



# **TRANSOCEAN HOLDINGS BHD**

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

## **UNAUDITED INTERIM FINANCIAL REPORT FOR SECOND QUARTER ENDED JUNE 30, 2022**

*Dated August 22, 2022*

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**INTERIM FINANCIAL REPORT**  
For the Second Quarter ended June 30, 2022

The Board of Directors is pleased to announce the Interim Financial Report on consolidated results of the Group for the Second quarter ended June 30, 2022.

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 30/06/22 RM'000	Preceding Year Quarter Ended 30/06/21 RM'000	Changes (Amount/%) RM'000		Current Year- To-Date Ended 30/06/22 RM'000	Preceding Year-To- Date Ended 30/06/21 RM'000	Changes (Amount/%) RM'000	
<b>Revenue</b>	<b>6,110</b>	<b>4,736</b>	<b>1,374</b>	<b>29%</b>	<b>13,356</b>	<b>9,300</b>	<b>4,056</b>	<b>44%</b>
Operation profit before depreciation and finance cost	784	362	422	>100%	1,654	905	749	83%
Depreciation & amortisation	(460)	(258)	(202)	78%	(915)	(712)	(203)	29%
Profit from operations	324	104	220	>100%	739	193	546	>100%
Finance cost	(44)	(36)	(8)	22%	(94)	(76)	(18)	24%
Share of loss/profit of an associate	(62)	-	(62)	100%	139	-	139	100%
<b>Profit before taxation</b>	<b>218</b>	<b>68</b>	<b>150</b>	<b>&gt;100%</b>	<b>784</b>	<b>117</b>	<b>667</b>	<b>&gt;100%</b>
Income tax expense	-	-	-	-	-	-	-	-
<b>Profit for the period</b>	<b>218</b>	<b>68</b>	<b>150</b>	<b>&gt;100%</b>	<b>784</b>	<b>117</b>	<b>667</b>	<b>&gt;100%</b>
Other comprehensive income: - Items that may be reclassified subsequently to profit or loss								
- Exchange differences arising from translation of foreign operation	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the financial period</b>	<b>218</b>	<b>68</b>	<b>150</b>	<b>&gt;100%</b>	<b>784</b>	<b>117</b>	<b>667</b>	<b>&gt;100%</b>
<b>Profit for the period attributable to:</b>								
Owners of the parent	218	68	150	>100%	784	117	667	>100%
Non-controlling interest	-	-	-	-	-	-	-	-
	<b>218</b>	<b>68</b>	<b>150</b>	<b>&gt;100%</b>	<b>784</b>	<b>117</b>	<b>667</b>	<b>&gt;100%</b>
<b>Total comprehensive profit/ income attributable to:</b>								
Owners of the Company	218	68	150	>100%	784	117	667	>100%
Non-controlling interest	-	-	-	-	-	-	-	-
	<b>218</b>	<b>68</b>	<b>150</b>	<b>&gt;100%</b>	<b>784</b>	<b>117</b>	<b>667</b>	<b>&gt;100%</b>
<b>Profit per share attributable to owners of the parent:</b>								
- Basic (sen)	0.33	0.15	0.18	>100%	1.20	0.26	0.94	>100%
-Diluted (sen)	0.33	0.15			1.20	0.26		

(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, 2021 and the accompanying explanatory notes attached to the Interim Financial Report)

**INTERIM FINANCIAL REPORT**  
 For the Second Quarter ended June 30, 2022

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited As At 30/06/22 RM'000</b>	<b>Audited As At 31/12/21 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	30,750	30,958
Right-of-use assets	2,613	3,015
Investment in associate	21,224	21,086
Trade receivables	-	1,214
	<u>54,587</u>	<u>56,273</u>
<b>Current Assets</b>		
Inventories	249	180
Trade receivables	4,833	6,706
Contract assets	649	103
Other receivables	6,336	1,675
Current tax assets	581	442
Cash and bank balances	1,016	3,004
	<u>13,664</u>	<u>12,110</u>
<b>TOTAL ASSETS</b>	<b><u>68,251</u></b>	<b><u>68,383</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the company</b>		
Share capital	64,719	64,719
Other Reserves	11,128	11,128
Accumulated Losses	(15,886)	(16,670)
	59,961	59,177
Non-controlling interest	1	1
<b>Total Equity</b>	<u>59,962</u>	<u>59,178</u>
<b>Non-Current Liabilities</b>		
Borrowings	441	441
Lease liabilities	820	820
Deferred tax liabilities	1,897	1,897
	<u>3,158</u>	<u>3,158</u>

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For the Second Quarter ended June 30, 2022

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

Borrowings	131	334
Lease liabilities	438	816
Trade payables	2,556	2,630
Other payables	2,006	2,267
	<hr/>	<hr/>
	5,131	6,047

<b>Total Liabilities</b>	<b>8,289</b>	<b>9,205</b>
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<b>TOTAL EQUITY AND LIABILITIES</b>	<b>68,251</b>	<b>68,383</b>
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<b>Net assets per share attributable to owners of the company (RM)</b>	<b>0.92</b>	<b>0.91</b>
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(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended December 31, 2021 and the accompanying explanatory notes attached to the Interim Financial Report)

**INTERIM FINANCIAL REPORT**  
For the Second Quarter ended June 30, 2022

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to Owners of the Company					Non-controlling Interests RM'000	Total Equity RM'000
	Non-distributable			Total RM'000	Total RM'000		
	Share Capital RM'000	Other Reserves RM'000	Accumulated Losses RM'000				
<b>2022</b>							
At January 1, 2022	64,719	11,127	(16,669)	59,177	1	59,178	
Net Profit for the financial year	-	-	784	784	-	784	
At June 30, 2022	64,719	11,127	(15,885)	59,961	1	59,962	
<b>2021</b>							
At January 1, 2021	40,999	11,171	(18,111)	34,059	1	34,060	
Issuance of share capital	23,720	-	-	23,720	-	23,720	
Total comprehensive income: -							
Profit for the financial year	-	25	1,373	1,398	-	1,398	
Other comprehensive loss	-	(69)	69	-	-	-	
	-	(44)	1,442	1,398	-	1,398	
At December 31, 2021	64,719	11,127	(16,669)	59,177	1	59,178	

(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, 2021 and the accompanying explanatory notes attached to the Interim Financial Report)

**INTERIM FINANCIAL REPORT**  
**For the Second Quarter ended June 30, 2022**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Current Year-To- Date Ended 30/06/22 RM'000</b>	<b>Preceding Year 12 Month Ended 31/12/21 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	784	1,458
Adjustment for: -		
Non-cash items	915	1,688
Share of profit of an associate	(139)	(1,086)
Finance cost	94	225
Operating profit before working capital change	1,654	2,285
Changes in working capital: -		
Net change in current assets	(3,403)	(4,118)
Net change in current liabilities	916	1,102
Cash generated from operations	(833)	(731)
Interest paid	(8)	(41)
Income tax refunded	-	(106)
Interest received	-	82
Taxation paid	34	152
<b>Net cash used in operating activities</b>	<b>(807)</b>	<b>(644)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(287)	(1,044)
Net change in holding's company balance	(227)	-
Net change in fixed deposit	-	7
<b>Net cash generated from investing activities</b>	<b>(514)</b>	<b>(1,037)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of lease liabilities	(378)	(740)
Interest paid	(86)	(183)
Proceeds from issuance of share capital, net of share issuance expenses	-	3,720
Repayment of bank borrowings	(55)	(175)
<b>Net cash used in financing activities</b>	<b>(519)</b>	<b>2,622</b>
<b>NET INCREASE/(DECREASE)/IN CASH AND CASH EQUIVALENTS</b>	<b>(1,840)</b>	<b>941</b>
Effects of currency translation differences	-	2
<b>CASH AND CASH EQUIVALENTS AT THE BEINNING OF THE YEAR</b>	<b>2,781</b>	<b>1,837</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>941</b>	<b>2,781</b>
Cash and cash equivalents comprise: -		
Cash and bank balances	1,016	3,004
Bank overdrafts (included within short-term borrowing in Note 20)	(75)	(223)
	<b>941</b>	<b>2,781</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, 2021 and the accompanying explanatory notes attached to the Interim Financial Report)

**INTERIM FINANCIAL REPORT**  
For the Second Quarter ended June 30, 2022

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**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, 2021. 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 2021.

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 Second Quarter ended June 30, 2022

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**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, 2021 was not subject to any qualification.

**INTERIM FINANCIAL REPORT**  
 For the Second Quarter ended June 30, 2022

**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 6-month period ended 30 June 2022 are as follows:-

Business segment:	Trading of Tyres	Logistics Singapore	Logistics Solution	Total RM'000
	"Tyres" RM'000	"Logistics" RM'000		
Revenue	2,769	1,220	9,367	13,356
Profit before taxation	47	78	659	784
Assets	11,365	3,289	53,597	68,251
Liabilities	1,289	1,058	5,942	8,289

**b. Geographical segments**

The results for the 6-month period ended 30 June 2022 by geographical segments, are as follows:

	Malaysia RM'000	Singapore RM'000	Elimination RM'000	Total RM'000
<b>Revenue</b>				
External	12,136	1,220	-	13,356
Inter-segment	1,031	899	(1,930)	-
Total revenue	13,167	2,119	(1,930)	13,356
Profit from operations	1,429	364	(139)	1,654
Finance costs	(50)	(44)	-	(94)
Profit before taxation	706	78	-	784
<b>Other Information</b>				
Segment assets	64,962	3,289	-	68,251

**6. Changes in estimates**

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

**INTERIM FINANCIAL REPORT**  
For the Second Quarter ended June 30, 2022**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.

**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 June 30, 2022 since the last annual statement of financial position date comprise:-

	As at 30/06/2022 RM'000	As at 31/12/2021 RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	573	677
- unsecured	-	99
	<u>573</u>	<u>776</u>

**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 Second Quarter ended June 30, 2022

**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 RM6.11 million and profit before taxation of RM0.22 million (Last Year: revenue of RM4.74 million and profit before taxation of RM0.07 million). The improvement in revenue is attributable to the broader and warehouse income base in the logistics operation. The profit in current quarter comprises profit of RM0.28 million resulting from improved revenue in the more profitable segments of the logistics operation, and share of loss from an associate amounting to RM0.06 million mainly due to depreciation in the ringgit Malaysia against the US dollar in second quarter.

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) from the logistics division had improved significantly to RM0.78 million (Last Year: RM0.36 million).

*Comparison with preceding quarter*

	<b>Current Quarter 30/06/22 RM'000</b>	<b>Preceding Quarter 31/03/22 RM'000</b>	<b>Changes (Amount/%) RM'000</b>	
Gross revenue	6,110	7,246	(1,136)	(16%)
Operating Profit before depreciation and finance cost	784	870	(86)	(10%)
Share of (loss) / profit of an associate	(62)	201	(263)	>(100%)
Profit before taxation	218	566	(348)	(61%)

**INTERIM FINANCIAL REPORT**  
**For the Second Quarter ended June 30, 2022****15. Commentary on prospects**

The Malaysian economy registered a stronger growth of 8.9% in the second quarter of 2022 (1Q 2022: 5.0%). While the GDP was lifted to some extent by the low base from the Full Movement Control Order (FMCO) in June 2021, growth in April and May 2022 was particularly robust. Domestic demand continued to strengthen, underpinned by the steady recovery in labour market conditions and ongoing policy support. The higher growth was also reflective of normalising economic activity as the country moved towards endemicity and reopened international borders. Exports remain supported by strong demand for E&E products. By sector, the services and manufacturing sectors continued to drive growth. On a quarter-on-quarter seasonally-adjusted basis, the economy increased by 3.5% (1Q 2022: 3.8%). During the quarter, headline and core inflation increased to 2.8% and 2.5%, respectively (1Q 2022: 2.2% and 1.7%, respectively).

The whole world expected the prolonged supply chain disruption due to Covid-19 would ease by second quarter this year but the latest Russia-Ukraine war has an effect on the supply chain. The conflict between Ukraine and Russia has led to global supply chain disruptions affecting local companies and multinational companies operating in Malaysia, including the Group. This disruption has led to a reduction in total revenue for the second quarter as compare with prior quarter. Things can change very quickly, and how it affects the Malaysian economy will ultimately depend on the length of the conflict, the extent of the countermeasures and the resulting disruptions to global supply chains. The Group will continue its 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 recently initiated cross-boarder and freighting business. The Group has recently secured new commercial arrangements with multinational company to carry their dangerous goods cargo and is presently exploring warehousing business in selected areas.

**16. Profit forecast or profit guarantee**

The Group is not involved in any profit guarantee arrangement and has not provided any profit forecast.

**17. Profit before taxation is derived after charging:**

	Current Quarter 30/06/2022 RM'000	Current Year-to- date 30/06/2022 RM'000
Interest expense	44	94
Depreciation and amortization	460	915

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**18. Income tax expense**

	<b>Current Quarter 30/06/2022 RM'000</b>	<b>Current Year- to-date 30/06/2022 RM'000</b>
Current year provision	-	-

There is no tax provision for the quarter as the Group is in the position to utilize its tax losses and capital allowances.

**19. Corporate proposal**

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

**20. Borrowings**

Details of borrowings are as follows:

	<b>As at 30/06/2022</b>		
	<b>Long Term RM'000</b>	<b>Short Term RM'000</b>	<b>Total borrowing RM'000</b>
<b>Secured</b>			
Overdrafts	-	75	75
Hire-purchase and lease payables	1,261	494	1,755
	<b>As at 31/12/2021</b>		
	<b>Long Term RM'000</b>	<b>Short Term RM'000</b>	<b>Total borrowing RM'000</b>
<b>Secured</b>			
Overdrafts	-	223	223
Hire-purchase and lease payables	1,261	927	2,188

**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 June 30, 2022.

**23. Dividend payable**

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

**INTERIM FINANCIAL REPORT**  
For the Second Quarter ended June 30, 2022**24. Earnings per share**

Basic profit per share is 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.

	<b>Current Year Quarter Ended 30/06/22</b>	<b>Preceding Year Quarter Ended 30/06/21</b>	<b>Current Year- To- Date Ended 30/06/22</b>	<b>Preceding Year-To- Date Ended 30/06/21</b>
Profit/ (Loss) attributable to owners of the parent (RM'000)	218	68	784	117
No of ordinary shares in issue ('000)	65,098	45,098	65,098	45,098
Basic profit per share (sen)	0.33	0.15	1.20	0.26

**25. Authorisation for issue**

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

**By order of the Board**  
Dated 22 August 2022