



TRANSOCEAN HOLDINGS BHD

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

UNAUDITED INTERIM FINANCIAL REPORT FOR FIRST QUARTER ENDED MARCH 31, 2018

Dated May 30, 2018

CONTENTS

	<u>PAGE</u>
1) CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	3
2) CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	4- 5
3) CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	6
4) CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	7
5) NOTES TO THE INTERIM FINANCIAL REPORT	
SECTION A : DISCLOSURE NOTES AS REQUIRED UNDER MFRS 134	8 - 12
SECTION B : DISCLOSURE NOTES AS REQUIRED UNDER BURSA MALAYSIA LISTING REQUIREMENTS	13 - 17


**INTERIM FINANCIAL REPORT
For the First Quarter ended March 31, 2018**

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, 2018.

The figures have not been audited.

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

	INDIVIDUAL QUARTER		Changes		CUMULATIVE QUARTER		Changes	
	Current Year Quarter Ended 31/03/18 RM'000	Preceding Year Quarter Ended 31/03/17 RM'000	(Amount/%)		Current Year-To-Date Ended 31/03/18 RM'000	Preceding Year-To-Date Ended 31/03/17 RM'000	(Amount/%)	
Revenue	5,875	5,927	(52)	(0.9%)	5,875	5,927	(52)	(0.9%)
Operating profits before depreciation and finance cost	375	538	(163)	(30.3%)	375	538	(163)	(30.3%)
Depreciation & amortisation	(390)	(418)	(28)	(7%)	(390)	(418)	(28)	(7%)
(Loss)/Profit from operations	(15)	120	(135)	>(100%)	(15)	120	(135)	>(100%)
Finance cost	(67)	(92)	(25)	(27%)	(67)	(92)	(25)	(27%)
(Loss)/Profit before taxation	(82)	28	(110)	>(100%)	(82)	28	(110)	>(100%)
Income tax expense	(26)	-	(26)	>(100%)	(26)	-	(26)	>(100%)
(Loss)/Profit for the period	(108)	28	(136)	>(100%)	(108)	28	(136)	>(100%)
Other comprehensive income:-								
<u>Items that may be reclassified subsequently to profit or loss</u>								
- Gain on revaluation of assets	-	-	-	-	-	-	-	-
- Exchange differences arising from translation of foreign operation	(40)	79	(119)	>(100%)	(40)	79	(119)	>(100%)
Total comprehensive (loss)/income for the financial period	(148)	107	(255)	>(100%)	(148)	107	(255)	>(100%)
(Loss)/Profit for the period attributable to :								
Owners of the parent	(108)	28	(136)	>(100%)	(108)	28	(136)	>(100%)
Non-controlling interests	-	-	-	-	-	-	-	-
	(108)	28	(136)	>(100%)	(108)	28	(136)	>(100%)
Owners of the Company	(148)	107	(255)	>(100%)	(148)	107	(255)	>(100%)
Non-controlling interest	-	-	-	-	-	-	-	-
	(148)	107	(255)	>(100%)	(148)	107	(255)	>(100%)
Earnings per share attributable to owners of the parent :								
- Basic (sen)	(0.03)	0.07	(0.10)	>(100%)	(0.03)	0.07	(0.10)	>(100%)
- Diluted (sen)	----- Not applicable -----							



TRANSOCEAN HOLDINGS BHD (36747-U)

INTERIM FINANCIAL REPORT
For the First Quarter ended March 31, 2018

(The Condensed Consolidated statement 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, 2017 and the accompanying explanatory notes attached to the Interim Financial Report)

**INTERIM FINANCIAL REPORT**
For the First Quarter ended March 31, 2018**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited	Audited
	As At	As At
	31/03/18	31/12/17
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	34,425	34,844
Prepaid lease payments	1,692	1,705
Deferred tax assets	96	96
Goodwill on consolidation	4,002	4,004
	<u>40,215</u>	<u>40,649</u>
Current Assets		
Inventories	638	210
Trade receivables	5,752	6,041
Other receivables	1,310	1,336
Amount owing by related companies	6,359	6,789
Tax recoverable	929	1,064
Cash and bank balances	483	358
	<u>15,471</u>	<u>15,798</u>
TOTAL ASSETS	<u>55,686</u>	<u>56,447</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the company		
Share capital	40,999	40,999
Other Reserves	10,779	10,819
Accumulated Losses	(10,059)	(9,951)
	<u>41,719</u>	<u>41,867</u>
Non-controlling interest	(79)	(79)
Total Equity	<u>41,640</u>	<u>41,788</u>
Non-Current Liabilities		
Borrowings	963	1,120
Deferred tax liabilities	1,179	1,179
	<u>2,142</u>	<u>2,379</u>

**INTERIM FINANCIAL REPORT**
For the First Quarter ended March 31, 2018

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONT'D)

	Unaudited	Audited
	As At	As At
	31/03/18	31/12/17
	RM'000	RM'000
Current Liabilities		
Borrowings	2,380	2,700
Trade payables	3,818	4,143
Other payables	3,966	3,893
Amount owing to related companies	1,740	1,488
Tax payables	-	56
	<hr/> 11,904	<hr/> 12,280
Total liabilities	14,046	14,659
TOTAL EQUITY AND LIABILITIES	<hr/> 55,686	<hr/> 56,447
Net assets per share attributable to owners of the company (RM)	<hr/> 1.02	<hr/> 1.02

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended December 31, 2017 and the accompanying explanatory notes attached to the Interim Financial Report)

**INTERIM FINANCIAL REPORT**
For the First Quarter ended March 31, 2018**CONDENSED CONSOLIDATED STATEMENT 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	Other Reserves RM'000	Accumulated Losses RM'000			
2018						
At January 1, 2018	40,999	10,819	(9,951)	41,867	(79)	41,788
Net Loss for the financial year			(108)	(108)		(108)
Other comprehensive loss	-	(40)	-	(40)	-	(40)
At March 31, 2018	40,999	10,779	(10,059)	41,719	(79)	41,640
2017						
At January 1, 2017	40,999	10,936	(8,288)	43,647	29	43,676
Total comprehensive income:-						
Loss for the financial year	-	-	(1,663)	(1,663)	(108)	(1,771)
Other comprehensive loss	-	(117)	-	(117)	-	(117)
At December 31, 2017	40,999	10,819	(9,951)	41,867	(79)	41,788

(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, 2017 and the accompanying explanatory notes attached to the Interim Financial Report)

INTERIM FINANCIAL REPORT
For the First Quarter ended March 31, 2018

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year-To- Date Ended 31/03/18 RM'000	Preceding Year-To- Date Ended 31/12/17 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(82)	(1,654)
Adjustment for :-		
Non-cash items	399	2,072
Non-operating items	-	(72)
Finance cost	67	274
Operating profit before working capital changes	384	620
Changes in working capital :-		
Net change in current assets	418	205
Net change in current liabilities	(57)	712
Cash generated from operations	745	1,537
Interest paid	(67)	(274)
Taxation paid	6	(107)
Net cash generated from operating activities	684	1,156
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(8)	(68)
Proceeds from disposal of property, plant and equipment	-	272
Net cash (used in)/ generated from investing activities	(8)	204
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payables	(240)	(1,350)
Repayment of bank borrowings	(34)	(238)
Net cash used in financing activities	(274)	(1,588)
NET INCREASE /(DECREASE)/ IN CASH AND CASH EQUIVALENTS	402	(228)
Effects of currency translation differences	(40)	(118)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	(1,237)	(890)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	(875)	(1,237)
Cash and cash equivalents comprise :-		
Cash and bank balances	483	358
Bank overdrafts (included within short term borrowings in Note 21)	(1,305)	(933)
Fixed deposits pledged for bank borrowings	(53)	(54)
	(875)	(1,237)

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended December 31, 2017 and the accompanying explanatory notes attached to the Interim Financial Report)



**INTERIM FINANCIAL REPORT
For the First Quarter ended March 31, 2018**

NOTES TO THE INTERIM FINANCIAL REPORT

SECTION A

Selected Explanatory Notes: MFRS 134

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 year ended 31 December 2017, 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, 2017. 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 2017.

Accounting standards and amendments to accounting standards that are applicable and effective for the Group are as follows:

Annual periods beginning on/after 1 January 2018

- MFRS 1 : First-time Adoption of Financial Reporting Standards
- MFRS 128 : Investment in Associates and Joint Ventures
- MFRS 2 : Classification and Measurement of Share-based Payment Transactions
- MFRS 140 : Transfer of Investment Property
- MFRS 9 : Financial Instruments
- MFRS 15 : Revenue from Contracts with Customers
- IC Interpretation 22 : Foreign Currency Transactions and Advance Consideration
- Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts

Annual periods beginning on/after 1 January 2019

- MFRS 16 : Leases

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

INTERIM FINANCIAL REPORT
For the First Quarter ended March 31, 2018

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 on the statement of financial position, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as discussed below:

(i) Depreciation of motor vehicles

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

(ii) Impairment loss for receivables

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

(iii) Deferred tax assets

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

3. Auditors' Report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended December 31, 2017 was not subject to any qualification.

INTERIM FINANCIAL REPORT
For the First Quarter ended March 31, 2018

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 2018 are as follows:-

Business segment :	Trading of Tyres	Logistics Singapore	Logistics Solution	Total RM'000
	“Tyre”	“Logistics”		
	RM'000	RM'000	RM'000	
Revenue	1,710	1,335	2,830	5,875
Profit/(Loss) before taxation	75	230	(387)	(82)
Assets	13,760	5,220	36,706	55,686
Liabilities	4,288	602	9,156	14,046

b. Geographical segments

The results are for the 3 months period ended 31 March 2018 for geographical segments.

	Malaysia RM'000	Singapore RM'000	Elimination RM'000	Total RM'000
Revenue				
External	5,063	812	-	5,875
Inter-segment	388	523	(911)	-
Total revenue	5,451	1,335	(911)	5,875
(Loss)/Profit from operations	(245)	230	-	(15)
Finance costs	(67)	-	-	(67)
Loss before taxation	(312)	230	-	(82)
Other Information				
Segment assets	50,466	5,220	-	55,686

INTERIM FINANCIAL REPORT
For the First Quarter ended March 31, 2018

6. Changes in estimates

There were no changes in estimates that have had a material effect on the current quarter financial 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 current quarter and financial year to date.

10. Changes in the composition of the Group

There were no changes in the composition of the Group.

11. Capital commitments

There was no commitment for the purchase of property, plant and equipment and/or other capital commitments for the quarter under review.

12. Changes in contingent liabilities and contingent assets

Contingent liabilities of the Company as at March 31, other than material litigation as disclosed in Note 22, 2018 since the last annual statement of financial position date comprise:-

	As at 31/03/18 RM'000	As at 31/12/17 RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	3,921	3,965
- unsecured	274	562
	<u>4,195</u>	<u>4,528</u>

INTERIM FINANCIAL REPORT
For the First Quarter ended March 31, 2018

13. Subsequent events

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

INTERIM FINANCIAL REPORT
For the First Quarter ended March 31, 2018

NOTES TO THE INTERIM FINANCIAL REPORT

SECTION B

Additional information required by the Bursa Securities' Listing Requirements

14. Performance review

Comparison with previous year's corresponding quarter

The Group recorded revenue of RM5.875 million and net loss after taxation of RM0.108 million for the reporting quarter as compared with the previous year corresponding quarter revenue of RM5.927 million and net profit after taxation of RM0.28 million. Revenue remained stable but operation incurred losses because:

- Logistics division faced with weak consumer sentiments, long stretch of holidays and restriction on movement of heavy truck movement during this period.
- Continuous increase of diesel prices during the current quarter before settling at RM2.18 per litre during March made it hard for truck operators to pass the price increments promptly to the customers. Furthermore, due to the weak markets, there are too many trucks chasing after too little cargo in the market.
- Container haulage is facing fierce competition from KTM's double track cargo services moving Southern Thailand cargo to Penang Port for exports.
- Tire division is facing with generally weak market sentiments.

Comparison with preceding quarter

	Current Quarter 31/03/18 RM'000	Preceding Quarter 31/12/17 RM'000	Changes (Amount/%) RM'000
Gross revenue	5,875	6,604	(729) (11)%
Operating Profit/(Loss) before depreciation and finance cost	375	(626)	1,001 >100%
Loss before taxation	(82)	(1,074)	(992) > 100%
Net loss attributable to owners of the parent	(108)	(1,292)	(1,184) > 100%

Loss for the current quarter at 0.108 million was due to weak market demand and impact of higher diesel price.

INTERIM FINANCIAL REPORT
For the First Quarter ended March 31, 2018

15. Commentary on prospects

Logistics industry is a capital intensive operating industry with depleting assets value overtime. New technology on carbon-fuel-charged internal combustion engine on electric-powered vehicles had slowly replace the 200 years old internal combustion engine moving towards clean and green energy. IT and digital technologies had improved communication connectivity and artificial intelligence (AI) had made self-driven vehicles possible.

In the light of the above development, the Board of Directors had decided not to increase the current fleet of trucks but to look for collaboration partners which have the warehouses, collection and distribution hubs to complement the Group's facilities. It is also actively sourcing for foreign logistics partners to venture into KLIA Aeropolis DFTZ Park which consisted of eFulfillment hub and eServices platform established in November 2017.

The logistics Industry is expected to remain challenging for the rest of the financial year. Notwithstanding, the Group will continue to seek for new customers, to manage cost and to focus on generating sufficient cash flow from its operation to improve on its working capital requirements.

16. Profit forecast or profit guarantee

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

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

	Current Quarter 31/03/2018 RM'000	Current Year-to-date 31/03/2018 RM'000
Interest expenses	67	67
Depreciation and amortization	390	390

18. Income tax expense

	Current Quarter 31/03/2018 RM'000	Current Year-to-date 31/03/2018 RM'000
Current year provision	26	26

Despite the loss position, the Group has to incur tax expense due to non deductibility of certain expenses for tax purpose.

INTERIM FINANCIAL REPORT
For the First Quarter ended March 31, 2018

19. Corporate proposal

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

20. Borrowings

Details of borrowings are as follows:

	As at 31/03/2018		
	Long Term RM'000	Short Term RM'000	Total borrowing RM'000
Secured			
Overdrafts	-	1,305	1,305
Term loan	14	156	170
Hire-purchase and lease payables	949	919	1,868
	As at 31/03/2017		
	Long Term RM'000	Short Term RM'000	Total borrowing RM'000
Secured			
Overdrafts	-	1,721	1,721
Term Loan	238	144	382
Hire-purchase and lease payable	1,304	1,152	2,456

As at March 31, 2018, the Group does not have any exposure in borrowings and debt securities denominated in foreign currency.

21. Off balance sheet financial instruments

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

22. Changes in material litigation

One Lee Chan Hooi who purportedly acted for Taipanco Sdn. Bhd had filed a writ in Court dated 31 March 2018 demanding from Transocean Holdings Bhd the return of Rm443,710.95 being money paid to various advisers and Consultants related to the aborted Merger and Acquisition deal with Taipanco shareholders.

INTERIM FINANCIAL REPORT
For the First Quarter ended March 31, 2018

The Company had engaged a lawyer to file the statement of defence and also an application to strike off the case on 3 May 2018.

23. Dividend payable

The Directors do not recommend the payment of any dividend for the current quarter.

24. Earnings per share

Basic earnings 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 quarter.

	Current Year Quarter Ended 31/03/18	Preceding Year Quarter Ended 31/12/17	Current Year-To-Date Ended 31/03/18	Preceding Year To-Date Ended 31/12/17
Loss attributable to owners of the parent (RM'000)	(108)	(1,292)	(108)	(1,292)
No of ordinary shares in issue ('000)	40,999	40,999	40,999	40,999
Basic loss per share (sen)	(0.003)	(0.032)	(0.003)	(0.032)

25. Authorisation for issue

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

By order of the Board
Dated 30th May 2018