



TRANSOCEAN HOLDINGS BHD

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THIRD QUARTER ENDED SEPTEMBER 30, 2023

Dated November 28, 2023

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INTERIM FINANCIAL REPORT
For the Third Quarter ended September 30, 2023

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, 2023.

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 30/09/23 RM'000	Preceding Year Quarter Ended 30/09/22 RM'000	Changes (Amount/%) RM'000		Current Year-To-Date Ended 30/09/23 RM'000	Preceding Year-To-Date Ended 30/09/22 RM'000	Changes (Amount/%) RM'000	
Revenue	10,051	8,169	1,882	23%	27,319	21,525	5,794	27%
Operation profit before depreciation and finance cost	(21)	824	(845)	>(100%)	450	2,479	(2,029)	(82%)
Depreciation & amortisation	(490)	(468)	(22)	5%	(1,510)	(1,383)	(127)	9%
Profit/(loss) from operations	(511)	356	(867)	>(100%)	(1,060)	1,096	(2,156)	>(100%)
Finance cost	(22)	(44)	22	(50%)	(134)	(139)	5	(4%)
Share of profit of an associate	597	283	314	>100%	1,178	422	756	>100%
Profit/(loss) before taxation	64	595	(531)	(89%)	(16)	1,379	(1,395)	>(100%)
Income tax expense	-	-	-	-	-	-	-	-
Profit/(loss) for the period	64	595	(531)	(89%)	(16)	1,379	(1,395)	>(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	64	595	(531)	(89%)	(16)	1,379	(1,395)	>(100%)
Profit/(loss) for the period attributable to:								
Owners of the parent	158	595	(437)	(89%)	89	1,379	(1,290)	(94%)
Non-controlling interest	(94)	-	(94)	>(100%)	(105)	-	(105)	>(100%)
	64	595	(531)	(89%)	(16)	1,379	(1,395)	>(100%)
Total comprehensive profit/(loss) attributable to:								
Owners of the Company	158	595	(437)	(73%)	89	1,379	(1,290)	(94%)
Non-controlling interest	(94)	-	(94)	>(100%)	(105)	-	(105)	>(100%)
	64	595	(531)	(89%)	(16)	1,379	(1,395)	>(100%)
Profit per share attributable to owners of the parent:								
- Basic (sen)	0.24	0.91	(0.67)	(73%)	0.14	2.12	(1.98)	(94%)
- Diluted (sen)	0.24	0.91			0.14	2.12		

(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, 2022 and the accompanying explanatory notes attached to the Interim Financial Report)

INTERIM FINANCIAL REPORT
 For the Third Quarter ended September 30, 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	As At 30/9/23	As At 31/12/22
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	31,176	31,133
Right-of-use assets	1,586	2,268
Investment in associate	23,655	22,477
Deferred tax assets	59	59
	<u>56,476</u>	<u>55,937</u>
Current Assets		
Inventories	770	339
Trade receivables	11,538	8,032
Contract assets	44	73
Other receivables	3,637	1,220
Current tax assets	455	546
Fixed deposits with licensed banks	11	4
Cash and bank balances	905	4,441
	<u>17,360</u>	<u>14,655</u>
TOTAL ASSETS	<u>73,836</u>	<u>70,592</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the company		
Share capital	64,719	64,719
Other Reserves	11,192	11,192
Accumulated Losses	(14,492)	(14,842)
	<u>61,419</u>	<u>61,069</u>
Non-Controlling Interest	(366)	-
Total Equity	<u>61,053</u>	<u>61,069</u>

INTERIM FINANCIAL REPORT
For the Third Quarter ended September 30, 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONT'D)

	Unaudited	Audited
	As At	As At
	30/9/23	31/12/22
	RM'000	RM'000
Non-Current Liabilities		
Borrowings	748	502
Lease liabilities	92	88
Deferred tax liabilities	2,011	2,011
	<hr/> 2,851	<hr/> 2,601
Current Liabilities		
Borrowings	174	243
Lease liabilities	109	835
Trade payables	4,814	2,929
Other payables	4,835	2,915
	<hr/> 9,932	<hr/> 6,922
Total Liabilities	12,783	9,523
	<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES	73,836	70,592
	<hr/> <hr/>	<hr/> <hr/>
Net assets per share attributable to owners of the company (RM)	0.94	0.94
	<hr/> <hr/>	<hr/> <hr/>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended December 31, 2022 and the accompanying explanatory notes attached to the Interim Financial Report)

INTERIM FINANCIAL REPORT
For the Third Quarter ended September 30, 2023

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Company			Total	Non- controlling Interests	Total Equity
	Non-distributable					
	Share Capital	Other Reserves	Accumulated Losses	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2023						
At January 1, 2023	64,719	11,192	(14,842)	61,069	-	61,069
Total comprehensive income:-						
Profit/(Loss) for the financial period	-	-	89	89	(105)	(16)
	-	-	89	89	(105)	(16)
Changes in ownership interest in subsidiary	-	-	261	261	(261)	-
At September 30, 2023	64,719	11,192	(14,492)	61,419	(366)	61,053
2022						
At January 1, 2022	64,719	11,128	(16,671)	59,176	1	59,177
Issuance of share capital	-	-	1	1	(1)	-
Total comprehensive income:-						
Profit for the financial year	-	133	1,759	1,892	-	1,892
Other comprehensive loss	-	(69)	69	-	-	-
	-	64	1,828	1,892	-	1,892
At December 31, 2022	64,719	11,192	(14,842)	61,069	-	61,069

(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, 2022 and the accompanying explanatory notes attached to the Interim Financial Report)

INTERIM FINANCIAL REPORT
For the Third Quarter ended September 30, 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year-To- Date Ended 30/09/23 RM'000	Preceding Year 12 Month Ended 31/12/22 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(16)	1,826
Adjustment for: -		
Non-cash items	1,510	2,035
Share of profit of an associate	(1,178)	(1,391)
Interest expense	134	194
Operating profit before working capital change	450	2,664
Changes in working capital: -		
Net change in current assets	(2,705)	250
Net change in current liabilities	1,082	947
Cash generated from operations	(1,173)	3,861
Interest paid	(47)	(42)
Taxation paid	(106)	(116)
Net cash used in operating activities	(1,326)	3,703
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(1,387)	(899)
Net change in fixed deposit	(8)	7
Net cash generated from investing activities	(1,395)	(892)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(478)	(885)
Interest paid	(87)	(153)
Repayment of bank borrowings	(250)	(122)
Net cash used in financing activities	(815)	(1,160)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
	(3,536)	1,651
Effects of currency translation differences	-	12
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR	4,441	2,778
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR	905	4,441

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended December 31, 2022 and the accompanying explanatory notes attached to the Interim Financial Report)

INTERIM FINANCIAL REPORT
For the Third Quarter ended September 30, 2023

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, 2022. 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 2022.

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, 2023

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 are 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, 2022 was not subject to any qualification.

INTERIM FINANCIAL REPORT
For the Third Quarter ended September 30, 2023

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 2023 are as follows:-

Business segment:	Holding Company	Trading of Tyres	Logistics Singapore	Logistics Solution	Technology Solution	Total RM'000
	"Holding"	"Tyres"	"Logistics"		"Technology"	
	RM'000	RM'000	RM'000	RM'000	RM'000	
Revenue	-	6,166	1,578	19,575	-	27,319
Profit/loss before taxation	(1,042)	126	(86)	832	154	(16)
Assets	58,701	6,172	862	8,025	76	73,836
Liabilities	3,977	1,281	373	6,026	1,126	12,783

b. Geographical segments

The results for the 9-month period ended 30 September 2023 by geographical segments, are as follows:

	Malaysia RM'000	Singapore RM'000	Elimination RM'000	Total RM'000
Revenue				
External	25,741	1,578	-	27,319
Inter-segment	2,251	1,265	(3,516)	-
Total revenue	27,992	2,843	(3,516)	27,319
Profit from operations	1,257	371	(1,178)	450
Finance costs	(99)	(35)	-	(134)
Profit before taxation	70	(86)	-	(16)
Other Information				
Segment assets	72,974	862	-	73,836

6. Changes in estimates

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

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For the Third Quarter ended September 30, 2023

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, 2023 since the last annual statement of financial position date comprise:-

	As at 30/09/2023 RM'000	As at 31/12/2022 RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	922	745

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, 2023

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 RM10.05 million and profit before taxation of RM0.06 million (Last Year: revenue of RM8.17 million and profit before taxation of RM0.60 million). The major movement in the revenue mainly contributed by logistics division and the gap in the profit came from higher operating costs for the Group in current quarter.

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) from the Group has reduced to loss of RM0.02 million (Last Year: Profit of RM0.82 million) mainly due to higher operating costs in holding company and technology division being partially offset by improvement in logistics division.

Comparison with preceding quarter

	Current Quarter 30/09/23 RM'000	Preceding Quarter 30/06/23 RM'000	Changes (Amount/%) RM'000	
Gross revenue	10,051	8,855	1,196	14%
Operating Profit/(Loss) before depreciation and finance cost	(21)	54	(75)	>(100%)
Share of profit of an associate	597	142	455	>100%
Profit/(loss) before taxation	64	(369)	433	>(100%)

15. Commentary on prospects

Malaysia's cloud computing market size is estimated to grow from approximately RM8.6 billion in 2022 to RM19.9 billion in 2025; at a compound annual growth rate ("CAGR") of 32% (based on Gartner Cloud Forecast 2Q2021). As an extension of cloud computing, edge computing is believed to garner a larger portion of the cloud computing market size, as there will be a shift from multi-cloud based centralized computation to hybrid computation with edge and cloud. The Group will continue its focus on optimizing capacity, assets utilization and improving cost efficiency in every division.

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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 30/09/2023 RM'000	Current Year- to-date 30/09/2023 RM'000
Interest expense	22	134
Depreciation and amortization	490	1,510

18. Income tax expense

	Current Quarter 30/09/2023 RM'000	Current Year-to- date 30/09/2023 RM'000
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:

	As at 30/09/2023		
	Long Term RM'000	Short Term RM'000	Total borrowing RM'000
Secured Hire-purchase and lease payables	840	283	1,123
	As at 31/12/2022		
	Long Term RM'000	Short Term RM'000	Total borrowing RM'000
Secured Hire-purchase and lease payables	590	1,078	1,668

INTERIM FINANCIAL REPORT
For the Third Quarter ended September 30, 2023**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, 2023.

23. Dividend payable

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

24. Earnings per share

Basic profit/(loss) 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 30/09/23	Preceding Year Quarter Ended 30/09/22	Current Year- To- Date Ended 30/09/23	Preceding Year-To- Date Ended 30/09/22
Profit attributable to owners of the parent (RM'000)	158	595	89	1,379
No of ordinary shares in issue ('000)	65,098	65,098	65,098	65,098
Basic profit/(loss) per share (sen)	0.24	0.91	0.14	2.12

25. Authorisation for issue

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

By order of the Board
Dated 28 November 2023