



# **TRANSOCEAN HOLDINGS BHD**

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

## **UNAUDITED INTERIM FINANCIAL REPORT FOR SECOND QUARTER ENDED JUNE 30, 2015**

*Dated August 25, 2015*



**INTERIM FINANCIAL REPORT**  
For the Second Quarter ended 30<sup>th</sup> June, 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 Second Quarter ended 30<sup>th</sup> June, 2015

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, 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 30/06/15 RM'000	Preceding Year Quarter Ended 30/06/14 RM'000	Current Year-To-Date Ended 30/06/15 RM'000	Preceding Year-To-Date Ended 30/06/14 RM'000
<b>Revenue</b>	<b>6,288</b>	<b>5,102</b>	<b>11,944</b>	<b>10,972</b>
Operating profit before depreciation and finance cost	739	526	1,354	1,173
Depreciation & amortisation	(347)	(327)	(715)	(655)
<b>Profit from operations</b>	<b>392</b>	<b>249</b>	<b>639</b>	<b>518</b>
Finance cost	(196)	(211)	(385)	(405)
<b>Profit before taxation</b>	<b>196</b>	<b>38</b>	<b>254</b>	<b>113</b>
Income tax expense	(41)	-	(28)	(36)
<b>Profit for the period</b>	<b>155</b>	<b>38</b>	<b>226</b>	<b>77</b>
Other comprehensive income:-				
<u>Items that may be reclassified subsequently to profit or loss</u>				
- Exchange differences arising from translation of foreign operation	99	(17)	141	(17)
<b>Total comprehensive income for the financial period</b>	<b>254</b>	<b>21</b>	<b>367</b>	<b>60</b>
<b>Profit for the period attributable to :</b>				
Owners of the parent	155	21	226	60
Non-controlling interests	-	-	-	-
	<b>155</b>	<b>21</b>	<b>226</b>	<b>60</b>
<b>Total comprehensive income for the financial period attributable to:-</b>				
Owners of the Company	254	38	367	77
Non-controlling interest	-	-	-	-
	<b>254</b>	<b>38</b>	<b>367</b>	<b>77</b>
<b>Earnings per share attributable to owners of the parent :</b>				
- Basic (sen)	0.37	0.09	0.55	0.18
- 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 Second Quarter ended 30<sup>th</sup> June, 2015**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<b>Unaudited As At 30/06/15 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	26,151	25,625
Goodwill on consolidation	4,004	4,004
	<u>30,155</u>	<u>29,629</u>
<b>Current Assets</b>		
Inventories	633	263
Prepaid land lease payments	1,836	1,862
Trade receivables	11,680	9,992
Other receivables	2,281	1,305
Tax recoverable	1,184	1,050
Cash and bank balances	642	897
	<u>18,256</u>	<u>15,369</u>
<b>TOTAL ASSETS</b>	<b><u>48,411</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
Reserve	(8,749)	(9,117)
Non-controlling interests	29	29
<b>Total equity</b>	<b><u>32,279</u></b>	<b><u>31,911</u></b>
<b>Non-Current Liabilities</b>		
Borrowings	3,354	3,414
Deferred tax liabilities	395	395
	<u>3,749</u>	<u>3,809</u>

**INTERIM FINANCIAL REPORT**  
For the Second Quarter ended 30<sup>th</sup> June, 2015**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**(CONT'D)**

	<b>Unaudited</b> <b>As At</b> <b>30/06/15</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	6,481	5,262
Trade payables	3,316	1,803
Other payables	2,514	2,147
Due to related companies	72	27
Tax payables	-	39
	<hr/> 12,383	<hr/> 9,277
<b>Total liabilities</b>	<b>16,132</b>	<b>12,086</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<hr/> <b>48,411</b>	<hr/> <b>44,998</b>
<b>Net assets per share attributable to owners of the parent (RM)</b>	<hr/> <b>0.79</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)

**INTERIM FINANCIAL REPORT  
For the Second Quarter ended 30<sup>th</sup> June, 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)	31,883	29	31,912
Total comprehensive income for the financial period	-	141	226	367	-	367
At June 30, 2014	40,999	251	(9,000)	32,250	29	32,279
<b>2014</b>						
At Jan 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)	31,883	29	31,912

(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 Second Quarter ended June 30, 2015**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

	<b>Current Year-To- Date Ended 30/06/15 RM'000</b>	<b>Preceding Year-To- Date Ended 30/06/14 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	254	113
Adjustment for :-		
Non-cash items	745	686
Non-operating items	(19)	(19)
Finance cost	385	405
Operating profit before working capital changes	<u>1,365</u>	<u>1,185</u>
Changes in working capital :-		
Net change in current assets	(2,480)	5,428
Net change in current liabilities	<u>1,887</u>	<u>(5,614)</u>
Cash generated from operations	772	999
Interest paid	(385)	(405)
Taxation paid	(74)	(32)
<b>Net cash generated from/(used in) operating activities</b>	<b><u>313</u></b>	<b><u>562</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(2,084)	(252)
Proceeds from disposal of property, plant and equipment	835	267
<b>Net cash generated from/(used in) investing activities</b>	<b><u>(1,249)</u></b>	<b><u>15</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of hire purchase payables	632	(736)
Repayment of bank borrowings	(236)	(40)
<b>Net cash used in financing activities</b>	<b><u>396</u></b>	<b><u>(776)</u></b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(540)</b>	<b>(199)</b>
Effect of exchange rate changes	141	(17)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR</b>	<b><u>(1,908)</u></b>	<b><u>(1,908)</u></b>
<b>CASH AND CASH EQUIVALENTS AT TH END OF YEAR</b>	<b><u>(2,307)</u></b>	<b><u>(2,124)</u></b>
Cash and cash equivalents comprise :-		
Cash and bank balances	694	575
Bank overdrafts (included within short term borrowings in Note 21)	(3,001)	(2,699)
	<b><u>(2,307)</u></b>	<b><u>(2,124)</u></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 Second Quarter ended June 30, 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 30 June 2015, 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, 2014. 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 Second Quarter ended June 30, 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 Second Quarter ended June 30, 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 Second Quarter ended June 30, 2015

**5. Segmental information**
**a. Business segments**

The segmental results for the 6 months period ended 30 June 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	4,183	2,289	5,472	11,944
Profit/(Loss) before taxation	139	277	(162)	254
Assets	13,286	3,337	31,788	48,411
Liabilities	5,312	844	9,976	16,134

**b. Geographical segments**

The results are for the 6 months period ended 30 June 2015 for geographical segments.

	<b>Malaysia</b>	<b>Singapore</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>					
External	10,543	1,401	-	-	11,944
Inter-segment	847	888	-	(1,735)	-
Total revenue	11,390	2,289	-	(1,735)	11,944
Profit from operations	340	299	-	-	639
Finance costs	(356)	(29)	-	-	(385)
Profit before taxation	(23)	277	-	-	254
<b>Other Information</b>					
Segment assets	45,074	3,337	-		48,411

**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 Second Quarter ended June 30, 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**

The Group had purchased 2 units of prime movers and 3 units of trucks amounting RM1,209,742.

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 24, since the last annual statements of financial position date comprise:-

	As at 30/06/15 RM'000	As at 31/06/14 RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	4,972	5,040
- unsecured	3,937	3,310
	<u>8,909</u>	<u>8,350</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 Second Quarter ended June 30, 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 RM6.288 million and profit after taxation of RM0.155 million for the reporting quarter as compared with revenue of RM5.102 million and net profit after taxation of RM0.021 million for the previous year quarter, an increase of 23% in revenue and 638% in profit respectively.

Logistic division recorded revenue of RM7.761 million as compared with RM7.900 million of the previous year quarter, a drop of 1.7%. The drop in revenues was due to the late arrival of new trucks which delayed the start up of Shah Alam logistic hub to develop the centre markets.

Tire division recorded revenues of RM4.183 million as compared with RM3.072 million of the previous quarter, an increase of 36% mainly contributed by new customers.

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

	<b>Current Quarter 30/06/15 RM'000</b>	<b>Immediate Preceding Quarter 30/06/14 RM'000</b>	<b>Variation %</b>
Gross revenue	6,288	5,102	23.25%
Operating profit before depreciation and finance cost	739	576	28.29%
Profit before taxation	196	38	>100%
Net profit attributable to owners of the parent	155	21	>100%

Profit before taxation at Rm0.196 million exceeded the net profit of Rm0.038 million of the immediate preceding quarter was due to higher sale revenue from tire division.

**INTERIM FINANCIAL REPORT**  
**For the Second Quarter ended June 30, 2015****16. Commentary on prospects**

Consumer demand is very pessimistic projected for the 2<sup>nd</sup> half of 2015 taking into consideration side effects from GST implementations and depreciation of Ringgit Malaysia. Revenue from logistic division is expected to increase with the arrival of new trucks to kick start Shah Alam Logistic hub. The hub will help to develop the Centre markets and open up new routes KL/Sin/KL and KL/Pg/KL. It will enable logistic division to break away from total dependence on the Northern markets.

However, profit margins of logistics division is subjected to the monthly fluctuations of diesel price due to “Government’s Manage Float Policy” because fuel price changes could not be passed on to consumers fast enough.

Revenue from tire division is expected to increase with the former anchor tenant resuming buying tires again in addition to volume contributed from new customers.

**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 30/06/2015 RM'000	Current Year-to-date 30/06/2015 RM'000
Interest expenses	(196)	(385)
Depreciation and amortization	(347)	(715)

**19. Income tax expense**

	Current Quarter 30/06/2015 RM'000	Current Year-to-date 30/06/2015 RM'000
Current year provision	41	28

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

**20. Corporate proposal**

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

**INTERIM FINANCIAL REPORT**  
For the Second Quarter ended June 30, 2015**21. Borrowings**

Total Group borrowings as at June 30, 2015 were as follows:-

	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Long term borrowings</b>			
Term loan	959	-	959
Hire-purchase and lease payables	2,395	-	2,395
	<u>3,354</u>	<u>-</u>	<u>3,354</u>
<b>Short term borrowings</b>			
Overdrafts	2,155	846	3,001
Term loan	767	-	767
Banker's acceptance and revolving credit	1,118	-	1,118
Hire-purchase and lease payables	1,595	-	1,595
	<u>5,635</u>	<u>846</u>	<u>6,481</u>
<b>Total borrowings</b>	<b><u>8,989</u></b>	<b><u>846</u></b>	<b><u>9,835</u></b>

As at June 30, 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 30 June 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 Second Quarter ended June 30, 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 30/06/15</b>	<b>Preceding Year Quarter Ended 30/06/14</b>	<b>Current Year-To-Date Ended 30/06/15</b>	<b>Preceding Year To-Date Ended 30/06/14</b>
Profit attributable to owners of the parent (RM'000)	155	38	226	77
No of ordinary shares in issue ('000)	40,999	40,999	40,999	40,999
Basic earnings per share (sen)	0.37	0.09	0.55	0.18

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

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

	<b>Current Quarter 30/06/15 RM'000</b>	<b>Immediate Preceding Quarter 31/03/14 RM'000</b>
Total accumulated losses of the Group:-		
- Realised	(8,355)	(8,266)
- Unrealised	(395)	(1,039)
Total accumulated losses	(8,750)	(9,305)

**27. Authorisation for issue**

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

**By order of the Board**

Dated 25<sup>th</sup> August, 2015