
<b>Direct interest:-</b>				
Zainuddin Bin Din	959,450	–	–	959,450
<b>Indirect interest of Director:-</b>				
Dato' Sri Mohd Nadzmi Bin Mohd Salleh	26,716,360	–	–	26,716,360

Dato' Sri Mohd Nadzmi Bin Mohd Salleh by virtue of his interest in shares in the Company is also deemed interested in shares in all the Company's subsidiaries to the extent the Company has an interest.

None of the other Directors holding office at the end of the financial period had any interest in the ordinary shares of the Company or its related corporations during the financial period under review.

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial period, was the Company a party to any arrangement the object of which is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### OTHER STATUTORY INFORMATION

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:-
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:-
- (i) that would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
  - (ii) that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
  - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
  - (iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

**OTHER STATUTORY INFORMATION** (cont'd)

- (c) No contingent or other liabilities of the Group and of the Company have become enforceable, or are likely to become enforceable within the period of twelve months after the end of the financial period which, in the opinion of the Directors, will or may affect the ability of the Group or the Company to meet their obligations as and when they fall due.
- (d) At the date of this report, there does not exist:-
- (i) any charge on the assets of the Group or the Company which has arisen since the end of the financial period which secures the liabilities of any other person; and
  - (ii) any contingent liability in respect of the Group or the Company which has arisen since the end of the financial period.
- (e) In the opinion of the Directors:-
- (i) the results of the operations of the Group and of the Company for the financial period ended 31 December 2011 have not been substantially affected by any item, transaction or event of a material and unusual nature; and
  - (ii) there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial period in which this report is made.

**AUDITORS**

The auditors, Morison AnuarulAzizanChew, have expressed their willingness to accept reappointment.

Signed in accordance with a resolution of the Directors.

**Dato' Sri Mohd Nadzmi  
Bin Mohd Salleh**

Kuala Lumpur

**Tan Swee Hock**

## STATEMENT BY DIRECTORS

pursuant to section 169(15) of the companies act, 1965

We, DATO' SRI MOHD NADZMI BIN MOHD SALLEH and TAN SWEE HOCK, being two of the Directors of TRANSOCEAN HOLDINGS BERHAD, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 37 to 88 are drawn up in accordance with Financial Reporting Standards in Malaysia and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2011 and of their financial performance and cash flows for the financial period then ended.

Signed in accordance with a resolution of the Directors.

**Dato' Sri Mohd Nadzmi  
Bin Mohd Salleh**

Kuala Lumpur

**Tan Swee Hock**

## STATUTORY DECLARATION

pursuant to section 169(16) of the companies act, 1965

I, TAN SWEE HOCK, being the Director primarily responsible for the financial management of TRANSOCEAN HOLDINGS BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 37 to 88 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the  
abovenamed TAN SWEE HOCK at Kuala  
Lumpur in the Federal Territory this

**Tan Swee Hock**

Before me,

**COMMISSIONER FOR OATHS**

## **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the financial statements of Transocean Holdings Berhad, which comprise the statements of financial position as at 31 December 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equities and statements of cash flows of the Group and of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 37 to 88.

### *Directors' Responsibility for the Financial Statements*

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards in Malaysia and the Companies Act, 1965 and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of the financial statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **OPINION**

In our opinion, the financial statements are properly drawn up in accordance with the Financial Reporting Standards in Malaysia and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2011 and of their financial performance and cash flows for the financial period then ended.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report on the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the independent auditors' report of the subsidiary company of which we have not acted as auditors, which are indicated in Note 4(b) to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The independent auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

## Independent Auditors' Report (cont'd)

to the members of Transocean Holdings Berhad (Company No: 36747-U) (Incorporated in Malaysia)

### OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 41 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the Directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the Directive of Bursa Malaysia Securities Berhad.

### OTHER MATTERS

The financial statements of the Group and of the Company for the financial year ended 31 May 2011 were audited by another firm of Chartered Accountants, whose report dated 28 September 2011, expressed an unqualified opinion.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

#### **Morison AnuarulAzizanChew**

Firm Number: AF 001977

Chartered Accountants

Kuala Lumpur

#### **Sathiea Seelean A/L Manickam**

Approved Number: 1729/05/12 (J/PH)

Partner of Firm

# STATEMENTS OF FINANCIAL POSITION

as at 31 December 2011



	Note	Group		Company	
		31.12.2011 RM	31.5.2011 RM	31.12.2011 RM	31.5.2011 RM
<b>Non-Current Assets</b>					
Property, plant and equipment	3	<b>32,194,628</b>	31,605,497	<b>29,182,350</b>	29,472,448
Investment in subsidiary companies	4	–	–	<b>16,213,536</b>	15,621,476
Investment in an associated company	5	–	351,111	–	–
Goodwill on consolidation	6	<b>4,002,298</b>	3,562,598	–	–
		<b>36,196,926</b>	35,519,206	<b>45,395,886</b>	45,093,924
<b>Current Assets</b>					
Prepaid lease payments	7	<b>2,019,357</b>	2,049,557	–	–
Inventories	8	<b>321,561</b>	420,573	–	–
Trade receivables	9	<b>5,173,763</b>	7,243,634	–	–
Other receivables	10	<b>934,895</b>	1,098,657	<b>183,668</b>	667,037
Amount owing by an associated company	11	–	750,378	–	–
Amount owing by related companies	12	<b>12,255,467</b>	7,233,028	–	–
Amount owing by subsidiary companies	13	–	–	<b>392,566</b>	–
Tax recoverable		<b>247,384</b>	–	<b>126,412</b>	–
Fixed deposits with licensed banks	14	<b>51,602</b>	147,441	<b>44,000</b>	44,000
Cash and bank balances		<b>384,266</b>	880,502	<b>723</b>	742
		<b>21,388,295</b>	19,823,770	<b>747,369</b>	711,779
<b>Current Liabilities</b>					
Trade payables	15	<b>3,292,045</b>	3,235,950	–	–
Other payables	16	<b>2,782,625</b>	2,108,400	<b>426,085</b>	468,381
Amount owing to subsidiary companies	13	–	–	<b>10,657,858</b>	9,532,466
Amount owing to related companies	12	<b>6,313,679</b>	5,827,569	–	–
Hire purchase and finance lease payables	17	<b>441,784</b>	298,735	–	–
Bank borrowings	18	<b>9,271,422</b>	9,028,348	<b>2,607,229</b>	2,671,377
Tax payables		<b>331,408</b>	277,729	–	98,940
		<b>22,432,963</b>	20,776,731	<b>13,691,172</b>	12,771,164
Net current liabilities		<b>(1,044,668)</b>	(952,961)	<b>(12,943,803)</b>	(12,059,385)
		<b>35,152,258</b>	34,566,245	<b>32,452,083</b>	33,034,539

## Statements of Financial Position (cont'd)

as at 31 December 2011

	Note	Group		Company	
		31.12.2011 RM	31.5.2011 RM	31.12.2011 RM	31.5.2011 RM
<b>Financed By:</b>					
Share capital	19	<b>40,998,550</b>	40,998,550	<b>40,998,550</b>	40,998,550
Reserves	20	<b>(9,767,552)</b>	(10,273,773)	<b>(10,669,054)</b>	(10,204,736)
Equity attributable to owner of the parent		<b>31,230,998</b>	30,724,777	<b>30,329,496</b>	30,793,814
Non-controlling interests		<b>34,455</b>	–	–	–
Total equity		<b>31,265,453</b>	30,724,777	<b>30,329,496</b>	30,793,814
<b>Non-Current Liabilities</b>					
Hire purchase and finance lease payables	17	<b>948,338</b>	364,013	–	–
Bank borrowings	18	<b>1,660,276</b>	2,153,429	<b>761,182</b>	814,500
Deferred tax liabilities	21	<b>1,278,191</b>	1,324,026	<b>1,361,405</b>	1,426,225
		<b>3,886,805</b>	3,841,468	<b>2,122,587</b>	2,240,725
		<b>35,152,258</b>	34,566,245	<b>32,452,083</b>	33,034,539

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF COMPREHENSIVE INCOME

for the financial period ended 31 December 2011



	Note	Group		Company	
		1.6.2011 to 31.12.2011 RM	1.6.2010 to 31.5.2011 RM	1.6.2011 to 31.12.2011 RM	1.6.2010 to 31.5.2011 RM
Revenue	22	18,971,286	30,865,240	442,700	1,149,600
Other operating income	23	336,490	1,028,139	–	1,964,671
Cost of inventories consumed		(7,617,760)	(11,541,950)	–	–
Customs duties and charges		(472,772)	(953,652)	–	–
Crane and forklift charges		(1,195,074)	(2,169,985)	–	–
Depreciation of property, plant and equipment		(665,149)	(1,095,339)	(290,098)	(471,507)
Amortisation of prepaid lease payments		(30,200)	(104,934)	–	–
Freight expenses		(1,335,368)	(1,765,963)	–	–
Fuel charges		(1,281,497)	(1,865,697)	–	–
Levies		(721,482)	(1,817,648)	–	–
Repair and maintenance of premises		(18,881)	(25,868)	(18,881)	(25,868)
Repair and maintenance of motor vehicles		(466,135)	(614,920)	–	–
Rental of premises		(305,760)	(57,104)	–	–
Employee benefits expenses	24	(3,311,499)	(4,690,595)	–	–
Other operating expenses	25	(456,421)	(2,500,686)	(442,420)	(1,508,328)
Finance costs	26	(577,299)	(1,240,237)	(311,986)	(957,453)
		852,479	1,448,801	(620,685)	151,115
Share of results of an associated company	5	29,948	(1,404)	–	–
Profit/(Loss) before taxation		882,427	1,447,397	(620,685)	151,115
Taxation	27	(336,392)	(141,149)	156,367	11,820
Net profit/(loss) for the financial period/year		546,035	1,306,248	(464,318)	162,935
<b>Other comprehensive loss:-</b>					
- Exchange differences arising from translation of foreign operation		(5,359)	–	–	–
<b>Total comprehensive income/(loss) for the financial period/year</b>		<b>540,676</b>	<b>1,306,248</b>	<b>(464,318)</b>	<b>162,935</b>
Net profit/(loss) for the financial period/year:-					
Owners of the Company		511,580	1,306,248	(464,318)	162,935
Non-controlling interests		34,455	–	–	–
		546,035	1,306,248	(464,318)	162,935
Total comprehensive income/(loss) for the financial period/year attributable to:-					
Owners of the Company		506,221	1,306,248	(464,318)	162,935
Non-controlling interest		34,455	–	–	–
		540,676	1,306,248	(464,318)	162,935
Basic earnings per share attributable to owners of the parent (sen)	28	1.25	3.19		

The accompanying notes form an integral part of the financial statements.

## STATEMENTS OF CHANGES IN EQUITY

for the financial period ended 31 December 2011

Group	Note	Attributable to owners of the parent		Distributable		Foreign		Total	Non-	Total
		Non-Distributable	Distributable	Asset Revaluation Reserves	Exchange Translation Reserve	Accumulated Losses	controlling Interests			
		RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>At 1 June 2011</b>		40,998,550	8,533,672	—	(18,807,445)	30,724,777	—	30,724,777	—	30,724,777
Net profit for the financial period		—	—	—	511,580	511,580	—	511,580	34,455	546,035
Other comprehensive loss		—	—	(5,359)	—	(5,359)	—	(5,359)	—	(5,359)
Total comprehensive income		—	—	(5,359)	511,580	506,221	—	506,221	34,455	540,676
Realisation of asset revaluation reserves	20	—	(795,527)	—	795,527	—	—	—	—	—
<b>At 31 December 2011</b>		<b>40,998,550</b>	<b>7,738,145</b>	<b>(5,359)</b>	<b>(17,500,338)</b>	<b>31,230,998</b>	<b>34,455</b>	<b>31,265,453</b>	<b>—</b>	<b>31,265,453</b>
<b>At 1 June 2010</b>		40,998,550	5,651,188	—	(20,113,693)	26,536,045	752,396	27,288,441	—	27,288,441
Arises from revaluation of land and building	3	—	3,343,312	—	—	3,343,312	—	3,343,312	—	3,343,312
Deferred taxation arises from revaluation surplus of land and building	21	—	(460,828)	—	—	(460,828)	—	(460,828)	—	(460,828)
Total comprehensive income		—	—	—	1,306,248	1,306,248	—	1,306,248	—	1,306,248
Acquisition of non-controlling interests	4(c)	—	—	—	—	—	(752,396)	(752,396)	—	(752,396)
<b>At 31 May 2011</b>		<b>40,998,550</b>	<b>8,533,672</b>	<b>—</b>	<b>(18,807,445)</b>	<b>30,724,777</b>	<b>—</b>	<b>30,724,777</b>	<b>—</b>	<b>30,724,777</b>

Company	Note	Share Capital RM	Non- Distributable Asset Revaluation Reserves RM	Distributable Accumulated Losses RM	Total Equity RM
<b>At 1 June 2011</b>		<b>40,998,550</b>	<b>8,817,998</b>	<b>(19,022,734)</b>	<b>30,793,814</b>
Total comprehensive loss		–	–	(464,318)	(464,318)
Realisation of asset revaluation reserves	20	–	(795,527)	795,527	–
<b>At 31 December 2011</b>		<b>40,998,550</b>	<b>8,022,471</b>	<b>(18,691,525)</b>	<b>30,329,496</b>
<b>At 1 June 2010</b>		40,998,550	5,935,514	(19,185,669)	27,748,395
Arises from revaluation of land and building	3	–	3,343,312	–	3,343,312
Deferred taxation arises from revaluation surplus of land and building	21	–	(460,828)	–	(460,828)
Total comprehensive income		–	–	162,935	162,935
<b>At 31 May 2011</b>		<b>40,998,550</b>	<b>8,817,998</b>	<b>(19,022,734)</b>	<b>30,793,814</b>

The accompanying notes form an integral part of the financial statements.

## STATEMENTS OF CASH FLOWS

for the financial period ended 31 December 2011

	Group		Company	
	1.6.2011 to 31.12.2011 RM	1.6.2010 to 31.5.2011 RM	1.6.2011 to 31.12.2011 RM	1.6.2010 to 31.5.2011 RM
<b>Cash Flows From Operating Activities</b>				
Profit/(Loss) before taxation	882,427	1,447,397	(620,685)	151,115
Adjustments for:-				
Depreciation of property, plant and equipment	665,149	1,095,339	290,098	471,507
Amortisation of prepaid lease payments	30,200	104,934	–	–
Impairment loss on				
- trade receivables	64,608	80,831	–	–
- amount owing by subsidiary companies	–	–	–	961,537
Amortisation of goodwill upon acquisition of non-controlling interests	–	98,979	–	–
Interest expenses	577,299	1,240,237	311,986	957,453
Share of profit/(loss) of an associated company	(29,948)	1,404	–	–
Gain on disposal of property, plant and equipment	(32,000)	(1,028,139)	–	(249,000)
Impairment for trade receivables written back	–	(144,600)	–	–
Interest income	(2,115)	–	–	(306,600)
Waiver of debts owing to subsidiaries	–	–	–	(1,409,071)
Unrealised (gain)/loss on foreign exchange	(31,339)	74,871	–	–
Operating profit/(loss) before working capital changes	2,124,281	2,971,253	(18,601)	576,941
Decrease/(Increase) in working capital				
Inventories	99,012	(86,585)	–	–
Trade and other receivables	2,880,326	225,565	483,368	(132,616)
Amount owing by/to related companies	(3,701,228)	–	–	–
Amount owing by an associated company	365,609	(661,269)	–	–
Trade and other payables	(55,964)	1,127,321	(42,296)	231,354
Amount owing by/to subsidiaries	–	–	628,912	793,578
	(412,245)	605,032	1,069,984	892,316
Cash generated from operations	1,712,036	3,576,285	1,051,383	1,469,257
Interest received	2,115	–	–	306,600
Interest paid	(577,299)	(1,240,237)	(311,986)	(957,453)
Tax paid	(588,178)	(415,105)	(133,805)	(123,626)
	(1,163,362)	(1,655,342)	(445,791)	(774,479)
Net cash generated from operating activities	548,674	1,920,943	605,592	694,778

	Note	Group		Company	
		1.6.2011 to 31.12.2011 RM	1.6.2010 to 31.5.2011 RM	1.6.2011 to 31.12.2011 RM	1.6.2010 to 31.5.2011 RM
<b>Cash Flows From Investing Activities</b>					
Purchase of property, plant and equipment	29	(167,846)	(364,009)	–	(77,568)
Acquisition of a subsidiary company	4(d)	(414,345)	–	(488,145)	–
Acquisition of non-controlling interests	4(c)	–	(851,375)	–	(851,375)
Proceeds from disposal of prepaid lease payments		–	2,900,000	–	–
Proceeds from disposal of property, plant and equipment		32,000	1,179,128	–	870,000
Net cash (used in)/from investing activities		(550,191)	2,863,744	(488,145)	(58,943)
<b>Cash Flows From Financing Activities</b>					
Repayment of bank borrowings		(474,010)	(3,371,216)	(111,332)	(637,169)
Repayment of hire purchase and finance lease payables		(339,626)	(386,508)	–	–
Net cash used in financing activities		(813,636)	(3,757,724)	(111,332)	(637,169)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(815,153)	1,026,963	6,115	(1,334)
<b>Effect of exchange rate changes</b>		(853)	–	–	–
<b>Cash and cash equivalents at beginning of the financial period/year</b>		(4,993,355)	(6,020,318)	(2,478,323)	(2,476,989)
<b>Cash and cash equivalents at end of the financial period/year</b>		(5,809,361)	(4,993,355)	(2,472,208)	(2,478,323)
Cash and cash equivalents at end of the financial period/year comprises:-					
Cash and bank balances		384,266	880,502	723	742
Fixed deposits with licensed banks		51,602	147,441	44,000	44,000
Bank overdrafts		(6,245,229)	(6,021,298)	(2,516,931)	(2,523,065)
		(5,809,361)	(4,993,355)	(2,472,208)	(2,478,323)

The accompanying notes form an integral part of the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

The principal activities of the Company are investment holding, provision of management services and letting of properties.

The principal activities of the subsidiary companies and associated company are stated in Note 4 and Note 5 to the financial statements respectively.

The Company is a public limited liability company, incorporated under the Companies Act, 1965 and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office is located at No. 38, Jalan Chow Kit, 50350 Kuala Lumpur.

The principal place of business is located at Lot 2955, 2956 & 2957, Jalan Perusahaan Sungai Lokan 3, Kawasan Perusahaan Sungai Lokan, 13400 Butterworth, Penang.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise stated in the accounting policies below and in accordance with Financial Reporting Standards ("FRSs") and the Companies Act, 1965 in Malaysia.

During the financial period, the Group and the Company have adopted the following new FRSs, revised FRSs, Issues Committee Interpretations ("IC Int"), amendments to FRSs and IC Interpretations issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to their operations:-

	<b>Effective date for financial periods beginning on or after</b>
FRS 3: Business Combination (Revised)	1 July 2010
FRS 127: Consolidated and Separate Financial Statements (Revised)	1 July 2010
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRSs contained in the documents entitled "Improvements to FRSs (2010)"	1 January 2011

The adoption of the above new FRSs, revised FRSs, IC Int, amendments to FRSs and IC Int did not have a significant impact on the financial statements of the Group and of the Company except as disclosed in Note 36.

To converge with International Financial Reporting Standards ("IFRS") in 2012, the MASB had on 19 November 2011, issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRSs"), which are mandatory for annual financial periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretations 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer ("Transitioning Entities").

Transitioning Entities will be allowed to defer the adoption of the new MFRSs for an additional one year. Consequently, adoption of MFRSs by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013. However, the Group and Company do not qualify as Transitioning Entities and is therefore required to adopt the MFRSs for the financial period beginning on or after 1 January 2012.

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (a) Basis of preparation (cont'd)

#### MFRSs effective on 1 January 2012

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 2	Share-based Payment
MFRS 3	Business Combinations
MFRS 4	Insurance Contracts
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations
MFRS 6	Exploration for and Evaluation of Mineral Resources
MFRS 7	Financial Instruments: Disclosures
MFRS 8	Operating Segments
MFRS 101	Presentation of Financial Statements
MFRS 102	Inventories
MFRS 107	Statement of Cash Flows
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 110	Events After the Reporting Period
MFRS 111	Construction Contracts
MFRS 112	Income Taxes
MFRS 116	Property, Plant and Equipment
MFRS 117	Leases
MFRS 118	Revenue
MFRS 119	Employee Benefits
MFRS 120	Accounting for Government Grants and Disclosure of Government Assistance
MFRS 121	The Effects of Changes in Foreign Exchange Rates
MFRS 123	Borrowing Costs
MFRS 124	Related Party Disclosures
MFRS 126	Accounting and Reporting by Retirement Benefit Plans
MFRS 127	Consolidated and Separate Financial Statements
MFRS 128	Investments in Associates
MFRS 129	Financial Reporting in Hyperinflationary Economies
MFRS 131	Interests in Joint Ventures
MFRS 132	Financial Instruments : Presentation
MFRS 133	Earnings per Share
MFRS 134	Interim Financial Reporting
MFRS 136	Impairment of Assets
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 138	Intangible Assets
MFRS 139	Financial Instruments : Recognition and Measurement
MFRS 140	Investment Property
IC Int 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Int 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Int 4	Determining whether an Arrangement contains a Lease
IC Int 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Int 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
IC Int 7	Applying the Restatement Approach under MFRS 129 Financial Reporting in Hyperinflationary Economies
IC Int 9	Reassessment of Embedded Derivatives
IC Int 10	Interim Financial Reporting and Impairment
IC Int 12	Service Concession Arrangements

## Notes to the Financial Statements (cont'd)

**2. SIGNIFICANT ACCOUNTING POLICIES** (cont'd)**(a) Basis of preparation** (cont'd)MFRSs effective on 1 January 2012 (cont'd)

IC Int 13	Customer Loyalty Programmes
IC Int 14	MFRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IC Int 16	Hedges of a Net Investment in a Foreign Operation
IC Int 17	Distributions of Non-cash Assets to Owners
IC Int 18	Transfers of Assets from Customers
IC Int 19	Extinguishing Financial Liabilities with Equity Instruments
IC Int 107	Introduction of the Euro
IC Int 110	Government Assistance – No Specific Relation to Operating Activities
IC Int 112	Consolidation – Special Purpose Entities
IC Int 113	Jointly Controlled Entities – Non-Monetary Contributions by Venturers
IC Int 115	Operating Leases – Incentives
IC Int 125	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders
IC Int 127	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
IC Int 129	Service Concession Arrangements: Disclosures
IC Int 131	Revenue – Barter Transactions Involving Advertising Services
IC Int 132	Intangible Assets – Web Site Costs

MFRSs effective on 1 July 2012

MFRS 101	Presentation of Financial Statements – Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income
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MFRSs effective on 1 January 2015

MFRS 9	Financial Instruments (International Financial Reporting Standards (“IFRS”) 9 issued by International Accounting Standards Board (“IASB”) in November 2009)
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)

MFRSs effective on 1 January 2013

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (International Accounting Standard (“IAS”) 19 as amended by IASB in June 2011)
MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)
MFRS 128	Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine

Amendments to MFRSs

Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 9 and MFRS 7	Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (a) Basis of preparation (cont'd)

		Effective date for financial periods beginning on or after
<u>New FRSs</u>		
FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)	1 January 2013
FRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)	1 January 2013
FRS 10	Consolidated Financial Statements	1 January 2013
<u>Revised FRS</u>		
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
FRS 119	Employee Benefits (as amended in November 2011)	1 January 2013
FRS 124	Related Party Disclosures	1 January 2012
FRS 127	Separate Financial Statements (as amended in November 2011)	1 January 2013
FRS 128	Investments in Associates and Joint Ventures (as amended in November 2011)	1 January 2013
<u>Amendments/Improvements to FRSs</u>		
FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
FRS 7	Disclosures-Transfer of Financial Assets	1 January 2012
FRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 112	Deferred Tax : Recovery of Underlying Assets	1 January 2012
IC Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 7	Disclosures - Offsetting Financial Assets Financial Liabilities	1 January 2013
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 9 and FRS 7	Mandatory Effective Date of FRS 9 and Transition Disclosures	1 January 2015
<u>Amendments to IC Int</u>		
IC Int 14	Prepayments of a Minimum Funding Requirement	1 July 2011

#### **Withdrawal of FRSs and IC Int**

The following FRSs and IC Int will be withdrawn upon the adoption of the new/revised standards as disclosed above:

#### FRSs

FRS 119	Employee Benefits (2007)
FRS 127	Consolidated and Separate Financial Statements (2010)
FRS 128	Investments in Associates (2005)
FRS 131	Interests in Joint Venturers (2005)

## Notes to the Financial Statements (cont'd)

### 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (a) Basis of preparation (cont'd)

##### Withdrawal of FRSs and IC Int (cont'd)

##### IC Int

IC Int 9	Reassessment of Embedded Derivatives (2008)
IC Int 112	Consolidation – Special Purpose Entities (2005)
IC Int 113	Jointly Controlled Entities – Non-Monetary Contributions by Ventures (2005)
IC Int 121	Income Taxes – Recovery of Revalued Non-depreciable Assets (2005)

The Group and the Company's next set of financial statements for annual period beginning on 1 January 2012 will be prepared in accordance with the MFRS issued by the MASB that will also comply with IFRSs. As a result, the Company will not be adopting the above FRSs, Interpretations and amendments that are effective for annual periods beginning on or after 1 January 2012.

Technical Release Guidance on Disclosure of Transition to IFRSs ("TR3") provides voluntary disclosure requirements on the potential impact of adoption of MFRSs. However, the Group is currently in the process of assessing the financial effects of the difference between the current FRS framework and accounting standards under the MFRS framework and as such, the disclosure would be reflected in the subsequent year financial statements.

#### (b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and presentation currency.

#### (c) Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the reporting 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 discussed below.

##### (i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

##### (ii) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (c) Significant accounting estimates and judgements (cont'd)

#### (iii) Fair value of buildings/freehold land

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:-

- (a) current prices in an active market for properties of a different nature, condition or location (or subject to different lease or other contracts), adjust to reflect those differences; and
- (b) recent prices of similar properties based on less active market, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

#### (iv) Impairment of financial assets

##### Loans and receivables

The impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. This is determined based on the ageing profile, expected collection patterns of individual receivable balances, credit quality and credit losses incurred. Management carefully monitors the credit quality of receivable balances and makes estimates about the amount of credit losses that have been incurred at each financial statements reporting date. Any changes to the ageing profile, collection patterns, credit quality and credit losses can have an impact on the impairment recorded.

#### (v) Impairment of non-financial assets

The Group assesses impairment of property, plant and equipment, land held for development and property development costs when the events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. In assessing such impairment, the recoverable amount of the assets is estimated using the latest available fair value after taking into account the costs to sell or expected value in use of the relevant assets.

#### (vi) Depreciation of property, plant and equipment

The costs of property, plant and equipment are depreciated on a straightline basis over the useful lives of the property, plant and equipment. Management estimates the useful lives of the property, plant and equipment as stated in Note 2(g).

These are common life expectancies applied in the industries. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

#### (vii) Provisions for liabilities

Provisions for liabilities are recognised in accordance with accounting policy in Note 2(p). To determine whether it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made, the Group takes into consideration factors such as existence of legal/contractual agreements, past historical experience, external advisors' assessments and other available information.

#### (viii) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statements of financial position cannot be derived from active markets, they are determined using valuation techniques including discounted cash flow method. The inputs to these valuation models are taken from observable markets where possible. However, when this is considered unfeasible, a degree of judgement is made in establishing fair values. The judgements made include having considered a host of factors including liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

## Notes to the Financial Statements (cont'd)

### 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (c) Significant accounting estimates and judgements (cont'd)

##### (ix) Contingent liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and internal and external experts to the Group for matters in the ordinary course of the business.

##### (x) Fair values of borrowings

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. It is assumed that the effective interest rates approximate the current market interest rates available to the Group based on its size and its business risk.

#### (d) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies and its associated companies through equity accounting, which are made up to the end of the financial period.

##### (i) Subsidiary companies

Subsidiary companies are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

In the Company's separate financial statements, investment in subsidiary companies is stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amount is included in the statements of comprehensive income.

The acquisition method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of any non-controlling interest. Any cost directly attributable to the acquisition is included in administrative expenses in profit and loss as incurred.

The excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. The accounting policy on goodwill on acquisition of subsidiaries is set out in Note 2(f). If the cost of business combination is less than the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, the Group will:-

- (a) reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and
- (b) recognise immediately in profit or loss any excess remaining after that reassessment.

Subsidiaries are consolidated from the date on which control is transferred to the Group to the date on which that control ceases.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's assets in the event of liquidation are measured at either the fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of noncontrolling interests should be measured at their acquisition date fair values. The choice of measurement basis is made on a transaction-by-transaction basis. Losses within a subsidiary are attributed to the noncontrolling interest even if that results in a deficit balance.

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (d) Basis of consolidation (cont'd)

#### (i) Subsidiary companies (cont'd)

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date when the Group attains control and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

When increases or decreases in ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are dealt with in equity and attributed to the owners of the parent, with no impact on goodwill or profit or loss. When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group derecognises all assets, liabilities and non-controlling interests at their carrying amounts. Any retained interest in the former subsidiary is recognised at its fair value at the date when control is lost, with the resulting gain or loss being recognised in profit or loss.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its fair value on acquisition date. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

#### (ii) Associated companies

Associated companies are entities over which the Group has significant influence and that are neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policies decision of the investee but not control or joint control over those policies.

Investments in associated companies are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amount is included in the statements of comprehensive income.

Investments in associated companies are accounted for using the equity method of accounting. Investments in associated companies include goodwill identified on acquisition, net of any accumulated impairment loss in accordance with Note 2(i).

Equity accounting involves recording investments in associated companies initially at cost, and recognising the Group's share of its associated companies' post-acquisition results and its share of post-acquisition movements in reserves against the carrying amount of the investments. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of results from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss. When necessary, in applying the equity method, adjustments are made to the financial statements of the jointly controlled entity to ensure consistency of accounting policies with those of the Group.

## Notes to the Financial Statements (cont'd)

### 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (d) Basis of consolidation (cont'd)

##### (ii) Associated companies (cont'd)

Unrealised gains on transactions between the Group and its jointly controlled entity are eliminated to the extent of the Group's interest in the jointly controlled entity; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of the jointly controlled entity to ensure consistency of accounting policies with those of the Group.

##### (iii) Changes in Group composition

Where a subsidiary issues new equity shares to non-controlling interests for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in the consolidated statement of comprehensive income.

When the Group purchases a subsidiary's equity shares from non-controlling interests for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interests in the subsidiary is accounted for as a purchase of equity interest for which the acquisition accounting method of accounting is applied.

The Group treats all other changes in group composition as equity transactions between the Group and its non-controlling interests. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

##### (iv) Transactions eliminated on consolidation

Intra-group balances including any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

##### (v) Transaction costs

Costs directly attributable to an acquisition are included as part of the cost of acquisition.

#### (e) Investment in subsidiary companies

Investment in subsidiary companies is stated at cost less accumulated impairment losses. The policy of the recognition and measurement of impairment losses is in accordance with Note 2(i).

On disposal of such investments, the difference between net disposal proceeds and their carrying amount is recognised in the statement of comprehensive income.

#### (f) Goodwill on consolidation

Goodwill arising from consolidation represents the excess of the purchase price over the Group's interest in the fair value of the identifiable assets and liabilities of subsidiary companies at the date of acquisition.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (f) Goodwill on consolidation (cont'd)

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's CGU expected to benefit from synergies of the business combination. An impairment loss is recognised in the consolidated statements of comprehensive income when the carrying amount of CGU, including the goodwill, exceeds the recoverable amount of the CGU. Recoverable amount of the CGU is the higher of the CGU's fair value less cost to sell and value-in-use. The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU prorate on the basis of the carrying amount of each asset in the CGU. Impairment loss on goodwill is not reversed in a subsequent period.

### (g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(i).

Freehold land is not depreciated. Other property, plant and equipment are depreciated on a straight line basis to write off the cost of the assets to their residual values over their estimated useful lives at the following annual rates:-

Buildings	2% - 10%
Motor vehicles	10% - 20%
Furniture, fittings and equipment	10% - 20%
Office renovation	10%
Warehouse machinery and equipment	10% - 20%

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

Gains or losses on disposals are determined by comparing net disposal proceeds with carrying amount and are recognised in the statements of comprehensive income.

### (h) Leases

Lease of property, plant and equipment is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to the ownership. All other leases are treated as operating lease.

Operating lease payments are recognised as an expense on a straight line basis over the term of the relevant lease.

### (i) Impairment of non-financial assets

The carrying values of assets are reviewed for impairment when there is an indication that the assets might be impaired. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. An impairment loss is charged to the statements of comprehensive income immediately.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the statements of comprehensive income immediately.

## Notes to the Financial Statements (cont'd)

### 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (j) Inventories

Inventories are valued at the lower of cost and net realisable value after adequate allowance has been made for all deteriorated, damage, obsolete or slow-moving inventories.

Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads.

Cost of raw material comprises the cost of purchase and incidental costs incurred in bringing the raw materials to its present condition and location.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

#### (k) Financial assets

Financial assets are recognised in the statements of financial position when the Group and the Company have become a party to the contractual provisions of the instruments.

The Group classifies its financial assets as loan and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this at every reporting date except for financial assets at fair value through profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are unquoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables in the statements of financial position.

Subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method. Gains and losses are recognised in statements of comprehensive income when the loans and receivables are derecognised or impaired, and through the amortisation process.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in statements of comprehensive income.

#### (l) Impairment of financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. For an equity instrument, a significant or prolonged decline in fair value below its cost is also considered objective evidence of impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in statements of comprehensive income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised costs, the reversal is recognised in statements of comprehensive income.

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (m) Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, deposits and other short term highly liquid investments that are readily convertible to cash and are subject to insignificant risk of changes in value. For the purpose of the statements of cash flow, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

### (n) Financial liabilities

Borrowings, trade and other payables are classified as financial liabilities in the statement of financial position as there is a contractual obligation to make cash payments to another entity and is contractually obliged to settle the liabilities in cash.

Financial liabilities are initially recognised at fair value plus transaction costs, and are subsequently measured at amortised cost using the effective interest method, except when the Group designates the liabilities at fair value through profit or loss. Financial liabilities are designated at fair value through profit or loss when:

- (i) they are acquired or incurred for the purpose of selling or repurchasing in the near term;
- (ii) the designation eliminates or significantly reduces measurement or recognition inconsistencies that would otherwise arise from measuring financial liabilities or recognising gains or losses on them; or
- (iii) the financial liability contain an embedded derivative that would need to be separately recorded.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### (o) Hire purchase and finance lease

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the statements of financial position as liabilities. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practical to determine; otherwise, the Group's incremental borrowing rate is used.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the statements of comprehensive income over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is consistent with that for depreciable property, plant and equipment which are owned.

The upfront payments made under an operating lease are classified as prepaid lease payments and are amortised to the income statement on a straight line basis over the lease period.

### (p) Provisions for liabilities

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

## Notes to the Financial Statements (cont'd)

### 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (q) Contingent assets and contingent liabilities

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but disclose its existence where inflows of economic benefits are probable, but not virtually certain.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests.

#### (r) Borrowing costs

Borrowing costs are recognised as an expense in the statements of comprehensive income in the period in which they are incurred.

#### (s) Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of comprehensive income.

Translation differences on non-monetary items, such as financial assets held for trading held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the exchange fluctuation reserve in the equity.

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:-

- (i) assets and liabilities for each statements of financial position presented are translated at the closing rate at the date of that reporting date;
- (ii) income and expenses for each statements of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the statement of comprehensive income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (s) Foreign currencies (cont'd)

The closing exchange rates used for each unit of the main foreign currency in the Group is:

	31.12.2011 RM	31.5.2011 RM
Singapore Dollar (SGD)	2.45	2.44

### (t) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and the Company and when the revenue can be measured reliably, on the following bases:

#### (i) Revenue from transportation services and management services

Revenue from transportation services and management services is recognised as and when the services are performed.

#### (ii) Sales of goods

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and discounts and is recognised in the statements of comprehensive income when significant risks and rewards of the ownership have been transferred to the customers.

#### (iii) Rental and interest income

Rental income and interest income are recognised on an accrual basis.

### (u) Employee benefits

#### (i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group/Company.

Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences.

Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the reporting date.

#### (ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Same as per foreign contribution plans in their respective countries. Such contributions are recognised as an expense in the statements of comprehensive income as incurred.

### (v) Income taxes

Income tax on the profit or loss for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the reporting date.

## Notes to the Financial Statements (cont'd)

### 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (v) Income taxes (cont'd)

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the statements of comprehensive income, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

#### (w) Earnings per share

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares.

#### (x) Operating segments

For management purposes, the Group is organised into operating segment based on their product and services/business activities. An operating segment's operating results are reviewed regularly by the chief operating decision maker, who will make decisions to allocate resources to the segments and assess the segment performance.

#### (y) Reserves

##### (i) Revaluation reserve

The asset revaluation reserve represents increase in the fair value of freehold land and building, net of tax, and decreases to the extent such decreases relate to an increase on the same asset previously recognised in other comprehensive income.

##### (ii) Foreign currency exchange reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

#### (z) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

**3. PROPERTY, PLANT AND EQUIPMENT**

Group	Note	← At valuation →			← At cost →			Total RM
		Freehold land RM	Buildings RM	Motor vehicles RM	Furniture, fittings and equipment RM	Office renovation RM	Warehouse machinery and equipment RM	
<b>Cost/Valuation</b>								
<b>At 1 June 2011</b>		11,200,000	24,173,349	13,302,037	2,890,980	547,133	1,843,330	53,956,829
Additions	29	-	-	1,222,006	10,340	-	2,500	1,234,846
Disposal		-	-	(397,951)	-	-	-	(397,951)
Acquisition of a subsidiary company	4(d)	-	-	-	19,434	-	-	19,434
<b>At 31 December 2011</b>		11,200,000	24,173,349	14,126,092	2,920,754	547,133	1,845,830	54,813,158
<b>Accumulated depreciation</b>								
<b>At 1 June 2011</b>		-	5,505,936	12,687,764	2,661,953	504,752	990,927	22,351,332
Charge for the financial period		-	312,609	202,740	57,127	7,324	85,349	665,149
Disposal		-	-	(397,951)	-	-	-	(397,951)
<b>At 31 December 2011</b>		-	5,818,545	12,492,553	2,719,080	512,076	1,076,276	22,618,530
<b>Carrying amount</b>								
<b>At 31 December 2011</b>		11,200,000	18,354,804	1,633,539	201,674	35,057	769,554	32,194,628

## Notes to the Financial Statements (cont'd)

## 3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Note	← At valuation →		← At cost →				Total RM
		Freehold land RM	Buildings RM	Motor vehicles RM	Furniture, fittings and equipment RM	Office renovation RM	Warehouse machinery and equipment RM	
<b>Cost/Valuation</b>								
<b>At 1 June 2010</b>		9,700,000	22,978,037	14,201,519	2,872,952	547,133	1,839,830	52,139,471
Additions		—	—	342,481	18,028	—	3,500	364,009
Revaluation surplus	3(d)	1,500,000	1,843,312	—	—	—	—	3,343,312
Disposal		—	(648,000)	(1,132,840)	—	—	—	(1,780,840)
Write-off		—	—	(109,123)	—	—	—	(109,123)
<b>At 31 May 2011</b>		<b>11,200,000</b>	<b>24,173,349</b>	<b>13,302,037</b>	<b>2,890,980</b>	<b>547,133</b>	<b>1,843,330</b>	<b>53,956,829</b>
<b>Accumulated depreciation</b>								
<b>At 1 June 2010</b>		—	5,032,820	13,643,443	2,535,424	470,200	843,068	22,524,955
Charge for the financial year		—	500,116	286,283	126,529	34,552	147,859	1,095,339
Disposal		—	(27,000)	(1,132,839)	—	—	—	(1,159,839)
Write-off		—	—	(109,123)	—	—	—	(109,123)
<b>At 31 May 2011</b>		<b>—</b>	<b>5,505,936</b>	<b>12,687,764</b>	<b>2,661,953</b>	<b>504,752</b>	<b>990,927</b>	<b>22,351,332</b>
<b>Carrying amount</b>								
<b>At 31 May 2011</b>		<b>11,200,000</b>	<b>18,667,413</b>	<b>614,273</b>	<b>229,027</b>	<b>42,381</b>	<b>852,403</b>	<b>31,605,497</b>

### 3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	Note	← At valuation →		← At cost →			Total RM
		Freehold Land RM	Buildings RM	Motor vehicles RM	Furniture, fittings and equipment RM	Office renovation RM	
<b>Cost/Valuation</b>							
<b>At 1 June 2011/ 31 December 2011</b>		<b>11,200,000</b>	<b>23,517,931</b>	<b>77,568</b>	<b>685,814</b>	<b>519,295</b>	<b>36,000,608</b>
<b>Accumulated depreciation</b>							
<b>At 1 June 2011</b>		–	<b>5,342,079</b>	<b>2,585</b>	<b>684,968</b>	<b>498,528</b>	<b>6,528,160</b>
Charge for the financial year		–	<b>274,376</b>	<b>9,050</b>	<b>399</b>	<b>6,273</b>	<b>290,098</b>
<b>At 31 December 2011</b>		–	<b>5,616,455</b>	<b>11,635</b>	<b>685,367</b>	<b>504,801</b>	<b>6,818,258</b>
<b>Carrying amount</b>							
<b>At 31 December 2011</b>		<b>11,200,000</b>	<b>17,901,476</b>	<b>65,933</b>	<b>447</b>	<b>14,494</b>	<b>29,182,350</b>
<b>Cost/Valuation</b>							
<b>At 1 June 2010</b>		9,700,000	22,322,619	–	685,814	519,295	33,227,728
Additions		–	–	77,568	–	–	77,568
Revaluation surplus	3(d)	1,500,000	1,843,312	–	–	–	3,343,312
Disposal		–	(648,000)	–	–	–	(648,000)
<b>At 31 May 2011</b>		<b>11,200,000</b>	<b>23,517,931</b>	<b>77,568</b>	<b>685,814</b>	<b>519,295</b>	<b>36,000,608</b>
<b>Accumulated depreciation</b>							
<b>At 1 June 2010</b>		–	4,934,507	–	682,995	466,151	6,083,653
Charge for the financial year		–	434,572	2,585	1,973	32,377	471,507
Disposal		–	(27,000)	–	–	–	(27,000)
<b>At 31 May 2011</b>		–	<b>5,342,079</b>	<b>2,585</b>	<b>684,968</b>	<b>498,528</b>	<b>6,528,160</b>
<b>Carrying amount</b>							
<b>At 31 May 2011</b>		<b>11,200,000</b>	<b>18,175,852</b>	<b>74,983</b>	<b>846</b>	<b>20,767</b>	<b>29,472,448</b>

- (a) Included in the property, plant and equipment of the Group and of the Company are freehold land and building with carrying amount totaling RM28,727,266 (31.5.2011: RM29,867,413) which has been charged to licensed banks for credit facilities granted to the Group, as disclosed in Note 18.
- (b) Certain motor vehicles with carrying amounts of RM1 (31.5.2011: RM11,080) has been charged to licensed banks for credit facilities granted to the Group, as disclosed in Note 18.
- (c) Included in the property, plant and equipment of the Group are motor vehicles and warehouse machinery and equipment with carrying amount totaling RM1,871,670 (31.5.2011: RM1,024,971) which are acquired under hire purchase and finance lease arrangements.

## Notes to the Financial Statements (cont'd)

**3. PROPERTY, PLANT AND EQUIPMENT** (cont'd)

- (d) Details of the independent professional valuations of the freehold land and buildings at 31 May 2011 are as follows:-

	Valuation amount	Carrying amount as at date of revaluation
	RM	RM
Commercial land with a 7-storey office block with a basement car-park	10,500,000	9,149,540
Industrial land with a single storey bonded warehouse annexed with 5-storey office building	18,500,000	16,507,148

The above freehold land and buildings were valued by Registered valuer, Raine & Horne International Zaki + Partners Sdn. Bhd., as at 18 May 2011 using open market value basis of valuation.

Should the revalued freehold land and buildings have been carried at historical cost less accumulated depreciation, the carrying amounts of the revalued freehold land and buildings included in the financial statements of the Group and the Company as at reporting date would be RM6,557,370 and RM13,109,004 (31.5.2011: RM6,557,370 and RM13,318,187) respectively.

**4. INVESTMENT IN SUBSIDIARY COMPANIES**

- (a) Investment in subsidiary companies

	Note	Company	
		31.12.2011 RM	31.5.2011 RM
Unquoted shares, at cost			
At 1 June		<b>16,014,338</b>	15,162,963
Acquisition of non-controlling interests	4(c)	–	851,375
Acquisition of a subsidiary company			
Transferred from Transocean (M) Sdn. Bhd.		<b>103,915</b>	–
Cash payment		<b>488,145</b>	–
	4(d)	<b>592,060</b>	–
At 31 December/31 May		<b>16,606,398</b>	16,014,338
Impairment losses		<b>(392,862)</b>	(392,862)
Carrying amount at 31 December/31 May		<b>16,213,536</b>	15,621,476

- (b) The subsidiary companies and shareholdings therein are as follows:-

Name of company	Country of Incorporation %	Effective interest		Principal activities
		31.12.2011 %	31.5.2011	
<b>Direct holding:-</b>				
Transocean (M) Sdn. Bhd.	Malaysia	<b>100</b>	100	Investment holding
Transocean Logistics Sdn. Bhd.	Malaysia	<b>100</b>	100	Provision of custom brokerage, freight forwarding trucking related services, international air and ocean freight services
Transocean Distribution Hub Sdn. Bhd.	Malaysia	<b>100</b>	100	Provision of warehousing services and trucking related services

#### 4. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

(b) The subsidiary companies and shareholdings therein are as follows:- (cont'd)

Name of company	Country of Incorporation %	Effective interest		Principal activities
		31.12.2011 %	31.5.2011 %	
<b>Direct holding:-</b> (cont'd)				
Usmeta Manufacturing Sdn. Bhd.	Malaysia	100	100	Manufacturing and trading of tyres
Gerak Intensif Sdn. Bhd. ("GISB")	Malaysia	100	100	Provision of container haulage services
Transocean Freight Express Sdn. Bhd.	Malaysia	51	51	Investment holding
* TFS Logistics Pte. Ltd. ("TLPL")	Singapore	100	—	Provision of freight forwarding and trucking related services
<b>Indirect holding:-</b>				
<i>Subsidiary companies of Transocean (M) Sdn. Bhd.</i>				
Transocean (KL) Sdn. Bhd.	Malaysia	100	100	Temporarily ceased operations
Transocean (JB) Sdn. Bhd.	Malaysia	100	100	Temporarily ceased operations
Speedload Transport Sdn. Bhd.	Malaysia	100	100	Investment holding
Transocean World Transport Sdn. Bhd.	Malaysia	100	100	Temporarily ceased operations
Transocean Biotec (M) Sdn. Bhd.	Malaysia	75	75	Investment holding
<i>Subsidiary company of Transocean Freight Express Sdn. Bhd.</i>				
Transocean Haulage Services Sdn. Bhd.	Malaysia	65	65	Temporarily ceased operations
<i>Subsidiary company of Speedload Transport Sdn. Bhd.</i>				
Speedload Transport (KL) Sdn. Bhd.	Malaysia	100	100	Temporarily ceased operations
<i>Subsidiary company of Transocean Biotec (M) Sdn. Bhd.</i>				
Transocean Biotec Research Sdn. Bhd.	Malaysia	100	100	Temporarily ceased operations

\* Company not audited by Morison AnuarulAzizanChew.

(c) In the previous financial year, the Company acquired the remaining 49% equity interest in GISB represented by 612,500 ordinary shares of RM1.00 for a total cash consideration of RM851,375. Subsequently, GISB became a wholly owned subsidiary of the Company.

## Notes to the Financial Statements (cont'd)

**4. INVESTMENT IN SUBSIDIARY COMPANIES** (cont'd)

## (d) Acquisition of a subsidiary company

On 30 June 2011, Transocean (M) Sdn. Bhd. transferred its investment in associated company, TLPL, which represents 20% of equity interest, representing 49,910 ordinary shares, at Singapore Dollar ("SGD") 1.00 each, to the Company at a cash consideration of RM103,915. Subsequently, the Company further acquired the remaining 80% equity interest of TLPL, representing 200,100 ordinary shares of SGD 1.00 each for total cash consideration RM488,145. Consequently, TLPL became a wholly owned subsidiary of the Company.

The effect of the acquisition on the financial results of the Group is as follows:-

	<b>1.7.2011 to 31.12.2011 RM</b>
Revenue	<b>1,974,334</b>
Other operating income	<b>165,731</b>
Depreciation of property, plant and equipment	<b>(3,994)</b>
Freight expenses	<b>(447,257)</b>
Employee benefits expenses	<b>(820,532)</b>
Other operating expenses	<b>(568,394)</b>
Profit before taxation	<b>299,888</b>
Less: Taxation	<b>(18,285)</b>
Profit for the financial period	<b>281,603</b>

The fair value of the assets acquired and liabilities assumed from the acquisition of the above subsidiary company is as follows:-

	<b>31.12.2011 RM</b>
Net assets acquired:-	
Property, plant and equipment	<b>19,434</b>
Trade receivables	<b>692,398</b>
Amount owing by related companies	<b>1,745,852</b>
Other receivables	<b>18,903</b>
Cash and bank balances	<b>73,800</b>
Trade payables	<b>(399,231)</b>
Other payables	<b>(418,392)</b>
Amount owing to related companies	<b>(910,752)</b>
Amount owing to holding company	<b>(380,262)</b>
Provision for taxation	<b>(8,979)</b>
Deferred tax liability	<b>(3,267)</b>
Fair value of net assets acquired	<b>429,504</b>
Goodwill on consolidation	<b>439,700</b>
Total fair value of net assets acquired	<b>869,204</b>

#### 4. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

##### (d) Acquisition of a subsidiary company (cont'd)

The fair value of the assets acquired and liabilities assumed from the acquisition of the above subsidiary company is as follows:- (cont'd)

	Note	31.12.2011 RM
Total fair value of net assets acquired (cont'd)		<u>869,204</u>
Total fair value of net assets acquired satisfied by:-		
Acquisition of the remaining 80% of the equity interest		488,145
Transferred of investment in associated company	4(d)	103,915
Share of post-acquisition reserves		<u>277,144</u>
		<u>869,204</u>
Total fair value of net assets acquired		869,204
Less: Share of post-acquisition reserves		<u>(277,144)</u>
Cash outflow on acquisition of a subsidiary company		592,060
Less:- Cash and cash equivalent acquired		<u>(73,800)</u>
Transferred from investment in an associated company	4(d)	<u>(103,915)</u>
Net cash outflow from acquisition of a subsidiary company		<u>414,345</u>

#### 5. INVESTMENT IN AN ASSOCIATED COMPANY

##### (a) Investment in an associated company

	Note	Group	
		31.12.2011 RM	31.5.2011 RM
Unquoted shares at cost			
At 1 June		103,915	103,915
Transferred from Transocean (M) Sdn. Bhd.	4(d)	<u>(103,915)</u>	-
At 31 December/31 May		-	103,915
Share of post acquisition reserves		-	247,196
		-	<u>351,111</u>
Represented by: Share of net assets		-	<u>351,111</u>

##### (b) The associate company and shareholding therein are as follows:-

Name of company	Country of Incorporation	Effective interest		Principal activities
		31.12.2011 %	31.5.2011 %	
<b>Direct holding:-</b>				
TFS Logistics Pte. Ltd. ("TLPL")	Singapore	-	20	Provision of freight forwarding and trucking related services

As stated in Note 4(d), TLPL became the wholly owned subsidiary company of the Company during the financial period.

## Notes to the Financial Statements (cont'd)

**5. INVESTMENT IN AN ASSOCIATED COMPANY**

(c) The summarised financial information of the associated company is as follows:-

	<b>31.5.2011</b>	
	<b>RM</b>	
Assets and liabilities:-		
Non-current assets		21,040
Current assets		2,167,260
Current liabilities		(432,745)
Net assets		<u>1,755,555</u>
	<b>1.6.2011</b>	<b>1.6.2010</b>
	<b>to</b>	<b>to</b>
	<b>30.6.2011</b>	<b>31.5.2011</b>
	<b>RM</b>	<b>RM</b>
Results:-		
Revenue	<u>282,048</u>	4,991,550
Profit/(Loss) for the period/year	<u>149,740</u>	(7,020)
Share of results	<u>29,948</u>	(1,404)

**6. GOODWILL ON CONSOLIDATION**

	<b>Group</b>	
	<b>31.12.2011</b>	<b>31.5.2011</b>
	<b>RM</b>	<b>RM</b>
At 1 June	<u>3,562,598</u>	3,562,598
Acquisition of a subsidiary company (Note 4(d))	<u>439,700</u>	–
At 31 December/31 May	<u>4,002,298</u>	<u>3,562,598</u>

(a) During the financial period, the Group has carried out a review of the recoverable amount of its goodwill and it does not lead to any impairment loss.

(b) Impairment test on goodwill

The recoverable amount of goodwill as at the end of the financial period/year was determined based on value in use calculated by discounting the future cash flows generated from the continuing use of cash generating unit ("CGU") and was based on the following assumptions:-

- (i) Pre-tax cash flow projections based on the most recent financial budgets approved by Management covering a five year period.
- (ii) Pre-tax discount rate of 9.25% was applied in determining the recoverable amount of CGU. The discount factor was estimated based on Group weighted average cost of capital.
- (iii) The selling price used to calculate the cash inflows from operations was determined after taking into consideration price trends of the industries which is the CGU is exposed to.

Sensitivity to changes in assumptions

The Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of goodwill to materially exceed its recoverable amount.

## 7. PREPAID LEASE PAYMENTS

	Group	
	31.12.2011 RM	31.5.2011 RM
<b>Cost</b>		
At 1 June	2,200,000	4,700,000
Disposal	–	(2,500,000)
At 31 December/31 May	<b>2,200,000</b>	2,200,000
<b>Accumulated amortisation</b>		
At 1 June	150,443	224,158
Additions	30,200	104,934
Disposal	–	(178,649)
At 31 December/31 May	<b>180,643</b>	150,443
<b>Carrying amount</b>		
At 31 December/31 May	<b>2,019,357</b>	2,049,557

- (a) The above prepaid lease payments consists of upfront payments made for short term leasehold land.
- (b) The remaining period of the lease term range is 39 years (31.5.2011: 40 years).
- (c) The above prepaid lease payments have been charged to a licensed bank as security for credit facilities granted to the Company as disclosed in Note 18.

## 8. INVENTORIES

	Group	
	31.12.2011 RM	31.5.2011 RM
At cost:-		
Raw materials	60,169	56,196
Work-in-progress	26,222	38,589
Finished goods	223,973	313,432
Consumables	11,197	12,356
	<b>321,561</b>	420,573

## 9. TRADE RECEIVABLES

	Group	
	31.12.2011 RM	31.5.2011 RM
Trade receivables	5,733,617	7,829,609
Less: Impairment for trade receivables	(559,854)	(585,975)
	<b>5,173,763</b>	7,243,634

The Group's normal trade credit terms range from 60 to 90 days (31.5.2011: 60 to 90 days). Other credit terms are assessed and approved on a case by case basis.

## Notes to the Financial Statements (cont'd)

**9. TRADE RECEIVABLES** (cont'd)

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:-

	Group	
	31.12.2011 RM	31.5.2011 RM
Neither past due or impaired	<b>3,516,076</b>	5,428,693
1 - 90 days past due but not impaired	<b>1,470,739</b>	1,575,249
91 - 180 days past due but not impaired	<b>186,948</b>	239,692
	<b>1,657,687</b>	1,814,941
Individually impaired	<b>5,173,763</b>	7,243,634
	<b>559,854</b>	585,975
	<b>5,733,617</b>	7,829,609
<u>Allowance for impairment</u>		
At 1 June	<b>585,975</b>	1,257,864
Acquisition of a subsidiary company	<b>98</b>	-
Addition during the financial period/year	<b>64,608</b>	80,831
Written off	<b>(90,827)</b>	(608,120)
Written back	<b>-</b>	(144,600)
At 31 December/31 May	<b>559,854</b>	585,975

The Group has no significant concentration of credit risk that may arise from exposure to a single receivable or to groups of receivables.

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. These debtors are mostly long term customers with no history of default in payments.

The Group's trade receivables of RM1,657,687 (31.5.2011: RM1,814,941) that are past due at the reporting date but not impaired relate mainly to customers who have never defaulted on payments but are slow paymasters hence, periodically monitored. None of the trade receivables that are past due but not impaired have been renegotiated during the financial period.

**10. OTHER RECEIVABLES**

	Group		Company	
	31.12.2011 RM	31.5.2011 RM	31.12.2011 RM	31.5.2011 RM
Other receivables	<b>714,203</b>	1,219,297	<b>672,542</b>	1,168,408
Less: Impairment	<b>(662,038)</b>	(662,038)	<b>(662,038)</b>	(662,038)
	<b>52,165</b>	557,259	<b>10,504</b>	506,370
Deposits	<b>512,972</b>	188,755	<b>38,573</b>	11,080
Prepayments	<b>350,598</b>	333,209	<b>134,591</b>	149,587
Staff advances	<b>19,160</b>	19,434	<b>-</b>	-
	<b>934,895</b>	1,098,657	<b>183,668</b>	667,037
<u>Allowance for impairment</u>				
At 1 June	<b>662,038</b>	761,988	<b>662,038</b>	662,038
Written off	<b>-</b>	(99,950)	<b>-</b>	-
At 31 December/31 May	<b>662,038</b>	662,038	<b>662,038</b>	662,038

### 11. AMOUNT OWING BY AN ASSOCIATED COMPANY

These represent trade in nature transactions. The amount owing by an associated company are unsecured interest free advances which are repayable on demand.

### 12. AMOUNT OWING BY/(TO) RELATED COMPANIES

(a) The amount owing by related companies represents unsecured interest free advances which are repayable on demand except for an amount of RM4,547,482 (31.5.2011: RM5,166,489) which is made up from trade transactions.

(b) The amount owing to related companies represents unsecured interest free advances which are repayable on demand.

### 13. AMOUNT OWING BY/(TO) SUBSIDIARIES

These represent unsecured interest free advances which are repayable on demand.

### 14. FIXED DEPOSITS WITH LICENSED BANKS

The interest rates range during the financial period for the Group and the Company were 2.85% to 3.05% (31.5.2011: 2.85% to 3.05%) per annum and 2.85% (31.5.2011: 2.85%) per annum respectively.

### 15. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 (31.5.2011: 30 to 90 days).

### 16. OTHER PAYABLES

	Group		Company	
	31.12.2011 RM	31.5.2011 RM	31.12.2011 RM	31.5.2011 RM
Other payables	1,277,294	1,186,770	241,085	58,255
Accruals	1,478,331	921,630	185,000	410,126
Deposits	27,000	–	–	–
	<b>2,782,625</b>	2,108,400	<b>426,085</b>	468,381

### 17. HIRE PURCHASE AND FINANCE LEASE PAYABLES

	Group	
	31.12.2011 RM	31.5.2011 RM
(a) Minimum hire purchase payments		
Within one year	534,537	349,835
Between one and two years	442,878	274,992
Later than two years and not later than five years	618,551	107,016
	<b>1,595,966</b>	731,843
Future finance charges	(205,844)	(69,095)
Present value of hire purchase liabilities	<b>1,390,122</b>	662,748

## Notes to the Financial Statements (cont'd)

## 17. HIRE PURCHASE AND FINANCE LEASE PAYABLES (cont'd)

	Group	
	31.12.2011 RM	31.5.2011 RM
(b) Present value of hire purchase liabilities		
Within one year	441,784	298,735
Between one and two years	385,709	262,374
Later than two years and not later than five years	562,629	101,639
	<b>1,390,122</b>	662,748
Analysed as:		
Repayable within twelve months	441,784	298,735
Repayable after twelve months	948,338	364,013
	<b>1,390,122</b>	662,748

The effective interest rates of the Group range from 5.16% to 9.68% (31.5.2011: 5.67% to 9.68%) per annum.

## 18. BANK BORROWINGS

	Group		Company	
	31.12.2011 RM	31.5.2011 RM	31.12.2011 RM	31.5.2011 RM
Secured:-				
Bank overdrafts	5,679,139	5,490,897	2,516,931	2,523,065
Term loans	2,423,339	2,822,957	851,480	962,812
Bankers' acceptance	2,199,000	2,128,000	-	-
	<b>10,301,478</b>	10,441,854	<b>3,368,411</b>	3,485,877
Unsecured:-				
Bank overdrafts	566,090	530,401	-	-
Term loans	64,130	209,522	-	-
	<b>630,220</b>	739,923	-	-
Total bank borrowings	<b>10,931,698</b>	11,181,777	<b>3,368,411</b>	3,485,877
Analysed as follows:-				
Repayable within twelve months				
Secured:-				
Bank overdrafts	5,679,139	5,490,897	2,516,931	2,523,065
Term loans	827,193	879,050	90,298	148,312
Bankers' acceptance	2,199,000	2,128,000	-	-
	<b>8,705,332</b>	8,497,947	<b>2,607,229</b>	2,671,377
Unsecured:-				
Bank overdrafts	566,090	530,401	-	-
	<b>9,271,422</b>	9,028,348	<b>2,607,229</b>	2,671,377
Repayable after twelve months				
Secured:-				
Term loans	1,596,146	1,943,907	761,182	814,500
Unsecured:-				
Term loans	64,130	209,522	-	-
	<b>1,660,276</b>	2,153,429	<b>761,182</b>	814,500
Total bank borrowings	<b>10,931,698</b>	11,181,777	<b>3,368,411</b>	3,485,877

## 18. BANK BORROWINGS (cont'd)

Maturity of borrowings is as follows:-

	Group		Company	
	31.12.2011 RM	31.5.2011 RM	31.12.2011 RM	31.5.2011 RM
Within one year	9,271,422	9,028,348	2,607,229	2,671,377
Between one and two years	763,804	815,785	97,741	93,263
Between two and five years	578,867	946,491	345,836	330,084
More than five years	317,605	391,153	317,605	391,153
	<b>10,931,698</b>	11,181,777	<b>3,368,411</b>	3,485,877

The weighted average effective interest rate is as follows:-

	Group		Company	
	31.12.2011 %	31.5.2011 %	31.12.2011 %	31.5.2011 %
Bank overdrafts	8.10 - 10.10	8.10 - 8.35	8.35	8.35
Term loans	8.10 - 9.10	8.10 - 9.10	8.10	8.10
Bankers' acceptance	7.60	7.60	—	—

The bank borrowings are secured by way of:-

- (i) fixed charges over certain freehold land, buildings and leasehold land of the Group and of the Company as disclosed in Note 3 and Note 7;
- (ii) a floating charge over all the assets of a subsidiary, both present and future;
- (iii) specific charge over certain motor vehicles of the Group as disclosed in Note 3;
- (iv) Corporate guarantee by the Company;
- (v) Corporate guarantee from a company in which a Director of the Company is a controlling shareholder;
- (vi) Negative pledge over the entire assets of a subsidiary company; and
- (vii) A debenture by way of a fixed and floating charge over all present and future assets of a subsidiary company.

## 19. SHARE CAPITAL

	Group/Company			
	Number of ordinary shares		Amount	
	31.12.2011	31.5.2011	31.12.2011 RM	31.5.2011 RM
<b>Authorised</b>				
<i>Ordinary shares of RM1.00 each:</i>				
At beginning/end of period/year	50,000,000	50,000,000	50,000,000	50,000,000
<b>Issued and fully paid</b>				
<i>Ordinary shares of RM1.00 each:</i>				
At beginning/end of period/year	40,998,550	40,998,550	40,998,550	40,998,550

## Notes to the Financial Statements (cont'd)

## 20. RESERVES

	Group		Company	
	31.12.2011 RM	31.5.2011 RM	31.12.2011 RM	31.5.2011 RM
<b>Non-distributable:-</b>				
Surplus on revaluation of land and buildings				
At 1 June	<b>8,533,672</b>	8,533,672	<b>8,817,998</b>	8,817,998
Realisation of asset revaluation reserves	<b>(795,527)</b>	–	<b>(795,527)</b>	–
At 31 December/31 May	<b>7,738,145</b>	8,533,672	<b>8,022,471</b>	8,817,998
Foreign exchange translation reserve	(5,359)	–	–	–
	<b>7,732,786</b>	8,533,672	<b>8,022,471</b>	8,817,998
<b>Distributable:-</b>				
Accumulated losses	<b>(17,500,338)</b>	(18,807,445)	<b>(18,691,525)</b>	(19,022,734)
	<b>(9,767,552)</b>	(10,273,773)	<b>(10,669,054)</b>	(10,204,736)

The movements in the reserves are reflected in the statements of changes in equity.

## 21. DEFERRED TAX LIABILITIES

	Group		Company	
	31.12.2011 RM	31.5.2011 RM	31.12.2011 RM	31.5.2011 RM
At 1 June	<b>1,324,026</b>	884,917	<b>1,426,225</b>	963,045
Under provision in prior years	<b>45,899</b>	4,421	<b>27,516</b>	–
Acquisition of a subsidiary company	<b>3,267</b>	–	–	–
Recognised in statements of changes in equity	–	460,828	–	460,828
Recognised in statements of comprehensive income	<b>(95,001)</b>	(26,140)	<b>(92,336)</b>	2,352
At 31 December/31 May	<b>1,278,191</b>	1,324,026	<b>1,361,405</b>	1,426,225

Represented after appropriate offsetting as follows:-

	Group		Company	
	31.12.2011 RM	31.5.2011 RM	31.12.2011 RM	31.5.2011 RM
Deferred tax assets	<b>(252,139)</b>	(205,080)	<b>(252,139)</b>	(220,376)
Deferred tax liabilities	<b>1,530,330</b>	1,529,106	<b>1,613,544</b>	1,646,601
	<b>1,278,191</b>	1,324,026	<b>1,361,405</b>	1,426,225

## 21. DEFERRED TAX LIABILITIES (cont'd)

This is represented by the components and movements of deferred tax liabilities and assets of the Group prior to its offsetting during the financial period/year as follows:-

Deferred tax assets of the Group and of the Company are follows:-

	Unutilised tax losses and unabsorbed capital allowances RM	Others RM	Total RM
<b>Group</b>			
<b>At 1 June 2011</b>	(212,908)	7,828	(205,080)
Recognised in statements of comprehensive income	(39,231)	(7,828)	(47,059)
<b>At 31 December 2011</b>	<b>(252,139)</b>	–	<b>(252,139)</b>
<b>At 1 June 2010</b>	(240,407)	(695)	(241,102)
Recognised in statements of comprehensive income	27,499	8,523	36,022
<b>At 31 May 2011</b>	(212,908)	7,828	(205,080)
<b>Company</b>			
<b>At 1 June 2011</b>	(220,376)	–	(220,376)
Recognised in statements of comprehensive income	(31,763)	–	(31,763)
<b>At 31 December 2011</b>	<b>(252,139)</b>	–	<b>(252,139)</b>
At beginning/end of the period/year	(220,376)	–	(220,376)

The recognition of deferred tax assets of the Group is dependent on future taxable profits in excess of profits arising from reversal of existing temporary differences. The evidence used to support this recognition is the management's budget, which shows that it is probable that deferred tax assets would be realised in future years.

Deferred tax liabilities of the Group and of the Company are as follows:-

	Accelerated capital allowances RM	Surplus on revaluation of land and buildings RM	Total RM
<b>Group</b>			
<b>At 1 June 2011</b>	335,346	1,193,760	1,529,106
Acquisition of a subsidiary	3,267	–	3,267
Under provision in prior years	45,899	–	45,899
Recognised in statements of comprehensive income	44,770	(92,712)	(47,942)
<b>At 31 December 2011</b>	<b>429,282</b>	<b>1,101,048</b>	<b>1,530,330</b>
<b>At 1 June 2010</b>	371,355	754,664	1,126,019
Under provision in prior years	4,421	–	4,421
Recognised in statements of changes in equity	–	460,828	460,828
Recognised in statements of comprehensive income	(40,430)	(21,732)	(62,162)
<b>At 31 May 2011</b>	335,346	1,193,760	1,529,106

## Notes to the Financial Statements (cont'd)

**21. DEFERRED TAX LIABILITIES** (cont'd)

Deferred tax liabilities of the Group and of the Company are as follows:- (cont'd)

	Accelerated capital allowances RM	Surplus on revaluation of land and buildings RM	Total RM
<b>Company</b>			
<b>At 1 June 2011</b>	<b>347,679</b>	<b>1,298,922</b>	<b>1,646,601</b>
Under provision in prior years	27,516	–	27,516
Recognised in statements of comprehensive income	32,139	(92,712)	(60,573)
<b>At 31 December 2011</b>	<b>407,334</b>	<b>1,206,210</b>	<b>1,613,544</b>
<b>At 1 June 2010</b>			
Recognised in statements of changes in equity	326,604	856,817	1,183,421
Recognised in statements of comprehensive income	–	460,828	460,828
	21,075	(18,723)	2,352
<b>At 31 May 2011</b>	<b>347,679</b>	<b>1,298,922</b>	<b>1,646,601</b>

Deferred tax assets have not been recognised in respect of the following temporary differences:-

	Group	
	31.12.2011 RM	31.5.2011 RM
Reinvestment allowances	263,690	263,690
Unused tax losses	10,658,532	10,641,914
Unutilised capital allowances	5,700,263	5,641,810
Accelerated capital allowances	25,205	29,952
	<b>16,647,690</b>	<b>16,577,366</b>

The unused tax losses and unutilised capital allowances are available indefinitely for offset against future taxable profits of the respective subsidiary companies

**22. REVENUE**

	Group		Company	
	1.6.2011 to 31.12.2011 RM	1.6.2010 to 31.5.2011 RM	1.6.2011 to 31.12.2011 RM	1.6.2010 to 31.5.2011 RM
Logistic services	9,824,092	16,649,421	–	–
Tyre products	9,147,194	14,215,819	–	–
Rental income	–	–	442,700	1,149,600
	<b>18,971,286</b>	<b>30,865,240</b>	<b>442,700</b>	<b>1,149,600</b>

### 23. OTHER OPERATING INCOME

Other operating income includes:-

	Group		Company	
	1.6.2011 to 31.12.2011 RM	1.6.2010 to 31.5.2011 RM	1.6.2011 to 31.12.2011 RM	1.6.2010 to 31.5.2011 RM
Interest income	2,115	–	–	306,600
Gain on disposal of property, plant and equipment	32,000	1,028,139	–	249,000
Unrealised gain on foreign exchange	31,339	–	–	–
Waiver of debts owing to subsidiaries	–	–	–	1,409,071

### 24. EMPLOYEE BENEFITS EXPENSES

	Group	
	1.6.2011 to 31.12.2011 RM	1.6.2010 to 31.5.2011 RM
Wages, salaries and other staff related expenses	2,837,275	4,306,840
Pension costs - defined contribution plans	474,224	383,755
	<b>3,311,499</b>	<b>4,690,595</b>

Included in the employee benefits expenses of the Group are Executive Directors' remuneration amounting to RM253,507 (1.6.2010 to 31.5.2011: RM565,281) as disclosed in detail in Note 30.

### 25. OTHER OPERATING EXPENSES

Included in the other operating expenses are as follows:-

	Group		Company	
	1.6.2011 to 31.12.2011 RM	1.6.2010 to 31.5.2011 RM	1.6.2011 to 31.12.2011 RM	1.6.2010 to 31.5.2011 RM
Auditors' remuneration				
Statutory audit				
- current period/year	74,700	74,500	29,000	24,000
- under provision in prior year	11,440	4,000	7,490	–
- other services	–	3,500	–	3,500
Impairment loss on				
- Trade receivables	64,608	80,831	–	–
- Amount owing by subsidiary companies	–	–	–	961,537
Directors fees (Note 30)	84,000	105,000	84,000	105,000
Directors' other emoluments (Note 30)	3,700	11,500	–	11,500
Impairment of goodwill upon acquisition of noncontrolling interests	–	98,979	–	–
Unrealised (gain)/loss on foreign exchange	(31,339)	74,871	–	–
Rental of premises	5,600	59,560	–	–
Impairment for trade receivables written back	–	(144,600)	–	–

## Notes to the Financial Statements (cont'd)

## 26. FINANCE COSTS

	Group		Company	
	1.6.2011 to 31.12.2011 RM	1.6.2010 to 31.5.2011 RM	1.6.2011 to 31.12.2011 RM	1.6.2010 to 31.5.2011 RM
Interest expenses on:-				
Bank borrowings	521,672	1,126,082	164,771	322,913
Hire purchase payables	55,627	114,155	2,071	4,301
Amount owing to subsidiary companies	—	—	145,144	630,239
	<b>577,299</b>	<b>1,240,237</b>	<b>311,986</b>	<b>957,453</b>

## 27. TAXATION

	Group		Company	
	1.6.2011 to 31.12.2011 RM	1.6.2010 to 31.5.2011 RM	1.6.2011 to 31.12.2011 RM	1.6.2010 to 31.5.2011 RM
Current income tax:-				
Malaysia income tax				
- Current year tax	338,882	594,275	—	102,251
- Under/(Over) provision in prior years	27,747	(431,407)	(91,547)	(116,423)
	<b>366,629</b>	<b>162,868</b>	<b>(91,547)</b>	<b>(14,172)</b>
Foreign tax:-				
- Current year tax	18,865	—	—	—
	<b>385,494</b>	<b>162,868</b>	<b>(91,547)</b>	<b>(14,172)</b>
Deferred tax				
- Relating to origination and reversal of temporary differences	(95,001)	(26,140)	(92,336)	2,352
- Under provision in prior years	45,899	4,421	27,516	—
	<b>(49,102)</b>	<b>(21,719)</b>	<b>(64,820)</b>	<b>2,352</b>
Tax expense/(recover) for the financial period/year	<b>336,392</b>	<b>141,149</b>	<b>(156,367)</b>	<b>(11,820)</b>

Income tax is calculated at the Malaysian statutory tax rate of 25% (year ended 31.5.2011: 25%) of the estimated assessable profit for the financial period/year.

## 27. TAXATION (cont'd)

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:-

	Group		Company	
	1.6.2011 to 31.12.2011 RM	1.6.2010 to 31.5.2011 RM	1.6.2011 to 31.12.2011 RM	1.6.2010 to 31.5.2011 RM
Profit/(Loss) before taxation	<b>882,427</b>	1,447,397	<b>(620,685)</b>	151,115
Taxation at Malaysian statutory tax rate of 25% (31.5.2011: 25%)	<b>220,607</b>	361,849	<b>(155,171)</b>	37,779
Expenses not deductible for tax purposes	<b>89,553</b>	357,971	<b>62,835</b>	514,915
Income not subject to tax	<b>(25,821)</b>	(315,980)	–	(429,368)
Deferred tax assets not recognised during the period/year	<b>51,061</b>	269,696	–	–
Utilisation of prior years' unrecognised deferred tax assets	<b>(43,331)</b>	(105,401)	–	(18,723)
Under/(Over) provision of current taxation in respect of prior years	<b>27,747</b>	(431,407)	<b>(91,547)</b>	(116,423)
Under provision of deferred tax in respect of prior years	<b>45,899</b>	4,421	<b>27,516</b>	–
Foreign tax exemption and enhance deduction	<b>(29,323)</b>	–	–	–
Tax expense/(recoverable) for the financial period/year	<b>336,392</b>	141,149	<b>(156,367)</b>	(11,820)

## 28. BASIC EARNINGS PER SHARE

The basic earnings per share has been calculated based on the consolidated profit after taxation for the financial period/year attributable to owners of the parent of RM511,580 (1.6.2010 to 31.5.2011: RM1,306,248) for the Group and the weighted average number of ordinary shares in issue during the financial period/year of 40,998,550 (31.5.2011: 40,998,550) are as follows:-

	Group	
	1.6.2011 to 31.12.2011 RM	1.6.2010 to 31.5.2011 RM
Net profit for the financial period/year attributable to owners of the parent	<b>511,580</b>	1,306,248
Weighted average number of ordinary shares in issue	<b>40,998,550</b>	40,998,550
Basic earnings per share (sen)	<b>1.25</b>	3.19

## Notes to the Financial Statements (cont'd)

## 29. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	31.12.2011 RM	31.5.2011 RM	31.12.2011 RM	31.5.2011 RM
Aggregate cost	1,234,846	364,009	–	77,568
Hire purchase finance	(1,067,000)	–	–	–
Cash payments	167,846	364,009	–	77,568

## 30. DIRECTOR REMUNERATION

	Group		Company	
	1.6.2011 to 31.12.2011 RM	1.6.2010 to 31.5.2011 RM	1.6.2011 to 31.12.2011 RM	1.6.2010 to 31.5.2011 RM
<b>The Company</b>				
<b>Executive Directors:-</b>				
Salaries and bonus	174,338	504,725	–	–
Other emoluments	3,700	6,000	–	6,000
Benefits-in-kinds	21,518	6,500	–	–
	199,556	517,225	–	6,000
<b>Non-Executive:-</b>				
Fees	84,000	105,000	84,000	105,000
Other emoluments	–	5,500	–	5,500
	84,000	110,500	84,000	110,500
<b>Directors of subsidiaries:-</b>				
<b>Executive Directors:-</b>				
Salaries and bonus	53,951	42,056	–	–
	337,507	669,781	84,000	116,500

The number of Directors of the Company whose total remuneration during the financial period/year range within the following bands is analysed as below:-

	Number of Directors	
	1.6.2011 to 31.12.2011 RM	1.6.2010 to 31.5.2011 RM
<b>Executive Directors:-</b>		
RM100,001 - RM150,000	–	1
RM150,001 - RM200,000	–	2
RM50,001 - RM100,000	2	–
<b>Former Executive Director:-</b>		
Below RM50,000	1	–
<b>Non-Executive Directors:-</b>		
Below RM50,000	3	3

### 31. SIGNIFICANT RELATED PARTIES TRANSACTIONS

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial period:-

	Group	
	1.6.2011 to 31.12.2011 RM	1.6.2010 to 31.5.2011 RM
Sales to a former associated company:-		
- TFS Logistics Pte. Ltd.	-	1,134,321
Purchase from a former associated company:-		
- TFS Logistics Pte. Ltd.	-	2,700,629
* Sales to related parties:-		
- Syarikat Kenderaan Melayu Kelantan Berhad	573,007	115,443
- Sistem Kenderaan Seremban - Kuala Lumpur Sdn. Bhd.	201,658	359,618
- Transnasional Express Berhad	3,888,356	5,298,504
- Badanbas Sdn. Bhd.	-	31,800
- PNP Parachute Industries (M) Sdn. Bhd.	41,768	142,999
- Puspamara Sdn. Bhd.	4,035	6,132
- Kenderaan Klang Banting Berhad	376,972	-
- Syarikat Rembau Tampin Sdn. Bhd.	310,699	-
- Carefree Premium Sdn. Bhd.	90,875	134,724
	Company	
	1.6.2011 to 31.12.2011 RM	1.6.2010 to 31.5.2011 RM
* Sales to related parties:-		
- Syarikat Tanjung Keramat Temerloh Utara Omnibus Berhad	76,970	-
- Plusliner Sdn. Bhd.	818,385	-
Interest charged to subsidiaries:-		
- Speedload Transport Sdn. Bhd.	-	2,862
- Transocean Haulage Services Sdn. Bhd.	-	303,738
Rental charged to subsidiaries:-		
- Transocean Logistics Sdn. Bhd.	73,500	98,400
- Transocean Distribution Hub Sdn. Bhd.	310,400	873,600
- Gerak Intensif Sdn. Bhd.	58,800	172,800
- Speedload Transport Sdn. Bhd.	-	4,800
Interest charged by subsidiaries:-		
- Transocean Logistics Sdn. Bhd.	123,398	480,056
- Transocean Distribution Hub Sdn. Bhd.	510	34,567
- Gerak Intensif Sdn. Bhd.	21,236	115,616
Waiver of amount owing to subsidiaries:-		
- Transocean (M) Sdn. Bhd.	-	481,137
- Transocean (KL) Sdn. Bhd.	-	673,955
- Speedload Transport Sdn. Bhd.	-	77,569
- Transocean World Transport Sdn. Bhd.	-	30,549
- Speedload Transport (KL) Sdn. Bhd.	-	145,861

## Notes to the Financial Statements (cont'd)

**31. SIGNIFICANT RELATED PARTIES TRANSACTIONS** (cont'd)

	Company	
	1.6.2011 to 31.12.2011 RM	1.6.2010 to 31.5.2011 RM
Waiver of amount owing from subsidiaries:-		
- Transocean Freight Express Sdn. Bhd.	-	11,572
- Transocean (KL) Sdn. Bhd.	-	1,000
- Transocean (JB) Sdn. Bhd.	-	2,729
- Speedload Transport Sdn. Bhd.	-	61,695
- Transocean Biotec (M) Sdn. Bhd.	-	19,445
- Transocean Haulage Services Sdn. Bhd.	-	856,646
- Speedload Transport (KL) Sdn. Bhd. -	-	8,450

\* These are companies in which a Director of the Company is a controlling shareholder.

The Directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

**32. CAPITAL COMMITMENTS**

	Group	
	31.12.2011 RM	31.5.2011 RM
Property, plant and equipment:-		
Authorised but not contracted for	233,500	491,643
Authorised and contracted for	4,679,500	-

**33. OPERATING LEASE COMMITMENT**

	Group	
	31.12.2011 RM	31.5.2011 RM
Not later than one year	523,320	-
Later than one year	523,320	-
	<b>1,046,640</b>	<b>-</b>

**34. MATERIAL LITIGATION**

Transocean Haulage Services Sdn. Bhd., a subsidiary of the Company, commenced a legal action on 12 August 2008 against EHaul Logistics Sdn. Bhd. and Michael Tan (collectively known as "the defendants") to recover sum of RM754,798 for invoices outstanding (where the amount owing by defendants has been fully provided for by the Group as at 31 December 2011) and RM1,700,577 for estimated repair costs and losses suffered.

A sealed copy of the amended writ of summons together with the amended statement of claims dated 26 August 2009 was served on the defendants' solicitor on 16 September 2009. The hearing for the summary judgment application was heard on 21 June 2010 with the matter being fixed for case management on 19 December 2011.

The Court has decided to reschedule the case management to 13 August 2012.

### 35. SEGMENT INFORMATION – GROUP

Segment information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure.

The reportable business segments of the Group comprise the following:-

- Logistics Solutions : Provision of custom brokerage, freight forwarding trucking related services, international air and ocean freight services
- Trading of Tyres : Manufacturing and trading of tyres
- Investment Holdings : Investment holding, provision of management services and letting of properties.

Segment revenue, results, assets and liabilities include items directly attributable to a segment and those where a reasonable basis of allocation exists. Inter-segment revenues are eliminated on consolidation.

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's Executive Directors. Segment total assets are used to measure the return of assets of each segment.

The total of segment liabilities is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the Group's Executive Directors.

The accounting policies of the segments are consistent with the accounting policies of the Group.

	Logistics Solutions 1.6.2011 to 31.12.2011 RM	Trading of Tyres 1.6.2011 to 31.12.2011 RM	Investment Holdings 1.6.2011 to 31.12.2011 RM	Eliminations RM	Total 1.6.2011 to 31.12.2011 RM
<b>Revenue</b>					
External revenues	9,824,092	9,147,194	–	–	18,971,286
Inter segments	1,948,234	–	442,700	(2,390,943)	–
<b>Results</b>					
Segment profits/(losses)	365,483	501,921	(464,318)	30,000	433,086
Share of profit of an associated company					29,948
					<u>463,034</u>
Included in the segment profits/(losses):-					
Interest income	(145,306)	–	–	145,144	(162)
Finance cost	205,017	191,123	311,896	(145,144)	562,982
Amortisation of prepaid lease payments	–	30,200	–	–	30,200
Depreciation of property, plant and equipment	204,609	133,287	290,098	–	627,994
<b>Assets</b>					
Segment assets	13,545,636	23,305,040	46,143,255	–	82,993,931
Additions in non-current assets	529,625	2,500	–	–	532,125
<b>Liabilities</b>					
Segment liabilities	8,790,354	12,788,182	15,813,759	–	37,392,295

## Notes to the Financial Statements (cont'd)

## 35. SEGMENT INFORMATION – GROUP (cont'd)

31.5.2011	Logistics Solutions 1.6.2011 to 31.5.2011 RM	Trading of Tyres 1.6.2011 to 31.5.2011 RM	Investment Holdings 1.6.2011 to 31.5.2011 RM	Eliminations RM	Total 1.6.2011 to 31.5.2011 RM
<b>Revenue</b>					
External revenues	16,649,421	14,215,819	–	–	30,865,240
Inter segments	–	–	1,149,600	(1,149,600)	–
<b>Results</b>					
Segment profits/(losses)	8,724,617	1,505,217	162,935	(8,262,517)	2,130,252
Share of profit of an associated company					(1,404)
					<u>2,128,848</u>
Included in the segment profits/(losses):-					
Interest income	(630,239)	–	(306,600)	(936,839)	–
Finance cost	703,943	512,818	957,453	936,839	1,237,375
Amortisation of prepaid lease payments	–	104,934	–	–	103,934
Depreciation of property, plant and equipment	394,167	229,665	471,507	–	1,095,339
<b>Assets</b>					
Segment assets	12,610,053	18,653,343	45,805,703	–	77,069,099
Additions in non-current assets	280,641	5,800	77,568	–	364,009
<b>Liabilities</b>					
Segment liabilities	8,952,747	10,707,339	15,011,889	–	34,671,975

Reconciliation of reportable segment revenue, profit and loss, assets and liabilities and other material items:-

	1.6.2011 to 31.12.2011 RM	1.6.2010 to 31.5.2011 RM
Total profit for reportable segments	463,034	2,128,848
Other non reportable segments	134,311	5,798,493
Elimination of inter-segment profits	–	(6,618,231)
Depreciation of property, plant and equipment	(37,155)	–
Interest income	162	–
Finance costs	(14,317)	(2,862)
Consolidated profit before tax	<u>546,035</u>	<u>1,306,248</u>

### 35. SEGMENT INFORMATION – GROUP (cont'd)

	Depreciation of property, plant and equipment RM	Finance cost RM	Interest income RM	Segment assets RM	Additions in non-current assets RM	Segmental liabilities RM
<b>31.12.2011</b>						
Total reportable segments	627,994	562,982	(162)	82,993,931	532,125	37,392,295
Other non-reportable segment	37,155	14,317	(1,953)	921,863	702,721	1,101,373
Elimination of intersegment transactions or balances	–	–	–	(26,330,573)	–	(12,173,900)
Consolidated total	665,149	577,299	(2,115)	57,585,221	1,234,846	26,319,768

	Finance cost RM	Segment assets RM	Segment liabilities RM
<b>31.5.2011</b>			
Total reportable segments	1,237,375	77,069,099	34,671,975
Other non-reportable segment	2,862	108,053	121,332
Elimination of inter-segment transactions or balances	–	(21,834,176)	(10,175,108)
Consolidated total	1,240,237	55,342,976	24,618,199

### 36. EFFECTS ON FINANCIAL STATEMENTS ON ADOPTION OF REVISED FRSs

The effects on adoption of the following revised FRSs and amendments to FRSs in 2011 are set out below:-

#### Amendments to FRS 101: Presentation of Financial Statements

The Amendments clarifies that an entity shall present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.

This is a disclosure standard and hence does not have any impact on the financial position and performance of the Group and of the Company.

#### FRS 3: Business Combinations (Revised)

- (i) This revised standard allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as 'minority interests') either at fair value or at the non-controlling interests' share of the fair value of the identifiable net assets of the acquiree;
- (ii) It changes the recognition and subsequent accounting requirements for contingent consideration. Under the previous version of the Standard, contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were recognised against goodwill. Under the revised Standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss;
- (iii) It requires the recognition of a settlement gain or loss where the business combination in effect settles a pre-existing relationship between the Group and the acquiree; and
- (iv) It requires acquisition-related costs to be accounted for separately from the business combination, generally leading to those costs being recognised as an expense in profit or loss as incurred, whereas previously they were accounted for as part of the cost of the business combination.

## Notes to the Financial Statements (cont'd)

**37. FINANCIAL INSTRUMENTS**

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its financial risk. The Group and the Company operates within guidelines that are approved by the Directors and the Group's policy is not to engage in speculative transactions.

The main areas of financial risks faced by the Group and the Company policy in respect of the major areas of treasury activity are set out as follows:-

## (a) Foreign currency exchange risk

The Group and the Company is exposed to foreign currency risk on intercompany loans and advances that are denominated in a currency other than Ringgit Malaysia. The currency giving rise to this risk is primarily Singaporean Dollars. However the Group and Company is not exposed to the foreign currency exchange risk as there are no outstanding balances as at reporting date.

## (b) Interest rate risk

The Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from borrowings and deposits. The Group and the Company does not hedge the interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:-

<b>Group</b>	<b>31.12.2011</b>	<b>31.5.2011</b>
	<b>RM</b>	<b>RM</b>
<b>Floating rate instrument</b>		
Bank borrowings	<b>10,931,698</b>	11,181,777
<b>Company</b>		
<b>Floating rate instrument</b>		
Bank borrowings	<b>3,368,411</b>	3,485,877

Interest rate risk sensitivity analysis

A change of 50 basis points ("bp") in interest rates at the end of the reporting period would have increase/decrease equity and profit net of tax by the amounts shown below, assuming all other variables remain constant.

	<b>Profit net of tax</b>
	<b>50bp</b>
	<b>Increase/(Decrease)</b>
	<b>RM</b>
<b>Group</b>	
Floating rate instrument:-	
Bank borrowings	54,658
<b>Company</b>	
Floating rate instrument:-	
Bank borrowings	16,842

### 37. FINANCIAL INSTRUMENTS (cont'd)

#### (c) Credit risk

##### Exposure to credit risk

The Group's exposure to credit risk arises mainly from receivables. Receivables are monitored on an ongoing basis via management reporting procedure and action is taken to recover debts when due.

##### Credit risk concentration profile

At reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk for the Group is the carrying amount of the financial assets shown in the statements of financial position.

#### (d) Liquidity and cash flow risk

The Group seeks to achieve a flexible and cost effective borrowing structure to ensure that the projected net borrowing needs are covered by available committed facilities. Debt maturities are structured in such a way to ensure that the amount of debt maturing in any one year is within the Group's ability to repay and/or refinance.

The Group also maintains a certain level of cash and cash convertible investments to meet its working capital requirements.

##### Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting period based on undiscounted contractual payments.

Group	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
<b>Financial liabilities:-</b>				
Trade and other payables	6,074,670	–	–	6,074,670
Bank borrowings	9,271,422	1,342,671	317,605	10,931,698
Hire purchase and finance lease payables	441,784	948,338	–	1,390,122
	15,787,876	2,291,009	317,605	18,396,490
<b>Company</b>				
<b>Financial liabilities:-</b>				
Trade and other payables	426,085	–	–	426,085
Bank borrowings	2,607,229	443,577	317,605	3,368,411
	3,033,314	443,577	317,605	3,794,496

#### (e) Fair values

The aggregate fair values of the other financial liabilities as at 31 December 2011 are as follows:-

	31.12.2011		31.5.2011	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair Value RM
<b>Group</b>				
<b>Financial liabilities</b>				
Hire purchase and finance lease payables	948,338	800,393	364,013	337,791

## Notes to the Financial Statements (cont'd)

**37. FINANCIAL INSTRUMENTS** (cont'd)

## (e) Fair values (cont'd)

Interest rates used to determined fair value:-

	Group		Company	
	31.12.2011 % p.a.	31.5.2011 % p.a.	31.12.2011 % p.a.	31.5.2011 % p.a.
Hire purchase	<b>5.16 - 9.68</b>	6.57 - 9.68	–	–

- (i) The carrying amounts of cash and cash equivalents, current portion of trade and other receivables, inter-company loans and advances, current portion of trade and other payables, short term borrowings approximate fair value due to the relatively short term nature of these financial instruments.
- (ii) The carrying amount of long term bank borrowing carried on the statements of financial position is reasonable approximate of fair value due to that it is a floating rate instruments that are re-priced to market interest rate on or near the reporting date.
- (iii) The aggregate fair value of the other financial assets and liabilities carried on the statement of financial position approximates its carrying value and the Group does not anticipate the carrying amounts recorded at the reporting date to be significantly different from the values that would eventually be settled.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of long term hire purchase payables carried on the statement of financial position are estimated using valuation technique under the hierarchy level 2 mentioned above whereby the expected future cash flows are discounted at the market interest rate for similar types of borrowings.

### 38. CAPITAL MANAGEMENT

The objective of the Group on capital management is to ensure that it maintains a strong credit rating and safeguard the Group's ability to continue as a going concern, so as to support its business, maintain the market confidence and maximise shareholder value.

The Group monitors the capital using gearing ratio, which is net borrowings divided by equity attributable to owners of the parent. The Group's policy is to keep the gearing ratio within reasonable levels.

	Group	
	31.12.2011 RM	31.5.2011 RM
Borrowings	10,931,698	11,181,777
Cash and cash equivalents	(435,868)	(1,027,943)
Net borrowings	<u>10,495,830</u>	<u>10,153,834</u>
Equity attributable to owners of the parent	<u>31,230,998</u>	<u>30,724,777</u>
Gearing ratio	<u>0.34</u>	<u>0.33</u>

### 39. CHANGE OF FINANCIAL YEAR END

The Company changed its financial year end from 31 May to 31 December. Accordingly, the financial statements for the current financial period are drawn up for the period from 1 June 2011 to 31 December 2011 or a period of seven months.

### 40. COMPARATIVE FIGURES

The comparative figures of the Statements of Comprehensive Income, Statements of Changes in Equity and Statements of cash flow are for the financial year from 1 June 2010 to 31 May 2011. As they reflect the results for less than 12 months, they are not comparable to the current financial period's results.

Certain comparative figures have been reclassified where necessary to conform with the current year's presentation are as follows:-

Group 31 May 2011	As previously reported RM	Reclassification RM	As restated RM
<b>Statements of Financial Position</b>			
<b>Non-Current Assets</b>			
Prepaid lease payments	2,049,557	(2,049,557)	-
<b>Current Assets</b>			
Prepaid lease payments	-	2,049,557	2,049,557

The financial statements of the previous financial year which are presented for comparative purpose were examined and reported on by another firm of auditors.

## Notes to the Financial Statements (cont'd)

**41. REALISED AND UNREALISED PROFIT/LOSSES (SUPPLEMENTARY INFORMATION)**

The breakdown of the accumulated losses of the Group and of the Company as of 31 December into realised and unrealised amounts is as follows:-

	<b>Group</b>	
	<b>31.12.2011</b>	<b>31.5.2011</b>
	<b>RM</b>	<b>RM</b>
Total accumulated losses:-		
Realised losses	<b>(16,151,287)</b>	(17,408,548)
Unrealised losses	<b>(1,349,051)</b>	(1,398,897)
	<b>(17,500,338)</b>	(18,807,445)
	<b>Company</b>	
	<b>31.12.2011</b>	<b>31.5.2011</b>
	<b>RM</b>	<b>RM</b>
Total accumulated losses:-		
Realised losses	<b>(17,330,120)</b>	(17,596,509)
Unrealised losses	<b>(1,361,405)</b>	(1,426,225)
	<b>(18,691,525)</b>	(19,022,734)

The above disclosure of realised and unrealised losses is made solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and is not made for any other purposes.

**42. DATE OF AUTHORISATION FOR ISSUE**

The financial statements of the Group and of the Company for the financial period from 1 June 2011 to 31 December 2011 were authorised for issue in accordance with a resolution of the Board of Directors on 23 April 2012.

# LIST OF PROPERTIES HELD

as at 31 December 2011



OWNER	LOCATION	DESCRIPTION	TENURE	LAND AREA (BUILT-UP AREA)	EXISTING USE	AGE	AT VALUATION @ 31/12/11 RM'000
1 Transocean Holdings Bhd	Lot Nos. 383 & 386 Geran Nos. 16759 & 18199 Seksyen 23 Daerah Timor Laut Bandar Georgetown, Penang	Commercial land with a 7-storey office block with a basement car-park	Freehold	487.16m <sup>2</sup> (3,609.57m <sup>2</sup> )	Office use	13	10,397
2 Transocean Holdings Bhd	Lot Nos. 2955, 2956 & 2957 Geran Nos. 66343, 66344 & 66362 Mukim 16 Daerah Seberang Perai Utara Penang	Industrial land with a single storey bonded warehouse annexed with 5-storey office building	Freehold	21,715.00m <sup>2</sup> (12,377.05m <sup>2</sup> )	Office and warehouse use	16	18,332
3 Transocean Holdings Bhd	Lot No. PTD 32398 Title No. HS (D) 115903 Mukim Pulau Daerah Johor Bahru, Johor	Housing development land with 2-storey shop-office	Freehold	156.071m <sup>2</sup> (312.16m <sup>2</sup> )	Office use	13	373
4 Usmeta Manufacturing Sdn Bhd	Lot PT 101677, HS (D) 52977 Mukim Hulu Kinta, Perak and Lot PT 800600, HS (D) 10137 Mukim of Hulu Kinta, Perak	Commercial land with factory building	Leasehold expiring 2 Jun 2046 and 2 January 2051	12,569.56 sq.m. and 8,129.00 sq.m.	Factory	5	3,257

# ANALYSIS OF SHAREHOLDINGS

as at 2 May 2012

Authorised Capital	: RM50,000,000
Issued and Fully Paid-Up Capital	: RM40,998,550
Class of Equity Securities	: Ordinary share of RM1.00 each ("Share")
Voting Rights	: One vote per Share

## DISTRIBUTION SCHEDULE OF SHAREHOLDERS as at 2 May 2012

No. of Holders	Holdings	Total Shareholdings	%
230	Less than 100	10,914	0.03
94	100 to 1,000	65,492	0.16
1,390	1,001 to 10,000	3,501,544	8.54
117	10,001 to 100,000	2,810,650	6.86
14	100,001 to less than 5% of issued shares	5,473,490	13.35
5	5% and above of issued shares	29,136,460	71.06
1,850		40,998,550	100.00

## 30 LARGEST SECURITIES ACCOUNT HOLDERS as at 2 May 2012

(without aggregating the securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares held	%
1	OSK Nominees (Tempatan) Sdn Berhad [OSK Capital Sdn Bhd for Kumpulan Kenderaan Malaysia Berhad]	12,000,000	29.27
2	OSK Nominees (Tempatan) Sdn Berhad [Pledged Securities Account for Lengkap Suci Sdn Bhd]	5,800,180	14.15
3	OSK Nominees (Tempatan) Sdn Berhad [Pledged Securities Account for Lengkap Suci Sdn Bhd]	5,800,180	14.15
4	OSK Nominees (Tempatan) Sdn Berhad [Pledged Securities Account for Kumpulan Kenderaan Malaysia Berhad]	3,116,000	7.60
5	Edisi Bimbingan Sdn Bhd	2,420,100	5.90
6	Muhammad Nurul Amil Bin Ab Majid	1,978,640	4.83
7	CIMSEC Nominees (Tempatan) Sdn Bhd [CIMB for Zainuddin Bin Din]	958,450	2.34
8	Kam Loong Mining Sdn Bhd	477,700	1.17
9	Foo Khen Ling	452,000	1.10
10	Yap Lee Lee	373,000	0.91
11	Kam Loong Credit Sdn Bhd	202,000	0.49
12	HLG Nominee (Tempatan) Sdn Bhd [Hong Leong Bank Bhd for Lim Chong Heng]	165,500	0.40
13	HLG Nominee (Tempatan) Sdn Bhd [Hong Leong Bank Bhd for Yee Wooi Tiong]	157,200	0.38
14	HLG Nominee (Tempatan) Sdn Bhd [Hong Leong Bank Bhd for Low Wai Sun]	156,800	0.38
15	Chin Mun Hua @ Chen Dekying Marn	116,400	0.28
16	Ngang Ching Tang	116,200	0.28
17	Beh Soo Kim	110,300	0.27
18	HLG Nominee (Tempatan) Sdn Bhd [Hong Leong Bank Bhd for Yee Goh Tiong]	108,300	0.26

**30 LARGEST SECURITIES ACCOUNT HOLDERS** as at 2 May 2012 (cont'd)  
(without aggregating the securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares held	%
19	OSK Nominees (Tempatan) Sdn Berhad [Pledged Securities Account for Ng Kooi Hock]	101,000	0.25
20	Lee Khai Aik	96,000	0.23
21	Ng Kim Hua	95,000	0.23
22	Cheah Theng Kwang	72,000	0.18
23	OSK Nominees (Tempatan) Sdn Berhad [Pledged Securities Account for Ng Kok Hin]	68,100	0.17
24	EB Nominees (Tempatan) Sendirian Berhad [Pledged Securities Account for Ng Kok Hin]	62,500	0.15
25	Public Nominees (Tempatan) Sdn Bhd [Pledged Securities Account for Lo Kean Kwong]	61,900	0.15
26	Lau Mee	60,000	0.15
27	Lim Hu Fang	60,000	0.15
28	Maybank Securities Nominees (Tempatan) Sdn Bhd [Pledged Securities Account for Fong Yeun Kai]	57,700	0.14
29	Yee Wooi Tiong	55,400	0.14
30	Loh Yin Mooi	51,950	0.13

**SUBSTANTIAL SHAREHOLDERS** as at 2 May 2012  
(excluding those who are bare trustees pursuant to Section 69 of the Companies Act, 1965("The Act"))

Name of Substantial Shareholders	No. of Shares held			Note	%
	Direct Interest	%	Indirect Interest		
Kumpulan Kenderaan Malaysia Berhad ("KKMB")	15,116,000	36.87	11,600,360	1	28.29
Lengkap Suci Sdn Bhd ("LSSB")	11,600,360	28.29			
Edisi Bimbingan Sdn Bhd	2,420,100	5.90			
Dato' Sri Mohd Nadzmi Bin Mohd Salleh			26,716,360	2	65.16
Trisilco Equity Sdn Bhd			26,716,360	3	65.16
Ibroni Sdn Bhd			26,716,360	3	65.16
Nadicorp Holdings Sdn Bhd ("Nadicorp")			26,716,360	4	65.16
Nadi Corporation Sdn Bhd ("NCSB")			26,716,360	5	65.16

**Notes**

- 1) Deemed interest pursuant to Section 6A(4) of the Act by virtue of its shareholdings held through LSSB.
- 2) Deemed interest pursuant to Section 6A(4) of the Act by virtue of his shareholdings in Trisilco Equity Sdn Bhd and Ibroni Sdn Bhd which respectively holds at least 15% or more equity interest in NCSB which in turn is the holding company of Nadicorp which in turn is the holding company of KKMB. KKMB in turn is the holding company of LSSB.
- 3) Deemed interest pursuant to Section 6A(4) of the Act by virtue of its shareholdings in NCSB which in turn is the holding company of Nadicorp which in turn is the holding company of KKMB. KKMB in turn is the holding company of LSSB.
- 4) Deemed interest pursuant to Section 6A(4) of the Act by virtue of its shareholdings in KKMB. KKMB in turn is the holding company of LSSB.
- 5) Deemed interest pursuant to Section 6A(4) of the Act by virtue of its shareholdings in Nadicorp which is in turn the holding Company of KKMB. KKMB in turn is the holding company of LSSB.

## Analysis of Shareholdings (cont'd)

as at 2 May 2012

### DIRECTORS' SHAREHOLDINGS (DIRECT & INDIRECT) as at 2 May 2012

Name of Directors	No. of Shares held		Indirect Interest	Note	%
	Direct Interest	%			
Dato' Sri Mohd Nadzmi Bin Mohd Salleh			26,716,360	1	65.16
Zainuddin Bin Din	959,450	2.34	—		—
Tan Swee Hock	—		—		—
Muhammad Adib Bin Ariffin	—		—		—
Woo Kok Boon	—		—		—

#### Notes

- 1) Deemed interest pursuant to Section 6A(4) of the Act by virtue of his shareholdings in Trisilco Equity Sdn Bhd and Ibroni Sdn Bhd which respectively holds at least 15% or more equity interest in NCSB which in turn is the holding company of Nadicorp which in turn is the holding company of KKMB. KKMB in turn is the holding company of LSSB.

#### INTEREST IN THE RELATED CORPORATION

Dato' Sri Mohd Nadzmi Bin Mohd Salleh by virtue of his interest in shares in the Company, is deemed to have interest in the shares of all the Company's subsidiaries to the extent the Company has an interest.

Save as disclosed above, none of the other Directors in office have any interest in shares in its related corporations.

# PROXY FORM

<b>NO. OF SHARES HELD</b>	
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I/We \_\_\_\_\_, of \_\_\_\_\_  
(BLOCK LETTERS)

\_\_\_\_\_, being a member of

**TRANSOCEAN HOLDINGS BHD (36747 U)** (“the Company”), do hereby appoint \_\_\_\_\_

(NRIC/Passport No. \_\_\_\_\_) of \_\_\_\_\_

\_\_\_\_\_ or failing him, \_\_\_\_\_

(NRIC/Passport No. \_\_\_\_\_) of \_\_\_\_\_

\_\_\_\_\_ or failing him, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Thirty-fourth Annual General Meeting of the Company to be held at Function Room, Level 2, Kuala Lumpur International Hotel, Jalan Raja Muda Abd Aziz, 50738 Kuala Lumpur on Thursday, 21 June 2012 at 10.00 a.m. and at any adjournment thereof.

My/Our Proxy is to vote as indicated below:

## AGENDA

To receive the Audited Financial Statements for the 7 months financial period ended 31 December 2011 together with the Reports of the Directors and Auditors thereon

RESOLUTIONS	For	Against
1. Re-election of Dato’ Sri Mohd Nadzmi Bin Mohd Salleh as Director		
2. Re-appointment of En. Zainuddin Bin Din as Director		
3. Re-appointment of Messrs. Morison AnuarulAzizanChew as Auditors for the ensuing year and to authorise Directors to fix their remuneration		
4. Ordinary Resolution:- Approval for the payment of Directors’ fees		
5. Ordinary Resolution:- Authority for Directors to issue and allot shares pursuant to Section 132D of the Companies Act, 1965		
6. Ordinary Resolution:- Proposed renewal of shareholders’ mandate for recurrent related party transactions of a revenue or trading nature		
7. Special Resolution:- Proposed amendments to the Articles of Association of the Company		

(Please indicate with an ‘X’ in the space provided how you wish your vote to be cast. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit)

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

\_\_\_\_\_  
Signature of Shareholder / Common Seal

### NOTE:

- In respect of deposited securities, only members whose name appears on the Record of Depositors as at 15 June 2012 shall be entitled to attend, speak and vote at the said meeting or appoint proxies to attend and/or vote on his/her behalf.
- A member entitled to attend and vote at the meeting is entitled to appoint more than one proxy to attend and vote in his or her stead. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- A proxy may but does not need to be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Notwithstanding this, a member entitled to attend and vote at the meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the meeting shall have the same rights as the member to speak at the meeting.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing. In the case where a member is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorized.
- All proxy forms must be duly executed and deposited at the Registered Office of the Company at No. 38, Jalan Chow Kit, 50350 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.
- Any alteration in this form must be initialed.

Fold this flap for sealing

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THE COMPANY SECRETARIES  
**TRANSOCEAN HOLDINGS BHD** (36747-U)

No. 38, Jalan Chow Kit  
50350 Kuala Lumpur  
Malaysia

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[www.transocean.com.my](http://www.transocean.com.my)

**Transocean Holdings Bhd**  
(36747 U)

Lot 2955, 2956 & 2957  
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