



# **TRANSOCEAN HOLDINGS BHD**

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

## **UNAUDITED INTERIM FINANCIAL REPORT FOR PERIOD ENDED AUGUST 31, 2003**

*Dated October 28, 2003*



**TRANSOCEAN HOLDINGS BHD (36747-U)**

**INTERIM FINANCIAL REPORT  
FINANCIAL YEAR 2004  
First Quarter August 31, 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 2004, 1<sup>st</sup> Quarter ended August 31, 2003. The figures have not been audited.

### CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/08/03 RM'000	Preceding Year Quarter Ended 31/08/02 RM'000	Current Year-To-Date Ended 31/08/03 RM'000	Preceding Year-To-Date Ended 31/08/02 RM'000
<b>Revenue</b>	10,984	10,193	10,984	10,193
Other operating income	11	25	11	25
Operating profit before depreciation and finance cost	747	1,130	747	1,130
Depreciation/amortisation	(1,069)	(1,005)	(1,069)	(1,005)
Profit/(Loss) from operations	(322)	125	(322)	125
Finance cost	(578)	(600)	(578)	(600)
	(900)	(475)	(900)	(475)
Share of results of an Associate company	25	(12)	25	(12)
<b>Loss before taxation</b>	(875)	(487)	(875)	(487)
Taxation	(27)	0	(27)	0
<b>Loss after taxation</b>	(902)	(487)	(902)	(487)
Minority interest	149	(2)	149	(2)
<b>Loss for the period</b>	RM(753)	RM(489)	RM(753)	RM(489)
Loss per share (sen)				
- Basic	(2.60)	(1.69)	(2.60)	(1.69)
- Diluted		Not applicable		

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended May 31, 2003)



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### CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited As At 31/08/03 RM'000	Audited As At 31/5/03 RM'000
Property, plant and equipment	45,062	45,978
Land held for development	4,256	4,256
Investment in associated companies	88	63
Other investments	3	3
Goodwill on consolidation	2,583	2,642
<b>Current Assets</b>		
Inventories	72	53
Trade receivables	8,645	7,680
Other receivables	2,303	2,282
Cash and bank balances	275	263
	11,295	10,278
<b>Current Liabilities</b>		
Short term borrowings	19,113	19,322
Trade payables	3,433	2,902
Other payables	2,370	2,192
Taxation	27	0
	24,943	24,416
Net current liabilities	(13,648)	(14,138)
	38,344	38,804
<b>Share capital</b>	28,999	28,999
Accumulated losses	(5,358)	(4,605)
<b>Shareholders' equity</b>	23,641	24,394
Minority interest	571	720
Long term borrowings	13,641	13,199
Deferred taxation	491	491
	38,344	38,804
Net tangible assets per share (RM)	0.73	0.75

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended May 31, 2003)



# TRANSOCEAN HOLDINGS BHD (36747-U)

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### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Accumulated loss RM'000	Total Shareholders' Equity RM'000
Balance as at June 1, 2003	28,999	(4,605)	24,394
Net loss for the period	0	(753)	(753)
Balance as at August 31, 2003	<u>28,999</u>	<u>(5,358)</u>	<u>23,641</u>
Balance as at June 1, 2002	28,999	(1,455)	27,544
Net loss for the period	0	(489)	(489)
Balance as at August 31, 2002	<u>28,999</u>	<u>(1,944)</u>	<u>27,055</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, 2003)



# TRANSOCEAN HOLDINGS BHD (36747-U)

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### CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	<b>Current Year-to-date Ended 31/08/03 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Loss before taxation	(875)
Adjustment for :-	
Non-cash items	1,094
Non-operating items	553
Operating profit before working capital changes	772
Changes in working capital :-	
Net change in current assets	(1,015)
Net change in current liabilities	709
Cash generated from operations	466
Interest paid	(578)
Taxation paid	(15)
<b>Net cash used in operating activities</b>	<b>(127)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of plant and equipment	(98)
Proceeds from disposal of property, plant and equipment	3
<b>Net cash used in investing activities</b>	<b>(95)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Drawdown of term loans	2,500
Repayment of hire-purchase and lease payables	(369)
Repayment of term loans and revolving credits	(2,069)
<b>Net cash generated from financing activities</b>	<b>62</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(160)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>(8,664)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>(8,824)</b>
Cash and cash equivalents comprise :-	
Cash and bank balances	275
Bank overdrafts	(9,099)
	<b>(8,824)</b>

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 Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended May 31, 2003)**



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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, 2003.

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, 2003.

**2 Declaration of audit clarification**

The auditors' report on the financial statements for the year ended May 31, 2003 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**

There were no unusual items affecting the Group's assets, liabilities, equity, net income or cash flows during the financial period ended August 31, 2003.

**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's 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 during the financial quarter 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 current quarter under review.

**12 Contingent liabilities**

Contingent liabilities of the Company as at October 22, 2003, other than material litigation as disclosed in Note 23, since the last annual balance sheet date comprise :-

	<b>Company</b>	
	<b>As at 22/10/03 RM'000</b>	<b>As at 31/05/03 RM'000</b>
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	11,613	10,358
- unsecured	<u>6,856</u>	<u>7,574</u>
	<u>18,469</u>	<u>17,932</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 first quarter under review, the Group recorded a loss after taxation of RM0.90 million (FY2002 RM0.49 million) on the back of total revenue of RM10.98 million (FY2002 RM10.19 million). Net loss attributable to members amounted to RM0.75 million as compared to the preceding year, RM0.49 million.

The unfavourable business environment during the quarter under review led to declining operating profit margin. Overall expenses excluding depreciation and finance cost increased by 10.3% as compared with the preceding year corresponding quarter. The anticipated increased in quantum of revenue from the haulage units did not materialise.

**14 Variation of results against preceding quarter**

	<b>Current Quarter 31/08/03 RM'000</b>	<b>Immediate Preceding Quarter 31/05/03 RM'000</b>	<b>Variation %</b>
Loss before taxation	<u>875</u>	<u>1,172</u>	<u>(25.3)</u>

The Group registered a net loss before taxation of RM0.87 million as compared to a net loss before taxation of RM1.17 million in the preceding quarter. The reduction of the loss before taxation was mainly due to the recognition of impairment losses on property, plant and equipment amounting to RM0.17 million as at balance sheet date. Despite achieving a lower revenue in the quarter under review as compared with the preceding quarter, the results was mitigated by an higher operating margin.

**15 Prospect**

The Group expects to improve its performance and turnaround for the near future in view of the stronger growth in the Malaysian economy spurred by the government's intervention to increase domestic demand and the improvement in the economies of our neighbouring countries. The Group is in position and readiness to secure higher business activities as the economic situation improves.

**16 Profit forecast**

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



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**17 Taxation**

	<b>Current Quarter 31/08/03 RM'000</b>	<b>Current Year-to-date 31/08/03 RM'000</b>
Current year provision	27	27
Under/(Over) provision in prior year taxation	0	0
Deferred taxation	0	0
	<u>27</u>	<u>27</u>

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 subsidiary of the Company, has entered into a sale and purchase agreement to dispose off one of its properties, PT No. 10385, Tempat Batu 14, Jalan Kajang/Puchong, Mukim Dengkil, Selangor, held under Hakmilik Sementara No. HS (M) 6236 together with a 1½-storey terrace factory erected thereon for RM0.28 million.

The above agreement has been rescinded on September 25, 2003 and the deposit received was refunded.

**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.



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### 21 Group borrowings and debt securities

Total Group borrowings as at August 31, 2003 were as follows :-

	Secured RM'000	Unsecured RM'000	Total RM'000
<b>Long term borrowings</b>			
Term loan	9,629	1,273	10,902
Hire-purchase creditors	1,845	0	1,845
Lease payables	894	0	894
	<u>12,368</u>	<u>1,273</u>	<u>13,641</u>
<b>Short term borrowings</b>			
Overdrafts	6,816	2,283	9,099
Revolving credits	700	4,000	4,700
Term loan	3,405	562	3,967
Hire-purchase creditors	551	0	551
Lease payables	796	0	796
	<u>12,268</u>	<u>6,845</u>	<u>19,113</u>
Total Borrowings	<u>24,636</u>	<u>8,118</u>	<u>32,754</u>

As at August 31, 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 October 22, 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 October 22, 2003.

### 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 Loss per share

	<b>Current Year Quarter Ended 31/08/03</b>	<b>Preceding Year Quarter Ended 31/08/02</b>	<b>Current Year-To-Date Ended 31/08/03</b>	<b>Preceding Year-To-Date Ended 31/08/02</b>
Net loss for the period (RM'000)	(753)	(489)	(753)	(489)
No of ordinary shares in issue ('000)	28,999	28,999	28,999	28,999
Basic loss per share (sen)	(2.60)	(1.69)	(2.60)	(1.69)



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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 28<sup>th</sup> day of October 2003