



TRANSOCEAN HOLDINGS BHD

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

UNAUDITED INTERIM FINANCIAL REPORT FOR PERIOD ENDED NOVEMBER 30, 2003

Dated January 27, 2004



**INTERIM FINANCIAL REPORT
FINANCIAL YEAR 2004
Second Quarter ended November 30, 2003**

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**INTERIM FINANCIAL REPORT
FINANCIAL YEAR 2004
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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, 2nd Quarter ended November 30, 2003.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/11/03 RM'000	Preceding Year Quarter Ended 30/11/02 RM'000	Current Year-To-Date Ended 30/11/03 RM'000	Preceding Year-To-Date Ended 30/11/02 RM'000
Revenue	11,955	9,886	22,939	20,079
Other operating income	8	6	19	32
Operating profit before depreciation and finance cost	1,115	701	1,862	1,831
Depreciation/amortisation	(1,075)	(1,036)	(2,145)	(2,041)
Profit/(Loss) from operations	40	(335)	(283)	(210)
Finance cost	(593)	(605)	(1,171)	(1,205)
	(553)	(940)	(1,454)	(1,415)
Share of results of an Associate company	33	1	58	(11)
Loss before taxation	(520)	(939)	(1,396)	(1,426)
Taxation	(65)	(33)	(92)	(33)
Loss after taxation	(585)	(972)	(1,488)	(1,459)
Minority interest	221	115	370	112
Loss for the period	RM(364)	RM(857)	RM(1,118)	RM(1,347)
Loss per share (sen)				
- Basic	(1.26)	(2.96)	(3.86)	(4.64)
- 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)

**INTERIM FINANCIAL REPORT
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	Unaudited As At 30/11/03 RM'000	Audited As At 31/5/03 RM'000
Property, plant and equipment	44,085	45,978
Land held for development	4,256	4,256
Investment in associated companies	121	63
Other investments	3	3
Goodwill on consolidation	2,524	2,642
Current Assets		
Inventories	102	53
Trade receivables	9,229	7,680
Other receivables	2,295	2,282
Cash and bank balances	155	263
	11,781	10,278
Current Liabilities		
Short term borrowings	18,640	19,322
Trade payables	3,934	2,902
Other payables	2,612	2,192
Taxation	70	0
	25,256	24,416
Net current liabilities	(13,475)	(14,138)
	37,514	38,804
Share capital	28,999	28,999
Accumulated losses	(5,722)	(4,605)
Shareholders' equity	23,277	24,394
Minority interest	349	720
Long term borrowings	13,397	13,199
Deferred taxation	491	491
	37,514	38,804
Net tangible assets per share (RM)	0.72	0.75

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



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Accumulated	Total
	RM'000	loss	Shareholders'
		RM'000	Equity
			RM'000
Balance as at June 1, 2003	28,999	(4,605)	24,394
Net loss for the period	0	(1,117)	(1,117)
Balance as at November 30, 2003	<u>28,999</u>	<u>(5,722)</u>	<u>23,277</u>
Balance as at June 1, 2002	28,999	(1,455)	27,544
Net loss for the period	0	(1,347)	(1,347)
Balance as at November 30, 2002	<u>28,999</u>	<u>(2,802)</u>	<u>26,197</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)

**INTERIM FINANCIAL REPORT
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	Current Year-To- Date Ended 30/11/03 RM'000	Preceding Year-To- Date Ended 30/11/02 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(1,396)	(1,426)
Adjustment for :-		
Non-cash items	2,195	2,091
Non-operating items	1,114	1,201
Operating profit before working capital changes	1,913	1,866
Changes in working capital :-		
Net change in current assets	(1,625)	(1,661)
Net change in current liabilities	1,452	826
Cash generated from operations	1,740	1,031
Interest paid	(1,171)	(1,204)
Taxation paid	(59)	(339)
Net cash generated from/(used in) operating activities	510	(512)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(192)	(252)
Proceeds from disposal of property, plant and equipment	58	14
Net cash used in investing activities	(134)	(238)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	3,600	0
Proceeds from issuance of share capital	0	175
Repayment of loans, hire-purchase and lease payables	(4,720)	(2,257)
Net cash used in financing activities	(1,120)	(2,082)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(744)	(2,832)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(8,664)	(6,580)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(9,408)	(9,412)
Cash and cash equivalents comprise :-		
Cash and bank balances	155	275
Bank overdrafts	(9,563)	(9,687)
	(9,408)	(9,412)

(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 Malaysia Securities Exchange Berhad.

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 November 30, 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 January 21, 2004, other than material litigation as disclosed in Note 23, since the last annual balance sheet date comprise :-

	As at 21/01/04 RM'000	As at 31/05/03 RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	12,324	10,358
- unsecured	8,979	7,574
	<u>RM21,303</u>	<u>RM17,932</u>



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NOTES TO THE INTERIM FINANCIAL REPORT

SECTION B

DISCLOSURE NOTES AS REQUIRED UNDER MSEC LISTING REQUIREMENTS

13 Review of performance

During the second quarter under review, the Group recorded a loss after taxation of RM0.59 million (FY2002, a loss of RM0.97 million) on the back of total revenue of RM11.96 million (FY2002, RM9.89 million). Overall net loss attributable to members was reduced from RM0.86 million in the preceding year corresponding quarter to RM0.36 million.

The improved business environment during the quarter under review led to increase in revenue by 20.9% as compared with the preceding year corresponding quarter. However, the total overall expenses excluding depreciation and finance cost increased by 22.3% and operating profit before depreciation and finance cost increased by 59.1%. Depreciation and amortization also increased by a marginal 3.8% while finance cost was reduced by 2.0%.

14 Variation of results against preceding quarter

	Current Quarter 30/11/03 RM'000	Immediate Preceding Quarter 31/08/03 RM'000	Variation %
Loss before taxation	520	875	(40.6)

The Group managed to reduce its net loss before taxation from RM0.88 million in the preceding quarter to RM0.52 million, a reduction of 40.6%. The reduction of the loss before taxation was mainly due to the increased in revenue by 8.8% and the increase in profit margin which resulted in an improvement of 49.2% in operating profit before depreciation and finance cost. Contribution of profit from the Associate company in Singapore increased by 33.7%.

15 Prospect

The Group expects to improve its performance and turnaround for the remaining quarters in view of the projected stronger growth in the world and Malaysian economy. The performance of our haulage subsidiaries are expected to improve as a result of the restoration of haulage tariff for all 20 footer deliveries effective January 1, 2004, in accordance to the existing published CHAM tariff.



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16 Profit forecast

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

17 Taxation

	Current Quarter 30/11/03 RM'000	Current Year-to-date 30/11/03 RM'000
Current year provision	37	64
Under/(Over) provision in prior year taxation	6	6
Real property gain tax	22	22
Deferred taxation	0	0
	<u>65</u>	<u>92</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

There was no sale of unquoted investment and/or properties by the Group for the current quarter and financial year.

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 November 30, 2003 were as follows :-

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings			
Term loan	9,096	1,868	10,964
Hire-purchase creditors	1,719	0	1,719
Lease payables	714	0	714
	<u>11,529</u>	<u>1,868</u>	<u>13,397</u>
Short term borrowings			
Overdrafts	7,291	2,273	9,563
Revolving credits	700	2,900	3,600
Term loan	3,445	742	4,187
Hire-purchase creditors	541	0	541
Lease payables	748	0	748
	<u>12,725</u>	<u>5,915</u>	<u>18,640</u>
Total Borrowings	<u>24,254</u>	<u>7,783</u>	<u>32,037</u>

As at November 30, 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 January 21, 2004

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 21, 2004.

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

	Current Year Quarter Ended 30/11/03	Preceding Year Quarter Ended 30/11/02	Current Year-To-Date Ended 30/11/03	Preceding Year-To-Date Ended 30/11/02
Net loss for the period (RM'000)	(364)	(857)	(1,118)	(1,347)
No of ordinary shares in issue ('000)	28,999	28,999	28,999	28,999
Basic loss per share (sen)	(1.26)	(2.96)	(3.86)	(4.64)



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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 27th day of January, 2004