TRANSOCEAN HOLDINGS BHD

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

UNAUDITED
INTERIM
FINANCIAL REPORT
FOR 7 MONTHS PERIOD ENDED
DECEMBER 31, 2011

Dated February 29, 2012

INTERIM FINANCIAL REPORT
For 7 Months Period Ended December 31, 2011

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TRANSOCEAN HOLDINGS BHD (36747-U)

INTERIM FINANCIAL REPORT
For 7 Months Period Ended December 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 December 31, 2011.

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER	CUMULATIVE QUARTER
	Current Year December month Ended 31/12/11 RM'000	Current Year-To-Date Ended 31/12/11 RM'000
Revenue	**2,096**	**19,204**
Operating profit before depreciation and finance cost	388	2,094
Depreciation & amortization	(96)	(640)
Profit from operations	**292**	**1,454**
Finance cost	(74)	(619)
	218	835
Share of profit of associate	30	30
Profit before taxation	**248**	**865**
Income tax expense	(166)	(320)
Profit for the period	**82**	**545**
Attributable to :		
Owners of the parent	48	511
Non - controlling interests	34	34
	82	545
Profit per share attributable to owners of the parent :		
- Basic (sen)	0.20	1.33
- Diluted (sen)	-------------------- Not applicable	---------------------

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

The Group changes the financial year end from May 31 to December 31. Consequently no comparative data available for both individual quarter and the cumulative quarter.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At 31/12/11 RM'000	Audited As At 31/05/11 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	32,164	31,605
Prepaid land lease payments	2,049	2,049
Investment in associates	-	351
Intangible assets	4,002	3,562
	38,215	37,567
Current Assets		
Inventories	322	421
Trade receivables	15,258	13,161
Other receivables	3,737	3,165
Tax Recoverable	-	-
Cash and bank balances	384	1,028
	19,701	17,775
TOTAL ASSETS	**57,916**	**55,342**
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	40,999	40,999
Other reserve	8,534	8,534
Accumulated losses	(18,302)	(18,807)
	31,231	**30,726**
Non-Controlling Interest	34	**-**
Total equity	**31,265**	**30,726**
Non-current liabilities		
Borrowings	2,548	2,517
Deferred tax liabilities	1,278	1,324
	3,826	3,841

Current liabilities		
Borrowings	9,815	9,327
Trade payables	3,773	5,231
Other payables	9,169	5,941
Tax payables	68	276
	22,825	20,775
Total liabilities	**26,651**	**24,616**
TOTAL EQUITY AND LIABILITIES	**57,916**	**55,342**
Net assets per share attributable to owners of the parent (RM)	**0.76**	**0.75**

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

INTERIM FINANCIAL REPORT
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Parent					
	Share Capital RM'000	Non-distributable Other Reserve RM'000	Accumulated Losses RM'000	Shaholders' Equity RM'000	Non-Controlling Interest RM'000	Total Equity RM'000
At June 1, 2011	40,999	8,534	(18,807)	30,726	-	30,726
Net Profit for the financial year	-	-	545	545	(34)	511
Changes foreign exchange translation reserve	-	-	(6)	(6)		(6)
Total comprehensive income	-	-	539	539	(34)	505
Balance as at December 31, 2011	40,999	8,534	(18,268)	31,265	(34)	31,231
At June 1, 2010	40,999	5,652	(20,113)	26,538	-	26,538
Total comprehensive income for the year	-	2,882	1,306	4,188	-	4,188
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 financial 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 7 Months Period Ended December 31, 2011

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year-To-Date Ended 31/12/11 RM'000	Audited As at 31/05/11 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	865	1,447
Adjustment for :-		
Non-cash items	705	1,211
Non-operating items	557	324
Operating profit before working capital changes	2,127	2,982
Changes in working capital :-		
Net change in current assets	(2,570)	(522)
Net change in current liabilities	1,770	1,116
Cash generated used in operations	1,327	3,576
Interest paid	(619)	(1,240)
Taxation paid	(668)	(415)
Net cash generated from/ (used in) operating activities	**40**	**1,920**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(1,236)	(364)
Net dividend received	-	-
Proceeds from disposal of property, plant and equipment	32	3,228
Net cash (used in)/ generated from investing activities	**(1,204)**	**2,864**
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of revolving credit and banker's acceptance		
Repayment of loans, hire-purchase and lease payables	594	(3,757)
Net cash generated from/ (used in) financing activities	**594**	**(3,757)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(569)**	**1,028**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(4,993)	(6,020)
CASH AND CASH EQUIVALENTS AT END OF YEAR	**(5,562)**	**(4,993)**
Cash and cash equivalents comprise :-		
Cash and bank balances	384	1,027
Bank overdrafts (included within short term borrowings in Note 23)	(5,946)	(6,021)
	(5,562)	**(4,993)**

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

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.

The financial year covered 7 months period only due to change of financial year to end on 31st December 2011.

2. Accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 May 2011 except for the adoption of the following new / revised Financial Reporting standards ("FRSs"), amendments to FRS and Issues Committee ("IC") Interpretations effective for financial periods as stated below:-

		Effective date for financial periods beginning on or after
FRS 1	First-time Adoption of Financial Reporting Standards (revised)	1 July 2010
FRS 3	Business Combinations (revised)	1 July 2010
FRS 127	Consolidated and Separate Financial Statements (revised)	1 July 2010
Amendments to FRS 2	Share-based Payment - paragraphs 5 and 61	1 July 2010
	Group Cash - settled Shares - based Payment Transactions	1 January 2011
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
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
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives		1 July 2010
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures of First-time Adopters	1 January 2011
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
IC Interpretation 4	Determining Whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18	Transfers of Assets from Customers	1 January 2011
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"		1 January 2011

The adoption of the above standards, amendments and interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group except as described as follows:

<u>FRS 127 Consolidated and Separate Financial Statements (Revised)</u>
The revised FRS 127 requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the minority shareholders to be absorbed by minority shareholders instead of by the parent.

The Group applies these changes prospectively.

<u>FRS 3 Business Combinations (Revised)</u>
The revised FRS 3 introduces a number of significant changes to the accounting for business combinations with greater use of fair value. These changes include recognising all acquisition-related costs as expense, measuring any pre-existing interest at fair value and allowing measurement of non-controlling interest at either fair value or at its proportionate share of the acquiree's net identifiable assets.

The Group applies these changes prospectively.

The Malaysian Accounting Standards Board ("MASB"), in furtherance of its objective of converging the accounting framework for entities other than private entities in Malaysia with International Financial Reporting Standards ("IFRS"), announced on 19 November 2011 the issuance of Malaysian Financial Reporting Standards ("MFRS"). Entities other than private entities shall apply the MFRS framework for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Interpretation 15 Agreement for the Construction of Real Estate.

An entity subject to the application of MFRS 141 and/or IC Interpretation 15 may continue to apply Financial Reporting Standard ("FRS") as its financial reporting framework for annual reporting periods beginning on or after 1 January 2012. The entity shall comply with the MFRS framework for annual periods beginning on or after 1 January 2013.

An entity that consolidates or equity accounts or proportionately consolidates another entity that has chosen to apply FRSs as its financial reporting framework may itself choose to apply FRSs as its financial reporting framework for annual periods beginning on or after 1 January 2012. The entity shall comply with MFRS framework for annual periods beginning on or after 1 January 2013.

The application of the MFRS framework have no significant impact on the financial statements of the Group.

Significant Accounting Estimates and Judgments

(1) Critical Judgments Made in Applying Accounting Policies

There are no critical judgments made by the 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 statement of financial position, 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:

(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.

5. Segmental information

a. Business segments

The results are for the 7 months period ended 31 December 2011.

	Trading of Tyres RM'000	Logistics Singapore RM'000	Logistics Malaysia RM'000	Total RM'000
Segment :				
Revenue	9,147	1,095	9,500	19,204
Profit/(Loss)before taxation	834	299	(268)	865
Assets	18,505	1,659	37,752	57,916
Liabilities	13,529	1,011	12,111	26,651

b. Geographical segments

The results are for the 7 months period ended 31 December 2011 for geographical segments.

	Malaysia	Singapore	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External	18,386	818	-	-	19,204
Inter-segment	472	1,556	-	(2,028)	-
Total revenue	18,858	2,374		(2,028)	19,204
Profit from operations					1,454
Finance costs					(619)
					-
Profit before taxation					865
Other Information					
Segment assets	56,257	1,659	-		57,916
Capital expenditure	-	-	-	-	-

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 December 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 or repaid any debt and equities security for the financial year to date.

11. Changes in the composition of the Group

On 28 July 2010, the Group entered into a conditional Share Purchase Agreement ("CSPA") with TFS Line Pte. Ltd to acquire the remaining 200,100 ordinary shares of Singapore Dollar 1.00 each in TFS Logistics Pte.Ltd ("TFS Logistics") representing 80% of the issued and paid up share capital of TFS Logistics, at a total consideration of SGD 400,571.00.

The parties had subsequently mutually agreed to adjust the Purchase Consideration from SGD400,751.00 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. TFS Logistics has since become a wholly owned subsidiary of the Group.

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

12. Capital commitments

The amount of capital commitment not provided for in the interim financial statement as at 31 December 2011 are as follows:-

Approved and contracted for	RM'000
Purchase of motor vehicle	1,600
Computer Integration Project	124
	1,724

13. Changes in contingent liabilities and contingent assets

Contingent liabilities of the Company as at December 31, 2011, other than material litigation as disclosed in Note 24, since the last annual statement of financial position date comprise:-

	As at 31/12/11 RM'000	As at 31/05/11 RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	3,072	3,437
- unsecured	1,230	1,128
	4,302	4,565

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.

NOTES TO THE INTERIM FINANCIAL REPORT

SECTION B

Additional information required by the Bursa Securities' Listing Requirements

15. Performance review

The Group recorded total revenue of RM19.204 million and net profit after taxation of RM0.515 million for seven month periods ending 31st December 2011 under review.

There was no comparative data for previous financial year due to change of financial year end from 31st May to 31st December.

The 2nd half of 2011 was gripped by Europe's debt crisis and political upheavals in a number of Middle East Countries. Malaysia's economy growth at 5.1% for the year 2011 as domestic demand conditions remained favorable supported by both private and public sector spending.

However, the logistic industry has been slowed down due to supply chain disruption resulting from production stoppage for automotive and electronic component parts from factories located in Thailand's flood affected areas. These factors had been affecting the cross border trucking services between Thailand/Malaysia/Singapore for the 2nd half of 2011.

16. Comment on results against preceding quarter

	Current December month only RM'000	Immediate Preceding Quarter 30/11/11 RM'000	Variation %
Gross revenue	2,096	8,069	>(100)%
Operating profit / (loss) before depreciation and finance cost	388	976	>(100)%
Profit before taxation and results from associate	82	394	>(100)%
Net profit attributable to owners of the parent	82	347	>(100)%

There was no previous quarter suitable comparison data because the current quarter covered the month of December 2011 only.

Decrease in sale revenues for the month of December 2011 was due to slow down in logistics activities resulting from disruption of supply chain for electronic, industrial and consumer goods manufactured in Thailand affected by flood. Disruptions were caused by flood water damaging the relevant machineries and/or the stocks.

17. Commentary on prospects

Global economic and trade flows will be affected by uncertainties arising from the debt crisis, problems in Middle East particularly Iran and elections for major countries such as US, France, Germany and China during the year 2012.

The Malaysian economy remained promising with the government projecting a 5% growth for the year 2012 due to election budgets, aggressive implementation of government ETP projects and strong domestic demands.

The group is now a total logistics solution provider covering the whole of West Malaysia. It is a major provider of chartered and consolidated cross border trucking services to & from Thailand/Malaysia/Singapore.

The group expected cross border trucking activities between Thailand/Malaysia/Singapore to remain slow in 1st quarter because of machineries and stock damaged by flood waters in Thailand. The damaged assets need to go through complicated insurance procedures before production could be resumed. Trucking activities could only be expected to resume normal after the 2nd quarter 2012.

The slow down in cross border trucking activities is expected to affect the group performance for the 1st half of 2011.

18. Profit forecast or profit guarantee

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

19. Profit before taxation is derived after (charging/crediting):-

	Current Quarter 31/12/2011 RM'000	Current year to-date 31/12/2011 RM'000
Interest Income	2	2
Interest expenses	(74)	(619)
Other Income	270	270
Depreciation and amortization	(96)	(640)
Realized foreign exchange gain/(loss)	33	33
Gain on sales on assets	32	32
Impairment for doubtful debts	30	30
Share of profit of associate	30	30

20. Income tax expense

	Current Quarter 31/12/11 RM'000	Current Year-to-date 31/12/11 RM'000
Current year provision	166	320

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

21. 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.

22. Borrowings

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

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings			
Term loan	1,498	46	1,544
Hire-purchase and lease payables	1,003	-	1,003
	2,501	46	2,547
Short term borrowings			
Overdrafts	5,086	860	5,946
Term loan	294	263	557
Banker's acceptance and revolving credit	2,926	-	2,926
Hire-purchase and lease payables	387	-	387
	8,693	1,123	9,816
Total Borrowings	**11,194**	**1,169**	**12,363**

As at February 29, 2012, the Group does not have any exposure in borrowings and debt securities denominated in foreign currency.

23. Off balance sheet financial instruments

There were no financial instruments with off balance sheet risks at the date of issue of the report.

24. 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 19, 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") on 10 October 2008 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 Court has decided to schedule the case for case management on 13 August 2012.

25. Dividend payable

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

26. 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 Quarter for December month Ended 31/12/11 only	**Current 7 months period ended 31/12/11**
Profit attributable to owners of the parent (RM'000)	47	511
No of ordinary shares in issue ('000)	40,999	40,999
Basic profit per share (sen)	0.11	1.23

27. Disclosure of Realised and Unrealised Losses

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

	As at 31/12/2011 RM'000	As at 31/05/2011 RM'000
Total accumulated losses of the Group:-		
- Realised	**(17,443)**	**(17,948)**
- Unrealised	**(859)**	**(859)**
Total accumulated losses	**(18,302)**	**(18,807)**

28. Change of financial year end

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

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

29. Authorisation for issue

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

By order of the Board

Dated 29th day of February, 2012