



TRANSOCEAN HOLDINGS BHD

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

UNAUDITED INTERIM FINANCIAL REPORT FOR 3 MONTHS PERIOD ENDED AUGUST 31, 2011

Dated October 7, 2011



INTERIM FINANCIAL REPORT
For 3 Month Period Ended August 31, 2011

CONTENTS

	<u>PAGE</u>
1) CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	3 – 4
2) CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	5 – 6
3) CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY	7
4) CONDENSED CONSOLIDATED CASH FLOW STATEMENT	8
5) NOTES TO THE INTERIM FINANCIAL REPORT	
SECTION A : DISCLOSURE NOTES AS REQUIRED UNDER FRS 134	9 – 13
SECTION B : DISCLOSURE NOTES AS REQUIRED UNDER BURSA MALAYSIA LISTING REQUIREMENTS	14 – 19

**INTERIM FINANCIAL REPORT
For 3 Month Period Ended August 31, 2011**

The Board of Directors is pleased to announce the Interim Financial Report on consolidated results of the Group for Financial Period from June 1, 2011 to August 31, 2011.

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/08/11 RM'000	Preceding Year Quarter Ended 31/08/10 RM'000	Current Year-To-Date Ended 31/08/11 RM'000	Preceding Year-To-Date Ended 31/08/10 RM'000
Revenue	9,039	8,020	9,039	8,020
Other operating income	-	-	-	-
Operating profit before depreciation and finance cost	731	857	731	857
Depreciation & amortization	(248)	(297)	(248)	(297)
Profit from operations	483	560	483	560
Finance cost	(260)	(318)	(260)	(318)
	223	242	223	242
Share of profit of associate		5		5
Profit before taxation	223	247	223	247
Income tax expense	(107)	(148)	(107)	(148)
Profit for the period	116	99	116	99
Attributable to :				
Owners of the parent	116	144	116	144
Non controlling interest	-	(45)	-	(45)
	116	99	116	99
Profit per share attributable to owners of the parent :				
- Basic (sen)	0.28	0.35	0.28	0.35
- Diluted (sen)	-----	Not applicable	-----	-----

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



INTERIM FINANCIAL REPORT
For 3 Month Period Ended August 31, 2011

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE
INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/08/11 RM'000	Preceding Year Quarter Ended 31/08/10 RM'000	Current Year-To-Date Ended 31/08/11 RM'000	Preceding Year-To-Date Ended 31/08/10 RM'000
Profit for the period	116	99	116	99
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	116	99	116	99
Attributable to :				
Owners of the parent	116	144	116	144
Non Controlling Interest	-	(45)	-	(45)
	116	99	116	99

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



INTERIM FINANCIAL REPORT
For 3 Month Period Ended August 31, 2011

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	As At	As At
	31/08/11	31/05/11
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	32,052	31,605
Prepaid land lease payments	2,049	2,049
Investment in associates	247	351
Intangible assets	3,613	3,562
	<u>37,961</u>	<u>37,569</u>
Current Assets		
Inventories	904	421
Trade receivables	14,956	13,161
Other receivables	2,244	3,165
Cash and bank balances	362	1,028
	<u>18,466</u>	<u>18,024</u>
TOTAL ASSETS	<u>56,427</u>	<u>55,593</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	40,999	40,999
Other reserve	8,534	8,534
Accumulated losses	(18,691)	(18,807)
	<u>30,842</u>	<u>30,725</u>
Non controlling interest	-	-
Total equity	<u>30,842</u>	<u>30,725</u>
Liabilities		
Non-current liabilities		
Borrowings	2,474	2,517
Deferred tax liabilities	1,324	1,324
	<u>3,798</u>	<u>3,841</u>



INTERIM FINANCIAL REPORT
For 3 Month Period Ended August 31, 2011

Current liabilities

Borrowings	10,545	9,327
Trade payables	4,413	5,231
Other payables	6,623	5,941
Tax payable	207	527
	<u>21,788</u>	<u>21,026</u>

Total liabilities

25,586 **24,868**

TOTAL EQUITY AND LIABILITIES

56,427 **55,593**

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

0.75 **0.75**

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



TRANSOCEAN HOLDINGS BHD (36747-U)

INTERIM FINANCIAL REPORT For 3 Month Period Ended August 31, 2011

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Parent			Total RM'000	Non Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Non- distributable Other Reserve RM'000	Accumulated Losses RM'000			
As at June 1, 2011	40,999	8,534	(18,807)	30,726		30,726
Net Profit for the financial year			116	116		116
Other comprehensive income						
Total comprehensive income	0		116	116		116
Balance as at August 31, 2011	40,999	8,534	(18,691)	30,842		30,842
As at June 1, 2010	40,999	5,651	(20,114)	26,536	-	26,536
Net Profit for the financial year			1,306	1,306		1,306
Other comprehensive income:- Surplus on revaluation of land and building net of DTL		2,882		2,882		2,882
Total comprehensive income for the year	-	2,882	1,306	4,188		4,188
Balance as at May 31, 2011	40,999	8,534	(18,807)	30,726	-	30,726

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

**INTERIM FINANCIAL REPORT
For 3 Month Period Ended August 31, 2011****CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	Current Year-To- Date Ended 31/08/11 RM'000	Preceding Year-To- Date Ended 31/08/10 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	224	247
Adjustment for :-		
Non-cash items	263	311
Non-operating items	260	313
Operating profit before working capital changes	746	871
Changes in working capital :-		
Net change in current assets	(1,330)	2,277
Net change in current liabilities	111	(1,987)
Cash generated used in operations	(471)	1,161
Interest paid	(260)	(318)
Taxation paid	(100)	(122)
Net cash generated used in operating activities	(833)	721
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(705)	(8)
Net dividend received	0	0
Proceeds from disposal of property, plant and equipment	0	0
Net cash generated used in investing activities	(705)	(8)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of revolving credit and banker's acceptance	489	563
Repayment of loans, hire-purchase and lease payables	(151)	(749)
Net cash from financing activities	338	(186)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,200)	(527)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(4,993)	(6,020)
CASH AND CASH EQUIVALENTS AT END OF YEAR	(6,194)	(6,547)
Cash and cash equivalents comprise :-		
Cash and bank balances	362	258
Bank overdrafts (included within short term borrowings in Note 23)	(6,556)	(6,805)
	(6,194)	(6,547)

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



**INTERIM FINANCIAL REPORT
For 3 Month Period Ended August 31, 2011**

NOTES TO THE INTERIM FINANCIAL REPORT

SECTION A

Selected Explanatory Notes: FRSs 134 Paragraph 16

1. Basis of preparation

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

The condensed financial report should be read in conjunction with the audited financial statements of the Group for the year ended May 31, 2011. The explanatory notes attached to the Interim Financial Report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended May 31, 2011.

2. Accounting policies

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

New/Revised FRSs, Amendments to FRSs and IC Interpretations	Effective for financial periods beginning on or after
FRS 1 (revised) : First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 (revised): Business Combinations	1 July 2010
FRS 127 (revised) : Consolidation and Separate Financial Statements	1 July 2010
Amendments to FRS 2 : Share-based Payments	1 July 2010
Amendments to FRS 5 : Non-current Assets held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 138 : Intangible Assets	1 July 2010
Amendments to IC Interpretation 9 ; Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 12 : Service Concessions Arrangements	1 July 2010
IC Interpretation 16 : Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 : Distribution of Non-cash Assets to Owners	1 July 2010
IC Interpretation 18 : Transfers of Assets from Customers	1 January 2011
Improvement to FRSs (2010)	1 January 2011



INTERIM FINANCIAL REPORT
For 3 Month Period Ended August 31, 2011

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

The Group has not adopted the following new/revised FRSs, Amendments to FRSs and Interpretation that were in issue but not yet effective:

New/Revised FRSs, Amendments to FRSs and IC Interpretations	Effective for financial periods beginning on or after
Amendments to IC Interpretation 14 : FRS 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements	1 July 2011
IC Interpretation 19 : Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
IC Interpretation 15 : Agreements for the Construction of Real Estate	1 January 2012
IC Interpretation 124 : Related Party Disclosures	1 January 2012

Significant Accounting Estimates and Judgements

(1) Critical Judgments Made in Applying Accounting Policies

There are no critical judgments made by management in the process of applying the Group's accounting policies that have significant effect on the amounts recognized in the financial statements except for the following :

(2) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet 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 as discussed below:



INTERIM FINANCIAL REPORT
For 3 Month Period Ended August 31, 2011

(i) Depreciation of motor vehicles

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

(ii) Provision for doubtful debts

The policy for provision for doubtful debts of the Group is based on the evaluation of collectability and ageing analysis of the receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current credit worthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, additional allowances may be required.

(iii) Deferred tax assets

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

3. Auditors' Report on preceding annual financial statements

The auditors' report on the financial statements for the year ended May 31, 2011 was not subject to any qualification.

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

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



INTERIM FINANCIAL REPORT
For 3 Month Period Ended August 31, 2011

5. Segmental information

a. Business segments

The results are for the 3 months period ended 31 August 2011.

Segment :	Trading of Tyres RM'000	Logistics Singapore RM'000	Logistics Solution RM'000	Total RM'000
Revenue	4,427	1,222	4,285	9,934
Profit before taxation	301	83	(135)	249
Assets	20,671	1,712	34,750	57,133
Liabilities	12,838	1,183	12,296	26,317

b. Geographical segments

The results are for the 3 months period ended 31 August 2011 for geographical segments.

	Malaysia RM'000	Singapore RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue					
External	8,715	324	-	-	9,039
Inter-segment	348	464	-	(812)	-
Total revenue	9,063	788		(812)	9,039
Profit from operations					483
Finance costs					(260)
Share of profit in an associate					-
Profit before taxation					224
Other Information					
Segment assets	34,082	19	-	-	34,101
Capital expenditure	-	-	-	-	-



INTERIM FINANCIAL REPORT
For 3 Month Period Ended August 31, 2011

6. Unusual items due to their nature, size and incidence

There were no unusual items affecting the Group's assets, liabilities, equity, net income or cash flows during the financial period ended August 31, 2011.

7. Changes in estimates

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

8. Comments about seasonal or cyclical factors

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

9. Dividends paid

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

10. Debt and equity securities

The Company has not issued nor repaid any debt and equity securities for the financial year to date.

11. Changes in the composition of the Group

Transocean Holdings Bhd, on 28 July 2010, entered into a SPA to purchase the remaining 80% equity interest in TFS Logistics Pte Ltd ("TFS") represented by 200,010 ordinary shares of Singapore Dollar ("SGD")1.00 each which are currently held by TFS Line Pte Ltd for a total cash consideration of SGD400,571.

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

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



INTERIM FINANCIAL REPORT
For 3 Month Period Ended August 31, 2011

12. Capital commitments

Transocean Holdings Bhd started to implement the “Fleet Replacement Exercise” with vehicles ordered but yet to be delivered amounting to RM 525,559.28 only.

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

13. Changes in contingent liabilities and contingent assets

Contingent liabilities of the Company as at October 6, 2011, other than material litigation as disclosed in Note 25, since the last annual balance sheet date comprise:-

	As at 06/10/11 RM'000	As at 31/05/11 RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	3,231	3,437
- unsecured	1,070	1,128
	<u>4,301</u>	<u>4,565</u>

14. Subsequent events

There were no events of a material nature which have arisen between the end of the current quarter and the date of this report that have not been reflected in the financial statements.



INTERIM FINANCIAL REPORT
For 3 Month Period Ended August 31, 2011

NOTES TO THE INTERIM FINANCIAL REPORT

SECTION B

Additional information required by the Bursa Securities' Listing Requirements

15. Performance review

For the quarter under review, the Group recorded revenue of RM9.039 million and profit before taxation of RM0.223 million as compared to revenue of RM8.020 million and Profit before taxation of RM0.247 million for the corresponding quarter in the preceding year.

The increase in revenue of RM1.019 million or 13% was derived from better sales of tires and the 2 months sale revenue from the Singapore operating unit.

16. Comment on results against preceding quarter

	Current Quarter 31/08/11 RM'000	Immediate Preceding Quarter 31/05/11 RM'000	Variation %
Gross revenue	9,039	8,322	8.6%
Operating profit / (loss) before depreciation and finance cost	731	553	32.18%
Profit / (loss) before taxation and results from associate	224	24	>100%
Net profit / (loss) attributable to owners of the parent	116	383	(69.71)%

The group's revenue increased by RM0.717 million or 8.6% compared to the preceding quarter and this included of 2 months sale revenue (RM0.788 Million) from TFS line Singapore operation.



INTERIM FINANCIAL REPORT
For 3 Month Period Ended August 31, 2011

Increase in profit before taxation for the quarter as compared with the previous quarter was due to better profit from sales of tires and the inclusion of profit from the Singapore unit.

Profit after taxation decreased by 70% as compared to the previous quarter was mainly due to writing back of over provision of taxation for the previous year.

17. Commentary on prospects

Despite the tumbling of prices of commodities and oil amid the weakening global stock markets, a deepening eurozone debts crisis and US economy continuing with its downward spiral, Malaysian economy remained optimistic projecting at 5.2% growth for the year 2011 owing to support from domestic demands lead by robust investment and the implementation of Government ETP projects.

The group is confident of achieving better results after revamping the logistics division and the continuous replacement of the old trucks to reduce operating cost and to improve efficiency.

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 31/08/11 RM'000	Current Year-to-date 31/08/11 RM'000
Current year provision	107	107
Provision in prior year taxation	0	0
Deferred taxation	0	0
	<u>107</u>	<u>107</u>

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

20. Sale of unquoted investment and/or properties

There was no sale of unquoted investments and/or properties by the Group in the current quarter and financial year-to-date.

**INTERIM FINANCIAL REPORT**
For 3 Month Period Ended August 31, 2011**21. Quoted Securities**

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

22. Corporate proposal

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

23. Borrowings

Total Group borrowings as at August 31, 2011 were as follows :-

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings			
Term loan	1,668	123	1,790
Hire-purchase and lease payables	684	0	684
	<u>2,351</u>	<u>123</u>	<u>2,474</u>
Short term borrowings			
Overdrafts	5,828	728	6,556
Term loan	1,130	263	1,393
Banker's acceptance and revolving credit	2,345	0	2,435
Hire-purchase and lease payables	251	0	251
	<u>9,554</u>	<u>991</u>	<u>10,545</u>
Total Borrowings	<u>11,905</u>	<u>1,114</u>	<u>13,019</u>

As at October 6, 2011, 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 October 6, 2011



INTERIM FINANCIAL REPORT
For 3 Month Period Ended August 31, 2011

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 July 27, 2011 except for Transocean Haulage Services Sdn Bhd (“THS”), a subsidiary of Transocean Holdings Bhd, which has commenced legal action against EHaul Logistics Sdn Bhd (“EHaul”) and Michael Tan (“MT”) to recover the sum of RM754,798 for invoices outstanding and the sum of RM1,700,577 for estimated repair costs and losses suffered. The hearing for the summary judgment application was held on 21 June 2010. The Court then decided to schedule the case for case management on 19 December 2011.

26. Dividend payable

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

27. Profit per share

Basic profit per share amounts are calculated by dividing profit for the period attributable to owners of the parent by the weighted average number of shares in issue during the period.

	Current Year Quarter Ended 31/08/11	Preceding Year Quarter Ended 31/08/10	Current Year-To-Date Ended 31/08/11	Preceding Year-To-Date Ended 31/08/10
Profit attributable to owners of the parent (RM'000)	116	144	116	144
No of ordinary shares in issue ('000)	40,999	40,999	40,999	40,999
Basic profit per share (sen)	0.28	0.35	0.28	0.35



INTERIM FINANCIAL REPORT
For 3 Month Period Ended August 31, 2011

28. Disclosure of Realised and Unrealised Profits/Losses

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

	Current Quarter 31/08/2011 RM'000	Immediate Preceding Quarter 31/05/2011 RM'000
Total accumulated losses of the Group:-		
- Realised	(17,832)	(17,948)
- Unrealised	(859)	(859)
Total accumulated losses	(18,691)	(18,807)

29. Change of financial year end

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

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

30. Authorisation for issue

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

By order of the Board
Dated 7th day of October, 2011