

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

DELIVERING ON PROMISES

Annual Report 2012

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The 35th 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 Wednesday, 26 June 2013

TIME 10.00 a.m.

NOTICE IS HEREBY GIVEN that the Thirty-fifth (35th) 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 Wednesday, 26 June 2013 at 10.00 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2012 together with the Reports of the Directors and Auditors thereon. (Please refer to Note 1)
2. To approve the payment of Directors’ fees amounting to Ringgit Malaysia One Hundred and Eight Thousand (RM108,000.00) only for the financial year ended 31 December 2012. RESOLUTION 1
3. To re-elect En. Muhammad Adib Bin Ariffin, who retires in accordance with Article 105(1) of the Company’s Articles of Association and being eligible, offer himself for re-election. RESOLUTION 2
4. 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.” RESOLUTION 3
5. To re-appoint Messrs. Morison Anuarul Azizan Chew as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. RESOLUTION 4

AS SPECIAL BUSINESS:

6. To consider and if thought fit, to pass the following as Ordinary Resolutions, with or without modifications:

(i) **Ordinary Resolution**

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

“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

(ii) **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

“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 of the Circular to Shareholders dated 4 June 2013 (“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 of the Circular (hereinafter referred as “RRPT”), and falling within the ambit of Part E, Paragraph 10.09 of Chapter 10 of the Listing Requirements of the Bursa Malaysia

NOTICE OF 35th ANNUAL GENERAL MEETING (Cont'd)

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 ("Proposed Renewal of Shareholders' Mandate").

THAT such approval shall continue to be in force until:

- (a) the conclusion of the Company 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 Act (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by resolution passed by the Company's shareholders in a general meeting, whichever is earlier.

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."

(iii) Ordinary Resolution

Retention of En. Zainuddin Bin Din who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company

"THAT subject to the passing of the Resolution 3, approval be and is hereby given to En. Zainuddin Bin Din who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company in compliance with the recommendation of Malaysian Code on Corporate Governance 2012."

RESOLUTION 6

RESOLUTION 7

By Order of the Board,

TIFLA HAIRI BIN TAIB (LS 0009488)

THUM SOOK FUN (MIA 24701)

Company Secretaries

Date: 4 June 2013

Kuala Lumpur

Explanatory Notes to Special Business:

i) Resolution 5 – Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

The Ordinary Resolution proposed under item 6(i) 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 (hereinafter referred to as the "General Mandate").

The Company has been granted a general mandate by its shareholders at the last Annual General Meeting ("AGM") held on 21 June 2012 (hereinafter referred to as the "Previous Mandate") and it will lapse at the conclusion of the 35th AGM.

As at the date of this Notice, the Previous Mandate granted by the shareholders had not been utilized and hence, no proceed was raised therefrom.

The purpose to seek the General Mandate is to enable the Directors to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time-consuming and costly to organize a general meeting. This General Mandate, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

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

ii) Resolution 6 – Proposed renewal 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 6(ii) is to procure shareholders’ mandate for all the RRPTs 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 as disclosed in the Circular to Shareholders dated 4 June 2013.

Further information on the Proposed Renewal of Shareholders’ Mandate is set out in the Circular to Shareholders dated 4 June 2013, which is dispatched together with the Company’s Annual Report 2012.

iii) Resolution 7 – Retention of En. Zainuddin Bin Din who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company

Both the Nomination Committee and the Board have assessed the independence of En. Zainuddin Bin Din, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, and recommended him to continue to serve as an Independent Non-Executive Director of the Company based on the following justifications:

- a) He fulfills the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to function as check and balance, provides a broader view and brings an element of objectivity to the Board.
- b) He remains objective and independent in expressing his views and in participating in deliberation and decision making of the Board and Board Committees.
- c) He continues to demonstrate conduct and behaviour that are essential indicators as independence.
- d) His vast experience in the civil servant enable him to provide the Board with a diverse set of experience, expertise and independent judgement.

Notes:

1. The first agenda of this meeting is meant for discussion only, as the provision of Section 169 (1) of the Companies Act, 1965 does not require a formal approval for the audited financial statements from the shareholders. Hence, this Agenda is not put forward for voting.
2. In respect of deposited securities, only member whose name appears on the Record of Depositors as at 19 June 2013 shall be entitled to attend, speak and vote at the meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint any person to attend and vote in his or her stead. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
4. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. 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.
5. The instrument appointing a proxy and the power of attorney or other authority (if any) 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. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 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.
7. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarized certified copy of that power or authority, shall be 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.

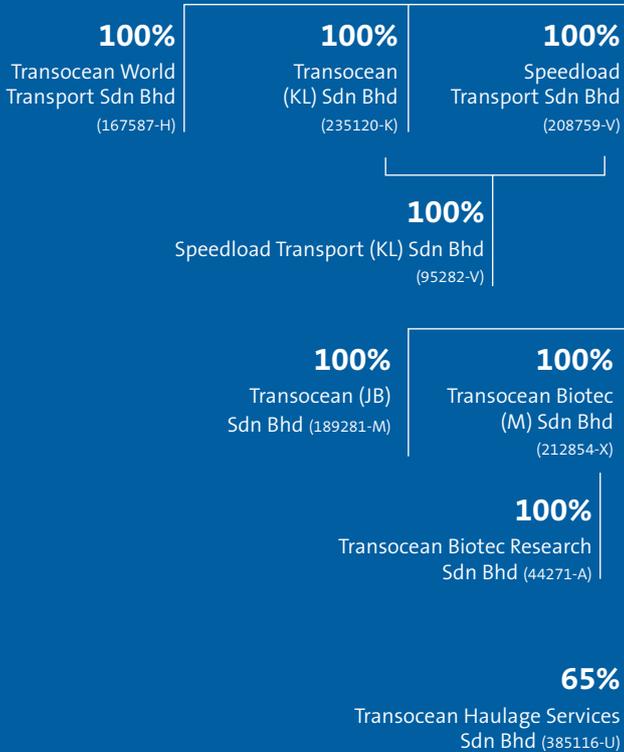
STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(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-fifth (35th) Annual General Meeting.



TRANSOCEAN HOLDINGS BHD.
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100% Usmeta Manufacturing Sdn Bhd (255932-X)

100% Transocean Logistics Sdn Bhd (405221-U)

100% Transocean (M) Sdn Bhd (119022-M)

100% Transocean Distribution Hub Sdn Bhd (193356-V)

100% Gerak Intensif Sdn Bhd (277011-X)

100% Transocean Freight Express Sdn Bhd (487456-P)

100% TFS Logistics Pte Ltd (200008299-K)

GROUP ORGANISATION STRUCTURE

as at 31 December 2012

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Tan Swee Hock *(Executive Director)*

Zainuddin Bin Din *(Independent Non-Executive Director)*

Muhammad Adib Bin Ariffin *(Independent Non- Executive Director)*

Woo Kok Boon *(Independent Non-executive Director)*

COMPANY SECRETARIES

Thum Sook Fun (MIA 24701)

Tifla Hairi Bin Taib (LS 0009488)

REGISTERED OFFICE

No. 38, Jalan Chow Kit

50350 Kuala Lumpur

Tel: 603 – 4047 7878

Fax: 603 – 4044 6836

CORPORATE OFFICE

Lot 2955, 2956 & 2957 Jalan Perusahaan
Sungai Lokan 3

Kawasan Perusahaan Sungai Lokan

13400 Butterworth

Tel: 604 – 332 2650

Fax: 604 – 331 9771

Website: www.transocean.com.my

SHARE REGISTRARS

Securities Services (Holdings) Sdn Bhd

Suite 18.05, MWE Plaza

No. 8, Lebuhr Farquhar

10200 Penang

Tel: 604 – 263 1966

Fax: 604 – 262 8544

AUDITORS

Morison Anuarul Azizan Chew (AF 001977)

Chartered Accountants

18 Jalan 1/64

Off Jalan Kolam Air/Jalan Ipoh

51200 Kuala Lumpur

PRINCIPAL BANKERS

CIMB Bank Bhd

Public Bank Berhad

Malayan Banking Berhad

RHB Bank Bhd

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia

Securities Berhad

Stock Code: 7218

DIRECTORS' PROFILE

1 Dato' Sri Mohd Nadzmi Bin Mohd Salleh

2 Tan Swee Hock

Dato' Sri Mohd Nadzmi Bin Mohd Salleh

Aged 59 (Executive Chairman/Managing Director), Malaysian

Dato' Sri Nadzmi, has vast experience, especially in the automobile and public transportation industry. Dato' Sri 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 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) years 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 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 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 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. He is deemed to have interest as a substantial 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 other than traffic offences, if any.

Tan Swee Hock

Aged 60 (Executive Director), Malaysian

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 as member of Remuneration Committee since 5 November 2009. He does not hold any directorships in other public listed companies. He is also a 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 other than traffic offences, if any.

DIRECTORS' PROFILE (Cont'd)

- 3 Zainuddin Bin Din
- 4 Muhammad Adib Bin Ariffin
- 5 Woo Kok Boon



Zainuddin Bin Din

Aged 72 (Independent Non-Executive Director), Malaysian

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 sits in Audit Committee, Nomination Committee and Remuneration Committee, prior to his appointment as Chairman of all the said three board committees on 1 July 2010. 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 other than traffic offences, if any.



Muhammad Adib Bin Ariffin

Aged 50 (Independent Non-Executive Director), Malaysian

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 Director of the Company on 29 November 2007 and serves as a 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 other than traffic offences, if any.



Woo Kok Boon

Age 35 (Independent Non-Executive Director), Malaysian

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 the Executive Director and Chief Executive Officer of Vita Nova Malaysia Sdn. Bhd. He is also the Director of Vita Nova Holdings Sdn. Bhd, dealing in cancer treatment research with the Canadian researchers. 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 a member of the Audit Committee, Nomination Committee and Remuneration Committee. He does not hold any directorship in other public listed companies except for Konsortium Transnasional 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 other than traffic offences. if any.

OTHER INFORMATION REQUIRED

By the Listing Requirements of the
Bursa Malaysia Securities Berhad

UTILISATION OF PROCEEDS

There were no proceeds raised from any corporate proposals during the financial year ended 31 December 2012.

SHARE BUY-BACKS

The Company does not have a share buy-back programme in place.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

No options, warrants or convertible securities were issued/exercised in respect of the financial year under review.

DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any Depository Receipt Programme in the financial year ended 31 December 2012.

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

NATURE OF TRANSACTION

SALES OF TYRES BY USMETA TO

– Kenderaan Klang Banting Berhad
– Syarikat Kenderaan 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
– Badanbas Sdn Bhd
– Carefree Premium Sdn Bhd

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 the financial year.

NON-AUDIT FEES

There were no non-audit fees paid to the external auditors by the Group and by the Company for the financial year ended 31 December 2012.

VARIATION OF ACTUAL PROFITS FROM THE UNAUDITED RESULTS

There were no variances of 10% or more between the audited results for the financial year ended 31 December 2012 and the unaudited results for the financial year ended 31 December 2012 of the Group as previously announced.

PROFIT GUARANTEE

During the financial year, there were no profit guarantees received by the Company.

MATERIAL CONTRACTS

There were no material contracts subsisting at the end of the financial year or entered into since the end of the previous financial year, by the Company or its subsidiaries, which involved the interests of the Directors and major shareholders other than contracts entered into in the normal course of business.

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 shareholders' mandate as obtained at the 34th Annual General Meeting held on 21 June 2012 are as follows:

INTERESTED RELATED PARTIES											TRANSACTIONED VALUE DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (RM)
KTB	KKMB	Nadicorp	NCSB	Trisilco	Ibroni	Dato'	LSSB	Park May	Tulus Hebat	Maracorp	
•	•	•	•	•	•	•	•				894,612
•	•	•	•	•	•	•	•				686,437
•	•	•	•	•	•	•	•				418,233
•	•	•	•	•	•	•	•				76,900
•	•	•	•	•	•	•	•				836,541
•	•	•	•	•	•	•	•				4,968,526
•	•	•	•	•	•	•	•	•			1,435,300
	•	•	•	•	•	•	•				496
	•	•	•	•	•	•	•				200

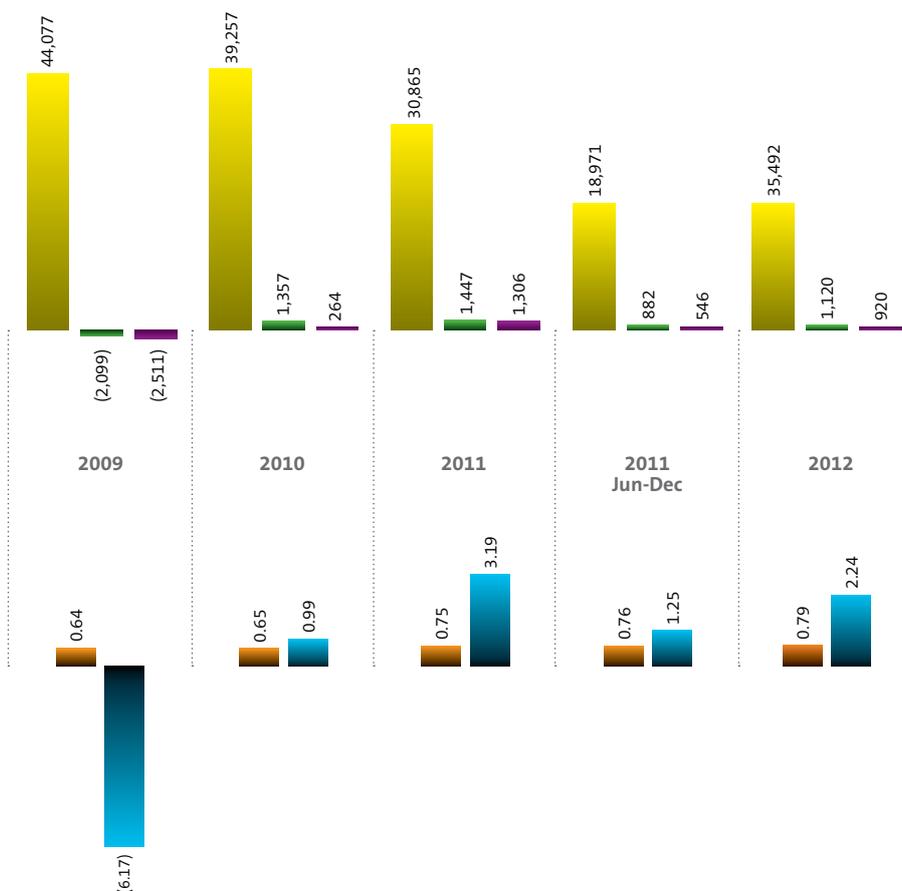
GROUP FINANCIAL SUMMARY

	YEAR ENDED 31 MAY			YEAR ENDED 31 DECEMBER	
	2009	2010	2011	2011*	2012
	RM '000	RM '000	RM '000	RM '000	RM '000
OPERATING RESULT					
Operating Revenue	44,077	39,257	30,865	18,971	35,492
Profit/(Loss) before Taxation	-2,099	1,357	1,447	882	1,120
Profit/(Loss) after Taxation	-2,511	264	1,306	546	920
KEY FINANCIAL DATA					
Paid up Capital	40,999	40,999	40,999	40,999	40,999
Revaluation Reserve	5,651	5,651	8,534	7,733	0
Reserves/(Accu, Losses)	-20,519	-20,114	-18,807	-17,500	-8,843
Shareholders fund	26,131	26,536	30,725	31,232	32,155
Minority interest	893	752	0	34	31
	27,024	27,288	30,725	31,266	32,186
Non current assets	41,502	38,096	37,569	36,197	39,184
Current assets	13,917	16,411	17,774	21,388	20,567
Total Assets	55,419	54,507	55,343	57,585	59,751
Bank Borrowings	18,164	15,852	11,844	12,322	14,541
Other Liabilities	10,231	8,766	12,774	13,997	13,024
Total Liabilities	28,395	24,618	24,618	26,320	27,565
NTA cents/share	66	67	75	76	79

* 7 months period only due to change of financial closing from 31 May to 31 December 2011.

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)



FINANCIAL HIGHLIGHTS

CHAIRMAN'S STATEMENT



Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Transocean Holdings Bhd (“THB”) and its group of companies (Group) for the financial year ended 31 December 2012.

OVERVIEW

The year 2012 was filled with uncertainties. It began with a tense stand-off in the 17 nation Eurozone centered on Greece before bailouts by the European Central Bank. Europe’s leaders had to fight an uphill battle to keep the monetary union from tearing apart as some of its member countries sank into recession with record high unemployment rates.

Across the Atlantic, the re-elected US President found himself grappling with a stubbornly high unemployment rate despite implementation of various stimulus packages to bolster US economy. The President and the law makers had to spend their New Year crossing swords in the Senate and the Congress to fight off the fiscal cliff.

CHAIRMAN'S STATEMENT (Cont'd)

China achieved GDP growth of 7.8% for the year 2012 despite its export markets badly affected by the ailing European economy. Toward the 2nd half of the year, China and Japan were engaged in territorial disputes triggered by contested claims over Diaoyu Island in the East China Sea that increased political tensions and reduced trade activities between the two countries.

Within the Asean region, the emerging economies registered moderate growth and are expected to stay on the growth path. Malaysia, Philippines, Indonesia and Thailand with the ability to maintain policy support during turbulent times to spur domestic demand, are likely to out perform in terms of growth. Singapore's economic expansion eased in 2012 amid weak growth in advanced nations and the change of the government's priorities to high exchange rate and to limit the intake of foreign workers.

On the home front, Malaysia achieved 5.6% GDP growth for the year 2012 derived from strong domestic demands and aggressive implementation of the Government's ETP projects. Strong growths were recorded in the infrastructure developments and the construction industry while manufacturing and trading activities were affected by the ailing economy in advanced nations. For much of the year 2012, the Government has been given cash assistance and other benefits to those in the lower income brackets prior to the 13th general election while Bank Negara Malaysia has kept the interest rates at a healthy 3% to support domestic demand.

The Malaysian logistics industry is expected to grow at 9.5% to RM139.74 billion for 2013 compared to RM127.66 billion in 2012 due to strong sustainable economic growth in the country and the strong intra-Asian trade according to Frost & Sullivan. They identified that the future growth for Malaysia's logistics industry is contract logistic which includes planning, implementation, and control of a logistics system provided through a third party logistic company.

OPERATION REVIEW

The tyres division remains the main profit contributor for the Group. The sales and marketing of new tyres performed well with additional agencies for new brand of tyres. Retread tyres achieved moderate growth due to aggressive environment campaigns on re-collect, re-cycle and re-use for used tyres.

Performance for cross border trucking services could not improve during the year because it was still operating with 23 old trucks which incurred high fuel consumption and maintenance cost. 7 new trucks were on the road only during the 2nd half of 2012 of which helps to turnaround the Company. Trucking services for personal computer parts along the route between Singapore and Malaysia has slowed down caused by weak demand for electronic products worldwide and the switch of PC users to personal tablets and smart phones.



Furthermore, Singapore's government had changed the policy to reduce reliance on exports by boosting the financial services and tourism sectors.

Local container haulage services also has to operate with 12 units of old trucks. 8 units of new trucks were on the road only during the 2nd half of 2012 to push up the sale revenues to enable local haulage sector to achieve a small profit for the year.

Warehouse Division has gone through a total revamp during the year to change from a service provider to a profit center which achieved breakeven operation for the year.

The subsidiary in Singapore, TFS Logistics Pte. Ltd., which was acquired two years ago has started to contribute healthy sale revenues and profits to the Group. It is now the market leader as a collecting and delivery hub in Singapore providing door to door trucking services between Singapore and Malaysia.

FINANCIAL PERFORMANCE

The Group recorded sales revenue of RM35.492 million for the year ended 31 December 2012 of which 53% of the revenue derived from the logistics division with 47% derived from the sale and marketing of new and retread tyres.

Profit before taxation was RM1.120 million and profit after taxation was RM0.890 million for the year ended 31 December 2012.

Due to the change of the financial year to 31 December, there is no comparative data from the previous years.

FUTURE PROSPECTS

The year 2013 began with the Eurozone slipping into recession and followed with fiscal austerity and US facing with weak recovery. The new Japanese government has approved the biggest stimulus of US\$117 billion spending hoping to pull it out from the 20 year's deflation. The world stage saw a change of guards after a decade long ruled by the incumbents. The near simultaneous leadership changes in China, Japan and South

Profit before taxation was RM1.120 million and profit after taxation was RM0.890 million for the year ended 31 December 2012.

Korea offer East Asia a fresh opportunity for reconciliation. With so much trouble in the West, Asean emerging economies are expected to stay on the growth path after rebalancing the economies towards domestic growth, decoupling from the West and increased dependence on China and India. The newly elected Japanese government has also shifted their FDI to pour into Asean countries due to political tensions between Japan and China. However, the bright outlook for Asean countries might be darkened by China's increasing assertiveness and engaging in territorial tensions with its neighbors while US is enhancing its naval presence in the Asia-Pacific region.

On the home front, after the election, the Government has to return to its medium term fiscal consolidation target. Although the fiscal policy has been very supportive of growth in the past years, it resulted in public debts rising to 51.8% of GDP in 2011. The Government needs to implement structural reforms to increase its revenue base, subsidy cuts and the need to implement the goods and services tax (GST).

The Group has completed the revamp of its organization and management structure. Priorities had switched to implement the capital restructuring plan to strengthen the capital base and the working capital, to source for income generating assets for acquisitions, and to complete the "fleet replacement plan" by acquiring 30 new trucks to phase out the old trucks of more than 15 years old.

With the completion of the Asean highway joining Kunming in China to Singapore, logistic volume by road is expected to increase. The Group has formulated collaborative arrangements to provide cross border storage and transferring facilities at Padang Besar, Perlis, to complete its cross border trucking from Singapore to Thailand. It has also collaborated with one leading air freight company to provide worldwide air freight coverage to complement existing services. It has collaborated with one Kuala Lumpur based logistic company to set up a sale and marketing office in Kuala Lumpur to service Klang Valley customers.

Johore Bahru Branch plans to invest in warehousing facilities and to penetrate into the air and sea freight business to capture the potentials of Southern Johore and Iskandar Malaysia developments.

In view of the expected decrease in route movement of electronic products between Malaysia and Singapore, the Group has developed new route to move goods by trucks to

cover Singapore/Malaysia/Thailand and beyond right up to China. It has also penetrated into other product segments such as auto parts and consumer products.

The Group has changed its marketing strategies to focus on total or contract logistic solutions targeting at customers which outsourced their logistic functions to others to concentrate only on their core businesses. With all the switch of strategies and expansion of the fleet of trucks, the Group is committed to be "a fully integrated logistic service provider offering customers with prompt and secure door to door services with GPS tracking facilities".

DIVIDEND

The Board does not recommend any dividend for the year ended 31 December 2012.

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 year.

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



STATEMENT OF CORPORATE GOVERNANCE

INTRODUCTION

The Board of Directors of Transocean Holdings Bhd (“the Company”) takes cognizance of the importance of adopting good corporate governance. The Board is committed to ensuring that the Principles and Recommendations of the Malaysian Code on Corporate Governance 2012 (“MCCG 2012” or “Code”) are observed and practiced as a fundamental part of discharging its responsibilities to protect and enhance shareholders’ value and financial performance of the Group. The statement below sets out how the Group has applied the principles and recommendations of the MCCG 2012.

In preparing this Statement, the Board has considered the manner in which the Company has applied the Principles of the Code and the extent to which it has complied with the Recommendations of the Code. The Board is of the opinion that, save as set out below, the Group has generally applied the Principles and complied with the Recommendations set out in MCCG 2012 throughout the financial year ended 31 December 2012:

- 1) Dato’ Sri Mohd Nadzmi Bin Mohd Salleh, Executive Chairman/Managing Director of the Company had been holding both the position since 2007 in the absence of the Chief Executive Officer. The Board has assessed the situation and taken action to ensure that the Recommendation 3.3 of MCCG 2012 will be complied. Accordingly, YBhg Dato’ Sri will relinquish the position of the Managing Director when the Chief Executive Officer has been duly identified and appointed; and
- 2) Encik Zainuddin Bin Din, Independent Non-executive Director since 1994 had been exceeding a cumulative term of nine years as independent director. In line with the Recommendation 3.2 of MCCG 2012 where the tenure of an independent director should not exceed a cumulative term of nine years, the Nomination Committee has assessed the independence of En. Zainuddin and recommended him to continue to act as Independent Non-Executive Director of the Company. In this respect, the Company will be seeking the shareholders’ approval at the coming Annual General Meeting to retain Encik Zainuddin as an independent director of the Company.

This statement outlines the Group’s main corporate governance practices and policies in alignment with the principles of MCCG 2012 as below:

- Establish clear roles and responsibilities
- Strengthen composition
- Reinforce independence
- Foster commitment
- Uphold integrity in financial reporting
- Recognise and manage risks
- Ensure timely and high quality disclosure
- Strengthen relationship between company and shareholders

PRINCIPLE 1 – ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

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 were assumed by Dato’ Sri Mohd Nadzmi Bin Mohd Salleh in recognition of his entrepreneurial leadership and he had turnaround the group since 2010. Dato’ Sri Mohd Nadzmi Bin Mohd Salleh is assisted by an Executive Director and 3 Independent Non-Executive Directors.

The Board placed great importance on the balance of its independent Directors where they serve as an essential source of impartial and professional guidance to protect the interest of the shareholders. The Independent Non-Executive directors are professionals of high caliber and credibility who play a pivotal role in corporate accountability by contributing their knowledge, advice and experience towards making independent judgment on issues of strategies, performance, resources and standards of conducts.

Board Charter

The primary objective of the Company's Board Charter is to set out the authority, responsibilities, membership and operation of Board of the Director, adopting principles of good corporate governance and practice, in accordance with applicable laws in Malaysia. The Board is guided by the Board Charter which provides reference for directors in relation to the Board's role, powers, duties and functions. The Board will regularly review the Board Charter to ensure it remains consistent with the Board's objectives and responsibilities, and all the relevant standards of corporate governance.

Board Role and Responsibilities

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.

The Board of Directors is primarily responsible for charting and reviewing the strategic direction of the Group. It monitors and delegates the implementation of the strategic direction to the management.

The responsibilities of the Board are inclusive of but not limited to:

- Reviews and adopts a strategic and business plan for the Company.
- Oversees the conduct of the Company's business and evaluates whether the business is being properly managed.
- Identifies principal risks and ensure the implementation of appropriate systems to manage these risks in order to achieve a proper balance between risk incurred and potential returns to shareholders.
- Reviews the adequacy and the integrity of the Company's internal control systems including systems for compliance with the applicable laws, regulations, rules, directive and guidelines. The Board must ensure that there is a satisfactory reporting framework on internal financial controls and regulatory compliance.
- Examines its own size and composition to determine the impact on the Board's effectiveness. The Board shall ensure that it has enough Directors to discharge its responsibilities and perform its functions.
- Receives and seeks relevant information for the assessment of the performance of the Company.
- Establishes the Company's Authority Limits which outline the materiality of any transaction entered into by the Company and determine its approving authorities.
- Ensures that the Company's financial statements are true and fair, and comply with all applicable laws and governmental regulations applicable to the Company's business and its conduct.

The Board retains full and effective control of the Group and has developed corporate objectives and position descriptions including the limits to Management's responsibilities, which the Executive Director is aware and is responsible for meeting. The Board has an understanding of matters reserved to itself for decision, which includes investment policy, approval for major capital expenditures, strategic planning, overseeing financial and operational performance, monitoring risk management processes, merger and acquisition activities and reviewing the adequacy of internal control systems.

There is a clear division of responsibilities between the Executive Directors of the Board who are responsible for the day to day management of the Group and the Independent Non-Executive Directors whom play a significant role in bringing objectivity and scrutiny to the Board's deliberations and decision making. Any material and important proposals that will significantly affect the policies, strategies, directions and assets of the Group will be subject to approval by the Board. None of the members of the Board has unfettered powers of decision.

Being a Board with a relatively small number of Directors, the Board feels that it is not necessary to identify a Senior Independent Non-Executive Director of the Board in the Annual Report to whom concerns may be conveyed. Any concerns from the shareholders can be conveyed to any of the Independent Non-Executive Directors.

Board Gender Diversity

The Code recommended the Board to establish a policy formalizing its approach to boardroom diversity. The Board will review the suitability and credibility of women candidates for the Board to reach adequate women participation in the Board.

STATEMENT OF CORPORATE GOVERNANCE (Cont'd)

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 comprises of:

CHAIRMAN

Zainuddin Bin Din (*Independent Non-Executive Director*)

MEMBERS

Muhammad Adib Bin Ariffin (*Independent Non-Executive Director*)

Woo Kok Boon (*Independent Non-Executive Director*)

There was one Nomination Committee meeting held during the year 2012. All members of the Nomination Committee were present during that meeting.

The Nomination Committee 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 Nomination Committee, in developing such recommendations, consults all directors and reflects that consultation in any recommendation of the Nomination Committee brought forward to the Board. In making its recommendation, the Nomination Committee 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 Nomination Committee 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 Nomination Committee in discharging its functions have been well documented.

- **Remuneration Committee**

The Remuneration Committee comprises of the following Board members:

CHAIRMAN

Zainuddin Bin Din (*Independent Non-Executive Director*)

MEMBERS

Muhammad Adib Bin Ariffin (*Independent Non-Executive Director*)

Woo Kok Boon (*Independent Non-Executive Director*)

Tan Swee Hock (*Executive Director*)

There was one Remuneration Committee meeting held during the year 2012. All members of the Remuneration Committee were present during that meeting.

The Remuneration Committee had performed its duty to assess annually the remuneration package of its Executive Directors.

The remuneration of non-executive directors proposed is determined by the Board which comprises the following:

Directors' Fees	These fees are payable to the Non-executive Directors and are recommended by the Board for the approval of the shareholders at each annual general meeting.
Meeting Allowances	These allowances are payable to the Non-executive directors for attendance of the Board and Committee meetings. The meeting allowance is determined by the Board.

- **Audit Committee**

The Audit Committee comprises of:

CHAIRMAN

Zainuddin Bin Din (*Independent Non-Executive Director*)

MEMBER

Muhammad Adib Bin Ariffin (*Independent Non-Executive Director*)

Woo Kok Boon (*Independent Non-Executive Director*)

Attendance of Members of the Audit Committee at meetings held during the year 2012 is as follows:

COMMITTEE MEMBERS	ATTENDANCE AT AC MEETINGS
Zainuddin Bin Din	6 of 6
Muhammad Adib Bin Ariffin	5 of 6
Woo Kok Boon	5 of 6

The Audit Committee'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 audit together with the Management's responses thereon.

External auditors, internal auditors, executive directors and members of senior management attend the meetings at the invitation of the Audit Committee.

Board Meetings

During the financial year ended 31 December 2012, the Board met six (6) times, where they deliberated and considered matters relating to the Group's financial performance, investments, corporate development, strategic issues and business plan and annual budgets. During the Board meetings, the Directors also review and approve all corporate announcements, including the announcement of the quarterly financial results prior to releasing them to Bursa Securities. All pertinent issues discussed at the meetings in arriving at the decisions and conclusions are properly recorded in discharging its duties and responsibilities.

Supply of Information

The Board has timely access to information pertaining to the Group. Quarterly Board meetings are prescheduled with additional meetings convened as and when urgent issues and/or important decisions are required to be addressed between the scheduled meetings. Board meetings are structured with a pre-set agenda which encompasses all aspects of matters under discussion. The Board papers are circulated to directors at least 5 days in advance prior to each Board meeting. Board papers consisted of Notice and Agenda of the Meetings supported by working papers and reports would be sent to the Directors. This will enable the directors to have sufficient time to obtain further explanations, where necessary, in order to be briefed properly before the meeting.

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.

In furtherance of their duties, the Board has unrestricted access to any information pertaining to the Group as well as to the advice and services of the Company Secretaries and independent professional adviser, whenever appropriate, at the Group's expense.

Directors' Code of Ethics

The Board of Director conducted themselves in an ethical manner while executing their duties and functions, and complied with the Company's Code of Ethics recommended by the Companies Commission of Malaysia.

STATEMENT OF CORPORATE GOVERNANCE (Cont'd)

Appointments to the Board and Re-election

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 for re-appointment annually in accordance with section 129 (6) of the Companies Act, 1965.

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.

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

PRINCIPLE 2 – STRENGTHEN COMPOSITION

The Group takes serious effort to ensure the Board comprises members with suitable academic and professional qualifications, skills, expertise and wide exposure.

The Nomination Committee is headed by Encik Zainuddin Bin Din, Independent Non-Executive Director. All the members are Independent Non-Executive Directors.

The Nomination Committee reviews the composition of the Board annually and makes recommendation accordingly, ensuring the current and future needs of the Group are met. The Committee is satisfied with the current size of the Board and with the required mix of skills, knowledge, expertise, experience and other qualities.

The Remuneration Committee is headed by Encik Zainuddin Bin Din, Independent Non-Executive Director. Majority members of Remuneration Committee are Independent Non-Executive Directors.

The Remuneration Committee reviews the remuneration of the Executive Directors before tabling to the Board for approval. The Non-Executive Directors' fees are tabled at the Company's AGM for shareholders' consideration.

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, 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. The Executive Directors should play no part in decisions on their own remuneration. The individuals concerned should abstain from discussing and voting their own remuneration.

Directors' remuneration for the financial year 2012 is as follows:

	SALARIES RM	ALLOWANCES RM	FEE RM	OTHERS RM	TOTAL RM
Executive Directors	296,566	5,000	–	–	301,566
Non- Executive Directors	–	8,000	108,000	–	116,000

The numbers of Directors in each remuneration band for the financial year 2012 are as follows:

RANGE	EXECUTIVE	NON-EXECUTIVE
Below RM50,000	–	3
RM50,000-RM100,000	–	–
RM100,001-RM150,000	2	–
RM150,001-RM200,000	–	–
RM200,001-RM250,000	–	–

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.

PRINCIPLE 3 – REINFORCE INDEPENDENCE

The Board through the Nomination Committee assessed the Independent Directors on an annual basis, with a view to ensure the independent directors bring independent and objective judgement to the Board and this mitigates arising from conflict of interest or undue influence from interested parties. Where there is a likely conflict of interest position, the Board would take appropriate action to rectify the situation. Should any director has an interest in any matter under deliberation, he is required to disclose his interest and abstain from participating in the discussions and voting on the matter.

The Board also received confirmation in writing from the Independent Directors of their independence. The Board is satisfied with the assessment of the Independent Directors.

It is recommended that the positions of the Chairman and Chief Executive Officer/Managing Director should be held by different individuals, and the Chairman must be a Non-executive Director. The Board continues to be mindful of the combined role of the Executive Chairman and Group Managing Director positions currently held by Dato' Sri Mohd Nadzmi Bin Mohd Salleh. In the best interest of the Group, this combined role is maintained as the valuable knowledge in the business operation contributed by Dato' Sri Mohd Nadzmi Bin Mohd Salleh is essential to the effective management of the Group. The balance of authorisation is ensured by the operation of the senior management and the Board, which comprises experienced and fair minded individuals. The Board currently comprises two (2) Executive Directors and three (3) Independent Non-Executive Directors and therefore has a strong independence element in its composition. There is a balance of membership in the Board thus ensuring that no individual dominates the decision making process and the results thereof.

PRINCIPLE 4 – FOSTER COMMITMENT

The Board meets at least, quarterly, to consider all matters relating to the overall control, business performance and strategy of the Company. Additional meeting will be called when and if necessary. The relevant reports and Board Papers are distributed to all Directors in advance of the Board Meeting to allow the Directors sufficient time to peruse for effective discussion and decision making during the meetings. All pertinent issues discussed at the meetings in arriving at decisions and conclusions are properly recorded in the discharge of the Board's duties and responsibilities.

The Board recognises the importance of time commitment of its members. The meeting dates for the calendar year are set and the Board usually confirmed their attendance for each meeting. The attendance record of the Directors for the financial year ended 31 December 2012 was satisfactory with at least 83% attendance and a majority of them having full attendance. Save for Dato' Sri Mohd Nadzmi Bin Mohd Salleh, Muhammad Adib Bin Ariffin and Mr. Woo Kok Boon who are members of other listed companies, the rest of the Directors do not have directorships in listed companies. The Board is reminded to notify the Chairman before accepting any new directorship.

STATEMENT OF CORPORATE GOVERNANCE (Cont'd)

During the financial year ended 31 December 2012, the Board held a total of 6 meetings and details of the attendance record of the Board for the financial year ended 31 December 2012 is set out below:

DIRECTORS	ATTENDANCE	%
Dato' Sri Mohd Nadzmi Bin Mohd Salleh	5 out of 6	83%
Tan Swee Hock	6 out of 6	100%
Zainuddin Bin Din	6 out of 6	100%
Muhammad Adib Bin Ariffin	5 out of 6	83%
Woo Kok Boon	5 out of 6	83%

All the Directors have complied with the minimum 50% attendance requirement in respect of Board Meeting as stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"). In the intervals between Board Meetings, for any matters requiring Board's decisions, the Board's approvals are obtained through circular resolutions. The resolutions passed by way of such circular resolutions are then noted at the next Board Meeting.

Directors' Continuous Professional Development

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 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.

The Board of Directors also continually assess the training needs of the Directors. During the financial year 2012, the Directors attended the following training programmes:

NAME OF DIRECTORS	TITLE OF SEMINAR/COURSE	ORGANIZER
Dato' Sri Mohd Nadzmi Bin Mohd Salleh	Business Sustainability	Bursatra Sdn. Bhd
Tan Swee Hock	Business Sustainability	Bursatra Sdn. Bhd
Zainuddin Bin Din	Fraud Detection & Prevention	Bursatra Sdn. Bhd
Muhammad Adib Bin Ariffin	Fraud Detection & Prevention	Bursatra Sdn. Bhd
Woo Kok Boon	Fraud Detection & Prevention	Bursatra Sdn. Bhd

PRINCIPLE 5 – UPHOLD INTEGRITY IN FINANCIAL REPORTING

The Board has always endeavour to provide true, fair and comprehensive financial reporting of the Group's performance in the audited financial statements and quarterly financial reports together with material disclosures in the notes to accounts, in accordance with the Malaysian Financial Reporting Standards ("MFRS") and Listing Requirements. Thus, 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 audited financial statements and quarterly announcement 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 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.

The Board of Directors' stance on presenting true, fair and comprehensive financial reporting with a balanced and meaningful assessment of the Group's financial performance is reinforced by both the Internal and External Audit functions.

- **Internal Audit**

The Group's Internal Audit function 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 Risk Management & Internal Control as set out in pages 25 to 27 of this Annual Report.

- **External Audit**

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 Audit Committee and/or 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 work to the Management and Audit Committee.

On an annual basis, the Audit Committee would review and monitor the suitability and independence of the external auditors as well as reviewing the non-audit services provided by the external auditors, if any. No non-audit fees were paid to the Group auditors in year 2012.

The Audit Committee had obtained an assurance from the external auditors confirming that they were, and had been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The Audit Committee is satisfied with the competence and independence of the external auditors and had recommended the re-appointment of the external auditors to the Directors at the annual general meeting.

PRINCIPLE 6 – RECOGNISE AND MANAGE RISKS

The Group has an embedded process for the identification, evaluation, reporting, treatment, monitoring and review of the major strategic, business and operation risks within the Group. Risk management principles, policies, procedures and practices are updated regularly to ensure relevance and compliance with current/applicable laws and regulations. The Board through the Audit Committee would obtain reports from the Internal Auditors on the periodic checks on the internal control systems.

The internal audit function of the Group is outsourced to a professional services firm to provide the Audit Committee and the Board with the assurance they require pertaining to the adequacy and effectiveness of internal control. The Head of the internal audit services attended the meetings and reported to the Audit Committee on the annual internal audit plan and internal audit reports on the audit conducted in accordance with the annual audit plan.

The details of the internal control system are set out in the Risk Management and Internal Controls Statement in this Annual Report.

PRINCIPLE 7 – ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Board has set up appropriate corporate disclosure policies and exercises close monitoring of all price sensitive information required to be released to Bursa Malaysia and makes material announcements to Bursa Malaysia in a timely manner. In accordance with best practices, the Board would strive to disclose price sensitive information to the public as soon as practicable through Bursa, the media and the Group's website. Price sensitive information refers to any information that, on becoming generally available, would tend to have a material effect on the market price of the Company's listed shares.

Members of the Board and Senior Management with privy to price sensitive information are prohibited from dealing in the shares of the Company until such information is publicly available. This is in addition to the provisions relating to the "closed period" for dealing in the Company's shares.

In addition, the Company's website incorporated an Investor Relations section where the annual report and interim financial results would be captured. Directors' Report and Audited Financial Statements, the Annual Reports, 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>).

STATEMENT OF CORPORATE GOVERNANCE (Cont'd)

PRINCIPLE 8 – STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

The Group welcomes dialogues with shareholders and investors to discuss issues and obtain feedback. The Executive Chairman, Executive Director 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.

At each annual general meeting, the Directors of the Company would be present at the meetings to answer any questions that the shareholders may ask. The Chairman of the meeting provided time for the shareholders to ask questions for each agenda in the notice of the annual general meeting. The external auditors were also present at the annual general meeting to answer any questions that the shareholders may ask. The shareholders were also able to meet with the Directors after the meeting while they mingled with the shareholders, proxies and corporate representatives.

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.

Investors and the public who wish to contact the Group on any enquiry, comment or proposal can channel them through e-mail the following persons:

NAME	POSITION	E-MAIL ADDRESS
Tan Swee Hock	Executive Director	shtan@nadi.com.my
Ho Wah Lok (Michael)	Chief Financial Officer	michael.ho@transocean.com.my

Statement of Compliance with the Recommendations 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 is of the opinion that for the financial year ended 31 December 2012, the Company has generally adhered to the Principles and Recommendations as set out in MCCG 2012 saved as disclosed otherwise.

This Statement is made in accordance with the resolution of the Board of Directors on 24 April 2013.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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 RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

This Statement on Risk Management and Internal Control is made pursuant to Bursa Malaysia Securities Berhad Listing Requirements which requires the Board of Directors (“Board”) to include in its Company Annual Report a statement about the state of its internal control. The revised Malaysian Code on Corporate Governance (2012) requires all listed companies to establish and maintain a sound risk management framework and internal control system to safeguard shareholders’ investment and the company’s assets.

Accordingly, the Board of Transocean Holdings Berhad (“Group”) is pleased to present the Statement on Risk Management and Internal Control (“Statement”) that was prepared in accordance with the “Statement on Risk Management & Internal Control: Guidelines for Directors of Public Listed Issuers” issued by Bursa Malaysia Securities Berhad which outlines the processes to be adopted by the Board in reviewing the adequacy and effectiveness of the risk management and internal control system of the Group.

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility in establishing a sound risk management framework and internal control system. 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 combination of preventive, detective and corrective measures but not absolute, assurance against material misstatement or loss.

The Group’s risk management and internal control framework is an ongoing process, and has been in place for identifying, evaluating and managing significant risks that faced or potentially to be encountered by the Group. The Board regularly reviews the process.

RISK MANAGEMENT FRAMEWORK

The Group takes cognizance of the importance of a sound Risk Management framework to be in place as a principal safeguard towards controlling risks. Accordingly, the Group has an embedded process for the identification, evaluation, reporting, treatment, monitoring and review of the major strategic, business and operation risks within the Group.

The Board and management practice proactive identification on significant risks on a quarterly basis or earlier as appropriate, particularly if there are any major proposed transactions, changes in nature of activities and/or operating environment, or venturing into new operating environment which may entail different risks. Accordingly, the Board would 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. This is further supported by the Internal Audit function and the operation staff from the various divisions to effectively inculcate risk management practices and controls into the corporate culture, processes and structures within the Group.

Risk management principles, policies, procedures and practices are updated regularly to ensure relevance and compliance with current/applicable laws and regulations, and are made available to all employees. The Group also adopted a whistle blowing policy, providing an avenue for employees to report actual or suspected malpractice, misconduct or violations of the Group’s policies and regulations in a safe and confidential manner.

The Risk Management process is effected through the following mechanisms and measures, by which the Board obtains timely and accurate information of all major control issues in relation to internal controls, regulatory compliance and risk-taking:

- **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 been put 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

• Financial Performance Planning, Review and Tracking

The Executive Chairman and Director together with the management will formulate the yearly business plan and annual budgets for the consideration of the Board. Business plan will set out the business objectives, strategies and targets while budgeted data are used to monitor the performance on an ongoing basis. Key business risks are identified during the business planning process and are reviewed regularly during the year.

The Group has put in place 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. There are monthly monitoring of results against budget, with major variances being followed up and management action taken, where necessary.

Regular periodic meetings of the Board, Board Committees and Senior Management represent the main platform through which the Group's performance and conduct is assessed and monitored. The daily operations of the business are entrusted to the CEO and his management team.

• Operational Monitoring and Controls

The Group ensures that regular and comprehensive information is provided to management, covering financial and operational performance and key business indicators, for effective monitoring and decision making. This is supplemented by regular visits to operating units by members of the Senior Management.

The Board also ensures that all recurrent related party transactions are dealt in accordance with the 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.

The Group, being involved in the logistic industry, primarily uses a large fleet of trucks and prime movers to carry out its business activities. The trucks and prime movers have schedule maintenance works to ensure that they are roadworthy and comply with the Department of Environment Regulations for emissions and Puspakom.

• Control Environment

The Board is committed towards maintaining a strong control structure and environment for the proper conduct of the Group's business operations and towards achieving a sound system of internal control. The control processes in place are as follows:

- Job functions for the Management and employees in the Group are clearly defined to provide well defined roles and responsibilities for the enhancement of the Group's performance.
- Investments and projects are subject to formal review and authorization procedures where the Executive Chairman and Executive Director will review significant projects before making recommendations to the Board for consideration, and approval.
- All employees are encouraged to improve themselves through adequate training and continuous education. Drivers are subject to yearly medical checks, attending driving courses conducted by National Institute of Occupational safety and Health (NIOSH) and in house training on truck maintenance and good driving practice.

INTERNAL CONTROL STRUCTURE

The Board has established appropriate control structure and process for identifying, evaluating, monitoring, and managing significant risks that may affect the achievement of business objectives. The control structure and process which have been instituted throughout the Group are updated and reviewed from time to time to suit the changes in the business environment, and this on going process has been in place for the whole financial year under review and up to the date of approval of this statement for inclusion in 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.

The Group has put in place the following to support the control structure and process:

- **Organisation Structure**

The organisation structure is well-defined with scopes of responsibility, clear lines of accountability, and appropriate levels of delegated authority. There is a process of hierarchical reporting which provides for a documented and auditable trail of accountability.

- **Group Policies and Procedures**

The Group has in place procedures and controls to ensure regular and comprehensive information is provided to management, covering financial and operational performance and key business indicators, for effective monitoring and decision making. Delegation of authorities including authorization limits are clearly defined to ensure accountability and responsibility.

These policies and procedures are reviewed on a regular basis in tandem with new developments for relevance.

Based on the internal auditors' report for the year 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 year, 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 had received assurance from the Managing Director and Chief Financial Officer that the Company's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the company.

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

This Statement is made in accordance with the resolution of the Board of Directors on 24 April 2013.

REPORT ON AUDIT COMMITTEE

COMPOSITION

CHAIRMAN

Zainuddin Bin Din (*Independent Non-Executive Director*)

MEMBERS

Muhammad Adib Bin Ariffin (*Independent Non-Executive Director*)

Woo Kok Boon (*Independent Non-Executive Director*)

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 amongst their member 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. All members of the AC shall be financially literate.

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 requires 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 authorized to have direct communication channels with the external auditors and persons carrying out the internal audit function or activity.

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 auditor, the audit plan;
 - ii) with the external auditor, the evaluation of the system of internal controls;
 - iii) with the external auditor, the audit report;
 - iv) the assistance given by the officers of the Company to the external auditor;
 - 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
 - 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.
- (b) To review the cost effectiveness, independence and objectivity of the external auditors and recommend for the appointment/re-appointment of the external auditors, the audit fee and any questions of resignation or dismissal of external auditors.
 - (c) To establish policies governing the circumstances under which the contract in relation to the provision of non-audit services can be entered into by the Group with its external auditors and procedures that need to be adhered.
 - (d) To review the adequacy and effectiveness of risk management and internal control systems instituted within the Group.
 - (e) To consider and examine such other matters as the Board and/or the Committee considers appropriate.

4. Meetings

The Chairman of the Committee shall engage on a continuous basis with the Senior Management such as the Executive Directors, 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.

Resolutions 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 Secretary shall be the secretary of the Committee and as a reporting procedure, the Minutes shall be circulated to all members of the Board.

REPORT ON **AUDIT COMMITTEE** (Cont'd)

During the financial year ended 31 December 2012, the Committee held a total of 6 meetings and details of the attendance of the Committee members are as follows:

COMMITTEE MEMBERS	ATTENDANCE AT AC MEETINGS
Zainuddin Bin Din	6 of 6
Muhammad Adib Bin Ariffin	5 of 6
Woo Kok Boon	5 of 6

During the financial year, the Committee met with the External Auditors twice without the presence of any executive member of the Board of Directors and management on 23 April 2012 and 21 November 2012 in compliance with the best practice of the Code.

SUMMARY OF ACTIVITIES

The Committee met 6 times during the financial year ended 31 December 2012 for the following purposes:

- i) To review the quarterly and year-end financial statements before submission to the Board of Directors for approval, 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) To discuss and review with the external auditors:
 - before audit commences, the nature and scope of the audit plan for the year as well as the audit procedures to be utilized;
 - the results of the annual audit, management letter including the Management's response to the findings of the external auditors;
- iii) To discuss and review with the internal auditors:
 - the Group's internal audit procedures and the adequacy of actions taken by the Management based on the Internal Audit Reports. Where appropriate, the AC has directed the Management to rectify and improve controls and operational workflow based on the internal audit's recommendations for improvements;
 - the Internal Audit Reports arising from the follow-up reviews of each audit; and
 - the Internal Audit Plan for the Group.
- iv) To review the competency and suitability of the external auditors and recommended to the Board for re-appointment and the audit fee thereof.
- v) To review and report to the Board any related party transactions that may arise within the Company or Group.

INTERNAL AUDIT FUNCTION

The AC is supported by an independent and adequately resourced internal audit function. The 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 year, the internal auditor has 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 the year ended 31 December 2012 amounted to RM24,424.00 only.

This Statement is made in accordance with the resolution of the Board of Directors on 24 April 2013.

STATEMENT OF DIRECTORS' RESPONSIBILITY

IN RELATION TO AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

This statement is prepared pursuant to paragraph 15.26(a) of 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.

In preparing the financial statements, the Directors took into consideration the following:

- the Group and the Company have applied the appropriate and relevant accounting policies on a consistent basis;
- 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 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.

This Statement is made in accordance with the resolution of the Board of Directors on 24 April 2013.

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DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and the Company for the financial year ended 31 December 2012.

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 year.

FINANCIAL RESULTS

	GROUP RM	COMPANY RM
Profit/(Loss) attributable to:		
Owners of the Company	893,988	2,668,870
Non-controlling interests	(3,776)	—
	890,212	2,668,870

DIVIDEND

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

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year 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 year 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

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 year, according to the register required to be kept under Section 134 of the Companies Act, 1965, were as follows:

THE COMPANY	NUMBER OF ORDINARY SHARES OF RM1.00 EACH			AT 31.12.2012
	AT 1.1.2012	ACQUIRED	DISPOSED	
Direct interest:				
Zainuddin Bin Din	959,450	–	–	959,450
Indirect interest of Director:				
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 year had any interest in the ordinary shares of the Company or its related corporations during the financial year 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 year, 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.

DIRECTORS' REPORT (Cont'd)

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 year 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 year 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 year.
- (e) In the opinion of the Directors:
 - (i) the results of the operations of the Group and of the Company for the financial year ended 31 December 2012 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 year 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 year in which this report is made.

AUDITORS

The auditors, Morison Anuarul Azizan Chew, have expressed their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors.

Zainuddin Bin Din

Kuala Lumpur

Tan Swee Hock

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, ZAINUDDIN BIN DIN 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 40 to 89 are drawn up in accordance with Malaysian Financial Reporting Standards 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 2012 and of their financial performance and cash flows for the financial year then ended.

Signed in accordance with a resolution of the Directors.

Zainuddin Bin Din

Tan Swee Hock

Kuala Lumpur

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 40 to 89 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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TRANSOCEAN HOLDINGS BERHAD

(COMPANY NO: 36747-U) (INCORPORATED IN MALAYSIA)

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 2012 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 year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 40 to 89.

Directors' Responsibility for the Financial Statements

The Company's Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia. The Directors are responsible 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. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of 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 the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors considers internal control relevant to Company's preparation of the financial statements 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 involves 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 Malaysian Financial Reporting Standards 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 2012 and of their financial performance and cash flows for the financial year 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 did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

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

1. As stated in Note 2(a) to the financial statements, Transocean Holdings Berhad adopted Malaysian Financial Reporting Standards on 1 January 2012 with a transition date of 1 June 2011. These standards were applied retrospectively by Directors to the comparative information in these financial statements, including the statements of financial position as at 31 December 2011 and 1 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 May 2011 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the year ended 31 December 2012 have, in these circumstances, includes obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2012 do not contain misstatements that materially affect the financial position as of 31 December 2012 and financial performance and cash flows for the year then ended.
2. 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 Anuarul Azizan Chew

Firm Number: AF 001977

Chartered Accountants

Kuala Lumpur

Sathiea Seelean A/L Manickam

Approved Number: 1729/05/14 (J/PH)

Partner of Firm

	NOTE	GROUP			COMPANY		
		2012 RM	RESTATED 2011 31.12.2011 RM	1.6.2011 RM	2012 RM	RESTATED 2011 31.12.2011 RM	1.6.2011 RM
Current Liabilities							
Trade payables	17	4,309,613	3,292,045	3,235,950	—	—	—
Other payables	18	3,646,871	2,782,625	2,108,400	1,067,970	426,085	468,381
Amount owing to subsidiary companies	15	—	—	—	7,955,069	10,657,858	9,532,466
Amount owing to related companies	14	3,592,267	6,313,679	5,827,569	—	—	—
Hire purchase and finance lease payables	19	1,039,627	441,784	298,735	—	—	—
Bank borrowings	20	8,423,218	9,271,422	9,028,348	2,607,376	2,607,229	2,671,377
Tax payables		224,741	331,408	277,729	—	—	98,940
		21,236,337	22,432,963	20,776,731	11,630,415	13,691,172	12,771,164
Net current assets/(liabilities)		9,550,653	(1,044,668)	(952,961)	262,897	(12,943,803)	(12,059,385)
		38,515,029	35,152,258	34,566,245	34,946,262	32,452,083	33,034,539
Financed By:							
Share capital	21	40,998,550	40,998,550	40,998,550	40,998,550	40,998,550	40,998,550
Reserves	22	(8,843,313)	(9,767,552)	(10,273,773)	(8,000,184)	(10,669,054)	(10,204,736)
Equity attributable to owners of the parent		32,155,237	31,230,998	30,724,777	32,998,366	30,329,496	30,793,814
Non-controlling interests		31,225	34,455	—	—	—	—
Total equity		32,186,462	31,265,453	30,724,777	32,998,366	30,329,496	30,793,814
Non-Current Liabilities							
Deferred tax liabilities	7	1,250,001	1,278,191	1,324,026	1,284,672	1,361,405	1,426,225
Hire purchase and finance lease payables	19	3,009,316	948,338	364,013	—	—	—
Bank borrowings	20	2,069,250	1,660,276	2,153,429	663,224	761,182	814,500
		6,328,567	3,886,805	3,841,468	1,947,896	2,122,587	2,240,725
		38,515,029	35,152,258	34,566,245	34,946,262	32,452,083	33,034,539

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	NOTE	GROUP		COMPANY	
		1.1.2012 TO 31.12.2012 RM	1.6.2011 TO 31.12.2011 RM	1.1.2012 TO 31.12.2012 RM	1.6.2011 TO 31.12.2011 RM
Revenue	23	35,492,338	18,971,286	692,400	442,700
Other operating income	24	561,951	336,490	5,044,445	–
Cost of inventories consumed		(14,065,498)	(7,617,760)	–	–
Customs duties and charges		(935,424)	(472,772)	–	–
Crane and forklift charges		(2,249,349)	(1,195,074)	–	–
Depreciation of property, plant and equipment		(1,194,788)	(665,149)	(493,930)	(290,098)
Amortisation of prepaid lease payments		(52,381)	(30,200)	–	–
Freight expenses		(2,498,266)	(1,335,368)	–	–
Fuel charges		(2,195,817)	(1,281,497)	–	–
Levies		(1,332,420)	(721,482)	–	–
Repair and maintenance of premises		(67,412)	(18,881)	(67,412)	(18,881)
Repair and maintenance of motor vehicles		(1,269,232)	(466,135)	–	–
Rental of premises		(650,361)	(305,760)	–	–
Employee benefits expenses	25	(6,560,354)	(3,311,499)	(406,768)	–
Other operating expenses	26	(733,874)	(456,421)	(720,627)	(442,420)
Finance costs	27	(1,129,143)	(577,299)	(279,145)	(311,986)
		1,119,970	852,479	3,768,963	(620,685)
Share of results of an associated company	5	–	29,948	–	–
Profit/(Loss) before taxation		1,119,970	882,427	3,768,963	(620,685)
Taxation	28	(229,758)	(336,392)	(1,100,093)	156,367
Net profit/(loss) for the financial year/period		890,212	546,035	2,668,870	(464,318)
Other comprehensive income/(loss):					
– Exchange differences arising from translation of foreign operation		30,251	(5,359)	–	–
Total comprehensive income/(loss) for the financial year/period		920,463	540,676	2,668,870	(464,318)
Net profit/(loss) for the financial year/period:					
Owners of the Company		893,988	511,580	2,668,870	(464,318)
Non-controlling interests		(3,776)	34,455	–	–
		890,212	546,035	2,668,870	(464,318)
Total comprehensive income/(loss) for the financial year/period attributable to:					
Owners of the Company		924,239	506,221	2,668,870	(464,318)
Non-controlling interest		(3,776)	34,455	–	–
		920,463	540,676	2,668,870	(464,318)
Basic earnings per share attributable to owners of the parent (sen)	29	2.18	1.25		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

Group	NOTE	ATTRIBUTABLE TO OWNERS OF THE COMPANY					TOTAL EQUITY RM
		NON-DISTRIBUTABLE		DISTRIBUTABLE			
		SHARE CAPITAL RM	ASSET REVALUATION RESERVES RM	FOREIGN EXCHANGE TRANSLATION RESERVE RM	ACCUMULATED LOSSES RM	NON-CONTROLLING INTERESTS RM	
At 1 January 2012		40,998,550	7,738,145	(5,359)	(17,500,338)	34,455	31,230,998
– As previously stated		–	(7,738,145)	5,359	7,732,786	–	–
– Effect of adopting MFRS 1	37						
– As restated		40,998,550	–	–	(9,767,552)	34,455	31,230,998
Acquisition of non-controlling interests	4(c)	–	–	–	–	546	546
Total comprehensive income:		–	–	–	–	–	–
Net profit for the financial year		–	–	–	893,988	(3,776)	893,988
Other comprehensive income		–	–	30,251	–	–	30,251
At 31 December 2012		40,998,550	–	30,251	(8,873,564)	31,225	32,155,237
At 1 June 2011		40,998,550	5,333,672	–	(18,807,445)	–	30,724,777
– As previously stated		–	(8,533,672)	–	8,533,672	–	–
– Effect of adopting MFRS 1	37						
– As restated		40,998,550	–	–	(10,273,773)	–	30,724,777
Total comprehensive income:		–	–	–	511,580	34,455	546,035
Net profit for the financial period		–	–	–	–	–	–
Other comprehensive loss		–	–	(5,359)	–	–	(5,359)
Realisation of asset revaluation:		–	–	(5,359)	511,580	34,455	540,676
– As previously stated		–	(795,527)	–	795,527	–	–
– Effect of adopting MFRS 1	37						
– As restated		–	795,527	–	(795,527)	–	–
At 31 December 2011		40,998,550	–	(5,359)	(9,762,193)	34,455	31,230,998
							31,265,453

STATEMENTS OF CHANGES IN EQUITY (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	NOTE	SHARE CAPITAL RM	NON- DISTRIBUTABLE ASSET REVALUATION RESERVES RM	DISTRIBUTABLE ACCUMULATED LOSSES RM	TOTAL EQUITY RM
Company					
At 1 January 2012					
– As previously stated		40,998,550	8,022,471	(18,691,525)	30,329,496
– Effect of adopting MFRS 1	37	–	(8,022,471)	8,022,471	–
– As restated		40,998,550	–	(10,669,054)	30,329,496
Total comprehensive income		–	–	2,668,870	2,668,870
At 31 December 2012		40,998,550	–	(8,000,184)	32,998,366
At 1 June 2011					
– As previously stated		40,998,550	8,817,998	(19,022,734)	30,793,814
– Effect of adopting MFRS 1	37	–	(8,817,998)	8,817,998	–
– As restated		40,998,550	–	(10,204,736)	30,793,814
Total comprehensive loss		–	–	(464,318)	(464,318)
Realisation of asset revaluation reserves:					
– As previously stated		–	(795,527)	795,527	–
– Effect of adopting MFRS 1	37	–	795,527	(795,527)	–
– As restated		–	–	–	–
At 31 December 2011		40,998,550	–	(10,669,054)	30,329,496

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	GROUP		COMPANY	
	1.1.2012 TO 31.12.2012 RM	1.6.2011 TO 31.12.2011 RM	1.1.2012 TO 31.12.2012 RM	1.6.2011 TO 31.12.2011 RM
Cash Flows From Operating Activities				
Profit/(Loss) before taxation	1,119,970	882,427	3,768,963	(620,685)
Adjustments for:				
Depreciation of property, plant and equipment	1,194,788	665,149	493,930	290,098
Amortisation of prepaid lease payments	52,381	30,200	–	–
Impairment loss on trade receivables	99,004	64,608	–	–
Bad debts written off	3,485	–	–	–
Interest expenses	1,129,143	577,299	279,145	311,986
Share of profit/(loss) of an associated company	–	(29,948)	–	–
Gain on disposal of property, plant and equipment	(62,050)	(32,000)	–	–
Interest income	(50)	(2,115)	–	–
Dividend income	–	–	(5,044,445)	–
Unrealised loss/(gain) on foreign exchange	17,230	(31,339)	–	–
Operating profit/(loss) before working capital changes	3,553,901	2,124,281	(502,407)	(18,601)
Decrease/(Increase) in working capital				
Inventories	(38,638)	99,012	–	–
Trade and other receivables	(661,281)	2,880,326	(708,290)	483,368
Amount owing by/to related companies	(1,087,341)	(3,701,228)	–	–
Amount owing by an associated company	–	365,609	–	–
Trade and other payables	1,881,814	(55,964)	641,885	(42,296)
Amount owing by/to subsidiaries	–	–	(2,849,907)	628,912
	94,554	(412,245)	(2,916,312)	1,069,984
Cash generated from/(used in) operations	3,648,455	1,712,036	(3,418,719)	1,051,383
Interest received	50	2,115	–	–
Interest paid	(1,129,143)	(577,299)	(279,145)	(311,986)
Tax paid	(625,739)	(588,178)	(34,839)	(133,805)
	(1,754,832)	(1,163,362)	(313,984)	(445,791)
Net cash generated from/(used in) operating activities	1,893,623	548,674	(3,732,703)	605,592

STATEMENTS OF CASH FLOWS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

		GROUP		COMPANY	
		1.1.2012 TO 31.12.2012 RM	1.6.2011 TO 31.12.2011 RM	1.1.2012 TO 31.12.2012 RM	1.6.2011 TO 31.12.2011 RM
Cash Flows From Investing Activities					
Purchase of property, plant and equipment	30	(1,001,073)	(167,846)	–	–
Acquisition of a subsidiary company	4(d) & (a)	–	(414,345)	–	(488,145)
Acquisition of non-controlling interests	4(c)	–	–	(1,000)	–
Proceeds from disposal of property, plant and equipment		62,050	32,000	–	–
Dividend received		–	–	3,841,899	–
Net cash (used in)/from investing activities		(939,023)	(550,191)	3,840,899	(488,145)
Cash Flows From Financing Activities					
Repayment of bank borrowings		(455,536)	(474,010)	(97,811)	(111,332)
Repayment of hire purchase and finance lease payables		(320,385)	(339,626)	–	–
Changes in fixed deposits pledged for bank borrowings		–	(7,602)	–	–
Net cash used in financing activities		(775,921)	(821,238)	(97,811)	(111,332)
Net increase/(decrease) in cash and cash equivalents		178,679	(822,755)	10,385	6,115
Effect of exchange rate changes		23,254	(853)	–	–
Cash and cash equivalents at beginning of the financial year/period		(5,816,963)	(4,993,355)	(2,472,208)	(2,478,323)
Cash and cash equivalents at end of the financial year/period		(5,615,030)	(5,816,963)	(2,461,823)	(2,472,208)
Cash and cash equivalents at end of the financial year/period comprises:					
Cash and bank balances		602,505	384,266	3,578	723
Fixed deposits with licensed banks		51,944	51,602	44,000	44,000
		654,449	435,868	47,578	44,723
Less: Fixed deposit pledged for bank borrowings		(7,944)	(7,602)	–	–
Bank overdrafts		(6,261,535)	(6,245,229)	(2,509,401)	(2,516,931)
		(5,615,030)	(5,816,963)	(2,461,823)	(2,472,208)

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 accounting

The financial statements of the Group have been prepared on the historical cost convention unless otherwise indicated in the accounting policies below and in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia.

During the financial year, the Group has adopted Malaysian Financial Reporting Standards (“MFRSs”) issued by the Malaysian Accounting Standards Board (“MASB”) on 19 November 2011, which are mandatory for annual financial periods beginning on or after 1 January 2012. As this is the Group’s first financial statements prepared in accordance with MFRSs, the requirements of MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards have been applied.

In the previous financial period, the financial statements of the Group were prepared in accordance with Financial Reporting Standards (“FRSs”). The impact of transition to MFRSs on the financial statements of the Group and of the Company is disclosed in Note 37.

The Directors of the Company anticipate that the application of the following Malaysian Financial Reporting Standards (“MFRSs”) which are mandatory and will be effective for financial periods as stated below will have no material impact on the financial statements of the Company:

		EFFECTIVE DATE FOR FINANCIAL PERIODS BEGINNING ON OR AFTER
Amendments to MFRS 101	Presentation of items of Other Comprehensive Income	1 July 2012
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in June 2011)	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in June 2011)	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRS 1	Government Loans	1 January 2013
Amendments to MFRS 10, MFRS 11 and MFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Amendments to MFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Basis of accounting (Cont'd)

Annual improvements 2009-2011 Cycle		1 January 2013
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
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009) Financial Instruments (IFRS 9 issued by IASB in October 2010)	1 January 2015

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Significant accounting estimates and judgements (Cont'd)

(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 straight-line 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(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 non-controlling 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 non-controlling interest even if that results in a deficit balance.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

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(h).

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(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(h).

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 of 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.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash generating units ("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 pro-rate 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(h).

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.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) 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.

(i) Inventories

Inventories are valued at the lower of cost and net realisable value after adequate allowance has been made for all deteriorated, damaged, 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.

(j) Assets held for sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable.

(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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(s) Foreign currencies (Cont'd)

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 statements 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.

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

	2012 RM	2011 RM
Singapore Dollar ("SGD")	2.54	2.45
Thailand Baht ("Baht")	0.11	0.10

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(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.

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 year 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 COST							TOTAL RM
		FREEHOLD LAND RM	BUILDINGS RM	MOTOR VEHICLES RM	FURNITURE, FITTINGS AND EQUIPMENT RM	OFFICE RENOVATION AND EQUIPMENT RM	WAREHOUSE MACHINERY AND EQUIPMENT RM		
Cost									
At 1 January 2012		11,200,000	24,173,349	14,126,092	2,920,754	547,133	1,845,830	54,813,158	
Additions	30	-	-	3,593,323	306,706	-	80,250	3,980,279	
Disposal		-	-	(987,873)	(171,118)	(114,000)	-	(1,272,991)	
Reclassified to asset held for sale	10	(3,500,000)	(8,855,063)	-	-	-	-	(12,355,063)	
Effect of foreign exchange translation		-	-	3,026	9,414	-	-	12,440	
At 31 December 2012		7,700,000	15,318,286	16,734,568	3,065,756	433,133	1,926,080	45,177,823	
Accumulated depreciation									
At 1 January 2012		-	5,818,545	12,492,553	2,719,080	512,076	1,076,276	22,618,530	
Charge for the financial year		-	535,899	362,400	139,492	10,263	146,734	1,194,788	
Disposal		-	-	(987,873)	(171,118)	(114,000)	-	(1,272,991)	
Reclassified to asset held for sale	10	-	(2,135,472)	-	-	-	-	(2,135,472)	
Effect of foreign exchange translation		-	-	832	5,841	-	-	6,673	
At 31 December 2012		-	4,218,972	11,867,912	2,693,295	408,339	1,223,010	20,411,528	
Carrying amount									
At 31 December 2012		7,700,000	11,099,314	4,866,656	372,461	24,794	703,070	24,766,295	

3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group	NOTE	← AT DEEMED COST →				← 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	RM			
Cost											
At 1 June 2011		11,200,000	24,173,349	13,302,037	2,890,980	547,133	1,843,330				53,956,829
Additions	30	—	—	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
At 31 December 2011		11,200,000	24,173,349	14,126,092	2,920,754	547,133	1,845,830				54,813,158
Accumulated depreciation											
At 1 June 2011		—	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)
At 31 December 2011		—	5,818,545	12,492,553	2,719,080	512,076	1,076,276				22,618,530
Carrying amount											
At 31 December 2011		11,200,000	18,354,804	1,633,539	201,674	35,057	769,554				32,194,628
At 1 June 2011		11,200,000	18,667,413	614,273	229,027	42,381	852,403				31,605,497

3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company	NOTE	AT COST					TOTAL RM
		FREEHOLD LAND RM	BUILDINGS RM	MOTOR VEHICLES RM	FURNITURE, FITTINGS AND EQUIPMENT RM	OFFICE RENOVATION RM	
2012							
Cost							
At 1 January 2012		11,200,000	23,517,931	77,568	685,814	519,295	36,000,608
Reclassification to asset held for sale	10	(3,500,000)	(8,855,063)	—	—	—	(12,355,063)
At 31 December 2012		7,700,000	14,662,868	77,568	685,814	519,295	23,645,545
Accumulated depreciation							
At 1 January 2012		—	5,616,455	11,635	685,367	504,801	6,818,258
Charge for the financial year		—	470,359	15,514	220	7,837	493,930
Reclassification to asset held for sale	10	—	(2,135,472)	—	—	—	(2,135,472)
At 31 December 2012		—	3,915,342	27,149	685,587	512,638	5,176,716
Carrying amount							
At 31 December 2012		7,700,000	10,711,526	50,419	227	6,657	18,468,829
		← AT DEEMED COST →		← AT COST →			
2011							
Cost							
At 1 June 2011/31 December 2011		11,200,000	23,517,931	77,568	685,814	519,295	36,000,608
Accumulated depreciation							
At 1 June 2011		—	5,342,079	2,585	684,968	498,528	6,528,160
Charge for the financial period		—	274,376	9,050	399	6,273	290,098
At 31 December 2011		—	5,616,455	11,635	685,367	504,801	6,818,258
Carrying amount							
At 31 December 2011		11,200,000	17,901,476	65,933	447	14,494	29,182,350
At 1 June 2011		11,200,000	18,175,852	74,983	846	20,767	29,472,448

3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

- (a) Included in the property, plant and equipment of the Group and of the Company are freehold land and building with carrying amount totaling RM22,650,083 (2011: RM28,727,266) which has been charged to licensed banks for credit facilities granted to the Group, as disclosed in Note 20.
- (b) Certain motor vehicles with carrying amounts of RM1 (2011: RM1) has been charged to licensed banks for credit facilities granted to the Group, as disclosed in Note 20.
- (c) Included in the property, plant and equipment of the Group are motor vehicles and warehouse machinery and equipment with carrying amount totaling RM3,564,959 (2011: RM1,871,670) which are acquired under hire purchase and finance lease arrangements.
- (d) Upon transition to MFRSs, the Group and the Company have elected to apply the optional exemption to the previous revaluation of land and building of the Group of RM29,000,000 as deemed cost.

4. INVESTMENT IN SUBSIDIARY COMPANIES

- (a) Investment in subsidiary companies

	NOTE	2012 RM	COMPANY 31.12.2011 RM	1.6.2011 RM
Unquoted shares, at cost				
At 1 January/1 June		16,606,398	16,014,338	15,162,963
Acquisition of non-controlling interests	4(c)	1,000	–	851,375
Acquisition of a subsidiary company				
Transferred from Transocean (M) Sdn. Bhd.		–	103,915	–
Cash payment		–	488,145	–
	4(d)	–	592,060	–
At 31 December		16,607,398	16,606,398	16,014,338
Less: Allowance for impairment loss		(392,862)	(392,862)	(392,862)
Carrying amount at 31 December/31 May		16,214,536	16,213,536	15,621,476

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

NAME OF COMPANY	COUNTRY OF INCORPORATION	EFFECTIVE INTEREST			PRINCIPAL ACTIVITIES
		2012 %	31.12.2011 %	1.6.2011 %	
Direct holding:					
Transocean (M) Sdn. Bhd.	Malaysia	100	100	100	Investment holding
Transocean Logistics Sdn. Bhd.	Malaysia	100	100	100	Provision of custom brokerage, freight forwarding trucking related services, international air and ocean freight services
Transocean Distribution Hub Sdn. Bhd.	Malaysia	100	100	100	Provision of warehousing services and trucking related services
Usmeta Manufacturing Sdn. Bhd.	Malaysia	100	100	100	Manufacturing and trading of tyres

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

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
		2012 %	31.12.2011 %	1.6.2011 %	
Gerak Intensif Sdn. Bhd.	Malaysia	100	100	100	Provision of container haulage services
Transocean Freight Express Sdn. Bhd. ("TFE")	Malaysia	100	51	51	Investment holding and provision of custom brokerage, freight forwarding trucking related services, international air and ocean freight services
* TFS Logistics Pte. Ltd. ("TLPL")	Singapore	100	100	20	Provision of freight forwarding and trucking related services
Indirect holding:					
<i>Subsidiary companies of Transocean (M) Sdn. Bhd.</i>					
Transocean (KL) Sdn. Bhd.	Malaysia	100	100	100	Temporarily ceased operations
Transocean (JB) Sdn. Bhd.	Malaysia	100	100	100	Temporarily ceased operations
Speedload Transport Sdn. Bhd.	Malaysia	100	100	100	Investment holding
Transocean World Transport Sdn. Bhd.	Malaysia	100	100	100	Temporarily ceased operations
Transocean Biotec (M) Sdn. Bhd.	Malaysia	75	75	75	Investment holding
<i>Subsidiary company of Transocean Freight Express Sdn. Bhd.</i>					
Transocean Haulage Services Sdn. Bhd.	Malaysia	65	65	65	Temporarily ceased operations
<i>Subsidiary company of Speedload Transport Sdn. Bhd.</i>					
Speedload Transport (KL) Sdn. Bhd.	Malaysia	100	100	100	Temporarily ceased operations
<i>Subsidiary company of Transocean Biotec (M) Sdn. Bhd.</i>					
Transocean Biotec Research Sdn. Bhd.	Malaysia	100	100	100	Temporarily ceased operations

*Company not audited by Morison Anuarul Azizan Chew.

4. INVESTMENT IN SUBSIDIARY COMPANIES (Cont'd)

(c) During the financial year, the Company acquired the remaining 49% equity interest in TFE represented by 4,900 ordinary shares of RM1.00 for a total cash consideration of RM1,000. Consequently, TFE became a wholly owned subsidiary of the Company.

(d) Acquisition of a subsidiary company in the previous financial period

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:

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

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

	NOTE	2011 RM
Net assets acquired:		
Property, plant and equipment		19,434
Trade receivables		692,398
Amount owing by related companies		1,745,852
Other receivables		18,903
Cash and bank balances		73,800
Trade payables		(399,231)
Other payables		(418,392)
Amount owing to related companies		(910,752)
Amount owing to holding company		(380,262)
Provision for taxation		(8,979)
Deferred tax liability		(3,267)
Fair value of net assets acquired		429,504
Goodwill on consolidation		439,700
Total fair value of net assets acquired		869,204

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

4. INVESTMENT IN SUBSIDIARY COMPANIES (Cont'd)

(d) Acquisition of a subsidiary company in the previous financial period (Cont'd)

	NOTE	2011 RM
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	5(a)	103,915
Share of post-acquisition reserves		277,144
		869,204
Total fair value of net assets acquired		
Less: Share of post-acquisition reserves		(277,144)
Cash outflow on acquisition of a subsidiary company		592,060
Less: Cash and cash equivalent acquired		(73,800)
Transferred from investment in an associated company	5(a)	(103,915)
		414,345
Net cash outflow from acquisition of a subsidiary company		

5. INVESTMENT IN AN ASSOCIATED COMPANY

(a) Investment in an associated company

	NOTE	2012 RM	GROUP 31.12.2011 RM	1.6.2011 RM
Unquoted shares at cost				
At 1 January/1 June		–	103,915	103,915
Transferred from Transocean (M) Sdn. Bhd.	4(d)	–	(103,915)	–
		–	–	103,915
At 31 December/31 May		–	–	247,196
Share of post acquisition reserves		–	–	247,196
		–	–	351,111
Represented by: Share of net assets				
		–	–	351,111

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

NAME OF COMPANY	COUNTRY OF INCORPORATION	EFFECTIVE INTEREST			PRINCIPAL ACTIVITIES
		2012 %	31.12.2011 %	1.6.2011 %	

Direct holding:

TFS Logistics Pte. Ltd. ("TLPL")	Malaysia	100	100	20	Investment holding
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As stated in Note 4(d), TLPL became the wholly owned subsidiary company of the Company in the previous financial period.

5. INVESTMENT IN AN ASSOCIATED COMPANY (Cont'd)

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

	1.6.2011 TO 30.6.2011 RM
Results:	
Revenue	282,048
Profit for the period	149,740
Share of results	29,948

6. GOODWILL ON CONSOLIDATION

	2012 RM	GROUP 31.12.2011 RM	1.6.2011 RM
At 1 January/1 June	4,002,298	3,562,598	3,562,598
Acquisition of a subsidiary company (Note 4(c) & (d))	1,553	439,700	–
At 31 December/31 May	4,003,851	4,002,298	3,562,598

- (a) During the financial year, 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 year/period 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 the CGU is exposed to.

Sensitivity to changes in assumptions

The Management believes that significant possible change in any of the above key assumptions would cause the carrying value of goodwill to materially exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

7. DEFERRED TAX ASSETS/(LIABILITIES)

	2012 RM	GROUP 31.12.2011 RM	1.6.2011 RM	2012 RM	COMPANY 31.12.2011 RM	1.6.2011 RM
Represented as:						
Deferred tax assets	194,230	–	–	–	–	–
Deferred tax liabilities	(1,250,001)	(1,278,191)	(1,324,026)	(1,284,672)	(1,361,405)	(1,426,225)
	(1,055,771)	(1,278,191)	(1,324,026)	(1,284,672)	(1,361,405)	(1,426,225)

	2012 RM	GROUP 31.12.2011 RM
Deferred tax assets		
At 1 January/1 June	–	–
Recognised in statements of comprehensive income	194,230	–
At 31 December/31 May	194,230	–

Recognition of deferred tax assets of the Group during the financial year are follows:

	ACCELERATED CAPITAL ALLOWANCE RM	IMPAIRMENT LOSS ON TRADE RECEIVABLES RM	OTHERS RM	TOTAL RM
Group				
At 1 January 2012	–	–	–	–
Recognised in statements of comprehensive income	5,499	139,101	49,630	194,230
At 31 December 2012	5,499	139,101	49,630	194,230

	2012 RM	GROUP 31.12.2011 RM	1.6.2011 RM	2012 RM	COMPANY 31.12.2011 RM	1.6.2011 RM
Deferred tax liabilities						
At 1 January/1 June	1,278,191	1,324,026	884,917	1,361,405	1,426,225	963,045
Under provision in prior years	–	45,899	4,421	–	27,516	–
Acquisition of a subsidiary company	–	3,267	–	–	–	–
Recognised in statements of comprehensive income	(28,309)	(95,001)	460,828	(76,733)	(92,336)	460,828
Effect of foreign exchange translation	119	–	(26,140)	–	–	2,352
At 31 December/31 May	1,250,001	1,278,191	1,324,026	1,284,672	1,361,405	1,426,225

Represented after appropriate offsetting as follows:

	2012 RM	GROUP 31.12.2011 RM	1.6.2011 RM	2012 RM	COMPANY 31.12.2011 RM	1.6.2011 RM
Deferred tax assets	(253,417)	(252,139)	(205,080)	(253,417)	(252,139)	(220,376)
Deferred tax liabilities	1,503,418	1,530,330	1,529,106	1,538,089	1,613,544	1,646,601
	1,250,001	1,278,191	1,324,026	1,284,672	1,361,405	1,426,225

7. DEFERRED TAX ASSETS/(LIABILITIES) (Cont'd)

This is represented by the components and movements of the above deferred tax liabilities and assets of the Group prior to its offsetting during the financial year/period 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
Group			
At 1 January 2012	(252,139)	–	(252,139)
Recognised in statements of comprehensive income	(1,278)	–	(1,278)
At 31 December 2012	(253,417)	–	(253,417)
At 1 June 2011	(212,908)	7,828	(205,080)
Recognised in statements of comprehensive income	(39,231)	(7,828)	(47,059)
At 31 December 2011	(252,139)	–	(252,139)
At 1 June 2010	(240,407)	(695)	(241,102)
Recognised in statements of comprehensive income	27,499	8,523	36,022
At 31 May 2011	(212,908)	7,828	(205,080)
		UNUTILISED TAX LOSSES AND UNABSORBED CAPITAL ALLOWANCES RM	
Company			
At 1 January 2012			(252,139)
Recognised in statements of comprehensive income			(1,278)
At 31 December 2012			(253,417)
At 1 June 2011			(220,376)
Recognised in statements of comprehensive income			(31,763)
At 31 December 2011			(252,139)
At 1 June 2011/31 May 2011			(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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

7. DEFERRED TAX ASSETS/(LIABILITIES) (Cont'd)

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

	ACCELERATED CAPITAL ALLOWANCES RM	SURPLUS ON DEEMED COST OF LAND AND BUILDINGS RM	TOTAL RM
Group			
At 1 January 2012	429,282	1,101,048	1,530,330
Recognised in statements of comprehensive income	9,001	(36,032)	(27,031)
Effect of foreign exchange translation	119	–	119
At 31 December 2012	438,402	1,065,016	1,503,418
At 1 June 2011	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)
At 31 December 2011	429,282	1,101,048	1,530,330
At 1 June 2010	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)
At 31 May 2011	335,346	1,193,760	1,529,106
Company			
At 1 January 2012	407,334	1,206,210	1,613,544
Recognised in statements of comprehensive income	(39,423)	(36,032)	(75,455)
At 31 December 2012	367,911	1,170,178	1,538,089
At 1 June 2011	347,679	1,298,922	1,646,601
Under provision in prior years	27,516	–	27,516
Recognised in statements of comprehensive income	32,139	(92,712)	(60,573)
At 31 December 2011	407,334	1,206,210	1,613,544
At 1 June 2010	326,604	856,817	1,183,421
Recognised in statements of changes in equity	–	460,828	460,828
Recognised in statements of comprehensive income	21,075	(18,723)	2,352
At 31 May 2011	347,679	1,298,922	1,646,601

7. DEFERRED TAX ASSETS/(LIABILITIES) (Cont'd)

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

	GROUP	
	2012 RM	2011 RM
Reinvestment allowances	263,690	263,690
Unused tax losses	10,402,307	10,658,532
Unutilised capital allowances	5,671,819	5,700,263
(Accelerated)/Decelerated capital allowances	(31,548)	25,205
	16,306,268	16,647,690

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

8. PREPAID LEASE PAYMENTS

	2012 RM	GROUP 31.12.2011 RM	1.6.2011 RM
Cost			
At 1 January/1 June	2,200,000	2,200,000	4,700,000
Disposal	–	–	(2,500,000)
At 31 December/31 May	2,200,000	2,200,000	2,200,000
Accumulated amortization			
At 1 January/1 June	180,643	150,443	224,158
Additions	52,381	30,200	104,934
Disposal	–	–	(178,649)
At 31 December/31 May	233,024	180,643	150,443
Carrying amount			
At 31 December/31 May	1,966,976	2,019,357	2,049,557

- The above prepaid lease payments consists of upfront payments made for short term leasehold land.
- The remaining period of the lease term range is 38 years (2011: 39 years).
- 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 20.

9. INVENTORIES

	2012 RM	GROUP 31.12.2011 RM	1.6.2011 RM
At cost:			
Raw materials	43,997	60,169	56,196
Work-in-progress	38,104	26,222	38,589
Finished goods	263,353	223,973	313,432
Consumables	14,745	11,197	12,356
	360,199	321,561	420,573

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

10. ASSET HELD FOR SALE

	GROUP/COMPANY 2012 RM
At 1 January	–
Transfer from property, plant and equipment (Note 3)	10,219,591
At 31 December	10,219,591

The above freehold land and building have been held for sale and accordingly, the asset is classified as asset held for sale.

11. TRADE RECEIVABLES

	2012 RM	GROUP 31.12.2011 RM	1.6.2011 RM
Trade receivables	5,719,072	5,733,617	7,829,609
Less: Allowance for impairment loss	(658,760)	(559,854)	(585,975)
	5,060,312	5,173,763	7,243,634

The Group's normal trade credit terms range from 60 to 90 days (2011: 60 to 90 days). Other credit terms are assessed and approved on a case by case basis.

Ageing analysis of trade receivables

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

	2012 RM	GROUP 31.12.2011 RM	1.6.2011 RM
Neither past due or impaired	4,427,067	3,516,076	5,428,693
1 – 90 days past due but not impaired	633,245	1,470,739	1,575,249
91 – 180 days past due but not impaired	–	186,948	239,692
	633,245	1,657,687	1,814,941
	5,060,312	5,173,763	7,243,634
Individually impaired	658,760	559,854	585,975
	5,719,072	5,733,617	7,829,609

	2012 RM	GROUP 31.12.2011 RM	1.6.2011 RM
<u>Allowance for impairment loss</u>			
At 1 January/1 June	559,854	585,975	1,257,864
Acquisition of a subsidiary company	–	98	–
Addition during the financial year/period	99,004	64,608	80,831
Written off	(98)	(90,827)	(608,120)
Written back	–	–	(144,600)
At 31 December/31 May	658,760	559,854	585,975

11. TRADE RECEIVABLES (Cont'd)

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 RM633,245 (2011: RM1,657,687) 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.

12. OTHER RECEIVABLES

	2012 RM	GROUP 31.12.2011 RM	1.6.2011 RM	2012 RM	COMPANY 31.12.2011 RM	1.6.2011 RM
Other receivables	1,326,959	714,203	1,219,297	1,271,042	672,542	1,168,408
Less: Allowance for impairment loss	(662,038)	(662,038)	(662,038)	(662,038)	(662,038)	(662,038)
	664,921	52,165	557,259	609,004	10,504	506,370
Deposits	509,082	512,972	188,755	149,563	38,573	11,080
Prepayments	371,734	350,598	333,209	133,391	134,591	149,587
Staff advances	44,171	19,160	19,434	–	–	–
	1,589,908	934,895	1,098,657	891,958	183,668	667,037

	GROUP 31.12.2011 RM	1.6.2011 RM	COMPANY 31.12.2011 RM	1.6.2011 RM
<u>Allowance for impairment</u>				
At 1 June	662,038	761,988	662,038	662,038
Written off	–	(99,950)	–	–
At 31 December/31 May	662,038	662,038	662,038	662,038

13. 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.

14. 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 RM10,364,850 (2011: RM4,547,482) which is made up of trade transactions.

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

15. AMOUNT OWING BY/(TO) SUBSIDIARIES

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

16. FIXED DEPOSITS WITH LICENSED BANKS

	2012 RM	GROUP 31.12.2011 RM	1.6.2011 RM	2012 RM	COMPANY 31.12.2011 RM	1.6.2011 RM
Fixed deposits with licensed banks	51,944	51,602	147,441	44,000	44,000	44,000

Included in the above fixed deposits of the Group are fixed deposits pledged for bank borrowings amount to RM7,944 (2011: RM7,602) as disclosed in Note 20.

The interest rates range during the financial year/period for the Group and the Company were 2.85% to 3.05% (2011: 2.85% to 3.05%) per annum and 2.85% (2011: 2.85%) per annum respectively.

17. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 (2011: 30 to 90) days.

18. OTHER PAYABLES

	2012 RM	GROUP 31.12.2011 RM	1.6.2011 RM	2012 RM	COMPANY 31.12.2011 RM	1.6.2011 RM
Other payables	1,695,743	1,277,294	1,186,770	391,315	241,085	58,255
Accruals	1,924,128	1,478,331	921,630	676,655	185,000	410,126
Deposits	27,000	27,000	–	–	–	–
	3,646,871	2,782,625	2,108,400	1,067,970	426,085	468,381

19. HIRE PURCHASE AND FINANCE LEASE PAYABLES

	2012 RM	GROUP 31.12.2011 RM	1.6.2011 RM
(a) Minimum hire purchase payments			
Within one year	1,484,279	534,537	349,835
Between one and two years	1,130,244	442,878	274,992
Later than two years and not later than five years	2,050,958	618,551	107,016
	4,665,481	1,595,966	731,843
Future finance charges	(616,538)	(205,844)	(69,095)
Present value of hire purchase liabilities	4,048,943	1,390,122	662,748
(b) Present value of hire purchase liabilities			
Within one year	1,039,627	441,784	298,735
Between one and two years	908,496	385,709	262,374
Later than two years and not later than five years	2,100,820	562,629	101,639
	4,048,943	1,390,122	662,748
Analysed as:			
Repayable within twelve months	1,039,627	441,784	298,735
Repayable after twelve months	3,009,316	948,338	364,013
	4,048,943	1,390,122	662,748

The effective interest rates of the Group range from 3.36% to 9.68% (2011: 5.16% to 9.68%) per annum.

20. BANK BORROWINGS

	2012 RM	GROUP 31.12.2011 RM	1.6.2011 RM	2012 RM	COMPANY 31.12.2011 RM	1.6.2011 RM
Secured:						
Bank overdrafts	5,743,495	5,679,139	5,490,897	2,509,401	2,516,931	2,523,065
Term loans	2,470,445	2,423,339	2,822,957	761,199	851,480	962,812
Bankers' acceptance	1,698,000	2,199,000	2,128,000	–	–	–
	9,911,940	10,301,478	10,441,854	3,270,600	3,368,411	3,485,877
Unsecured:						
Bank overdrafts	518,040	566,090	530,401	–	–	–
Term loans	62,488	64,130	209,522	–	–	–
	580,528	630,220	739,923	–	–	–
Total bank borrowings	10,492,468	10,931,698	11,181,777	3,270,600	3,368,411	3,485,877

Analysed as follows:

Repayable within twelve months

Secured:

Bank overdrafts	5,878,541	5,679,139	5,490,897	2,509,401	2,516,931	2,523,065
Term loans	266,149	827,193	879,050	97,975	90,298	148,312
Bankers' acceptance	1,698,000	2,199,000	2,128,000	–	–	–
	7,842,690	8,705,332	8,497,947	2,607,376	2,607,229	2,671,377

Unsecured:

Bank overdrafts	518,040	566,090	530,401	–	–	–
Term loans	62,488	–	–	–	–	–
	580,528	566,090	530,401	–	–	–
	8,423,218	9,271,422	9,028,348	2,607,376	2,607,229	2,671,377

	2012 RM	GROUP 31.12.2011 RM	1.6.2011 RM	2012 RM	COMPANY 31.12.2011 RM	1.6.2011 RM
Repayable after twelve months						
Secured:						
Term loans	2,069,250	1,596,146	1,943,907	663,224	761,182	814,500
Unsecured:						
Term loans	–	64,130	209,522	–	–	–
	2,069,250	1,660,276	2,153,429	663,224	761,182	814,500
Total bank borrowings	10,492,468	10,931,698	11,181,777	3,270,600	3,368,411	3,485,877

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

20. BANK BORROWINGS (Cont'd)

Maturity of borrowings is as follows:

	2012 RM	GROUP 31.12.2011 RM	1.6.2011 RM	2012 RM	COMPANY 31.12.2011 RM	1.6.2011 RM
Within one year	8,423,218	9,271,422	9,028,348	2,607,376	2,607,229	2,671,377
Between one and two years	386,172	763,804	815,785	97,741	97,741	93,263
Between two and five years	1,463,431	578,867	946,491	345,836	345,836	330,084
More than five years	219,647	317,605	391,153	219,647	317,605	391,153
	10,492,468	10,931,698	11,181,777	3,270,600	3,368,411	3,485,877

The weighted average effective interest rate is as follows:

	2012 RM	GROUP 31.12.2011 RM	1.6.2011 RM	2012 RM	COMPANY 31.12.2011 RM	1.6.2011 RM
Bank overdrafts	8.10 - 9.10	8.10 - 10.10	8.10 - 8.35	8.35	8.35	8.35
Term loans	8.10 - 11.88	8.10 - 9.10	8.10 - 9.10	8.10	8.10	8.10
Bankers' acceptance	7.80	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 8;
- (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) Fixed deposit with a licensed bank of the Group as disclosed in Note 16;
- (v) Corporate guarantee by the Company;
- (vi) Corporate guarantee from a company in which a Director of the Company is a controlling shareholder;
- (vii) Negative pledge over the entire assets of a subsidiary company; and
- (viii) A debenture by way of a fixed and floating charge over all present and future assets of a subsidiary company.

21. SHARE CAPITAL

	2012 RM	GROUP 31.12.2011 RM	1.6.2011 RM	2012 RM	COMPANY 31.12.2011 RM	1.6.2011 RM
Authorised						
<i>Ordinary shares of RM1.00 each:</i>						
At beginning/end of year/period	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Issued and fully paid						
<i>Ordinary shares of RM1.00 each:</i>						
At beginning/end of year/period	40,998,550	40,998,550	40,998,550	40,998,550	40,998,550	40,998,550

22. RESERVES

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

23. REVENUE

	GROUP		COMPANY	
	1.1.2012 TO 31.12.2012 RM	1.6.2011 TO 31.12.2011 RM	1.1.2012 TO 31.12.2012 RM	1.6.2011 TO 31.12.2011 RM
Logistic services	18,943,813	9,824,092	—	—
Tyre products	16,548,525	9,147,194	—	—
Rental income	—	—	692,400	442,700
	35,492,338	18,971,286	692,400	442,700

24. OTHER OPERATING INCOME

Other operating income includes:

	GROUP		COMPANY	
	1.1.2012 TO 31.12.2012 RM	1.6.2011 TO 31.12.2011 RM	1.1.2012 TO 31.12.2012 RM	1.6.2011 TO 31.12.2011 RM
Interest income	50	2,115	—	—
Gain on disposal of property, plant and equipment	62,050	32,000	—	—
Unrealised gain on foreign exchange	—	31,339	—	—
Dividend income	—	—	5,044,445	—

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

25. EMPLOYEE BENEFITS EXPENSES

	GROUP		COMPANY	
	1.1.2012 TO 31.12.2012 RM	1.6.2011 TO 31.12.2011 RM	1.1.2012 TO 31.12.2012 RM	1.6.2011 TO 31.12.2011 RM
Wages, salaries and other staff related expenses	5,898,009	2,837,275	363,328	—
Pension costs – defined contribution plans	662,345	474,224	43,440	—
	6,560,354	3,311,499	406,768	—

Included in the employee benefits expenses of the Group and of the Company are Executive Directors' remuneration amounting to RM579,275 and RM296,566 (1.6.2011 to 31.12.2011: RM253,507 and RM Nil) respectively as disclosed in Note 31.

26. OTHER OPERATING EXPENSES

Included in the other operating expenses are as follows:

	GROUP		COMPANY	
	1.1.2012 TO 31.12.2012 RM	1.6.2011 TO 31.12.2011 RM	1.1.2012 TO 31.12.2012 RM	1.6.2011 TO 31.12.2011 RM
Auditors' remuneration				
Statutory audit				
– current period/year	80,526	74,700	30,000	29,000
– (over)/under provision in prior year	(500)	11,440	(500)	7,490
Bad debts written off	3,485	—	—	—
Impairment loss on trade receivables	99,004	64,608	—	—
Directors fees (Note 31)	116,000	84,000	116,000	84,000
Directors' other emoluments (Note 31)	—	3,700	—	—
Realised loss on foreign exchange	8,917	—	—	—
Unrealised loss/(gain) on foreign exchange	17,230	(31,339)	—	—
Rental of premises	—	5,600	—	—

27. FINANCE COSTS

	GROUP		COMPANY	
	1.1.2012 TO 31.12.2012 RM	1.6.2011 TO 31.12.2011 RM	1.1.2012 TO 31.12.2012 RM	1.6.2011 TO 31.12.2011 RM
Interest expenses on:				
Bank borrowings	955,260	521,672	275,978	164,771
Hire purchase payables	173,883	55,627	3,167	2,071
Amount owing to subsidiary companies	—	—	—	145,144
	1,129,143	577,299	279,145	311,986

28. TAXATION

	GROUP		COMPANY	
	1.1.2012 TO 31.12.2012 RM	1.6.2011 TO 31.12.2011 RM	1.1.2012 TO 31.12.2012 RM	1.6.2011 TO 31.12.2011 RM
Current income tax:				
Malaysia income tax				
– Current year tax	356,659	338,882	1,109,741	–
– Under/(Over) provision in prior years	63,840	27,747	67,085	(91,547)
	420,499	366,629	1,176,826	(91,547)
Foreign tax:				
– Current year tax	31,798	18,865	–	–
	452,297	385,494	1,176,826	(91,547)
Deferred tax				
– Relating to origination and reversal of temporary differences	(222,539)	(95,001)	(76,733)	(92,336)
– Under provision in prior years	–	45,899	–	27,516
	(222,539)	(49,102)	(76,733)	(64,820)
Tax expense/(savings) for the financial year/period	229,758	336,392	1,100,093	(156,367)

Income tax is calculated at the Malaysian statutory tax rate of 25% (2011: 25%) of the estimated assessable profit for the financial year/period.

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	
	1.1.2012 TO 31.12.2012 RM	1.6.2011 TO 31.12.2011 RM	1.1.2012 TO 31.12.2012 RM	1.6.2011 TO 31.12.2011 RM
Profit/(Loss) before taxation	1,119,970	882,427	3,768,963	(620,685)
Taxation at Malaysian statutory tax rate of 25% (2011: 25%)	178,840	172,849	942,241	(155,171)
Taxation at foreign tax rate	101,153	47,758	–	–
Expenses not deductible for tax purposes	247,825	89,553	149,333	62,835
Income not subject to tax	(104,959)	(25,821)	(58,566)	–
Deferred tax assets not recognised during the year/period	17,287	51,061	–	–
Utilisation of prior years' unrecognised deferred tax assets	(84,653)	(43,331)	–	–
Under/(Over) provision of current taxation in respect of prior years	63,840	27,747	67,085	(91,547)
Recognition of deferred tax assets	(133,526)	–	–	–
Under provision of deferred tax in respect of prior years	–	45,899	–	27,516
Foreign tax exemption and enhance deduction	(56,049)	(29,323)	–	–
Tax expense/(savings) for the financial year/period	229,758	336,392	1,100,093	(156,367)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

29. BASIC EARNINGS PER SHARE

The basic earnings per share has been calculated based on the consolidated profit after taxation for the financial year/period attributable to owners of the parent of RM893,998 (1.6.2011 to 31.12.2011: RM511,580) for the Group and the weighted average number of ordinary shares in issue during the financial period/year of 40,998,550 (2011: 40,998,550) are as follows:

	GROUP	
	1.1.2012 TO 31.12.2012 RM	1.6.2011 TO 31.12.2011 RM
Net profit for the financial year/period attributable to owners of the parent	893,998	511,580
Weighted average number of ordinary shares in issue	40,998,550	40,998,550
Basic earnings per share (sen)	2.18	1.25

30. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	GROUP	
	2012 RM	2011 RM
Aggregate cost	3,980,279	1,234,846
Hire purchase finance	(2,979,206)	(1,067,000)
Cash payments	1,001,073	167,846

31. DIRECTOR REMUNERATION

	GROUP		COMPANY	
	1.1.2012 TO 31.12.2012 RM	1.6.2011 TO 31.12.2011 RM	1.1.2012 TO 31.12.2012 RM	1.6.2011 TO 31.12.2011 RM
The Company				
Executive Directors:				
Salaries and bonus	264,000	174,338	264,000	—
Other emoluments	—	3,700	—	—
Benefits-in-kinds	32,566	21,518	32,566	—
	296,566	199,556	296,566	—
Non-Executive:				
Fees	116,000	84,000	116,000	84,000
Directors of subsidiaries:				
Executive Directors:				
Salaries and bonus	143,715	53,951	—	—
Benefits-in-kinds	22,994	—	—	—
	166,709	53,951	—	—
	579,275	337,507	412,566	84,000

31. DIRECTOR REMUNERATION (Cont'd)

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

	NUMBER OF DIRECTORS	
	1.1.2012 TO 31.12.2012	1.6.2011 TO 31.12.2011
Executive Directors:		
RM100,001 – RM150,000	1	–
RM150,001 – RM200,000	1	–
RM50,001 – RM100,000	–	2
Former Executive Director:		
Below RM50,000	–	1
Non-Executive Directors:		
Below RM50,000	3	3

32. 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 year/period:

	GROUP	
	1.1.2012 TO 31.12.2012 RM	1.6.2011 TO 31.12.2011 RM
* Sales to related parties:		
– Carefree Premium Sdn. Bhd.	–	90,875
– Syarikat Kenderaan Melayu Kelantan Berhad	836,541	573,007
– Sistem Kenderaan Seremban - Kuala Lumpur Sdn. Bhd.	426,726	201,658
– Transnasional Express Berhad	4,968,526	3,888,356
– Syarikat Kenderaan Rembau Tampin Sdn. Bhd.	686,437	310,699
– Syarikat Tanjung Keramat Temerloh Utara Omnibus Berhad	76,900	76,970
– Kenderaan Klang Banting Berhad	894,612	376,972
– Kenderaan Langkasuka Sdn. Bhd.	418,233	–
– Plusliner Sdn. Bhd.	1,435,300	818,385
– PNP Parachute Industries (M) Sdn. Bhd.	–	41,768
– Puspamara Sdn. Bhd.	–	4,035
* Purchase from related parties:		
– Transnasional Express Berhad	68,135	–
– Plusliner Sdn. Bhd.	38,687	–

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

	COMPANY	
	1.1.2012 TO 31.12.2012 RM	1.6.2011 TO 31.12.2011 RM
Dividend received from subsidiaries:		
– Transocean Logistics Sdn. Bhd.	800,000	–
– Usmeta Manufacturing Sdn. Bhd.	4,244,445	–

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

32. SIGNIFICANT RELATED PARTIES TRANSACTIONS (Cont'd)

	COMPANY	
	1.1.2012 TO 31.12.2012 RM	1.6.2011 TO 31.12.2011 RM
Rental charged to subsidiaries:		
– Transocean Logistics Sdn. Bhd.	116,400	73,500
– Transocean Distribution Hub Sdn. Bhd.	475,200	310,400
– Gerak Intensif Sdn. Bhd.	100,800	58,800
Interest charged by subsidiaries:		
– Transocean Logistics Sdn. Bhd.	–	123,398
– Transocean Distribution Hub Sdn. Bhd.	–	510
– Gerak Intensif Sdn. Bhd.	–	21,236

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.

33. CAPITAL COMMITMENTS

	GROUP	
	2012 RM	2011 RM
Property, plant and equipment:		
Authorised but not contracted for	3,684,000	233,500
Authorised and contracted for	1,735,000	4,679,500

34. OPERATING LEASE COMMITMENT

	GROUP	
	2012 RM	2011 RM
Not later than one year	541,796	523,320
Later than one year	–	523,320
	541,796	1,046,640

The above operating lease commitment is for rental of premise for the operations in Singapore.

35. MATERIAL LITIGATION

Transocean Haulage Services Sdn Bhd. (“THSB”), a subsidiary of the Company, had commenced a legal action on 12 August 2008 against E-Haul Logistics Sdn Bhd and Michael Tan (collectively known as “the defendants”) to recover the 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.

The High Court on 26 November 2012 had made a judgment in favour of THSB whereby both the defendants were ordered to make a payment of RM1,657,298 to THSB together with an interest of 2% per annum (from the date of judgment until settlement of the said sum). Despite the said judgment, the defendants have failed to make the said payment and THSB’s solicitors have commenced a winding-up and bankruptcy proceeding against the defendants respectively.

36. 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, warehousing, 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 1.1.2012 TO 31.12.2012 RM	TRADING OF TYRES 1.1.2012 TO 31.12.2012 RM	INVESTMENT HOLDINGS 1.1.2012 TO 31.12.2012 RM	ELIMINATIONS RM	TOTAL 1.1.2012 TO 31.12.2012 RM
2012					
Revenue					
External revenues	18,943,813	16,548,525	–	–	35,492,338
Inter segments	3,441,024	–	692,400	(4,133,424)	–
Results					
Segment profits	1,055,458	1,164,380	2,668,870	(3,836,540)	1,052,168
Included in the segment profits:					
Interest income	(50)	–	–	–	(50)
Finance cost	471,757	345,454	279,145	–	1,096,356
Amortisation of prepaid lease payments	–	52,381	–	–	52,381
Depreciation of property, plant and equipment	401,816	228,770	493,930	–	1,124,516
Assets					
Segment assets	16,612,259	17,731,030	46,576,677	–	80,919,966
Additions in non-current assets	3,974,479	5,800	–	–	3,980,279
Liabilities					
Segment liabilities	11,365,024	11,360,624	13,578,311	–	36,303,959

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

36. SEGMENT INFORMATION – GROUP (Cont'd)

	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
2011					
Revenue					
External revenues	9,824,092	9,147,194	–	–	18,971,286
Inter segments	1,948,234	–	442,700	(2,390,943)	–
Results					
Segment profits/(losses)	365,483	501,921	(464,318)	30,000	433,086
Share of profit of an associated company					29,948
					463,034
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
Assets					
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
Liabilities					
Segment liabilities	8,790,354	12,788,182	15,813,759	–	37,392,295
Reconciliation of reportable segment revenue, profit and loss, assets and liabilities and other material items:					
				1.1.2012 TO 31.12.2012 RM	1.6.2011 TO 31.12.2011 RM
Total profit for reportable segments				1,052,168	463,034
Other non reportable segments				(8,897)	134,311
Elimination of inter-segment profits				(50,000)	–
Depreciation of property, plant and equipment				(70,272)	(37,155)
Interest income				–	162
Finance costs				(32,787)	(14,317)
Consolidated profit before tax				890,212	546,035

36. SEGMENT INFORMATION – GROUP (Cont'd)

	DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT RM	FINANCE COST RM	SEGMENT ASSETS RM	SEGMENTAL LIABILITIES RM		
2012						
Total reportable segments	1,124,516	1,096,356	80,919,966	36,303,959		
Other non-reportable segment	70,272	32,787	723,694	1,015,160		
Elimination of inter-segment transactions or balances	–	–	(21,892,294)	(9,754,215)		
Consolidated total	1,194,788	1,129,143	59,751,366	27,564,904		
	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
2011						
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 inter-segment 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

37. EFFECTS ON TRANSITION ON MFRSS

In preparing the opening consolidated statement of financial position as at 1 June 2011, the Group and the Company have adjusted amounts reported previously in financial statements prepared in accordance with previous FRSSs. An explanation on how the transition from previous FRSSs to MFRSSs has affected the Group's and the Company's financial statements are as follows:

Reconciliation of Financial Position – Group

	FRSS RM	1.6.2011 EFFECT OF TRANSITION TO MFRSS RM	MFRSS RM
Financed by:			
Accumulated losses	(18,807,445)	7,738,145	(11,069,300)
Revaluation reserve	7,738,145	(7,738,145)	–
	FRSS RM	31.12.2011 EFFECT OF TRANSITION TO MFRSS RM	MFRSS RM
Financed by:			
Accumulated losses	(17,500,338)	7,732,786	(9,767,552)
Foreign currency translation reserve	(5,359)	5,359	–
Revaluation reserve	7,738,145	(7,738,145)	–

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

37. EFFECTS ON TRANSITION ON MFRSS (Cont'd)

Reconciliation of Financial Position – Company

	1.6.2011		
	FRSS RM	EFFECT OF TRANSITION TO MFRSS RM	MFRSS RM
Financed by:			
Accumulated losses	(19,022,734)	8,022,471	(11,000,263)
Revaluation reserve	8,022,471	(8,022,471)	–
	31.12.2011		
	FRSS RM	EFFECT OF TRANSITION TO MFRSS RM	MFRSS RM
Financed by:			
Accumulated losses	(18,691,525)	8,022,471	(10,669,054)
Revaluation reserve	8,022,471	(8,022,471)	–

Notes to reconciliation

- (a) Property, plant and equipment – Deemed cost exemption based on last valuation under FRSS

Upon transition to MFRSSs, the Group and the Company has elected to apply the optional exemption to use previous revaluation of its freehold land and building at 1 January 2011 of RM4,642,630 and RM4,175,368 and at 31 December 2011 of RM4,642,630 and RM3,891,042 respectively as deemed cost under MFRSSs. The revaluation reserve of the Group and of the Company amounting to RM7,738,145 and RM8,022,471 at 1 January 2011 and 31 December 2011 was reclassified to accumulated losses respectively.

- (b) Foreign currency translation differences (“FCTR”)

Upon transition to MFRSSs, the Group has elected to apply the accounting for loss of control, significant influence, joint control over foreign operations prospectively and deem FCTR for all foreign operations to be RM5,359.

The impact arising from the application of above optional exemption under MFRS 1 for property, plant and equipment and FCTR is as follows:

	1.1.2011 RM	31.12.2011 RM
Group		
Consolidated statement of financial position		
Revaluation reserve	7,738,145	7,738,145
Foreign currency translation reserve	–	(5,359)
Adjustment to accumulated losses	7,738,145	7,732,786
Company		
Statement of financial position		
Revaluation reserve/Adjustment to accumulated losses	8,022,471	8,022,471

38. 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 is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective operations' functional currency. The Group maintains natural hedges to the extent that payments for foreign currency payables will be matched against receivables denominated in the same foreign currency and whenever possible, borrow in the currency of the country in which the business is located. Exposure to foreign currency risks are monitored on an ongoing basis. The Group does not hedge their foreign currency risks but keeps this policy under review and will take necessary action to minimise the exposure.

Exposure to foreign currency risk

The net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

FUNCTIONAL CURRENCY	THAILAND BAHT (BAHT) RM
2012	
Trade payables	(95,749)

Currency risk sensitivity analysis

The following table demonstrated the sensitivity of the Group's profit net of tax to a reasonably possible change in the Baht exchange rates against the functional currency ("RM") with all other variables held constant.

	PROFIT NET OF TAX RM
Group	
Baht/RM – strengthening/weakening 5%	(4,787)

(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 year was:

	2012 RM	2011 RM
Group		
Floating rate instrument		
Bank borrowings	10,492,468	10,931,698
Company		
Floating rate instrument		
Bank borrowings	3,270,600	3,368,411

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

38. FINANCIAL INSTRUMENTS (Cont'd)

(b) Interest rate risk (Cont'd)

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.

	PROFIT NET OF TAX 50BP INCREASE/(DECREASE) RM
Group	
Floating rate instrument:	
Bank borrowings	(52,462)
Company	
Floating rate instrument:	
Bank borrowings	(16,353)

(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 as per reported in Note 11. 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.

38. FINANCIAL INSTRUMENTS (Cont'd)

(d) Liquidity and cash flow risk (Cont'd)

Maturity analysis

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

	ON DEMAND OR WITHIN ONE YEAR RM	ONE TO FIVE YEARS RM	OVER FIVE YEARS RM	TOTAL RM
2012				
Group				
Financial liabilities:				
Trade and other payables	7,956,484	–	–	7,956,484
Bank borrowings	8,423,218	1,849,603	219,647	10,492,468
Hire purchase and finance lease payables	1,039,627	3,009,316	–	4,048,943
	17,419,329	4,858,919	219,647	22,497,895
Company				
Financial liabilities:				
Other payables	1,067,970	–	–	1,067,970
Bank borrowings	2,607,376	443,577	219,647	3,270,600
	3,675,346	443,577	219,647	4,338,570
2011				
Group				
Financial liabilities:				
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
Company				
Financial liabilities:				
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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

38. FINANCIAL INSTRUMENTS (Cont'd)

(e) Fair values

The aggregate fair values of the other financial liabilities are as follows:

Group	2012		2011	
	CARRYING AMOUNT RM	FAIR VALUE RM	CARRYING AMOUNT RM	FAIR VALUE RM
Financial liabilities				
Hire purchase and finance lease payables	3,009,316	2,726,731	364,013	364,013

Interest rates used to determined fair value:

	GROUP	
	2012 % P.A.	2011 % P.A.
Hire purchases	3.36 - 9.68	5.16 - 9.68

- (i) The carrying amounts of cash and cash equivalents, trade and other receivables, inter-company loans and advances, 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 statements 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.

39. 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	
	2012 RM	2011 RM
Borrowings	10,492,468	10,931,698
Cash and cash equivalents	(646,505)	(428,266)
Net borrowings	9,845,963	10,503,432
Equity attributable to owners of the parent	32,155,237	31,230,998
Gearing ratio	0.31	0.34

40. COMPARATIVE FIGURES

The comparative figures of the statements of comprehensive income, statements of changes in equity and statements of cash flows are for the financial period from 1 June 2011 to 31 December 2011. As they reflect the results for less than 12 months, they are not comparable to the current financial year's results.

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:

	GROUP	
	2012 RM	2011 RM
Total accumulated losses:		
Realised losses	(7,062,869)	(8,413,142)
Unrealised losses	(1,810,695)	(1,349,051)
	(8,873,564)	(9,762,193)

	COMPANY	
	2012 RM	2011 RM
Total accumulated losses:		
Realised losses	(6,715,512)	(9,307,648)
Unrealised losses	(1,284,672)	(1,361,406)
	(8,000,184)	(10,669,054)

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 year ended 31 December 2012 were authorised for issue in accordance with a resolution of the Board of Directors on 24 April 2013.

LIST OF PROPERTIES HELD

AS AT 31 DECEMBER 2012

OWNER	LOCATION	DESCRIPTION	TENURE	LAND AREA (BUILT-UP AREA)	EXISTING USE	AGE	YEAR OF PURCHASE	AT VALUATION @ 31/12/12 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 ² (3,609.57m ²)	Office use	14	1998	10,220
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 ² (12,377.05m ²)	Office and warehouse use	17	1995	18,043
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 ² (312.16m ²)	Office use	14	1998	368
4	Usmeta Manufacturing Sdn Bhd	Lot PT 101677, HS (D) 52977, Mukim of Hulu Kinta, Perak, and Lot PT 80060, HS (D) 10137, Mukim of Hulu Kinta, Perak	Commercial land with factory building	Leasehold expiring 2 June 2046 and 2 January 2051	12,569.56m ² and 8,129.00m ²	Factory	6	2006	2,355
TOTAL VALUE									30,986

ANALYSIS OF SHAREHOLDINGS

AS AT 6 MAY 2013

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 6 May 2013

NO. OF HOLDERS	HOLDINGS	TOTAL SHAREHOLDINGS	%
239	Less than 100	11,228	0.03
93	100 to 1,000	63,592	0.16
1,347	1,001 to 10,000	3,389,930	8.27
119	10,001 to 100,000	2,875,650	7.01
13	100,001 to less than 5% of issued shares	5,521,690	13.47
5	5% and above of issued shares	29,136,460	71.06
1,816		40,998,550	100.00

30 LARGEST SECURITIES ACCOUNT HOLDERS as at 6 May 2013

(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 <i>[Osk Capital Sdn Bhd For Kumpulan Kenderaan Malaysia Berhad]</i>	12,000,000	29.27
2	OSK Nominees (Tempatan) Sdn Berhad <i>[Pledged Securities Account For Lengkap Suci Sdn Bhd]</i>	5,800,180	14.15
3	OSK Nominees (Tempatan) Sdn Berhad <i>[Pledged Securities Account For Lengkap Suci Sdn Bhd]</i>	5,800,180	14.15
4	OSK Nominees (Tempatan) Sdn Berhad <i>[Pledged Securities Account For Kumpulan Kenderaan Malaysia Berhad]</i>	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 <i>[CIMB For Zainuddin Bin Din]</i>	958,450	2.34
8	Kam Loong Mining Sdn Bhd	707,900	1.73
9	Foo Khen Ling	452,000	1.10
10	Yap Lee Lee	373,000	0.91

ANALYSIS OF SHAREHOLDINGS (Cont'd)

AS AT 6 MAY 2013

30 LARGEST SECURITIES ACCOUNT HOLDERS as at 6 May 2013 (Cont'd)

NO.	NAME	NO. OF SHARES HELD	%
11	HLG Nominee (Tempatan) Sdn Bhd <i>[Hong Leong Bank Bhd For Lim Chong Heng]</i>	165,500	0.40
12	HLG Nominee (Tempatan) Sdn Bhd <i>[Hong Leong Bank Bhd For Yee Wooi Tiong]</i>	157,200	0.38
13	HLG Nominee (Tempatan) Sdn Bhd <i>[Hong Leong Bank Bhd For Low Wai Sun]</i>	156,800	0.38
14	Beh Soo Kim	130,300	0.32
15	Chin Mun Hua @ Chen Dekying Marn	116,400	0.28
16	Ngang Ching Tang	116,200	0.28
17	HLG Nominee (Tempatan) Sdn Bhd <i>[Hong Leong Bank Bhd For Yee Goh Tiong]</i>	108,300	0.26
18	OSK Nominees (Tempatan) Sdn Berhad <i>[Pledged Securities Account For Ng Kok Hock]</i>	101,000	0.25
19	Lee Khai Aik	96,000	0.23
20	Ng Kim Hua	95,000	0.23
21	Yee Wooi Thong	84,600	0.21
22	Cheah Theng Kwang	72,000	0.18
23	OSK Nominees (Tempatan) Sdn Berhad <i>[Pledged Securities Account For Ng Kok Hin]</i>	68,100	0.17
24	EB Nominees (Tempatan) Sendirian Berhad <i>[Pledged Securities Account For Ng Kok Hin]</i>	62,500	0.15
25	Public Nominees (Tempatan) Sdn Berhad <i>[Pledged Securities Account For Lo Kean Kwong]</i>	61,900	0.15
26	Lau Mee	60,000	0.15
27	Lim Hu Fang	60,000	0.15
28	Mayban Securities Nominees (Tempatan) Sdn Berhad <i>[Pledged Securities Account For Fong Yeun Kai]</i>	57,700	0.14
29	Loh Yin Mooi	51,950	0.13
30	Lim Ah Chin	49,000	0.12

SUBSTANTIAL SHAREHOLDERS as at 6 May 2013

(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				
	DIRECT INTEREST	%	INDIRECT INTEREST	NOTE	%
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 ("TESB")			26,716,360	3	65.16
Ibroni Sdn Bhd ("Ibroni")			26,716,360	3	65.16
Nadi Corporation Sdn Bhd ("NCSB")			26,716,360	4	65.16
Nadicorp Holdings Sdn Bhd ("NHSB")			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 TESB and Ibroni.
- 3) Deemed interest pursuant to Section 6A(4) of the Act by virtue of its shareholdings in NCSB.
- 4) Deemed interest pursuant to Section 6A(4) of the Act by virtue of its 100% shareholdings in NHSB which is in turn the ultimate holding company of KKMB.
- 5) Deemed interest pursuant to Section 6A(4) of the Act by virtue of its 100% shareholdings in KKMB.

ANALYSIS OF SHAREHOLDINGS (Cont'd)

AS AT 6 MAY 2013

DIRECTORS' SHAREHOLDINGS (DIRECT & INDIRECT) as at 6 May 2013

NAME OF DIRECTORS	NO. OF SHARES HELD				
	DIRECT INTEREST	%	INDIRECT INTEREST	NOTE	%
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 held through KKMB in the Company.

INTEREST IN THE RELATED CORPORATION

Dato' Sri Mohd Nadzmi Bin Mohd Salleh by virtue of his interest in shares in the Company, is deemed interested in 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



NO. OF SHARES HELD	
---------------------------	--

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-fifth (35th) 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 **Wednesday, 26 June 2013** 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 financial year ended 31 December 2012 together with the Reports of the Directors and Auditors thereon.		<i>(Please refer to Note 1)</i>
RESOLUTIONS	For	Against
1. To approve the payment of Directors' fees for the financial year ended 31 December 2012.		
2. To re-elect En. Muhammad Adib Bin Ariffin as Director.		
3. To re-appoint En. Zainuddin Bin Din as Director.		
4. To re-appoint Messrs. Morison Anuarul Azizan Chew as Auditors for the ensuing year and to authorise Directors to fix their remuneration.		
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. Ordinary Resolution – Retention of En. Zainuddin Bin Din as an Independent Non-Executive Director 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 _____, 2013.

Signature of Shareholder / Common Seal

Notes:

- The first agenda of this meeting is meant for discussion only, as the provision of Section 169 (1) of the Companies Act, 1965 does not require a formal approval for the audited financial statements from the shareholders. Hence, this Agenda is not put forward for voting.
- In respect of deposited securities, only member whose name appears on the Record of Depositors as at 19 June 2013 shall be entitled to attend, speak and vote at the meeting.
- A member entitled to attend and vote at the meeting is entitled to appoint any person to attend and vote in his or her stead. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. 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.
- The instrument appointing a proxy and the power of attorney or other authority (if any) 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.
- Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 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 and the power of attorney or other authority (if any), under which it is signed or a duly notarized certified copy of that power or authority, shall be 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



THE COMPANY SECRETARIES
TRANSOCEAN HOLDINGS BHD (36747-U)

No. 38, Jalan Chow Kit
50350 Kuala Lumpur
Malaysia

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Transocean Holdings Bhd
(36747 U)

Lot 2955, 2956 & 2957,
Jalan Perusahaan Sungai Lokan 3
Kawasan Perusahaan Sungai Lokan
13400 Butterworth,
Malaysia

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