



TRANSOCEAN HOLDINGS BHD

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

UNAUDITED INTERIM FINANCIAL REPORT FOR FIRST QUARTER ENDED MARCH 31, 2016

Dated May 24, 2016

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INTERIM FINANCIAL REPORT
For the First Quarter ended March 31, 2016

The Board of Directors is pleased to announce the Interim Financial Report on consolidated results of the Group for the first quarter ended March 31, 2016.

The figures have not been audited.

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/03/16 RM'000	Preceding Year Quarter Ended 31/03/15 RM'000	Current Year-To-Date Ended 31/03/16 RM'000	Preceding Year-To-Date Ended 31/03/15 RM'000
Revenue	6,936	5,656	6,936	5,656
Operating profit before depreciation and finance cost	802	615	802	615
Depreciation & amortization	(420)	(367)	(420)	(367)
Profit from operations	382	248	382	248
Finance cost	(137)	(189)	(137)	(189)
Profit before taxation	245	59	245	59
Income tax expense	(37)	12	(37)	12
Profit for the period	208	71	208	71
Other comprehensive income:- <u>Items that may be reclassified subsequently to profit or loss</u>				
- Exchange differences arising from translation of foreign operation	(143)	42	(143)	42
Total comprehensive income for the financial period	65	113	65	113
Profit for the period attributable to :				
Owners of the parent	208	71	208	71
Non-controlling interests	-	-	-	-
	208	71	208	71
Total comprehensive income for the financial period attributable to:-				
Owners of the Company	65	113	65	113
Non-controlling interest	-	-	-	-
	65	113	65	113
Earnings per share attributable to owners of the parent :				
- Basic (sen)	0.50	0.17	0.50	0.17
- Diluted (sen)	-----	Not applicable	-----	-----

(The Condensed Consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended December 31, 2015 and the accompanying explanatory notes attached to the Interim Financial Report)

**INTERIM FINANCIAL REPORT**
For the First Quarter ended March 31, 2016**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Unaudited As At 31/03/16 RM'000	Audited As At 31/12/15 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	26,274	26,502
Deferred tax assets	66	66
Goodwill on consolidation	4,004	4,004
	<u>30,344</u>	<u>30,572</u>
Current Assets		
Inventories	1,038	1,070
Prepaid land lease payments	1,797	1,810
Trade receivables	14,374	12,089
Other receivables	1,803	1,899
Tax recoverable	1,434	1,247
Cash and bank balances	907	810
	<u>21,353</u>	<u>18,925</u>
TOTAL ASSETS	<u>51,697</u>	<u>49,497</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the company		
Share capital	40,999	40,999
Reserve	(8,616)	(8,681)
Non-controlling interests	29	29
Total equity	<u>32,412</u>	<u>32,347</u>
Non-Current Liabilities		
Borrowings	2,872	3,491
Deferred tax liabilities	370	363
	<u>3,242</u>	<u>3,854</u>

**INTERIM FINANCIAL REPORT**
For the First Quarter ended March 31, 2016**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
(CONT'D)

	Unaudited	Audited
	As At	As At
	31/03/16	31/12/15
	RM'000	RM'000
Current Liabilities		
Borrowings	6,716	6,008
Trade payables	6,261	4,142
Other payables	2,481	2,272
Due to related companies	585	822
Tax payables	-	52
	<hr/> 16,043	<hr/> 13,296
Total liabilities	19,285	17,150
TOTAL EQUITY AND LIABILITIES	<hr/> 51,697	<hr/> 49,497
Net assets per share attributable to owners of the company (RM)	<hr/> 0.79	<hr/> 0.79

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended December 31, 2015 and the accompanying explanatory notes attached to the Interim Financial Report)



INTERIM FINANCIAL REPORT
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to Owners of the Company			Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Foreign Exchange Translation Reserve RM'000	Accumulated Losses RM'000			
2016						
At January 1, 2016	40,999	456	(9,137)	32,318	29	32,347
Total comprehensive income for the financial period	-	(143)	208	65	-	65
At March 31, 2016	40,999	313	(8,929)	32,383	29	32,412
2015						
At Jan 1, 2015	40,999	110	(9,226)	31,883	29	31,912
Total comprehensive income:-						
Net profit for the financial year	-	-	89	89	-	89
Other comprehensive income	-	346	-	346	-	346
	-	346	89	435	-	435
At December 31, 2015	40,999	456	(9,137)	32,318	29	32,347

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended December 31, 2015 and the accompanying explanatory notes attached to the Interim Financial Report)

**INTERIM FINANCIAL REPORT**
For the First Quarter ended March 31, 2016**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

	Current Year-To- Date Ended 31/03/16 RM'000	Preceding Year-To- Date Ended 31/12/15 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	245	218
Adjustment for :-		
Non-cash items	444	2,005
Non-operating items	-	(8)
Finance cost	137	704
Operating profit before working capital changes	826	2,919
Changes in working capital :-		
Net change in current assets	(2,345)	(3,029)
Net change in current liabilities	2,047	2,466
Cash generated from operations	528	2,357
Interest paid	(137)	(704)
Taxation paid	(19)	(415)
Net cash generated from operating activities	372	1,238
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(212)	(368)
Proceeds from disposal of property, plant and equipment	-	11
Net cash used in investing activities	(212)	(357)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payables	(221)	(1,326)
Repayment of bank borrowings	(22)	(187)
Net cash used in financing activities	(243)	(1,513)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(83)	(632)
Effect of exchange rate changes	(143)	309
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	(1,671)	(1,348)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	(1,897)	(1,671)
Cash and cash equivalents comprise :-		
Cash and bank balances	907	810
Bank overdrafts (included within short term borrowings in Note 21)	(2,804)	(2,481)
	(1,897)	(1,671)

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended December 31, 2015 and the accompanying explanatory notes attached to the Interim Financial Report)

INTERIM FINANCIAL REPORT
For the First Quarter ended March 31, 2016

NOTES TO THE INTERIM FINANCIAL REPORT

SECTION A

Selected Explanatory Notes: MFRSs 134 Paragraph 15B

1. Basis of preparation

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

These condensed consolidated interim financial statements, for the period ended 31 March 2016, have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 :Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The condensed financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended December 31, 2015. The explanatory notes attached to the Interim Financial Report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group.

The significant accounting policies and methods of computation adopted for the interim financial report are consistent with those of the audited financial statements for the financial year ended 31 December 2015.

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

Annual periods beginning on/after 1 July 2014

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

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Annual periods beginning on/after 1 January 2016

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

Annual periods beginning on/after 1 January 2018

- MFRS 9 Financial Instruments
- MFRS 15 Revenue from Contracts with Customers

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

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

2. Significant Accounting Estimates and Judgments

(1) Critical Judgments Made in Applying Accounting Policies

There are no critical judgments made by management in the process of applying the Group's accounting policies that have significant effect on the amounts recognized in the financial statements.

(2) Key Sources of Estimation Uncertainty

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

(i) Depreciation of motor vehicles

The cost of motor vehicles for operation and administrative purposes is depreciated on a straight-line basis over the asset's useful lives. Management estimates that the useful lives of these motor vehicles range from 5 to 10 years. These are common life expectancies applied in the industry. Changes in the expected level of usage could impact the economic useful lives and the residual value of these assets, therefore depreciation charges could be revised.

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(ii) Impairment loss for receivables

The policy on impairment loss for receivables of the Group is based on the evaluation of collectability and ageing analysis of the receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current credit worthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, additional allowances may be required.

(iii) Deferred tax assets

Deferred tax assets are recognised for unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses, capital allowances and other deductible temporary differences can be utilised. Significant management decision is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with tax planning strategies.

3. Auditors' Report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended December 31, 2015 was not subject to any qualification.

4. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual of their nature, size or incidence for the current quarter under review and/or financial year-to-date.

5. Segmental information

a. Business segments

The segmental results for the 3 months period ended 31 March 2016 provided to chief operating decision maker are as follows:-

Business segment :	Trading of Tyres	Logistics Singapore	Logistics Solution	Total RM'000
	"Tyre"	"Logistics"		
	RM'000	RM'000	RM'000	
Revenue	3,044	1,140	2,752	6,936
Profit/(Loss) before taxation	154	176	(85)	245
Assets	17,206	3,669	30,822	51,697
Liabilities	8,698	624	9,963	19,285

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b. Geographical segments

The results are for the 3 months period ended 31 March 2016 for geographical segments.

	Malaysia	Singapore	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External	6,263	673	-	-	6,936
Inter-segment	672	467	-	(1,139)	-
Total revenue	6,935	1,140	-	(1,139)	6,936
Profit from operations	199	184	-	-	382
Finance costs	(129)	(9)	-	-	(137)
Profit before taxation	70	175	-	-	245
Other Information					
Segment assets	48,028	3,669	-	-	51,697

6. Changes in estimates

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

7. Comments about seasonal or cyclical factors

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

8. Dividends

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

9. Debt and equity securities

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

10. Changes in the composition of the Group

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

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11. Capital commitments

During the financial year, the Group had purchased 1 unit of Prime Movers amounting RM 175,726.00

Apart from the above, there was no commitment for the purchase of property, plant and equipment not provided for in the quarter under review.

12. Changes in contingent liabilities and contingent assets

Contingent liabilities of the Company as at March 31, 2016, other than material litigation as disclosed in Note 24, since the last annual statements of financial position date comprise:-

	As at 31/03/16 RM'000	As at 31/12/15 RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	4777	5,000
- unsecured	3,873	4,401
	8,650	9,401

13. Subsequent events

There were no events of a material nature which have arisen between the end of the current quarter and the date of this report that have not been reflected in the financial statements.

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NOTES TO THE INTERIM FINANCIAL REPORT

SECTION B

Additional information required by the Bursa Securities' Listing Requirements

14. Performance review

The Group recorded revenue of RM6.936 million and net profit after taxation of RM0.208 million for the reporting quarter as compared with revenue of RM5.656 million and net profit after taxation of RM0.071 million for the previous year quarter, recording an increase of 23% and more than 100% respectively. The increase in profits was because of increase in sales volume from tire divisions.

Logistic division recorded revenue of RM3.892 million, slight decreased as compared with RM3.932 million of the previous year quarter.

Tire division recorded revenues of RM3.044 million as compared with RM1.724 million of the previous year quarter, an increase of 76% contributed by return of former anchor customer as well as new customers.

Tire division achieved a profit before taxation of RM0.154 million derived from increase in sales volume. Logistic division achieved a profit of RM0.091 million due to:

- Increase in volume of cross border trucking services between Mal/Sin/Mal derived from new customers, and
- Small Medium Enterprise credit refunded from Singapore Government to TFS logistics Pte.Ltd.

15. Comment on material change in profit before taxation

	Current Quarter 31/03/16 RM'000	Immediate Preceding Quarter 31/12/15 RM'000	Variation %
Gross revenue	6,936	7,651	-9%
Operating profit before depreciation and finance cost	802	899	-11%
Profit before taxation	245	165	51%
Net profit attributable to owners of the parent	208	65	>100%

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Current quarter recorded profit before taxation of RM0.208 million as against RM0.065 for the immediate preceding quarter, increased of more than 100% mainly derived from refund of SME credit from Singapore Government and higher sales volume from tire division.

16. Commentary on prospects

The effect on consolidation in semiconductor industry in the US which caused closure and retrenchments in electronic factories in Malaysia had eased off. Electronic industry had forecast 3% to 5% growth for 2016. However, factories in Malaysia held back their expansion plan due to uncertainty policy on foreign workers and shortage of skilled engineers. Slowdown in imports and exports at Penang Port had reduced the container haulage activities.

Aggressive marketing plan implemented toward the end of last year had started to yield results in the 1st quarter except for the container haulage section. Marketing sector is focusing on local SME factories for loose cargo apart from concentrating only on electronic products for the cross border trucking. The additional volume had helped to improve yields per trucks and increased revenues.

17. Profit forecast or profit guarantee

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

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

	Current Quarter 31/03/2016 RM'000	Current Year-to-date 31/03/2016 RM'000
Interest expenses	(137)	(137)
Depreciation and amortization	(419)	(419)

19. Income tax expense

	Current Quarter 31/03/2016 RM'000	Current Year-to-date 31/03/2016 RM'000
Current year provision	(37)	(37)

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

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20. Corporate proposal

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

21. Borrowings

Total Group borrowings as at March 31, 2016 were as follows:-

	RM'000
Long term borrowings	
Term loan	560
Hire-purchase and lease payables	2,312
	<u>2,872</u>
Short term borrowings	
Overdrafts	2,804
Term loan	767
Banker's acceptance and revolving credit	1,543
Hire-purchase and lease payables	1,602
	<u>6,716</u>
Total borrowings	<u>9,588</u>

As at March 31, 2016, the Group does not have any exposure in borrowings and debt securities denominated in foreign currency.

22. Off balance sheet financial instruments

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

23. Changes in material litigation

There were no material litigation involving the Group as at March 31, 2016.

24. Dividend payable

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

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25. Earnings per share

Basic profit per share amounts are calculated by dividing profit for the period attributable to owners of the parent by the weighted average number of shares in issue during the period.

	Current Year Quarter Ended 31/12/16	Preceding Year Quarter Ended 31/12/15	Current Year-To-Date Ended 31/03/16	Preceding Year To-Date Ended 31/12/15
Profit attributable to owners of the parent (RM'000)	208	65	208	89
No of ordinary shares in issue ('000)	40,999	40,999	40,999	40,999
Basic earnings per share (sen)	0.50	0.16	0.50	0.22

26. Disclosure of Realised and Unrealised Losses

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

	Current Quarter 31/03/16 RM'000	Immediate Preceding Quarter 31/12/15 RM'000
Total accumulated losses of the Group:-		
- Realised	(8,632)	(8,840)
- Unrealised	(297)	(297)
Total accumulated losses	(8,929)	(9,137)

27. Authorisation for issue

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

By order of the Board
Dated 24th May 2016