



TRANSOCEAN HOLDINGS BHD

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

UNAUDITED INTERIM FINANCIAL REPORT FOR FIRST QUARTER ENDED MARCH 31, 2013

Dated May 30, 2013



INTERIM FINANCIAL REPORT
For the First Quarter ended March 31, 2013

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The Board of Directors is pleased to announce the Interim Financial Report on consolidated results of the Group for the first quarter ended March 31, 2013.

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/03/13 RM'000	Preceding Year Quarter Ended 31/03/12 RM'000	Current Year-To-Date Ended 31/03/13 RM'000	Preceding Year-To-Date Ended 31/03/12 RM'000
Revenue	6,863	9,347	6,863	9,347
Operating profit before depreciation and finance cost	892	759	892	759
Depreciation & amortization	(303)	(263)	(303)	(263)
Profit from operations	589	496	589	496
Finance cost	(366)	(266)	(366)	(266)
Profit before taxation	223	230	223	230
Income tax expense	(108)	(65)	(108)	(65)
Profit for the period	115	163	115	163
Attributable to :				
Owners of the parent	115	163	115	163
Non - controlling interests	-	-	-	-
	115	163	115	163
Profit per share attributable to owners of the parent :				
- Basic (sen)	0.28	0.40	0.28	0.40
- Diluted (sen)	-----	Not applicable	-----	

(The Condensed Consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended December 31, 2012 and the accompanying explanatory notes attached to the Interim Financial Report)

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited As At 31/03/13 RM'000	Audited As At 31/12/12 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	24,603	24,766
Goodwill on consolidation	4,004	4,004
Deferred tax assets	194	194
	<hr/> 28,801	<hr/> 28,964
Current Assets		
Asset held for sale	10,220	10,220
Inventories	289	360
Prepaid land lease payments	1,967	1,967
Trade receivables	12,344	15,682
Other receivables	1,778	1,642
Tax Recoverable	202	314
Cash and bank balances	201	602
	<hr/> 27,001	<hr/> 30,787
	<hr/>	<hr/>
TOTAL ASSETS	<hr/> 55,802	<hr/> 59,571
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	40,999	40,999
Reserve	(8,726)	(8,843)
Non-controlling interests	31	31
Total equity	<hr/> 32,304	<hr/> 32,187
Non-current liabilities		
Borrowings	4,209	5,078
Deferred tax liabilities	1,339	1,250
	<hr/> 5,548	<hr/> 6,328



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Current liabilities		
Borrowings	12,036	13,055
Trade payables	3,305	4,309
Other payables	2,609	3,647
Tax payables	-	225
	<u>17,950</u>	<u>21,236</u>
Total liabilities	23,498	27,564
TOTAL EQUITY AND LIABILITIES	<u>55,802</u>	<u>59,751</u>
Net assets per share attributable to owners of the parent (RM)	<u>0.79</u>	<u>0.78</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended December 31, 2012 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
	Non-distributable	Distributable	Foreign Exchange Translation Reserve RM'000	Accumulated Losses RM'000			
	Share Capital RM'000	Asset Revaluation Reserve RM'000					
At January 1, 2013	40,999	-	30	(8,873)	32,155	31	32,187
Net Profit for the financial period	-	-	2	115	117	-	117
Balance as at March 31, 2013	40,999	-	32	(8,758)	32,272	31	32,304
At Jan 1, 2012		-	-				
As previously stated	40,999	7,738	(5)	(17,500)	31,231	34	31,265
Effect of adopting MFRS 1	-	(7,738)	5	7,733	-	-	-
As restated	40,999	-	-	(9,767)	31,231	34	31,265
Acquisition of non-controlling interest						1	1
Total Comprehensive income:-							
Net profit for the financial year	-	-	-	894	894	(4)	890
Other comprehensive income	-	-	30	-	30	-	30
							920
At December 31, 2012	40,999	-	30	(8,873)	32,155	31	32,187

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended December 31, 2012 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 31/03/13 RM'000	Preceding Year-To- Date Ended 31/03/12 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	223	230
Adjustment for :-		
Non-cash items	323	192
Non-operating items	301	253
Operating profit before working capital changes	<u>847</u>	<u>675</u>
Changes in working capital :-		
Net change in current assets	1,465	4,890
Net change in current liabilities	<u>(2,886)</u>	<u>(6,134)</u>
Cash generated used in operations	(574)	(572)
Interest paid	(366)	(267)
Taxation paid	<u>(79)</u>	<u>(108)</u>
Net cash used in operating activities	<u>(1,019)</u>	<u>(947)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(166)	(7)
Proceeds from disposal of property, plant and equipment	65	10
Net cash used in generated from investing activities	<u>(101)</u>	<u>3</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase and lease payables	(206)	124
Changes in BA	(668)	-
Repayment of term loans	<u>(435)</u>	<u>(174)</u>
Net cash used in financing activities	<u>(1,309)</u>	<u>(50)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(2,429)</u>	<u>(994)</u>
Effect of exchange rate changes	(2)	(2)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>(5,615)</u>	<u>(5,809)</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>(8,046)</u>	<u>(6,805)</u>
Cash and cash equivalents comprise :-		
Cash and bank balances	253	83
Bank overdrafts (included within short term borrowings in Note 22)	<u>(8,299)</u>	<u>(6,888)</u>
	<u>(8,046)</u>	<u>(6,805)</u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended December 31, 2012 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 Malaysia Financial Reporting Standard ('MFRS') 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 year ended December 31, 2012. 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. 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 year ended 31 December 2012.

The Director of the company anticipate that the application of the following Malaysian Financial Reporting Standards "MFRS" which are mandatory and will be effective for financial period as stated below will have no material impact on the financial statement of the company:-

		<u>Effective date for financial periods beginning on or after</u>
Amendments To MFRS 1	Government loan	1 Jan 2013
MFRS 10	Consolidated Financial Statements	1 January 2013
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 1	Government loans	1 January 2013
Amenments To MFRS 10, MFRS 11 & MFRS 12	Consolidated Financial statements, Joint Arrangements and Disclosure of interests in other Entities: Transition Guidance	1 January 2013



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Annual Improvements	2009-2011 Cycle	
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)	1 January 2015
	Financial Instruments (IFRS 9 Issued by IASB in October 2010)	

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.

(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.



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(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 year ended December 31, 2012 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 3 months period ended 31 March 2013 by business segments.

	Trading of Tyres RM'000	Logistics Singapore RM'000	Logistics Solution RM'000	Total RM'000
Segment :				
Revenue	3,022	1,120	2,721	6,863
Profit/(Loss)before taxation	423	108	(308)	223
Assets	14,570	2,556	38,676	55,802
Liabilities	7,882	1,054	14,562	23,498



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b. Geographical segments

The results are for the 3 months period ended 31 March 2013 for geographical segments.

	Malaysia	Singapore	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External	6,366	497	-	-	6,863
Inter-segment	189	623	-	(812)	-
Total revenue	6,555	1,120		(812)	6,863
Profit from operations					589
Finance costs					(366)
Profit before taxation					223
Other Information					
Segment assets	53,246	2,556	-		55,802

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 March 31, 2013.

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.



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11. Changes in the composition of the Group

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 March 31, 2013, other than material litigation as disclosed in Note 24, since the last annual statements of financial position date comprise:-

	As at 31/03/13 RM'000	As at 31/03/12 RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	5,836	3,086
- unsecured	1,010	1,218
	<u>6,846</u>	<u>4,304</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.



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SECTION B

Additional information required by the Bursa Securities' Listing Requirements

15. Performance review

The Group recorded revenues of RM6.863 million for the 1st quarter ended 31 March 2013 compared with RM9.347 million for the previous years' quarter, a drop of 27%. Net profit after tax was RM 0.115 million for the quarter compared with RM0.163 million for the previous years' quarter a drop of 29%.

Tires division recorded drop in revenues due to strict credit control. Reduction in revenue for logistic division was due to slow down in cross border trucking activities between Sin/Mal resulted from economic slowdown faced by Singapore during the 1st quarter of 2013.

Both tires and logistic division recorded lower profits as compared with previous year's quarter because of decrease in sale revenues.

The external environment, with sluggish US growth and the downturn in eurozone, remains a major worry for Malaysia's economy which slowed down GDP growth to 4.1% for the 1st quarter of 2013. Construction sector is the main achiever with growth at 14.7% while manufacturing sector recorded growth of 0.3% only.

16. Comment on material change in profit before taxation

	Current Quarter 31/03/13 RM'000	Immediate Preceding Quarter 31/12/12 RM'000	Variation %
Gross revenue	6,863	7,775	-11.7%
Operating profit before depreciation and finance cost	892	694	28.5%
Profit before taxation	223	242	-7.9%
Net profit attributable to owners of the parent	115	259	-55.5%



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Sale revenues decreased by 12% as compared with the preceding quarter due to shorter operating days resulting from more festive holidays during the 1st quarter. Net profit after taxation dropped from RM0.259 million to RM0.115, million due to higher provision for taxation by the tire division.

17. Commentary on prospects

The external risk is most likely to affect growth at the downside as there is no sign of sustainable recovery from the major economies. With BN winning the just completed general election, the government is expected to continue with its Economic Transformation Programs to generate growth. However, the government has to rationalize the budget deficit by cutting subsidies, increasing revenue through implementation of GST and to watch the debt-to GDP ceiling of 55%.

The Group expected increase in sale revenue through penetration into cross border trucking services between Thai/Mal/Sin for car parts and fast moving consumer goods. The increase in revenues from this sector should be able to make up for the reduction in revenues from slow down in logistic movement for electronic goods between Sin/Mal.

The 15 new trucks had replaced the old trucks on long haul operation with substantial cost saving from fuel and maintenance cost.

Latest worry on cross border trucking services between Thai/Mal/Sin is the continuous appreciation of Thai Bahts which might slow down Thai's exports.

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 31/03/2013 RM'000	Current year to-date 31/03/2013 RM'000
Interest expenses	(366)	(366)
Other Income	-	-
Depreciation and amortization	(303)	(303)
Realized foreign exchange gain/(loss)	(2)	(2)

20. Income tax expense

	Current Quarter 31/03/13 RM'000	Current Year-to-date 31/03/13 RM'000
Current year provision	108	108

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



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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 March 31, 2013 were as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings			
Term loan	2,104	-	2,104
Hire-purchase and lease payables	2,105	-	2,105
	4,209	-	4,209
Short term borrowings			
Overdrafts	7,441	858	8,299
Term loan	281	-	281
Banker's acceptance revolving credit and	1,718	-	1,718
Hire-purchase and lease payables	1,738	-	1,738
	11,178	858	12,036
Total Borrowings	15,387	858	16,245

As at March 31, 2013, 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 except:

- a. Transocean Haulage Services Sdn. Bhd (“THS”), a subsidiary of Transocean Holdings Bhd, commenced legal action against EHaul Logistics Sdn Bhd (“EHaul”) and Michael Tan (“MT”) on 27 July 2011 to recover outstanding debts. The Court on 26 November 2012 had awarded a judgment in favor of THS to recover the sum of RM1,657,298 with 2% interest (from 26/11/2011 until full settlement) from both the defendants. THS’s solicitor had served the judgment upon both the defendants on 17 January 2013 but both failed to response. THS’s solicitor is proceeding with Winding up petition and bankruptcy proceeding against Ehaul and Michael Tan respectively.

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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 31/03/13	Preceding Year Quarter Ended 31/03/12	Current Year-To-Date Ended 31/03/13	Preceding Year To-Date Ended 31/03/12
Profit attributable to owners of the parent (RM'000)	115	163	115	163
No of ordinary shares in issue ('000)	40,999	40,999	40,999	40,999
Basic profit per share (sen)	0.28	0.40	0.28	0.40

27. Disclosure of Realised and Unrealised Losses

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

	Current Quarter 31/03/13 RM'000	Immediate Preceding Quarter 31/03/12 RM'000
Total accumulated losses of the Group:-		
- Realised	(7,442)	(8,056)
- Unrealised	(1,284)	(1,549)
Total accumulated losses	<u>(8,726)</u>	<u>(9,605)</u>

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 May, 2013