



TRANSOCEAN HOLDINGS BHD

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

UNAUDITED INTERIM FINANCIAL REPORT FOR PERIOD ENDED AUGUST 31, 2007

Dated October 19, 2007



**INTERIM FINANCIAL REPORT
FINANCIAL YEAR 2008
First Quarter ended August 31, 2007**

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The Board of Directors is pleased to announce the Interim Financial Report on consolidated results of the Group for the Financial Year 2008, 1st Quarter ended August 31, 2007.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/08/07 RM'000	Preceding Year Quarter Ended 31/08/06 RM'000	Current Year-To-Date Ended 31/08/07 RM'000	Preceding Year-To-Date Ended 31/08/06 RM'000
Revenue	9,054	11,871	9,054	11,871
Other operating income	31	44	31	44
Operating profit before depreciation and finance cost	864	907	864	907
Impairment loss	0	0	0	0
Depreciation & amortization	(600)	(778)	(600)	(778)
Profit/(Loss) from operations	264	129	264	129
Finance cost	(347)	(383)	(347)	(383)
	(83)	(254)	(83)	(254)
Share of profit of associate	25	31	25	31
Loss before taxation	(58)	(223)	(58)	(223)
Income tax expense	(74)	(57)	(74)	(57)
Loss for the period	(132)	(280)	(132)	(280)
Attributable to :				
Equity holders of the parent	(224)	(385)	(224)	(385)
Minority interest	92	105	92	105
	(132)	(280)	(132)	(280)
Loss per share attributable to equity holders of the parent :				
- Basic (sen)	(0.77)	(1.33)	(0.77)	(1.33)
- Diluted (sen)	-----	Not applicable	-----	-----

(The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended May 31, 2007 and the accompanying explanatory notes attached to the Interim Financial Report)

**INTERIM FINANCIAL REPORT
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	Unaudited As At 31/08/07 RM'000	Audited As At 31/05/07 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	36,157	36,705
Investment property	700	700
Investment in associates	302	278
Other investments	3	3
	<u>37,162</u>	<u>37,686</u>
Current Assets		
Trade receivables	5,909	5,689
Other receivables	1,092	919
Cash and bank balances	(187)	128
	<u>6,814</u>	<u>6,736</u>
TOTAL ASSETS	<u>43,976</u>	<u>44,422</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	28,999	28,999
Other reserve	5,586	5,586
Accumulated losses	(16,622)	(16,398)
	<u>17,963</u>	<u>18,187</u>
Minority interest	686	595
Total equity	<u>18,649</u>	<u>18,782</u>
Liabilities		
Non-current liabilities		
Borrowings	3,703	4,105
Deferred tax liabilities	1,251	1,251
	<u>4,954</u>	<u>5,356</u>



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Current liabilities		
Borrowings	12,562	13,065
Trade payables	5,124	4,767
Other payables	2,613	2,290
Tax payable	74	162
	<u>20,373</u>	<u>20,284</u>
Total liabilities	25,327	25,640
TOTAL EQUITY AND LIABILITIES	<u>43,976</u>	<u>44,422</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.62	0.70

(The Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the year ended May 31, 2007 and the accompanying explanatory notes attached to the Interim Financial Report)



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent					Total Equity RM'000
	Share Capital RM'000	Non-distributable Other Reserve RM'000	Accumulated Loss RM'000	Shareholders' Equity RM'000	Minority Interest RM'000	
As at June 1, 2007	28,999	5,586	(16,398)	18,187	594	18,781
Net loss for the period	0	0	(224)	(224)	92	(132)
Balance as at August 31, 2007	28,999	5,586	(16,622)	17,963	686	18,649
As at June 1, 2006	28,999	5,396	(14,033)	20,362	393	20,755
Effects on adopting FRS 140	0	(7)	7	0	0	0
Effects on adopting FRS 3	0	0	271	271	0	271
Deferred tax representing net income recognized directly in equity	0	197	0	197	0	197
Net loss for the year	0	0	(2,643)	(2,643)	201	(2,442)
Balance as at May 31, 2007	28,999	5,586	(16,398)	18,187	594	18,781

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended May 31, 2007 and the accompanying explanatory notes attached to the Interim Financial Report)

**INTERIM FINANCIAL REPORT
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	Current Year-To- Date Ended 31/05/08 RM'000	Preceding Year-To- Date Ended 31/05/07 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(58)	(223)
Adjustment for :-		
Non-cash items	578	799
Non-operating items	249	318
Operating profit before working capital changes	769	894
Changes in working capital :-		
Net change in current assets	(393)	502
Net change in current liabilities	679	(374)
Cash generated from operations	1,055	1,022
Interest paid	(347)	(383)
Taxation refunded/(paid)	(51)	256
Net cash generated from operating activities	657	895
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(78)	(46)
Net dividend received	10	10
Proceeds from disposal of property, plant and equipment	0	20
Net cash generated from/(used in) investing activities	(68)	(16)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of loans	0	2,000
Repayment of loans, hire-purchase and lease payables	(727)	(2,430)
Net cash used in financing activities	(727)	(430)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(138)	449
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(7,118)	(7,733)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(7,256)	(7,284)
Cash and cash equivalents comprise :-		
Cash and bank balances	(187)	131
Bank overdrafts (included within short term borrowings in Note 23)	(7,069)	(7,415)
	(7,256)	(7,284)

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended May 31, 2007 and the accompanying explanatory notes attached to the Interim Financial Report)



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NOTES TO THE INTERIM FINANCIAL REPORT

**SECTION A
DISCLOSURE NOTES AS REQUIRED UNDER FRS 134**

1 Basis of preparation

The Interim Financial Report has been prepared under the historical cost convention except for the revaluation of freehold land included within property, plant and equipment. Investment property is stated at fair value.

The Interim Financial Report is Unaudited and has been prepared in accordance with the requirement of FRS 134 : Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The Interim Financial Report should be read in conjunction with the audited financial statements of the Group for the year ended May 31, 2007. The explanatory notes attached to the Interim Financial Report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended May 31, 2007.

2 Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended May 31, 2007 with the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective for financial period beginning June 1, 2006 :-

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors;
FRS 110	Events after Balance Sheet Date
FRS 116	Property, Plant and Equipment;
FRS 121	The Effects of Changes in Foreign Exchange Rates;
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investment in Associates
FRS 131	Interest in Joint Ventures
FRS 132	Financial Instruments : Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property



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The adoption of FRS 108, 110, 116, 127, 128, 132 and 133 does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRSs are discussed below :-

- (a) FRS 3 : Business Combinations, FRS 136 : Impairment of Assets and FRS 138 : Intangible Assets

The new FRS 3 has resulted in consequential amendments to two other accounting standards, FRS 136 and FRS 138.

The adoption of these new FRSs has resulted in the Group ceasing annual goodwill amortization. Goodwill is carried at cost less accumulated impairment losses and is now tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Any impairment loss is recognized in profit or loss and subsequent reversal is not allowed. Prior to June 1, 2006, goodwill was amortised on a straight-line basis over its estimated useful life of 20 years. This change in accounting policy has been accounted for prospectively for business combinations where the agreement date is on or after June 1, 2006.

Other intangible assets of the Group with finite useful lives continue to be stated at cost less accumulated amortization and impairment losses.

Under FRS 3, any excess of the Group's interest in the net fair value of acquirees' identifiable assets, liabilities and condition liabilities over cost of acquisitions (previously referred to as "negative goodwill"), after reassessment, is now recognized immediately in retained earnings. Prior to 1 June 2006, the Group has reflected the negative goodwill as reserves on consolidation under equity accounting. In accordance with the transitional provisions of FRS 3, the Group has applied the new accounting policy effective from 1 June 2006.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 3, with the comparatives restated to conform with the current period's presentation.



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(b) FRS 101 : Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interest, share of net after-tax results of associates and other disclosure. In the Condensed Consolidated Balance Sheet, minority interests are now presented within total equity. In the Condensed Consolidate Income Statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the Condensed Consolidate Statement of Changes in Equity. FRS 101 also requires disclosure, on the face of the Condensed Consolidated Statement of Changes in Equity, total recognized income and expense for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

(c) FRS 140 : Investment Property

The adoption of this new FRS has resulted in a change of accounting policy for investment properties. Investment properties are now stated at fair value, representing open-market value determined by external valuers. Gain or losses arising from changes in the fair values of investment properties are recognized in profit or loss in the period in which they arise. Prior to June 1, 2006, investment properties were stated at valuation. Revaluations were carried out at least once every five years and any revaluation increase is taken to equity as a revaluation surplus.

The Group has applied FRS 140 in accordance with the transitional provisions.



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- 3 Auditors' Report on preceding annual financial statements**
The auditors' report on the financial statements for the year ended May 31, 2007 was not subject to any qualification.
- 4 Segmental information**
No segmental reporting is presented as the Group's activities operate within one industry, primarily of a total logistics service provider and in one geographical area, wholly in Malaysia. The other segments are not significant to be disclosed.
- 5 Unusual items due to their nature, size and incidence**
There were no unusual items affecting the Group's assets, liabilities, equity, net income or cash flows during the financial period ended August 31, 2007.
- 6 Changes in estimates**
There were no changes in estimates that have had a material effect in the current financial period results.
- 7 Comments about seasonal or cyclical factors**
The business operations of the Group are not materially affected by any seasonal or cyclical factors.
- 8 Dividends paid**
No dividend has been paid or declared by the Company since the end of the previous financial year.
- 9 Carrying amount of revalued assets**
The valuations of property, plant and equipment have been brought forward without amendment from the audited financial statements for the year ended May 31, 2007.
- 10 Debt and equity securities**
The Company has not issued nor repaid any debt and equity securities for the financial year to date.
- 11 Changes in the composition of the Group**
There were no changes in the composition of the Group during the current quarter under review.



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12 Capital commitments

The amount of commitments for the purchase of property, plant and equipment not provided for in the quarter under review is as follows :-

Approved and contracted for RM64,800

13 Changes in contingent liabilities and contingent assets

Contingent liabilities of the Company as at October 19, 2007, other than material litigation as disclosed in Note 23, since the last annual balance sheet date comprise:-

	As at 19/10/07 RM'000	As at 31/05/07 RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	6,903	5,904
- unsecured	3,637	5,166
	<u>10,540</u>	<u>11,070</u>

14 Subsequent events

There were no event of a material nature has arisen that have not been reflected in the financial statement in the interval between the end of the current quarter and the date of this report.



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**SECTION B
DISCLOSURE NOTES AS REQUIRED UNDER BURSA SECURITIES LISTING
REQUIREMENTS**

15 Performance review

During the first quarter for financial year 2008, the Group recorded an operating profit before depreciation and finance cost of RM0.86 million (FY2007, RM0.91 million) on the back of a total revenue of RM9.05 million (FY2007, RM11.87 million). The Group's revenue decreased by 23.7% for the quarter under review as compared with the preceding year corresponding quarter. However, as a result of lower operating expenses, the operating profit margin increased from 9.7% to 12.1%.

Depreciation decreased by 30.0% from RM0.78 million to RM0.60 million. The Group total borrowings reduced from RM18.42 million in the preceding year corresponding quarter to RM16.26 million resulting in the finance cost decreasing by 9.4%.

The Group recorded a loss before taxation amounted to RM0.06 million (FY2007, a loss of RM0.22 million) and overall net loss attributable to the equity holders of the parent was RM0.22 million as compared to a net loss of RM0.39 million recorded in the preceding year corresponding quarter.

16 Comment on material change in profit before taxation

	Current Quarter 31/08/07 RM'000	Immediate Preceding Quarter 31/05/07 RM'000	Variation %
Gross revenue	9,054	8,939	1.3%
Operating profit before depreciation and finance cost	864	(382)	326.18%
Loss before taxation and results from associated company	(83)	(1,536)	(94.65%)
Net loss attributable to equity holders of the parent	(224)	(1,613)	(86.1%)



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The Group's gross revenue increased by 1.3% from RM8.94 million to RM9.05 million.

Operating profit margin increased by 19.4% from 10.8% to 12.9%. The improvement in the operating expenses margin reflected the effectiveness in the cost saving exercise that is being carried out by the Group.

During the quarter, the Group wrote off office furniture and computers amounting to RM0.04 million.

The net loss attributable to equity holders of the parent reduced by 86.1% from RM1.61 million to RM0.02 million.

17 Commentary on prospects

The Group is continuing with the on going cost reduction programme and de-gearing exercise to transform itself into a leaner and efficient organization. In addition to cost reduction, the Group has also embarked a program to increase revenue and seeking a higher representation in the domestic market.

18 Profit forecast or profit guarantee

The Group is not involved in any profit guarantee arrangement or providing any forecast profit.

19 Income tax expense

	Current Quarter 31/08/07 RM'000	Current Year-to-date 31/08/07 RM'000
Current year provision	74	74
Provision in prior year taxation	0	0
Deferred taxation	0	0
	<u>74</u>	<u>74</u>

The effective rate of taxation of the Group is higher than the statutory rate of taxation principally due to losses of certain subsidiaries were not set off against profits made by other companies in the Group.



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20 Sale of unquoted investment and/or properties

There was no sale of unquoted investment and/or properties by the Group for the current quarter and financial year.

21 Quoted Securities

There was no purchase or disposal of quoted securities by the Group for the current quarter and financial year-to-date.

22 Corporate proposal

The Company has on July 19, 2007 entered into the following agreements :-

- a) A conditional subscription agreement with Kumpulan Kenderaan Malaysia Berhad, a wholly-owned subsidiary of Nadicorp Holdings Sdn Bhd (“Nadicorp”) for the proposed subscription of 12,000,000 new ordinary shares of RM1.00 each in the Company at an issue price of RM1.00 per share; and
- b) A conditional share sale agreement with Nadicorp for the proposed acquisition of the entire equity interest of Usmeta Manufacturing Sdn Bhd for a cash consideration of RM8.00 million.

The Company has on October 4, 2007, obtained the necessary approval from the Securities Commission in respect of the above mentioned corporate proposals. The Company shall be calling an Extraordinary General Meeting (“EGM”) to seek shareholders’ approval.

23 Borrowings

Total Group borrowings as at August 31, 2007 were as follows :-

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings			
Term loan	1,516	1,278	2,794
Hire-purchase and lease payables	909	0	909
	2,425	1,278	3,703
Short term borrowings			
Overdrafts	5,119	1,950	7,069
Term loan	4,271	823	5,094
Hire-purchase and lease payables	399	0	399
	9,789	2,773	12,562
Total Borrowings	12,214	4,051	16,265

As at May 31, 2007, the Group does not have any exposure in borrowings and debt securities denominated in foreign currency.



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24 Off balance sheet financial instruments

The Group does not have any financial instruments with off balance sheet risk as at October 19, 2007.

25 Changes in material litigation

The Group is not engaged in any material litigation and is not aware of any proceedings, which might materially affect the position or business of the Group as at October 19, 2007.

26 Dividend payable

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

27 Loss per share

Basic loss per share amounts are calculated by dividing loss for the period attributable to ordinary equity holders of the parent by the weighted average number of shares in issue during the period.

	Current Year Quarter Ended 31/08/07	Preceding Year Quarter Ended 31/08/06	Current Year-To-Date Ended 31/08/07	Preceding Year-To-Date Ended 31/08/06
Loss attributable to ordinary equity holders of the parent (RM'000)	(224)	(385)	(224)	(385)
No of ordinary shares in issue ('000)	28,999	28,999	28,999	28,999
Basic loss per share (sen)	(0.77)	(1.33)	(0.77)	(1.33)

28 Authorisation for issue

The Interim Financial Report was authorized for issue by the Board of Directors in accordance with a resolution of the directors on October 23, 2007.



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**SECTION C
ADDITIONAL DISCLOSURE**

29 Listing requirement of the minimum paid-up capital

As stipulated under the Securities Commission's Policies and Guidelines on Issue/Offer of Securities and the Bursa Securities Listing Requirements, the minimum issued and paid-up capital of a company listed on the Second Board of Bursa Securities shall be RM40.00 million.

On June 30, 2004, the Company was categorized as an under-capitalised company as its paid-up share capital is RM29.00 million.

Bursa Securities on November 28, 2006, suspended the trading in the securities of the Company and would commence de-listing procedures against the Company in the event that the Company fail to make the announcement on its regularisation plan to comply with Paragraph 8.16A of the Listing Requirements and submit it to the relevant authorities for approval upon the expiry of 6 months from the date of suspension.

Bursa Securities on June 15, 2007 served a Notice of Deliberation on de-listing of the Company's securities to the Company and on June 28, 2007 the Listing Committee deliberated on whether or not the securities of the Company should be de-listed from the Official List of Bursa Securities.

On June 29, 2007, the Company appealed against the de-listing of the Company's securities and sought an extension of time from Bursa Securities to regularise our issued and paid-up share capital in view of our acceptance of the proposal from Nadicorp Holdings Sdn Bhd ("Nadicorp Offer") which involves the followings :-

- c) Proposed subscription of 12,000,000 new ordinary shares of RM1.00 each in the Company at an issue price of RM1.00 per share by Nadicorp and/or its nominees; and
- d) Proposed acquisition of the entire equity interest of Usmeta Manufacturing Sdn Bhd by the Company for a cash consideration of RM8.00 million.



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On July 23, 2007, the Company's Advisor, informed Bursa Securities on the signing of the agreements as per Note 22.

Bursa Securities on August 3, 2007 informed the Company that the Company would have to submit its proposals to the relevant authorities by August 18, 2007 failing which Bursa Securities would exercise its powers to proceed to de-list the securities of the Company.

On August 10, 2007, the Company's Advisor, appealed for an extension of time to allow the Company until September 7, 2007 to submit the proposals.

Bursa Securities on August 15, 2007 rejected the Company's appeal for an extension of time and maintained that the Company would have to submit its proposals by August 18, 2007.

Bursa Securities then on August 20, 2007 informed the Company that the securities of the Company would be removed from the Official List of Bursa Securities at 9.00am on August 30, 2007

On August 21, 2007, the Company's Advisor, appealed against the decision Of Bursa Securities to commence delisting of the securities of the Company. The Company would be submitting the proposals by August 30, 2007.

Bursa Securities on August 22, 2007 informed the Company that the removal of the securities of the Company had been deferred pending the decision of the appeal by the Appeals Committee of Bursa Securities.

Bursa Securities had on August 30, 2007 informed the Company that the appeals committee would be meeting on September 11, 2007.

On September 3, 2007, the Company's advisor, informed Bursa Securities that the Company had on August 30, 2007, submitted the necessary applications to the relevant authorities.

Bursa Securities on October 2, 2007 informed the Company the appeal against the removal of the securities of the Company had been allowed and it would await the outcome of the Company's submission of the proposals to the relevant authorities. The relevant authorities have approved the proposals on October 4, 2007 and is now awaiting shareholders' approval at the forthcoming EGM.

By order of the Board
Dated 23th day of October, 2007