



TRANSOCEAN HOLDINGS BHD

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

UNAUDITED INTERIM FINANCIAL REPORT FOR FOURTH QUARTER ENDED DECEMBER 31, 2014

Dated 24 February 2015



INTERIM FINANCIAL REPORT
For the Fourth Quarter ended 31st December, 2014

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For the Fourth Quarter ended 31st December, 2014

The Board of Directors is pleased to announce the Interim Financial Report on consolidated results of the Group for the fourth quarter ended December, 2014.

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 31/12/14 RM'000	Preceding Year Quarter Ended 31/12/13 RM'000	Current Year-To-Date Ended 31/12/14 RM'000	Preceding Year-To- Date Ended 31/12/13 RM'000
Revenue	6,028	7,026	21,989	27,956
Operating profit before depreciation and finance cost	1,189	495	2,891	3,069
Depreciation & amortisation	(493)	(359)	(1,515)	(1,428)
Loss on disposal assets held for sale	-	(1,120)	-	(1,120)
Profit/(Loss) from operations	696	(984)	1,376	521
Finance cost	(203)	(327)	(840)	(1,293)
Profit/(Loss) before taxation	493	(1,311)	536	(772)
Income tax expense	(293)	451	(329)	210
Profit/(Loss) for the period	200	(860)	207	(562)
Other comprehensive income:-				
<u>Items that may be reclassified subsequently to profit or loss</u>				
- Exchange differences arising from translation of foreign operation	42	(11)	42	38
Total comprehensive income/(loss) for the financial period	242	(871)	249	(524)
Profit/(Loss) for the period attributable to :				
Owners of the parent	200	(860)	249	(559)
Non-controlling interests	-	-	-	(2)
	200	(860)	249	(561)
Total comprehensive income/(loss) for the financial period attributable to:-				
Owners of the Company	242	(871)	249	(522)
Non-controlling interest	-	-	-	(2)
	242	(871)	249	(524)
Earnings per share attributable to owners of the parent :				
- Basic (sen)	0.59	(0.02)	0.61	(0.01)
- 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, 2013 and the accompanying explanatory notes attached to the Interim Financial Report)

**INTERIM FINANCIAL REPORT**
For the Fourth Quarter ended 31st December, 2014**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Unaudited	Audited
	As At	As At
	30/12/14	31/12/13
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	25,625	25,921
Goodwill on consolidation	4,004	4,004
Deferred tax assets	-	217
	<u>29,629</u>	<u>30,142</u>
Current Assets		
Inventories	263	284
Prepaid land lease payments	1,862	1,915
Trade receivables	5,059	5,138
Owing from related company	4,933	11,590
Other receivables	1,305	5,781
Tax recoverable	1,050	247
Cash and bank balances	875	733
	<u>15,347</u>	<u>25,688</u>
TOTAL ASSETS	<u>44,976</u>	<u>55,830</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	40,999	40,999
Reserves	(9,116)	(9,365)
Non-controlling interests	29	29
Total equity	<u>31,912</u>	<u>31,663</u>
Non-current liabilities		
Borrowings	3,414	5,197
Deferred tax liabilities	395	420
	<u>3,809</u>	<u>5,617</u>

**INTERIM FINANCIAL REPORT**
For the Fourth Quarter ended 31st December, 2014**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
(CONT'D)

	Unaudited	Audited
	As At	As At
	31/12/14	31/12/13
	RM'000	RM'000
Current liabilities		
Borrowings	5,240	5,867
Trade payables	1,802	3,359
Other payables	2,146	4,345
Due to related companies	28	4,903
Tax payables	39	76
	<hr/> 9,255	<hr/> 18,550
Total liabilities	13,064	24,167
TOTAL EQUITY AND LIABILITIES	<hr/> 44,976 <hr/>	<hr/> 55,830 <hr/>
Net assets per share attributable to owners of the parent (RM)	<hr/> 0.78 <hr/>	<hr/> 0.77 <hr/>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended December 31, 2013 and the accompanying explanatory notes attached to the Interim Financial Report)



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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to Owners of the Parent		Accumulated Losses RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Non-distributable Share Capital RM'000	Foreign Exchange Translation Reserve RM'000				
2014						
At January 1, 2014	40,999	68	(9,433)	31,634	29	31,663
Total comprehensive income:-						
Net profit for the financial year	-	-	207	207	-	207
Other comprehensive income	-	42	-	42	-	42
	-	42	207	249	-	249
At December 31, 2014	40,999	110	(9,226)	31,882	29	31,912
2013						
At Jan 1, 2013	40,999	30	(8,874)	32,155	31	32,186
Total comprehensive income:-						
Net loss for the financial year	-	-	(559)	(559)	(2)	(561)
Other comprehensive income	-	38	-	38	-	38
	-	38	(559)	(521)	(2)	(523)
At December 31, 2013	40,999	68	(9,433)	31,634	29	31,663

(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, 2013 and the accompanying explanatory notes attached to the Interim Financial Report)

**INTERIM FINANCIAL REPORT**
For the Fourth Quarter ended 31st December, 2014**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

	Current Year-To- Date Ended 31/12/14 RM'000	Preceding Year-To- Date Ended 31/12/13 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	536	(772)
Adjustment for :-		
Non-cash items	1,681	1,492
Non-operating items	(339)	910
Finance cost	840	1,293
Operating profit before working capital changes	2,718	2,923
Changes in working capital :-		
Net change in current assets	4,411	275
Net change in current liabilities	(1,976)	(251)
Cash generated from operations	5,153	2,947
Interest paid	(840)	(1,293)
Taxation paid	(980)	(725)
Net cash generated from operating activities	3,333	929
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,408)	(627)
Proceeds from disposal of property, plant and equipment	587	5,127
Net cash used in investing activities	(821)	4,500
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payables	(1,368)	(1,223)
Repayment of bank borrowings	(624)	(527)
Net cash used in financing activities	(1,992)	(1,750)
NET INCREASE IN CASH AND CASH EQUIVALENTS	520	3,679
Effect of exchange rate changes	40	28
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(1,908)	(5,615)
CASH AND CASH EQUIVALENTS AT END OF YEAR	(1,348)	(1,908)
Cash and cash equivalents comprise :-		
Cash and bank balances	866	725
Bank overdrafts (included within short term borrowings in Note 21)	(2,214)	(2,633)
	(1,348)	(1,908)

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended December 31, 2013 and the accompanying explanatory notes attached to the Interim Financial Report)



INTERIM FINANCIAL REPORT
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NOTES TO THE INTERIM FINANCIAL REPORT

SECTION A

Selected Explanatory Notes: MFRSs 134 Paragraph 15B

1. Basis of preparation

The condensed consolidated interim financial statements have been prepared under the historical cost convention.

These condensed consolidated interim financial statements, for the period ended 31 December 2014, have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 :Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The condensed financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended December 31, 2013. 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 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 2013.

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 annual financial period beginning on or after 1 January 2014 and 1 July 2014, noted below:

MFRS and amendments effective for annual periods beginning on or after 1 January 2014:

- Amendments to MFRS 10: Consolidated Financial Statements
- Amendments to MFRS 12: Disclosure of Interests in Other Entities
- Amendments to MFRS 127: Consolidated and Separate Financial Statements
- Amendments to MFRS 132: Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets
- Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting (Annual Improvements 2009-2011 Cycle)
- IC Interpretation 21: Levies



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MFRS and amendments effective for annual periods beginning on or after 1 July 2014:

- Amendments to MFRS 2: Share-based Payment (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 3: Business Combinations (Annual Improvements 2010-2012 and 2011 - 2013 Cycle)
- Amendments to MFRS 8: Operating Segments (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 13: Fair Value Measurement (Annual Improvements 2011-2013 Cycle)
- Amendments to MFRS 116: Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions
- Amendments to MFRS 124: Related Party Disclosures (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 138: Intangible Assets (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 140: Investment Property (Annual Improvements 2011-2013 Cycle)

The adoption of the above amendments to MFRSs does not have significant financial impact on the interim financial statements of the Group.

2. 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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For the Fourth Quarter ended 31st December, 2014**(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, 2013 was not subject to any qualification.

4. Unusual 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 segmental results for the 12 months period ended 31 December 2014 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	6,337	11,124	4,528	21,989
Profit/(Loss)before taxation	868	368	(700)	536
Assets	11,080	2,895	31,001	44,976
Liabilities	3,218	791	9,055	13,064

**INTERIM FINANCIAL REPORT**
For the Fourth Quarter ended 31st December, 2014**b. Geographical segments**

The results are for the 12 months period ended 31 December 2014 for geographical segments.

	Malaysia	Singapore	Elimination	Total
	RM'000	RM'000	RM'000	RM'000
Revenue				
External	19,180	2,809	-	21,989
Inter-segment	1,519	1,719	(3,238)	-
Total revenue	20,699	4,528	(3,238)	21,989
Profit from operations	1,008	368	-	1,376
Finance costs	(788)	(52)	-	(840)
Profit before taxation	168	368	-	536
Other Information				
Segment assets	54,283	2,895	(12,202)	44,976

6. Changes in estimates

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

7. Comments about seasonal or cyclical factors

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

8. Dividends

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

9. Debt and equity securities

The Company has not issued or repaid any debt and equity securities for the financial year to date.

10. Changes in the composition of the Group

There were no significant changes in the composition of the Group.



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11. Capital commitments

No capital commitment for purchase of property, plant and equipment not provided for in the quarter under review.

12. Changes in contingent liabilities and contingent assets

Contingent liabilities of the Company as at December 31, 2014, other than material litigation as disclosed in Note 24, since the last annual statements of financial position date comprise:-

	As at 31/12/14 RM'000	As at 31/12/13 RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	4,449	5,963
- unsecured	3,579	3,708
	<u>8,028</u>	<u>9,671</u>

13. 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 Fourth Quarter ended 31st December, 2014**NOTES TO THE INTERIM FINANCIAL REPORT****SECTION B****Additional information required by the Bursa Securities' Listing Requirements****14. Performance review**

The Group recorded revenue of RM6.028 million and profit after taxation of RM0.200 million for the reporting quarter as compared with revenue of RM7.026 million and net loss after taxation of RM0.860 million for the previous year quarter, a drop of 14% and increase of more than 100% respectively.

Logistic division recorded revenue of RM4.034 million as compared with RM4.357 million of the previous year quarter, a drop of 7%. The drop in revenue was due to the late arrival of 7 units of new trucks which delayed the commencement of Shah Alam logistic hub involving 4 trucks daily to move fast moving consumer products from KL to Singapore.

Tire division recorded revenue of RM1.907 million as compared with RM2.715 million of the previous quarter, a drop of 30% which substantially reduced the profit for the reporting quarter. Despite aggressive marketing strategies to sell new and retread tires to GLCs, it had yet to yield significant results due to the price cutting for branded tires and competition from cheap imported China made tires.

15. Comment on material change in profit before taxation

	Current Quarter 30/12/14 RM'000	Immediate Preceding Quarter 30/09/14 RM'000	Variation %
Gross revenue	6,028	4,989	20%
Operating profit before depreciation and finance cost	1,189	529	>100%
Profit/(Loss) before taxation	493	-70	>100%
Net profit/(Loss) attributable to owners of the parent	200	-70	>100%

The Group recorded net profit of RM0.200 million as compared with net loss of RM0.70 million of the immediate preceding quarter.

**INTERIM FINANCIAL REPORT**
For the Fourth Quarter ended 31st December, 2014**16. Commentary on prospects**

Sales revenues from logistic division is expected to increase after the year 2014 once Shah Alam logistic hub is in full swing with 7 trucks moving consumer products daily from KL to Singapore. Logistic division had successfully entered into agreements to be trucking partners for 2 multinational logistic operators. This arrangement will enable logistic division to break away from total dependence on electronic products sector.

However, the margins of logistics segment will be affected due to Government's policy on fuel prices changing to "monthly managed float policy". Customers are already started to appeal for reduction in rates in line with the decreased in diesel prices.

Overall, tire division is expected to experience slowdown in demand in the next quarter due to pressure on branded tire manufacturers to reduce tire prices resulted from the drastic dropped in natural rubber and oil prices globally. Furthermore, branded tires are facing fierce competition from the cheap imported China Made tire.

17. Profit forecast or profit guarantee

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

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

	Current Quarter 31/12/2014 RM'000	Current Year-to-date 31/12/2014 RM'000
Interest expenses	(203)	(840)
Depreciation and amortization	(493)	(1,515)

19. Income tax expense

	Current Quarter 31/12/2014 RM'000	Current Year-to-date 31/12/2014 RM'000
Current year provision	105	141
Deferred taxation	188	188
	<u>293</u>	<u>329</u>

The income tax expenses are mainly incurred by the Company and certain of its subsidiaries. During the current quarter, the Group recognized RM227,000 as reversal of deferred tax assets o statement of profit or loss and other comprehensive income.

**INTERIM FINANCIAL REPORT**
For the Fourth Quarter ended 31st December, 2014**20. Corporate proposal**

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

21. Borrowings

Total Group borrowings as at December 31, 2014 were as follows:-

	Secured RM'000
Long term borrowings	
Term loan	1,300
Hire-purchase and lease payables	2,114
	<u>3,414</u>
Short term borrowings	
Overdrafts	2,214
Term loan	1,859
Banker's acceptance and revolving credit	1,221
Hire-purchase and lease payables	1,046
	<u>5,240</u>
Total borrowings	<u><u>8,654</u></u>

As at December 31, 2014, the Group does not have any exposure to borrowings and debt securities denominated in foreign currency.

22. Off balance sheet financial instruments

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

23. Changes in material litigation

There were no material litigation involving the Group as at 31 December 2014.

24. Dividend payable

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

**INTERIM FINANCIAL REPORT**
For the Fourth Quarter ended 31st December, 2014**25. Earnings 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 31/12/14	Preceding Year Quarter Ended 31/12/13	Current Year-To-Date Ended 31/12/14	Preceding Year To-Date Ended 31/12/13
Profit/(Loss) attributable to owners of the parent (RM'000)	242	(871)	249	(524)
No of ordinary shares in issue ('000)	40,999	40,999	40,999	40,999
Basic earnings per share (sen)	0.59	(2.12)	0.60	(1.28)

26. Disclosure of Realised and Unrealised Losses

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

	Current Quarter 31/12/14 RM'000	Immediate Preceding Quarter 31/12/13 RM'000
Total accumulated losses of the Group:-		
- Realised	(8,831)	(8,395)
- Unrealised	(395)	(1,038)
Total accumulated losses	(9,226)	(9,433)

27. Authorisation for issue

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

By order of the Board

Dated 24th February, 2015