



TRANSOCEAN HOLDINGS BHD

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THIRD QUARTER ENDED SEPTEMBER 30, 2013

Dated November 28, 2013



INTERIM FINANCIAL REPORT
For the Third Quarter ended September 30, 2013

CONTENTS

	<u>PAGE</u>
1) CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	3
2) CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	4 – 5
3) CONDENSED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY	6
4) CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW	7
5) NOTES TO THE INTERIM FINANCIAL REPORT	
SECTION A : DISCLOSURE NOTES AS REQUIRED UNDER MFRS 134	8 – 12
SECTION B : DISCLOSURE NOTES AS REQUIRED UNDER BURSA MALAYSIA LISTING REQUIREMENTS	13 – 16

**INTERIM FINANCIAL REPORT**
For the Third Quarter ended September 30, 2013

The Board of Directors is pleased to announce the Interim Financial Report on consolidated results of the Group for the second quarter ended September 30, 2013.

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/09/13 RM'000	Preceding Year Quarter Ended 30/09/12 RM'000	Current Year-To-Date Ended 30/09/13 RM'000	Preceding Year-To-Date Ended 30/09/12 RM'000
Revenue	7,072	8,925	20,946	28,279
Operating profit before depreciation and finance cost	719	587	2,501	2,398
Depreciation & amortization	(364)	(268)	(974)	(771)
Profit from operations	355	319	1,527	1,627
Finance cost	(327)	(236)	(968)	(754)
Profit before taxation	28	83	559	873
Income tax expense	-	(19)	(237)	(247)
Profit for the period	28	64	322	625
Other comprehensive income:-				
<u>Items that may be reclassified subsequently to profit or loss</u>				
- Exchange differences arising from translation of foreign operation	(12)	7	(12)	12
Total comprehensive income for the financial period	16	71	310	631
Profit for the period attributable to :				
Owners of the parent	28	64	322	625
Non-controlling interests	-	-	-	-
	28	64	322	625
Total comprehensive income for the financial period attributable to:-				
Owners of the Company	16	71	310	631
Non-controlling interest	-	-	-	-
	16	71	310	631
Profit per share attributable to owners of the parent :				
- Basic (sen)	0.07	0.16	0.78	1.52
- Diluted (sen)	----- Not applicable -----			

(The Condensed Consolidated statements of profit or loss and other 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)

**INTERIM FINANCIAL REPORT**
For the Third Quarter ended September 30, 2013**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Unaudited	Audited
	As At	As At
	30/09/13	31/12/12
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	26,107	24,766
Goodwill on consolidation	4,004	4,004
Deferred tax assets	194	194
	<u>30,305</u>	<u>28,964</u>
Current Assets		
Asset held for sale	10,220	10,220
Inventories	383	360
Prepaid land lease payments	1,967	1,967
Trade receivables	12,656	15,682
Other receivables	1,155	1,642
Tax Recoverable	336	314
Cash and bank balances	509	602
	<u>27,226</u>	<u>30,787</u>
	<u>57,531</u>	<u>59,571</u>
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	40,999	40,999
Reserve	(8,534)	(8,843)
Non-controlling interests	31	31
Total equity	<u>32,496</u>	<u>32,187</u>
Non-current liabilities		
Borrowings	4,316	5,078
Deferred tax liabilities	1,319	1,250
	<u>5,635</u>	<u>6,328</u>

**INTERIM FINANCIAL REPORT**
For the Third Quarter ended September 30, 2013

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(CONT'D)

	Unaudited	Audited
	As At	As At
	30/09/13	31/12/12
	RM'000	RM'000
Current liabilities		
Borrowings	12001	13,055
Trade payables	4,088	4,309
Other payables	2,855	3,647
Due to related companies	456	-
Tax payables	-	225
	<hr/> 19,400	<hr/> 21,236
Total liabilities	25,035	27,564
TOTAL EQUITY AND LIABILITIES	<hr/> 57,531	<hr/> 59,751
Net assets per share attributable to owners of the parent (RM)	<hr/> 0.79	<hr/> 0.78

(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)

INTERIM FINANCIAL REPORT
For the Third Quarter ended September 30, 2013

CONDENSED CONSOLIDATED STATEMENTS 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	Accumulated Losses RM'000			
At January 1, 2013	40,999	-	30	(8,873)	32,155	31	32,187
Net Profit for the financial period	-	-	(12)	322	310	-	309
Balance as at June 30, 2013	40,999	-	18	(8,551)	32,465	31	32,496
At Jan 1, 2012							
As previously stated	40,999	7,738	(5)	(17,500)	31,232	34	31,266
Effect of adopting MFRS 1	-	(7,738)	5	7,733	-	-	-
As restated	40,999	-	-	(9,767)	31,232	34	31,266
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
	-	-	30	894	924	(4)	920
At December 31, 2012	40,999	-	30	(8,873)	32,156	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)

**INTERIM FINANCIAL REPORT**
For the Third Quarter ended September 30, 2013**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

	Current Year-To- Date Ended 30/09/13 RM'000	Preceding Year-To- Date Ended 30/09/12 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	559	873
Adjustment for :-		
Non-cash items	1,019	832
Non-operating items	903	724
Operating profit before working capital changes	2,481	2,429
Changes in working capital :-		
Net change in current assets	1,374	3,839
Net change in current liabilities	(1,348)	(4,340)
Cash generated from operations	2,507	1,928
Interest paid	(968)	(754)
Taxation paid	(176)	(321)
Net cash generated used in operating activities	1,363	853
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(2,238)	(2,115)
Acquisition of a subsidiary company	-	(1)
Proceeds from disposal of property, plant and equipment	65	30
Net cash used in investing activities	(2,173)	(2,086)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase and lease payables	66	(115)
Changes in BA	(556)	-
Repayment of term loans	(427)	(36)
Net cash used in financing activities	(917)	79
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,727)	(1,154)
Effect of exchange rate changes	(12)	(20)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(5,615)	(5,809)
CASH AND CASH EQUIVALENTS AT END OF YEAR	(7,342)	(6,983)
Cash and cash equivalents comprise :-		
Cash and bank balances	510	801
Bank overdrafts (included within short term borrowings in Note 22)	(7,852)	(7,784)
	(7,342)	(6,983)

(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)



INTERIM FINANCIAL REPORT
For the Third Quarter ended September 30, 2013

NOTES TO THE INTERIM FINANCIAL REPORT

SECTION A

Selected Explanatory Notes: MFRSs 134 Paragraph 15B

1. Basis of preparation

These condensed consolidated interim financial statements, for the period ended 30 September 2013, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2012, the Group prepared its financial statements in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

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 accounting principles and bases used are consistent with those previously adopted in the preparation of the financial statements of Transocean Holdings Berhad ("THB"), and its subsidiary companies ("the Group") except during the financial year, the Group has adopted the following applicable new and revised Malaysia Financial Reporting Standards ("MFRSs") issued by the Malaysian Accounting Standards Board that are mandatory for the current financial year:-

- MFRS 101 Presentation of Financial Statements (Amendments relating to Presentation of Items of Other Comprehensive Income)
- MFRS 7 Financial Instruments: Disclosures (Amendments relating to Disclosures - Offsetting Financial Assets and Liabilities)
- MFRS 10 Consolidated Financial Statements
- MFRS 10 Consolidated Financial Statements (Amendments relating to MFRS 10, 11 and 12)
- MFRS 11 Joint Arrangement
- MFRS 12 Disclosure of Interest in Other Entities
- MFRS 13 Fair Value Measurement
- MFRS 119 Employee Benefits
- MFRS 127 Consolidated and Separate Financial Statements
- MFRS 128 Investments in Associates and Joint Ventures
- Amendments to MFRSs contained in the document entitled Annual Improvements 2009-2011 cycle



INTERIM FINANCIAL REPORT
For the Third Quarter ended September 30, 2013

The adoption of the above new and revised MFRSs does not have significant financial impact on the interim financial statements of THB and the Group.

MFRS and Amendments to MFRS that are applicable to the Group but not yet effective

The Directors of THB anticipate that the application of the following MFRS and amendments to MFRSs which are mandatory and will be effective for financial period as stated below will have no material impact on the financial statement of THB in the period of initial application:-

	<u>Effective date for financial periods beginning on or after</u>
Amendments to MFRS 10, 12 & 127	Investment Entities 1 January 2014
Amendments to MFRS 132	Off-setting Financial Assets and Financial Liabilities 1 January 2014
Amendments to MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets 1 January 2014
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting (Amendments to MFRS 139) 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) 1 January 2015

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.



INTERIM FINANCIAL REPORT
For the Third Quarter ended September 30, 2013

(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) Impairment loss for receivables

The policy on impairment loss for receivables 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 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.

INTERIM FINANCIAL REPORT
For the Third Quarter ended September 30, 2013

5. Segmental information
a. Business segments

The segmental results for the 9 months period ended 30 September 2013 provided to chief operating decision maker are as follows:-

Business segment :	Trading of Tyres	Logistics Singapore	Logistics Solution	Total RM'000
	“Tyre”	“Logistics”		
	RM'000	RM'000	RM'000	
Revenue	8,544	3,257	9,145	20,946
Profit/(Loss)before taxation	938	243	(622)	559
Assets	14,333	2,774	40,424	57,531
Liabilities	7,222	1,151	16,662	25,035

b. Geographical segments

The results are for the 9 months period ended 30 September 2013 for geographical segments.

	Malaysia RM'000	Singapore RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue					
External	19,323	1,623	-	-	20,946
Inter-segment	688	1,634	-	(2,322)	-
Total revenue	20,011	3,257		(2,322)	20,946
Profit from operations					1,527
Finance costs					(968)
Profit before taxation					559
Other Information					
Segment assets	54,757	2,774	-		57,531

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 September 30, 2013.

7. Changes in estimates

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



INTERIM FINANCIAL REPORT
For the Third Quarter ended September 30, 2013

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 equity securities for the financial year to date.

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 September 30, 2013, other than material litigation as disclosed in Note 24, since the last annual statements of financial position date comprise:-

	As at 30/09/13 RM'000	As at 30/09/12 RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	7,306	4,598
- unsecured	4,267	1,019
	<u>11,573</u>	<u>5,617</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 the Third Quarter ended September 30, 2013

NOTES TO THE INTERIM FINANCIAL REPORT

SECTION B

Additional information required by the Bursa Securities' Listing Requirements

15. Performance review

The Group recorded revenues of Rm7.072 million for the 3rd quarter ended 30 September 2013 as compared to Rm8.925 million from the previous year's quarter, a decrease of 21%. Net profit after tax was Rm28,000 for the 3rd quarter as compared to Rm64,000 for the previous year's quarter, a drop of 56%.

Overall, the decrease in revenue was caused by:-

- (a) The Tyre segment has lost a major customer due to termination of supply contract during the 3rd quarter 2013.
- (b) The Logistics segment faced reduction in revenues from cross border trucking activities due to lack of return cargo from Singapore. In addition, cross border trucking activities from Malaysia/Thailand routes experienced slow down due to flood caused by abnormally rain fall in Thailand.

16. Comment on material change in profit before taxation

	Current Quarter 30/09/13 RM'000	Immediate Preceding Quarter 30/06/13 RM'000	Variation %
Gross revenue	7,072	7,011	1%
Operating profit before depreciation and finance cost	719	888	-19%
Profit before taxation	28	307	-8%
Net profit attributable to owners of the parent	28	178	-84%

Reduction in net profit before taxation as compared with last quarter was caused by higher depreciation and financial cost for the 20 units new trucks as well as reduction in sale revenues of Tyre segment.



INTERIM FINANCIAL REPORT
For the Third Quarter ended September 30, 2013

17. Commentary on prospects

During the financial year, the Group has explored new opportunities to increase its customer base to increase revenue. Cross border trucking for computer parts has been slowed down due to weak demand for personal computers which faced stiff competition from tablets and smart phones.

The Group has ventured into Thailand's automobile industry to penetrate into the supply chain for car parts and transportation of consumer products. In collaborating with Thailand logistic partner, cross border trucking activities are now moving products from Thailand to Malaysia and Singapore. Furthermore, the group is constructing a logistic hub in Kuala Lumpur to cater for customers moving products to & fro Singapore/KL and KL/Pg/Thailand.

As for Tyre segment, the Group has submitted several tender to obtain new customers. The Group is confident that due to high demand for Tyre segment, they are able to capture new customers.

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 30/09/2013 RM'000	Current year to-date 30/09/2013 RM'000
Interest expenses	(327)	(968)
Depreciation and amortization	(364)	(974)
Realized foreign exchange gain/(loss)	18	18

20. Income tax expense

	Current Quarter 30/09/2013 RM'000	Current Year-to-date 30/09/2013 RM'000
Current year provision	-	237

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

INTERIM FINANCIAL REPORT
For the Third Quarter ended September 30, 2013

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 September 30, 2013 were as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings			
Term loan	860	-	860
Hire-purchase and lease payables	3,456	-	3,456
	<u>4,316</u>	<u>-</u>	<u>4,316</u>
Short term borrowings			
Overdrafts	6,977	876	7,853
Term loan	1,314	-	1,314
Banker's acceptance and revolving credit	1,142	-	1,142
Hire-purchase and lease payables	1,692	-	1,692
	<u>11,125</u>	<u>876</u>	<u>12,001</u>
Total borrowings	<u>15,441</u>	<u>876</u>	<u>16,317</u>

As at September 30, 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:-

The Court awarded a judgment sum of Rm1,657,298 with 2% interest on 26/11/2011 until full settlement to Transocean Haulage Services Sdn. Bhd. ("THS"), a subsidiary of Transocean Holdings Bhd, but the co-defendants, Ehaul Logistic Sdn. Bhd. (Ehaul) and Michael Tan has failed to settle the said judgment sum.

As at date of this report, THS's solicitor had succeeded with the winding up petition against Ehaul while bankruptcy proceeding against Michael Tan is still in progress.

INTERIM FINANCIAL REPORT
For the Third Quarter ended September 30, 2013

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 30/09/13	Preceding Year Quarter Ended 30/09/12	Current Year-To-Date Ended 30/09/13	Preceding Year To-Date Ended 30/09/12
Profit attributable to owners of the parent (RM'000)	28	64	322	625
No of ordinary shares in issue ('000)	40,999	40,999	40,999	40,999
Basic profit per share (sen)	0.06	0.16	0.78	1.52

27. Disclosure of Realised and Unrealised Losses

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

	Current Quarter 30/09/13 RM'000	Immediate Preceding Quarter 30/09/12 RM'000
Total accumulated losses of the Group:-		
- Realised	(7,250)	(7,568)
- Unrealised	(1,284)	(1,549)
Total accumulated losses	(8,534)	(9,117)

28. Authorisation for issue

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

By order of the Board

Dated 28th day of November, 2013