



TRANSOCEAN HOLDINGS BHD.
(Incorporated in Malaysia) (36747-U)

POSITIONED FOR GROWTH

ANNUAL REPORT
2014



Contents

- | | | | |
|-----------|--|-----------|--|
| 1 | Notice of 37 th Annual General Meeting | 12 | Financial Highlights |
| 3 | Statement Accompanying Notice of Annual General Meeting | 13 | Chairman's Statement |
| 4 | Group Organisation Structure | 17 | Corporate Governance Statement |
| 5 | Corporate Information | 30 | Statement on Risk Management and Internal Control |
| 6 | Directors' Profile | 34 | Report on Audit Committee |
| 10 | Other Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad | 38 | Statement of Directors' Responsibility in relation to Audited Financial Statements |



- | | |
|-----------|---|
| 39 | Financial Statements |
| 95 | List of Properties Held |
| 96 | Analysis of Shareholdings
Proxy Form |

Notice is hereby given that the **Thirty-seventh (37th) Annual General Meeting**

of Transocean Holdings Bhd (“the Company”) will be held at Function Room, Level 2, Kuala Lumpur International Hotel, Jalan Raja Muda Abd Aziz, 50738 Kuala Lumpur on Friday, 12 June 2015 at 10.00 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS:-

1. To receive the Audited Financial Statements for the financial year ended 31 December 2014 together with the Reports of the Directors and Auditors thereon. **(Please refer to Note 1)**
2. To approve the payment of Directors’ fees amounting to Ringgit Malaysia One Hundred and Eight Thousand (RM108,000-00) only for the financial year ended 31 December 2014. **Resolution 1**
3. To re-elect YBhg Tan Sri (Dr) Mohd Nadzmi bin Mohd Salleh who retires in accordance with Article 105(1) of the Company’s Articles of Association and being eligible, offer himself for re-election. **Resolution 2**
4. To consider and, if thought fit, to pass the following resolution in accordance with Section 129(6) of the Companies Act, 1965 as Ordinary Resolution:-
“THAT En Zainuddin bin Din, who retires pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company and to hold office until the conclusion of next Annual General Meeting of the Company.” **Resolution 3**
5. To re-appoint Messrs. Morison Anuarul Azizan Chew as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Resolution 4**

AS SPECIAL BUSINESS:-

6. To consider and if thought fit, to pass the following as Ordinary Resolutions, with or without any modifications:-
 - (i) **Ordinary Resolution**
Authority to issue and allot shares pursuant to Section 132D of the Companies Act, 1965
“THAT subject to Section 132D of the Companies Act, 1965 and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per centum (10%) of the issued and paid-up share capital (excluding treasury shares) of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad;
AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.” **Resolution 5**

Notice of 37th Annual General Meeting (cont'd)

(ii) Ordinary Resolution

Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature involving Kumpulan Kenderaan Malaysia Berhad, Lengkap Suci Sdn Bhd, YBhg Tan Sri (Dr) Mohd Nadzmi bin Mohd Salleh and persons connected to them ("Proposed Renewal of Shareholders' Mandate")

"THAT approval be and is hereby given to the Company's subsidiaries to enter into and give effect to recurrent related party transactions with certain subsidiaries of Nadi Corporation Sdn Bhd as prescribed in Section 2.4 of the Circular to Shareholders dated 21 May 2015 ("Circular") involving the interests, direct or indirect of Kumpulan Kenderaan Malaysia Berhad, Lengkap Suci Sdn Bhd, YBhg Tan Sri (Dr) Mohd Nadzmi bin Mohd Salleh and persons connected to them, namely Konsortium Transnasional Berhad, Nadicorp Holdings Sdn Bhd, Nadi Corporation Sdn Bhd, Trisilco Equity Sdn Bhd, Ibroni Sdn Bhd, Park May Berhad, Tulus Hebat Sdn Bhd, Maracorp Sdn Bhd ("Related Parties") as specified in Section 2.4 of the Circular (hereinafter referred as "RRPT"), and falling within the ambit of Part E, Paragraph 10.09 of Chapter 10 of the Listing Requirements of the Bursa Malaysia Securities Berhad, which are necessary for the day-to-day operations and undertaken in the ordinary course of business of the Company, on terms not more favourable to Related Parties than those generally available to the public and not detrimental to minority shareholders of the Company ("Proposed Renewal of Shareholders' Mandate").

THAT such approval shall continue to be in force until:-

- (a) the conclusion of the Company's next Annual General Meeting ("AGM"), at which time it will lapse, unless the authority is renewed by a resolution passed at the general meeting;
- (b) the expiration of the period within which the Company's AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by resolution passed by the Company's shareholders in a general meeting,

whichever is earlier.

AND FURTHER THAT the Directors of the Company be and hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate."

Resolution 6

(iii) Ordinary Resolution

Mandate for En Zainuddin bin Din who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company

"THAT subject to the passing of Ordinary Resolution 3, approval be and is hereby given to En Zainuddin bin Din who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company in compliance with the recommendation of Malaysian Code on Corporate Governance 2012."

Resolution 7

By Order of the Board,

TIFLA HAIRI BIN TAIB (LS 0009488)
THUM SOOK FUN (MIA 24701)
Company Secretaries

Date: 21 May 2015
Kuala Lumpur

Explanatory Note to Special Business:-

(i) Resolution 5 – Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

The Ordinary Resolution proposed under item 6(i) is primarily to seek for the renewal of a general mandate to give flexibility to the Board of Directors to issue and allot shares up to 10% of the issued share capital (excluding treasury shares) of the Company for the time being, at anytime in their absolute discretion without convening a general meeting (hereinafter referred to as the "General Mandate").

The Company has been granted a general mandate by its shareholders at the last AGM held on 27 June 2014 (hereinafter referred to as the "Previous Mandate") and it will lapse at the conclusion of the 37th AGM.

As at the date of this Notice, the Previous Mandate granted by the shareholders had not been utilized and hence, no proceed was raised therefrom.

The purpose to seek the General Mandate is to enable the Directors to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time-consuming and costly to organize a general meeting. This General Mandate, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

The proceeds raised from the General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), acquisitions, working capital and/or settlement of banking facilities.

(ii) Resolution 6 – Proposed renewal shareholders’ mandate for recurrent related party transactions of a revenue or trading nature involving Kumpulan Kenderaan Malaysia Berhad, Lengkap Suci Sdn Bhd, YBhg Tan Sri (Dr) Mohd Nadzmi bin Mohd Salleh and persons connected to them (“Proposed Renewal of Shareholders’ Mandate”)

The Ordinary Resolution proposed under item 6(ii) is to procure shareholders’ mandate for all the RRPTs involving the interest, direct or indirect of Kumpulan Kenderaan Malaysia Berhad, Lengkap Suci Sdn Bhd, YBhg Tan Sri (Dr) Mohd Nadzmi bin Mohd Salleh and persons connected to them as disclosed in the Circular to Shareholders dated 21 May 2015.

Further information on the Proposed Renewal of Shareholders’ Mandate is set out in the Circular to Shareholders dated 21 May 2015, which is dispatched together with the Company’s Annual Report 2014.

(iii) Resolution 7 – Mandate for En Zainuddin bin Din who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company

Pursuant to the Policy on the Board Composition and Independent of the Company and in line with Malaysian Code on Corporate Governance 2012, both the Nomination Committee and the Board have assessed the independence of En Zainuddin bin Din, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, and recommended him to continue to serve as an Independent Non-Executive Director of the Company based on the following justifications:-

- (a) He fulfills the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to function as check and balance, provide a broader view and brings an element of objectivity to the Board.
- (b) His existing tenure in office (despite of more than 9 years) does not impair his independence.
- (c) He remains objective and independent in expressing his view and in participating in deliberation and decision making of the Board and Board Committees.
- (d) He continues to demonstrate conduct and behaviour that are essential indicators as independence.

NOTES:-

1. The first agenda of this meeting is meant for discussion only, as the provision of Section 169 (1) of the Companies Act, 1965 does not require a formal approval for the audited financial statements from the shareholders. Hence, this Agenda is not put forward to shareholders for voting.
2. In respect of deposited securities, only members whose name appears on the Record of Depositors as at 5 June 2015 shall be entitled to attend, speak and vote at the meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint one (1) or more proxies to attend and vote in his or her stead. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
4. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the meeting shall have the same rights as the member to speak at the meeting.
5. The instrument appointing a proxy and the power of attorney or other authority (if any) shall be in writing under the hand of the appointer or of his attorney duly authorized in writing. In the case where a member is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorized.
6. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“SICDA”) which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where a member is an authorised nominee as defined under SICDA, it may appoint one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
7. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarized certified copy of that power or authority, shall be deposited at the Registered Office of the Company at No. 38, Jalan Chow Kit, 50350 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.
8. The lodging of a form of proxy does not preclude a member from attending and voting in person at the meeting should the member subsequently decide to do so.

Statement Accompanying Notice of Annual General Meeting (Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

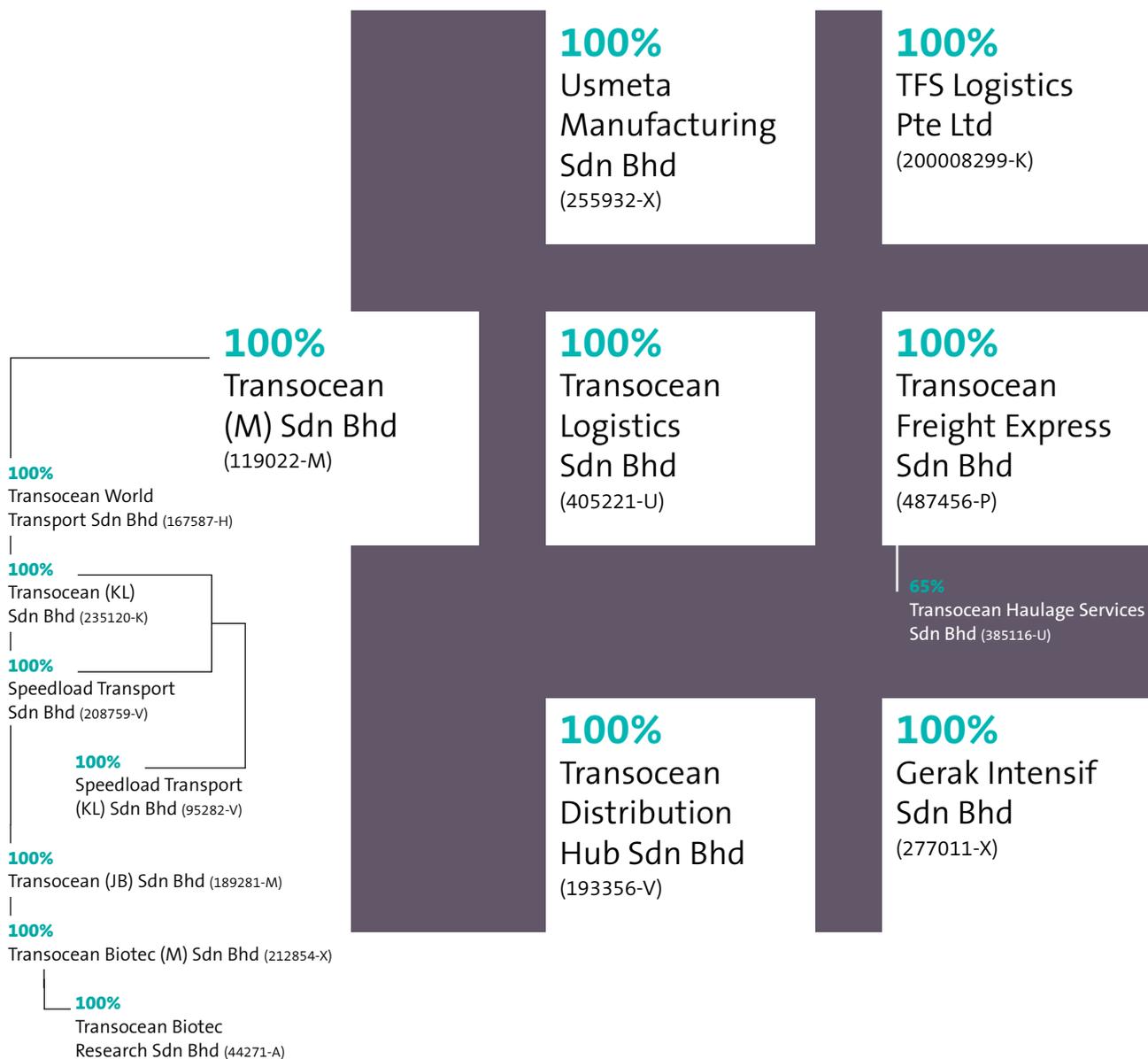
As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election or re-appointment) at this forthcoming Thirty-seventh (37th) Annual General Meeting.

Group Organisation Structure

as at 31 December 2014



TRANSOCEAN HOLDINGS BHD.
(Incorporated in Malaysia) (36747-U)



Corporate Information

Board of Directors

YBhg Tan Sri (Dr) Mohd Nadzmi bin Mohd Salleh

Executive Chairman/Managing Director

Tan Swee Hock

Executive Director

Zainuddin bin Din

Senior Independent Non-Executive Director

Muhammad Adib bin Ariffin

Independent Non-Executive Director

Woo Kok Boon

Independent Non-Executive Director

Company Secretaries

Thum Sook Fun (MIA 24701)

Tifla Hairi bin Taib (LS 0009488)

Registered Office

No. 38, Jalan Chow Kit
50350 Kuala Lumpur
Tel: 603-4047 7878
Fax: 603-4044 6836

Corporate Office

Lot 2955, 2956 & 2957
Jalan Perusahaan Sungai Lokan 3
Kawasan Perusahaan Sungai Lokan
13400 Butterworth
Tel: 604-332 2650
Fax: 604-331 9771
Website: www.transocean.com.my

Share Registrar

Securities Services (Holdings) Sdn Bhd
Suite 18.05, MWE Plaza
No. 8, Lebuhr Farquhar
10200 Penang
Tel: 604-263 1966
Fax: 604-262 8544

Auditors

Morison Anuarul Azizan Chew (AF 001977)
Chartered Accountants
18, Jalan 1/64
Off Jalan Kolam Air/Jalan Ipoh
51200 Kuala Lumpur

Principal Bankers

CIMB Bank Bhd
Public Bank Berhad
Malayan Banking Berhad
RHB Bank Bhd

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad
Stock Name: TOCEAN
Stock Code: 7218

Directors' Profile

Tan Sri (Dr) Mohd Nadzmi bin Mohd Salleh

Aged 61 (Executive Chairman/Managing Director), Malaysian

Tan Sri (Dr) Nadzmi, has vast experience, especially in the automobile and public transportation industry. Tan Sri (Dr) Nadzmi graduated from Ohio University, US in 1978 with a Bachelor of Science degree in Chemistry and Mathematics, and a Bachelor of Arts degree in Economics. After graduating from the University, he pursued his post-graduate study at the Miami University, US and obtained his Masters degree in Economics and Statistics in 1980.

Tan Sri (Dr) Nadzmi was thrust into the corporate world at an early stage in his career. At the age of 36, he was appointed as Chief Executive Officer of Edaran Otomobil Nasional Berhad ("EON"), the company responsible for the distribution of the Malaysian national car. Prior to his appointment, he had gained recognition for being instrumental in ensuring the successful launch of the Malaysian national car. As a result, he was conferred the title "Man of the Year" from the Malaysian Business Magazine in 1986. During his three (3) year tenure at EON, he managed to diversify the company's business activities to include finance, property and banking. In 1990, he led the company to its successful listing on the Main Board of the KLSE.

His achievements at EON subsequently led to his appointment by the Malaysian Government as the Chief Executive Officer of Perusahaan Otomobil Nasional Berhad ("PROTON"), the company which manufactures the Malaysian national car, at the age of 39. The said appointment earned him the "Outstanding Young Malaysian" award in 1993 from the Malaysian Junior Chamber of Commerce. The following year, he was elected to join the prestigious and exclusive membership of "Global Leaders for Tomorrow" by the World Economic Forum in Davos, Switzerland.

In 1996, Tan Sri (Dr) Nadzmi made the successful transition from a professional manager to an entrepreneur when he left his position as Chief Executive Officer at PROTON and took over the ownership and management of a loss-making company, Mara Holding Sdn Bhd ("Mara Holding"). Tan Sri (Dr) Nadzmi successfully turnaround the company in a span of one and half years, making it a successful venture with five (5) core activities, namely public bus transportation, manufacturing, property, plantation and defence.

Due to his achievement in turning around Mara Holding, he was propelled into the limelight as a turnaround specialist. His services were called upon once again by the Malaysian Government to spearhead a national project involving the provision of high speed train services between the Kuala Lumpur International Airport and the Kuala Lumpur city centre via a company known as Express Rail Link Sdn Bhd ("ERL"). The project has now been successfully implemented and Tan Sri (Dr) Nadzmi is presently the Executive Chairman of ERL as well as Nadicorp Holdings Sdn Bhd and Trisilco Folec Sdn Bhd.

His achievements have earned him many accolades to-date. In 2004, he was named as Malaysia's Ernst & Young Entrepreneur Of The Year (2003) and was the recipient of the Master Entrepreneur of the Year (2003) award. He was also awarded Entrepreneur of the Year 2009 by Enterprise Asia. In 2012, he was conferred the Honorary Doctorate in Entrepreneurship by the Universiti Teknikal Malaysia Melaka ("UTEM") and in 2013, he was awarded the Brandlaureate Great Entrepreneur Brand Icon Leadership Award.

He was appointed as a Director of the Company on 29 November 2007 and does not serve on any board committee. He is also the Chairman and Managing Director of Konsortium Transnasional Berhad and Director of VS Industry Berhad, Kumpulan Kenderaan Malaysia Berhad and Chairman of J.T International Berhad. He also chairs and is a board member of several private companies. He has no family relationship with any Director. He is deemed to have interest as a substantial shareholder of the Company by virtue of his interest held through Kumpulan Kenderaan Malaysia Berhad. He has no conflict of interest with Transocean Group of Companies and has never been charged for any offence other than traffic offences, if any.

Tan Swee Hock

Aged 62 (Executive Director), Malaysian

Mr Tan Swee Hock is a member of the Malaysian Institute of Accountants and is a Fellow of the Association of Chartered Certified Accountants, United Kingdom. He has vast experience, especially in the manufacturing and public transportation industry. His first attachment was with Hanafiah, Raslan & Mohd from 1976 until 1979 as an Audit Assistant. After 1979, he joined Kumpulan Kenderaan Malaysia Berhad as an Accountant from 1980 until 1985. In the year 1985, he joined Nadicorp Holdings Sdn Bhd as the Group Chief Financial Officer until now. During his tenure as the Chief Financial Officer at the abovementioned companies, he had amassed a wealth of entrepreneurial skills and management wisdom, adopting the best practices that each style of management has to offer.

He was appointed as Director of the Company on 29 April 2008 and as a member of Remuneration Committee since 5 November 2009. He does not hold any directorships in other public listed companies. He is also a Director of Kumpulan Kenderaan Malaysia Berhad. He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with Transocean Group of Companies and has never been charged for any offence other than traffic offences, if any.



**Tan Sri Dato' Sri (Dr) Mohd Nadzmi
bin Mohd Salleh**

Tan Swee Hock

Zainuddin bin Din

Aged 74 (Senior Independent Non-Executive Director), Malaysian

En Zainuddin bin Din graduated with a Bachelor of Economics (Honours) degree from the University of Western Australia and a Masters degree in Business Administration from the University of California, Los Angeles.

He served in the Malaysian Government service until 1976 with his last held position being the Director, Industries Division, Ministry of International Trade and Industry. During his tenure in the civil service, he was involved in formulating and enforcing various government policies, particularly those affecting trade and industry. From 1976 to 1991, he was the Chief Executive Officer of Pertanian Baring Sanwa Merchant Bankers Bhd (now known as Commerce International Merchant Bankers Bhd). After one year with AIA Capital, Hong Kong, he joined Malacca Securities Sdn Bhd as Executive Director for eight years until his resignation from that position in February 2001.

He was appointed as Director of the Company on 8 August 1994 and sits in Audit Committee, Nomination Committee and Remuneration Committee, prior to his appointment as Chairman of all the said three board committees on 1 July 2010. He does not hold any directorships in other public listed companies and has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with Transocean Group of Companies and has never been charged for any offence other than traffic offences, if any.



Zainuddin bin Din

Muhammad Adib bin Ariffin

Aged 52 (Independent Non-Executive Director), Malaysian

En Muhammad Adib bin Ariffin holds a Bachelor in Economics (Major in Accounting and Finance) from Monash University, Victoria, Australia. He is a member of Malaysian Institute of Accountants and a Fellow of CPA Australia. He has served over twenty years in several corporations and has held various positions in finance, operations, investments and corporate development. His industry involvement includes financial services, construction, manufacturing, property and agriculture. He is currently the Executive Director of Pelita Diwangsa Sdn Bhd.

He was appointed as a Director of the Company on 29 November 2007 and serves as a member of the Audit Committee, Nomination Committee and Remuneration Committee. He does not hold any directorships in other public listed companies except for Konsortium Transnasional Berhad. He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with Transocean Group of Companies and has never been charged for any offence other than traffic offences, if any.



**Muhammad Adib
bin Ariffin**



Woo Kok Boon

Woo Kok Boon

**Aged 37 (Independent Non-Executive Director),
Malaysian**

Mr Woo Kok Boon, holds a Bachelor of Arts (Major in Economics) from York University, Toronto, Canada. He is a Fellow of The Institute of Motor Industry ("IMI"), United Kingdom. He started his banking career with Multi-Purpose Bank Berhad. After the banking merger, he held the position of Manager of Sales and Marketing with Alliance Bank Malaysia Berhad. He then moved to Bumiputra-Commerce Finance Berhad and served as the Head of Risk Management Division and Head of Strategic Planning Division during his tenure.

He is currently the Managing Director and Chief Executive Officer of Vita Nova Malaysia Sdn Bhd, a distributor for cancer treatment drugs for the Asean region and the Executive Director of Vita Nova Holdings Sdn Bhd, specializing in Gene Therapy for cancer treatment research with Canadian researchers. He is also involved in several projects in the Green Technology sector.

He was appointed as Director of the Company on 17 October 2011 and serves as a member of the Audit Committee, Nomination Committee and Remuneration Committee. He is also a Director of Konsortium Transnational Berhad and Eti Tech Corporation Berhad. He has no family relationship with any other Director and/or major shareholder of the Company. He has no conflict of interest with Transocean Group of Companies and has never been charged for any offence other than traffic offences, if any.

Other Information Required

By the Listing Requirements of the Bursa Malaysia Securities Berhad

UTILISATION OF PROCEEDS

There were no proceeds raised from any corporate proposals during the financial year ended 31 December 2014.

SHARE BUY-BACK

The Company does not have a share buy-back programme in place.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

No options, warrants or convertible securities were issued/exercised in respect of the financial year under review.

DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any Depository Receipt Programme in the financial year ended 31 December 2014.

IMPOSITION OF SANCTIONS AND PENALTIES

There were no sanctions or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR A TRADING NATURE

The summary of the recurrent related party transactions of a revenue or a trading nature which have been entered by the Group pursuant to the shareholders' mandate obtained at the 36th Annual General Meeting ("AGM") held on 27 June 2014 are as follows:-

KTB	– Konsortium Transnasional Berhad
KKMB	– Kumpulan Kenderaan Malaysia Berhad
Nadicorp	– Nadicorp Holdings Sdn Bhd
NCSB	– Nadi Corporation Sdn Bhd
Trisilco	– Trisilco Equity Sdn Bhd
Ibroni	– Ibroni Sdn Bhd
Usmeta	– Usmeta Manufacturing Sdn Bhd
Tan Sri	– Tan Sri (Dr) Mohd Nadzmi bin Mohd Salleh
LSSB	– Lengkap Suci Sdn Bhd
Park May	– Park May Berhad
Tulus Hebat	– Tulus Hebat Sdn Bhd
Maracorp	– Maracorp Sdn Bhd
TLSB	– Transocean Logistics Sdn Bhd

NATURE OF TRANSACTION

SALES OF TYRES BY USMETA TO

Kenderaan Klang Banting Berhad
Syarikat Rembau Tampin Sdn Bhd
Kenderaan Langkasuka Sdn Bhd
Syarikat Tanjong Keramat Temerloh Utara Omnibus Berhad
Syarikat Kenderaan Melayu Kelantan Berhad
Transnasional Express Sdn Bhd
Plusliner Sdn Bhd
Cityliner Sdn Bhd
Badanbas Sdn Bhd
Carefree Premium Sdn Bhd

PROVISION OF FREIGHT FORWARDING AND TRUCKING RELATED SERVICES BY TLSB TO

Badanbas Sdn Bhd
Nadi Green Meadow Sdn Bhd
PNP Parachute Industries (M) Sdn Bhd
Puspamara Sdn Bhd
Carefree Premium Sdn Bhd

NON-AUDIT FEES

They were no non-audit fees paid to the external auditors by the Group and by the Company for the financial year ended 31 December 2014.

VARIATION OF ACTUAL PROFIT FROM THE UNAUDITED RESULTS

There were no material variations between the audited results and the unaudited results for the financial year ended 31 December 2014 of the Group as previously announced.

PROFIT GUARANTEE

During the financial year, there were no profit guarantees received by the Company.

MATERIAL CONTRACTS

There were no material contracts subsisting at the end of the financial year or entered into since the end of the previous financial year, by the Company or its subsidiaries, which involved the interest of the Director and major shareholders other than contracts entered into in the normal course of business.

	INTERESTED RELATED PARTIES											TRANSACTIONED VALUE DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (RM)
	KTB	KKMB	Nadicorp	NCSB	Trisilco	Ibroni	Tan Sri	LSSB	Park May	Tulus Hebat	Maracorp	
	■	■	■	■	■	■	■	■				0
	■	■	■	■	■	■	■	■				0
	■	■	■	■	■	■	■	■				0
	■	■	■	■	■	■	■	■				14,076
	■	■	■	■	■	■	■	■				32,906
	■	■	■	■	■	■	■	■				1,727,488
	■	■	■	■	■	■	■	■	■			0
	■	■	■	■	■	■	■	■		■		0
		■	■	■	■	■	■					338,036
		■	■	■	■	■	■					0
		■	■	■	■	■	■					4,200
		■	■	■	■	■	■					0
		■	■	■	■	■	■				■	0
		■	■	■	■	■	■				■	0
		■	■	■	■	■	■					0

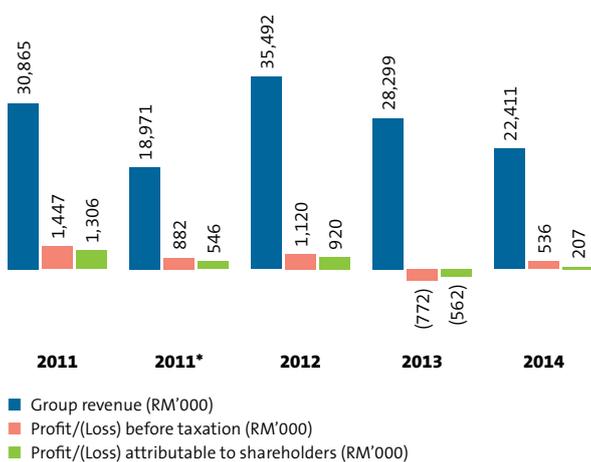
Financial Highlights

Group Financial Summary

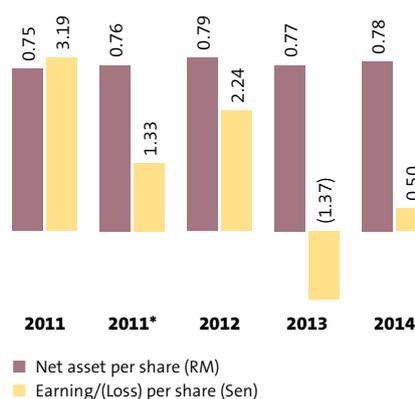
	YEAR ENDED 31 MAY	YEAR ENDED 31 DECEMBER			
	2011 RM'000	2011* RM'000	2012 RM'000	2013 RM'000	2014 RM'000
REVENUE					
Operating revenue	30,865	18,971	35,492	28,299	22,411
Profit/(Loss) before taxation	1,447	882	1,120	(772)	536
Profit/(Loss) after taxation	1,306	546	920	(562)	207
Profit attributable to the shareholders	1,306	546	920	(562)	207
Share capital	40,999	40,999	40,999	40,999	40,999
Reserves/(Accu, Losses)	(10,273)	(9,767)	(8,843)	(9,366)	(9,117)
Shareholders fund	30,726	31,232	32,156	31,633	31,882
Minority interest	0	34	31	29	29
Total Equity	30,726	31,266	32,187	31,662	31,911
Non current assets	37,569	36,197	39,184	30,142	29,629
Current assets	17,774	21,388	20,567	25,688	15,369
Total assets	55,343	57,585	59,751	55,830	44,998
Bank borrowings	11,844	12,322	14,541	11,064	8,676
Other liabilities	12,774	13,997	13,024	13,105	4,411
Total liabilities	24,618	26,320	27,565	24,169	13,087
NTA cents/share	75	76	79	77	78

* 7 months period only due to change of financial closing from 31 May to 31 December 2011.

Financial Results



Group Basic Loss Per Share and Net Asset Per Share





Chairman's Statement

Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Transocean Holdings Bhd ("THB") and its group of companies ("Group") for the financial year ended 31 December 2014.

OVERVIEW

The Year of the Horse 2014 started well but ended on a sharply contrasting note. The tumbling of global oil price from US\$115 per barrel on June 9 to US\$54 at the end of 2014, the recovery of US economy and the strong American dollars had caused the sharp depreciation of other countries' currencies. The Euro had fallen to nine year low due to poor economic performance of EU countries and conflicts in the Middle East are still left unresolved.

For Malaysia, the year 2014 brought with it tragedies, hardship and tears. It experienced two MAS aircrafts tragedies, low commodities prices, ringgit depreciation and the dropping in share prices. Towards the end of the year, Malaysia faced the worst flood disasters in decades.

Ringgit fell from the peak of RM3.1571 to USD in September to RM3.4960 at the end of December. Malaysia's forex reserve had fallen to US\$116 billion (RM414 billion) at the end of the year 2014, driven mainly by the sharp outflow of foreign short term capital amid concerns over the impact of low oil prices on Malaysia's economy and the timing of US interest rate hike. On October 2, the Malaysian government started to rationalize subsidies with the cutting of petrol and diesel subsidies by 20 cent per litre.

Chairman's Statement (cont'd)

GROUP'S OPERATION REVIEW

The Group recorded sales revenue of RM21.989 million for the year ended 31 December 2014 as compared with RM27.956 million for the previous year. The drop in revenue was mainly from the Tire Division due to the termination of supply contract by Usmeta's anchor customer. 71% of the revenue was contributed by the Logistics Division while 29% was from the Tire Trading Division. 21% of the revenue was contributed by the Singapore operation.

The Board had identified the root problems of the Group to its small capital base of RM31.911 million as at 31 December 2014 and the limited income generating assets. It was unsuccessful in sourcing for potential assets for injections during the year due to the volatile equity markets which also delayed the implementation of the Group's Capital Restructuring Plan.

The Logistics Division was unable to operate above "economy of scale" level as it operated with 37 units of income generating trucks only while old trucks of more than 16 years continued to be phased out of the roads. The Company could not accept routine and stable chartered loads from direct customers because this type of operation requires large fleet of trucks to support customer's requirements. It could only rely on Freight Agents for cargo. Its main source of income was derived from electronic consolidation cargo from the routes to & fro Mal/Sin/Mal.

The Singapore Government's policy to move away from labor intensive industry had seriously affected electronic assembly factories in Singapore. The "break bulk" operation at Singapore's Air & Sea Ports conducted by multinational logistic operators has also been reduced due to shortage of labor. These factors have reduced trucking movements between Malaysia and Singapore. Political turmoil in Thailand which ended up with military coups during the year had slowed down economic activities and disrupted movements of goods between Malaysia and Thailand.

Shah Alam logistic hub was set up during the 3rd quarter of the year with the objective of developing it into the operation center for Logistic Division and also to open up new routes to & fro KL/Sin/KL and KL/Pg/KL. The new routes will help Logistic Division to penetrate into the central region. The Company had signed up to be trucking sub-contractor to multinational logistic operators operating in the Shah Alam area but operation has been delayed till the beginning of 2015.

Logistic Division's profits were also affected by the increase in fuel cost caused by Government's rationalization of fuel subsidies and we were unable to pass the costs to the customers.

The Tire Division was not able to recapture the 50% drop in revenue caused by the termination of supply contract by the anchor customer since the middle of 2013. Prices for new and retreaded tires were disrupted by price fluctuations caused by drastic fall of commodity and crude oil prices particularly steel and natural rubber prices. Traditional new tire markets further faced fierce competition from the cheaper imported China made tires.

Since the Group announced its intention to move the main operation centre from Prai to KL, 38 employees had left the Group during the year. The total head counts of the Group had been reduced from 184 employees at the end of 2013 to the present level of 146 employees.

The Group's profits after taxation of RM0.207 million for the year ended 31st December 2014 was achieved with the help of profits from the sales of old trucks and special rebate received from tire manufacturers to compensate for tire price fluctuations during the year.

FUTURE PROSPECTS

As we step into the year 2015, Malaysia is embarking on the last leg of its journey towards the target of being a high-income nation status by 2020. Domestic demand growth, an important pillar of Malaysian economy, is at risk given the high level of household indebtedness, rising cost of living and depressed consumer sentiment pursuant to the implementation of the 6% Goods and Services Tax in April 2015.



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Chairman's Statement (cont'd)

GROUP'S FUTURE PLAN

The Group will continue to explore expansion opportunities to expand its capital base and to improve its earning capacities.

In the meantime, working with the available resources, the Group has taken steps to improve sales revenues and profits as follows:-

- Tire Division has penetrated into GLCs and Government's agencies which will start to order new and retreaded tires in 2015.
- 20 new China made trucks will be purchased during the year. 10 units are expected to arrive during 1st quarter of 2015 while the other 10 units are expected to arrive during the 3rd quarter of the year.
- Shah Alam Logistic Hub will commence operation to open up new routes to & fro KL/SIN/KL and KL/PG/KL during the 1st quarter of the year.
- Construction of warehouses at Johor Bahru and Klang valley.
- Rebuild back the air & sea freight businesses.

Despite its small size, the Management has formed a special sales team to concentrate on capturing consolidated cargo which requires higher value added services. The Group has already established collection and distribution hubs in Singapore, Johor Bahru, Shah Alam and Prai. In collaboration with other logistic operators, it also has initiated smart partnership arrangements to access logistic hub at Padang Besar and trucking services throughout Thailand.

The Group is committed to be "a one stop fully integrated logistic services provider offering customers with prompt, secure door to door service with GPS tracking facilities". It's one stop services are now covering Singapore, Malaysia and Thailand.

DIVIDEND

The Board does not recommend any dividend for the year ended 31 December 2014.

APPRECIATION

The Board of Directors would like to express our gratitude to all our stakeholders for their unwavering support and continuous faith in the Group. To our shareholders, clients and business partners, we look forward to your continued support. My appreciation also goes to my fellow Board members for their invaluable counsel and input in the past year.

Finally, a big "thank you" to the management team and employees for their hard work and commitment during the year under review.

Tan Sri (Dr) Mohd Nadzmi bin Mohd Salleh
Executive Chairman/Managing Director

Date: 30 April 2015

Corporate Governance Statement

The Board of Directors (“Board”) of TRANSOCEAN HOLDINGS BHD remains committed and continues to uphold to the highest standard of corporate governance in managing the affairs of the Company and its subsidiaries (“the Group”), guided by the Principles and Recommendations of the Malaysian Code on Corporate Governance 2012 (“MCCG 2012”) during the financial year ended 31 December 2014. The Board has observed and complied with the Principles and Recommendations of the MCCG 2012, save as set out below. The reasons for non-observance of the Recommendations of 3.2 and 3.4 in the MCCG 2012 during the financial year under review are appended below:-

- a. YBhg Tan Sri (Dr) Mohd Nadzmi bin Mohd Salleh, Executive Chairman/Managing Director of the Company had been holding both the position since 2007 in the absence of the Chief Executive Officer. The Board has assessed the situation and taken action to ensure that the Recommendation 3.4 of MCCG 2012 will be complied. Accordingly, YBhg Tan Sri (Dr) Mohd Nadzmi bin Mohd Salleh will relinquish the position of the Managing Director when the Chief Executive Officer has been duly identified and appointed; and
- b. Encik Zainuddin bin Din, Senior Independent Non-Executive Director since 1994 had exceeded a cumulative term of nine years as an Independent Director. The shareholders had during the last Annual General Meeting (“AGM”) of the Company held on 27 June 2014 approved the motion to retain Encik Zainuddin as an Independent Director in compliance with recommendations of MCCG 2012.

Pursuant to the Policy on the Board Composition and Independence of the Company and in line with the Recommendation 3.2 of MCCG 2012 where the tenure of an independent director should not exceed accumulative term of nine years, the Nomination Committee has assessed the independence of Encik Zainuddin and recommended him to continue to act as Independent Non-Executive Director of the Company. In this respect, the Company will be seeking the shareholders’ approval at the coming AGM to retain Encik Zainuddin to continue to act as an Independent Director of the Company.

This Statement outlines the Group’s main corporate governance practices and policies in alignment with the principles of MCCG 2012 as below:-

1.0 CLEAR ROLES AND RESPONSIBILITIES

1.1 Clear Functions of the Board and Management

The Board is responsible for strategic planning, oversight and overall management of the Group. To ensure the Board members are aware of their duties and responsibilities, the Board has established a governance model via the Board Charter which sets out the composition, duties and responsibilities, powers and meeting of the Board. The Board has also delegated specific matters to various Board Committees such as Audit Committee (“AC”), Nomination Committee (“NC”) and Remuneration Committee (“RC”) which operates within their respective approved Terms of Reference.

The Board’s role is to lead and control the affairs on behalf of shareholders. The Board takes into account the interests of all stakeholders when making decisions so as to ensure that the twin objectives of enhancing prosperity and creating long term shareholders’ value are met. In addition, the Board monitors the performance of the Group’s various areas of operations.

In line with its overall responsibility for the proper conduct of the Group’s business, the Board is responsible for establishing the Group’s goals and strategic directions, setting goals and targets for Management and monitoring the achievement of those goals and targets, overseeing process of evaluating the adequacy and effectiveness of the system of internal controls and risk management processes.

Management is responsible for the day to day running of the Group’s business in accordance with the corporate objectives and goals and targets set by the Board.

There is a clear division of responsibilities between the Executive Directors and Non-Executive Directors of the Board. The Executive Directors are responsible for the implementation of the Board’s decision and policies, overseeing of day to day management and coordination of business and strategic decisions. The Independent Non-Executive Directors play a significant role in bringing objectivity and scrutiny to the Board’s deliberations and decision making. Any material and important proposals that will significantly affect the policies, strategies, directions and assets of the Group will be subject to approval by the Board. None of the members of the Board has unfettered powers of decision.

Corporate Governance Statement (cont'd)

1.0 CLEAR ROLES AND RESPONSIBILITIES (cont'd)

1.1 Clear Functions of the Board and Management (cont'd)

The Group is led by a strong and experienced Board under the Chairman who also assumes the responsibilities of the Managing Director. The roles of Chairman and Managing Director were assumed by YBhg Tan Sri (Dr) Mohd Nadzmi bin Mohd Salleh in recognition of his entrepreneurial leadership and he had turnaround the Group since 2010. YBhg Tan Sri (Dr) Mohd Nadzmi bin Mohd Salleh is assisted by an Executive Director and 3 Independent Non-Executive Directors.

1.2 Duties and responsibilities

The Board assumes, amongst others, the following responsibilities:-

a. Reviewing and adopting a strategic plan for the Group

The Board provides direction and plays a vital role in developing a strategic plan for the Group. The Management presents its recommended strategy and business plans as well as annual budgets to the Board for review and approval before implementation.

In the year 2014, the Group continued to focus on improving market penetration of the Group's core business of providing total logistics services, selling of new and retreated tyres.

b. Overseeing the conduct of the Group's business

The Deputy Chief Executive Officer/Chief Financial Controller is responsible to oversee the daily management of the Company's business and operations. The Deputy Chief Executive Officer/Chief Financial Controller is assisted by the various divisional heads in monitoring daily activities. The Deputy Chief Executive Officer/Chief Financial Controller is further supported by the Management and other committees established within the Company's management framework.

The performance of the Management is monitored and assessed by the Board through management reports which are tabled to the Board on a periodic basis. These reports include a comprehensive summary of business operations and financial performance. The Board is also kept informed of key strategic initiatives and operational issues within the Group.

c. Identifying principal business risks and ensuring the implementation of appropriate systems to manage risks

The Board has entrusted the risk management function to the AC to oversee the Enterprise Risk Management ("ERM") framework of the Group. The AC reviews and identifies areas of potential high risk faced by the Group and advises the AC in establishing adequate compliance and controls over the organization. The AC also reviews risk management policies and makes recommendations to the Board for approval.

d. Succession planning

The Board has entrusted the NC with the responsibility to ensure that an appropriate framework and plan for succession within the Group are in place. The Board has also entrusted the Executive Directors, who are assisted by the Deputy Chief Executive Officer/Chief Financial Controller with the responsibility to review candidates and compensation packages for key management positions.

1.0 CLEAR ROLES AND RESPONSIBILITIES (cont'd)

1.2 Duties and responsibilities (cont'd)

e. Overseeing the development and implementation of a shareholder communication policy for the Group

The Group emphasizes the importance of communication among shareholders, stakeholders and the Company. Adequate communication generates and builds public confidence towards the Company. The Board endeavors to ensure that annual reports, quarterly reports, press releases, and announcements are released on a timely basis as a means of disseminating information of the Group's business activities and financial performance.

The Group aims to build long-term relationship with shareholders and potential investors through appropriate channels for the Management and disclosure of information. These investors are provided with sufficient business, operations and financial information on the Group to enable them to make informed investment decisions.

The Company's website has a "Contact Us" section where shareholders and potential investors may direct their enquiries to the Company. The Company will endeavor to reply to these queries in the shortest possible time.

f. Reviewing the adequacy and integrity of management information and internal controls system of the Group

The Board has to ensure that there is a sound framework of reporting on internal controls and regulatory compliance. Details relating to the internal control system and review of effectiveness are available in the Statement on Risk Management and Internal Control as set out in this Annual Report.

g. Board of Directors' composition

The Group takes serious effort to ensure the Board comprises members with suitable academic and professional qualifications, skills, expertise and wide exposure.

The Board comprises 5 members of whom 3 members are Independent Non-Executive Directors. The Board has more than 1/3 Independent Directors as its members. A brief profile of each Director is presented in the Profile of Directors section of this Annual Report.

The composition of the members of the Board reflects a good mix of experience, backgrounds, skills and qualifications which are vital to the sustainability and growth.

h. Board Gender Diversity

According to the Company's Policy on Board Composition and Independence, the Board recognizes diversity as an important part of the criteria that are used to determine board composition and to ensure that different perspective are considered for Board effectiveness and strength. Board diversity includes gender, ethnicity, business experience and personal skills.

The Board will review the suitability and credibility of women candidates for the Board to reach adequate women participation in the Board.

Corporate Governance Statement (cont'd)

1.0 CLEAR ROLES AND RESPONSIBILITIES (cont'd)

1.2 Duties and responsibilities (cont'd)

i. Board Committees

The Board has established formal board committees to assist themselves in order to discharge its duties effectively.

The Chairman of each board committee reports to the Board on the outcome of the committee meetings and such reports are incorporated in the Board papers for the Board's notation and if required, for the Board's approvals.

• Audit Committee ("AC")

The AC comprises of:-

CHAIRMAN

Encik Zainuddin bin Din (*Senior Independent Non-Executive Director*)

COMMITTEE MEMBERS

Encik Muhammad Adib bin Ariffin (*Independent Non-Executive Director*)

Mr Woo Kok Boon (*Independent Non-Executive Director*)

Attendance of Members of the AC at meetings held during the year 2014 is as follows:-

COMMITTEE MEMBERS	ATTENDANCE AT AC MEETINGS
Zainuddin bin Din	4 of 5
Muhammad Adib bin Ariffin	5 of 5
Woo Kok Boon	5 of 5

The AC's terms of reference include the review of and deliberation on the Group's financial statements, the audit findings of the External Auditors arising from their audit of the Group's financial statements and the audit findings and issues raised by Internal Auditors together with the Management's responses thereon.

External Auditors, Internal Auditors, Executive Directors and members of Senior Management attend the meetings at the invitation of the AC.

For details on the functions, composition, membership and summary of activities of the AC in year 2014, please refer to the Report on AC of this Annual Report.

• Nomination Committee ("NC")

The NC currently comprises of entirely Independent Non-Executive Directors as follows:-

CHAIRMAN

Encik Zainuddin bin Din (*Senior Independent Non-Executive Director*)

COMMITTEE MEMBERS

Encik Muhammad Adib bin Ariffin (*Independent Non-Executive Director*)

Mr Woo Kok Boon (*Independent Non-Executive Director*)

There was one NC meeting held during the year 2014. All members of the NC were present during that meeting.

1.0 CLEAR ROLES AND RESPONSIBILITIES (cont'd)

1.2 Duties and responsibilities (cont'd)

i. Board Committees (cont'd)

• **Nomination Committee (“NC”)** (cont'd)

The NC is empowered to bring to the Board, recommendations as to the appointment of any new executive or non-executive director, provided that the Chairman of the NC, in developing such recommendations, consults all directors and reflects that consultation in any recommendation of the NC brought forward to the Board. In making its recommendation, the NC will consider the required mix of skills, knowledge, expertise, experience and other qualities, including core competencies which Directors of the Company should bring to the Board.

The NC also ensures that the Board has an appropriate balance of expertise and ability. For this purpose, the NC regularly reviews the profile of the required skills and attributes. This profile is used to assess the suitability as executive or non-executive directors of candidates put forward by the directors and outside consultants. In addition, the NC also regularly assesses the effectiveness of the Board as a whole and the contribution of each individual director including Independent Non-Executive Director. All assessments and evaluations carried out by the NC in discharging its functions have been well documented.

During the financial year 2014, NC conducted annual assessment of its Directors who are subject to retirement at the forthcoming Annual General Meeting (“AGM”) in accordance with the provision of Articles of Association of the Company and Companies Act, 1965.

• **Remuneration Committee (“RC”)**

The RC comprises of the following Board members:-

CHAIRMAN

Encik Zainuddin bin Din (*Senior Independent Non-Executive Director*)

COMMITTEE MEMBERS

Encik Muhammad Adib bin Ariffin (*Independent Non-Executive Director*)

Mr Woo Kok Boon (*Independent Non-Executive Director*)

Mr Tan Swee Hock (*Executive Director*)

There was twice RC meetings held during the year 2014. Attendance of members of the RC at meetings held during the year 2014 was as follows:-

COMMITTEE MEMBERS	ATTENDANCE AT RC MEETINGS
Zainuddin bin Din	1 of 2
Muhammad Adib bin Ariffin	2 of 2
Woo Kok Boon	2 of 2
Tan Swee Hock	2 of 2

The RC had performed its duty to assess annually the remuneration package of its Executive Directors.

Corporate Governance Statement (cont'd)

1.0 CLEAR ROLES AND RESPONSIBILITIES (cont'd)

1.2 Duties and responsibilities (cont'd)

i. Board Committees (cont'd)

- **Remuneration Committee ("RC")** (cont'd)

The proposed remuneration of the Non-Executive Directors is determined by the Board which comprises the following:-

Directors' Fees	These fees are payable to the Non-Executive Directors and are recommended by the Board for the approval of the shareholders at each annual general meeting.
Meeting Allowances	These allowances are payable to the Non-Executive Directors for attendance of the Board and Committee meetings. The meeting allowance is determined by the Board.

1.3 Ethical Standards and Code of Conduct

The Board strongly believes in applying good working ethics and code of conduct in all business dealings. The Directors of the Company is guided by the Code of Ethics established by the Companies Commission of Malaysia for Company Directors. The Code of Ethics sets out the principles in relation to sincerity, integrity, responsibility and corporate social responsibility.

To further enhance corporate governance practices across the Group, a whistleblowing policy was adopted which provides Directors, officers, employees and stakeholders of the Group with an avenue to report suspected improprieties such as illegal or unlawful conduct, contravention of the Group's policies and procedures, acts endangering the health or safety of any individual, public or employee, and any act of concealment of improprieties. The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that the person filing the report, to the extent possible, be protected from reprisal, victimization, harassment or subsequent discrimination.

Any person who wishes to report a suspected impropriety may submit his/her report to the Chairman of AC.

1.4 Strategies Promoting Sustainability

The Board is committed to conduct its business in a socially responsible manner by implementing sustainable corporate strategies and practices. The Group has embraced good corporate responsibility practices in the areas of workplace, community, environment and stakeholders' engagement.

1.5 Access to Information and Advice

The Board meets at least every quarter and more frequently as and when business or operational needs arise. There are established procedures on the agenda, content and presentation of reports for each meeting so that all pertinent information are included. All Board members are supplied with information on a timely manner. Board papers are circulated at least 5 working days prior to Board meetings and the reports provide, amongst others, financial and corporate information, significant financial and corporate issues, the Group's and the Company's performance and any management proposals which required the approval of the Board.

All Directors have access to the advice and services of the Company Secretaries in furtherance of their duties. The Company Secretaries are responsible for providing support and appropriate guidance to the Board on policies and procedures, rules and regulations and relevant laws in regard to the Company as well as the best practices on governance. Where appropriate, the Directors may obtain independent professional advice at the Company's expense on specific issues to enable the Board to make well informed decisions in discharging their duties on matters being deliberated.

1.0 CLEAR ROLES AND RESPONSIBILITIES (cont'd)

1.6 Board Charter

The Group has a Board Charter that sets out the role and responsibilities of its Board, Chairman and Directors. Specifically, it spells out the authority, responsibilities, membership and operation of Board of the Director, adopting principles of good corporate governance and practice, in accordance with applicable laws in Malaysia. The Board is guided by the Board Charter which provides reference for directors in relation to the Board's role, powers, duties and functions. The Board will regularly review the Board Charter to ensure it remains consistent with the Board's objectives and responsibilities, and all the relevant standards of corporate governance.

The Board Charter is available for reference at the Company's website (www.transocean.com.my).

2.0 STRENGTHEN COMPOSITION OF THE BOARD

2.1 Nomination Committee

The Group places high importance to ensure the Board comprises members with suitable academic and professional qualifications, skills, expertise and wide exposure. Towards this end, the NC always monitors that there is an appropriate balance of expertise and ability. In addition, the NC also regularly assesses the effectiveness of the Board as a whole and the contribution of each individual director including Independent Non-Executive Director.

The NC is headed by Encik Zainuddin bin Din, Senior Independent Non-Executive Director. All the members of NC are Independent Non-Executive Directors.

2.2 Recruitment Process and Annual Assessment of Directors

The NC adopts a transparent practice to assess the suitability of an individual to be appointed to the Board. Recruitment is based on preset criteria such as the individual's skills, knowledge, expertise and experience, professionalism and integrity. The NC also ensure that the procedures for appointing new Director are transparent and that appointments are made on the merit and against objective criteria for the purpose.

Re-appointment of Directors of the Company are in accordance with the Company's Articles of Association and good corporate governance practice. The performance of each Director of the Company was appraised by other Directors based on the characteristic of integrity, governance, participation, decision, independence and strategic perspective. Thereafter, the evaluation survey questionnaires are compiled into a summary report. The report is presented to the NC and then to the Board.

For year 2014, all the Directors met the expectations of the criteria set out in discharging their duties and responsibilities.

Independent Directors who have been on the Board for a cumulative period of more than nine years will be recommended by the Board for re-election annually at the AGM after evaluating the performance of the individual Independent Director and also based on the recommendation of the NC.

In accordance with the Articles of Association ("Articles") of the Company, all Directors who are appointed by the Board are subject to election by shareholders at the first opportunity after their appointment. The Articles also provide that the Directors shall retire from office once at least in each three years but shall be eligible for re-election at the AGM.

A Director who is over seventy (70) years old is required to submit himself for re-appointment annually in accordance with section 129 (6) of the Companies Act, 1965.

The performance and effectiveness of the Director and the Board were assessed individually and collectively, using evaluation survey questionnaires to evaluate the overall Board's performance against criteria that the Board determines are important to its success. The Board's performance and effectiveness evaluation in year 2014 reported that the Board continues to operate effectively.

Corporate Governance Statement (cont'd)

2.0 STRENGTHEN COMPOSITION OF THE BOARD (cont'd)

2.3 Directors' Remuneration

The RC is headed by Encik Zainuddin bin Din, Senior Independent Non-Executive Director. All the members of RC are Independent Non-Executive Directors.

The RC reviews the remuneration policy each year with a view to ensure that the policy is fair and able to attract and maintain talent. The Non-Executive Directors' fees are tabled at the Company's AGM.

The objectives of the Group's policy on Directors' remuneration are to attract and retain Directors of the caliber needed to manage the Group successfully. In the case of Executive Directors, the component parts of their remuneration are structured to link rewards to corporate and individual performances. For Non-Executive Directors, their level of remuneration reflects the experience, expertise and level of responsibilities under taken by the particular Non-Executive Director concerned.

The details of the nature and amount of each major element of the remuneration of each Directors of the Company for the financial year ended 31 December 2014 are as follows:-

	SALARIES RM	ALLOWANCES RM	FEE RM	OTHERS RM	TOTAL RM
Executive Directors	296,566	5,000	–	–	301,565
Non-Executive Directors	–	7,500	108,000	–	115,500

The numbers of Directors in each remuneration band for the financial year 2014 are as follows:-

RANGE	EXECUTIVE	NON-EXECUTIVE
Below RM50,000	–	3
RM50,000 – RM100,000	–	–
RM100,001 – RM150,000	1	–
RM150,001 – RM200,000	1	–
RM200,001 – RM250,000	–	–

Although the MCGG 2012 requires that each Director's remuneration be disclosed in details, the Board is of the opinion that transparency and accountability aspect of this requirement are still appropriately served. The band disclosure made above is in compliance with the Appendix 9C of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").

3.0 REINFORCE INDEPENDENCE

3.1 Assessment of Independent Directors

The NC and the Board undertake an assessment of the Company's Independent Directors annually. The Independent Non-Executive Directors are pivotal in bringing impartiality and scrutiny to the Board's deliberation and decision making process. They do not participate in the daily operations and management of the Group.

The three (3) Independent Non-Executive Directors of the Group fulfilled the criteria of independence as defined in the Listing Requirements. The Company meets the minimum requirement prescribed by the Listing Requirements to have at least one-third of the Board comprised of Independent Non-Executive Directors.

Returns on the assessment of the Directors' Independence have been circulated to the Independent Directors for their confirmation. Based on the assessment in year 2014, it was concluded that all the Independent Directors remain independent of the management and are able to exercise their independent judgement or the ability to act in the best interest of the Company.

3.2 Tenure of Independent Directors

The Company is aware of the recommendations of the MCGG 2012 for tenure of Independent Directors not to exceed nine (9) years. However, the Board does evaluate and take into account the contributions of Independent Directors and is of the view that valuable contributions can be obtained from Directors who have, through their period of association with the Group, understand the intricacies of the Group's business. Encik Zainuddin bin Din, Senior Independent Non-executive Director since 1994, had exceeded a cumulative term of nine years as an Independent Director.

3.3 Re-appointment of Independent Director who served more than nine years

Pursuant to the Policy on the Board Composition and Independence duly adopted by the Company and in line with the Recommendation 3.2 of MCGG 2012, the NC has assessed the independence of Encik Zainuddin and recommended him to continue to act as Independent Non-Executive Director of the Company.

During the last AGM of the Company held on 27 June 2014, the shareholders had approved the motion and retained Encik Zainuddin's position as Independent Director of the Company despite of his tenure in office was more than nine years in the Company.

In view of his vast contributions and experience, the Company would like to continue to retain Encik Zainuddin who has served as an Independent Director of the Company for more than 9 years on its Board as a Senior Independent Non-Executive Director and to hold office until the conclusion of the next AGM. In this respect, the Company will be seeking the shareholders' approval at the coming AGM to retain Encik Zainuddin to continue to act as an Independent Director of the Company.

4.0 FOSTER COMMITMENT

4.1 Time Commitment

The Group has high expectations of the availability and commitment of its Board members. The Board meets at least quarterly to consider all matters relating to the overall control, business performance and strategy of the Company. Additional meetings will be called as and when necessary. All relevant reports and board papers are distributed to all Directors in advance of the Board Meeting to allow the Directors sufficient time to peruse for effective discussion and decision making during the meetings. All pertinent issues discussed at the meetings in arriving at decisions and conclusions are properly recorded in the discharge of the Board's duties and responsibilities.

In order to ensure attendance of Board meetings, the meeting dates for the calendar year are set and the Board usually confirms their attendance for each meeting. The attendance record of the Directors for the financial year ended 31 December 2014 was satisfactory with at least 83% attendance and a majority of them having full attendance. Save for YBhg Tan Sri (Dr) Mohd Nadzmi bin Mohd Salleh, Encik Muhammad Adib bin Ariffin and Mr Woo Kok Boon who are members of other listed companies, the rest of the Directors do not have directorships in listed companies.

Corporate Governance Statement (cont'd)

4.0 FOSTER COMMITMENT (cont'd)

4.1 Time Commitment (cont'd)

During the financial year ended 31 December 2014, the Board held a total of 5 meetings and details of the attendance record of the Board is set out below:-

NAME	ATTENDANCE
Executive Directors	
YBhg Tan Sri (Dr) Mohd Nadzmi bin Mohd Salleh	5 out of 5
Tan Swee Hock	5 out of 5
Non-Executive Directors	
Zainuddin bin Din	4 out of 5
Muhammad Adib bin Ariffin	5 out of 5
Woo Kok Boon	5 out of 5

All the Directors have complied with the minimum 50% attendance requirement in respect of Board Meeting as stipulated in the Listing Requirements. In the intervals between Board Meetings, for any matters requiring Board's decision, the Board's approvals are obtained through circular resolutions. The resolutions passed by way of such circular resolutions are then noted at the next Board Meeting.

4.2 Directors' Continuous Professional Development

The Group recognizes the need to upgrade and enhance the skills of the Board members. All existing Directors of the Company have successfully completed the Mandatory Accreditation Programme as required by Bursa Securities on all directors of listed companies.

The Directors will continue to undergo other relevant training programmes to keep themselves abreast with the relevant changes in laws, regulations and the business development.

The Board of Directors also continually assesses the training needs of the Directors. During the financial year 2014, the Directors attended the following training programmes in areas of corporate, business and investment strategies as well as AC function:-

NAME OF DIRECTORS	TITLE OF SEMINAR/COURSE	ORGANIZER
YBhg Tan Sri (Dr) Mohd Nadzmi bin Mohd Salleh	• Has Competitive Advantage Ended?	Bursatra Sdn Bhd
Tan Swee Hock	• Planning Corporate Merger & Acquisition • Has Competitive Advantage Ended?	Bursatra Sdn Bhd Bursatra Sdn Bhd
Zainuddin bin Din	• Government Intervention in Business	Bursatra Sdn Bhd
Mohammad Adib bin Ariffin	• Planning Corporate Merger & Acquisition	Bursatra Sdn Bhd
Woo Kok Boon	• Has Competitive Advantage Ended	Bursatra Sdn Bhd

5.0 UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Financial Reporting

The Board has always endeavor to provide true, fair and comprehensive financial reporting of the Group's performance in the audited financial statements and quarterly financial reports together with material disclosures in the notes to accounts. The AC assists the Board in discharging its fiduciary duties by ensuring that the audited financial statements and quarterly financial reports are prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") and Listing Requirements.

In presenting the annual audited financial statements and quarterly announcement of results to shareholders, the Board aims to present a balance and fair assessment of the Group's financial position and prospects. The AC reviews the Group's quarterly financial results and annual audited financial statements to ensure accuracy, adequacy and completeness prior to presentation to the Board for its approval.

5.2 Assessment of Suitability and Independence of External Auditors

On an annual basis, the AC would review and monitor the suitability and independence of the External Auditors as well as reviewing the non-audit services provided by the External Auditors, if any. No non-audit fees were paid to the Group auditors in year 2014.

The AC had obtained an assurance from the External Auditors confirming that they were, and had been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The AC is satisfied with the competence and independence of the External Auditors and had recommended the re-appointment of the External Auditors to the Directors at the forthcoming AGM.

6.0 RECOGNISE AND MANAGE RISK

6.1 Risk Management and Internal Control

The Board is committed to maintain a good risk management framework and sound system of internal control within the Group. The Group has an embedded risk management framework process for the identification, evaluation, reporting, treatment, monitoring and review of the major strategic, business and operation risks within the Group.

The Internal Audit function of the Group is outsourced to a professional firm to provide the AC and the Board with the assurance they require pertaining to the adequacy and effectiveness of internal control.

The Group's Internal Audit function provides independence and objective assurance of the adequacy and integrity of the system of internal control. Details of the internal audit function and a summary of its activities, together with the state of the Group's internal control, are given in the Statement on Risk Management and Internal Control as set out in pages 30 to 33 of this Annual Report.

7.0 TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Corporate Disclosure Policy

The Board has set up appropriate corporate disclosure policies and exercises close monitoring of all price sensitive information required to be released to Bursa Securities and makes material announcements to Bursa Securities in a timely manner.

7.2 Dissemination of Information

The Group exercises close monitoring of all price sensitive information required to be released to Bursa Securities and makes material announcements to Bursa Securities in a timely manner. In accordance with best practices, the Board would strive to disclose price sensitive information to the public as soon as practicable through Bursa Securities, the media and the Group's website. Price sensitive information refers to any information that, on becoming generally available, would tend to have a material effect on the market price of the Company's listed shares.

Corporate Governance Statement (cont'd)

7.0 TIMELY AND HIGH QUALITY DISCLOSURE (cont'd)

7.2 Dissemination of Information (cont'd)

Members of the Board and Senior Management with privy to price sensitive information are prohibited from dealing in the shares of the Company until such information is publicly available. This is in addition to the provisions relating to the “closed period” for dealing in the Company’s shares.

In addition, the Company’s website incorporated an Investor Relations section where the annual report and interim financial results would be captured. Directors’ Report and Audited Financial Statements, the Annual Reports, Interim Financial Statements together with the Company’s announcements and other information about the Group are available on our website (www.transocean.com.my).

8.0 STRENGTHEN RELATIONSHIP WITH SHAREHOLDERS

8.1 Shareholders Participation at General Meeting

In addition to communicating and engaging shareholders through annual reports, AGM, continuing and timely disclosures of information, the Group welcomes dialogues with shareholders and investors to discuss issues and obtain feedback. The Executive Chairman, Executive Director and Senior Management personnel participate in discussions with shareholders to ensure they are given as accurate and fair representation of the Group’s performance and position.

At each AGM, the Directors of the Company would be present at the meetings to answer any questions that the shareholders may ask. The Chairman of the meeting provided time for the shareholders to ask questions for each agenda in the notice of the AGM. In line with Recommendation 8.2 of the MCCG 2012, the Company Secretary informs shareholders of their right to demand a poll vote at the commencement at all general meeting. The External Auditors are also present at the AGM to answer any questions that the shareholders may ask. The shareholders are also able to meet with the Directors after the meeting while they mingled with the shareholders, proxies and corporate representatives.

Dialogues and discussions with investors and analysts are conducted within the framework of the relevant Corporate Disclosure Guidelines under the Listing Requirements and comply with the Best Practices in Corporate Disclosure published by the Malaysian Institute of Chartered Secretaries and Administrators.

8.2 Communication and Engagement with Shareholders

The Group communicates with its shareholders through the timely release of financial results on a quarterly basis, annual report, press releases and announcements to Bursa Securities. Financial results and press releases are also placed on the corporate website to keep shareholders and investors informed of the Group’s performance.

Shareholders, investors and members of the public who wish to contact the Group on any enquiry, comment or proposal can channel them through e-mail the following persons:-

NAME	POSITION	E-MAIL ADDRESS
Tan Swee Hock	Executive Director	shtan@nadi.com.my
Ho Wah Lok (Michael)	Deputy Chief Executive Officer/ Chief Financial Controller	michael.ho@transocean.com.my

Shareholders and investors can obtain the Group’s latest announcements such as quarterly financial results at Bursa Malaysia website (www.bursamalaysia.com) and the Group’s website (www.transocean.com.my).

STATEMENT OF COMPLIANCE WITH THE RECOMMENDATIONS OF MCCG 2012

The Company is committed to achieving high standards of corporate governance throughout the Group and to the highest level of integrity and ethical standards in all its business dealings.

The Board is of the opinion that for the financial year ended 31 December 2014, the Company has generally adhered to the Principles and Recommendations as set out in MCCG 2012 saved as disclosed otherwise.

This Statement is made in accordance with a resolution of the Board dated 15 April 2015.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Group is aware of its role as a responsible corporate citizen and understands the need to contribute and work together with society and the community in conjunction with our business needs and interests.

- **Go Green Environment**

The Group, being involved in the logistics industry, has a large fleet of trucks and prime movers to carry out its business activities. Maintenance of these trucks and prime movers is well scheduled to ensure that these vehicles are in good condition and road worthy. Smoke emissions from the trucks are strictly controlled within the permissible level set by the Department of Environment regulations for emissions. A new Open Bravo Computer system has been implemented to ease the employees' work flow and to reduce paper consumption which can save cost to the Group.

- **Human Resource Engagement**

The Group recognizes and appreciates the contribution of its employees to the Group's operations and performance. The Group believes in continual upgrading of skills and knowledge for its employees. The Group takes responsibilities in ensuring road safety by regularly sending the drivers to attend good driving and safety courses. The drivers are also subjected to routine medical checks on their health conditions.

The Group also collaborated with Institute of higher learning to provide practical training opportunities to the undergraduates from the field of Logistic, Accounting and Marketing.

- **International Organization for Standardization**

The Group believes in upgrading and streamlining its standard of operations. To achieve this, the Group has established the Quality System on the Standard Operating Procedures for employee. The Quality System Manual meets the requirements of the MSISO 9001:2008 Standards (Quality Management Systems-Requirements).

Statement on Risk Management and Internal Control

INTRODUCTION

The Malaysian Code on Corporate Governance 2012 (“MCCG 2012”) sets out the principle that the Board of a listed company should establish a sound risk management framework and internal control system to safeguard shareholders’ investments and assets of the Group.

This Statement on Risk Management and Internal Control is issued in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”) and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, on the Group’s compliance with the Principles and Best practices relating to risk management and internal control as stipulated in MCCG 2012.

BOARD RESPONSIBILITIES

The Board of Directors (“Board”) affirms its overall responsibility for the Group’s system of internal control, including the assurance of its adequacy and integrity, and its alignment with business objectives. However, it should be noted that control systems are designed to manage, rather than to totally eliminate, associated risks and as such, can only provide reasonable but not absolute assurance against material loss or failure.

The Board has established an ongoing process for identifying, evaluating, monitoring and managing the significant risks faced by the Group in its achievement of objectives and strategies. This process has been in place for the duration of the financial year. The Board has also received assurance from the Deputy Chief Executive Officer/Chief Financial Controller that the Group’s risk management and internal control system is operating adequately and effectively throughout financial year 2014 and for the period up to the date of this report, based on the risk management and internal control systems of the Group.

RISK MANAGEMENT

The Board is pleased to disclose that there is an embedded process for identifying, evaluating, managing and reporting significant business risks faced by the Group throughout the financial year.

The Group has used the services of the Audit Committee (“AC”) to provide oversight function in the implementation and enforcement of the risk management process.

Management from each business or operation units applies a risk/control assessment approach in identifying the risks relating to their operation unit, assess the likelihood of these risks occurring, evaluate the consequences if they do occur and implement mitigating actions to manage these risks to the desired level. The risk profiles and risk treatment measures determined from this process are documented in risk registers with each business unit having its respective risk register.

The Board and Management practice proactive identification of significant risks on a quarterly basis or earlier as appropriate, particularly if there are any major proposed transactions, changes in nature of activities and/or operating environment, or venturing into new operating environment which may entail different risks. Accordingly, the Board would put in place the appropriate risk response strategies and controls until those risks are managed to, and maintained at, a level acceptable to the Board. This is further supported by the Internal Audit function and the operation staff from the various divisions to effectively inculcate risk management practices and controls into the corporate culture, processes and structures within the Group.

Risk management principles, policies, procedures and practices are updated regularly to ensure relevance and compliance with current/applicable laws and regulations, and are made available to all employees. The Group also adopted a whistleblowing policy, providing an avenue for employees to report actual or suspected malpractice, misconduct or violations of the Group’s policies and regulations in a safe and confidential manner.

RISK MANAGEMENT (cont'd)

The risk management process is affected through the following mechanisms and measures, by which the Board obtains timely and accurate information of all major control issues in relation to internal controls, regulatory compliance and risk-taking:-

- **Internal Audit and Risk Management Functions**

The Board acknowledges the importance of Internal Audit and Risk Management functions and has engaged the services of UHY, an independent professional accounting and consulting firm to provide much of the assurance it requires regarding the effectiveness as well as the adequacy and integrity of the Group's systems of internal control and risk management.

During the financial year under review, UHY had conducted assurance reviews twice, on the adequacy and effectiveness of internal control system on certain operating units and presented its findings together with recommendations and Management action plan to AC for review.

UHY had also conducted a review on the principal risks faced, or potentially exposed to, by the Group in pursuing its business objectives and strategies and the internal control systems adopted to manage these risks for the year 2014.

The Internal Audit function adopts a risk-based approach in developing its audit plan which addresses all the core auditable areas of the Group based on their risk profile. Scheduled internal audits are carried out by the independent auditors based on the audit plan presented to, and approved by, the AC. The audit focuses on areas with high risk and inadequate controls to ensure that an adequate action plan has been put in place to improve the controls. For those areas with high risk and inadequate controls, the audit ascertains that the risks are effectively mitigated by the controls. On a half yearly basis or earlier as appropriate, the Internal Auditors report to the AC on areas for improvement and will subsequently follow up to determine the extent of their recommendations that have been implemented.

- **Financial Performance Planning, Review and Tracking**

The Executive Chairman and Directors, together with the Management, will formulate the yearly business plan and annual budgets for the consideration of the Board. Business plan will set out the business objectives, strategies and targets while budgeted data are used to monitor the performance on an ongoing basis. Key business risks are identified during the business planning process and are reviewed regularly during the year.

The Group has put in place a comprehensive business planning and detailed budgeting process where operating units prepare budgets for the coming year which are approved both at operating unit level and by the Board. There are monthly monitoring of results against budget, with major variances being followed up and Management action taken, where necessary.

Regular periodic meetings of the Board, Board Committees and Senior Management represent the main platform through which the Group's performance and conduct is assessed and monitored. The daily operations of the business are entrusted to the Management team.

- **Operational Monitoring and Controls**

The Group ensures that regular and comprehensive information is provided to Management, covering financial and operational performance and key business indicators, for effective monitoring and decision making. This is supplemented by regular visits to operating units by members of the Senior Management.

The Board also ensures that all recurrent related party transactions are dealt in accordance with the Listing Requirements. These recurrent related party transactions are subject to review by the AC and the Board at their respective meetings.

The Group, being involved in the logistics industry, primarily uses a large fleet of trucks and prime movers to carry out its business activities. The trucks and prime movers have schedule maintenance works to ensure that they are roadworthy and comply with the Department of Environment Regulations for emissions and Puspakom.

Statement on Risk Management and Internal Control (cont'd)

RISK MANAGEMENT (cont'd)

• **Control Environment**

The Board is committed towards maintaining a strong control structure and environment for the proper conduct of the Group's business operations and towards achieving a sound system of internal control. The control processes in place are as follows:-

- The Group has a comprehensive Human Resource Policy which defines the rules, regulations, salary structure and employment procedure applicable to all the employees within the Group. Job functions for the Management and employees in the Group are clearly defined to provide well defined roles and responsibilities for the enhancement of the Group's performance.
- Investments and projects are subject to formal review and authorization procedures where the Executive Chairman and Executive Director will review significant projects before making recommendations to the Board for consideration and approval.
- All employees are encouraged to improve themselves through adequate training and continuous education. The drivers are subject to yearly medical checks, attending driving courses conducted by National Institute of Occupational safety and Health ("NIOSH") and in-house training on truck maintenance and good driving practice. The Group collaborated with the Institute of Higher Learning to provide practical training opportunities to the undergraduates for the field of logistic, accounting and marketing.

INTERNAL CONTROL STRUCTURE

The Board is aware of the importance of a sound internal control structure towards promoting good corporate governance. In this respect, the Board has established appropriate control structure and process for identifying, evaluating, monitoring, and managing significant risks that may affect the achievement of business objectives. The control structure and process which have been instituted throughout the Group are updated and reviewed from time to time to suit the changes in the business environment, and this on-going process has been in place for the whole financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report. The adequacy and effectiveness of this process have been continually reviewed by the Board.

The Board maintains ultimate responsibility over the Group's systems of internal controls which has been delegated to the Management for effective implementation. The role of Internal Audit is to provide reasonable assurance that the designed controls are in place and are operating as intended.

The Group has put in place the following to support the control structure and process:-

• **Organisation Structure**

There is a well defined organisation structure with scopes of responsibility, clear lines of accountability, and appropriate levels of delegated authority. There is a process of hierarchical reporting which provides for a documented and auditable trail of accountability.

• **Group Policies and Procedures**

The Group has in place standard operating procedures and controls to ensure regular and comprehensive information is provided to Management, covering financial and operational performance and key business indicators, for effective monitoring and decision making. Delegation of authorities including authorization limits are clearly defined to ensure accountability and responsibility.

The Group has established the Quality System on the Standard Operating Procedures for employees. The Quality System Manual meets the requirements of the MS ISO 9001:2008 Standards (Quality Management Systems – Requirements).

These policies and procedures are reviewed on a regular basis in tandem with new developments for relevance.

INTERNAL CONTROL STRUCTURE (cont'd)

- **Group Policies and Procedures** (cont'd)

Based on the Internal Auditors' report for the year ended 31 December 2014, there is a reasonable assurance that the Group's systems of internal control are generally adequate and appear to be working satisfactorily. A number of minor internal control weaknesses were identified during the financial year, all of which have been, or are being, addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report.

The Board has received assurance from the Deputy Chief Executive Officer/Group Financial Controller that the Company's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Company.

The Board continues to review and implement measures to strengthen the internal control environment of the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Listing Requirements, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report of the Group for the financial year ended 31 December 2014 and reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and effectiveness of the risk management and internal control system.

CONCLUSION

The Board is of the view that the risk management and internal control systems are satisfactory and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report. The Board continues to take pertinent measures to sustain and, where required, to improve the Group's risk management and internal control systems in meeting the Group's strategic objectives.

This Statement is made in accordance with a resolution of the Board dated 15 April 2015.

Report on Audit Committee

The Audit Committee (“AC”) of TRANSOCEAN HOLDINGS BHD comprises of the following three members:-

CHAIRMAN

Encik Zainuddin bin Din (*Senior Independent Non-Executive Director*)

MEMBERS

Encik Muhammad Adib bin Ariffin (*Independent Non-Executive Director*)

Mr Woo Kok Boon (*Independent Non-Executive Director*)

Encik Muhammad Adib bin Ariffin is a member of the Malaysian Institute of Accountants.

SUMMARY TERMS OF REFERENCE

In discharging its duties and responsibilities, the AC is guided by the following Terms of Reference:-

1. Membership

The AC members shall be appointed by the Board from amongst their members and shall consist of not less than three (3) Non-Executive Directors. All the AC must be Non-Executive Directors, with a majority of them being independent directors. All members of the AC shall be financially literate.

2. Authority

The AC is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the AC.

The AC is authorised by the Board to obtain external, legal or other independent professional advice on any matter within the terms of reference and to secure the attendance of such external advisors with relevant experience and expertise if it considers necessary.

The AC is authorised to convene meetings with the External Auditors, the Internal Auditors or both, without the presence of other directors and employees, whenever deemed necessary.

The AC is authorised to have direct communication channels with the External Auditors and persons carrying out the internal audit function or activity.

Where the AC is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the AC shall promptly report such matter to Bursa Malaysia Securities Berhad (“Bursa Securities”).

3. Duties and responsibilities

- (a) To review the following and report the same to the Board of Directors of the Company:-
 - (i) with the External Auditor, the audit plan;
 - (ii) with the External Auditors, the evaluation of the system of internal controls;
 - (iii) with the External Auditors, the audit report;
 - (iv) the assistance given by the officers of the Company to the External Auditors;
 - (v) the External Auditors’ management letter and management response;

SUMMARY TERMS OF REFERENCE (cont'd)

3. Duties and responsibilities (cont'd)

- (a) To review the following and report the same to the Board of Directors of the Company:- (cont'd)
- (vi) to do the following, in relation to the internal audit function:-
 - review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - review the internal audit programme and results of the internal audit process, and where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
 - review any appraisal or assessment of the performance of members of the internal audit function;
 - approve any appointment or termination of senior staff members of the internal audit function; and
 - take cognizance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
 - (vii) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particulars on:-
 - changes in or implementation of major accounting policy changes;
 - significant adjustments arising from the audit;
 - the going concern assumption;
 - significant and unusual event;
 - compliance with accounting standards and other legal requirements; and
 - (viii) any related party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management's integrity.
- (b) To review the cost effectiveness, independence and objectivity of the External Auditors and recommend for the appointment/re-appointment of the External Auditors, the audit fee and any questions of resignation or dismissal of External Auditors.
- (c) To establish policies governing the circumstances under which the contract in relation to the provision of non-audit services can be entered into by the Group with its external auditors and procedures that need to be adhered.
- (d) To review the adequacy and effectiveness of risk management and internal control systems instituted within the Group.
- (e) To consider and examine such other matters as the Board and/or the AC considers appropriate.

4. Meetings

The AC shall meet at least four times annually, or more frequently as circumstances dictate. In order to form a quorum, the majority of members present must be Independent Directors.

Resolutions arising at any meetings of the AC shall be decided by a majority of votes of the members present and in the case of equality of votes, the Chairman of the AC shall have a second or casting vote.

The Company Secretaries shall be the secretary of the AC and as a reporting procedure, the Minutes shall be circulated to all members of the Board.

The Chairman of the AC shall engage on a continuous basis with the Senior Management such as the Executive Officers, the Chief Financial Officer, the Head of Internal Audit and the External Auditors in order to be kept informed of matters affecting the Company.

The AC shall meet with the External Auditors without executive Board members present, at least twice a year and whenever necessary.

Report on Audit Committee (cont'd)

SUMMARY TERMS OF REFERENCE (cont'd)

Subsequent to financial year ended 31 December 2014, the Audit Committee had on 15 April 2015 changed its name to "Audit and Risk and Management Committee" as scope of the AC has been broadened to encompass the review of the adequacy and effectiveness of Company's risk management. In this respect, the following additional "Duties and Responsibilities" of Audit and Risk Management Committee have been incorporated in the new Terms of Reference:-

To undertake the following risk management activities:-

- to determine the overall risk management processes;
- to establish effectiveness of risk management process;
- to ensure that risk management processes are integrated into all core business processes;
- to establish risk reporting mechanism; and
- to act as steering committee for the group wide risk management programme.

AC MEETINGS

During the financial year ended 31 December 2014, five (5) AC meetings were held and details of the attendance of the AC are as follows:-

MEMBERS	MEETING ATTENDANCE
Zainuddin bin Din	4 of 5
Muhammad Adib bin Ariffin	5 of 5
Woo Kok Boon	5 of 5

During the financial year, the AC had dialogue sessions twice with the External Auditors on 23 April 2014 and 24 November 2014 without the presence of any executive member of the Board of Directors and Management, in compliance with the recommendations of the Malaysian Code on Corporate Governance 2012.

The Chairman of the AC has engaged on a continuous basis with the Senior Management such as the Chairman, the Chief Financial Controller, the Head of Internal Audit and the External Auditors in order to be kept informed of matters affecting the Company.

The Chairman of the AC reports to the Board on matters deliberated at the AC Meetings. Minutes of the AC were also circulated to all members of the Board.

SUMMARY OF ACTIVITIES

The AC met 5 times during the financial year ended 31 December 2014 for the following purposes:-

- (a) To review the quarterly and year-end financial statements before submission to the Board of Directors for approval, focusing particularly on:-
 - (i) public announcement of Group's unaudited quarterly results and audited year ended financial statements;
 - (ii) any changes in accounting policies and practice;
 - (iii) significant adjustments resulting from the audit;
 - (iv) the going concern assumption;
 - (v) compliance with accounting standards;
 - (vi) compliance with stock exchange and legal requirements; and
 - (vii) quarterly announcement to Bursa Securities.

SUMMARY OF ACTIVITIES (cont'd)

- (b) To discuss and review with the External Auditors before audit commences, the nature and scope of the audit plan for the year as well as the audit procedures to be utilized;
- (c) To review the External Auditors' management letter and Management responses;
- (d) To review the internal audit programme and reports prepared by them on the state of internal control of the Group; and
- (e) To review the Recurrent Related Parties Transactions ("RRPTs") of a revenue or trading nature involving related parties including:-
 - (i) procedures and practices adopted by the Group for review of related parties transactions;
 - (ii) the outstanding receivables due by the related parties to the Group pursuant to the RRPTs of a revenue or trading nature which exceed the credit term; and
 - (iii) the Statement to be disclosed in the Circular to shareholders pertaining to the renewal of shareholders' mandate for RRPTs.
- (f) To review the independence and objectivity of the External Auditors and the services provided and review the re-appointment of the External Auditors for the ensuing year;
- (g) To discuss and review with the Internal Auditors:-
 - (i) the Group's internal audit procedures and the adequacy of actions taken by the Management based on the Internal Audit Reports. Where appropriate, the AC has directed the Management to rectify and improve controls and operational workflow based on the Internal Auditors' recommendations for improvements;
 - (ii) the Internal Audit Reports arising from the follow-up reviews of each audit;
 - (iii) the Internal Audit Plan for the Group; and
 - (iv) the Risk Assessment Report for the Group.
- (h) Reviewed the AC Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report.
- (i) To have two dialogue sessions with External Auditors without the presence of the Management.

INTERNAL AUDIT FUNCTION

The Group has engaged the services of an independent professional accounting and consulting firm, UHY to provide much of the assurance it requires regarding the effectiveness as well as the adequacy and integrity of the Group's systems of internal control. UHY reports directly to the AC on its activities based on the approved annual internal audit plans. Its principal role is to provide independent assurance on the adequacy and effectiveness of governance, risk management and internal control processes.

During the financial year under review, Internal Auditors have conducted assurance review on adequacy and effectiveness of internal control system on certain operating units and presented its findings together with recommendation and management action plan to AC for review. The cost incurred for the Group's internal audit function during the financial year ended 31 December 2014 was RM25,276.

This Statement is made in accordance with a resolution of the Board dated 15 April 2015.

Statement of Directors' Responsibility

in relation to audited financial statement for the financial year ended 31 December 2014

This Statement is prepared as required by the Listing Requirements of the Bursa Malaysia Securities Berhad.

The Directors are required to prepare financial statements which give a true and fair view of the state of affairs of the Group and the Company as at the end of each financial year and of their results and their cash flows for that year then ended.

In preparing the financial statement, the Directors took into consideration the following:-

- the Group and the Company have applied the appropriate and relevant accounting policies and are consistent basis;
- reasonable and prudent judgment and estimates were made; and
- all applicable approved accounting standards in Malaysia have been followed.

The Directors are responsible for ensuring that the Company maintains accounting records that disclose with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities.

This Statement is made in accordance with the resolution of the Board of Directors on 15 April 2015.



Financial Statements

Directors' Report	40	Statements of Profit or Loss and Other Comprehensive Income	48
Statement by Directors	43	Consolidation Statement of Changes In Equity	49
Statutory Declaration	43	Company Statement of Changes In Equity	50
Independent Auditors' Report to the Members	44	Statements of Cash Flows	51
Statements of Financial Position	46	Notes to the Financial Statements	53

Directors' Report

The Directors hereby present their report together with the audited financial statements of the Group and the Company for the financial year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, provision of management services and letting of properties.

The principal activities of the subsidiary companies are stated in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	GROUP RM	COMPANY RM
Profit/(Loss) attributable to:-		
Owners of the Company	206,870	(593,263)
Non-controlling interests	(7)	–
	206,863	(593,263)

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the current financial year under review.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year under review other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

There were no issues of shares or debentures during the financial year under review.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year under review.

DIRECTORS

The Directors who served since the date of the last report are as follows:-

Tan Sri (Dr) Mohd Nadzmi bin Mohd Salleh

Zainuddin bin Din

Tan Swee Hock

Muhammad Adib bin Ariffin

Woo Kok Boon

DIRECTORS' INTERESTS

Details of holdings and deemed interests in the share capital and options over the shares of the Company or its related corporations by the Directors holding office at the end of the financial year, according to the register required to be kept under Section 134 of the Companies Act, 1965, were as follows:-

	NUMBER OF ORDINARY SHARES OF RM1.00 EACH			AT 31.12.2014
	AT 1.1.2014	ACQUIRED	DISPOSED	
The Company				
Direct interest:-				
Zainuddin bin Din	959,450	—	—	959,450
Indirect interest of Director:-				
Nadicorp Holdings Sdn Bhd				
Tan Sri (Dr) Mohd Nadzmi bin Mohd Salleh	26,716,360	—	—	26,716,360

Tan Sri Dr Mohd Nadzmi bin Mohd Salleh by virtue of his interest in shares in the Company is also deemed interested in shares in all the Company's subsidiaries to the extent the Company has an interest.

Other than as disclosed above, none of the other Directors holding office at the end of the financial year had any interest in the ordinary shares of the Company or its related corporations during the financial year under review.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Group and of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 30 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION

- (a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:-
- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:-
- that would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
 - which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
 - not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

Directors' Report (cont'd)

OTHER STATUTORY INFORMATION (cont'd)

- (c) No contingent or other liabilities of the Group and of the Company have become enforceable, or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or the Company to meet their obligations as and when they fall due.
- (d) At the date of this report, there does not exist:-
 - (i) any charge on the assets of the Group or the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
 - (ii) any contingent liability in respect of the Group or the Company which has arisen since the end of the financial year.
- (e) In the opinion of the Directors:-
 - (i) the results of the operations of the Group and of the Company for the financial year ended 31 December 2014 have not been substantially affected by any item, transaction or event of a material and unusual nature; and
 - (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Morison Anuarul Azizan Chew, have expressed their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

TAN SWEE HOCK

KUALA LUMPUR
15 April 2015

ZAINUDDIN BIN DIN

Statement by Directors

pursuant to Section 169(15) of the Companies Act, 1965

We, ZAINUDDIN BIN DIN and TAN SWEE HOCK, being two of the Directors of TRANSOCEAN HOLDINGS BERHAD, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 46 to 94 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2014 and of their financial performance and cash flows for the financial year then ended.

The information set out in Note 37 on page 94 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

TAN SWEE HOCK

KUALA LUMPUR
15 April 2015

ZAINUDDIN BIN DIN

Statutory Declaration

pursuant to Section 169(16) of the Companies Act, 1965

I, TAN SWEE HOCK, being the Director primarily responsible for the financial management of TRANSOCEAN HOLDINGS BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 46 to 94 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed TAN SWEE HOCK
at Kuala Lumpur in the Federal Territory
on this date of 15 April 2015

TAN SWEE HOCK

Before me,

Samsiah binti Ali (W589)
Commissioner for Oath

COMMISSIONER FOR OATHS

Independent Auditors' Report

to the members of Transocean Holdings Berhad
(Company No: 36747-U) (Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Transocean Holdings Berhad, which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equities and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 46 to 94.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are responsible for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also involves evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report on the following:-

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the independent auditors' report of the subsidiary company of which we have not acted as auditors, which are indicated in Note 6(b) to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The independent auditors' reports on the financial statements of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 37 on page 94 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants (“MIA Guidance”) and the Directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the Directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

MORISON ANUARUL AZIZAN CHEW

Firm Number: AF 001977
Chartered Accountants

KUALA LUMPUR
15 April 2015

SATHIEA SEELEAN A/L MANICKAM

Approved Number: 1729/05/16 (J/PH)
Chartered Accountant

Statements of Financial Position

as at 31 December 2014

	NOTE	GROUP		COMPANY	
		2014 RM	2013 RM	2014 RM	2013 RM
Non-Current Assets					
Property, plant and equipment	5	25,625,076	25,921,327	18,137,668	18,288,084
Investment in subsidiary companies	6	–	–	10,455,395	10,455,395
Goodwill on consolidation	7	4,003,851	4,003,851	–	–
Deferred tax assets	8	–	217,113	–	–
		29,628,927	30,142,291	28,593,063	28,743,479
Current Assets					
Prepaid lease payments	9	1,862,214	1,914,595	–	–
Inventories	10	262,871	284,013	–	–
Trade receivables	11	5,058,889	5,138,289	–	–
Other receivables	12	1,304,811	5,781,499	170,902	4,945,142
Amount owing by related companies	13	4,933,513	11,590,181	200,342	–
Amount owing by subsidiary companies	14	–	–	953,202	600,811
Tax recoverable		1,049,686	247,285	170,163	125,916
Fixed deposits with licensed banks	15	52,308	52,141	44,000	44,000
Cash and bank balances		844,838	680,762	125,931	207,286
		15,369,130	25,688,765	1,664,540	5,923,155
Current Liabilities					
Trade payables	16	1,803,053	3,359,853	–	–
Other payables	17	2,145,833	4,345,834	892,272	1,337,641
Amount owing to related companies	13	27,643	4,903,584	–	903,508
Amount owing to subsidiary companies	14	–	–	3,366,435	5,643,388
Finance lease payables	18	1,245,536	1,248,775	–	–
Bank borrowings	19	4,016,735	4,617,978	113,892	105,060
Tax payables		39,278	75,622	–	–
		9,278,078	18,551,646	4,372,599	7,989,597
Net current assets/(liabilities)		6,091,052	7,137,119	(2,708,059)	(2,006,442)
		35,719,979	37,279,410	25,885,004	26,677,037

	NOTE	GROUP		COMPANY	
		2014 RM	2013 RM	2014 RM	2013 RM
Financed By:-					
Share capital	20	40,998,550	40,998,550	40,998,550	40,998,550
Foreign exchange translation reserve	21	109,737	67,928	–	–
Accumulated losses		(9,226,462)	(9,433,332)	(15,910,675)	(15,317,412)
Equity attributable to owners of the parent		31,881,825	31,633,146	25,087,875	25,681,138
Non-controlling interests		29,090	29,097	–	–
Total equity		31,910,915	31,662,243	25,087,875	25,681,138
Non-Current Liabilities					
Deferred tax liabilities	8	395,477	420,365	347,876	437,013
Finance lease payables	18	2,113,436	3,478,251	–	–
Bank borrowings	19	1,300,151	1,718,551	449,253	558,886
		3,809,064	5,617,167	797,129	995,899
		35,719,979	37,279,410	25,885,004	26,677,037

The accompanying notes form an integral part of the financial statements.

Statements of Profit or Loss and Other Comprehensive Income

for the financial year ended 31 December 2014

	NOTE	GROUP		COMPANY	
		2014 RM	2013 RM	2014 RM	2013 RM
Revenue	22	21,989,417	27,955,831	692,400	692,400
Other operating income	23	421,527	343,946	–	–
Cost of inventories consumed		(4,153,666)	(8,814,070)	–	–
Customs duties and charges		–	(649,859)	–	–
Crane and forklift charges		(1,444,335)	(1,698,242)	–	–
Depreciation of property, plant and equipment		(1,462,434)	(1,375,540)	(348,625)	(319,037)
Amortisation of prepaid lease payments		(52,381)	(52,381)	–	–
Freight expenses		(1,262,613)	(1,787,032)	–	–
Fuel charges		(1,387,312)	(1,815,865)	–	–
Levies		(823,794)	(1,019,634)	–	–
Repair and maintenance of premises		(38,013)	(65,486)	(38,013)	(65,486)
Repair and maintenance of motor vehicles		(1,409,183)	(1,322,403)	–	–
Rental of premises		(678,333)	(679,690)	–	–
Employee benefits expenses	24	(5,815,283)	(6,194,153)	(437,509)	(424,191)
Other operating expenses	25	(2,507,779)	(2,304,066)	(495,041)	(7,691,849)
Finance costs	26	(840,028)	(1,292,896)	(55,612)	(263,423)
Profit/(Loss) before taxation		535,790	(771,540)	(682,400)	(8,071,586)
Taxation	27	(328,927)	209,644	89,137	754,358
Net profit/(loss) for the financial year		206,863	(561,896)	(593,263)	(7,317,228)
Other comprehensive income:-					
Items that may be reclassified					
subsequently to profit or loss					
– Exchange differences arising from translation of foreign operation		41,809	37,677	–	–
Total comprehensive income/(loss) for the financial year		248,672	(524,219)	(593,263)	(7,317,228)
Net profit/(loss) for the financial year:-					
Owners of the Company		206,870	(559,768)	(593,263)	(7,317,228)
Non-controlling interests		(7)	(2,128)	–	–
		206,863	(561,896)	(593,263)	(7,317,228)
Total comprehensive income/(loss) for the financial year attributable to:-					
Owners of the Company		248,679	(522,091)	(593,263)	(7,317,228)
Non-controlling interest		(7)	(2,128)	–	–
		248,672	(524,219)	(593,263)	(7,317,228)
Basic earnings/(loss) per share attributable to owners of the parent (sen)	28	0.50	(1.37)		

The accompanying notes form an integral part of the financial statements.

Consolidation Statement of Changes in Equity

for the financial year ended 31 December 2014

	ATTRIBUTABLE TO OWNERS OF THE COMPANY						TOTAL EQUITY RM
	NON-DISTRIBUTABLE SHARE CAPITAL RM	NON-DISTRIBUTABLE FOREIGN EXCHANGE TRANSLATION RESERVE RM	ACCUMULATED LOSSES RM	TOTAL RM	NON-CONTROLLING INTERESTS RM	TOTAL EQUITY RM	
2014							
At 1 January 2014	40,998,550	67,928	(9,433,332)	31,633,146	29,097	31,662,243	
Total comprehensive income:-	-	-	206,870	206,870	(7)	206,863	
Net profit for the financial year	-	41,809	-	41,809	-	41,809	
Other comprehensive income	-	41,809	206,870	248,679	(7)	248,672	
At 31 December 2014	40,998,550	109,737	(9,226,462)	31,881,825	29,090	31,910,915	
2013							
At 1 January 2013	40,998,550	30,251	(8,873,564)	32,155,237	31,225	32,186,462	
Total comprehensive income:-	-	-	(559,768)	(559,768)	(2,128)	(561,896)	
Net loss for the financial year	-	37,677	-	37,677	-	37,677	
Other comprehensive income	-	37,677	(559,768)	(522,091)	(2,128)	(524,219)	
At 31 December 2013	40,998,550	67,928	(9,433,332)	31,633,146	29,097	31,662,243	

The accompanying notes form an integral part of the financial statements.

Company Statements of Changes in Equity

for the financial year ended 31 December 2014

	SHARE CAPITAL RM	DISTRIBUTABLE ACCUMULATED LOSSES RM	TOTAL EQUITY RM
2014			
At 1 January 2014	40,998,550	(15,317,412)	25,681,138
Total comprehensive loss	–	(593,263)	(593,263)
At 31 December 2014	40,998,550	(15,910,675)	25,087,875
2013			
At 1 January 2013	40,998,550	(8,000,184)	32,998,366
Total comprehensive loss	–	(7,317,228)	(7,317,228)
At 31 December 2013	40,998,550	(15,317,412)	25,681,138

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows

for the financial year ended 31 December 2014

NOTE	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Cash Flows From Operating Activities				
Profit/(Loss) before taxation	535,790	(771,540)	(682,400)	(8,071,586)
Adjustments for:-				
Depreciation of property, plant and equipment	1,462,434	1,375,540	348,625	319,037
Property, plant and equipment written off	62	–	–	–
Amortisation of prepaid lease payments	52,381	52,381	–	–
Impairment loss on:-				
– Investment in subsidiaries	–	–	–	5,759,141
– Trade receivables	151,658	63,942	–	–
Bad debts written off	15,000	–	–	–
Interest expenses	840,028	1,292,896	55,612	263,423
Loss on disposal of asset held for sale	–	1,119,590	–	1,119,590
Gain on disposal of property, plant and equipment	(339,256)	(210,016)	–	–
Interest income	(8)	(15)	–	–
Operating profit/(loss) before working capital changes	2,718,089	2,922,778	(278,163)	(610,395)
Decrease/(Increase) in working capital				
Inventories	21,142	46,910	–	–
Trade and other receivables	199,430	(114,234)	584,240	136,816
Amount owing by/to related companies	1,780,727	342,533	(200,342)	–
Trade and other payables	(3,756,801)	(250,797)	(445,369)	269,671
Amount owing by/to subsidiaries	–	–	(3,532,852)	(1,461,770)
	(1,755,502)	24,412	(3,594,323)	(1,055,283)
Cash generated from/(used in) operations	962,587	2,947,190	(3,872,486)	(1,665,678)
Interest received	8	15	–	–
Interest paid	(840,028)	(1,292,896)	(55,612)	(263,423)
Tax paid	(979,919)	(725,408)	(44,247)	(32,246)
	(1,819,939)	(2,018,289)	(99,859)	(295,669)
Net cash (used in)/generated from operating activities	(857,352)	928,901	(3,972,345)	(1,961,347)

Statements of Cash Flows (cont'd)
for the financial year ended 31 December 2014

	NOTE	GROUP		COMPANY	
		2014 RM	2013 RM	2014 RM	2013 RM
Cash Flows From Investing Activities					
Purchase of property, plant and equipment	29	(1,408,540)	(627,596)	(198,209)	(138,292)
Proceeds from disposal of:-					
– Property, plant and equipment		587,092	217,180	–	–
– Asset held for sale		4,190,000	4,910,001	4,190,000	4,910,001
Net cash generated from investing activities		3,368,552	4,499,585	3,991,791	4,771,709
Cash Flows From Financing Activities					
Changes in bankers' acceptances		(367,000)	(110,000)	–	–
Repayment of bank borrowings		(256,526)	(417,167)	(100,801)	(97,253)
Repayment of finance lease payables		(1,368,054)	(1,221,917)	–	–
Net cash used in financing activities		(1,991,580)	(1,749,084)	(100,801)	(97,253)
Net increase/(decrease) in cash and cash equivalents		519,620	3,679,402	(81,355)	2,713,109
Effect of exchange rate changes		40,573	27,627	–	–
Cash and cash equivalents at beginning of the financial year		(1,908,001)	(5,615,030)	251,286	(2,461,823)
Cash and cash equivalents at end of the financial year		(1,347,808)	(1,908,001)	169,931	251,286
Cash and cash equivalents at end of the financial year comprises:-					
Cash and bank balances		844,838	680,762	125,931	207,286
Fixed deposits with licensed banks		52,308	52,141	44,000	44,000
		897,146	732,903	169,931	251,286
Less: Fixed deposit pledged for bank borrowings		(8,308)	(8,141)	–	–
Bank overdrafts		(2,236,646)	(2,632,763)	–	–
		(1,347,808)	(1,908,001)	169,931	251,286

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

1. CORPORATE INFORMATION

The principal activities of the Company are investment holding, provision of management services and letting of properties.

The principal activities of the subsidiary companies are stated in Note 6 to the financial statements.

The Company is a public limited liability company, incorporated under the Companies Act, 1965 and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office is located at No. 38, Jalan Chow Kit, 50350 Kuala Lumpur.

The principal place of business is located at Lot 2955, 2956 & 2957, Jalan Perusahaan Sungai Lokan 3, Kawasan Perusahaan Sungai Lokan, 13400 Butterworth, Penang.

The financial statements of the Group and of the Company for the financial year ended 31 December 2014 were authorised for issue in accordance with a resolution of the Board of Directors dated 15 April 2015.

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared on the historical cost convention unless otherwise indicated in the significant accounting policies below and in compliance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Group and Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to the financial statements.

Amendments to accounting standards and interpretations that are effective for the Group and the Company's financial year beginning on or after 1 January 2014 are as follows:-

- Amendments to MFRS 10, MFRS 12 and MFRS 127 Investment Entities
- Amendments to MFRS 132 Financial Instruments: Presentation
- Amendments to MFRS 136 Impairment of Assets
- Amendments to MFRS 139 Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21 Levies

The above amendments to accounting standards and interpretations effective during the financial year do not have any significant impact to the financial results and position of the Group and the Company.

Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION (cont'd)

Accounting standards and amendments to accounting standards that are applicable for the Group and the Company 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

The Amendment relates to the Basis for Conclusions which is not an integral part of the Standard. The Basis for Conclusions clarifies that a first-time adopter is permitted but not required to apply a new or revised Standard that is not yet mandatory but is available for early application.

Amendment to MFRS 2 Share-based payment

The Amendment clarifies the definition of 'vesting conditions' by separately defining 'performance condition' and 'service condition' to ensure consistent classification of conditions attached to a share-based payment.

Amendment to MFRS 3 Business combination

The Amendment clarifies that when contingent consideration meets the definition of financial instrument, its classification as a liability or equity is determined by reference to MFRS 132 Financial Instruments: Presentation. It also clarifies that contingent consideration that is classified as an asset or a liability shall be subsequently measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

In addition, Amendment to MFRS 3 clarifies that MFRS 3 excludes from its scope the accounting for the formation of all types of joint arrangements (as defined in MFRS 11 Joint Arrangements) in the financial statements of the joint arrangement itself, but not to the parties to the joint arrangement for their interests in the joint arrangement.

Amendment to MFRS 8 Operating segments

The Amendment requires the disclosure of judgements made in applying the aggregation criteria to operating segments. This includes a brief description of the operating segments that have been aggregated and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics. It also clarifies that reconciliation of the total reportable segments' assets to the entity's assets is required if that amount is regularly provided to the chief operating decision maker.

Amendment to MFRS 13 Fair value measurement

The Amendment relates to the Basis for Conclusions which is not an integral part of the Standard. The Basis for Conclusions clarifies that when MFRS 13 was issued, it did not remove the practical ability to measure short-term receivables and payables with no stated interest rate at invoice amounts without discounting, if the effect of discounting is immaterial.

The Amendment also clarifies that the scope of the portfolio exception of MFRS 13 includes all contracts accounted for within the scope of MFRS 139 Financial Instruments: Recognition and Measurement or MFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in MFRS 132 Financial Instruments: Presentation.

Amendment to MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets

The Amendment clarifies the accounting for the accumulated depreciation/amortisation when an asset is revalued. It clarifies that:-

- the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; and
- the accumulated depreciation/amortisation is calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

2. BASIS OF PREPARATION (cont'd)

Annual periods beginning on/after 1 July 2014 (cont'd)

Amendments to MFRS 119 Employee Benefits

These Amendments provide a practical expedient in accounting for contributions from employees or third parties to defined benefit plans. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service. However, if the amount of the contributions is dependent on the number of years of service, an entity is required to attribute those contributions to periods of service using the same attribution method required by MFRS 119 for the gross benefit.

Amendment to MFRS 124 Related Party Disclosures

The Amendment extends the definition of 'related party' to include an entity, or any member of a group of which it is a part, that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Amendment to MFRS 140 Investment Property

The Amendment clarifies that the determination of whether an acquisition of investment property meets the definition of both a business combination as defined in MFRS 3 and investment property as defined in MFRS 140 requires the separate application of both Standards independently of each other.

Annual periods beginning on/after 1 January 2016

Amendments to MFRS 5 Non-Current Assets Held for Sale and Discontinued Operations

The Amendments introduce specific guidance in MFRS 5 for when an entity reclassifies an asset (or disposal group) from held-for-sale to held-for-distribution to owners (or vice versa), or when held-for-distribution is discontinued.

Amendments to MFRS 7 Financial Instruments: Disclosures

The Amendments provide additional guidance to clarify whether servicing contracts constitute continuing involvement for the purposes of applying the disclosure requirements of MFRS 7. The Amendments also clarify the applicability of Amendments to MFRS 7, Disclosure—Offsetting Financial Assets and Financial Liabilities to condensed interim financial statements.

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

The Amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the Amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not), as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Amendments to MFRS 11 Joint Arrangements

These Amendments clarify that when an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in MFRS 3, it shall apply the relevant principles on business combinations accounting in MFRS 3, and other MFRSs, that do not conflict with MFRS 11. Some of the impact arising may be the recognition of goodwill, recognition of deferred tax assets/liabilities and recognition of acquisition-related costs as expenses.

Amendments to MFRS 101 Presentation of Financial Statements

The Amendments aim to improve the effectiveness of disclosures and are designed to encourage companies to apply professional judgement in determining the information (including where and in what order) to be disclosed in the financial statements.

Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION (cont'd)

Annual periods beginning on/after 1 January 2016 (cont'd)

Amendments to MFRS 116 Property, plant and equipment

These Amendments to MFRS 116 prohibit revenue-based depreciation because revenue does not, as a matter of principle, reflect the way in which an item of property, plant and equipment is used or consumed.

Amendments to MFRS 119 Employee Benefits

The Amendment clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. The Amendment also clarifies that the depth of the market for high quality corporate bonds should be assessed at a currency level.

Amendments to MFRS 127 Separate Financial Statements

The Amendments allow a parent and investors to use the equity method in its separate financial statement to account for investments in subsidiaries, joint ventures and associates, in addition to the existing options.

Amendments to MFRS 134 Interim Financial Reporting

The Amendment clarifies the meaning of disclosure of information 'elsewhere in the interim financial report' as used in MFRS 134. The Amendment requires such disclosures to be given either in the interim financial statements or incorporated by cross-reference from the interim financial statements to some other statement that is available to users of the financial statements on the same terms as the interim financial statements and at the same time.

Amendments to MFRS 138 Intangible assets

These Amendments to MFRS 138 introduce a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate. This presumption can be overcome only in the limited circumstances:-

- in which the intangible asset is expressed as a measure of revenue, i.e. in the circumstance in which the predominant limiting factor that is inherent in an intangible asset is the achievement of a revenue threshold; or
- when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Annual periods beginning on/after 1 January 2017

MFRS 15 Revenue from Contracts with Customers

The Standard provides clarity on revenue recognition especially on areas where existing requirements unintentionally created diversity in practice. Under MFRS 15, an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Extensive disclosures are required to provide greater insight into both revenue that has been recognised, and revenue that is expected to be recognised in the future from existing contracts.

2. BASIS OF PREPARATION (cont'd)

Annual periods beginning on/after 1 January 2018

MFRS 9 Financial Instruments

This Standard addresses the classification, measurement and recognition of financial assets and financial liabilities.

Classification determines how financial assets and financial liabilities are accounted for in financial statements and, in particular, how they are measured on an ongoing basis. The Standard introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, thereby removing a source of complexity associated with previous accounting requirements. If a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statements of financial positions, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statement of financial position.

The Standard introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, it requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model is forward-looking and it eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

In addition, the Standard introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. As a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

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 and the Company.

Accounting standards and amendments to accounting standards that are not relevant and not yet effective for the Group and the Company are as follows:-

- Amendments to MFRS 14 Regulatory Deferral Accounts
- Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants

The Group plans to adopt the abovementioned MFRS, IC Interpretation and amendments to MFRS, which are relevant to the Group's operation when they become effective.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in the financial statements, unless otherwise stated.

(a) Functional and presentation currency

Items included in the financial statements of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Basis of consolidation for subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Group. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group considers it has de-facto power over an investee when, despite not having the majority of voting rights, it has the current ability in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Business combinations are accounted for using the acquisition method on the acquisition date. The consideration transferred includes the fair value of assets transferred, equity interest issued by the Group and liabilities assumed. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are recognised in the profit or loss as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. Any difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities, any non-controlling interests and other components of equity related to the disposed subsidiary. Any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset depending on the level of influence retained.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Investment in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

(d) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposals are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in net in the profit or loss.

(ii) Depreciation and impairment

Freehold land is not depreciated. Other property, plant and equipment are depreciated on the straight line method to allocate the cost to their residual values over their estimated useful lives as follows:-

Buildings	2% – 10%
Motor vehicles	10% – 20%
Furniture, fittings and equipment	10% – 20%
Office renovation	10%
Warehouse machinery and equipment	10% – 20%

Depreciation methods, useful lives and residual values are reviewed at end of each reporting period, and adjusted as appropriate.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. (Refer to accounting policy Note 3(f) on impairment of non-financial assets).

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Goodwill arising on consolidation

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(f) Impairment of non-financial assets

Assets that have an indefinite useful life, such as goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss unless it reverses a previous revaluation in which it is charged to the revaluation surplus. Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(g) Inventories

Inventories are valued at the lower of cost and net realisable value after adequate impairment has been made for all deteriorated, damaged, obsolete or slow-moving inventories.

Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads.

Cost of raw material comprises the cost of purchase and incidental costs incurred in bringing the raw materials to its present condition and location.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Assets held for sale

Assets or disposal groups comprising assets and liabilities, are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(i) Financial assets

(i) Classification

The Group classifies its financial assets based on the purpose for which the financial assets were acquired at initial recognition in the following categories:-

Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

(ii) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Financial assets (cont'd)

(iii) Subsequent measurement

Gains and losses

Financial assets at fair value through profit or loss and available-for-sale financial assets are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation, interest and dividend income are recognised in profit or loss in the period in which the changes arise.

Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income. Impairment losses and exchange differences on monetary assets are recognised in profit or loss, whereas exchange differences on non-monetary assets are recognised in other comprehensive income as part of fair value change.

Interest and dividend income on available-for-sale financial assets are recognised separately in profit or loss. Interest on available-for-sale debt securities calculated using the effective interest method is recognised in profit or loss. Dividend income on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Impairment of financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. For an equity instrument, a significant or prolonged decline in fair value below its cost is also considered objective evidence of impairment.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortization) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale is not reversed through profit or loss.

If, in a subsequent period, the fair value of a financial asset measured at amortised cost and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Financial assets (cont'd)

(iv) De-recognition

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

When available-for-sale financial assets are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three month or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(k) Financial liabilities

Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

All financial liabilities are subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

(l) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(m) Lease

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Prepaid lease payments

Leasehold land that normally has an indefinite economic life and its risk and rewards incidental to ownership is not transferred to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted as prepaid lease payments that is amortised over the lease term.

(o) Borrowing costs

Borrowing costs are recognised as an expense in the profit or loss in the period in which they are incurred.

(p) Provision for liabilities

Provisions for liabilities are recognised when the Group and the Company have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(q) Foreign currencies

(i) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items denominated in foreign currencies measured at fair value are translated using the spot exchange rates at the date when the fair value was determined. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss, except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income.

(ii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency of the consolidated financial statements are translated into the presentation currency as follows:-

- assets and liabilities of foreign operations are translated at the closing rate prevailing at the reporting date;
- income and expenses for each statement of profit and loss and other comprehensive income presented are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- all resulting exchange differences are taken directly to other comprehensive income through the foreign currency translation reserve.

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income through the translation reserve.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and the Company and when the revenue can be measured reliably, on the following bases:-

(i) Revenue from logistic services and management services

Revenue from logistic services and management services is recognised as and when the services are performed.

(ii) Sales of goods

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and discounts and is recognised in the statements of profit or loss and other comprehensive income when significant risks and rewards of the ownership have been transferred to the customers.

(iii) Rental and interest income

Rental income and interest income are recognised on an accrual basis.

(iv) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(s) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group/Company.

Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences.

Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the reporting date.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Same as per foreign contribution plans in their respective countries. Such contributions are recognised as an expense in the profit or loss as incurred.

(t) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(t) Current and deferred income tax (cont'd)

Deferred tax is recognised, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(u) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(v) Earnings per share

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares.

(w) Operating segments

Operating segments are reported in a manner consistent with the internal reporting and are regularly reviewed by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer that makes strategic decisions.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis, in accordance with the accounting policy disclosed in Note 3(e). This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of the Group's goodwill on consolidation at 31 December 2014 are disclosed in Note 7 to the financial statements.

(b) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgement is involved especially in determining tax base allowances and deductibility of certain expenses in determining the Group-wide provision for income taxes. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will have impact on the income tax and deferred tax provisions in the period in which such determination is made.

(c) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. Objective evidence of impairment is determined based on the evaluation of collectability and aged analysis of accounts. A considerable amount of judgement is required in assessing the ultimate realisation of these loans and receivables, including the current creditworthiness and the past collection history of each loan and receivable. If the financial conditions of loans and receivables with which the Group deals were to deteriorate, resulting in an impairment of the ability to make payments, additional impairment may be required.

(d) Depreciation of property, plant and equipment

The costs of property, plant and equipment are depreciated on a straight-line basis over the useful lives of the property, plant and equipment. Management estimates the useful lives of the property, plant and equipment as stated in Note 3(d)(ii). These are common life expectancies applied in the industries. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(e) Impairment of inventory

Impairment of inventory is made based on an analysis of the ageing profile and expected sales patterns of individual items held in inventory. This requires an analysis of inventory usage based on expected future sales transactions taking into account current market prices, useful lives of vehicle models and expected cost to sell. Changes in the inventory ageing and expected usage profiles can have an impact on the impairment recorded.

5. PROPERTY, PLANT AND EQUIPMENT

GROUP	NOTE	FREEHOLD LAND RM	BUILDINGS RM	MOTOR VEHICLES RM	FURNITURE, FITTINGS AND EQUIPMENT RM	OFFICE RENOVATION RM	WAREHOUSE MACHINERY AND EQUIPMENT RM	TOTAL RM
2014								
Cost								
At 1 January 2014		7,700,000	15,318,286	17,447,285	3,373,227	433,133	1,980,080	46,252,011
Additions	29	-	-	1,143,480	20,410	154,050	90,600	1,408,540
Disposals		-	-	(3,049,246)	(3,104)	-	-	(3,052,350)
Write-off		-	-	(8,000)	(77,017)	(59,053)	-	(144,070)
Effect of foreign exchange translation		-	-	4,675	9,527	-	-	14,202
At 31 December 2014		7,700,000	15,318,286	15,533,417	3,327,820	528,130	2,070,680	44,478,333
Accumulated depreciation								
At 1 January 2014		-	4,577,771	11,121,261	2,833,162	413,744	1,384,746	20,330,684
Charge for the financial year		-	358,799	762,435	183,240	15,037	142,923	1,462,434
Disposals		-	-	(2,804,430)	(84)	-	-	(2,804,514)
Write-off		-	-	(7,999)	(76,956)	(59,053)	-	(144,008)
Effect of foreign exchange translation		-	-	2,549	6,112	-	-	8,661
At 31 December 2014		-	4,936,570	9,066,257	2,953,033	369,728	1,527,669	18,853,257
Carrying amount								
At 31 December 2014		7,700,000	10,381,716	6,467,160	374,787	158,402	543,011	25,625,076

5. **PROPERTY, PLANT AND EQUIPMENT** (cont'd)

GROUP	NOTE	FREEHOLD LAND RM	BUILDINGS RM	MOTOR VEHICLES RM	FURNITURE, FITTINGS AND EQUIPMENT RM	OFFICE RENOVATION RM	WAREHOUSE MACHINERY AND EQUIPMENT RM	TOTAL RM
2013								
Cost								
At 1 January 2013		7,700,000	15,318,286	16,734,568	3,065,756	433,133	1,926,080	45,177,823
Additions	29	—	—	2,163,427	310,169	—	54,000	2,527,596
Disposals		—	—	(1,456,050)	(13,360)	—	—	(1,469,410)
Effect of foreign exchange translation		—	—	5,340	10,662	—	—	16,002
At 31 December 2013		7,700,000	15,318,286	17,447,285	3,373,227	433,133	1,980,080	46,252,011
Accumulated depreciation								
At 1 January 2013		—	4,218,972	11,867,912	2,693,295	408,339	1,223,010	20,411,528
Charge for the financial year		—	358,799	707,870	141,730	5,405	161,736	1,375,540
Disposals		—	—	(1,456,043)	(6,202)	—	—	(1,462,245)
Effect of foreign exchange translation		—	—	1,522	4,339	—	—	5,861
At 31 December 2013		—	4,577,771	11,121,261	2,833,162	413,744	1,384,746	20,330,684
Carrying amount								
At 31 December 2013		7,700,000	10,740,515	6,326,024	540,065	19,389	595,334	25,921,327

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

COMPANY	NOTE	FREEHOLD LAND RM	BUILDINGS RM	MOTOR VEHICLES RM	FURNITURE, FITTINGS AND EQUIPMENT RM	OFFICE RENOVATION RM	TOTAL RM
2014							
Cost							
At 1 January 2014		7,700,000	14,662,868	77,568	824,106	519,295	23,783,837
Additions	29	-	-	88,703	2,706	106,800	198,209
Write-off		-	-	-	-	(59,053)	(59,053)
At 31 December 2014		7,700,000	14,662,868	166,271	826,812	567,042	23,922,993
Accumulated depreciation							
At 1 January 2014		-	4,244,600	42,664	692,530	515,959	5,495,753
Charge for the financial year		-	293,257	16,992	27,402	10,974	348,625
Write-off		-	-	-	-	(59,053)	(59,053)
At 31 December 2014		-	4,537,857	59,656	719,932	467,880	5,785,325
Carrying amount							
At 31 December 2014		7,700,000	10,125,011	106,615	106,880	99,162	18,137,668

5. **PROPERTY, PLANT AND EQUIPMENT** (cont'd)

COMPANY	NOTE	FREEHOLD LAND RM	BUILDINGS RM	MOTOR VEHICLES RM	FURNITURE, FITTINGS AND EQUIPMENT RM	OFFICE RENOVATION RM	TOTAL RM
2013							
Cost							
At 1 January 2013		7,700,000	14,662,868	77,568	685,814	519,295	23,645,545
Additions	29	—	—	—	138,292	—	138,292
At 31 December 2013		7,700,000	14,662,868	77,568	824,106	519,295	23,783,837
Accumulated depreciation							
At 1 January 2013		—	3,951,342	27,149	685,587	512,638	5,176,716
Charge for the financial year		—	293,258	15,515	6,943	3,321	319,037
At 31 December 2013		—	4,244,600	42,664	692,530	515,959	5,495,753
Carrying amount							
At 31 December 2013		7,700,000	10,418,268	34,904	131,576	3,336	18,288,084

(a) Included in the property, plant and equipment of the Group and of the Company are freehold land and building with carrying amount totaling RM17,466,468 (2013: RM17,754,896) which has been charged to licensed banks for credit facilities granted to the Group, as disclosed in Note 19 to the financial statements.

(b) Included in the property, plant and equipment of the Group are motor vehicles and warehouse machinery and equipment with carrying amount totaling RM5,144,262 (2013: RM5,572,991) which are acquired under finance lease arrangements.

Notes to the Financial Statements (cont'd)

6. INVESTMENT IN SUBSIDIARY COMPANIES

(a) Investment in subsidiary companies

	2014 RM	2013 RM
Unquoted shares, at cost	16,607,398	16,607,398
Less: Allowance for impairment loss	(6,152,003)	(6,152,003)
Carrying amount at 31 December	10,455,395	10,455,395
Allowance for impairment		
At 1 January	6,152,003	392,862
Addition during the financial year	–	5,759,141
At 31 December	6,152,003	6,152,003

(b) The subsidiary companies and shareholdings therein are as follows:-

NAME OF COMPANY	COUNTRY OF INCORPORATION	EFFECTIVE INTEREST		PRINCIPAL ACTIVITIES
		2014 %	2013 %	
Direct holding				
Trasocean (M) Sdn Bhd	Malaysia	100	100	Investment holding
Trasocean Logistics Sdn Bhd	Malaysia	100	100	Provision of custom brokerage, freight forwarding trucking related services, international air and ocean freight services
Trasocean Distribution Hub Sdn Bhd	Malaysia	100	100	Provision of warehousing services and trucking related services
Usmeta Manufacturing Sdn Bhd	Malaysia	100	100	Manufacturing and trading of tyres
Gerak Intensif Sdn Bhd	Malaysia	100	100	Provision of container haulage services
Trasocean Freight Express Sdn Bhd (“TFE”)	Malaysia	100	100	Investment holding and provision of custom brokerage, freight forwarding trucking related services, international air and ocean freight services
* TFS Logistics Pte Ltd	Singapore	100	100	Provision of freight forwarding and trucking related services
Indirect holding				
Subsidiary companies of Trasocean (M) Sdn Bhd				
Trasocean (KL) Sdn Bhd	Malaysia	100	100	Temporarily ceased operations
Trasocean (JB) Sdn Bhd	Malaysia	100	100	Temporarily ceased operations
Speedload Transport Sdn Bhd	Malaysia	100	100	Investment holding
Trasocean World Transport Sdn Bhd	Malaysia	100	100	Temporarily ceased operations
Trasocean Biotec (M) Sdn Bhd	Malaysia	100	100	Investment holding

6. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

(b) The subsidiary companies and shareholdings therein are as follows:- (cont'd)

NAME OF COMPANY	COUNTRY OF INCORPORATION	EFFECTIVE INTEREST		PRINCIPAL ACTIVITIES
		2014 %	2013 %	
Indirect holding (cont'd)				
Subsidiary company of Transocean Freight Express Sdn Bhd				
Transocean Haulage Services Sdn Bhd	Malaysia	65	65	Temporarily ceased operations
Subsidiary company of Speedload Transport Sdn Bhd				
Speedload Transport (KL) Sdn Bhd	Malaysia	100	100	Temporarily ceased operations
Subsidiary company of Transocean Biotec (M) Sdn Bhd				
Transocean Biotec Research Sdn Bhd	Malaysia	100	100	Temporarily ceased operations

* Company not audited by Morison Anuarul Azizan Chew.

7. GOODWILL ON CONSOLIDATION

	GROUP	
	2014 RM	2013 RM
At 1 January/31 December	4,003,851	4,003,851

(a) During the financial year, the Group has carried out a review of the recoverable amount of its goodwill and it does not lead to any impairment loss.

(b) Impairment test on goodwill

The recoverable amount of goodwill as at the end of the financial year was determined based on value in use calculated by discounting the future cash flows generated from the continuing use of cash generating unit ("CGU") and was based on the following assumptions:-

- (i) Pre-tax cash flow projections based on the most recent financial budgets approved by Management covering a five year period.
- (ii) Pre-tax discount rate of 4.2% (2013: 4.2%) was applied in determining the recoverable amount of CGU. The discount factor was estimated based on Group weighted average cost of capital.
- (iii) The selling price used to calculate the cash inflows from operations was determined after taking into consideration price trends of the industries which is the CGU is exposed to.

Sensitivity to changes in assumptions

The Management believes that significant possible change in any of the above key assumptions would cause the carrying value of goodwill to materially exceed its recoverable amount.

Notes to the Financial Statements (cont'd)

8. DEFERRED TAX ASSETS/(LIABILITIES)

The analysis of deferred tax assets and deferred tax liabilities is as follows:-

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Deferred tax liabilities	(395,477)	(420,365)	(347,876)	(437,013)
Deferred tax assets	–	217,113	–	–
	(395,477)	(203,252)	(347,876)	(437,013)

The movement on the net deferred tax liabilities are as follows:-

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
At 1 January	(203,252)	(1,055,771)	(437,013)	(1,284,672)
Charged to profit or loss:-				
– Accelerated capital allowances	(88,278)	(11,970)	(17,697)	(11,682)
– Unutilised capital allowances and unabsorbed business losses	104,748	112,770	104,748	112,770
– Surplus on deemed cost of land and buildings	13,838	13,840	13,838	13,840
– Provisions	(63,269)	2,572	–	–
– Impairment for trade receivables	(149,778)	10,677	–	–
– Realised upon disposal of asset held for sale	–	620,985	–	620,985
	(182,739)	748,874	100,889	735,913
Under provision in prior year:-				
– Accelerated capital allowances	(22,630)	(17,060)	(25,204)	(2,345)
– Unutilised capital allowances and unabsorbed business losses	13,452	114,091	13,452	114,091
– Provisions	4,164	6,903	–	–
	(5,014)	103,934	(11,752)	111,746
Exchange differences	(4,472)	(289)	–	–
At 31 December	(395,477)	(203,252)	(347,876)	(437,013)

The components of deferred tax assets and liabilities of the Group and the Company during the financial year prior to offsetting are as follows:-

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Deferred tax assets				
– Decelerated capital allowances	–	8,230	–	–
– Provisions	–	59,105	–	–
– Impairment for trade receivables	–	149,778	–	–
Net deferred tax assets	–	217,113	–	–

8. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

The components of deferred tax assets and liabilities of the Group and the Company during the financial year prior to offsetting are as follows: (cont'd)

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Deferred tax liabilities				
– Accelerated capital allowances	(577,602)	(467,489)	(424,839)	(381,938)
– Surplus on deemed cost of land and building	(416,353)	(433,154)	(521,515)	(535,353)
	(993,955)	(900,643)	(946,354)	(917,291)
Offsetting				
– Unutilised capital allowances and unabsorbed business losses	598,478	480,278	598,478	480,278
Net deferred tax liabilities	(395,477)	(420,365)	(347,876)	(437,013)

Deferred tax assets have not been recognised in respect of the following temporary differences:-

	GROUP	
	2014 RM	2013 RM
Accelerated capital allowances	(354,619)	(23,209)
Reinvestment allowances	263,690	263,690
Unabsorbed tax losses	10,263,080	10,255,364
Unutilised capital allowances	5,977,939	5,682,715
	16,150,090	16,178,560

The unabsorbed tax losses and unutilised capital allowances are available indefinitely for offset against future taxable profits of the respective subsidiary companies.

9. PREPAID LEASE PAYMENTS

	GROUP	
	2014 RM	2013 RM
Cost		
At 1 January/31 December	2,200,000	2,200,000
Accumulated amortisation		
At 1 January	285,405	233,024
Additions	52,381	52,381
At 31 December	337,786	285,405
Carrying amount		
At 31 December	1,862,214	1,914,595

- The above prepaid lease payments consists of upfront payments made for short term leasehold land.
- The remaining period of the lease term is 36 (2013: 37) years.
- The above prepaid lease payments have been charged to a licensed bank as security for credit facilities granted to the Company as disclosed in Note 19.

Notes to the Financial Statements (cont'd)

10. INVENTORIES

	2014 RM	GROUP 2013 RM
At cost:-		
Raw materials	36,768	67,297
Work-in-progress	95,051	46,652
Finished goods	105,102	127,732
Consumables	25,950	42,332
	262,871	284,013

11. TRADE RECEIVABLES

	2014 RM	GROUP 2013 RM
Trade receivables	5,312,901	5,860,991
Less: Allowance for impairment loss	(254,012)	(722,702)
	5,058,889	5,138,289

The Group's normal trade credit terms range from 60 to 90 days (2013: 60 to 90 days). Other credit terms are assessed and approved on a case by case basis.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:-

	2014 RM	GROUP 2013 RM
Neither past due or impaired	3,390,524	3,802,435
1 – 90 days past due but not impaired	1,086,476	1,089,860
91 – 180 days past due but not impaired	581,889	245,994
	1,668,365	1,335,854
Individually impaired	254,012	722,702
	5,312,901	5,860,991
<u>Allowance for impairment loss</u>		
At 1 January	722,702	658,760
Addition during the financial year	151,658	63,942
Written off	(620,348)	–
At 31 December	254,012	722,702

The Group has no significant concentration of credit risk that may arise from exposure to a single receivable or to groups of receivables.

11. TRADE RECEIVABLES (cont'd)

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. These debtors are mostly long term customers with no history of default in payments.

The Group's trade receivables of RM1,668,365 (2013: RM1,355,854) that are past due at the reporting date but not impaired relate mainly to customers who have never defaulted on payments but are slow paymasters hence, periodically monitored.

12. OTHER RECEIVABLES

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Other receivables	341,885	4,940,453	964	4,791,317
Deposits	546,904	480,387	127,580	127,580
Prepayments	376,143	319,566	42,358	26,245
Staff advances	39,879	41,093	–	–
	1,304,811	5,781,499	170,902	4,945,142

13. AMOUNT OWING BY/(TO) RELATED COMPANIES

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Amount owing by	4,933,513	11,590,181	200,342	–
Amount owing (to)	(27,643)	(4,903,584)	–	(903,508)

(a) Included in the amount owing by related companies of the Group represents unsecured interest free advances which are repayable on demand except for an amount of RM4,306,612 (2013: RM11,590,181) which is made up of trade transactions.

(b) The remaining amount owing by/(to) related companies represents unsecured interest free advances which are repayable on demand.

14. AMOUNT OWING BY/(TO) SUBSIDIARIES

These represent unsecured interest free advances which are repayable on demand.

15. FIXED DEPOSITS WITH LICENSED BANKS

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Fixed deposits with licensed banks	52,308	52,141	44,000	44,000

Included in the above fixed deposits of the Group are fixed deposits pledged for bank borrowings amounting to RM8,308 (2013: RM8,141) as disclosed in Note 19 to the financial statements.

The interest rates range during the financial year for the Group and the Company were 2.85% to 3.05% (2013: 2.85% to 3.05%) per annum and 2.85% (2013: 2.85%) per annum respectively.

Notes to the Financial Statements (cont'd)

16. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 (2013: 30 to 90) days.

17. OTHER PAYABLES

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Other payables	732,971	2,266,610	102,242	518,537
Accruals	1,412,862	2,076,172	790,030	819,104
Deposits	–	3,052	–	–
	2,145,833	4,345,834	892,272	1,337,641

18. FINANCE LEASE PAYABLES

	GROUP	
	2014 RM	2013 RM
(a) Minimum finance lease payments		
Within one year	1,432,652	1,536,668
Between one and two years	1,282,236	1,518,670
Later than two years and not later than five years	984,929	2,300,510
	3,699,817	5,355,848
Future finance charges	(340,845)	(628,822)
Present value of finance lease liabilities	3,358,972	4,727,026
(b) Present value of finance lease liabilities		
Within one year	1,245,536	1,248,775
Between one and two years	1,177,677	1,328,740
Later than two years and not later than five years	935,759	2,149,511
	3,358,972	4,727,026
Analysed as:-		
Repayable within twelve months	1,245,536	1,248,775
Repayable after twelve months	2,113,436	3,478,251
	3,358,972	4,727,026

The effective interest rates of the Group range from 3.56% to 7.77% (2013: 3.36% to 9.68%) per annum.

19. BANK BORROWINGS

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Secured:-				
Bank overdrafts	2,236,646	2,632,763	–	–
Term loans	1,859,240	2,055,271	563,145	663,946
Bankers' acceptance	1,221,000	1,588,000	–	–
	5,316,886	6,276,034	563,145	663,946
Unsecured:-				
Term loans	–	60,495	–	–
Total bank borrowings	5,316,886	6,336,529	563,145	663,946
Analysed as follows:-				
Repayable within twelve months				
Secured:-				
Bank overdrafts	2,236,646	2,632,763	–	–
Term loans	559,089	336,720	113,892	105,060
Bankers' acceptance	1,221,000	1,588,000	–	–
	4,016,735	4,557,483	113,892	105,060
Unsecured:-				
Term loans	–	60,495	–	–
	4,016,735	4,617,978	113,892	105,060
Repayable after twelve months				
Secured:-				
Term loans	1,300,151	1,718,551	449,253	558,886
Total bank borrowings	5,316,886	6,336,529	563,145	663,946
Maturity of borrowings is as follows:-				
Within one year	4,016,735	4,617,978	113,892	105,060
Between one and two years	508,703	345,552	123,358	113,892
Between two and five years	791,448	1,330,293	325,895	402,288
More than five years	–	42,706	–	42,706
	5,316,886	6,336,529	563,145	663,946

The weighted average effective interest rate is as follows:-

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Bank overdrafts	8.35 – 8.85	8.10 – 9.10	–	8.35
Term loans	8.35 – 11.88	8.10 – 11.88	8.35	8.10
Bankers' acceptance	8.05	7.80	–	–

Notes to the Financial Statements (cont'd)

19. BANK BORROWINGS (cont'd)

The bank borrowings are secured by way of:-

- (i) Fixed charges over certain freehold land, buildings and leasehold land of the Group and of the Company as disclosed in Note 5 and Note 9 to the financial statements;
- (ii) A floating charge over all the assets of a subsidiary, both present and future;
- (iii) Fixed deposit with a licensed bank of the Group as disclosed in Note 15 to the financial statements;
- (iv) Corporate guarantee by the Company;
- (v) Corporate guarantee from a company in which a Director of the Company is a controlling shareholder;
- (vi) Negative pledge over the entire assets of a subsidiary company; and
- (vii) A debenture by way of a fixed and floating charge over all present and future assets of a subsidiary company.

20. SHARE CAPITAL

	GROUP/COMPANY			
	NUMBER OF ORDINARY SHARES OF RM1.00 EACH		AMOUNT	
	2014	2013	2014 RM	2013 RM
Authorised share capital				
At 1 January/31 December	50,000,000	50,000,000	50,000,000	50,000,000
Issued and fully paid				
At 1 January/31 December	40,998,550	40,998,550	40,998,550	40,998,550

21. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

22. REVENUE

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Logistic services	15,652,286	16,566,849	—	—
Tyre products	6,337,131	11,388,982	—	—
Rental income	—	—	692,400	692,400
	21,989,417	27,955,831	692,400	692,400

23. OTHER OPERATING INCOME

Other operating income includes:-

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Interest income	8	15	—	—
Gain on disposal of property, plant and equipment	339,256	210,016	—	—

24. EMPLOYEE BENEFITS EXPENSES

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Wages, salaries and other staff related expenses	5,173,507	5,553,815	391,189	379,191
Pension costs – defined contribution plans	641,776	640,338	46,320	45,000
	5,815,283	6,194,153	437,509	424,191

Included in the employee benefits expenses of the Group and of the Company are Executive Directors' remuneration amounting to RM484,570 and RM296,566 (2013: RM456,900 and RM296,566) respectively as disclosed in Note 30 to the financial statements.

25. OTHER OPERATING EXPENSES

Included in the other operating expenses are as follows:-

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Auditors' remuneration				
Statutory audit				
– current year	84,580	80,285	30,000	30,000
– over provision in prior year	–	–	–	–
Bad debts written off	15,000	–	–	–
Impairment loss on:-				
– Investment in subsidiaries	–	–	–	5,759,141
– Trade receivables	151,658	63,942	–	–
Loss on disposal of asset held for sale	–	1,119,590	–	1,119,590
Property, plant and equipment written off	62	–	–	–
Directors fees (Note 30)	108,000	–	108,000	–
Realised loss on foreign exchange	442	2,271	–	–
Other rental expenses	39,896	–	–	–

26. FINANCE COSTS

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Interest expenses on:-				
Bank borrowings	571,115	961,497	55,206	261,470
Finance leases	268,913	331,399	406	1,953
	840,028	1,292,896	55,612	263,423

Notes to the Financial Statements (cont'd)

27. TAXATION

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Current income tax:-				
Malaysian income tax				
– Current year tax	84,204	394,639	–	496
– Under provision in prior years	36,183	248,037	–	92,805
	120,387	642,676	–	93,301
Foreign tax:-				
– Current year tax	20,787	488	–	–
	141,174	643,164	–	93,301
Deferred tax:-				
– Relating to origination and reversal of temporary differences	182,739	(127,889)	(100,889)	(114,928)
– Realised upon disposal of asset held for sale	–	(620,985)	–	(620,985)
– Under/(Over) provision in prior years	5,014	(103,934)	11,752	(111,746)
	187,753	(852,808)	(89,137)	(847,659)
Tax expenses/(savings) for the financial year	328,927	(209,644)	(89,137)	(754,358)

Income tax is calculated at the Malaysian statutory tax rate of 25% (2013: 25%) of the estimated assessable profit/(loss) for the financial year.

A reconciliation of income tax expenses/(savings) applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:-

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Profit/(Loss) before taxation	535,790	(771,540)	(682,400)	(8,071,586)
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	41,773	(1,704,720)	(170,600)	(2,017,897)
Taxation at foreign tax rate	62,677	49,497	–	–
Expenses not deductible for tax purposes	418,615	1,972,345	69,711	1,903,465
Income not subject to tax	(4,988)	–	–	–
Deferred tax assets not recognised during the year	42,036	4,689	–	–
Utilisation of prior years' unrecognised deferred tax assets	(49,427)	–	–	–
Under provision of current taxation in respect of prior years	36,183	248,037	–	92,805
Realised upon disposal of asset held for sale	–	(620,985)	–	(620,985)
Reversal of previously recognised deferred tax assets	(164,905)	–	–	–
Under/(Over) provision of deferred tax in respect of prior years	5,014	(103,934)	11,752	(111,746)
Foreign tax exemption and enhance deduction	(58,051)	(54,573)	–	–
Tax expenses/(savings) for the financial year	328,927	(209,644)	(89,137)	(754,358)

28. BASIC EARNINGS/(LOSS) PER SHARE

The basic earnings/(loss) per share has been calculated based on the consolidated profit/(loss) after taxation for the financial year attributable to owners of the parent of RM206,870 (2013: (RM559,768)) for the Group and the weighted average number of ordinary shares in issue during the financial year of 40,998,550 (2013: 40,998,550) are as follows:-

	GROUP	
	2014 RM	2013 RM
Net profit/(loss) for the financial year attributable to owners of the parent	206,870	(559,768)
Weighted average number of ordinary shares in issue	40,998,550	40,998,550
Basic earnings/(loss) per share (sen)	0.50	(1.37)

29. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Aggregate cost	1,408,540	2,527,596	198,209	138,292
Less: Finance lease financing	-	(1,900,000)	-	-
Cash payments	1,408,540	627,596	198,209	138,292

30. DIRECTOR REMUNERATION

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
The Company				
Executive Directors:-				
Salaries and bonus	264,000	264,000	264,000	264,000
Benefits-in-kinds	32,566	32,566	32,566	32,566
	296,566	296,566	296,566	296,566
Non-Executive:-				
Fees	108,000	-	108,000	-
Directors of subsidiaries:-				
Executive Director:-				
Salaries and bonus	162,072	138,219	-	-
Benefits-in-kinds	25,932	22,115	-	-
	188,004	160,334	-	-
	592,570	456,900	404,566	296,566

Notes to the Financial Statements (cont'd)

30. DIRECTOR REMUNERATION (cont'd)

The number of Directors of the Company whose total remuneration during the financial year range within the following bands is analysed as below:-

	NUMBER OF DIRECTORS	
	2014	2013
Executive Directors:-		
RM100,001 – RM150,000	1	1
RM150,001 – RM200,000	1	1
Non-Executive Directors:-		
Below RM50,000	3	–

31. RELATED PARTIES TRANSACTIONS

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:-

	GROUP	
	2014 RM	2013 RM
* Sales to related parties:-		
– Syarikat Kenderaan Melayu Kelantan Berhad	32,906	600,212
– Transnasional Express Sdn Bhd	1,727,488	3,458,320
– Syarikat Rembau Tampin Sdn Bhd	–	490,446
– Syarikat Tanjung Keramat Temerloh Utara Omnibus Berhad	14,076	89,946
– Kenderaan Klang Banting Berhad	–	460,267
– Kenderaan Langkasuka Sdn Bhd	–	548,927
– Plusliner Sdn Bhd	–	818,567
– Badanbas Sdn Bhd	338,036	714,049
– Nadi Meadow Green Sdn Bhd	–	5,120
* Purchase from related parties:-		
– Transnasional Express Sdn Bhd	–	34,280

* These are companies in which a Director of the Company is a controlling shareholder.

	COMPANY	
	2014 RM	2013 RM
Rental charged to subsidiaries:-		
– Transocean Logistics Sdn Bhd	116,400	116,400
– Transocean Distribution Hub Sdn Bhd	475,200	475,200
– Gerak Intensif Sdn Bhd	100,800	100,800

32. CAPITAL COMMITMENTS

	2014 RM	GROUP 2013 RM
Property, plant and equipment:- Authorised and contracted for	-	1,188,000

33. OPERATING LEASE COMMITMENT

	2014 RM	GROUP 2013 RM
Not later than one year	576,213	565,189
Later than one year	432,158	989,079
	1,008,371	1,554,268

The above operating lease commitment is for rental of premise for the operations in Singapore.

34. SEGMENT INFORMATION – GROUP

Segment information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure.

The reportable business segments of the Group comprise the following:-

Logistics solutions : Provision of custom brokerage, warehousing, freight forwarding trucking related services, international air and ocean freight services

Trading of tyres : Manufacturing and trading of tyres

Investment holdings : Investment holding, provision of management services and letting of properties.

Segment revenue, results, assets and liabilities include items directly attributable to a segment and those where a reasonable basis of allocation exists. Inter-segment revenues are eliminated on consolidation.

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's Executive Directors. Segment total assets are used to measure the return of assets of each segment.

The total of segment liabilities is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the Group's Executive Directors.

The accounting policies of the segments are consistent with the accounting policies of the Group.

Notes to the Financial Statements (cont'd)

34. SEGMENT INFORMATION – GROUP (cont'd)

2014	LOGISTICS SOLUTIONS RM	TRADING OF TYRES RM	INVESTMENT HOLDINGS RM	ELIMINATIONS RM	TOTAL RM
Revenue					
External revenues	15,652,286	6,337,131	–	–	21,989,417
Inter segments	3,055,656	–	692,400	(3,748,056)	–
Results					
Segment profits/(losses)	293,718	588,944	(593,263)	–	289,399
Included in the segment profits/(losses):-					
Interest income	(8)	–	–	–	(8)
Finance cost	476,635	290,731	55,612	–	822,978
Amortisation of prepaid lease payments	–	52,381	–	–	52,381
Depreciation of property, plant and equipment	871,855	171,682	348,625	–	1,392,162
Assets					
Segment assets	15,862,636	11,079,457	30,257,603	–	57,199,696
Additions in non-current assets	1,119,731	90,600	198,209	–	1,408,540
Liabilities					
Segment liabilities	10,062,705	3,218,368	5,169,728	–	18,450,801
2013					
Revenue					
External revenues	16,566,849	11,388,982	–	–	27,955,831
Inter segments	2,923,340	–	692,400	(3,615,740)	–
Results					
Segment profits/(losses)	199,069	901,739	(7,317,228)	5,546,945	(669,475)
Included in the segment profits/(losses):-					
Interest income	(15)	–	–	–	(15)
Finance cost	632,935	371,497	263,423	–	1,267,855
Amortisation of prepaid lease payments	–	52,381	–	–	52,381
Depreciation of property, plant and equipment	773,156	213,075	319,037	–	1,305,268
Assets					
Segment assets	17,020,568	17,737,355	34,666,634	–	69,424,557
Additions in non-current assets	2,389,304	–	138,292	–	2,527,596
Liabilities					
Segment liabilities	11,536,586	10,465,210	8,985,496	–	30,987,292

34. SEGMENT INFORMATION – GROUP (cont'd)

Reconciliation of reportable segment revenue, profit and loss, assets and liabilities and other material items:-

	2014 RM	2013 RM
Total profit/(loss) for reportable segments	289,399	(669,475)
Other non-reportable segments	4,786	(9,304)
Elimination of inter-segment profits	–	212,196
Depreciation of property, plant and equipment	(70,272)	(70,272)
Finance costs	(17,050)	(25,041)
Consolidated profit/(loss) after taxation	206,863	(561,896)

2014	DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT RM	FINANCE COST RM	SEGMENT ASSETS RM	SEGMENTAL LIABILITIES RM
Total reportable segments	1,392,162	822,978	57,199,696	18,450,801
Other non-reportable segment	70,272	17,050	603,448	1,059,523
Elimination of inter-segment transactions or balances	–	–	(12,805,087)	(6,423,182)
Consolidated total	1,462,434	840,028	44,998,057	13,087,142

2013	DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT RM	FINANCE COST RM	SEGMENT ASSETS RM	SEGMENTAL LIABILITIES RM
Total reportable segments	1,305,268	1,267,855	69,424,557	30,987,292
Other non-reportable segment	70,272	25,041	649,189	1,042,306
Elimination of inter-segment transactions or balances	–	–	(14,242,690)	(7,860,785)
Consolidated total	1,375,540	1,292,896	55,831,056	24,168,813

Notes to the Financial Statements (cont'd)

35. FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments and their categories:-

GROUP	2014		2013	
	LOANS AND RECEIVABLES/ OTHER FINANCIAL LIABILITIES RM	TOTAL RM	LOANS AND RECEIVABLES/ OTHER FINANCIAL LIABILITIES RM	TOTAL RM
Financial assets				
Trade receivables	5,058,889	5,058,889	5,138,289	5,138,289
Other receivables	1,304,811	1,304,811	5,781,499	5,781,499
Amount owing by related companies	4,933,513	4,933,513	11,590,181	11,590,181
Fixed deposits with licensed banks	52,308	52,308	52,141	52,141
Cash and bank balances	844,838	844,838	680,762	680,762
	12,194,359	12,194,359	23,242,872	23,242,872
Financial liabilities				
Trade payables	1,803,053	1,803,053	3,359,853	3,359,853
Other payables	2,145,833	2,145,833	4,345,834	4,345,834
Amount owing to related companies	27,643	27,643	4,903,584	4,903,584
Finance lease payables	3,358,872	3,358,872	4,727,026	4,727,026
Bank borrowings	5,316,886	5,316,886	6,336,529	6,336,529
	12,652,287	12,652,287	23,672,826	23,672,826
Company				
Financial assets				
Other receivables	170,902	170,902	4,945,142	4,945,142
Amount owing by related companies	200,342	200,342	–	–
Amount owing by subsidiary companies	953,202	953,202	600,811	600,811
Fixed deposits with licensed banks	44,000	44,000	44,000	44,000
Cash and bank balances	125,931	125,931	207,286	207,286
	1,494,377	1,494,377	5,797,239	5,797,239
Financial liabilities				
Other payables	892,272	892,272	1,337,641	1,337,641
Amount owing to related companies	–	–	903,508	903,508
Amount owing to subsidiary companies	3,366,435	3,366,435	5,643,388	5,643,388
Bank borrowings	563,145	563,145	663,946	663,946
	4,821,852	4,821,852	8,548,483	8,548,483

35. FINANCIAL INSTRUMENTS (cont'd)

Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its financial risks, including credit risk, liquidity and market risk. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

Credit risk

Credit risk is the risk of a financial loss to the Group if a counterparty of a financial asset fails to meet its contractual obligations. The Group's exposure to credit risk arises mainly from receivables from customers. Credit period extended to its customers is based on careful evaluation of the customers' financial condition and credit history. Receivables are monitored on an ongoing basis via Group's management reporting procedures and action will be taken for long outstanding debts. Appropriate approval limits are set at different levels of credit limits and terms. In order to further minimise its exposure to credit risk, the Group, in some instances, requires letters of credits and deposits from the customers.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis through the review of receivables ageing. At reporting date, there were no significant concentrations of credit risk other than disclosed in Note 11.

The maximum exposure to credit risk for the Group is the carrying amount of the financial assets shown in the statement of financial position.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from trade and other payables, finance lease and borrowings.

Cash flow forecasting is performed by monitoring the Group's liquidity requirements to ensure that it has sufficient liquidity to meet operational, financing repayments and other liabilities as they fall due.

35. FINANCIAL INSTRUMENTS (cont'd)**Financial risk management objectives and policies** (cont'd)Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group and the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted payments:-

GROUP	CARRYING AMOUNT RM	CONTRACTUAL INTEREST RATE %	CONTRACTUAL CASH FLOW RM	BELOW 1 YEAR RM	BETWEEN 1 TO 2 YEARS RM	BETWEEN 3 TO 5 YEARS RM	AFTER 5 YEARS RM
2014							
Trade payables	1,803,053	-	1,803,053	1,803,053	-	-	-
Other payables	2,145,833	-	2,145,833	2,145,833	-	-	-
Amount owing to related companies	27,643	-	27,643	27,643	-	-	-
Finance lease payables	3,358,872	3.56 – 7.77	3,699,817	1,432,652	1,282,236	984,929	-
Bank borrowings	5,316,886	8.35 – 11.88	5,493,622	3,988,078	511,529	994,015	-
	12,652,287		13,169,968	9,397,259	1,793,765	1,978,944	-
2013							
Trade payables	3,359,853	-	3,359,853	3,359,853	-	-	-
Other payables	4,345,834	-	4,345,834	4,345,834	-	-	-
Amount owing to related companies	4,903,584	-	4,903,584	4,903,584	-	-	-
Finance lease payables	4,727,026	3.36 – 9.68	5,355,848	1,536,668	1,518,670	2,300,510	-
Bank borrowings	6,336,529	8.10 – 11.88	6,916,072	4,839,453	556,780	1,463,480	56,359
	23,672,826		24,881,191	18,985,392	2,075,450	3,763,990	56,359

35. FINANCIAL INSTRUMENTS (cont'd)

Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group and the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted payments:- (cont'd)

COMPANY	CARRYING AMOUNT RM	CONTRACTUAL INTEREST RATE %	CONTRACTUAL CASH FLOW RM	BETWEEN			AFTER 5 YEARS RM
				BELOW 1 YEAR RM	1 TO 2 YEARS RM	3 TO 5 YEARS RM	
2014							
Other payables	892,272	-	892,272	892,272	-	-	-
Amount owing to subsidiary companies	3,366,435	-	3,366,435	3,366,435	-	-	-
Bank borrowings	563,145	8.35	680,359	156,000	156,000	368,359	-
	4,821,852		4,939,066	4,414,707	156,000	368,359	-
2013							
Other payables	1,337,641	-	1,337,641	1,337,641	-	-	-
Amount owing to related companies	903,508	-	903,508	903,508	-	-	-
Amount owing to subsidiary companies	5,643,388	-	5,643,388	5,643,388	-	-	-
Bank borrowings	663,946	8.10	836,359	156,000	156,000	468,000	56,359
	8,548,483		8,720,896	8,040,537	156,000	468,000	56,359

Notes to the Financial Statements (cont'd)

35. FINANCIAL INSTRUMENTS (cont'd)

Financial risk management objectives and policies (cont'd)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and cash flow and fair value interest rate risk that may affect the Group's financial position and cash flows.

(a) Foreign currency exchange risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective operations' functional currency. The Group maintains natural hedges to the extent that payments for foreign currency payables will be matched against receivables denominated in the same foreign currency and whenever possible, borrow in the currency of the country in which the business is located. Exposure to foreign currency risks are monitored on an ongoing basis. The Group does not hedge their foreign currency risks but keeps this policy under review and will take necessary action to minimise the exposure.

The Group and the Company does not have significant exposure foreign currency exchange risk on financial assets and liabilities held in non-functional currency. Therefore, currency risk sensitivity analysis is not presented.

(b) Interest rate risk

The Group and the Company finance its operation through operating cash flows and borrowings. Interest rate exposure arises from the Group's and the Company's finance lease and bank borrowings.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instrument, based on carrying amounts as at the end of the financial year is as follows:-

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Fixed rate instruments				
Finance lease payables	3,358,872	4,727,026	—	—
Floating rate instruments				
Bank borrowings	5,316,886	6,336,529	563,145	663,946

Interest rate risk sensitivity analysis

A change of 50 basis points ("bp") in interest rates at the end of the reporting period would have increase/decrease equity and profit net of tax by the amounts shown below, assuming all other variables remain constant.

	PROFIT/LOSS NET OF TAX 50BP INCREASE/(DECREASE) RM
Group	
Floating rate instrument:-	
Bank borrowings	(19,938)
Company	
Floating rate instrument:-	
Bank borrowings	(2,111)

Fixed rate instruments are measured at amortised cost, possible changes in interest rates are not expected to have a significant impact on the Group's profit or loss.

35. FINANCIAL INSTRUMENTS (cont'd)

Financial risk management objectives and policies (cont'd)

Fair value information

The carrying amounts of cash and cash equivalents, trade and other receivables, inter-company advances, trade and other payables, short term borrowings and current portion of lease payables approximate fair value due to the relatively short term nature of these financial instruments.

The carrying amount of long term bank borrowing carried on the statements of financial position is reasonable approximate of fair value due to that it is a floating rate instruments that are re-priced to market interest rate on or near the reporting date.

The aggregate fair value of the other financial assets and liabilities carried on the statement of financial position approximates its carrying value and the Group does not anticipate the carrying amounts recorded at the reporting date to be significantly different from the values that would eventually be settled.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:-

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

GROUP	2014		2013	
	CARRYING AMOUNT RM	FAIR VALUE RM	CARRYING AMOUNT RM	FAIR VALUE RM
Financial liabilities				
Finance lease payables	2,113,436	1,902,308	3,478,251	3,068,418

The fair value of long term finance lease payables carried on the statements of financial position are estimated using valuation technique under the hierarchy level 2 mentioned above whereby the expected future cash flows are discounted at the market interest rate for similar types of borrowings.

Interest rates used to determined fair value:-

	GROUP	
	2014 % P.A.	2013 % P.A.
Finance lease	3.56 – 7.77	3.36 – 9.68

Notes to the Financial Statements (cont'd)

36. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to maintain an adequate capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes in the Group's approach to capital management during the financial year.

The Group monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio within reasonable level. The Group includes within net debt, trade and other payables, lease payable, less cash and bank balances. Capital includes the equity attributable to the owners of the parent.

	GROUP	
	2014 RM	2013 RM
Trade and other payables	3,948,886	7,705,687
Amount owing to related companies	27,643	4,903,584
Finance lease payables	3,358,972	4,727,026
Bank borrowings	5,316,886	6,336,529
Less: cash and cash equivalents net of pledged	(888,838)	(724,762)
Net debt	11,763,549	22,948,064
Equity attributable to the owners of the Company	31,881,825	31,633,146
Gearing ratio	36.9%	72.54%

There were no changes to the Group's approach to capital management during the financial year.

37. REALISED AND UNREALISED PROFIT/LOSSES (SUPPLEMENTARY INFORMATION)

The breakdown of the retained earnings of the Group and of the Company as at 31 December into realised and unrealised amounts is as follows:-

	GROUP	
	2014 RM	2013 RM
Total accumulated losses:-		
Realised losses	(8,830,985)	(8,394,548)
Unrealised losses	(395,477)	(1,038,784)
	(9,226,462)	(9,433,332)
	COMPANY	
	2014 RM	2013 RM
Total accumulated losses:-		
Realised losses	(9,410,796)	(8,728,396)
Unrealised losses	(6,499,879)	(6,589,016)
	(15,910,675)	(15,317,412)

The determination of realised and unrealised profits or losses is based on the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The above disclosure of realised and unrealised profits or losses is made solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and is not made for any other purposes.

List of Properties Held

as at 31 December 2014

OWNER	LOCATION	DESCRIPTION	TENURE	LAND AREA (BUILT-UP AREA)	EXISTING USE	AGE	YEARS OF PURCHASE	AT VALUATION @ 31/12/14 RM'000
1 Transocean Holdings Bhd	Lot Nos. 2955, 2956 & 2957 Geran Nos. 66343, 66344 & 66362 Mukim 16 Daerah Seberang Perai Utara Penang	Industrial land with a single storey bonded warehouse annexed with 5-storey office building	Freehold	21,715.00m ² (12,377.05m ²)	Office and warehouse use	20	1995	17,466
2 Transocean Holdings Bhd	Lot No. PTD 32398 Title no. HS(D) 115903 Mukim Pulau Daerah Johor Bahru Johor	Housing development land with 2-storey shop-office	Freehold	156,071m ² (312.16m ²)	Office use	17	1998	358
3 Usmeta Manufacturing Sdn Bhd	Lot PT 101677, HS (D) 52977 Mukim Hulu Kinta, Perak and Lot PT 80060, HS (D) 10137 Mukim of Hulu Kinta Perak	Commercial land with factory building	Leasehold expiring 2 June 2046 and 2 January 2051	12,569.56 sq.m. and 8,129.00 sq.m.	Factory	9	2006	1,810
TOTAL VALUE								19,634

Analysis of Shareholdings

as at 23 April 2015

Authorised Capital	: RM50,000,000
Issued and Fully Paid-Up Capital	: RM40,998,550
Class of Equity Securities	: Ordinary share of RM1.00 each ("Share")
Voting Rights	: One vote per Share

DISTRIBUTION SCHEDULE OF SHAREHOLDERS as at 23 April 2015

NO. OF HOLDERS	HOLDINGS	TOTAL SHAREHOLDINGS	%
248	Less than 99	11,459	0.03
92	100 to 1,000	61,867	0.15
1,251	1,001 to 10,000	3,136,524	7.65
115	10,001 to 100,000	2,571,550	6.27
14	100,001 to less than 5% of issued shares	6,080,690	14.83
5	5% and above of issued shares	29,136,460	71.07
1,725		40,998,550	100.00

30 LARGEST SECURITIES ACCOUNT HOLDERS as at 23 April 2015

(without aggregating the securities from different securities accounts belonging to the same person)

NO.	NAME	NO. OF SHARES HELD	%
1	RHB Nominees (Tempatan) Sdn Bhd (OSK Capital Sdn Bhd for Kumpulan Kenderaan Malaysia Berhad)	12,000,000	29.27
2	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lengkap Suci Sdn Bhd)	5,800,180	14.15
3	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lengkap Suci Sdn Bhd)	5,800,180	14.15
4	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Kumpulan Kenderaan Malaysia Berhad)	3,116,000	7.60
5	Edisi Bimbingan Sdn Bhd	2,420,100	5.90
6	Muhammad Nurul Amil bin Ab Majid	1,978,640	4.83
7	CIMSEC Nominees (Tempatan) Sdn Bhd (CIMB for Zainuddin bin Din)	958,450	2.34
8	Kam Loong Mining Sdn Bhd	732,000	1.79
9	Foo Khen Ling	452,000	1.10
10	Yap Lee Lee	373,000	0.91
11	AFFIN Hwang Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Yeow Kuei Chai)	297,800	0.73
12	HLIB Nominees (Tempatan) Sdn Bhd (Hong Leong Bank Bhd for Yee Wooi Tiong)	242,300	0.59

30 LARGEST SECURITIES ACCOUNT HOLDERS as at 23 April 2015 (cont'd)

NO.	NAME	NO. OF SHARES HELD	%
13	Lee Khai Aik	182,100	0.44
14	HLIB Nominees (Tempatan) Sdn Bhd (Hong Leong Bank Bhd for Yee Goh Tiong)	173,500	0.42
15	HLIB Nominees (Tempatan) Sdn Bhd (Hong Leong Bank Bhd for Lim Chong Heng)	165,500	0.40
16	Ong Foo Ah	160,000	0.39
17	Beh Soo Kim	135,300	0.33
18	Ngang Ching Tang	116,200	0.28
19	Yee Wooi Tiong	113,900	0.28
20	Ng Kin Hua	95,000	0.23
21	Chan On	77,100	0.19
22	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Ng Kok Hin)	68,100	0.17
23	Ang Huat Keat	63,400	0.15
24	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lo Kean Kwong)	61,900	0.15
25	Tong Jee Moi	60,500	0.15
26	Lau Mee	60,000	0.15
27	Mayban Securities Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Fong Yeun Kai)	57,700	0.14
28	Loh Yin Mooi	51,950	0.13
29	Goh Hong Lean	48,200	0.12
30	Fong Yuen Kai	46,200	0.11

Analysis of Shareholdings (cont'd) as at 23 April 2015

SUBSTANTIAL SHAREHOLDERS as at 23 April 2015

(excluding those who are bare trustees pursuant to Section 69 of the Companies Act, 1965 ("the Act"))

NAME OF SUBSTANTIAL SHAREHOLDERS	NO. OF SHARES HELD		INDIRECT INTEREST	NOTE	%
	DIRECT INTEREST	%			
Kumpulan Kenderaan Malaysia Berhad ("KKMB")	15,116,000	36.87	11,600,360	1	28.29
Lengkap Suci Sdn Bhd ("LSSB")	11,600,360	28.29	—		—
Edisi Bimbingan Sdn Bhd	2,420,100	5.90	—		—
Tan Sri (Dr) Mohd Nadzmi bin Mohd Salleh	—	—	26,716,360	2	65.16
Trisilco Equity Sdn Bhd	—	—	26,716,360	3	65.16
Ibroni Sdn Bhd	—	—	26,716,360	3	65.16
Nadi Corporation Sdn Bhd ("NCSB")	—	—	26,716,360	4	65.16
Nadicorp Holdings Sdn Bhd ("NHSB")	—	—	26,716,360	5	65.16

NOTES:-

- (1) Deemed interest pursuant to Section 6A(4) of the Act by virtue of its shareholdings held through LSSB.
- (2) Deemed interest pursuant to Section 6A(4) of the Act held through KKMB in the Company.
- (3) Deemed interest pursuant to Section 6A(4) of the Act by virtue of its shareholdings in NCSB.
- (4) Deemed interest pursuant to Section 6A(4) of the Act by virtue of its 100% shareholdings in NHSB which in turn is the ultimate holding company of KKMB.
- (5) Deemed interest pursuant to Section 6A(4) of the Act by virtue of its shareholdings in KKMB.

DIRECTORS' SHAREHOLDINGS (DIRECT & INDIRECT) as at 23 April 2015

NAME OF DIRECTORS	NO. OF SHARES HELD		INDIRECT INTEREST	NOTE	%
	DIRECT INTEREST	%			
Tan Sri (Dr) Mohd Nadzmi bin Mohd Salleh	—	—	26,716,360	1	65.16
Zainuddin bin Din	959,450	2.34	—		—
Tan Swee Hock	—	—	—		—
Muhammad Adib bin Ariffin	—	—	—		—
Woo Kok Boon	—	—	—		—

NOTES:-

- (1) Deemed interest pursuant to Section 6A(4) of the Act held through KKMB in the Company.

INTEREST IN THE RELATED CORPORATION

Tan Sri (Dr) Mohd Nadzmi bin Mohd Salleh by virtue of his interest in shares in the Company, is deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

Save as disclosed above, none of the other Directors in office have any interest in shares in its related corporations.

Proxy Form

NO. OF SHARES HELD	
---------------------------	--

I/We _____
(BLOCK LETTERS)

of _____

being a member of **TRANSOCEAN HOLDINGS BHD (36747-U)** ("the Company"), do hereby appoint _____
(NRIC/Passport No. _____)

of _____

or failing him/her, _____ (NRIC/Passport No. _____)

of _____

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Thirty-seventh (37th) Annual General Meeting of the Company to be held at Function Room, Level 2, Kuala Lumpur International Hotel, Jalan Raja Muda Abd Aziz, 50738 Kuala Lumpur on Friday, 12 June 2015 at 10.00 a.m. and at any adjournment thereof.

My/Our Proxy is to vote as indicated below:-

NO. RESOLUTIONS	FOR	AGAINST
1. To approve the payment of Directors' fees for the financial year ended 31 December 2014.		
2. To re-elect YBhg Tan Sri (Dr) Mohd Nadzmi bin Mohd Salleh as Director.		
3. To re-appoint En Zainuddin bin Din as Director.		
4. To re-appoint Messrs. Morison Anuarul Azizan Chew as Auditors for the ensuing year and to authorise Directors to fix their remuneration.		
5. Ordinary Resolution – Authority for Directors to issue and allot shares pursuant to Section 132D of the Companies Act, 1965.		
6. Ordinary Resolution – Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature.		
7. Ordinary Resolution – Mandate for En Zainuddin bin Din who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company.		

Please indicate with an 'X' in the space provided how you wish your vote to be cast. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.

Note: Please note that the short description given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. Shareholders are encouraged to refer to the Notice of 37th Annual General Meeting for the full purpose and intent of the Resolutions to be passed.

Signed this _____ day of _____ 2015.

Signature of Shareholder/Common Seal of Corporate Shareholder

NOTES:-

- In respect of deposited securities, only members whose name appears on the Record of Depositors as at 5 June 2015 shall be entitled to attend, speak and vote at the meeting.
- A member entitled to attend and vote at the meeting is entitled to appoint one (1) or more proxies to attend and vote in his or her stead. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the meeting shall have the same rights as the member to speak at the meeting.
- The instrument appointing a proxy and the power of attorney or other authority (if any) shall be in writing under the hand of the appointor or of his attorney duly authorized in writing. In the case where a member is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorized.
- Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where a member is an authorised nominee as defined under SICDA, it may appoint one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarized certified copy of that power or authority, shall be deposited at the Registered Office of the Company at No. 38, Jalan Chow Kit, 50350 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.
- The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy.
- The lodging of a form of proxy does not preclude a member from attending and voting in person at the meeting should the member subsequently decide to do so.
- Any alteration in this form must be initialed.

Fold this flap for sealing



THE COMPANY SECRETARIES
TRANSOCEAN HOLDINGS BHD (36747-U)

No. 38, Jalan Chow Kit
50350 Kuala Lumpur
Malaysia

2nd fold here

1st fold here

Transocean Holdings Bhd (36747-U)

Lot 2955, 2956 & 2957
Jalan Perusahaan Sungai Lokan 3
Kawasan Perusahaan Sungai Lokan
13400 Butterworth
Malaysia
Tel: 604 – 332 2650
Fax: 604 – 331 9771

www.transocean.com.my