



TRANSOCEAN HOLDINGS BHD

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

UNAUDITED INTERIM FINANCIAL REPORT FOR PERIOD ENDED MAY 31, 2005

Dated July 28, 2005



**INTERIM FINANCIAL REPORT
FINANCIAL YEAR 2005
Fourth Quarter ended May 31, 2005**

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INTERIM FINANCIAL REPORT
FINANCIAL YEAR 2005
Fourth Quarter ended May 31, 2005

The Board of Directors is pleased to announce the Interim Financial Report on consolidated results of the Group for the Financial Year 2005, 4th Quarter ended May 31, 2005.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/05/05 RM'000	Preceding Year Quarter Ended 31/05/04 RM'000	Current Year-To-Date Ended 31/05/05 RM'000	Preceding Year-To-Date Ended 31/05/04 RM'000
Revenue	11,292	15,192	43,799	50,192
Other operating income	157	118	373	155
Operating profit before impairment loss, depreciation and finance cost	978	759	4,293	3,759
Impairment loss	4	(1,625)	(755)	(1,625)
Depreciation & amortisation	(1,016)	(939)	(4,021)	(4,152)
Loss from operations	(34)	(1,805)	(483)	(2,018)
Finance cost	(490)	(571)	(2,063)	(2,320)
	(524)	(2,376)	(2,546)	(4,338)
Share of results of an Associate company	29	43	(51)	121
Loss before taxation	(495)	(2,333)	(2,597)	(4,217)
Taxation	37	283	42	166
Loss after taxation	(458)	(2,050)	(2,555)	(4,051)
Minority interest	(374)	(264)	68	314
Loss for the period	(832)	(2,314)	(2,487)	(3,737)
Loss per share (sen)				
- Basic	(2.87)	(7.98)	(8.58)	(12.89)
- 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)

**INTERIM FINANCIAL REPORT
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Fourth Quarter ended May 31, 2005****CONDENSED CONSOLIDATED BALANCE SHEET**

	Unaudited As At 31/05/05 RM'000	Audited As At 31/05/04 RM'000
Property, plant and equipment	38,354	41,978
Land held for development	3,704	4,356
Investment in associated companies	130	184
Other investments	3	3
Goodwill on consolidation	831	934
Current Assets		
Inventories	0	5
Trade receivables	7,065	7,563
Other receivables	1,144	1,896
Cash and bank balances	228	138
	8,437	9,602
Current Liabilities		
Short term borrowings	17,247	17,490
Trade payables	4,705	4,232
Other payables	2,979	1,995
Taxation	0	153
	24,931	23,870
Net current liabilities	(16,494)	(14,268)
	26,528	33,187
Share capital	28,999	28,999
Accumulated losses	(10,998)	(8,511)
Shareholders' equity	18,001	20,488
Minority interest	338	406
Long term borrowings	7,854	11,951
Deferred taxation	335	342
	26,528	33,187
Net tangible assets per share (RM)	0.59	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 year	0	(2,487)	(2,487)
Balance as at May 31, 2005	<u>28,999</u>	<u>(10,998)</u>	<u>18,001</u>
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)	<u>28,999</u>	<u>(4,774)</u>	<u>24,225</u>
Net loss for the year	0	(3,737)	(3,737)
Balance as at May 31, 2004	<u>28,999</u>	<u>(8,511)</u>	<u>20,488</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, 2004)

**INTERIM FINANCIAL REPORT
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Fourth Quarter ended May 31, 2005****CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	Current Year-To- Date Ended 31/05/05 RM'000	Preceding Year-To- Date Ended 31/05/04 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(2,597)	(4,217)
Adjustment for :-		
Non-cash items	5,050	6,344
Non-operating items	1,952	2,144
Operating profit before working capital changes	4,405	4,271
Changes in working capital :-		
Net change in current assets	715	11
Net change in current liability	1,318	1,134
Cash generated from operations	6,438	5,416
Interest paid	(1,903)	(2,264)
Taxation refunded/(paid)	418	(35)
Net cash generated from operating activities	4,953	3,117
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(240)	(207)
Increase in development expenditure	(102)	(100)
Net dividend received	3	0
Proceeds from disposal of property, plant and equipment	616	145
Net cash generated from/(used in) investing activities	278	(162)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	0	5,000
Repayment of loans, hire-purchase and lease payables	(5,038)	(9,500)
Net cash used in financing activities	(5,038)	(4,500)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	193	(1,545)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(10,209)	(8,664)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(10,016)	(10,209)
Cash and cash equivalents comprise :-		
Cash and bank balances	228	138
Bank overdrafts	(10,244)	(10,347)
	(10,016)	(10,209)

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



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FINANCIAL YEAR 2005
Fourth Quarter ended May 31, 2005**

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 year ended May 31, 2005 except for the recognition of an impairment loss on the land held for development amounting to RM0.76 million during the 3rd quarter 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

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.

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 25, 2005, other than material litigation as disclosed in Note 23, since the last annual balance sheet date comprise:-

	As at 25/07/05 RM'000	As at 31/05/04 RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	10,543	9,060
- unsecured	5,867	6,901
	<u>16,410</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 fourth quarter under review, the Group recorded a loss after taxation of RM0.46 million (FY2004, a loss of RM2.05 million) on the back of total revenue of RM11.29 million (FY2004, RM15.19 million). Overall net loss attributable to members was RM0.83 million as compared to a net loss of RM2.31 million incurred in the preceding year corresponding quarter.

The Group's revenue decreased by 25.7% for the quarter under review as compared with the preceding year corresponding quarter. The operating profit margin increased from 5.0% to 8.7%. This resulted in the increase in operating profit before impairment loss, depreciation and finance cost to RM0.98 million, an increase of 28.9%. During the period under review, depreciation/amortisation increased by 8.2% while finance cost reduced by 14.2%.

14 Variation of results against preceding quarter

	Current Quarter 31/05/05 RM'000	Immediate Preceding Quarter 28/02/05 RM'000	Variation %
Gross revenue	11,292	10,221	10.5%
Operating profit before impairment loss, depreciation and finance cost	978	1,053	(7.1%)
Loss before impairment loss, taxation and results from associated company	528	449	17.6%
Net loss attributable to members	832	1,082	(23.1%)



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The Group's gross revenue increased by 10.5% to RM11.3 million, the operating profit before impairment loss, depreciation and finance cost dropped by 7.1% to RM0.98 million as compared against the immediate preceding quarter. Overall net loss incurred by the Group reduced by 23.1% to RM0.83 million as compared with previous quarter's a loss of RM1.08 million.

15 Prospect

Business opportunity for the group is bright and the results of the Group's on going cost reduction and de-gearing exercise to dispose off non-income generating assets to reduce its loan and interest cost, effectively 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 coming financial year.

16 Profit forecast

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

17 Taxation

	Current Quarter 31/05/05 RM'000	Current Year-to-date 31/05/05 RM'000
Current year provision/(over provision) of taxation	(25)	53
Under/(over) provision in prior year taxation	(7)	(90)
Deferred taxation	(7)	(7)
Share of taxation of Associates	2	2
	<u>(37)</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.



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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 following :-

a. Transocean Biotec (M) Sdn Bhd, a subsidiary company has entered into a Sale and Purchase Agreement :-

i) on July 8, 2004, 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. The transaction completed on October 30, 2004, recorded a gain upon disposal amounting to RM73,320.

ii) on April 14, 2005, to dispose off the following properties, for a total consideration of RM3,703,522.66 :-

- All those four 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
- 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 .

The disposal is expected to be completed by November 2005.

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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Total Group borrowings as at May 31, 2005 were as follows :-

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings			
Term loan	5,292	1,110	6,402
Hire-purchase and lease payables	1,452	0	1,452
	<u>6,744</u>	<u>1,110</u>	<u>7,854</u>
Short term borrowings			
Overdrafts	7,432	2,812	10,244
Revolving credits	0	1,500	1,500
Term loan	3,322	1,066	4,388
Hire-purchase and lease payables	1,115	0	1,115
	<u>11,869</u>	<u>5,378</u>	<u>17,247</u>
Total Borrowings	<u>18,613</u>	<u>6,488</u>	<u>25,101</u>

As at May 31, 2005, 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 25, 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 July 25, 2005.

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 31/05/05	Preceding Year Quarter Ended 31/05/04	Current Year-To-Date Ended 31/05/05	Preceding Year-To-Date Ended 31/05/05
Net loss for the period (RM'000)	(832)	(2,314)	(2,487)	(3,737)
No of ordinary shares in issue ('000)	28,999	28,999	28,999	28,999
Basic loss per share (sen)	(2.87)	(7.98)	(8.58)	(12.89)



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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.

On May 11, 2005, Bursa Malaysia Securities Bhd approved the Company's application for extension of time until September 30, 2006 to comply with Paragraph 8.16A of the Listing Requirements.

As at the date of this report, there is no further development on the status of the Company's plan and the Directors are pursuing this matter to ensure compliance with the requirement.

27 Practice Note No. 1/2001 – Default In Payment

On June 1, 2005, Malayan Banking Berhad of Sungai Petani Business Centre issued a notice to recall all its banking facilities granted to the Company's subsidiary company, Transocean Biotec (M) Sdn Bhd and demanded for the repayment of the entire outstanding amount of RM2.06 million as at May 31, 2005 owing to the Bank.

The subsidiary company was unable to repay the total facilities and as a consequence, defaulted in repayment of its banking facilities to Malayan Banking Berhad.

The Company had announced on June 15, 2005 pursuant to Practice Note No. 1/2001 of the Listing Requirement that the subsidiary company had defaulted in repayment of the banking facilities to its lender.

The Company is still in the process of negotiation with the Bank for the settlement of the said defaults by utilizing the balance of the sale proceeds of the charged properties.

There is no further development on this matter between the last announcement dated July 14, 2005 and the date of this Report.

By order of the Board
Dated 28th day of July, 2005