



TRANSOCEAN HOLDINGS BHD

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

UNAUDITED INTERIM FINANCIAL REPORT FOR FOURTH QUARTER ENDED DECEMBER 31, 2023

Dated February 27, 2024

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INTERIM FINANCIAL REPORT
For the Fourth Quarter ended December 31, 2023

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, 2023.

The figures have not been audited.

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

	INDIVIDUAL QUARTER			Changes (Amount/%)	CUMULATIVE QUARTER			Changes (Amount/%)
	Current Year Quarter Ended 31/12/23 RM'000	Preceding Year Quarter Ended 31/12/22 RM'000			Current Year- To-Date Ended 31/12/23 RM'000	Preceding Year-To- Date Ended 31/12/22 RM'000		
Revenue	11,004	7,357	3,647	50%	38,323	28,882	9,441	33%
Operation profit/(loss) before depreciation and finance cost	(904)	32	(936)	>(100%)	(454)	2,608	(3,062)	>(100%)
Depreciation & amortisation	(1,533)	(644)	(889)	>100%	(3,043)	(1,978)	(1,065)	54%
Profit/(loss) from operations	(2,437)	(612)	(1,825)	>100%	(3,497)	630	(4,127)	>(100%)
Finance cost	(238)	(56)	(182)	>100%	(372)	(195)	(177)	91%
Share of profit of an associate	1,322	965	357	37%	2,500	1,391	1,109	80%
Profit/(loss) before taxation	(1,353)	297	(1,650)	>(100%)	(1,369)	1,826	(3,195)	>(100%)
Income tax expense	(246)	54	(300)	>(100%)	(246)	(67)	(179)	>100%
Profit/(loss) for the period	(1,599)	351	(1,950)	>(100%)	(1,615)	1,759	(3,374)	>(100%)
Other comprehensive income: -								
<u>Items that may be reclassified subsequently to profit or loss</u>								
- Exchange differences arising from translation of foreign operation	143	132	11	8%	143	132	11	8%
- Revaluation of land and building	2,541	-	2,541	>100%	2,541	-	2,541	>100%
Total comprehensive income for the financial period	1,085	483	602	>100%	1,069	1,891	(822)	(43%)
Profit/(loss) for the period attributable to:								
Owners of the parent	(1,241)	351	(1,592)	>(100%)	(1,152)	1,759	(2,911)	>(100%)
Non-controlling interest	(358)	-	(358)	>(100%)	(463)	-	(463)	>(100%)
	(1,599)	351	(1,950)	>(100%)	(1,615)	1,759	(3,374)	>(100%)
Total comprehensive profit/(loss) attributable to:								
Owners of the Company	1,443	483	960	>100%	1,532	1,891	(359)	(19%)
Non-controlling interest	(358)	-	(358)	>(100%)	(463)	-	(463)	>(100%)
	1,085	483	602	>100%	1,069	1,891	(822)	(43%)
Profit/(loss) per share attributable to owners of the parent:								
- Basic (sen)	(1.91)	0.54	(2.45)	>(100%)	(1.77)	2.70	(4.47)	>(100%)
- Diluted (sen)	(1.91)	0.54			(1.77)	2.70		

(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 Fourth Quarter ended December 31, 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	As At	As At
	31/12/23	31/12/22
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	3,045	31,133
Right-of-use assets	21,690	2,268
Investment in associate	24,977	22,477
Deferred tax assets	4	59
	<u>49,716</u>	<u>55,937</u>
Current Assets		
Inventories	574	339
Trade receivables	10,874	8,032
Contract assets	-	73
Other receivables	3,177	1,220
Current tax assets	128	546
Fixed deposits with licensed banks	4	4
Cash and bank balances	1,454	4,441
	<u>16,211</u>	<u>14,655</u>
Asset held for sale	30,000	-
	<u>46,211</u>	<u>14,655</u>
TOTAL ASSETS	<u>95,927</u>	<u>70,592</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the company		
Share capital	64,719	64,719
Other Reserves	13,807	11,192
Accumulated Losses	(15,657)	(14,842)
	<u>62,869</u>	<u>61,069</u>
Non-Controlling Interest	(731)	-
Total Equity	<u>62,138</u>	<u>61,069</u>

INTERIM FINANCIAL REPORT
For the Fourth Quarter ended December 31, 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONT'D)

	Unaudited	Audited
	As At	As At
	31/12/23	31/12/22
	RM'000	RM'000
Non-Current Liabilities		
Borrowings	398	502
Lease liabilities	13,666	88
Deferred tax liabilities	1,835	2,011
	<u>15,899</u>	<u>2,601</u>
Current Liabilities		
Borrowings	356	243
Lease liabilities	6,745	835
Trade payables	6,097	2,929
Other payables	4,692	2,915
	<u>17,890</u>	<u>6,922</u>
Total Liabilities	33,789	9,523
TOTAL EQUITY AND LIABILITIES	<u>95,927</u>	<u>70,592</u>
Net assets per share attributable to owners of the company (RM)	<u>0.95</u>	<u>0.94</u>

(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 Fourth Quarter ended December 31, 2023

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			
2023						
At January 1, 2023	64,719	11,192	(14,842)	61,069	-	61,069
Total comprehensive income:-						
Profit/(Loss) for the financial year	-	2,541	(1,152)	1,389	(463)	926
Other comprehensive income	-	74	337	411	(268)	143
	-	2,615	(815)	1,800	(731)	1,069
At December 31, 2023	64,719	13,807	(15,657)	62,869	(731)	62,138
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
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year-To- Date Ended 31/12/23 RM'000	Preceding Year 12 Month Ended 31/12/22 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(1,369)	1,826
Adjustment for: -		
Non-cash items	3,747	2,035
Share of profit of an associate	(2,500)	(1,391)
Interest expense	372	194
Operating profit before working capital change	250	2,664
Changes in working capital: -		
Net change in current assets	(5,274)	250
Net change in current liabilities	4,945	947
Cash generated from operations	(79)	3,861
Tax refunded	158	-
Interest paid	(51)	(42)
Taxation paid	(80)	(116)
Net cash used in operating activities	(52)	3,703
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(601)	(899)
Proceeds from disposal of fixed assets	70	-
Net change in fixed deposit	-	7
Net cash generated from investing activities	(531)	(892)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(1,792)	(885)
Interest paid	(321)	(153)
Repayment of bank borrowings	(306)	(122)
Net cash used in financing activities	(2,419)	(1,160)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
	(3,002)	1,651
Effects of currency translation differences	15	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	1,454	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 Fourth Quarter ended December 31, 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.

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For the Fourth Quarter ended December 31, 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.

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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 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	-	7,608	1,800	28,710	205	38,323
Profit/loss before taxation	(2,058)	(116)	(116)	1,395	(474)	(1,369)
Assets	50,848	5,482	1,809	32,300	5,488	95,927
Liabilities	4,696	846	1,367	24,142	2,738	33,789

b. Geographical segments

The results for the 12-month period ended 31 December 2023 by geographical segments, are as follows:

	Malaysia	Singapore	Elimination	Total
	RM'000	RM'000	RM'000	RM'000
Revenue				
External	36,523	1,800	-	38,323
Inter-segment	2,112	2,041	(4,153)	-
Total revenue	38,635	3,841	(4,153)	38,323
Profit from operations	1,533	513	(2,500)	(454)
Finance costs	(312)	(60)	-	(372)
Profit before taxation	(1,253)	(116)	-	(1,369)
Other Information				
Segment assets	94,118	1,809	-	95,927

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For the Fourth Quarter ended December 31, 2023**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 for the quarter under review.

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

	As at 31/12/2023 RM'000	As at 31/12/2022 RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	754	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 Fourth Quarter ended December 31, 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 RM11.00 million and loss before taxation of RM1.35 million (Last Year: revenue of RM7.36 million and profit before taxation of RM0.30 million). The major movement in the revenue mainly contributed by logistics division and the loss 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 RM0.90 million (Last Year: Profit of RM0.03 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 31/12/23 RM'000	Preceding Quarter 30/09/23 RM'000	Changes (Amount/%) RM'000	
Gross revenue	11,004	10,051	953	9%
Operating Loss before depreciation and finance cost	(904)	(21)	(883)	>(100%)
Share of profit of an associate	1,322	597	725	>100%
Profit/(loss) before taxation	(1,599)	64	(1,663)	>(100%)

15. Commentary on prospects

The Malaysian economy expanded by 3% in the fourth quarter of 2023 (3Q 2023: 3.3%; 2Q 2023: 2.9%). Household spending remained supported by improving labour market conditions and easing cost pressures. Exports, however, remained subdued due to prolonged weakness in external demand amid stronger imports. Overall, the 2023 growth for the Malaysian economy normalised to 3.7%, following a strong growth registered in the previous year (2022: 8.7%). Growth moderated amid a challenging external environment.

The Group's business outlook for 2024 will be challenging and competitive especially for its new technology business. Nevertheless, the Group will remain cautiously optimistic and aim to 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. Loss before taxation is derived after charging:

	Current Quarter 31/12/2023 RM'000	Current Year-to- date 31/12/2023 RM'000
Interest expense	238	372
Depreciation and amortization	1,533	3,043

18. Income tax expense

	Current Quarter 31/12/2023 RM'000	Current Year-to- date 31/12/2023 RM'000
Current year provision	246	246

19. Corporate proposal

Save for the Proposed Long Term Incentive Plan, the Proposed Disposal, the Proposed Change of Company Name and the Proposed New Shareholders' Mandate, the Board is not aware of any other outstanding proposals which have been announced but not yet completed.

20. Borrowings

Details of borrowings are as follows:

	As at 31/12/2023		
	Long Term RM'000	Short Term RM'000	Total borrowing RM'000
Secured			
Hire-purchase and lease payables	14,064	7,101	21,165
	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 Fourth Quarter ended December 31, 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 December 31, 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 31/12/23	Preceding Year Quarter Ended 31/12/22	Current Year- To- Date Ended 31/12/23	Preceding Year-To- Date Ended 31/12/22
Profit attributable to owners of the parent (RM'000)	(1,241)	351	(1,152)	1,759
No of ordinary shares in issue ('000)	65,098	65,098	65,098	65,098
Basic profit/(loss) per share (sen)	(1.91)	0.54	(1.77)	2.70

25. Authorisation for issue

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

By order of the Board
Dated 27 February 2024