



TRANSOCEAN HOLDINGS BHD.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR PERIOD ENDED NOVEMBER 30, 2002

Dated January 28, 2003



**INTERIM FINANCIAL REPORT
FINANCIAL YEAR 2003
SECOND QUARTER ENDED NOVEMBER 30, 2002**

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The Board of Directors is pleased to announce the Interim Financial Report on consolidated results of the Group for the 2nd Quarter ended November 30, 2002. The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/11/02 RM'000	Preceding Year Quarter Ended 30/11/01 RM'000	Current Year-To-Date Ended 30/11/02 RM'000	Preceding Year-To-Date Ended 30/11/01 RM'000
Revenue	9,886	11,323	20,079	22,103
Other operating income	6	6	32	26
Operating profit before depreciation and finance cost	701	749	1,831	1,474
Depreciation/amortisation	(1,036)	(843)	(2,041)	(1,598)
Loss from operations	(335)	(94)	(210)	(124)
Finance cost	(605)	(448)	(1,205)	(857)
Share of results of an Associate company	(940)	(542)	(1,415)	(981)
Loss before taxation	1	0	(11)	0
Taxation	(939)	(542)	(1,426)	(981)
Loss after taxation	(33)	(170)	(33)	(290)
Minority interest	(972)	(712)	(1,459)	(1,271)
Loss for the period	115	(73)	112	(112)
Loss per share (sen)	(857)	(785)	(1,347)	(1,383)
- Basic	(3.0)	(2.7)	(4.6)	(4.8)
- Diluted	Not applicable			

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended May 31, 2002)



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CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited As At 30/11/02 RM'000	Audited As At 31/5/02 RM'000
Property, plant and equipment	48,030	48,457
Land held for development	4,256	4,256
Investment in associated companies	74	86
Other investments	3	3
Goodwill on consolidation	2,751	2,868
Current Assets		
Inventories	132	99
Trade receivables	8,133	7,163
Other receivables	2,553	1,595
Cash and bank balances	275	754
	11,093	9,611
Current Liabilities		
Short term borrowings	20,716	17,554
Trade payables	1,803	1,445
Other payables	1,920	1,411
Due to associated company	0	37
Due to a director of subsidiary company	172	176
Taxation	44	0
	24,655	20,623
Net current liabilities	(13,562)	(11,012)
	41,552	44,658
Share capital	28,999	28,999
Reserves	(2,802)	(1,455)
Shareholders' funds	26,197	27,544
Minority interest	867	804
Long term borrowings	13,798	15,620
Deferred taxation	690	690
	41,552	44,658
Net tangible assets per share (RM)	0.81	0.85

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended May 31, 2002)



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Retained profit/ (Accumulated loss)	Total Shareholders' Equity
	RM'000	RM'000	RM'000
Balance as at June 1, 2002	28,999	(1,455)	27,544
Net loss for the six months period		(1,347)	(1,347)
Balance as at November 30, 2002	<u>28,999</u>	<u>(2,802)</u>	<u>26,197</u>
Balance as at June 1, 2001	19,999	9,231	29,230
Net loss for the six months period		(1,384)	(1,384)
Balance as at November 30, 2001	<u>19,999</u>	<u>7,847</u>	<u>27,846</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended May 31, 2002)



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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current Year-to-date Ended 30/11/02 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss before taxation	(1,426)
Adjustment for :-	
Non-cash items	2,091
Non-operating items	1,201
Operating profit before working capital changes	<u>1,866</u>
Changes in working capital :-	
Net change in current assets	(1,661)
Net change in current liabilities	826
Cash generated from operations	<u>1,031</u>
Interest paid	(1,204)
Tax paid	(339)
Net cash used by operating activities	<u>(512)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of plant and equipment	(252)
Proceeds from disposal of plant and equipment	14
Net cash used in investing activities	<u>(238)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issuance of share capital	175
Repayment of hire-purchase and lease payables	(823)
Repayment of term loans	(1,434)
Net cash used in financing activities	<u>(2,082)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,832)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(6,580)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>(9,412)</u>
Cash and cash equivalents comprise :-	
Cash and bank balances	275
Bank overdrafts	(9,687)
	<u>(9,412)</u>

There are no comparative figures for the same period of the preceding year since this is the first time a condensed consolidated cash flow statement is presented

(The Condensed Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended May 31, 2002)



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NOTES TO THE INTERIM FINANCIAL REPORT

**SECTION A
DISCLOSURE NOTES AS REQUIRED UNDER MASB 26**

- 1 Basis of preparation**
The interim financial report has been prepared in accordance with MASB 26, Interim Financial Reporting and Chapter 9 Part K of the Listing Requirements of Kuala Lumpur Stock Exchange.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended May 31, 2002.

The accounting policies and methods of computation used in the preparation of the interim financial report are consistent with those adopted in the audited financial statements for the financial year ended May 31, 2002.
- 2 Declaration of audit clarification**
The auditors' report on the financial statements for the year ended May 31, 2002 was not subject to any qualification.
- 3 Seasonal or cyclical factors**
The business operations of the Group are not materially affected by any seasonal or cyclical factors.
- 4 Unusual items**
Other than those stated in the notes, there are no other items affecting the Group's assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.
- 5 Changes in estimates**
No estimates are reported in the prior interim periods of the current financial year or in prior financial year.
- 6 Issuance and repayment of debt and equity securities**
The Company has not issued nor repaid any debt and equity securities for the financial year to date.
- 7 Dividend paid**
No dividend has been paid or declared by the Company since the end of the previous financial year.



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- 8 Segmental reporting**
No segmental reporting is presented as the Group activities operate within one industry, primarily of a total logistics service provider and in one geographical area, wholly in Malaysia.
- 9 Valuation of property, plant and equipment**
The valuation of property, plant and equipment has been brought forward from the previous audited financial statements and there were no revaluation of property, plant and equipment has been carried out during the financial period under review.
- 10 Subsequent events**
No event of a material nature has arisen that have not been reflected in the financial statement in the interval between the end of the current quarter and the date of this report, which is likely to affect substantially the results of the Group.
- 11 Changes in the composition of the Group**
There were no changes in the composition of the Group for the period under review.
- 12 Contingent liabilities**
Contingent liabilities of the Company as at January 25, 2003, other than material litigation as disclosed in Note 23, since the last annual balance sheet date comprise :-

	Company	
	As at 25/01/03 RM'000	As at 31/05/02 RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	12,961	12,065
- unsecured	6,339	5,706
	<u>19,300</u>	<u>17,771</u>



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NOTES TO THE INTERIM FINANCIAL REPORT

SECTION B

DISCLOSURE NOTES AS REQUIRED UNDER KLSE LISTING REQUIREMENTS

13 Review of performance

During the quarter under review, the Group recorded a loss after taxation of RM0.97 million (FY2002 – RM0.71 million) on the back of total revenue of RM9.89 million (FY2002 RM11.32 million). Net loss attributable to members amounted to RM0.86 million as compared to the preceding year, RM0.79 million.

The Group achieved revenue of RM20.08 million (FY2002 – RM22.10 million) for the first half of the financial year and recorded a loss after taxation of RM1.46 million (FY2002 – RM1.27 million). Net loss attributable to members was RM1.35 million and RM1.38 million for the current year and preceding financial year respectively.

Despite the drop in revenue for the first half of the current financial year by 9%, the Group managed to increase the operating profit before depreciation and finance cost by 24% from RM1.47 million to RM1.83 million. Lower operating expenses were achieved through higher efficiency and cost reduction exercise which contributed to the increase in profit.

However, as the Group embarked on an expansion program for the haulage fleet, depreciation and finance cost have increased by 28% and 40% respectively as compared with previous year.

14 Variation of results against preceding quarter

	Current Quarter 30/11/02 RM'000	Immediate Preceding Quarter 31/08/02 RM'000	Variation %
Loss before taxation	<u>940</u>	<u>487</u>	<u>93.0%</u>

The Group registered a net loss before taxation of RM0.94 million as compared to RM0.49 million in the preceding quarter. The drop was mainly affected by the lower revenue and margin recorded for the period under review.

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15 Current year prospect

With the uncertainty hovering in the business environment due to uncontrollable external factors, the Group expects to maintain the current performance for the remaining months in the current financial year.

16 Profit forecast

The Group is not involved in any profit guarantee arrangement or providing any forecast profit.

17 Taxation

	Current Quarter 30/11/02 RM'000	Current Year-to-date 30/11/02 RM'000
Current year provision	2	2
Under/(Over) provision in prior year taxation	31	31
Deferred taxation	0	0
	33	33

The effective rate of taxation of the Group is higher than the statutory rate of taxation principally due to losses of certain subsidiaries which cannot be set off against profits made by other companies in the Group as no group relief are available.

18 Profit/loss on sale of unquoted investment and/or properties

Save and except as disclosed below, there was no sale of unquoted investment and/or properties by the Group for the current quarter and financial year :-

- a) On June 26, 2002, Transocean (KL) Sdn Bhd, a sub-subsidiary company, has signed a sale and purchase agreement to dispose a piece of property, PT No. 10385, Tempat Batu 14, Jalan Kajang/Puchong, Mukim Dengkil, Selangor, held under Hakmilik Sementara No. HS (M) 6236 together with a 1½storey terrace factory erected thereon for RM0.28 million.

As at the date of this report the transaction is yet to be completed pending the relevant State Authority's consent for the transfer of the property to the purchaser.

- b) On June 27, 2002, the Company has signed a sale and purchase agreement to dispose a piece of property, Lot no. 600 & 602, Section 23, Daerah Timur Laut, Bandar Georgetown, Pulau Pinang held under Geran (First Grade) Pendaftaran no. 7967 & 7969 together with a 4-storey office building erected thereon for RM1.10 million. This transaction was completed in January 2003. The profit from this disposal was RM0.06 million.



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19 Quoted Securities

There was no purchase or disposal of quoted securities by the Group for the current quarter and financial year-to-date.

20 Status of corporate proposal

The Group has not proposed any corporate proposals since the beginning of the current financial year.

21 Group borrowings and debt securities

Total Group borrowings as at November 30, 2002 were as follows :-

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings			
Term loan	10,680	328	11,008
Hire-purchase creditors	1,328	0	1,328
Lease payables	1,462	0	1,462
	<u>13,470</u>	<u>328</u>	<u>13,798</u>
Short term borrowings			
Overdrafts	7,660	2,027	9,687
Revolving credits	700	5,500	6,200
Term loan	3,236	114	3,350
Hire-purchase creditors	380	0	380
Lease payables	1,099	0	1,099
	<u>13,075</u>	<u>7,641</u>	<u>20,716</u>
Total Borrowings	<u>26,545</u>	<u>7,969</u>	<u>34,514</u>

As at November 30, 2002, the Group does not have any exposure in borrowings and debt securities denominated in foreign currency.

22 Off balance sheet financial instruments

The Group does not have any financial instruments with off balance sheet risk as at January 25, 2002.

23 Material litigation

The Group is not engaged in any material litigation and is not aware of any proceedings, which might materially affect the position or business of the Group as at January 25, 2002.

24 Dividend

The Directors do not recommend the payment of any dividend in respect of the current financial period under review.



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25 Earnings/(Loss) per share

	Current Year Quarter Ended 30/11/02	Preceding Year Quarter Ended 30/11/01	Current Year-To-Date Ended 30/11/02	Preceding Year-To-Date Ended 30/11/01
Net loss for the year (RM'000)	(857)	(785)	(1,347)	(1,383)
No of ordinary shares in issue ('000)	28,999	*28,999	28,999	*28,999
Basic loss per share (sen)	(3.0)	(2.7)	(4.6)	(4.8)

* The comparative figure has been amended to reflect the enlarged share capital after the implementation of the bonus issue in December 2001.



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NOTES TO THE INTERIM FINANCIAL REPORT

**SECTION C
ADDITIONAL DISCLOSURE**

- 26 Listing requirement of the minimum paid-up capital**
The paid up capital of the Company as at the date of this report is RM29.0 million. The Directors are aware of the requirement to increase the paid-up capital to RM40.0 million and is pursuing this matter to comply with the requirement.

By order of the Board
Dated 28th day of January 2003