



TRANSOCEAN HOLDINGS BHD

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

UNAUDITED INTERIM FINANCIAL REPORT FOR PERIOD ENDED FEBRUARY 28, 2005

Dated April 19, 2005



**INTERIM FINANCIAL REPORT
FINANCIAL YEAR 2005
Third Quarter ended February 28, 2005**

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TRANSOCEAN HOLDINGS BHD (36747-U)

INTERIM FINANCIAL REPORT FINANCIAL YEAR 2005 Third Quarter ended February 28, 2005

The Board of Directors is pleased to announce the Interim Financial Report on consolidated results of the Group for the Financial Year 2005, 3rd Quarter ended February 28, 2005.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 28/2/05 RM'000	Preceding Year Quarter Ended 29/02/04 RM'000	Current Year-To-Date Ended 28/02/05 RM'000	Preceding Year-To-Date Ended 29/02/04 RM'000
Revenue	10,221	12,061	32,466	35,000
Other operating income	69	16	215	37
Operating profit before impairment loss, depreciation and finance cost	1,053	1,137	3,317	3,000
Impairment loss	(758)	0	(758)	0
Depreciation & amortisation	(1,006)	(1,069)	(3,005)	(3,213)
Profit/(Loss) from operations	(711)	68	(446)	(213)
Finance cost	(496)	(578)	(1,573)	(1,749)
	(1,207)	(510)	(2,019)	(1,962)
Share of results of an Associate company	(1)	20	(81)	78
Loss before taxation	(1,208)	(490)	(2,100)	(1,884)
Taxation	33	(25)	5	(117)
Loss after taxation	(1,175)	(515)	(2,095)	(2,001)
Minority interest	93	208	441	578
Loss for the period	(1,082)	(307)	(1,654)	(1,423)
Loss per share (sen)				
- Basic	(3.73)	(1.06)	(5.70)	(4.91)
- 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
	28/2/05	31/5/04
	RM'000	RM'000
Property, plant and equipment	39,338	41,978
Land held for development	3,700	4,356
Investment in associated companies	103	184
Other investments	3	3
Goodwill on consolidation	850	934
Current Assets		
Inventories	0	5
Trade receivables	6,809	7,563
Other receivables	1,376	1,896
Cash and bank balances	142	138
	8,327	9,602
Current Liabilities		
Short term borrowings	17,441	17,490
Trade payables	3,843	4,232
Other payables	3,472	1,995
Taxation	78	153
	24,834	23,870
Net current liabilities	(16,507)	(14,268)
	27,487	33,187
Share capital	28,999	28,999
Accumulated losses	(10,165)	(8,511)
Shareholders' equity	18,834	20,488
Minority interest	(35)	406
Long term borrowings	8,346	11,951
Deferred taxation	342	342
	27,487	33,187
Net tangible assets per share (RM)	0.62	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	(1,654)	(1,654)
Balance as at February 28, 2005	28,999	(10,165)	18,834
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	(1,423)	(1,423)
Balance as at February 29, 2004	28,999	(6,197)	22,802

(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 28/02/05 RM'000	Preceding Year-To- Date Ended 29/02/04 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(2,100)	(1,884)
Adjustment for :-		
Non-cash items	3,753	3,288
Non-operating items	1,632	1,681
Operating profit before working capital changes	3,285	3,085
Changes in working capital :-		
Net change in current assets	787	(791)
Net change in current liabilities	1,088	1,370
Cash generated from operations	5,160	3,664
Interest paid	(1,573)	(1,749)
Taxation refunded/(paid)	435	(37)
Net cash generated from operating activities	4,022	1,878
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(252)	(240)
Increase in development expenditure	(102)	(100)
Net dividend received	3	0
Proceeds from disposal of property, plant and equipment	603	94
Net cash generated from/(used in) investing activities	252	(246)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	0	4,000
Repayment of loans, hire-purchase and lease payables	(3,585)	(7,295)
Net cash used in financing activities	(3,585)	(3,295)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	689	(1,663)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(10,209)	(8,664)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(9,520)	(10,327)
Cash and cash equivalents comprise :-		
Cash and bank balances	142	191
Bank overdrafts	(9,662)	(10,518)
	(9,520)	(10,327)

(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
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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 February 28, 2005 except for the recognition of an impairment loss on the land held for development amounting to RM0.76 million during the quarter under review to reflect its net realisable value.

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. 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

Save as disclosed below, there were 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 :-

a) On April 14, 2005, Transocean Biotec (M) Sdn Bhd, a subsidiary of the Company had entered into two Sale and Purchase Agreements with Asas Seprima Sdn Bhd for the disposal of the following properties, for a total consideration of Ringgit Malaysia Three Million Seven Hundred and Three Thousand Five Hundred and Twenty Two and Sen Sixty Six (RM3,703,522.66) only :-

- i) All those four (4) parcels of land held under GM 597, Lot 81 (formerly known as SP 21617, Lot 81), GM 598, Lot 82 (formerly known as SP 21618, Lot 82), GM 688, Lot 582 (formerly known as SPK 2747, Lot 582), and GM 943, Lot 798 (formerly known as SPK 2424, Lot 798) all located in Mukim Pinang Tunggal, Daerah Kuala Muda, Kedah, measuring a total land area of approximately 1,087,642.55 square feet; and
- ii) A partial of that piece of land held under Lot 585 located in Mukim Pinang Tunggal, Daerah Kuala Muda, Kedah with an approximate land area of 1,644 square feet .

11 Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter under review.



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12 Contingent liabilities

Contingent liabilities of the Company as at April 15, 2005, other than material litigation as disclosed in Note 23, since the last annual balance sheet date comprise:-

	As at 15/4/05 RM'000	As at 31/05/04 RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	9,625	9,060
- unsecured	8,033	6,901
	<u>17,658</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 third quarter under review, the Group recorded a loss after taxation of RM1.18 million (FY2004, a loss of RM0.52 million) on the back of total revenue of RM10.22 million (FY2004, RM12.06 million). Overall net loss attributable to members was RM1.08 million as compared to a net loss of RM0.31 million incurred in the preceding year corresponding quarter.

The Group's revenue decreased by 15.3% for the quarter under review as compared with the preceding year corresponding quarter. The operating profit margin increased from 9.4% to 10.3%. However, the drop in revenue resulted in the decrease in operating profit before impairment loss, depreciation and finance cost to RM1.05 million, a reduction of 7.4%. During the period under review, the Group has also recognized an impairment loss amounting to RM0.76 million on its land held for development to reflect its recoverable amount. Depreciation/amortisation and finance cost reduced by 5.8% and 14.2% respectively. The impact of the impairment loss resulted in the increase of the Group's net loss before taxation from RM0.49 million to RM1.21 million for the quarter under review.

14 Variation of results against preceding quarter

	Current Quarter 28/5/05 RM'000	Immediate Preceding Quarter 30/11/04 RM'000	Variation %
Gross revenue	10,221	10,939	(6.6%)
Operating profit before impairment loss, depreciation and finance cost	1,053	1,332	(20.9%)
Loss before impairment loss, taxation and results from associated company	449	173	159.5%
Impairment loss	758	0	n/a
Net loss attributable to members	1,082	577	87.5%



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The Group's revenue reduced by 6.6% to RM10.22 million, the operating profit before impairment loss, depreciation and finance cost dropped by 20.9% to RM1.05 million as compared against the immediate preceding quarter. The increase in operating cost also affected the Group's net loss before impairment loss, sharing of results from associated company and taxation by 159.5% to RM0.45 million. Overall net loss incurred by the Group was RM1.08 million as compared with previous quarter's RM0.58 million.

15 Prospect

Business opportunity for the group is improving and the Group's ongoing cost reduction and de-gearing exercise to dispose off non-income generating assets to reduce its loan and interest cost will put the Group on a stronger fundamental platform to take advantage of the improving international and domestic economic situation. The Group is striving to improve its performance for the final quarter.

16 Profit forecast

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

17 Taxation

	Current Quarter 28/02/05 RM'000	Current Year-to-date 28/02/05 RM'000
Current year provision/(over provision)	(19)	77
Under/(over) provision in prior year taxation	(14)	(82)
Deferred taxation	0	0
	<u>(33)</u>	<u>(5)</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.



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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-subsiidiary company has entered into a Sale and Purchase Agreement to dispose off its double storey shop office, in Taman Samagahah, 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.

The above transaction was completed on October 30, 2004 and recorded a gain on disposal amounted to RM73,320.

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.

21 Group borrowings and debt securities

Total Group borrowings as at February 28, 2005 were as follows :-

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings			
Term loan	5,686	1,172	6,858
Hire-purchase and lease payables	1,488	0	1,488
	7,174	1,172	8,346
Short term borrowings			
Overdrafts	6,572	3,090	9,662
Revolving credits	700	1,500	2,200
Term loan	3,358	936	4,294
Hire-purchase and lease payables	1,285	0	1,285
	11,915	5,526	17,441
Total Borrowings	19,089	6,698	25,787

As at February 28, 2005, the Group does not have any exposure in borrowings and debt securities denominated in foreign currency.



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22 Off balance sheet financial instruments

The Group does not have any financial instruments with off balance sheet risk as at April 15, 2005

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 15, 2005.

24 Dividend

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

25 Loss per share

	Current Year Quarter Ended 28/2/05	Preceding Year Quarter Ended 29/2/04	Current Year-To-Date Ended 28/2/05	Preceding Year-To-Date Ended 29/2/05
Net loss for the period (RM'000)	(1,082)	(307)	(1,654)	(1,423)
No of ordinary shares in issue ('000)	28,999	28,999	28,999	28,999
Basic loss per share (sen)	(3.73)	(1.06)	(5.70)	(4.91)



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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 issued 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 are pursuing this matter to ensure compliance with the requirement and will apply to Bursa Malaysia for extension of time.

By order of the Board
Dated 19th day of April, 2005