



TRANSOCEAN HOLDINGS BHD

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THIRD QUARTER ENDED SEPTEMBER 30, 2022

Dated November 22, 2022

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INTERIM FINANCIAL REPORT
For the Third Quarter ended September 30, 2022

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, 2022.

The figures have not been audited.

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

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		Changes (Amount/%)		
	Current Year Quarter Ended 30/09/22 RM'000	Preceding Year Quarter Ended 30/09/21 RM'000	Changes (Amount/%) RM'000	Current Year-To-Date Ended 30/09/22 RM'000	Preceding Year-To-Date Ended 30/09/21 RM'000	RM'000		
Revenue	8,169	5,700	2,469	43%	21,525	15,000	6,525	44%
Operation profit before depreciation and finance cost	824	129	695	>100%	2,479	1,034	1,445	>100%
Depreciation & amortisation	(468)	(367)	(101)	28%	(1,383)	(1,079)	(304)	28%
Profit/(loss) from operations	356	(238)	594	>100%	1,096	(45)	1,141	>100%
Finance cost	(44)	(33)	(11)	33%	(139)	(109)	(30)	28%
Share of profit of an associate	283	-	283	100%	422	-	422	100%
Profit/(loss) before taxation	595	(271)	866	>100%	1,379	(154)	1,533	>100%
Income tax expense	-	-	-	-	-	-	-	-
Profit/(loss) for the period	595	(271)	866	>100%	1,379	(154)	1,533	>100%
Other comprehensive income: -								
<u>Items that may be reclassified subsequently to profit or loss</u>								
- Exchange differences arising from translation of foreign operation	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the financial period	595	(271)	866	>100%	1,379	(154)	1,533	>100%
Profit/(loss) for the period attributable to:								
Owners of the parent	595	(271)	866	>100%	1,379	(154)	1,533	>100%
Non-controlling interest	-	-	-	-	-	-	-	-
	595	(271)	866	>100%	1,379	(154)	1,533	>100%
Total comprehensive profit/ income attributable to:								
Owners of the Company	595	(271)	866	>100%	1,379	(154)	1,533	>100%
Non-controlling interest	-	-	-	-	-	-	-	-
	595	(271)	866	>100%	1,379	(154)	1,533	>100%
Profit/(loss) per share attributable to owners of the parent:								
- Basic (sen)	0.91	(0.42)	1.33	>100%	2.12	(0.24)	2.35	>100%
- Diluted (sen)	0.91	(0.42)			2.12	(0.24)		

(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
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At 30/09/22 RM'000	Audited As At 31/12/21 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	31,181	30,958
Right-of-use assets	2,457	3,015
Investment in associate	21,507	21,086
Trade receivables	-	1,214
	<u>55,145</u>	<u>56,273</u>
Current Assets		
Inventories	206	180
Trade receivables	8,083	6,706
Contract assets	84	103
Other receivables	4,575	1,675
Current tax assets	597	442
Cash and bank balances	777	3,004
	<u>14,322</u>	<u>12,110</u>
TOTAL ASSETS	<u>69,467</u>	<u>68,383</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the company		
Share capital	64,719	64,719
Other Reserves	11,128	11,128
Accumulated Losses	(15,291)	(16,670)
	<u>60,556</u>	<u>59,177</u>
Non-controlling interest	1	1
Total Equity	<u>60,557</u>	<u>59,178</u>
Non-Current Liabilities		
Borrowings	441	441
Lease liabilities	820	820
Deferred tax liabilities	1,897	1,897
	<u>3,158</u>	<u>3,158</u>

INTERIM FINANCIAL REPORT
For the Third Quarter ended September 30, 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONT'D)

	Unaudited	Audited
	As At	As At
	30/09/22	31/12/21
	RM'000	RM'000
Current Liabilities		
Borrowings	28	334
Lease liabilities	236	816
Trade payables	2,776	2,630
Other payables	2,712	2,267
	<hr/> 5,752	<hr/> 6,047
Total Liabilities	8,910	9,205
TOTAL EQUITY AND LIABILITIES	<hr/> 69,467	<hr/> 68,383
Net assets per share attributable to owners of the company (RM)	<hr/> 0.93	<hr/> 0.91

(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 Third Quarter ended September 30, 2022

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to Owners of the Company

Non-distributable

	Share Capital	Other Reserves	Accumulated Losses	Total	Non-controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2022						
At January 1, 2022	64,719	11,127	(16,669)	59,177	1	59,178
Net Profit for the financial year	-	-	1,379	1,379	-	1,379
At September 30, 2022	64,719	11,127	(15,290)	60,556	1	60,557
2021						
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 Third Quarter ended September, 2022

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year-To- Date Ended 30/09/22 RM'000	Preceding Year 12 Month Ended 31/12/21 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,379	1,458
Adjustment for: -		
Non-cash items	1,383	1,688
Share of profit of an associate	(422)	(1,086)
Finance cost	139	225
Operating profit before working capital change	2,479	2,285
Changes in working capital: -		
Net change in current assets	(4,284)	(4,118)
Net change in current liabilities	295	1,102
Cash generated from operations	(1,510)	(731)
Interest paid	(12)	(41)
Income tax refunded	-	(106)
Interest received	-	82
Taxation paid	106	152
Net cash used in operating activities	(1,416)	(644)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(430)	(1,044)
Net change in holding's company balance	631	-
Net change in fixed deposit	-	7
Net cash generated from investing activities	201	(1,037)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(580)	(740)
Interest paid	(127)	(183)
Proceeds from issuance of share capital, net of share issuance expenses	-	3,720
Repayment of bank borrowings	(82)	(175)
Net cash used in financing activities	(789)	2,622
NET INCREASE/(DECREASE)/IN CASH AND CASH EQUIVALENTS	(2,004)	941
Effects of currency translation differences	-	2
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,781	1,837
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	777	2,781
Cash and cash equivalents comprise: -		
Cash and bank balances	777	3,004
Bank overdrafts (included within short-term borrowing in Note 20)	-	(223)
	777	2,781

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 Third Quarter ended September 30, 2022

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 Third Quarter ended September 30, 2022

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 Third Quarter ended September 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 9-month period ended 30 September 2022 are as follows:-

Business segment:	Trading of Tyres	Logistics Singapore	Logistics Solution	Total RM'000
	"Tyres"	"Logistics"		
	RM'000	RM'000	RM'000	
Revenue	4,557	1,763	15,205	21,525
Profit before taxation	85	148	1,146	1,379
Assets	11,318	3,224	54,925	69,467
Liabilities	1,243	1,001	6,666	8,910

b. Geographical segments

The results for the 9-month period ended 30 September 2022 by geographical segments, are as follows:

	Malaysia	Singapore	Elimination	Total
	RM'000	RM'000	RM'000	RM'000
Revenue				
External	19,762	1,763	-	21,525
Inter-segment	1,536	1,379	(2,915)	-
Total revenue	21,298	3,142	(2,915)	21,525
Profit from operations	2,328	573	(422)	2,479
Finance costs	(78)	(61)	-	(139)
Profit before taxation	1,231	148	-	1,379
Other Information				
Segment assets	66,243	3,224	-	69,467

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 Third Quarter ended September 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 September 30, 2022 since the last annual statement of financial position date comprise:-

	As at 30/09/2022 RM'000	As at 31/12/2021 RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	506	677
- unsecured	-	99
	<u>506</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 Third Quarter ended September 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 RM8.17 million and profit before taxation of RM0.60 million (Last Year: revenue of RM5.7 million and loss before taxation of RM0.27 million). The improvement in revenue is attributable to the broader income base in the logistics operation. The profit in current quarter comprises profit of RM0.31 million resulting from improved revenue in the more profitable segments of the logistics operation, and share of profit from an associate amounting to RM0.28 million.

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) from the logistics division had improved significantly to RM0.82 million (Last Year: RM0.13 million).

Comparison with preceding quarter

	Current Quarter 30/09/22 RM'000	Preceding Quarter 30/06/22 RM'000	Changes (Amount/%) RM'000	
Gross revenue	8,169	6,110	2,059	34%
Operating Profit before depreciation and finance cost	824	784	40	5%
Share of profit/(loss) of an associate	283	(62)	345	>100%
Profit before taxation	595	218	377	>100%

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

The Malaysian economy registered a stronger growth of 14.2% in the third quarter of 2022 (2Q 2022: 8.9%). While there were base effects from the negative growth in the third quarter of 2021, growth was also driven by strong domestic demand, underpinned by improvements in labour market and income conditions, as well as ongoing policy support. Exports remained supported by strong demand for E&E products. The recovery of inbound tourism lent further support to economic activity. By sector, the services and manufacturing sectors continued to drive growth. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.9% (2Q 2022: 3.5%). Overall, the Malaysian economy expanded by 9.3% in the first three quarters of 2022.

As the world economies progress towards a full recovery, new challenges have arisen, impacting Malaysia and its major trading partners. Within our globalised world, supply chains have been under pressure as economies begin to return to normal. US-China trade tensions and the Ukraine-Russia conflict have also caused commodity prices and logistics costs to skyrocket. This in turn is causing high inflationary pressures globally, forcing central banks to tighten their monetary policy to rein in inflation. This is likely to cause an economic slowdown, and potentially a recession in 2023. 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 to better prepare for any uncertainty in the Malaysia's' economy for financial year 2023.

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 30/09/2022 RM'000	Current date 30/09/2022 Year-to- date 30/09/2022 RM'000
Interest expense	44	139
Depreciation and amortization	468	1,383

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18. Income tax expense

	Current Quarter 30/09/2022 RM'000	Current Year-to-date 30/09/2022 RM'000
Current year provision	-	-

There is no tax provision for the quarter as the Group has unutilized tax losses and unabsorbed 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:

	As at 30/09/2022		
	Long Term RM'000	Short Term RM'000	Total borrowing RM'000
Secured			
Overdrafts	-	-	-
Hire-purchase and lease payables	1,261	264	1,525
	As at 31/12/2021		
	Long Term RM'000	Short Term RM'000	Total borrowing RM'000
Secured			
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 September 30, 2022.

23. Dividend payable

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

INTERIM FINANCIAL REPORT
For the Third Quarter ended September 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.

	Current Year Quarter Ended 30/09/22	Preceding Year Quarter Ended 30/09/21	Current Year- To- Date Ended 30/09/22	Preceding Year-To- Date Ended 30/09/21
Profit/ (Loss) attributable to owners of the parent (RM'000)	595	(271)	1,379	(154)
No of ordinary shares in issue ('000)	65,098	65,098	65,098	65,098
Basic profit/(loss) per share (sen)	0.91	(0.42)	2.12	(0.24)

25. Authorisation for issue

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

By order of the Board
Dated 22 November 2022