



# **TRANSOCEAN HOLDINGS BHD.**

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

## **UNAUDITED INTERIM FINANCIAL REPORT FOR PERIOD ENDED FEBRUARY 28, 2003**

**Dated April 23, 2003**



**INTERIM FINANCIAL REPORT  
FINANCIAL YEAR 2003  
THIRD QUARTER ENDED FEBRUARY 28, 2003**

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**INTERIM FINANCIAL REPORT**  
**FINANCIAL YEAR 2003**  
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The Board of Directors is pleased to announce the Interim Financial Report on consolidated results of the Group for the Financial Year 2003, 3<sup>rd</sup> Quarter ended February 28, 2003. The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 28/02/03 RM'000	Preceding Year Quarter Ended 28/02/02 RM'000	Current Year-To-Date Ended 28/02/03 RM'000	Preceding Year-To-Date Ended 28/02/02 RM'000
<b>Revenue</b>	10,114	9,048	30,192	31,151
Other operating income	88	9	120	35
Operating profit before depreciation and finance cost	736	844	2,567	2,318
Depreciation/amortisation	(1,066)	(869)	(3,107)	(2,467)
Loss from operations	(330)	(25)	(540)	(149)
Finance cost	(618)	(497)	(1,823)	(1,354)
	(948)	(522)	(2,363)	(1,503)
Share of results of an Associate company	(31)	0	(43)	0
<b>Loss before taxation</b>	(979)	(522)	(2,406)	(1,503)
Taxation	(5)	(16)	(38)	(306)
<b>Loss after taxation</b>	(984)	(538)	(2,443)	(1,809)
Minority interest	132	0	244	(112)
<b>Loss for the period</b>	(852)	(538)	(2,200)	(1,921)
Loss per share (sen)				
- Basic	(2.9)	(1.9)	(7.6)	(6.6)
- 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**

	<b>Unaudited As At 28/02/03 RM'000</b>	<b>Audited As At 31/5/02 RM'000</b>
Property, plant and equipment	46,774	48,457
Land held for development	4,256	4,256
Investment in associated companies	42	86
Other investments	3	3
Goodwill on consolidation	2,692	2,868
<b>Current Assets</b>		
Inventories	143	99
Trade receivables	8,830	7,163
Other receivables	2,286	1,595
Cash and bank balances	242	754
	11,501	9,611
<b>Current Liabilities</b>		
Short term borrowings	19,291	17,554
Trade payables	2,737	1,445
Other payables	1,939	1,411
Due to associated company	0	37
Due to a director of subsidiary company	171	176
Taxation	49	0
	24,187	20,623
Net current liabilities	(12,686)	(11,012)
	41,081	44,658
Share capital	28,999	28,999
Reserves	(3,655)	(1,455)
Shareholders' funds	25,344	27,544
Minority interest	735	804
Long term borrowings	14,312	15,620
Deferred taxation	690	690
	41,081	44,658
Net tangible assets per share (RM)	0.78	0.85

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



# TRANSOCEAN HOLDINGS BHD (36747-U)

## INTERIM FINANCIAL REPORT FINANCIAL YEAR 2003 THIRD QUARTER ENDED FEBRUARY 28, 2003

### 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 nine months period		(2,200)	(2,200)
Balance as at February 28, 2003	28,999	(3,655)	25,344
Balance as at June 1, 2001	19,999	9,231	29,230
Bonus issue of nine (9) ordinary shares for every twenty (20) shares held	9,000		9,000
Capitalisation for bonus issue		(9,000)	(9,000)
Net loss for the nine months period		(1,921)	(1,921)
Balance as at February 28, 2002	28,999	(1,690)	27,309

(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**

	<b>Current Year-to-date Ended 28/02/03 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Loss before taxation	(2,406)
Adjustment for :-	
Non-cash items	3,181
Non-operating items	1,769
Operating profit before working capital changes	<u>2,544</u>
Changes in working capital :-	
Net change in current assets	(2,114)
Net change in current liabilities	1,778
Cash generated from operations	<u>2,208</u>
Interest paid	(1,823)
Tax paid	(350)
Net cash generated from operating activities	<u>35</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of plant and equipment	(497)
Proceeds from disposal of plant and equipment	1,266
Net cash generated from investing activities	<u>769</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from issuance of share capital	175
Repayment of hire-purchase and lease payables	(1,110)
Repayment of term loans	(2,079)
Net cash used in financing activities	<u>(3,014)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(2,210)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>(6,580)</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u><u>(8,790)</u></u>
Cash and cash equivalents comprise :-	
Cash and bank balances	242
Bank overdrafts	(9,032)
	<u><u>(8,790)</u></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 were generally affected by the major festivals in this quarter, resulting in lower sales due to extended non-working days.

**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 the preceding 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**

During the quarter under review, a sub-subsidiary company, Transocean (KL) Sdn Bhd reduced its investment in the associate company, Throughfreight (JB) Sdn Bhd from 50.0% to 24.0% by disposing 65,000 ordinary shares of RM1.00 each for a cash consideration of RM1.00.

Save for the above there were no other changes in the composition of the Group for the period under review.

**12 Contingent liabilities**

Contingent liabilities of the Company as at April 19, 2003, other than material litigation as disclosed in Note 23, since the last annual balance sheet date comprise :-

	<b>Company</b>	
	<b>As at 19/04/03 RM'000</b>	<b>As at 31/05/02 RM'000</b>
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	14,217	12,065
- unsecured	5,288	5,706
	19,505	17,771



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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 RM0.98 million (FY2002 – RM0.54 million) on the back of total revenue of RM10.11 million (FY2002 RM9.05 million). Net loss attributable to members amounted to RM0.85 million as compared to the preceding year, RM0.54 million.

The Group achieved revenue of RM30.19 million (FY2002 – RM31.15 million) for the nine months of the financial year and recorded a loss after taxation of RM2.44 million (FY2002 – RM1.81 million). Net loss attributable to members was RM2.20 million and RM1.92 million for the current year and preceding financial year respectively.

Despite the drop in revenue for the nine months of the current financial year by 3.1%, the Group managed to increase the operating profit before depreciation and finance cost by 10.8% from RM2.32 million to RM2.57 million. Lower operating expenses were achieved through higher efficiency and cost reduction exercises 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 26.0% and 34.6% respectively as compared with previous year.

**14 Variation of results against preceding quarter**

	<b>Current Quarter 28/02/0 RM'000</b>	<b>Immediate Preceding Quarter 30/11/02 RM'000</b>	<b>Variation  %</b>
Loss before taxation	979	939	4.3%

The Group registered a net loss before taxation of RM0.98 million as compared to RM0.94 million in the preceding quarter. The variation of results against the preceding quarter was mainly due to higher depreciation and finance cost incurred.

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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**

	<b>Current Quarter 28/02/03 RM'000</b>	<b>Current Year-to-date 28/02/03 RM'000</b>
Current year provision	5	7
Under/(Over) provision in prior year taxation	0	31
Deferred taxation	0	0
	5	38

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 ½-storey 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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- c) On January 23, 2003, Transocean (KL) Sdn Bhd, a sub-subsiary company, disposed 65,000 ordinary shares of RM1.00 each representing 26.0% of the issued and paid up capital of Throughfreight (JB) Sdn Bhd for a cash consideration of RM1.00. As the investment was duly provided for diminution in value, there was no profit or loss arising from this disposal.

**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 February 28, 2003 were as follows :-

	<b>Secured</b> <b>RM'000</b>	<b>Unsecured</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
<b>Long term borrowings</b>			
Term loan	10,193	952	11,145
Hire-purchase creditors	1,912	0	1,912
Lease payables	1,255	0	1,255
	13,360	952	14,312
<b>Short term borrowings</b>			
Overdrafts	6,698	2,334	9,032
Revolving credits	700	4,500	5,200
Term loan	3,236	333	3,569
Hire-purchase creditors	498	0	498
Lease payables	992	0	992
	12,124	7,167	19,291
Total Borrowings	25,484	8,119	33,603

As at February 28, 2003, 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 April 19, 2003.

**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 April 19, 2003.

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**24 Dividend**

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

**25 Earnings/(Loss) per share**

	<b>Current Year Quarter Ended 28/02/03</b>	<b>Preceding Year Quarter Ended 28/02/02</b>	<b>Current Year-To-Date Ended 28/02/03</b>	<b>Preceding Year-To-Date Ended 28/02/02</b>
Net loss for the year (RM'000)	(852)	(538)	(2,200)	(1,921)
No of ordinary shares in issue ('000)	28,999	*28,999	28,999	*28,999
Basic loss per share (sen)	(2.9)	(1.9)	(7.6)	(6.6)

\* 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 Acquisition of plant and equipment**  
During the nine (9) months period, the Group acquired plant and equipment with an aggregate cost of RM2.42 million of which RM1.92 million was financed by hire-purchase arrangement. Cash payments of RM0.5 million were made to purchase the plant and equipment.
- 27 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 23<sup>rd</sup> day of April 2003