



# **TRANSOCEAN HOLDINGS BHD**

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

## **UNAUDITED INTERIM FINANCIAL REPORT FOR PERIOD ENDED MAY 31, 2004**

*Dated July 29, 2004*



**INTERIM FINANCIAL REPORT  
FINANCIAL YEAR 2004  
Fourth Quarter ended May 31, 2004**

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**INTERIM FINANCIAL REPORT  
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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, 4<sup>th</sup> Quarter ended May 31, 2004.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/05/04 RM'000	Preceding Year Quarter Ended 31/05/03 RM'000	Current Year-To-Date Ended 31/05/04 RM'000	Preceding Year-To-Date Ended 31/05/03 RM'000
<b>Revenue</b>	<b>15,192</b>	<b>14,351</b>	<b>50,192</b>	<b>44,543</b>
Other operating income	118	50	155	170
Operating profit	759	686	3,759	3,253
Impairment losses	(1,625)	(170)	(1,625)	(170)
Profit/(Loss) before depreciation and finance cost	(866)	516	2,134	3,083
Depreciation & amortisation	(939)	(1,132)	(4,152)	(4,239)
Profit/(Loss) from operations	(1,805)	(616)	(2,018)	(1,156)
Finance cost	(571)	(576)	(2,320)	(2,399)
	(2,376)	(1,192)	(4,338)	(3,555)
Share of results of an Associate company	43	21	121	(22)
<b>Loss before taxation</b>	<b>(2,333)</b>	<b>(1,171)</b>	<b>(4,217)</b>	<b>(3,577)</b>
Taxation	283	208	166	170
<b>Loss after taxation</b>	<b>(2,050)</b>	<b>(963)</b>	<b>(4,051)</b>	<b>(3,407)</b>
Minority interest	(264)	15	314	259
<b>Loss for the period</b>	<b>RM(2,314)</b>	<b>RM(948)</b>	<b>RM(3,737)</b>	<b>RM(3,148)</b>
Loss per share (sen)				
- Basic	(7.98)	(3.27)	(12.89)	(10.86)
- 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**

	<b>Unaudited As At 31/05/04 RM'000</b>	<b>Audited As At 31/5/03 RM'000</b>
Property, plant and equipment	41,978	45,978
Land held for development	4,356	4,256
Investment in associated companies	184	63
Other investments	3	3
Goodwill on consolidation	934	2,642
<b>Current Assets</b>		
Inventories	5	53
Trade receivables	7,563	7,680
Other receivables	1,896	2,281
Cash and bank balances	138	263
	9,602	10,277
<b>Current Liabilities</b>		
Short term borrowings	17,490	19,322
Trade payables	4,232	2,902
Other payables	1,995	2,192
Taxation	153	0
	23,870	24,416
Net current liabilities	(14,268)	(14,139)
	33,187	38,803
<b>Share capital</b>	<b>28,999</b>	<b>28,999</b>
Accumulated losses	(8,511)	(4,775)
<b>Shareholders' equity</b>	<b>20,488</b>	<b>24,224</b>
Minority interest	406	720
Long term borrowings	11,951	13,199
Deferred taxation	342	660
	33,187	38,803
<b>Net tangible assets per share (RM)</b>	<b>0.67</b>	<b>0.74</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 Fourth Quarter ended May 31, 2004

### 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, as previously stated	28,999	(4,605)	24,394
Prior year adjustments	0	(169)	(169)
As at June 1, 2003 (restated)	28,999	(4,774)	24,225
Net loss for the year	0	(3,737)	(3,737)
Balance as at May 31, 2004	28,999	(8,511)	20,488
Balance as at June 1, 2002, as previously stated	28,999	(1,456)	27,543
Prior year adjustments		(171)	(171)
As at June 1, 2002 (restated)	28,999	(1,627)	27,372
Net loss for the year	0	(3,148)	(3,148)
Balance as at May 31, 2003	28,999	(4,775)	24,224

(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  
Fourth Quarter ended May 31, 2004****CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>Current Year-To- Date Ended 31/05/04 RM'000</b>	<b>Preceding Year-To- Date Ended 31/05/03 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(4,217)	(3,577)
Adjustment for :-		
Non-cash items	6,344	4,388
Non-operating items	2,144	2,394
Operating profit before working capital changes	4,271	3,205
Changes in working capital :-		
Net change in current assets	11	(896)
Net change in current liabilities	1,134	2,025
Cash generated from operations	5,416	4,334
Interest paid	(2,264)	(2,376)
Taxation paid	(35)	(364)
<b>Net cash generated from operating activities</b>	<b>3,117</b>	<b>1,594</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(207)	(677)
Increase in development expenditure	(100)	0
Dividend received	0	5
Proceeds from disposal of property, plant and equipment	145	1,307
<b>Net cash generated from/(used in) investing activities</b>	<b>(162)</b>	<b>635</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of term loans	5,000	0
Proceeds from issuance of share capital	0	175
Repayment of loans, hire-purchase and lease payables	(9,500)	(4,488)
<b>Net cash used in financing activities</b>	<b>(4,500)</b>	<b>(4,313)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,545)</b>	<b>(2,084)</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 YEAR</b>	<b>(10,209)</b>	<b>(8,664)</b>
Cash and cash equivalents comprise :-		
Cash and bank balances	138	263
Bank overdrafts	(10,347)	(8,927)
	<b>(10,209)</b>	<b>(8,664)</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  
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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 paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities 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 except for the adoption of the following MASB Standards for the first time :-

- MASB 25 : Income Taxes
- MASB 27 : Borrowing Costs
- MASB 29 : Employee Benefits

The effects of adopting MASB 25 are summarized in the Condensed Consolidated Statements of Changes in Equity in Page 5 and as follows :-

	<b>2004</b>	<b>2003</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Effects on accumulated losses :</b>		
Balance as at June 1, 2003/2002 as previously stated	4,605	1,456
Effects of adopting MASB 25	169	171
Balance as at June 1, 2003/2002 as restated	<u>4,774</u>	<u>1,627</u>



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	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/05/04 RM'000	Preceding Year Quarter Ended 31/05/03 RM'000	Current Year Quarter Ended 31/05/04 RM'000	Preceding Year Quarter Ended 31/05/03 RM'000
<b>Effects on loss for the period :</b>				
Net loss before change in accounting policy	2,316	950	3,739	3,150
Effects of adopting MASB 25	(2)	(2)	(2)	(2)
Net loss	<u>2,314</u>	<u>948</u>	<u>3,737</u>	<u>3,148</u>

The comparatives amounts as at May 31, 2003 have been restated as follows :

	Previously Stated RM'000	Adjustments RM'000	Restated RM'000
Deferred tax liabilities	490	170	<u>660</u>

The adoption of MASB 27 and MASB 29 has not given rise to any adjustments to the opening balances of accumulated losses of the prior and current years or to the changes in comparatives.

**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 May 31, 2004.

**5 Changes in estimates**

No estimates are reported in the prior interim periods of the current financial year or the preceding financial year.





**INTERIM FINANCIAL REPORT  
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- 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.
- 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. The other segments are not significant to be disclosed.
- 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 July 26, 2004, other than material litigation as disclosed in Note 23, since the last annual balance sheet date comprise :-

	<b>As at 26/07/04 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	10,649	10,358
- unsecured	8,520	7,574
	RM19,170	RM17,932
 A guarantee in favour of a supplier for services provided to a subsidiary		
	RM17	RM0



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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

**13 Review of performance**

During the last quarter under review, the Group recorded a loss after taxation of RM2.05 million (FY2003, a loss of RM0.96 million) on the back of total revenue of RM15.19 million (FY2003, RM14.35 million). Overall net loss attributable to members increased from RM0.95 million in the preceding year corresponding quarter to RM2.31 million.

The Group's revenue increased by 5.9% for the quarter under review as compared with the preceding year corresponding quarter. Operating profit before impairment loss increased from RM0.69 million to RM0.76 million. However, as a result of the year end provision for impairment losses amounting to RM1.63 million (FY2003, RM0.17 million) and a higher provision of bad and doubtful debts amounting to RM0.51 million (FY2003, negligible), the Group incurred a net operating loss before depreciation and finance cost amounting to RM0.87 million (FY2003, a profit of RM0.52 million) for the quarter under review.

**14 Variation of results against preceding quarter**

	<b>Current Quarter 31/05/04 RM'000</b>	<b>Immediate Preceding Quarter 29/02/04 RM'000</b>	<b>Variation %</b>
Net loss before provision for bad and doubtful debts, impairment losses and taxation	196	465	(57.8)
Provision for bad and doubtful debts	512	25	1948.0
Impairment losses	1,625	0	N/a
Loss before taxation	<u>2,333</u>	<u>490</u>	<u>376.1</u>

The Group managed to reduce its net loss before provision for bad and doubtful debts, impairment losses and taxation by 57.8% from RM0.47 million in the preceding quarter to RM0.20 million. However, as a result of a significant higher provision for bad and doubtful debts and the impairment loss in the last quarter, the Group achieved a higher loss before taxation of RM2.33 million as compared to RM0.49 million in the immediate preceding quarter.



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**15 Prospect**

The Group expects its performance to improve for the next few quarters in view of the projected growth in the world and Malaysian economy.

**16 Profit forecast**

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

**17 Taxation**

	<b>Current Quarter 31/05/04 RM'000</b>	<b>Current Year-to-date 31/05/04 RM'000</b>
Current year provision	36	147
Under provision in prior year taxation	0	6
Deferred taxation	(319)	(319)
	<u>(283)</u>	<u>(166)</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 except for the followings :-

- a) On March 18, 2004, Transocean (KL) Sdn Bhd, a sub-subsidiary company has disposed off its investment in 60,000 ordinary shares representing 24% of the equity of Throughfreight (JB) Sdn Bhd to Transocean Freight Services Sdn Bhd for a cash consideration of RM60,000; and
- b) On April 6, 2004, Transocean (M) Sdn Bhd, a subsidiary company has disposed off its investment in 30,000 5% Non-Cummulative Non-Convertible Redeemable Preference Shares in Alps Naigai Logistics (Malaysia) Sdn Bhd to Transocean Freight Services Sdn Bhd for a cash consideration of RM3,000.

**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  
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Total Group borrowings as at May 31, 2004 were as follows :-

	Secured RM'000	Unsecured RM'000	Total RM'000
<b>Long term borrowings</b>			
Term loan	10,132	0	10,132
Hire-purchase and lease payables	1,819	0	1,819
	<u>11,951</u>	<u>0</u>	<u>11,951</u>
<b>Short term borrowings</b>			
Overdrafts	8,016	2,331	10,347
Revolving credits	700	1,500	2,200
Term loan	3,679	0	3,679
Hire-purchase and lease payables	1,264	0	1,264
	<u>13,659</u>	<u>3,831</u>	<u>17,490</u>
Total Borrowings	<u>25,610</u>	<u>3,831</u>	<u>29,441</u>

As at May 31, 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 July 26, 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 July 26, 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**

	<b>Current Year Quarter Ended 31/05/04</b>	<b>Preceding Year Quarter Ended 31/05/03</b>	<b>Current Year-To-Date Ended 31/05/04</b>	<b>Preceding Year-To-Date Ended 31/05/03</b>
Net loss for the period (RM'000)	(2,314)	(948)	(3,737)	(3,148)
No of ordinary shares in issue ('000)	28,999	28,999	28,999	28,999
Basic loss per share (sen)	(7.98)	(3.27)	(12.89)	(10.86)



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**NOTES TO THE INTERIM FINANCIAL REPORT**

**SECTION C  
ADDITIONAL DISCLOSURE**

**26 Listing requirement of the minimum paid-up capital**

As stipulated under the Securities Commission's Policies and Guidelines on Issue/Offer of Securities and the Bursa Malaysia Listing Requirements, the minimum issue and paid-up capital of a company listed on the Second Board of Bursa Malaysia shall be RM40.00 million.

On June 30, 2004, the Company was categorized as an undercapitalized company as its paid-up share capital is RM29.00 million.

The Directors is pursuing this matter to ensure compliance with the requirement.

By order of the Board  
Dated 29<sup>th</sup> day of July, 2004