



TRANSOCEAN HOLDINGS BHD

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

UNAUDITED INTERIM FINANCIAL REPORT FOR SECOND QUARTER ENDED JUNE 30, 2012

Dated August 30, 2012



INTERIM FINANCIAL REPORT
For the Second Quarter ended June 30, 2012

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The Board of Directors is pleased to announce the Interim Financial Report on consolidated results of the Group for the second quarter ended June 30, 2012.

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER	CUMULATIVE QUARTER
	Current	Current
	Year	Year-To-Date
	Quarter	Ended
	Ended	Ended
	30/06/12	30/06/12
	RM'000	RM'000
Revenue	10,007	19,354
Operating profit before depreciation and finance cost	1,054	1,811
Depreciation & amortization	(240)	(503)
Profit from operations	814	1,308
Finance cost	(251)	(518)
Profit before taxation	563	790
Income tax expense	(164)	(229)
Profit for the period	399	561
Attributable to :		
Owners of the parent	399	561
Non - controlling interests	-	-
	399	561
Profit per share attributable to owners of the parent :		
- Basic (sen)	0.97	1.37
- Diluted (sen)	-----	Not applicable -----

(The Condensed Consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial period ended December 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.

**INTERIM FINANCIAL REPORT**
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	Unaudited As At 30/06/12 RM'000	Audited As At 31/12/11 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	31,774	32,195
Intangible assets	4,003	4,002
	<u>35,777</u>	<u>36,197</u>
Current Assets		
Inventories	190	322
Prepaid land lease payments	2,019	2,019
Trade receivables	13,342	17,429
Other receivables	837	987
Tax Recoverable	-	247
Cash and bank balances	210	384
	<u>16,598</u>	<u>21,388</u>
TOTAL ASSETS	<u>52,375</u>	<u>57,585</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	40,999	40,999
Reserve –non distributable	7,728	7,732
Accumulated losses	(16,927)	(17,500)
Non-controlling interests	34	34
Total equity	<u>31,834</u>	<u>31,265</u>
Non-current liabilities		
Borrowings	2,076	2,609
Deferred tax liabilities	1,278	1,278
	<u>3,354</u>	<u>3,887</u>



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Current liabilities

Borrowings	10,646	9,713
Trade payables	4,635	9,606
Other payables	1,806	2,783
Tax payables	100	331
	<u>17,187</u>	<u>22,433</u>

Total liabilities

20,541 **26,320**

TOTAL EQUITY AND LIABILITIES

52,375 **57,585**

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

0.78 **0.76**

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

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Parent*				Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Asset Revaluation Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Distributable Accumulated Losses RM'000			
At January 1, 2012	40,999	7,738	(5)	(17,500)	31,231	34	31,265
Net Profit for the financial period	-	-	(5)	573	568		568
Balance as at June 30, 2012	40,999	7,738	(10)	(16,927)	31,799	34	31,833
At June 1, 2011	40,999	8,534	-	(18,807)	30,725	-	30,725
Realisation of asset revaluation reserve		(796)		(796)			
Net Profit for the financial period	-		(5)	511	506	34	541
At December 31, 2011	40,999	7,738	(5)	(17,500)	31,231	34	31,265

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

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year-To- Date Ended 30/06/12 RM'000	Audited as at 31/12/11 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	790	882
Adjustment for :-		
Non-cash items	563	760
Non-operating items	508	482
Operating profit before working capital changes	1,861	2,124
Changes in working capital :-		
Net change in current assets	4,368	3,345
Net change in current liabilities	(5,947)	(3,757)
Cash generated from operations	282	1,712
Interest paid	(517)	(575)
Taxation paid	(162)	(588)
Net cash generated (used in)/generated from operating activities	(397)	549
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(144)	(168)
Acquisition of a subsidiary company	(1)	(414)
Proceeds from disposal of property, plant and equipment	10	32
Net cash (used in) investing activities	(135)	(550)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase and lease payables	(414)	(474)
Repayment of term loans	(369)	(340)
Net cash generated (used in) financing activities	(783)	(814)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,315)	(815)
Effect of exchange rate changes	(5)	(1)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(5,809)	(4,993)
CASH AND CASH EQUIVALENTS AT END OF YEAR	(7,129)	(5,809)
Cash and cash equivalents comprise :-		
Cash and bank balances	210	436
Bank overdrafts (included within short term borrowings in Note 22)	(7,339)	(6,245)
	(7,129)	(5,809)

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



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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 financial period ended December 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.

2. Accounting Policies

The Group has adopted the MFRS Framework which is effective for annual financial periods beginning on or after 1 January 2012 in these interim financial statements. The Group has adopted the MFRS framework for the first time and consequently the Group has applied the MFRS 1: First-time adoption of Malaysian Financial Reporting Standards.

The significant accounting policies and methods of computation adopted for the interim financial report are consistent with those of the audited financial statements for the financial period ended 31 December 2011. The transition from FRS to MFRS did not have material impact on comprehensive income, financial position and cash flow of the Group.

As at date of authorization of the interim financial statements, the Group have not earlier adopted the following MFRS, Ic Interpretation and amendments to MFRS, which have been issued and will be effective for the financial period as stated below:-

		<u>Effective date for financial periods beginning on or after</u>
Amendments to		
MFRS 101	Presentation of items of Other Comprehensive Income	1 July 2012
MFRS 10	Consolidated Financial Statements	1 January 2013



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MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests In Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements (IAS 27 as amended	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures (IAS 28 As amended by IASB in June 2011)	1 January 2013
IC Int 20	Stripping Costs in the Production Phase of Surface Mine	1 January 2013
Amendments To MFRS 7	Disclosure – offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments To MFRS 132	Off-setting Financial Assets and Financial Liabilities	1 January 2014
MFRS 9	Financial Instruments (IFRS 9 Issued by IASB in November 2009) Financial Instruments (IFRS 9 Issued by IASB in October 2010)	1 January 2015

The Directors are of the opinion that the adoption of these MFRS, amendment and IC Interpretation will not have any material impact on the financial statement in the period of initial application.

Significant Accounting Estimates and Judgments

(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.

(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.



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(ii) Allowance for doubtful debts

The policy for allowance 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 financial period ended December 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 result for the 6 months period ended 30 June 2012 by business segments.

	Trading of Tyres RM’000	Logistics Singapore RM’000	Logistics Solution RM’000	Total RM’000
Segment :				
Revenue	9,241	2,728	7,385	19,354
Profit/(Loss)before taxation	657	341	(208)	790
Assets	16,942	1,881	33,552	52,375
Liabilities	7,537	824	12,180	20,541

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The results are for the 6 months period ended 30 June 2012 for geographical segments.

	Malaysia	Singapore	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External	18,007	1,347	-	-	19,354
Inter-segment	497	1,381	-	(1,878)	-
Total revenue	18,504	2,728		(1,878)	19,354
Profit from operations					1,308
Finance costs					(518)
					-
Profit before taxation					790
Other Information					
Segment assets	50,494	1,881	-		52,375

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 June 30, 2012.

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.



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9. Dividends paid

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

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

Transocean Holdings Bhd had on 1 June 2012 acquired the remaining of 4,900 ordinary shares of RM1.00 each representing 49% equity interest in Transocean Freight Express Sdn Bhd, a dormant subsidiary company for a cash consideration of RM1,000.00. As a result of the acquisition, Transocean Freight Express Sdn Bhd is now a wholly-owned subsidiary of the Company.

Except for the abovementioned, there were no significant changes in the composition of the group.

12. Capital commitments

There is 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 June 30, 2012, other than material litigation as disclosed in Note 4, since the last annual statement of financial position date comprise:-

	As at 30/06/12 RM'000	As at 31/12/11 RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	2,950	3,437
- unsecured	1,135	1,128
	<u>4,085</u>	<u>4,565</u>

14. Subsequent events

There were no events of a material nature which have arisen between the end



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of the current quarter and the date of this report that have not been reflected in the financial statements.

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SECTION B

Additional information required by the Bursa Securities' Listing Requirements

15. Performance review

The Group recorded revenue of RM10 million and net profit after taxation of RM0.399 million for the quarter under review, with no comparative data for the previous quarter due to the change of financial year end.

Overall Increased in sale revenues and profits for the 2nd quarter as compared with previous quarter due to supply chain trucking for electronic components between Thai/Mal/Sin disrupted by Thailand's flood had been resumed to normal resulting in an increase in revenues during the quarter.

16. Comment on results against preceding quarter

	Current Quarter 30/06/12 RM'000	Immediate Preceding Quarter 31/03/12 RM'000	Variation %
Gross revenue	10,007	9,347	7.06%
Operating profit / (loss) before depreciation and finance cost	1,054	757	39.23%
Profit before taxation	563	228	>100%
Net profit attributable to owners of the parent	399	163	>100%



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The Group’s gross revenue increased by 7.06% from RM9.347 million to RM10 million was due to increase in cross border trucking services between Thai/Mal/Sin. Profit before Tax increase of RM0.333 million was mainly attributed to strict control on operating cost.

Net profit for the period increased by more than 145% as compared with the previous quarter due to increase in revenues and effective cost control.

17. Commentary on prospects

Sovereign debts problems of EU remain unresolved affecting the global economic and trade performance. There are already signs of slow down in electronic industry during the 3rd quarter and is expected to recover only towards the end of the year.

The Malaysian economy remained promising due to election budgets, aggressive implementation of government ETP projects. However, domestic demand is anticipated to slow down during the 2nd half of 2012 due to external factors.

With the additional 10 new trucks to be delivered during the 3rd quarter, operating cost for the trucks is expected to be reduced. Cross border trucking activities between Thai/Mal/Sin has been affected due to more goods are coming into Mal/Sin then goods exported from Sin/Mal to Thailand. The group targets to open up local haulage services from Iskandar development in Johor Bahru to compliment the cross border trucking activities between Sin/Mal/Thai during the 2nd half of 2012.

The group hopes to maintain its revenues and profits for the 2nd half of 2012.

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 30/06/2012 RM'000	Current year to-date 30/06/2012 RM'000
Interest expenses	251	518
Other Income	-	-
Depreciation and amortization	240	503
Realized foreign exchange (loss)	5	10

20. Income tax expense

Current Quarter	Current Year-to-date
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	30/06/12 RM'000	30/06/12 RM'000
Current year provision	164	229

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

21. Corporate proposal

There was no corporate proposal by the Group for the current quarter and financial year-to-date.

22. Borrowings

Total Group borrowings as at June 30, 2012 were as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings			
Term loan	1,219	-	1,219
Hire-purchase and lease payables	857	-	857
	<u>2,076</u>	<u>-</u>	<u>2,076</u>
Short term borrowings			
Overdrafts	6,552	787	7,339
Term loan	1,117	189	1,306
Banker's acceptance and revolving credit	1,686	-	1,686
Hire-purchase and lease payables	315	-	315
	<u>9,670</u>	<u>976</u>	<u>10,646</u>
Total Borrowings	<u>11,746</u>	<u>976</u>	<u>12,722</u>

As at June 30, 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



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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 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 trial for the case has been fixed by the court to be heard on the 10th to 14th September 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 Year Quarter Ended 30/06/12	Current Year-To-Date Ended 30/06/12
Profit attributable to owners of the parent (RM'000)	399	561
No of ordinary shares in issue ('000)	40,999	40,999
Basic profit per share (sen)	0.97	1.37

27. Disclosure of Realised and Unrealised Losses

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

	Current Quarter 30/06/2012 RM'000	Audited 31/12/2011 RM'000
Total accumulated losses of the Group:-		



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- Realised	(15,378)	(16,151)
- Unrealised	(1,549)	(1,549)
Total accumulated losses	(16,927)	(17,500)

28. Authorisation for issue

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

By order of the Board

Dated 30th day of August, 2012