



# **TRANSOCEAN HOLDINGS BHD**

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

## **UNAUDITED INTERIM FINANCIAL REPORT FOR PERIOD ENDED FEBRUARY 29, 2004**

*Dated April 27, 2004*



**INTERIM FINANCIAL REPORT  
FINANCIAL YEAR 2004  
Third Quarter ended February 29, 2004**

---

# CONTENTS

|  | <b><u>PAGE</u></b> |
|--|--------------------|
| 1) CONDENSED CONSOLIDATED INCOME STATEMENT   | 3                  |
| 2) CONDENSED CONSOLIDATED BALANCE SHEET  | 4                  |
| 3) CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY                           | 5                  |
| 4) CONDENSED CONSOLIDATED CASH FLOW STATEMENT                                      | 6                  |
| 5) NOTES TO THE INTERIM FINANCIAL REPORT   |                    |
| SECTION A : DISCLOSURE NOTES AS REQUIRED UNDER MASB 26                             | 7 – 8              |
| SECTION B : DISCLOSURE NOTES AS REQUIRED UNDER BURSA MALAYSIA LISTING REQUIREMENTS | 9 – 12             |
| SECTION C : ADDITIONAL DISCLOSURE  | 13                 |



**INTERIM FINANCIAL REPORT  
FINANCIAL YEAR 2004  
Third Quarter ended February 29, 2004**

The Board of Directors is pleased to announce the Interim Financial Report on consolidated results of the Group for the Financial Year 2004, 3<sup>rd</sup> Quarter ended February 29, 2004.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

|  | INDIVIDUAL QUARTER                                     |   | CUMULATIVE QUARTER                                     |  |
|--|--|---|--|--|
|  | Current Year<br>Quarter<br>Ended<br>29/02/04<br>RM'000 | Preceding<br>Year<br>Quarter<br>Ended<br>28/02/03<br>RM'000 | Current<br>Year-To-Date<br>Ended<br>29/02/04<br>RM'000 | Preceding<br>Year-To-Date<br>Ended<br>28/02/03<br>RM'000 |
| <b>Revenue</b>   | <b>12,061</b>  | <b>10,114</b>   | <b>35,000</b>  | <b>30,192</b>  |
| Other operating income                                   | 16   | 88  | 37   | 120  |
| Operating profit before<br>depreciation and finance cost | 1,137  | 736   | 3,000  | 2,567  |
| Depreciation/amortisation                                | (1,069)  | (1,066)   | (3,213)  | (3,107)  |
| Profit/(Loss) from operations                            | 68   | (330)   | (213)  | (540)  |
| Finance cost   | (578)  | (618)   | (1,749)  | (1,823)  |
|  | (510)  | (948)   | (1,962)  | (2,363)  |
| Share of results of an Associate<br>company              | 20   | (31)  | 78   | (43)   |
| <b>Loss before taxation</b>                              | <b>(490)</b>   | <b>(979)</b>  | <b>(1,884)</b>   | <b>(2,406)</b>   |
| Taxation   | (25)   | (5)   | (117)  | (38)   |
| <b>Loss after taxation</b>                               | <b>(515)</b>   | <b>(984)</b>  | <b>(2,001)</b>   | <b>(2,444)</b>   |
| Minority interest  | 208  | 132   | 578  | 244  |
| <b>Loss for the period</b>                               | <b>RM(307)</b>   | <b>RM(852)</b>  | <b>RM(1,423)</b>                                       | <b>RM(2,200)</b>   |
| Loss per share (sen)                                     |  |   |  |  |
| - Basic  | (1.06)   | (2.94)  | (4.91)   | (7.59)   |
| - 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  
FINANCIAL YEAR 2004  
Third Quarter ended February 29, 2004****CONDENSED CONSOLIDATED BALANCE SHEET**

|   | <b>Unaudited<br/>As At<br/>29/02/04<br/>RM'000</b> | <b>Audited<br/>As At<br/>31/5/03<br/>RM'000</b> |
|---|--|---|
| Property, plant and equipment             | 43,077   | 45,978  |
| Land held for development                 | 4,356  | 4,256   |
| Investment in associated companies        | 141  | 63  |
| Other investments                         | 3  | 3   |
| Goodwill on consolidation                 | 2,465  | 2,642   |
| <b>Current Assets</b>                     |  |   |
| Inventories                               | 86   | 53  |
| Trade receivables                         | 8,534  | 7,680   |
| Other receivables                         | 2,148  | 2,282   |
| Cash and bank balances                    | 191  | 263   |
|   | 10,959   | 10,278  |
| <b>Current Liabilities</b>                |  |   |
| Short term borrowings                     | 18,265   | 19,322  |
| Trade payables                            | 3,872  | 2,902   |
| Other payables                            | 2,593  | 2,192   |
| Taxation                                  | 117  | 0   |
|   | 24,847   | 24,416  |
| Net current liabilities                   | (13,888)   | (14,138)  |
|   | 36,154   | 38,804  |
| <b>Share capital</b>                      | <b>28,999</b>                                      | <b>28,999</b>                                   |
| Accumulated losses                        | (6,028)  | (4,605)   |
| <b>Shareholders' equity</b>               | <b>22,971</b>                                      | <b>24,394</b>                                   |
| Minority interest                         | 141  | 720   |
| Long term borrowings                      | 12,551   | 13,199  |
| Deferred taxation                         | 491  | 491   |
|   | 36,154   | 38,804  |
| <b>Net tangible assets per share (RM)</b> | <b>0.71</b>  | <b>0.75</b>                                     |

(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)

## INTERIM FINANCIAL REPORT FINANCIAL YEAR 2004 Third Quarter ended February 29, 2004

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

|                                 | Share Capital<br>RM'000 | Accumulated<br>loss<br>RM'000 | Total<br>Shareholders'<br>Equity<br>RM'000 |
|---------------------------------|-------------------------|-------------------------------|--|
| Balance as at June 1, 2003      | 28,999                  | (4,605)                       | 24,394                                     |
| Net loss for the period         | 0                       | (1,423)                       | (1,423)                                    |
| Balance as at February 29, 2004 | <u>28,999</u>           | <u>(6,028)</u>                | <u>22,971</u>                              |
| Balance as at June 1, 2002      | 28,999                  | (1,455)                       | 27,544                                     |
| Net loss for the period         | 0                       | (2,200)                       | (2,200)                                    |
| Balance as at February 28, 2003 | <u>28,999</u>           | <u>(3,655)</u>                | <u>25,344</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  
FINANCIAL YEAR 2004  
Third Quarter ended February 29, 2004****CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

|   | <b>Current<br/>Year-To-<br/>Date<br/>Ended<br/>29/02/04<br/>RM'000</b> | <b>Preceding<br/>Year-To-<br/>Date<br/>Ended<br/>28/02/03<br/>RM'000</b> |
|---|--|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                   |  |  |
| Loss before taxation  | (1,884)  | (2,406)  |
| Adjustment for :-   |  |  |
| Non-cash items  | 3,288  | 3,181  |
| Non-operating items   | 1,681  | 1,769  |
| Operating profit before working capital changes               | 3,085  | 2,544  |
| Changes in working capital :-                                 |  |  |
| Net change in current assets                                  | (791)  | (2,114)  |
| Net change in current liabilities                             | 1,370  | 1,778  |
| Cash generated from operations                                | 3,664  | 2,208  |
| Interest paid   | (1,749)  | (1,823)  |
| Taxation paid   | (37)   | (350)  |
| <b>Net cash generated from operating activities</b>           | <b>1,878</b>   | <b>35</b>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                   |  |  |
| Purchase of plant and equipment                               | (240)  | (497)  |
| Increase in development expenditure                           | (100)  | 0  |
| Proceeds from disposal of property, plant and equipment       | 94   | 1,266  |
| <b>Net cash generated from/(used in) investing activities</b> | <b>(246)</b>   | <b>769</b>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                   |  |  |
| Drawdown of term loans  | 4,000  | 0  |
| Proceeds from issuance of share capital                       | 0  | 175  |
| Repayment of loans, hire-purchase and lease payables          | (7,295)  | (3,189)  |
| <b>Net cash used in financing activities</b>                  | <b>(3,295)</b>   | <b>(3,014)</b>   |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>              | <b>(1,663)</b>   | <b>(2,210)</b>   |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>         | <b>(8,664)</b>   | <b>(6,580)</b>   |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>         | <b>(10,327)</b>  | <b>(8,790)</b>   |
| Cash and cash equivalents comprise :-                         |  |  |
| Cash and bank balances  | 191  | 242  |
| Bank overdrafts   | (10,518)   | (9,032)  |
|   | <b>(10,327)</b>  | <b>(8,790)</b>   |

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



**INTERIM FINANCIAL REPORT  
FINANCIAL YEAR 2004  
Third Quarter ended February 29, 2004**

---

**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 Bursa Malaysia.

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 February 29, 2004.

**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.



**INTERIM FINANCIAL REPORT  
FINANCIAL YEAR 2004  
Third Quarter ended February 29, 2004**

---

**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 April 23, 2004, other than material litigation as disclosed in Note 23, since the last annual balance sheet date comprise :-

|  | <b>As at<br/>23/04/04<br/>RM'000</b> | <b>As at<br/>31/05/03<br/>RM'000</b> |
|--|--------------------------------------|--------------------------------------|
| Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries |                                      |                                      |
| - secured  | 10,461                               | 10,358                               |
| - unsecured  | 8,770                                | 7,574                                |
|  | RM19,231                             | RM17,932                             |
| <br>A guarantee in favour of a supplier for services provided to a subsidiary                  |                                      |                                      |
|  | RM18                                 | RM0                                  |





**INTERIM FINANCIAL REPORT  
FINANCIAL YEAR 2004  
Third Quarter ended February 29, 2004**

---

**NOTES TO THE INTERIM FINANCIAL REPORT**

**SECTION B  
DISCLOSURE NOTES AS REQUIRED UNDER BURSA MALAYSIA LISTING  
REQUIREMENTS**

**13 Review of performance**

During the third quarter under review, the Group recorded a loss after taxation of RM0.52 million (FY2003, a loss of RM0.99 million) on the back of total revenue of RM12.06 million (FY2003, RM10.11 million). Overall net loss attributable to members was reduced from RM0.85 million in the preceding year corresponding quarter to RM0.31 million.

The improved business environment during the quarter under review led to increase in revenue by 19.3% as compared with the preceding year corresponding quarter. The increase in operating profit margin from 10.2% to 12.9% resulted in the achievement of a higher operating profit before depreciation and finance cost amounting to RM1.14 million (FY2003, RM0.74 million). The reduction of finance cost by 6.4% and the positive share of results from the associated company contributed to the reduction of the Group's net loss before taxation from RM0.98 million to RM0.49 million.

**14 Variation of results against preceding quarter**

|                      | <b>Current<br/>Quarter<br/>29/02/04<br/>RM'000</b> | <b>Immediate<br/>Preceding<br/>Quarter<br/>31/11/03<br/>RM'000</b> | <b>Variation<br/>%</b> |
|----------------------|--|--|------------------------|
| Loss before taxation | 490  | 521  | (6.0)                  |

The Group managed to reduce its net loss before taxation by 6.0% from RM0.52 million in the preceding quarter to RM0.49 million. The reduction of the loss before taxation was mainly due to the improvement in operating profit margin by 3.9%.

**15 Prospect**

The Group expects to improve its performance for the remaining quarter in view of the projected stronger growth in the world and Malaysian economy.



**INTERIM FINANCIAL REPORT**  
**FINANCIAL YEAR 2004**  
**Third Quarter ended February 29, 2004**

---

**16 Profit forecast**

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

**17 Taxation**

|  | <b>Current<br/>Quarter<br/>29/02/04<br/>RM'000</b> | <b>Current<br/>Year-to-date<br/>29/02/04<br/>RM'000</b> |
|--|--|---|
| Current year provision                 | 47   | 111   |
| Under provision in prior year taxation | 0  | 6   |
| Reversal of real property gain tax     | (22)   | 0   |
| Deferred taxation                      | 0  | 0   |
|  | <u>25</u>  | <u>117</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 is 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.



**INTERIM FINANCIAL REPORT  
FINANCIAL YEAR 2004  
Third Quarter ended February 29, 2004**

---

**21 Group borrowings and debt securities**

Total Group borrowings as at February 29, 2004 were as follows :-

|                              | <b>Secured<br/>RM'000</b> | <b>Unsecured<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|------------------------------|---------------------------|-----------------------------|-------------------------|
| <b>Long term borrowings</b>  |                           |                             |                         |
| Term loan                    | 8,397                     | 1,994                       | 10,391                  |
| Hire-purchase creditors      | 1,615                     | 0                           | 1,615                   |
| Lease payables               | 545                       | 0                           | 545                     |
|                              | <u>10,557</u>             | <u>1,994</u>                | <u>12,551</u>           |
| <b>Short term borrowings</b> |                           |                             |                         |
| Overdrafts                   | 7,327                     | 3,191                       | 10,518                  |
| Revolving credits            | 700                       | 1,500                       | 2,200                   |
| Term loan                    | 3,445                     | 862                         | 4,307                   |
| Hire-purchase creditors      | 530                       | 0                           | 530                     |
| Lease payables               | 710                       | 0                           | 710                     |
|                              | <u>12,712</u>             | <u>5,553</u>                | <u>18,265</u>           |
| Total Borrowings             | <u>23,269</u>             | <u>7,547</u>                | <u>30,816</u>           |

As at February 29, 2004, 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 23, 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 April 23, 2004.

**24 Dividend**

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



**INTERIM FINANCIAL REPORT**  
**FINANCIAL YEAR 2004**  
**Third Quarter ended February 29, 2004**

---

**25 Loss per share**

|                                       | <b>Current Year<br/>Quarter<br/>Ended<br/>29/02/04</b> | <b>Preceding<br/>Year<br/>Quarter<br/>Ended<br/>28/02/03</b> | <b>Current<br/>Year-To-Date<br/>Ended<br/>29/02/04</b> | <b>Preceding<br/>Year-To-Date<br/>Ended<br/>28/02/03</b> |
|---------------------------------------|--|--|--|--|
| Net loss for the period (RM'000)      | (307)  | (852)  | (1,423)  | (2,200)  |
| No of ordinary shares in issue ('000) | 28,999   | 28,999   | 28,999   | 28,999   |
| Basic loss per share (sen)            | (1.06)   | (2.94)   | (4.91)   | (7.59)   |



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

**INTERIM FINANCIAL REPORT  
FINANCIAL YEAR 2004  
Third Quarter ended February 29, 2004**

---

**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 27<sup>th</sup> day of April, 2004