



TRANSOCEAN HOLDINGS BHD

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

UNAUDITED INTERIM FINANCIAL REPORT FOR PERIOD ENDED NOVEMBER 30, 2007

Dated January 11, 2008



**INTERIM FINANCIAL REPORT
FINANCIAL YEAR 2008
Second Quarter ended November 30, 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, 2nd Quarter ended November 30, 2007.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/11/07 RM'000	Preceding Year Quarter Ended 30/11/06 RM'000	Current Year-To-Date Ended 30/11/07 RM'000	Preceding Year-To-Date Ended 30/11/06 RM'000
Revenue	9,212	11,963	18,265	23,834
Other operating income	29	43	60	87
Operating profit before depreciation and finance cost	1,004	810	1,868	1,717
Impairment loss	0	0	0	0
Depreciation & amortization	(605)	(778)	(1,205)	(1,556)
Profit from operations	399	32	663	161
Finance cost	(330)	(379)	(677)	(762)
	69	(347)	(14)	(601)
Share of profit of associate	40	51	65	82
Profit/(Loss) before taxation	109	(296)	51	(519)
Income tax expense	(105)	22	(179)	(35)
Profit/(Loss)Loss for the period	4	(274)	(128)	(554)
Attributable to :				
Equity holders of the parent	(80)	(324)	(305)	(709)
Minority interest	84	50	177	155
	4	(274)	(128)	(554)
Loss per share attributable to equity holders of the parent :				
- Basic (sen)	(0.28)	(1.12)	(1.05)	(2.44)
- 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)



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CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited	Audited
	As At	As At
	30/11/07	31/05/07
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	35,576	36,705
Investment property	700	700
Investment in associates	343	278
Other investments	3	3
	<hr/> 36,622	<hr/> 37,686
Current Assets		
Trade receivables	5,811	5,689
Other receivables	909	919
Cash and bank balances	99	128
	<hr/> 6,819	<hr/> 6,736
	<hr/>	<hr/>
TOTAL ASSETS	43,441	44,422
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	(16,703)	(16,398)
	<hr/> 17,882	<hr/> 18,187
Minority interest	772	595
Total equity	18,654	18,782
Liabilities		
Non-current liabilities		
Borrowings	3,395	4,105
Deferred tax liabilities	1,251	1,251
	<hr/> 4,646	<hr/> 5,356



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Current liabilities		
Borrowings	12,306	13,065
Trade payables	5,063	4,767
Other payables	2,526	2,290
Tax payable	246	162
	<u>20,141</u>	<u>20,284</u>
Total liabilities	24,787	25,640
TOTAL EQUITY AND LIABILITIES	<u>43,441</u>	<u>44,422</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>0.62</u>	<u>0.63</u>

(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					
	Share Capital	Non-distributable Other Reserve	Accumulated Loss	Shareholders' Equity	Minority Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at June 1, 2007	28,999	5,586	(16,398)	18,187	595	18,782
Net loss for the period	0	0	(305)	(305)	177	(128)
Balance as at November 30, 2007	28,999	5,586	(16,703)	17,882	772	18,654
As at June 1, 2006	28,999	5,396	(14,033)	20,362	393	20,755
Effects on adopting FRS 140	0	(8)	11	3	0	3
Net loss for the year	0	0	(709)	(709)	155	(554)
Balance as at November 30, 2006	28,999	5,388	(14,731)	19,656	548	20,204

(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 30/11/07 RM'000	Preceding Year-To- Date Ended 30/11/06 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	51	(519)
Adjustment for :-		
Non-cash items	1,242	1,602
Non-operating items	602	650
Operating profit before working capital changes	1,895	1,733
Changes in working capital :-		
Net change in current assets	(75)	402
Net change in current liabilities	474	333
Cash generated from operations	2,294	2,468
Interest paid	(677)	(762)
Taxation refunded/(paid)	(84)	254
Net cash generated from operating activities	1,533	1,960
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(104)	(59)
Net dividend received	10	10
Proceeds from disposal of property, plant and equipment	0	33
Net cash used in investing activities	(94)	(16)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of loans	0	2,000
Repayment of loans, hire-purchase and lease payables	(1,309)	(3,011)
Net cash used in financing activities	(1,309)	(1,011)
NET INCREASE IN CASH AND CASH EQUIVALENTS	130	933
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(7,118)	(7,733)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(6,988)	(6,800)
Cash and cash equivalents comprise :-		
Cash and bank balances	99	205
Bank overdrafts (included within short term borrowings in Note 23)	(7,087)	(7,005)
	(6,988)	(6,800)

(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 (a) 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 except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective for financial period beginning June 1, 2007 :-

FRS, Amendments to FRS and Interpretations	Effective for financial periods beginning on or after
FRS 117 : Leases	1 October 2006
FRS 124 : Related Party Disclosure	1 October 2006
FRS 6 : Exploration for and Evaluation of Mineral Resources	1 January 2007
Amendments to FRS119 : Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures	1 January 2007

The adoption of FRS 117, FRS 124 and amendment to FRS 119 does not result in significant changes to the Group’s accounting policies and does not have a significant impact on the financial statements of the Group. FRS 6 is not relevant to the Group’s operations.



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(b) Standards And Interpretations Issued But Not Yet Adopted

The Group has not taken the option of early adoption of the following FRS, amendments to FRS and Interpretations which were issued and effective as at the date of authorization of the interim financial report.

FRS, Amendments to FRS and Interpretations	Effective for financial periods beginning on or after
FRS 139 : Financial Instruments : Recognition and Measurement	Deferred
Amendment to FRS121 : The effects of Changes in Foreign Exchange Rates – Net investment in a Foreign Operation	1 July 2007
IC Interpretation 1 : Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Interpretation 2: Members’ Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretation 5: Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6 : Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7 : Applying the Restatement Approach under FRS129 – Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8 : Scope of FRS 2	1 July 2007
FRS 107 : Cash Flow Statements	1 July 2007
FRS 111 : Construction Contracts	1 July 2007
FRS 112 : Income Taxes	1 July 2007
FRS 118 : Revenue	1 July 2007
FRS 119 : Employee Benefits	1 July 2007
FRS 120 : Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
FRS 134 : Interim Financial Reporting	1 July 2007
FRS 137 : Provision, Contingent Liabilities and Contingent Assets	1 July 2007

The Group is exempted from disclosing the possible impact, if any, to the financial statements upon initial application of FRS 139.

The above FRS, amendments to FRS and Interpretations are expected to have no significant impact on the financial statements of the Group upon their initial application.



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FRS 112 Income Taxes

The group does not recognize deferred tax assets on unused reinvestment allowances as required by paragraph 36 of FRS112 Income Taxes. Under the revised FRS112 Income Taxes, the Group will have to recognize deferred tax asset on such unused reinvestment allowances to the extent that it is probable that future taxable profit will be available against which the unused reinvestment allowances can be utilized. The directors are unable to determine if the initial adoption of this revised FRS will have a material impact on the financial statements of the Group for the year ending May 30, 2008.

(c) Significant Accounting Estimates and Judgements

(1) Critical Judgements Made in Applying Accounting Policies

There are no critical judgements made by management in the process of applying the Group's accounting policies that have significant effect on the amounts recognized in the financial statements.

(2) Key Sources of Estimation Uncertainty

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that the property does not qualify as investment property.



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(ii) Operating lease commitments – the Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

(iii) Depreciation of motor vehicles

The cost of motor vehicles for operation and administrative purposes is depreciated on a straight-line basis over the asset's useful lives. Management estimates the useful lives of these motor vehicles range from 5 to 10 years. These are common life expectancies applied in the industry. Charges in the expected level of usage could impact the economic useful lives and the residual value of these assets, therefore depreciation charges could be revised.

(iv) Deferred Tax Assets

Deferred tax assets are recognised for unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses, capital allowance and other deductible temporary differences can be utilised. Significant management decision is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with tax planning strategies.

3 Auditors' Report on preceding annual financial statements

The auditors' report on the financial statements for the year ended May 31, 2007 was not subject to any qualification.

4 Segmental information

No segmental reporting is presented as the Group operates 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 November 30, 2007.

6 Changes in estimates

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



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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.

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 January 11, 2008 since the last annual balance sheet date comprise:-

	As at 11/01/08 RM'000	As at 31/05/07 RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	6,570	5,904
- unsecured	3,434	5,166
	10,004	11,070

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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NOTES TO THE INTERIM FINANCIAL REPORT

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

15 Performance review

During the second quarter for financial year 2008, the Group recorded an operating profit before depreciation and finance cost of RM1.00 million (FY2007, RM0.81 million) on the back of a total revenue of RM9.21 million (FY2007, RM11.96 million). The Group's revenue decreased by 23.0% for the quarter under review as compared to the preceding year corresponding quarter. However, as a result of the overall decrease in operating expenses, the operating profit margin increased from 8.3% to 13.3%.

Depreciation decreased by 23.1% from RM0.78 million to RM0.60 million. The Group total borrowings declined from RM17.72 million in the preceding year corresponding quarter to RM15.70 million which resulted in decrease in the finance cost of 13.2% from RM0.38 million to RM0.33 million.

The Group recorded a profit before taxation amounted to RM0.11 million (FY2007, a loss of RM0.30 million). However, it recorded an overall net loss attributable to the equity holders of the parent amounting to RM0.08 million as compared to a net loss of RM0.32 million recorded in the preceding year corresponding quarter.

16 Comment on material change in profit before taxation

	Current Quarter 30/11/07 RM'000	Immediate Preceding Quarter 31/08/07 RM'000	Variation %
Gross revenue	9,212	9,054	1.7%
Operating profit before depreciation and finance cost	1,004	864	16.2%
Profit/(Loss) before taxation and results from associated company	69	(83)	183.1%
Net loss attributable to equity holders of the parent	(80)	(224)	64.3%



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The Group's gross revenue increased by 1.7% from RM9.05 million to RM9.21 million.

Operating profit margin increased by 9.9% from 12.1% to 13.3%. The improvement in the operating profit margin is reflected by the effectiveness in the ongoing cost saving exercise that is being carried out by the Group.

The net loss attributable to equity holders of the parent reduced by 64.3% from RM0.22 million to RM0.08 million.

17 Commentary on prospects

The Group has been on an ongoing 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 market share by 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 30/11/07 RM'000	Current Year-to-date 30/11/07 RM'000
Current year provision	105	179
Provision in prior year taxation	0	0
Deferred taxation	0	0
	<u>105</u>	<u>179</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 to date.

21 Quoted Securities

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

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. On November 28, 2007 the shareholders’ of the Company approved the corporate proposals. Bursa Securities has on December 14, 2007 approved in principle the quotation of shares subject to fulfillment of all conditions in their letter and the agreements entered into on July 19, 2007.

23 Borrowings

Total Group borrowings as at November 30, 2007 were as follows :-

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings			
Term loan	1,402	1,175	2,577
Hire-purchase and lease payables	818	0	818
	2,220	1,175	3,395
Short term borrowings			
Overdrafts	5,117	1,970	7,087
Term loan	4,105	717	4,822
Hire-purchase and lease payables	397	0	397
	9,619	2,687	12,306
Total Borrowings	11,839	3,862	15,701



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As at November 30, 2007, the Group does not have any exposure in borrowings and debt securities denominated in foreign currency.

24 Off balance sheet financial instruments

The Group does not have any financial instruments with off balance sheet risk as at January 11, 2008.

25 Changes in material litigation

The Group is not engaged in any material litigation and is not aware of any proceedings, which might materially affect the position or business of the Group as at January 11, 2008.

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 30/11/07	Preceding Year Quarter Ended 30/11/06	Current Year-To-Date Ended 30/11/07	Preceding Year-To-Date Ended 30/11/06
Loss attributable to ordinary equity holders of the parent (RM'000)	(80)	(324)	(305)	(709)
No of ordinary shares in issue ('000)	28,999	28,999	28,999	28,999
Basic loss per share (sen)	(0.28)	(1.12)	(1.05)	(2.44)

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 January 16, 2008.



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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 regularize the Company's issued and paid-up share capital in view of the Company's 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 had subsequently reminded the Company that it would take the necessary action to delist the Company should the Company fail to meet the deadline set. The Company, however, having made numerous appeals, was able to comply with the deadline given.

Bursa Securities then on October 2, 2007 informed the Company that 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. The shareholders' approved the proposals at the EGM held on November 28, 2007.

On December 7, 2007, the Company's Advisor submitted to Bursa Securities the Additional Listing Application for the quotation of the additional 12,000,000 shares. Bursa Securities had on December 14, 2007 approved in principle the application subject to compliance with the conditions as stated in their letter. The Company and its Advisor are currently working towards the fulfillment of all conditions in Bursa Securities letter of December 14, 2007 and of the agreements entered into on July 19, 2007.

By order of the Board
Dated 16th day of January, 2008