



TRANSOCEAN HOLDINGS BHD

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

UNAUDITED INTERIM FINANCIAL REPORT FOR FOURTH QUARTER ENDED DECEMBER 31, 2021

Dated February 28, 2022

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INTERIM FINANCIAL REPORT
For the Fourth Quarter ended December 31, 2021

The Board of Directors is pleased to announce the Interim Financial Report on consolidated results of the Group for the Fourth quarter ended December 31, 2021.
The figures have not been audited.

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

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	Current Year Quarter Ended 31/12/21	Preceding Year Quarter Ended 31/12/20	Changes (Amount/%)		Current Year-To-Date Ended 31/12/21	Preceding Year-To-Date Ended 31/12/20	Changes (Amount/%)	
	RM'000	RM'000	RM'000		RM'000	RM'000	RM'000	
Revenue	7,364	4,654	2,710	58%	22,364	16,992	5,372	32%
Operation (loss)/ profit before depreciation and finance cost	990	29	961	>100%	2,024	961	1,063	>100%
Depreciation & amortisation	(398)	(1,823)	1,425	(78%)	(1,477)	(3,173)	1,696	(53%)
(Loss)/ Profit from operations	592	(1,794)	2,386	>(100%)	547	(2,212)	2,759	>(100%)
Finance cost	(62)	(196)	134	(68%)	(171)	(265)	94	(35%)
Share of profit of an associate	1,086	-	1,086	100%	1,086	-	1,086	100%
(Loss)/ Profit before taxation	1,616	(1,990)	3,606	>(100%)	1,462	(2,477)	3,939	>(100%)
Income tax expense	(45)	(348)	303	(87%)	(45)	(348)	303	(87%)
(Loss)/ Profit for the period	1,571	(2,338)	3,909	>100%	1,417	(2,825)	4,242	>100%
Other comprehensive income: -								
Items that may be reclassified subsequently to profit or loss								
- Exchange differences arising from translation of foreign operation	25	(16)	41	>100%	25	(16)	41	>100%
Total comprehensive (loss)/ income for the financial period	1,596	(2,354)	3,950	>100%	1,442	(2,841)	4,283	>100%
(Loss)/ Profit for the period attributable to:								
Owners of the parent	1,571	(2,338)	3,909	>100%	1,417	(2,825)	4,242	>100%
Non-controlling interest	-	-	-		-	-	-	
	1,571	(2,338)	3,909	>100%	1,417	(2,825)	4,242	>100%
Total comprehensive (loss)/ profit/ income attributable to:								
Owners of the Company	1,596	(2,354)	3,950	>100%	1,442	(2,841)	4,283	>100%
Non-controlling interest	-	-	-		-	-	-	
	1,596	(2,354)	3,950	>100%	1,442	(2,841)	4,283	>100%
(Loss)/ Profit per share attributable to owners of the parent:								
- Basic (sen)	2.41	(5.70)	8.12	>100%	2.18	(6.89)	9.07	>100%
-Diluted (sen)	2.41	(5.70)			2.18	(6.89)		

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 Fourth Quarter ended December 31, 2021

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	As At	As At
	31/12/21	31/12/20
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	30,958	30,230
Right-of-use assets	2,301	2,861
Investment in associate	21,086	-
Trade receivables	1,214	1,406
	<u>55,559</u>	<u>34,497</u>
Current Assets		
Inventories	180	210
Trade receivables	6,689	3,309
Contract assets	103	169
Other receivables	1,675	681
Current tax assets	481	542
Cash and bank balances	3,004	2,452
	<u>12,132</u>	<u>7,363</u>
TOTAL ASSETS	<u>67,691</u>	<u>41,860</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the company		
Share capital	64,719	40,999
Other Reserves	11,128	11,171
Accumulated Losses	(16,625)	(18,111)
	<u>59,222</u>	<u>34,059</u>
Non-controlling interest	1	1
Total Equity	<u>59,223</u>	<u>34,060</u>
Non-Current Liabilities		
Borrowings	441	-
Lease liabilities	395	888
Deferred tax liabilities	1,895	1,865
	<u>2,731</u>	<u>2,753</u>

INTERIM FINANCIAL REPORT
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONT'D)

	Unaudited	Audited
	As At	As At
	31/12/21	31/12/20
	RM'000	RM'000
Current Liabilities		
Borrowings	334	737
Lease liabilities	506	517
Trade payables	2,630	1,870
Other payables	2,267	1,923
	<hr/> 5,737	<hr/> 5,047
Total Liabilities	8,468	7,800
TOTAL EQUITY AND LIABILITIES	<hr/> 67,691	<hr/> 41,860
Net assets per share attributable to owners of the company (RM)	<hr/> 0.91	<hr/> 0.83

(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
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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			
2021						
At January 1, 2021	40,999	11,171	(18,111)	34,059	1	34,060
Net Profit/(Loss) for the financial year	-	26	1,417	1,443	-	1,443
Issuance of share capital	23,720	-	-	23,720	-	23,720
At December 31, 2021	64,719	11,197	(16,694)	59,222	1	59,223
2020						
At January 1, 2020	40,999	10,865	(15,504)	36,359	1	36,360
Total comprehensive income:-						
Net Profit/(Loss) for the financial year	-	-	(2,607)	(2,607)	-	(2,607)
Other comprehensive Profit/(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
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year-To- Date Ended 31/12/21 RM'000	Preceding Year 12 Month Ended 31/12/20 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	1,462	(2,477)
Adjustment for:-		
Non-cash items	1,477	2,963
Share of profit of an associate	1,086	-
Finance cost	171	83
Operating profit before working capital change	4,196	569
Changes in working capital: -		
Net change in current assets	(4,830)	2,445
Net change in current liabilities	690	(1,887)
Cash generated from operations	56	1,127
Interest paid	(171)	(83)
Taxation paid	(198)	(159)
Net cash used in operating activities	(313)	885
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(1,608)	(15)
Net change in holding's company balance	(1,072)	2,385
Proceeds from disposal of property, plant and equipment	63	66
Payment of private placement expenses	(414)	-
Proceed from private placement	4,428	-
Net cash generated from investing activities	1,397	2,436
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payables	(169)	(934)
Repayment of bank borrowings	-	-
Net cash used in financing activities	(169)	(934)
NET INCREASE/(DECREASE)/IN CASH AND CASH EQUIVALENTS	915	2,387
Effects of currency translation differences	25	(16)
CASH AND CASH EQUIVALENTS AT THE BEINNING OF THE YEAR	1,837	(535)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2,777	1,837
Cash and cash equivalents comprise: -		
Cash and bank balances	3,001	2,442
Bank overdrafts (included within short term borrowing in Note 20)	(224)	(605)
	2,777	1,837

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 Fourth Quarter ended December 31, 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.

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For the Fourth Quarter ended December 31, 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.

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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 12-month period ended 31 December 2021 are as follows:-

Business segment:	Trading of Tyres	Logistics Singapore	Logistics Solution	Total RM'000
	"Tyres"	"Logistics"		
	RM'000	RM'000	RM'000	
Revenue	4,495	2,420	15,449	22,364
Profit/(Loss) before taxation	70	365	1,027	1,462
Assets	11,658	3,211	52,822	67,691
Liabilities	1,658	1,136	5,674	8,468

b. Geographical segments

The results for the 12-month period ended 31 December 2021 by geographical segments, are as follows:

	Malaysia	Singapore	Elimination	Total
	RM'000	RM'000	RM'000	RM'000
Revenue				
External	19,944	2,420	-	22,364
Inter-segment	1,656	1,705	(3,361)	-
Total revenue	21,600	4,125	(3,361)	22,364
Profit from operations	2,088	1,022	-	3,110
Finance costs	(42)	(129)	-	(171)
Profit before taxation	1,097	365	-	1,462
Other Information				
Segment assets	64,480	3,211	-	67,691

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For the Fourth Quarter ended December 31, 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 in earlier quarters involving the acquisition of 40% equity in Enfrasys Solutions Sdn Bhd.

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 December 31, 2021 since the last annual statement of financial position date comprise:-

	As at 31/12/2021 RM'000	As at 31/12/2020 RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	764	1,112
- unsecured	99	141
	<u>863</u>	<u>1,253</u>

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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.

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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 RM7.364 million and profit before taxation of RM1.616 million (Last Year: revenue of RM4.654 million and loss before taxation of RM1.99 million). The improvement in revenue is attributable to the broader income base in the logistics operation. The profit in current quarter was due to the share of profit from an associate amounting to RM1.086mil and a profit of RM0.53mil resulting from improved revenue in the more profitable segments of the logistics operation.

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) improved significantly to RM0.990 million (Last Year: RM0.029 million).

Comparison with preceding quarter

	Current Quarter 31/12/21 RM'000	Preceding Quarter 30/09/21 RM'000	Changes (Amount/%) RM'000	
Gross revenue	7,364	5,700	1,664	29%
Operating Profit before depreciation and finance cost	990	129	861	>100%
Share of profit of an associate	1,086	-	1,086	100%
Profit/ (Loss) before taxation	1,571	(271)	1,842	>100%

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For the Fourth Quarter ended December 31, 2021**15. Commentary on prospects**

The Malaysian economy registered a positive growth of 3.6% in the fourth quarter of 2021 (3Q 2021: -4.5%), as economic activities resumed with the easing of containment measures. The rebound in economic activity was aided by recovery in the labour market as well as continued policy support. In addition, strong external demand amid the continued upcycle in global technology provided a further lift to growth.

As expected, headline inflation increased to 3.2% during the quarter (3Q 2021: 2.2%). The higher inflation during the quarter was due mainly to the normalization in electricity prices following the lapse of the three-month electricity bill discount implemented in July 2021. Core inflation increased marginally to 0.8% during the quarter (3Q 2021: 0.7%) as economic reopening gathered momentum. For 2021 as a whole, average headline inflation was 2.5% (2020: -1.2%), while core inflation averaged at 0.7% (2020: 1.1%)

The growth in Malaysia economic had led to the improvement in the Group's revenue for fourth 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 31/12/2021 RM'000	Current Year-to-date 31/12/2021 RM'000
Interest expense	62	171
Depreciation and amortization	398	1,477

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18. Income tax expense

	Current Quarter 31/12/2021 RM'000	Current Year-to-date 31/12/2021 RM'000
Current year provision	45	45

19. Corporate proposal

There was no corporate proposal by the Group for the current quarter.

20. Borrowings

Details of borrowings are as follows:

	As at 31/12/2021		
	Long Term RM'000	Short Term RM'000	Total borrowing RM'000
Secured			
Overdrafts	-	224	224
Term loan	-	-	-
Hire-purchase and lease payables	836	616	1,452
Unsecured			
Overdraft	-	-	-
	As at 31/12/2020		
	Lon Term RM'000	Short Term RM'000	Total borrowing RM'000
Secured			
Overdrafts	-	603	603
Term loan	-	-	-
Hire-purchase and lease payables	888	651	1,539
Unsecured			
Overdraft	-	-	-

21. Off balance sheet financial instruments

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

INTERIM FINANCIAL REPORT
For the Fourth Quarter ended December 31, 2021**22. Changes in material litigation**

There was no material litigation as at December 31, 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.

	Current Year Quarter Ended 31/12/21	Preceding Year Quarter Ended 31/12/20	Current Year- To- Date Ended 31/12/21	Preceding Year-To- Date Ended 31/12/20
Profit/ (Loss) attributable to owners of the parent (RM'000)	1,571	(2,338)	1,417	(2,825)
No of ordinary shares in issue ('000)	65,098	40,999	65,098	40,999
Basic (loss)/ profit per share (sen)	2.41	(5.70)	2.18	(6.89)

25. Authorisation for issue

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

By order of the Board
Dated 28 February 2022