



# **TRANSOCEAN HOLDINGS BHD**

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

## **UNAUDITED INTERIM FINANCIAL REPORT FOR FIRST QUARTER ENDED MARCH 31, 2015**



**INTERIM FINANCIAL REPORT**  
**For the First Quarter ended March 31, 2015**

# CONTENTS

	<b><u>PAGE</u></b>
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 First Quarter ended March 31, 2015

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, 2015.

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 31/03/15 RM'000	Preceding Year Quarter Ended 31/03/14 RM'000	Current Year-To-Date Ended 31/03/15 RM'000	Preceding Year-To-Date Ended 31/03/14 RM'000
<b>Revenue</b>	<b>5,656</b>	<b>5,870</b>	<b>5,656</b>	<b>5,870</b>
Operating profit before depreciation and finance cost	615	597	615	597
Depreciation & amortisation	(367)	(328)	(367)	(328)
<b>Profit from operations</b>	<b>248</b>	<b>269</b>	<b>248</b>	<b>269</b>
Finance cost	(189)	(194)	(189)	(194)
<b>Profit before taxation</b>	<b>59</b>	<b>75</b>	<b>59</b>	<b>75</b>
Income tax expense	12	(36)	12	(36)
<b>Profit for the period</b>	<b>71</b>	<b>39</b>	<b>71</b>	<b>39</b>
Other comprehensive income:-				
<u>Items that may be reclassified subsequently to profit or loss</u>				
- Exchange differences arising from translation of foreign operation	42	(3)	42	(3)
<b>Total comprehensive income for the financial period</b>	<b>113</b>	<b>36</b>	<b>113</b>	<b>36</b>
<b>Profit for the period attributable to :</b>				
Owners of the parent	71	39	71	39
Non-controlling interests	-	-	-	-
	<b>71</b>	<b>39</b>	<b>71</b>	<b>39</b>
<b>Total comprehensive income for the financial period attributable to:-</b>				
Owners of the Company	113	36	113	36
Non-controlling interest	-	-	-	-
	<b>113</b>	<b>36</b>	<b>113</b>	<b>36</b>
<b>Earnings per share attributable to owners of the parent :</b>				
- Basic (sen)	0.17	0.09	0.17	0.09
- 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, 2014 and the accompanying explanatory notes attached to the Interim Financial Report)

**INTERIM FINANCIAL REPORT**  
For the First Quarter ended March 31, 2015**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<b>Unaudited As At 31/03/15 RM'000</b>	<b>Audited As At 31/12/14 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	25,269	25,625
Goodwill on consolidation	4,004	4,004
	<u>29,273</u>	<u>29,629</u>
<b>Current Assets</b>		
Inventories	687	263
Prepaid land lease payments	1,849	1,862
Trade receivables	10,633	9,992
Other receivables	1,422	1,305
Tax recoverable	1,223	1,050
Cash and bank balances	591	897
	<u>16,405</u>	<u>15,369</u>
<b>TOTAL ASSETS</b>	<b><u>45,678</u></b>	<b><u>44,998</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	40,999	40,999
Reserves	(9,004)	(9,117)
Non-controlling interests	29	29
<b>Total equity</b>	<u>32,024</u>	<u>31,911</u>
<b>Non-current liabilities</b>		
Borrowings	2,868	3,414
Deferred tax liabilities	392	395
	<u>3,260</u>	<u>3,809</u>

**INTERIM FINANCIAL REPORT**  
**For the First Quarter ended March 31, 2015****CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**(CONT'D)**

	<b>Unaudited</b> <b>As At</b> <b>31/03/14</b> <b>RM'000</b>	<b>Audited</b> <b>As At</b> <b>31/12/14</b> <b>RM'000</b>
<b>Current liabilities</b>		
Borrowings	6,136	5,262
Trade payables	2,373	1,803
Other payables	1,885	2,147
Owing to related companies	-	27
Tax payables	-	39
	<hr/> 10,394	<hr/> 9,277
<b>Total liabilities</b>	<b>13,654</b>	<b>12,086</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<hr/> <b>45,678</b>	<hr/> <b>44,998</b>
<b>Net assets per share attributable to owners of the parent (RM)</b>	<hr/> <b>0.78</b>	<hr/> <b>0.78</b>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended December 31, 2014 and the accompanying explanatory notes attached to the Interim Financial Report)



# TRANSOCEAN HOLDINGS BHD (36747-U)

## INTERIM FINANCIAL REPORT For the First Quarter ended March 31, 2015

### 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
	Non-distributable Share Capital RM'000	Foreign Exchange Translation Reserve RM'000	Distributable Accumulated Losses RM'000			
<b>2015</b>						
At January 1, 2015	40,999	110	(9,226)	31,882	29	31,911
Total comprehensive income for the financial period	-	42	71	113	-	113
At March 31, 2015	40,999	152	(9,155)	31,995	29	32,024
<b>2014</b>						
At Jan 1, 2014	40,999	68	(9,433)	31,633	29	31,662
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	31,911

(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, 2014 and the accompanying explanatory notes attached to the Interim Financial Report)

**INTERIM FINANCIAL REPORT**  
For the First Quarter ended March 31, 2015**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

	<b>Current Year-To- Date Ended 31/03/15 RM'000</b>	<b>Preceding Year-To- Date Ended 31/03/14 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	59	75
Adjustment for :-		
Non-cash items	382	328
Non-operating items	(19)	-
Finance cost	189	194
Operating profit before working capital changes	611	597
Changes in working capital :-		
Net change in current assets	(642)	2,043
Net change in current liabilities	199	(5,391)
Cash generated from operations	168	(2,751)
Interest paid	(189)	(194)
Taxation paid	(19)	(134)
<b>Net cash used in operating activities</b>	<b>(40)</b>	<b>(3,079)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(853)	(94)
Proceeds from disposal of asset held for sale	-	4,190
Proceeds from disposal of property, plant and equipment	835	-
<b>Net cash (used in)/generated from investing activities</b>	<b>(17)</b>	<b>4,096</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of hire purchase payables	(179)	(214)
Repayment of bank borrowings	227	36
<b>Net cash generated from/(used in) financing activities</b>	<b>48</b>	<b>(178)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(9)</b>	<b>839</b>
Effect of exchange rate changes	42	(3)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>(1,908)</b>	<b>(1,908)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>(1,875)</b>	<b>(1,072)</b>
Cash and cash equivalents comprise :-		
Cash and bank balances	642	1,608
Bank overdrafts (included within short term borrowings in Note 21)	(2,517)	(2,680)
	<b>(1,875)</b>	<b>(1,072)</b>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended December 31, 2014 and the accompanying explanatory notes attached to the Interim Financial Report)



**INTERIM FINANCIAL REPORT**  
**For the First Quarter ended March 31, 2015**

**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 2014.

Accounting standards and amendments to accounting standards that are applicable for the Group in the following periods but are not yet effective:

Annual periods beginning on/after 1 July 2014

- Amendment to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards
- Amendment to MFRS 2 Share-based payment
- Amendment to MFRS 3 Business combination
- Amendment to MFRS 8 Operating segments
- Amendment to MFRS 13 Fair value measurement
- Amendment to MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets
- Amendments to MFRS 119 Employee Benefits
- Amendment to MFRS 124 Related Party Disclosures
- Amendment to MFRS 140 Investment Property





**INTERIM FINANCIAL REPORT**  
**For the First Quarter ended March 31, 2015**

Annual periods beginning on/after 1 January 2016

- Amendments to MFRS 5 Non-Current Assets Held for Sale and Discontinued Operations
- Amendments to MFRS 7 Financial Instruments: Disclosures
- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures
- Amendments to MFRS 11 Joint Arrangements
- Amendments to MFRS 101 Presentation of Financial Statements
- Amendments to MFRS 116 Property, Plant and Equipment
- Amendments to MFRS 119 Employee Benefits
- Amendments to MFRS 127 Separate Financial Statements
- Amendments to MFRS 134 Interim Financial Reporting
- Amendments to MFRS 138 Intangible assets

Annual periods beginning on/after 1 January 2017

- MFRS 15 Revenue from Contracts with Customers

Annual periods beginning on/after 1 January 2018

- MFRS 9 Financial Instruments

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group.

The Group is in the process of assessing the impact of MFRS 9 and MFRS 15 in the year of initial application. Aside from the above mentioned, the adoption of the accounting standards and amendments to accounting standards are not expected to have any significant impact to the 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.



**INTERIM FINANCIAL REPORT**  
**For the First Quarter ended March 31, 2015**

**(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, 2014 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.



**INTERIM FINANCIAL REPORT**  
For the First Quarter ended March 31, 2015

**5. Segmental information**

**a. Business segments**

The segmental results for the 3 months period ended 31 March 2015 provided to chief operating decision maker are as follows:-

Business segment :	Trading of Tyres	Logistics Singapore	Logistics Solution	Total RM'000
	<b>“Tyre”</b>	<b>“Logistics”</b>		
	RM'000	RM'000	RM'000	
Revenue	1,724	1,095	2,837	5,656
Profit/(Loss)before taxation	34	76	(51)	59
Assets	11,531	2,719	31,429	45,679
Liabilities	4,311	788	8,556	13,655

**b. Geographical segments**

The results are for the 3 months period ended 31 March 2015 for geographical segments.

	Malaysia RM'000	Singapore RM'000	Others RM'000	Elimination RM'000	Total RM'000
<b>Revenue</b>					
External	4,561	1,095	-	-	5,656
Inter-segment	461	432	-	(893)	-
Total revenue	5,022	1,527		(893)	5,656
Profit from operations	159	88	-	-	247
Finance costs	(178)	(11)	-	-	(189)
Profit before taxation	(18)	77	-	-	59
<b>Other Information</b>					
Segment assets	42,960	2,719	-		45,679

**6. 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 First Quarter ended March 31, 2015

**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.

**11. Capital commitments**

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

Apart from the above, there was no commitment for the 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 March 31, 2015, other than material litigation as disclosed in Note 23, since the last annual statements of financial position date comprise:-

	As at 31/03/15 RM'000	As at 31/03/14 RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	4,189	5,841
- unsecured	3,974	3,372
	<u>8,163</u>	<u>9,213</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 First Quarter ended March 31, 2015**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 RM5.656 million and profit after taxation of RM0.071 million for the reporting quarter as compared with revenue of RM5.870 million and net profit after taxation of RM0.0390 million for the previous year quarter, a drop of 4%, and increase of 82% due to tax refunded from Tax Authority.

Logistic division recorded revenue of RM3.932 million as compared with RM4.253 million of the previous year quarter, a drop of 7%. The drop in revenue resulted from the delay in starting Shah Alam Logistic Hub due to late arrival of new trucks while increase in profits was derived from cost saving from reduction of staff.

Tire division recorded revenue of RM1.724 million as compared with RM1.617 million of the previous quarter, an increase of 7%. Increase in revenues was derived from orders from new customers recruited during last year.

**15. Comment on material change in profit before taxation**

	<b>Current Quarter 31/03/15 RM'000</b>	<b>Immediate Preceding Quarter 31/12/14 RM'000</b>	<b>Variation %</b>
Gross revenue	5,656	5,870	-3.64%
Operating profit before depreciation and finance cost	615	269	>100%
Profit before taxation	59	75	-21.33%
Net profit attributable to owners of the parent	71	39	82.05%

The Group recorded profit of RM0.071 million as compared with net profit of RM0.039 million of the immediate preceding quarter. Increased of net profit was due to tax refunded from Tax Authority.

**INTERIM FINANCIAL REPORT**  
For the First Quarter ended March 31, 2015**16. Commentary on prospects**

Sales revenue from logistic division is expected to increase once Shah Alam Logistic Hub commence operation during the 2<sup>nd</sup> quarter to open 2 new routes, ie KL/Sin/KL and KL/Pg/KL. The additional new trucks will enable the company to carry consumer products and car parts from Padang Besar to KL and Malacca. Thus, helping logistic division to move away from total dependence on electronic products

Revenues for tire division is expected to increase from new customers recruited last year. However, margins are expected to be reduced caused by competition for market shares by tire manufacturers and the cheap imported China made tires.

Overall consumer market sentiment is very poor from the beginning of 2<sup>nd</sup> quarter caused by the implementation of GST as from 1<sup>st</sup> April 2015.

**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 31/03/2015 RM'000	Current Year-to-date 31/03/2015 RM'000
Interest expenses	(189)	(189)
Depreciation and amortization	(367)	(367)

**19. Income tax expense**

	Current Quarter 31/03/2015 RM'000	Current Year-to-date 31/03/2015 RM'000
Current year provision	-	-

The income tax expenses are mainly provisions by the Company and certain of its subsidiaries amounting to RM27,000 only. However, holding company received a tax refund of RM40,000 from Tax Authority resulted income tax add back of RM12,000 during the quarter.

**INTERIM FINANCIAL REPORT**  
For the First Quarter ended March 31, 2015**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 March 31, 2015 were as follows:-

	<b>Secured</b> RM'000	<b>Unsecured</b> RM'000	<b>Total</b> RM'000
<b>Long term borrowings</b>			
Term loan	960	-	960
Hire-purchase and lease payables	1,908	-	1,908
	<u>2,868</u>	<u>-</u>	<u>2,868</u>
<b>Short term borrowings</b>			
Overdrafts	1,836	681	2,517
Term loan	767	-	767
Banker's acceptance and revolving credit	1,580	-	1,580
Hire-purchase and lease payables	1,272	-	1,272
	<u>5,455</u>	<u>681</u>	<u>6,136</u>
<b>Total borrowings</b>	<b><u>8,323</u></b>	<b><u>681</u></b>	<b><u>9,004</u></b>

As at March 31, 2015, the Group does not have any exposure in 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 March 2015.

**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 First Quarter ended March 31, 2015**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.

	<b>Current Year Quarter Ended 31/03/15</b>	<b>Preceding Year Quarter Ended 31/03/14</b>	<b>Current Year-To-Date Ended 31/03/15</b>	<b>Preceding Year To-Date Ended 31/03/14</b>
Profit attributable to owners of the parent (RM'000)	71	39	71	39
No of ordinary shares in issue ('000)	40,999	40,999	40,999	40,999
Basic earnings per share (sen)	0.17	0.09	0.17	0.09

**26. Disclosure of Realised and Unrealised Losses**

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

	<b>Current Quarter 31/03/15 RM'000</b>	<b>Immediate Preceding Quarter 31/03/14 RM'000</b>
Total accumulated losses of the Group:-		
- Realised	(8,609)	(7,442)
- Unrealised	(395)	(1,284)
Total accumulated losses	<u>(9,004)</u>	<u>(8,726)</u>

**27. Authorisation for issue**

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