



TRANSOCEAN HOLDINGS BHD

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

UNAUDITED INTERIM FINANCIAL REPORT FOR PERIOD ENDED AUGUST 31, 2004

Dated October 26, 2004



**INTERIM FINANCIAL REPORT
FINANCIAL YEAR 2005
First Quarter ended August 31, 2004**

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**INTERIM FINANCIAL REPORT
FINANCIAL YEAR 2005
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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 2005, 1st Quarter ended August 31, 2004.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/08/04 RM'000	Preceding Year Quarter Ended 31/08/03 RM'000	Current Year-To-Date Ended 31/08/04 RM'000	Preceding Year-To-Date Ended 31/08/03 RM'000
Revenue	11,347	10,984	11,347	10,984
Other operating income	16	11	16	11
Operating profit before depreciation and finance cost	933	747	933	747
Depreciation & amortisation	(992)	(1,069)	(992)	(1,069)
Loss from operations	(59)	(322)	(59)	(322)
Finance cost	(553)	(578)	(553)	(578)
	(612)	(900)	(612)	(900)
Share of results of an Associate company	35	25	35	25
Loss before taxation	(577)	(875)	(577)	(875)
Taxation	42	(27)	42	(27)
Loss after taxation	(535)	(902)	(535)	(902)
Minority interest	129	149	129	149
Loss for the period	(406)	(753)	(406)	(753)
Loss per share (sen)				
- Basic	(1.40)	(2.60)	(1.40)	(2.60)
- Diluted	-----	Not applicable	-----	-----

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended May 31, 2004)



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CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited	Audited
	As At	As At
	31/08/04	31/5/04
	RM'000	RM'000
Property, plant and equipment	41,352	41,978
Land held for development	4,458	4,356
Investment in associated companies	219	184
Other investments	3	3
Goodwill on consolidation	906	934
Current Assets		
Inventories	3	5
Trade receivables	7,470	7,563
Other receivables	1,914	1,896
Cash and bank balances	169	138
	9,556	9,602
Current Liabilities		
Short term borrowings	18,344	17,490
Trade payables	4,284	4,232
Other payables	2,695	1,995
Taxation	33	153
	25,356	23,870
Net current liabilities	(15,800)	(14,268)
	RM31,138	RM33,187
Share capital	28,999	28,999
Accumulated losses	(8,917)	(8,511)
Shareholders' equity	20,082	20,488
Minority interest	277	406
Long term borrowings	10,437	11,951
Deferred taxation	342	342
	31,138	33,187
Net tangible assets per share (RM)	0.66	0.67

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended May 31, 2004)



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
As at June 1, 2004	28,999	(8,511)	20,488
Net loss for the period	0	(406)	(406)
Balance as at August 31, 2004	28,999	(8,917)	20,082
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 period	0	(753)	(753)
Balance as at August 31, 2003	28,999	(5,527)	23,472

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended May 31, 2004)

**INTERIM FINANCIAL REPORT
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	Current Year-To- Date Ended 31/08/04 RM'000	Preceding Year-To- Date Ended 31/08/03 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(576)	(875)
Adjustment for :-		
Non-cash items	1,015	1,094
Non-operating items	537	553
Operating profit before working capital changes	976	772
Changes in working capital :-		
Net change in current assets	(24)	(1,015)
Net change in current liabilities	751	709
Cash generated from operations	1,703	466
Interest paid	(553)	(578)
Taxation paid	0	(15)
Net cash generated from/(used in) operating activities	1,150	(127)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(184)	(98)
Increase in development expenditure	(102)	0
Net dividend received	3	0
Proceeds from disposal of property, plant and equipment	223	3
Net cash used in investing activities	(60)	(95)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	0	2,500
Repayment of loans, hire-purchase and lease payables	(1,176)	(2,438)
Net cash generated from/(used in) financing activities	(1,176)	62
NET DECREASE IN CASH AND CASH EQUIVALENTS	(86)	(160)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(10,209)	(8,664)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	(10,295)	(8,824)
Cash and cash equivalents comprise :-		
Cash and bank balances	169	275
Bank overdrafts	(10,464)	(9,099)
	(10,295)	(8,824)

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended May 31, 2004)



**INTERIM FINANCIAL REPORT
FINANCIAL YEAR 2005
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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, 2004.

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, 2004.

2 Declaration of audit clarification

The auditors' report on the financial statements for the year ended May 31, 2004 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, 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.

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.



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

	As at 22/10/04 RM'000	As at 31/05/04 RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	9,720	9,060
- unsecured	8,523	6,901
	<u>18,243</u>	<u>15,961</u>



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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 RM0.54 million (FY2004, a loss of RM0.90 million) on the back of total revenue of RM11.35 million (FY2004, RM10.98 million). Overall net loss attributable to members was reduced from RM0.75 million in the preceding year corresponding quarter to RM0.41 million.

The Group's revenue increased by 3.3% for the quarter under review as compared with the preceding year corresponding quarter. Operating profit before depreciation and finance cost increased from RM0.75 million to RM0.93 million. As a result of a lower depreciation/amortisation cost, finance cost and a higher share of results from our Associated company in Singapore, the Group managed to reduce its net loss before taxation from RM0.88 million to RM0.58 million for the quarter under review.

14 Variation of results against preceding quarter

	Current Quarter 31/08/04 RM'000	Immediate Preceding Quarter 31/05/04 RM'000	Variation %
Net loss before provision for bad and doubtful debts, impairment losses and taxation	552	196	181.1
Provision for bad and doubtful debts	25	512	(95.1)
Impairment losses	0	1,625	N/a
Loss before taxation	<u>577</u>	<u>2,333</u>	<u>(75.3)</u>

As compared against the immediate preceding quarter, the Group's revenue declined by 25.3% from RM15.19 million to RM11.35 million. As a result of the lower revenue recorded, the Group recorded a higher net loss before provision for bad and doubtful debts, impairment losses and taxation, amounting to RM0.55 million as compared to RM0.20 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 strong fundamentals in the Malaysian economy.

16 Profit forecast

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

17 Taxation

	Current Quarter 31/08/04 RM'000	Current Year-to-date 31/08/04 RM'000
Current year provision	30	30
Under provision in prior year taxation	(72)	(72)
Deferred taxation	0	0
	<u>(42)</u>	<u>(42)</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 July 8, 2004, Transocean Biotec (M) Sdn Bhd, a sub-subsiary company has entered into a Sale and Purchase Agreement to dispose off its double storey shop office, in Taman Samagagah, Permatang Pauh held under Lot no. 1635, Hakmilik Sementara no. H.S. (M) 144, Mukim 2, Daerah Seberang Perai Tengah, Pulau Pinang for a cash consideration of RM320,000.

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.



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21 Group borrowings and debt securities

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

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings			
Term loan	6,947	1,553	8,500
Hire-purchase and lease payables	1,937	0	1,937
	<u>8,884</u>	<u>1,553</u>	<u>10,437</u>
Short term borrowings			
Overdrafts	7,285	3,179	10,464
Revolving credits	700	1,500	2,200
Term loan	3,476	936	4,412
Hire-purchase and lease payables	1,268	0	1,268
	<u>12,729</u>	<u>5,615</u>	<u>18,344</u>
Total Borrowings	<u>21,613</u>	<u>7,168</u>	<u>28,781</u>

As at August 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 October 22, 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 October 22, 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 31/08/04	Preceding Year Quarter Ended 31/08/03	Current Year-To-Date Ended 31/08/04	Preceding Year-To-Date Ended 31/08/03
Net loss for the period (RM'000)	(406)	(753)	(406)	(753)
No of ordinary shares in issue ('000)	28,999	28,999	28,999	28,999
Basic loss per share (sen)	(1.40)	(2.60)	(1.40)	(2.60)



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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 26th day of October, 2004