



# **TRANSOCEAN HOLDINGS BHD**

Company No.: 197701005709 (36747-U)  
(Incorporated in Malaysia)

## **UNAUDITED INTERIM FINANCIAL REPORT FOR THIRD QUARTER ENDED SEPTEMBER 30, 2021**

*Dated November 24, 2021*

# CONTENTS

	<b><u>PAGE</u></b>
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 – 16

**INTERIM FINANCIAL REPORT**  
For the Third Quarter ended September 30, 2021

The Board of Directors is pleased to announce the Interim Financial Report on consolidated results of the Group for the Third quarter ended September 30, 2021.

The figures have not been audited.

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

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER			Changes	
	Current Year Quarter Ended 30/09/21 RM'000	Preceding Year Quarter Ended 30/09/20 RM'000	Changes (Amount/%) RM'000	Current Year- To- Date Ended 30/09/21 RM'000	Preceding Year-To- Date Ended 30/09/20 RM'000	Changes (Amount/%) RM'000		
<b>Revenue</b>	<b>5,700</b>	<b>4,555</b>	<b>1,145</b>	<b>25%</b>	<b>15,000</b>	<b>12,338</b>	<b>2,662</b>	<b>22%</b>
Operating (loss)/ profit before depreciation and finance cost	129	555	(426)	(77%)	1,034	932	102	11%
Depreciation & amortisation	(367)	(445)	78	(18%)	(1,079)	(1,350)	271	(20%)
(Loss)/Profit from operations	(238)	110	(348)	>(100%)	(45)	(418)	373	(89%)
Finance cost	(33)	(19)	(14)	74%	(109)	(69)	(40)	58%
<b>(Loss)/Profit before taxation</b>	<b>(271)</b>	<b>91</b>	<b>(362)</b>	<b>&gt;(100%)</b>	<b>(154)</b>	<b>(487)</b>	<b>333</b>	<b>(68%)</b>
Income tax expense	-	-	-	-	-	-	-	-
<b>(Loss)/Profit for the period</b>	<b>(271)</b>	<b>91</b>	<b>(362)</b>	<b>&gt;(100%)</b>	<b>(154)</b>	<b>(487)</b>	<b>333</b>	<b>(68%)</b>
Other comprehensive income:-								
<u>Items that may be reclassified subsequently to profit or loss</u>								
- Exchange differences arising from translation of foreign operation	-	-	-	-	-	-	-	-
<b>Total comprehensive (loss)/income for the financial period</b>	<b>(271)</b>	<b>91</b>	<b>(362)</b>	<b>&gt;(100%)</b>	<b>(154)</b>	<b>(487)</b>	<b>333</b>	<b>(68%)</b>
<b>(Loss)/Profit for the period attributable to :</b>								
Owners of the parent	(271)	91	(362)	>(100%)	(154)	(487)	333	(68%)
Non-controlling interests	-	-	-	-	-	-	-	-
	<b>(271)</b>	<b>91</b>	<b>(362)</b>	<b>&gt;(100%)</b>	<b>(154)</b>	<b>(487)</b>	<b>333</b>	<b>(68%)</b>
<b>Total comprehensive (loss)/profit/ income attributable to:</b>								
Owners of the Company	(271)	91	(362)	>(100%)	(154)	(487)	333	(68%)
Non-controlling interest	-	-	-	-	-	-	-	-
	<b>(271)</b>	<b>91</b>	<b>(362)</b>	<b>&gt;(100%)</b>	<b>(154)</b>	<b>(487)</b>	<b>333</b>	<b>(68%)</b>
<b>(Loss)/Profit per share attributable to owners of the parent :</b>								
- Basic (sen)	(0.42)	0.22	(0.64)	>(100%)	(0.24)	(1.19)	0.95	(80%)
- Diluted (sen)	(0.42)	0.22			(0.24)	(1.19)		

(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, 2020 and the accompanying explanatory notes attached to the Interim Financial Report)

**INTERIM FINANCIAL REPORT**  
 For the Third Quarter ended September 30, 2021

---

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As At</b>	<b>As At</b>
	<b>30/09/21</b>	<b>31/12/20</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	31,068	30,230
Right-of-use assets	2,456	2,861
Investment in associate	20,000	-
Trade receivables	1,406	1,406
	<hr/> 54,930	<hr/> 34,497
<b>Current Assets</b>		
Inventories	201	210
Trade receivables	4,712	3,309
Contract assets	88	169
Other receivables	2,958	681
Current tax assets	653	542
Cash and bank balances	2,846	2,452
	<hr/> 11,458	<hr/> 7,363
<b>TOTAL ASSETS</b>	<hr/> <b>66,388</b>	<hr/> <b>41,860</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the company</b>		
Share capital	65,012	40,999
Other Reserves	11,171	11,171
Accumulated Losses	(18,265)	(18,111)
	<hr/> 57,918	<hr/> 34,059
Non-controlling interest	1	1
<b>Total Equity</b>	<hr/> <b>57,919</b>	<hr/> <b>34,060</b>
<b>Non-Current Liabilities</b>		
Borrowings	-	-
Lease liabilities	888	888
Deferred tax liabilities	1,865	1,865
	<hr/> <b>2,753</b>	<hr/> <b>2,753</b>

**INTERIM FINANCIAL REPORT**  
For the Third Quarter ended September 30, 2021

---

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**(CONT'D)**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As At</b>	<b>As At</b>
	<b>30/09/21</b>	<b>31/12/20</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Current Liabilities</b>		
Borrowings	979	737
Lease liabilities	136	517
Trade payables	3,109	1,870
Other payables	1,492	1,923
	<hr/> 5,716	<hr/> 5,047
<b>Total liabilities</b>	<b>8,469</b>	<b>7,800</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<hr/> <b>66,388</b>	<hr/> <b>41,860</b>
<b>Net assets per share attributable to owners of the company (RM)</b>	<hr/> <b>0.89</b>	<hr/> <b>0.83</b>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended December 31, 2020 and the accompanying explanatory notes attached to the Interim Financial Report)

**INTERIM FINANCIAL REPORT**  
For the Third Quarter ended September 30, 2021

**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
	Non-distributable		Accumulated Losses RM'000			
	Share Capital RM'000	Other Reserves RM'000				
<b>2021</b>						
At January 1, 2021	40,999	11,171	(18,111)	34,059	1	34,060
Net Loss for the financial year			(154)	(154)		(154)
Issuance of shares capital	24,013	-	-	24,013	-	24,013
At September 30, 2021	65,012	11,171	(18,265)	57,918	1	57,919
<b>2020</b>						
At January 1, 2020	40,999	10,865	(15,504)	36,359	1	36,360
Total comprehensive income:-						
Loss for the financial year	-	-	(2,607)	(2,607)	-	(2,607)
Other comprehensive loss	-	306	-	306	-	306
	-	306	(2,607)	(2,300)	-	(2,300)
At December 31, 2020	40,999	11,171	(18,111)	34,059	1	34,060

(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, 2020 and the accompanying explanatory notes attached to the Interim Financial Report)

**INTERIM FINANCIAL REPORT**  
For the Third Quarter ended September 30, 2021

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Current Year-To- Date Ended 30/09/21 RM'000</b>	<b>Preceding Year 12 Month Ended 31/12/20 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(154)	(2,477)
Adjustment for :-		
Non-cash items	(1,079)	2,963
Non-operating items	-	-
Finance cost	109	83
Operating profit before working capital changes	(1,124)	569
Changes in working capital :-		
Net change in current assets	(3,984)	2,445
Net change in current liabilities	669	(1,887)
Cash generated from operations	(4,439)	1,127
Interest paid	(109)	(83)
Taxation paid	(111)	(159)
<b>Net cash used in operating activities</b>	<b>(4,659)</b>	<b>885</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(1,512)	(15)
Net change in holding's company balance	3,010	2,385
Proceeds from disposal of property, plant and equipment	-	66
Payment of private placement expenses	(414)	-
Proceed from private placement	4,428	-
<b>Net cash generated from investing activities</b>	<b>5,512</b>	<b>2,436</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of hire purchase payables	(135)	(934)
Repayment of bank borrowings	-	-
<b>Net cash used in financing activities</b>	<b>(135)</b>	<b>(934)</b>
<b>NET INCREASE /(DECREASE)/ IN CASH AND CASH EQUIVALENTS</b>	<b>718</b>	<b>2,387</b>
Effects of currency translation differences	-	(16)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,837	(535)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>2,555</b>	<b>1,837</b>
Cash and cash equivalents comprise :-		
Cash and bank balances	2,846	2,442
Bank overdrafts (included within short term borrowings in Note 20)	(291)	(605)
	<b>2,555</b>	<b>1,837</b>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended December 31, 2020 and the accompanying explanatory notes attached to the Interim Financial Report)

**INTERIM FINANCIAL REPORT**  
**For the Third Quarter ended September 30, 2021**

---

**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, 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, 2020. 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 2020.

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 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
- Annual Improvements to MFRS Standards 2014-2016 Cycle (except for Amendments to MFRS 12 Disclosure of Interests in Other Entities)
- 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
- MFRS 128 : Investment in Associates and Joint Ventures
- MFRS 9 : Financial Instruments: Prepayment Features with Negative Compensation
- MFRS 119 : Employee Benefits: Plan Amendment, Curtailment or Settlement
- IC Interpretation 23 Uncertainty over Income Tax Treatments
- Annual Improvements to MFRS Standards 2015-2017 Cycle

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 Third Quarter ended September 30, 2021**

---

**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, 2020 was not subject to any qualification.

**INTERIM FINANCIAL REPORT**  
**For the Third Quarter ended September 30, 2021**

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

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

**5. Segmental information**

**a. Business segments**

The segmental results for the 9 months period ended 30 September 2021 are as follows:-

Business segment :	Trading of Tyres	Logistics Singapore	Logistics Solution	Total RM'000
	“Tyre”	“Logistics”		
	RM'000	RM'000	RM'000	
Revenue	3,104	1,731	10,165	15,000
Profit/(Loss) before taxation	67	281	(502)	(154)
Assets	12,101	3,271	51,016	66,388
Liabilities	1,729	1,285	5,455	8,469

**b. Geographical segments**

The results for the 9 months period ended 30 September 2021 by geographical segments, are as follows:

	Malaysia	Singapore	Elimination	Total
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>				
External	13,269	1,731	-	15,000
Inter-segment	1,066	1,312	(2,378)	-
Total revenue	14,335	3,043	(2,378)	15,000
(Loss)/Profit from operations	254	780	-	1,034
Finance costs	(7)	(102)	-	(109)
Loss before taxation	(435)	281	-	(154)
<b>Other Information</b>				
Segment assets	63,117	3,271	-	66,388

**INTERIM FINANCIAL REPORT**  
For the Third Quarter ended September 30, 2021**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, except as disclosed herein.

**10. Changes in the composition of the Group**

There were no changes in the composition of the Group except as disclosed under Note 13.

**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 September 30, 2021 since the last annual statement of financial position date comprise:-

	As at 30/09/21 RM'000	As at 31/12/20 RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	892	1,112
- unsecured	122	141
	<u>1,014</u>	<u>1,253</u>

**INTERIM FINANCIAL REPORT**  
**For the Third Quarter ended September 30, 2021**

---

**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 other than the on-going Covid-19 pandemic, which is not seen to be abating as at the date of this report.

The Group had completed the corporate exercise involving the acquisition of 40% equity interest in Enfrasys Solutions Sdn. Bhd. (“ESSB”). The purchase consideration was satisfied by the issuance of 20,000,000 ordinary shares in the Company at an issue price of RM1.00 per ordinary share. With this acquisition, the business of the enlarged group now includes system integration and software engineering.

**INTERIM FINANCIAL REPORT**  
**For the Third Quarter ended September 30, 2021**

**NOTES TO THE INTERIM FINANCIAL REPORT**

**SECTION B**

**Additional information required by the Bursa Securities Listing Requirements**

**14. Performance Review**

*Comparison with previous year corresponding quarter*

The Group recorded revenue of RM5.7 million and loss before taxation of RM0.271 million (Last Year: revenue of RM4.555 million and profit before taxation of RM0.091 million). The improvement in revenue is attributable to higher sales in selected areas of operation with better yield and turnaround. The loss in current quarter was due to expenses in relation to corporate exercise amounting to RM0.36 million incurred for the acquisition of 40% equity interest in Enfrasys Solution Sdn Bhd (“ESSB”), without which the pre-tax profit would be RM0.089 million.

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) remained positive at RM0.129 million (Last Year: RM0.555 million).

*Comparison with preceding quarter*

	<b>Current Quarter 30/09/21 RM'000</b>	<b>Preceding Quarter 30/06/21 RM'000</b>	<b>Changes (Amount/%)  RM'000</b>	
Gross revenue	5,700	4,736	964	20%
Operating Profit/(Loss) before depreciation and finance cost	129	362	(233)	(64%)
Profit/(Loss) before taxation	(271)	68	(339)	>(100%)

**INTERIM FINANCIAL REPORT**  
**For the Third Quarter ended September 30, 2021****15. Commentary on prospects**

The Malaysian economy contracted by 4.5% in the third quarter of 2021 (2Q 2021: +16.1%). This was largely attributable to the strict containment measures particularly in July, under Phase 1 of the National Recovery Plan (NRP). On a quarter-on-quarter seasonally-adjusted basis, the economy registered a decline of 3.6% (2Q 2021: -1.9%).

Headline inflation moderated to 2.2% during the quarter (2Q 2021: 4.1%). This was due mainly to the dissipation of the base effect from fuel prices, and the implementation of the three-month electricity bill discounts. Core inflation remained at 0.7% during the quarter (2Q 2021: 0.7%).

Economic activity had picked up as more states transitioned into Phase 2 with less restrictive containment measures had led to the improvement in the Group revenue for third quarter 2021. The Group will continue their focus on optimizing capacity and asset utilization, and improving cost efficiency. Beside these, the Group has also renewed efforts in business development. The group has commenced a container depot operation in Penang and is planning a similar initiative in Kuantan. The Group has recently secured new markets for its tyre business and is presently exploring warehousing business in Klang Valley.

**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:**

	Current Quarter 30/09/2021 RM'000	Current Year-to-date 30/09/2021 RM'000
Interest expense	33	109
Depreciation and amortization	367	1,079

**INTERIM FINANCIAL REPORT**  
**For the Third Quarter ended September 30, 2021**

**18. Income tax expense**

	Current Quarter 30/09/2021 RM'000	Current Year-to-date 30/09/2021 RM'000
Current year provision	-	-

There is no tax provision during the quarter.

**19. Corporate proposal**

There was no corporate proposal by the Group for the current quarter and financial year-to-date, other than those mentioned in Note 13.

**20. Borrowings**

Details of borrowings are as follows:

	As at 30/09/2021		
	Long Term RM'000	Short Term RM'000	Total borrowing RM'000
<b>Secured</b>			
Overdrafts	-	291	291
Term loan	-	-	-
Hire-purchase and lease payables	888	824	1,712
<b>Unsecured</b>			
Overdraft	-	-	-
	As at 31/12/2020		
	Long Term RM'000	Short Term RM'000	Total borrowing RM'000
<b>Secured</b>			
Overdrafts	-	603	603
Term Loan	-	-	-
Hire-purchase and lease payable	888	651	1,539
<b>Unsecured</b>			
Overdraft	-	-	-

**INTERIM FINANCIAL REPORT**  
For the Third Quarter ended September 30, 2021**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**

There was no material litigation as at September 30, 2021.

**23. Dividend payable**

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

**24. Earnings per share**

Basic loss per share is calculated by dividing loss for the period attributable to owners of the parent by the weighted average number of shares in issue during the quarter.

	<b>Current Year Quarter Ended 30/09/21</b>	<b>Preceding Year Quarter Ended 30/09/20</b>	<b>Current Year-To-Date Ended 30/09/21</b>	<b>Preceding Year To-Date Ended 30/09/20</b>
Profit/(Loss) attributable to owners of the parent (RM'000)	(271)	91	(154)	(487)
No of ordinary shares in issue (‘000)	65,098	40,999	65,098	40,999
Basic (loss)/profit per share (sen)	(0.42)	0.22	(0.24)	(1.19)

**25. Authorisation for issue**

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

**By order of the Board**  
Dated 24 November 2021