

# Report of the Audit Committee

## MEMBERS

Dr Abdul Maulud Bin Mohd Yusop	– Chairman and Independent Non- Executive Director
Dato' Dr Mohamad Zawawi Bin Ismail	– Independent Non-Executive Director
Encik Mohamed Razeek Bin Md Hussain Maricar	– Non-Independent Non-Executive Director

## FORMATION

The Audit Committee was established on 4 November 1997 to act as a Committee of the Board to fulfill its fiduciary responsibilities relating primarily to business ethic policies and practices and financial management and controls.

## TERMS OF REFERENCE

### 1. MEMBERSHIP

The Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than 3 members with a majority of non-executive directors. A member shall not have any family relationship with any executive director or any related company, relationship of which would interfere with independent judgment.

A quorum of the meeting shall be 2 members.

The Company Secretary shall act as the Secretary to the Committee. The Secretary shall circulate minutes of the Committee to all members of the Board.

### 2. MEETINGS OF THE AUDIT COMMITTEE

The Committee shall meet not less than 2 times a year. The Committee may require the external auditors and any official of the Company to attend any of its meetings as it determines.

The Group Managing Director, Head of Finance and Head of Internal Audit shall normally attend the meetings.

### 3. AUTHORITY

The Committee is authorized by the Board to investigate any activity within its terms of reference. It is authorized to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

The Committee has unlimited access to all information and documents relevant to its activities, to the internal and external auditors and senior management of the Company and its subsidiaries. The Committee is authorized by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant expertise if it considers this necessary.

#### 4. DUTIES

- To review with the external auditors:-
  - The audit plan
  - Their evaluation of the system of internal accounting control
  - Their audit reports and ensuring that their recommendations regarding major weakness of the management are implemented
  - The audit fees
- To review with Internal Audit Division:-
  - The Group's internal control procedures, including organizational and operational controls
  - The Division's scope of work and function
  - The Strategic Audit Plan
  - The results of internal audit procedures and relevant reports
  - The assistance given by the Company's officers to the internal auditors
  - Any related party transactions that may arise within the Company or Group
  - Regular management information and ensuring that audit recommendations regarding major weakness of management are implemented
  - The Group's accounting policies
- To recommend to the Board the appointment of the external auditors.

#### STRATEGIC AUDIT PLAN

The Strategic Audit Plan is prepared to set out the objectives, responsibilities and activities of Internal Audit Division, to assist the Audit Committee to discharge its responsibilities.

Under the Strategic Audit Plan, a regular audits on the Company and each of its subsidiaries, which are controlled by the company, must be carried out at least once a year. The Audit Committee has approved the Strategic Audit Plan for the year 2001/2002 in its meeting held on 15th February 2001. The Board or the Committee can also request for special audits to be conducted where deemed fit and necessary.

#### YEAR 2000 REVIEW

The Audit Committee met on 2 occasions during the year 2000, and considered reports from the internal and external auditors, as well as from management. The reports from the internal audit function covered specific matters arising during the year in addition to the reviews identified as part of the Strategic Audit Plan mentioned above. The Committee keeps the scope and cost effectiveness of the internal audit function under review.

DR. ABDUL MAULUD BIN MOHD YUSOP  
*Audit Committee Chairman*

# List of Vessels

No.	Vessels Name	Year Built	Type	DWT (ton)	Functions
1.	ARMADA PERKASA	1975	FPSO (capacity: 32,782 gross tonnage)	59474.00	<ul style="list-style-type: none"> <li>For production of crude oil; processing, storing and offloading oil to export shuttle tankers</li> </ul>
2.	SAZ SUPPLY	1977	Supply vessel	160.00	<ul style="list-style-type: none"> <li>Transport offshore materials</li> </ul>
3.	ARMADA 4	1982	Anchor handler	229.00	<ul style="list-style-type: none"> <li>Anchor handling to offshore rigs and barges</li> </ul>
4.	ARMADA 5	1984	Straight supply vessel	905.52	<ul style="list-style-type: none"> <li>Transport offshore materials</li> </ul>
5.	ARMADA 6	1984	Straight supply vessel	905.52	<ul style="list-style-type: none"> <li>Transport offshore materials</li> </ul>
6.	ARMADA 7	1984	Landing craft	337.93	<ul style="list-style-type: none"> <li>Transport offshore deck cargo</li> <li>Supply of water and diesel</li> </ul>
7.	ARMADA 8	1987	Safety area launch	156.86	<ul style="list-style-type: none"> <li>Offshore standby duties</li> </ul>
8.	ARMADA 9	1987	Safety area launch	156.86	<ul style="list-style-type: none"> <li>Offshore standby duties</li> </ul>
9.	ARMADA 10	1987	Safety area launch	156.86	<ul style="list-style-type: none"> <li>Offshore standby duties</li> </ul>
10.	ARMADA HYDRO	1988	Survey vessels	307.55	<ul style="list-style-type: none"> <li>Topographic and seismic survey job in oil and gas exploration</li> </ul>
11.	ARMADA CINTA	1990	Oil recovery vessel	432.61	<ul style="list-style-type: none"> <li>Oil recovery vessel for control of oil pollution</li> </ul>
12.	ARMADA PUTERI	1990	LPG tanker	3572.88	<ul style="list-style-type: none"> <li>Transport LPG</li> </ul>
13.	ARMADA TOPMAN	1991	Accommodation workboat	2336.00	<ul style="list-style-type: none"> <li>Support, maintenance services to offshore rigs and platforms</li> <li>Accommodates up to 90 men</li> </ul>
14.	ARMADA GOODMAN	1991	Accommodation workboat	2286.72	<ul style="list-style-type: none"> <li>Offshore standby duties</li> </ul>
15.	ARMADA INDAH	1993	Hose handling vessel	163.34	<ul style="list-style-type: none"> <li>Hose handling and piloting of tankers and standby duties</li> </ul>
16.	ARMADA PUTERA	1994	LPG tanker (capacity: 3,395 gross tonnage)	3395.00	<ul style="list-style-type: none"> <li>Transport LPG/VCM</li> </ul>
17.	ARMADA SATRIA	1995	Safety standby vessel	271.09	<ul style="list-style-type: none"> <li>Offshore standby duties</li> </ul>

No.	Vessels Name	Year Built	Type	DWT (ton)	Functions
18.	ARMADA AMAN	1997	Standby vessel/utility	1042.88	<ul style="list-style-type: none"> <li>• Tanker berthing</li> <li>• Maintenance support services</li> </ul>
19.	ARMADA TEJA	1997	Oil terminal support vessel	65.48	<ul style="list-style-type: none"> <li>• Tanker berthing</li> </ul>
20.	ARMADA LEKIR	1997	Oil terminal support vessel	167.25	<ul style="list-style-type: none"> <li>• Tanker berthing</li> <li>• Fire fighting</li> </ul>
21.	ARMADA LEKIU	1997	Oil terminal support vessel	102.82	<ul style="list-style-type: none"> <li>• Tanker berthing</li> <li>• Fire fighting</li> </ul>
22.	ARMADA TUAH	1997	Oil terminal support vessel	200.33	<ul style="list-style-type: none"> <li>• Tanker berthing</li> <li>• Fire fighting</li> </ul>
23.	ARMADA TUAH 2	1997	Oil terminal support vessel	200.33	<ul style="list-style-type: none"> <li>• Tanker berthing</li> <li>• Fire fighting</li> </ul>
24.	ARMADA MUTIARA	1997	Mooring launch	52.36	<ul style="list-style-type: none"> <li>• Tanker berthing</li> <li>• Piloting services</li> </ul>
25.	ARMADA MERAK	1997	Mooring launch	53.80	<ul style="list-style-type: none"> <li>• Tanker berthing</li> <li>• Piloting services</li> </ul>
26.	ARMADA TUAH 3	1998	LNG terminal support vessel	149.00	<ul style="list-style-type: none"> <li>• Tanker berthing</li> <li>• Fire fighting</li> </ul>
27.	ARMADA TUAH 4	1998	LNG terminal support vessel	149.00	<ul style="list-style-type: none"> <li>• Tanker berthing</li> <li>• Fire fighting</li> </ul>
28.	ARMADA TUAH 5	1998	Oil terminal support vessel	82.72	<ul style="list-style-type: none"> <li>• Tanker berthing</li> <li>• Fire fighting</li> </ul>
30.	ARMADA TUAH 6	1998	Anchor handler	456.53	<ul style="list-style-type: none"> <li>• Tanker berthing</li> <li>• Fire fighting</li> </ul>
31.	ARMADA IMAN	1999	Accommodation workboat	2935.00	<ul style="list-style-type: none"> <li>• Support, maintenance services to offshore rigs and platforms</li> <li>• Accommodates up to 140 men</li> </ul>
32.	ARMADA TUAH 7	2000	Anchor handling utility vessel	744.56	<ul style="list-style-type: none"> <li>• To support anchor handling, transport of personnel and fire fighting</li> </ul>
33.	ARMADA MANIS	2000	Pilot Boat	12.21	<ul style="list-style-type: none"> <li>• Pilotage duties</li> </ul>

## 2000

30 June 2000

Appointment of Encik Mohamed Razeek Md Hussain Maricar as Director in place of Encik Mohamed Tarmizi Tun Dr. Ismail who retired on 29 June 2000.

30 August 2000

Bumi Armada Navigation Sdn. Bhd., the wholly owned subsidiary of Bumi Armada Berhad, signed a Share Sale Agreement with Land & General Berhad to acquire 49% of ordinary shares of Armada Tankers Sdn. Bhd. from Land & General Berhad.

15 November 2000

Appointment of Dr. Abdul Maulud Mohd Yusop as Director in place of the late Tan Sri Mohd Sharif Ishak.

24 November 2000

Payment of interim dividend of 12.5% tax exempt for the financial year ended 31 December 2000.

23 December 2000

Extraordinary General Meeting of the Company held at Ming Court Vista Hotel seeking the approval of the shareholders of the Company for the acquisition of shares by Bumi Armada Navigation Sdn. Bhd. from Land & General Berhad in Armada Tankers Sdn. Bhd.. The approval was granted thereat.



## Corporate Diary 2000/2001



## 2001

15 January 2001

Appointment of Dato' Dr. Mohamad Zawawi Ismail as Director in place of the late Dato' Mohamed Zain Mohd Salleh.

8 February 2001

Bumi Armada Navigation Sdn Bhd entered into a Shareholders' Agreement with J. Ray McDermott S.A. to establish a joint venture company to be known as Barmada McDermott Sdn. Bhd. for marine construction business.

28 February 2001

Announcement of Unaudited 4th Quarter Result for the year ended 31 December 2000.

4 March 2001

Delivery of Armada Manis.

8 March 2001

Launching of Armada TUAH 7.

18 May 2001

Annual Dinner of Bumi Armada Berhad Group held at Sunway Resort Hotel.

21 June 2001

Annual General Meeting of the Company held at Crystal Ballroom 1 & 2, Ming Court Vista Hotel, Jalan Ampang, 50450 Kuala Lumpur.

# List of Properties

Registered Owned	Location	Existing Description	Use	Tenure	Approximate Age of Building	Land Area/Built Up Area (sq.ft.)	Net Book Value RM'000
HEM	HS(M) 2231 & 2232 PT 12099 & 12100 Mukim Kapar Sg. Rasa, Klang Selangor	Double storey semi-detached	Workshop and store	Freehold	16 years	4,620/4,130	410,000.00
HAISPL	84, Tuas Avenue 11 Jurong Industrial Estate, Singapore	Double storey terrace factory building	Office and factory	Leasehold building expiring on 31.07.2054	6 years	15,112/10,329	SGD 1,472,208
BAN	Lot 704, Block 31 Kemena Land District, Sarawak	Double storey detached industrial building	On lease to third party	Leased building expiring on 23.10.2043	11 years	12,809/1,281	RM353,837

# Analysis of Shareholdings as at 30 April 2001

Authorised share capital	:	RM100,000,000
Paid-up share capital	:	RM63,000,000
Type of share	:	Ordinary share of RM1.00 each
Voting right	:	1 vote per ordinary share

## ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	Shareholders	%	Shareholdings	%
1 – 499	401	10.59	110,154	0.17
500 – 5,000	1,274	33.66	2,033,490	3.23
5,001 – 10,000	86	2.27	717,965	1.14
10,001 – 100,000	1,998	52.79	3,191,781	5.07
100,001 – 1,000,000	18	0.48	5,465,610	8.68
More than 1,000,000	8	0.21	51,481,000	81.71
<b>Grand Total</b>	<b>3,785</b>	<b>100.00</b>	<b>63,000,000</b>	<b>100.00</b>

## TWENTY LARGEST REGISTERED SHAREHOLDERS

Names	Shareholdings	%
1. Straits Nominees (Tempatan) Sdn Bhd – <i>Land &amp; General Berhad</i>	29,218,164	46.38
2. BOC Nominees (Tempatan) Sdn Bhd – <i>Wan Ariff Wan Hamzah</i>	7,091,956	11.26
3. Cimsec Nominees (Tempatan) Sdn Bhd – <i>Wan Ariff &amp; Co.Sdn Bhd</i>	4,291,195	6.81
4. BOC Nominees (Tempatan) Sdn Bhd – <i>Nik Mohd Kamal Nik Yusof</i>	2,920,216	4.64
5. BOC Nominees (Tempatan) Sdn Bhd – <i>Tengku Fauziah Tengku Zainal Abidin</i>	2,503,043	3.97
6. Cimsec Nominees (Tempatan) Sdn Bhd – <i>Wan Muhamad @ Wan Ariff Bin Wan Hamzah</i>	2,191,426	3.48
7. Malaysia Nominees (Tempatan) Sdn Bhd – <i>Amanah Smallcap Fund Bhd</i>	2,069,000	3.28
8. Amanah Raya Nominees (Tempatan) Sdn Bhd – <i>Kuala Lumpur Smallcap Fund</i>	1,196,000	1.90
9. Citicorp Nominees (Asing) Sdn Bhd – <i>Buena Vista Fund,L.P.</i>	728,000	1.16
10. Amanah Raya Nominees (Tempatan) Sdn Bhd – <i>Malaysia Progress Fund</i>	686,000	1.09
11. HSBC Nominees (Asing) Sdn Bhd – <i>Apollo Asia Fund Ltd</i>	600,000	0.95
12. Citicorp Nominees (Asing) Sdn Bhd – <i>American International Assurance Co Ltd</i>	426,000	0.68
13. Straits Nominees (Asing) Sdn Bhd – <i>Bestform Limited</i>	416,000	0.66
14. Alliance Merchant Nominees (Tempatan) Sdn Bhd – <i>Wan Muhamad @ Wan Ariff Bin Wan Hamzah</i>	389,000	0.62
15. Lembaga Tabung Haji	379,610	0.60
16. Malaysia Nominees (Tempatan) Sdn Bhd – <i>Multi-Purpose Vision Fund</i>	300,000	0.48
17. Cartaban Nominees (Asing) Sdn Bhd – <i>Fullerton (Private) Limited</i>	249,000	0.40
18. Mayban Nominees (Tempatan) Sdn Bhd – <i>Abrar Investment Fund</i>	201,000	0.32
19. Abd Karim Bin Ahmad Tarmizi	180,621	0.29
20. Amanah Raya Nominees (Tempatan) Sdn Bhd – <i>Kuala Lumpur Growth Fund</i>	157,000	0.25

## SUBSTANTIAL SHAREHOLDERS

Names	Shareholdings	%
1. Straits Nominees (Tempatan) Sdn Bhd – <i>Land &amp; General Berhad</i>	29,218,164	46.38
2. BOC Nominees (Tempatan) Sdn Bhd – <i>Wan Ariff Wan Hamzah</i>	7,091,956	11.26
3. Cimsec Nominees (Tempatan) Sdn Bhd – <i>Wan Ariff &amp; Co.Sdn Bhd</i>	4,291,195	6.81
4. BOC Nominees (Tempatan) Sdn Bhd – <i>Nik Mohd Kamal Nik Yusof</i>	2,920,216	4.64
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7. Malaysia Nominees (Tempatan) Sdn Bhd – <i>Amanah Smallcap Fund Bhd</i>	2,069,000	3.28





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# Directors' Report

The directors have pleasure in submitting their report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2000.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiary companies are set out in Note 13 to the financial statements. There have been no significant changes to these activities during the financial year.

## FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit after taxation	52,218	287
Minority interests	(660)	–
Net profit attributable to shareholders	51,558	287

## DIVIDENDS

The dividends paid by the Company since 31 December 1999 is as follows:

RM'000

In respect of the financial year ended 31 December 2000:

Interim dividend of 12.5 sen per share on 63,000,000 ordinary shares,  
tax exempt, paid on 24 November 2000

7,875

The directors do not recommend the payment of a final dividend for the financial year ended 31 December 2000.

## RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

## DIRECTORS

The directors who have held office during the period since the date of the last report are as follows:

Wan Ariff Wan Hamzah	
Dato' Abdul Karim Bin Ahmad Tarmizi	
Dr. Ahmad Fauzi Bin Mustapha	
Mohamed Razeek Bin Md Hussain Maricar	(Appointed on 30.6.2000)
Dr. Abdul Maulud Bin Mohd Yusop	(Appointed on 15.11.2000)
Dato' Dr Mohamad Zawawi Bin Ismail	(Appointed on 15.1.2001)
Mohamed Tarmizi Bin Ismail	(Retired on 29.6.2000)
Vice Admiral (Rtd) Dato' Mohamed Zain Bin Mohd Salleh	(Deceased on 25.11.2000)

In accordance with Article 102 of the Company's Articles of Association, Wan Ariff Wan Hamzah retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

In accordance with the Article 109 of the Company's Article of Association, Mohamed Razeek Bin Md Hussain Maricar, Dr. Abdul Maulud Bin Mohd Yusop and Dato' Dr Mohamad Zawawi Bin Ismail retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for election.

## DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits as disclosed in Note 6 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

## DIRECTORS' INTERESTS IN SHARES

According to the register of directors' shareholdings, particulars of interests of directors who held office at the end of the financial year in shares in the Company and its related companies are as follows:

	Number of ordinary shares of RM1 each			
	At 1 January 2000	Bought	Sold	At 31 December 2000
Shareholdings in the name of the director: Bumi Armada Berhad				
Wan Ariff Wan Hamzah	13,973,798	–	–	13,973,798
Dato' Abdul Karim Bin Ahmad Tarmizi	171,097	46,000	(30,000)	187,097
Dr. Ahmad Fauzi Bin Mustapha	10,000	2,000	–	12,000
Mohamed Razeek Bin Md Hussain Maricar	5,000	–	–	5,000

Dato' Abdul Karim Bin Ahmad Tarmizi and Mohamed Razeek Bin Md Hussain Maricar are deemed to have an interest in shares of the Company by virtue of their interest in Land & General Berhad, which has a substantial interest in the Company.

No other directors in office at the end of the financial year held any interest in shares in the Company and its related corporations.

## STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statements and balance sheets of the Group and the Company were made out, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Group and the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

- (a) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and the Company to meet its obligations when they fall due.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group and the Company which has arisen since the end of the financial year.

## OTHER STATUTORY INFORMATION

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the directors:

- (a) the results of the operations of the Group and the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and the Company for the financial year in which this report is made except as disclosed in Note 31 to the financial statements.

## AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

In accordance with a resolution of the Board of Directors dated 27 April 2001.

WAN ARIFF WAN HAMZAH  
DIRECTOR

Kuala Lumpur

DR. AHMAD FAUZI BIN MUSTAPHA  
DIRECTOR

# Income Statements

for the financial year ended 31 December 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Revenue					
– Continuing operations		230,938	217,043	–	16,300
– Discontinued operations	4	–	21,660	–	–
	5	230,938	238,703	–	16,300
Cost of sales	6	(144,354)	(154,872)	–	–
Gross profit		86,584	83,831	–	16,300
Other operating income		3,003	4,371	1,516	1,409
Selling and distribution costs		(3,558)	(2,865)	–	–
Administrative expenses		(14,998)	(20,116)	(1,090)	(1,071)
Loss on disposal of subsidiary company	4	(107)	–	–	–
Profit/(loss) from operations	6	70,924	65,221	426	16,638
– Continuing operations		70,924	65,279	426	16,638
– Discontinued operations		–	(58)	–	–
Finance cost	7	(16,107)	(20,557)	(3)	–
Profit from ordinary activities before tax		54,817	44,664	423	16,638
Tax	8	(2,599)	(129)	(136)	(55)
Profit from ordinary activities after tax		52,218	44,535	287	16,583
Minority interests		(660)	(218)	–	–
Net profit attributable to shareholders		51,558	44,317	287	16,583
Earnings per share (sen)	9	81.83	70.34		
Dividends per share (sen)	10	12.50	10.00		

The notes on pages 33 to 52 form part of these financial statements.



# Balance Sheets

– 31 December 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	11	330,137	338,119	762	47
Deferred expenditure	12	1,210	2,037	–	–
Investment in subsidiary companies	13	–	–	43,835	43,835
		<hr/>	<hr/>	<hr/>	<hr/>
		331,347	340,156	44,597	43,882
CURRENT ASSETS					
Inventories	14	2,646	3,393	–	–
Amounts due from customers on contracts	15	3,252	5,021	–	–
Trade debtors	16	54,302	51,259	–	–
Other debtors, deposits and prepayments	17	11,830	5,218	43	10,054
Amounts due from subsidiary companies		–	–	61,848	63,281
Fixed deposits with licensed banks	18	12,516	4,344	–	–
Cash and bank balances		11,112	3,771	251	135
		<hr/>	<hr/>	<hr/>	<hr/>
		95,658	73,006	62,142	73,470
CURRENT LIABILITIES					
Amounts due to customers on contracts	15	1,001	231	–	–
Trade creditors		23,861	27,286	–	–
Other creditors and accruals	19	6,560	11,119	263	3,488
Hire purchase creditors	20	252	202	29	–
Borrowings	21	70,284	91,530	–	–
Provision for taxation		2,058	953	70	47
		<hr/>	<hr/>	<hr/>	<hr/>
		104,016	131,321	362	3,535
NET CURRENT (LIABILITIES)/ASSETS					
		<hr/>	<hr/>	<hr/>	<hr/>
		(8,358)	(58,315)	61,780	69,935

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
LESS: NON CURRENT LIABILITIES					
Borrowings	21	137,163	139,249	148	–
Deferred taxation	22	395	310	–	–
		137,558	139,559	148	–
		185,431	142,282	106,229	113,817
CAPITAL AND RESERVES					
Share capital	23	63,000	63,000	63,000	63,000
Reserves	24	115,557	72,098	43,229	50,817
Shareholders' equity		178,557	135,098	106,229	113,817
Minority interests		6,874	7,184	–	–
		185,431	142,282	106,229	113,817

The notes on pages 33 to 52 form part of these financial statements.

# Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2000

		Issued and fully paid ordinary shares of RM1 each		Non-distributable				Distributable		
	Note	Number of shares '000	Nominal value RM'000	Share premium RM'000	Reserve on consolidation RM'000	Revaluation reserve RM'000	Translation reserve RM'000	Merger reserve RM'000	Retained earnings RM'000	Total RM'000
1999										
At 1 January		63,000	63,000	40,898	488	532	1,826	(37,235)	27,587	97,096
Currency translation differences		-	-	-	-	-	(15)	-	-	(15)
Net loss not recognised in income statement		-	-	-	-	-	(15)	-	-	(15)
Net profit		-	-	-	-	-	-	-	44,317	44,317
Dividends	10	-	-	-	-	-	-	-	(6,300)	(6,300)
At 31 December		63,000	63,000	40,898	488	532	1,811	(37,235)	65,604	135,098
2000										
At 1 January		63,000	63,000	40,898	488	532	1,811	(37,235)	65,604	135,098
Currency translation differences		-	-	-	-	-	7	-	-	7
Disposal of a subsidiary company	4	-	-	-	(231)	-	-	-	-	(231)
Net gain not recognised in income statement		-	-	-	(231)	-	7	-	-	(224)
Net profit		-	-	-	-	-	-	-	51,558	51,558
Dividends	10	-	-	-	-	-	-	-	(7,875)	(7,875)
At 31 December		63,000	63,000	40,898	257	532	1,818	(37,235)	109,287	178,557

The notes on pages 33 to 52 form part of these financial statements.

# Company Statement of Changes in Equity

for the financial year ended 31 December 2000

		Issued and fully paid ordinary shares of RM1 each		Non- distributable	Distributable (Accumulated loss)/retained earnings	Total
	Note	Number of shares '000	Nominal value RM'000	Share premium RM'000	RM'000	RM'000
1999						
At 1 January		63,000	63,000	40,898	(364)	103,534
Net profit		–	–	–	16,583	16,583
Dividends	10	–	–	–	(6,300)	(6,300)
At 31 December		63,000	63,000	40,898	9,919	113,817
2000						
At 1 January		63,000	63,000	40,898	9,919	113,817
Net profit		–	–	–	287	287
Dividends	10	–	–	–	(7,875)	(7,875)
At 31 December		63,000	63,000	40,898	2,331	106,229

The notes on pages 33 to 52 form part of these financial statements.

# Cash Flow Statements

for the financial year ended 31 December 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
OPERATING ACTIVITIES					
Net profit attributable to shareholders		51,558	44,317	287	16,583
Adjustments for:					
Deferred expenditure written off		522	–	–	–
Amortisation of deferred expenditure		252	482	–	–
Depreciation of property, plant and equipment		27,172	27,210	99	20
Gain on disposal of property, plant and equipment		(1,004)	–	–	–
Interest income		(696)	(187)	–	–
Interest expense		16,107	20,557	3	–
Loss on disposal of subsidiary company	4(a)	107	–	–	–
Provision for doubtful debts		571	424	–	–
Unrealised foreign exchange loss		35	31	–	–
Minority interest		660	218	–	–
Tax		2,599	129	136	55
		97,883	93,181	525	16,658
Changes in working capital:					
Inventories		714	(405)	–	–
Amount due to/from customers on contracts		2,528	2,384	–	–
Trade and other debtors		(14,350)	(5,597)	10,011	(10,033)
Trade and other creditors		(3,453)	(2,574)	(3,224)	126
Fixed deposits		–	257	–	–
Amounts due from subsidiary companies		–	–	1,432	565
Cash generated from operations		83,322	87,246	8,744	7,316
Interest paid		(16,257)	(20,557)	(3)	–
Tax paid		(647)	(638)	(113)	(8)
NET CASH FROM OPERATING ACTIVITIES		66,418	66,051	8,628	7,308



	Note	Group 2000 RM'000	Group 1999 RM'000	Company 2000 RM'000	Company 1999 RM'000
INVESTING ACTIVITIES					
Disposal of subsidiary company	4	(2,037)	–	–	–
Additions of property, plant and equipment		(19,666)	(9,270)	(580)	(6)
Proceeds from disposal of property, plant and equipment		1,527	107	–	–
Interest received		696	187	–	–
Addition for deferred expenditure		–	(599)	–	–
NET CASH USED IN INVESTING ACTIVITIES		(19,480)	(9,575)	(580)	(6)
FINANCING ACTIVITIES					
Release of fixed deposits pledged		800	–	–	–
Proceeds from bank borrowings		72,751	6,723	–	–
Repayment of bank borrowings		(81,376)	(49,998)	–	–
Repayment of hire purchase liabilities		(369)	(349)	(57)	–
Dividends paid to Company's shareholders		(7,875)	(7,207)	(7,875)	(7,207)
NET CASH USED IN FINANCING ACTIVITIES		(16,069)	(50,831)	(7,932)	(7,207)
NET INCREASE IN CASH AND CASH EQUIVALENTS		30,869	5,645	116	95
CURRENCY TRANSLATION DIFFERENCES		168	152	–	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		(10,737)	(16,534)	135	40
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	25	20,300	(10,737)	251	135

The notes on pages 33 to 52 form part of these financial statements.

# Notes to the Financial Statements

– 31 December 2000

## 1. GENERAL INFORMATION

The principal activity of the Company is investment holding.

The principal activities of the subsidiary companies are set out in Note 13 to the financial statements. There have been no significant changes to these activities during the financial year.

The number of employees at the end of the financial year amounted to 732 (1999: 668) employees in the Group and 8 (1999: 10) employees in the Company respectively.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Board of the Kuala Lumpur Stock Exchange.

The address of the registered office of the Company is as follows:

1st Floor, Rumah Rohas  
61, Jalan Raja Abdullah  
Kampung Baru  
50300 Kuala Lumpur

## 2. BASIS OF ACCOUNTING

The financial statements of the Group and of the Company have been prepared under the historical cost convention (as modified by the revaluation of building under short lease and investment in a subsidiary company) unless otherwise indicated in the individual policy statements in note 3 to the financial statements.

The financial statements comply with the applicable approved Accounting Standards in Malaysia and the provision of the Companies Act, 1965.

The preparation of financial statements in conformity with the applicable approved accounting standards and the provisions of the Companies Act require the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies made up to the end of the financial year. Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities. The acquisition of BAN and its subsidiary companies and Haven and its subsidiary companies which meet the criteria for merger accounting under Malaysian Accounting Standard No. 2, Accounting for Acquisitions and Mergers are accounted for under that method. All the subsidiary company of BAN and Haven Group are consolidated using the acquisition method of accounting in the respective group financial statements.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (a) Basis of consolidation (continued)

Under the acquisition method of accounting, the results of the subsidiary companies acquired or disposed of during the financial year are included in the consolidated income statement from the date of acquisition up to the date of disposal.

Goodwill arising on consolidation represents the excess of the purchase price over the fair value of the net assets of the subsidiary companies at the date of acquisition. Goodwill on consolidation is written off in the financial year of acquisition.

Reserve arising on consolidation represents the excess of the fair value of the net assets of the subsidiary companies over the purchase price.

Under the merger method of accounting the results of the subsidiary companies are presented as if the merger had been effected throughout the current and previous financial years.

All significant inter-company transactions and balances are eliminated on consolidation.

#### (b) Property, plant and equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation. Depreciation of property, plant and equipment other than freehold land, is calculated on the straight-line basis to write off the cost of the assets over their estimated useful lives at the following annual rates:

Building	3 1/3%
Short leasehold land and building	2%
Vessels	4% – 10%
Plant and machinery	20% – 50%
Office equipment, furniture and fittings, equipment	10% – 50%
Motor vehicles	20%

Vessels under construction are not depreciated.

#### (c) Investment in subsidiary companies

Investment in subsidiary companies is stated at cost or at director's valuation and written down when the directors are of the opinion that there is a permanent diminution in the value. Permanent diminution in the value of investment in subsidiary companies is recognised as an expense in the period in which the diminution is identified.

#### (d) Interest capitalisation

Interest costs on borrowings to finance the construction of property, plant and equipment as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended used.

#### (e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost represents material and attributable cost of acquisition and is determined using the weighted average method.

Work in progress comprises direct labour, materials and other direct costs.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (f) Construction contracts

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract cost incurred that it is probable will be recoverable and contract costs are recognised as expenses.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of the contract as revenue and expenses respectively. The Group uses the percentage of completion method to determine the appropriate amount of revenue and costs to be recognised in a given period; the stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date bear to the estimated total costs for the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The aggregate of the costs incurred and the profit/loss recognised on each contract is compared against the progress billings up to the year end. When cost incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as amounts due from customers on contracts. Where progress billings exceed cost incurred plus recognised profits (less recognised cost), the balance is shown as amounts due to customers on contracts.

#### (g) Revenue recognition

Sales are recognised upon delivery of products and customer acceptance, if any, or performance of services, net of sales taxes and discounts, and after eliminating sales within the Group.

Other revenues earned by the Group are recognised on the following bases:

##### (i) Charter hire income

Charter hire income is recognised upon services rendered to customers.

##### (ii) Interest, rental and dividend income

Interest and rental income are recognised on accrual basis. Dividend income is recognised when the shareholders' right to receive payment is established.

##### (iii) Contracts

Income from contract works is accounted for on the percentage of completion method. Foreseeable losses are provided for in full. The percentage of completion method is used only when the outcome of the construction contract can be estimated reliably.

The stage of completion is ascertained in the proportion of contract costs incurred for work performed as at the balance sheet date to the estimated total contract costs.

#### (h) Foreign currencies

Transactions in foreign currencies are converted into Ringgit Malaysia at exchange rates ruling at the transaction dates. Foreign currency denominated monetary assets and liabilities at balance sheet date are translated into Ringgit Malaysia at exchange rates ruling at that date. All exchange differences are dealt with through the income statement.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (h) Foreign currencies (Cont'd)

The Group's foreign entities are those operations that are not an integral part of the operations of the Company. Income statements of foreign entities are translated into Ringgit Malaysia at average exchange rates for the year and the balance sheets are translated at exchange rates ruling at the balance sheet date. Exchange differences arising from the retranslation of the net investment in foreign entities are taken to 'translation reserve' in shareholders equity. On disposal of the foreign entity, such translation differences are recognised in the income statement as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the Company and translated at the exchange rate ruling at the date of the transaction.

The principal closing rates used in translation of foreign currency amounts were as follows:

Foreign currency	2000 RM	1999 RM
1 USD	3.800	3.800
1 SGD	2.179	2.272

#### (i) Taxation

Current taxation is calculated at current tax rates based on the estimated chargeable income for the financial year.

Deferred taxation is provided for using the liability method on timing differences between accounting income and taxable income except to the extent that it can be demonstrated with reasonable probability that the timing differences will not reverse in the foreseeable future. Deferred tax assets are recognised only if there is reasonable expectation of their realisation in the foreseeable future.

#### (j) Hire purchase and lease

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance lease.

Assets held under hire purchase and finance lease agreements are capitalised in the balance sheets and are depreciated in accordance with the policy set out in Note 3(b). Outstanding obligations due under the hire purchase agreements after deducting finance expenses are included as liabilities in the financial statements. The finance expenses of the lease rentals are charged to the income statements over the period of the lease on a straight-line method.

Operating lease rentals are charged to the income statements in the period in which they are incurred.

#### (k) Trade debtors

Trade debtors are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debtors based on a review of all outstanding amounts at the year end.



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (l) Deferred expenditure

Licence fee represents purchase consideration for acquisition of license by a subsidiary company. The licence fee will be amortised evenly over a period of 10 years commencing in 1996.

#### (m) Vessel repairs and surveys

Vessel repairs and survey costs are written off as incurred. Dry-docking and special survey costs are deferred and amortised over the dry-docking cycle of five years. Upon disposal of vessels, any relevant unamortised costs are written off to the income statement.

#### (n) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances, demand deposits, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (o) Dividends

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained earnings in the financial year.

### 4. DISPOSAL OF A SUBSIDIARY COMPANY

Haven Technologies Sdn Bhd, an investment holding subsidiary company, which is 51% owned by a wholly owned subsidiary company, was disposed of on 27 January 2000 for a cash consideration of RM1,000,000.

#### (a) Effect on consolidated financial statements

The effect of the disposal on the results of the Group for the current financial year to the date of disposal was as follows:

	Period from 1.1.2000 to 27.1.2000 RM'000	Year ended 31.12.1999 RM'000
Revenue	–	21,660
Operating costs	–	(21,718)
Loss on disposal of subsidiary	(107)	–
	<hr/>	<hr/>
Loss before and after tax	(107)	(58)
Minority interest	–	28
	<hr/>	<hr/>
Net loss attributable to shareholders	(107)	(30)

#### 4. DISPOSAL OF A SUBSIDIARY COMPANY (Cont'd)

(b) The effect of the disposal of HTSB on the financial position of the Group was as follows:

	At date of disposal RM'000	1999 RM'000
Property, plant and equipment (Note 11)	424	424
Trade and other debtors	4,095	4,095
Fixed deposits with licensed banks	564	564
Cash and bank balances	2,473	2,473
Other creditors and accruals	(4,444)	(4,444)
Provision for taxation	(891)	(891)
Minority interest	(883)	(883)
Group's share of net assets	1,338	1,338
Reserve on consolidation	(231)	
Proceed from disposal	(1,000)	
Loss on disposal	107	
Total proceeds from disposal	1,000	
Cash and cash equivalents in subsidiary disposed	(3,037)	
Net cash outflow on disposal	(2,037)	

There were no disposals in the prior year.

#### 5. REVENUE

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Analysis of revenue:				
Marine transportation	164,802	150,912	–	–
Sale of goods	12,908	14,005	–	–
Construction contracts	39,649	37,965	–	–
Performance of services	13,579	35,821	–	–
Dividends (unquoted investment in subsidiary companies)	–	–	–	16,300
	230,938	238,703	–	16,300

## 6. PROFIT FROM OPERATIONS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Profit from operations is arrived at after charging/(crediting):				
Deferred expenditure written off	522	–	–	–
Amortisation of deferred expenditure	252	482	–	–
Auditors' remuneration	180	195	4	4
Depreciation of property, plant and equipment	27,172	27,210	99	20
Directors' remuneration				
– fees	271	272	271	272
– other emoluments	529	618	–	66
Staff cost	20,903	20,577	232	377
Cost of contract workers	16,375	19,507	–	–
Provision for doubtful debts	755	641	–	–
Rental of equipment	45	57	–	–
Rental of premises	1,130	1,298	–	–
Dividend income received and receivable from subsidiary companies	–	–	–	(16,300)
Gain on disposal of fixed assets	(1,004)	–	–	–
Interest income on:				
– fixed deposits	(696)	(87)	–	–
– others	–	(100)	–	–
Rental income	(38)	(37)	–	–
Provision for doubtful debts written back	(184)	(217)	–	–
Net exchange (gain)/loss:				
– Realised	(255)	162	–	–
– Unrealised	35	31	–	–

Contract cost of the Group recognised as an expense during the financial year amounted to RM36,129,000 (1999: RM31,056,000). Cost of inventories of the Group recognised as an expense during the financial year amounted to RM9,456,000 (1999: RM11,766,000).

## 7. FINANCE COST

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Interest expense on:				
– term loans	15,155	19,046	–	–
– bank overdrafts and bankers' acceptances	878	1,360	–	–
– hire purchase and finance lease	74	69	–	–
– others	–	82	–	–
	16,107	20,557	–	–

## 8. TAX

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
In Malaysia				
Income tax – current	2,504	55	136	55
Income tax – prior years	–	(4)	–	–
Deferred taxation (Note 22)	46	126	–	–
	<u>2,550</u>	<u>177</u>	<u>136</u>	<u>55</u>
Outside Malaysia				
Income tax – prior years	7	160	–	–
Deferred taxation (Note 22)	42	(208)	–	–
	<u>49</u>	<u>(48)</u>	<u>–</u>	<u>–</u>
	<u>2,599</u>	<u>129</u>	<u>136</u>	<u>55</u>

Subject to agreement by the Inland Revenue Board, the amount of unutilised tax losses of subsidiary companies available for set off against their future income chargeable to tax of the respective subsidiary companies amounted to RM2,498,000 (1999: RM2,078,000).

The effective tax rate of the Group for the period was lower than the statutory tax rate in Malaysia because of the lower tax rates in countries of certain subsidiaries and income arising from Malaysian sea-going ships of certain subsidiary companies are exempted under Section 54A of the Income Tax Act, 1967. The effective tax rate of the Company for the period was higher than the statutory tax rate because certain expenses were not deductible for tax purposes.

Subject to agreement by the tax authorities, the Group has tax exempt income available to frank tax exempt dividends amounting to approximately RM131,887,000 (1999: RM101,747,000).

## 9. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the Group net profit attributable to shareholders of RM51,558,000 (1999: RM44,317,000) by the weighted average number of ordinary shares of the Company in issue during the financial year of 63,000,000 (1999: 63,000,000).

## 10. DIVIDENDS

Dividends declared or proposed in respect of the year ended 31 December 2000 are as follows:

	Group and Company			
	2000	1999		
	Gross per share sen	Amount of tax exempt dividend RM'000	Gross per share sen	Amounts of tax exempt dividend RM'000
Interim dividend paid	12.50	7,875	10.00	6,300

## 11. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Short leasehold land and building RM'000	Building RM'000	Building under short lease RM'000	Vessels RM'000	Plant and machinery under hire purchase RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Motor vehicles under hire purchase RM'000	Equipment, furniture and office equipment RM'000	Vessels under construction RM'000	Total RM'000
Net book value at 1 January 1999	210	367	216	3,523	313,303	295	1,525	239	1,194	3,812	31,492	356,176
Additions	-	-	-	-	897	-	522	122	-	1,241	6,488	9,270
Disposals	-	-	-	-	-	-	(2)	-	(30)	(75)	-	(107)
Reclassification	-	-	-	-	37,980	(295)	295	38	(38)	-	(37,980)	-
Currency translation differences	-	-	-	(9)	-	-	-	-	-	(1)	-	(10)
Transfer in from subsidiary	-	-	-	-	-	-	789	26	141	157	-	1,113
Transfer to subsidiary	-	-	-	-	-	-	(789)	(26)	(141)	(157)	-	(1,113)
Depreciation charge	-	(7)	(8)	(94)	(24,734)	-	(812)	(110)	(346)	(1,099)	-	(27,210)
Net book value at 31 December 1999	210	360	208	3,420	327,446	-	1,528	289	780	3,878	-	338,119
Additions	-	-	-	3	477	-	1,218	463	486	1,451	16,204	20,302
Disposals	-	-	-	-	(173)	-	(4)	(138)	(80)	(128)	-	(523)
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	(424)	-	(424)
Reclassification	-	-	-	-	-	-	-	115	(115)	-	-	-
Currency translation differences	-	-	-	(154)	-	-	-	(2)	-	(9)	-	(165)
Depreciation charge	-	(7)	(8)	(61)	(24,738)	-	(944)	(160)	(306)	(948)	-	(27,172)
Net book value at 31 December 2000	210	353	200	3,208	303,012	-	1,798	567	765	3,820	16,204	330,137
At 31 December 1999												
Cost	210	401	240	-	441,030	-	8,276	1,145	1,510	7,505	-	460,317
Valuation - 1995	-	-	-	4,116	-	-	-	-	-	-	-	4,116
Accumulated depreciation	-	(41)	(32)	(696)	(113,584)	-	(6,748)	(856)	(730)	(3,627)	-	(126,314)
Net book value	210	360	208	3,420	327,446	-	1,528	289	780	3,878	-	338,119
At 31 December 2000												
Cost	210	401	240	-	439,443	-	9,448	1,353	1,671	8,020	16,204	476,990
Valuation - 1995	-	-	-	4,130	-	-	-	-	-	-	-	4,130
Accumulated depreciation	-	(48)	(40)	(922)	(136,431)	-	(7,650)	(786)	(906)	(4,200)	-	(150,983)
Net book value	210	353	200	3,208	303,012	-	1,798	567	765	3,820	16,204	330,137



# 11. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company	Office equipment furniture and fittings RM'000	Motor vehicles RM'000	Motor vehicles under hire purchase RM'000	Total RM'000
Net book value at 1 January 1999	62	–	–	62
Additions	5	–	–	5
Depreciation charge	(20)	–	–	(20)
Net book value at 31 December 1999	47	–	–	47
Additions	230	350	234	814
Depreciation charge	(53)	(36)	(10)	(99)
Net book value at 31 December 2000	224	314	224	762
At 31 December 1999				
Cost	86	–	–	86
Accumulated depreciation	(39)	–	–	(39)
Net book value	47	–	–	47
At 31 December 2000				
Cost	316	350	234	900
Accumulated depreciation	(92)	(36)	(10)	(138)
Net book value	224	314	224	762

Interest capitalised as part of the cost of vessels under construction of the Group amounted to RM150,546 (1999: RM274,457).

In 1995, the directors revalued the building under short lease of a subsidiary company, Haven Automation Industries (S) Pte. Ltd., a company incorporated in the Republic of Singapore based on an independent valuation done by a firm of professionals valuers (on an open market value for existing use basis). The surplus on revaluation of RM532,000 was credited to revaluation reserve.

In accordance with the transitional provisions issued by the Malaysian Accounting Standards Board on adoption of International Accounting Standard No. 16 (revised), Property, Plant and Equipment, the valuation of building under short lease has not been updated and they continue to be stated at their existing carrying amounts less depreciation.

The net book value of this revalued building under short lease, had it been carried at cost less accumulated depreciation amounted RM2,651,000 (1999: RM3,839,000)

The net book value of property, plant and equipment pledged as security for borrowings as set out in Note 21 to the financial statements amounted to RM305,252,000 (1999: RM328,935,000) for the Group.

## 12. DEFERRED EXPENDITURE

	Group	
	2000 RM'000	1999 RM'000
Preliminary expenses:		
At 1 January	32	208
Amortisation charge	(32)	(176)
At 31 December	–	32
Licence fee:		
At 1 January	1,483	1,716
Amortisation charge	(220)	(229)
Currency translation differences	(53)	(4)
At 31 December	1,210	1,483
Special dry-docking expenses:		
At 1 January	522	–
Additions	–	599
Amortisation charge	–	(77)
Written off	(522)	–
At 31 December	–	522
	1,210	2,037

## 13. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2000 RM'000	1999 RM'000
Unquoted investments, at cost	43,835	43,835

### 13. INVESTMENT IN SUBSIDIARY COMPANIES (Cont'd)

The Group's equity interest in the subsidiary companies, their respective principal activities and country of incorporation are shown below:

Name of company	Principal activities	Group's effective interest		Country of incorporation
		2000 %	1999 %	
Subsidiary companies:				
Bumi Armada Navigation Sdn Bhd (BAN)	Provision of marine transportation, tanker operations and support services to the offshore oil and gas companies.	100	100	Malaysia
Haven Automation Industries Sdn Bhd (Haven)	Installation and servicing of rotating equipment, provision of maintenance services for oil and gas industry and investment holding.	100	100	Malaysia
Subsidiary companies of BAN:				
Armada Indah Sdn Bhd	Sea charter transportation.	100	100	Malaysia
Armada Tankers Sdn Bhd	Investment holding.	51	51	Malaysia
Armada Alpha Sdn Bhd	Specialised gas tankers business.	51	51	Malaysia
Bumi Care Offshore Production Sdn Bhd	Provision of floating, production storage and offloading (FPSO) vessel to the oil and gas industry.	60	60	Malaysia
Bumi Armada Ship Management Sdn Bhd	Dormant	100	100	Malaysia
Subsidiary companies of Haven:				
Haven Automation (Malaysia) Sdn Bhd	Supply, installation and servicing of level and flow measuring instruments, process control, fire and gas detection and shutdown systems.	100	100	Malaysia
Haven Engineering (Malaysia) Sdn Bhd	Provision of workshop and topside maintenance services including installation and commissioning of electrical and instrumentation systems.	100	100	Malaysia
Haven Automation Industries (S) Pte Ltd*	Supply of measuring and process control instrumentation.	100	100	Singapore

### 13. INVESTMENT IN SUBSIDIARY COMPANIES (Cont'd)

Name of company	Principal activities	Group's effective interest		Country of incorporation
		2000 %	1999 %	
Haven Corrosion Engineering Sdn Bhd	Providing consultancy services and engineering of cathodic protection projects and trading in anti-corrosion equipment and materials.	70	70	Malaysia
@ Haven System Integration Pte Ltd*	Design, engineering, fabrication, assembly and commissioning of safety control system.	50	50	Singapore
Haven Engineering Works (M) Sdn Bhd	Contract piping and structural services.	70	70	Malaysia
Haven Technologies Sdn Bhd	Investment holding.	–	51	Malaysia
Roxar Sdn Bhd (formerly known as Smedvig Technologies Sdn Bhd)	Provision of project management, project engineering, software sales, operations supervision and support.	–	51	Malaysia

\* Not audited by PricewaterhouseCoopers, Malaysia.

@ This Company is deemed a subsidiary company under Section 5 of the Companies Act 1965 by virtue of control in the composition of the board of directors.

### 14. INVENTORIES

	Group	
	2000 RM'000	1999 RM'000
At cost		
Goods in transit	163	–
Work in progress	124	463
Spares and supplies	2,128	1,925
Food and beverage	107	95
	<hr/>	<hr/>
	2,522	2,483
At net realisable value		
Spares and supplies	124	910
	<hr/>	<hr/>
	2,646	3,393
	<hr/>	<hr/>

15. AMOUNT DUE FROM/(TO) CUSTOMERS ON CONTRACTS

	Group	
	2000 RM'000	1999 RM'000
Aggregate costs incurred and recognised profits (less losses) to date	54,629	46,775
Less: Progress billings	(52,378)	(41,985)
	<u>2,251</u>	<u>4,790</u>
Amounts due from customers on contracts	3,252	5,021
Amounts due to customers on contracts	(1,001)	(231)
	<u>2,251</u>	<u>4,790</u>

16. TRADE DEBTORS

	Group	
	2000 RM'000	1999 RM'000
Trade debtors	57,184	53,608
Add: Retention monies	2,036	1,998
	<u>59,220</u>	<u>55,606</u>
Less: Provision for doubtful debts	(4,918)	(4,347)
	<u>54,302</u>	<u>51,259</u>

17. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Advances to a substantial shareholder	5,562	–	–	–
Loan to a director of a subsidiary company	123	147	–	–
Other debtors	1,482	1,453	5	10,016
Advances to ship manager	2,569	995	–	–
Deposits and prepayments	2,094	2,122	38	38
Amount due from a substantial shareholder of a subsidiary company	–	501	–	–
	<u>11,830</u>	<u>5,218</u>	<u>43</u>	<u>10,054</u>

Advances to a substantial shareholder of the Group is in respect of payment made to Land and General Berhad for the acquisition of 49% equity interest in Armada Tankers Sdn Bhd.

Loan to a director of a subsidiary company was given under the company's employee share incentive scheme which was approved at an Extraordinary General Meeting held on 10 August 1998.

Included in other debtors of the Company in 1999 was dividend receivable from a subsidiary amounting to RM10,000,000.

#### 18. FIXED DEPOSITS WITH LICENSED BANKS

Included in the fixed deposits with licensed banks was an amount of RM Nil (1999: RM800,000) pledged as security for credit facilities granted to a subsidiary company.

#### 19. OTHER CREDITORS AND ACCRUALS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Other creditors	680	1,177	155	63
Amount due to a substantial shareholder of a subsidiary company	767	–	–	–
Accruals	5,113	6,621	108	104
Amount due to a substantial shareholder	–	3,321	–	3,321
	6,560	11,119	263	3,488

#### 20. HIRE PURCHASE CREDITORS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Analysis of hire purchase commitments:				
Payable within one year	321	258	45	–
Payable between one and two years	373	221	177	–
Payable between two and five years	15	94	–	–
	709	573	222	–
Less: Interest in suspense	(130)	(111)	(45)	–
	579	462	177	–
Representing hire purchase liabilities:				
Due within 12 months	252	202	29	–
Due after 12 months (Note 21)	327	260	148	–
	579	462	177	–

## 21. BORROWINGS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Current (secured):				
Bank overdrafts (Note 25)	3,328	18,052	–	–
Revolving credits	2,500	37,100	–	–
Trust receipts and banker acceptance	1,828	–	–	–
Term loans	62,628	36,378	–	–
	<u>70,284</u>	<u>91,530</u>	<u>–</u>	<u>–</u>
Non current (secured):				
Term loans	136,836	138,989	–	–
Hire purchase creditors (Note 20)	327	260	148	–
	<u>137,163</u>	<u>139,249</u>	<u>148</u>	<u>–</u>
	<u>207,447</u>	<u>230,779</u>	<u>148</u>	<u>–</u>

The borrowings are secured as follows:

- Fixed charges over certain vessels of the subsidiary companies.
- Corporate guarantees by the Company and certain subsidiary companies.
- Joint and several guarantee by all the directors of a subsidiary company.
- An open mortgage on a leasehold building of a subsidiary company.
- Debenture over the existing and future assets of a subsidiary company.
- Fixed and floating charges over all the assets of certain subsidiary companies.
- Personal guarantee by a director of a subsidiary company.

The term loans bear interest at rates ranging from 4.20% to 9.00% (1999: 5.00% to 10.70%) per annum and are repayable by fixed monthly or quarterly instalments. The repayment periods are analysed as follows:

	Group	
	2000 RM'000	1999 RM'000
Within one year	62,628	36,378
Between one and two years	43,887	35,045
Between two and five years	76,659	79,480
More than five years	16,290	24,464
	<u>199,464</u>	<u>175,367</u>

## 22. DEFERRED TAXATION

	2000 RM'000	Group 1999 RM'000
At beginning of the financial year	310	392
Transfer from/(to) income statements (Note 8)	88	(82)
Currency translation differences	(3)	–
At end of the financial year	395	310

Deferred taxation of the Group comprises the tax effects of the excess of capital allowances over depreciation.

The deferred tax effects of revalued assets are not provided for because the Group has no intention to dispose of these revalued assets in the foreseeable future.

The amount of timing differences of the Group not provided for are approximately RM18.3 million (1999: RM12.1 million).

## 23. SHARE CAPITAL

	Group and Company 2000 RM'000	1999 RM'000
Authorised:		
Ordinary shares of RM1.00 each	100,000	100,000
Issued and fully paid:		
Ordinary shares of RM1.00 each	63,000	63,000

## 24. RESERVES

The difference between the nominal value of shares of the Company issued as consideration and the nominal value of BAN and Haven's shares transferred to the Company has been classified as a merger deficit and included in non-distributable reserves in the consolidated financial statements.

The merger reserves as at 1 January 1997 represent reserves of BAN and Haven as at 31 December 1995 as shown in their respective audited balance sheets, combined using merger accounting principles as follows:

	31 December 1995 RM'000
Merger reserves	
BAN	32,705
Haven	4,530
	37,235
	RM'000
The merger deficit is derived from the following:	
Nominal value of shares acquired	6,600
Less: Nominal value of shares issued for acquisition of BAN and Haven	(43,835)
	(37,235)



## 25. CASH AND CASH EQUIVALENTS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Cash on hand and balances with banks	11,112	3,771	251	135
Fixed deposits with licensed banks	12,516	4,344	–	–
Bank overdrafts (Note 21)	(3,328)	(18,052)	–	–
	20,300	(9,937)	251	135
Less: Fixed deposits with licensed banks pledged for credit facilities (Note 18)	–	(800)	–	–
	20,300	(10,737)	251	135

## 26. NON-CANCELLABLE OPERATING LEASE COMMITMENTS

The future minimum lease payments under non cancellable operating leases are as follows:

	Group	
	2000 RM'000	1999 RM'000
Payable within one year	408	375
Payable later than one year and not later than two years	212	368
Payable later than two years and not later than five years	310	470
	930	1,213

## 27. CAPITAL COMMITMENTS

	Group	
	2000 RM'000	1999 RM'000
Authorised capital expenditure for property, plant and equipment not provided for in the financial statements:		
– approved and contracted for	21,097	–

## 28. SIGNIFICANT RELATED PARTY DISCLOSURES

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions described below were carried out on terms and conditions obtainable in transactions with unrelated parties unless otherwise stated.

### (a) Licence fee

	2000 RM'000
Licence fee for:	
– Care Production Inc, a substantial shareholder of a subsidiary company	5,687

## 28. SIGNIFICANT RELATED PARTY DISCLOSURES (Cont'd)

- (b) Individually significant outstanding balances arising from sale/purchase of goods and services (other than normal trade transactions) during the financial year

Related party	Type of transaction	2000
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Payables:

Care Production Inc	Licence fee	767
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The comparative information was not presented as this is the first reporting period in which the Group applies MASB 8, Related Party Disclosure.

## 29. SEGMENT REPORTING

The Group's operations are substantially conducted within Malaysia.

	Revenue RM'000	Profit/(loss) from ordinary activities before tax RM'000	Gross assets RM'000
By industry			
2000			
Marine transportation, tanker operations and support services to oil and gas industry	164,802	56,565	382,828
Engineering and maintenance	66,136	(655)	43,127
Investment holding	–	(1,093)	1,050
	<u>230,938</u>	<u>54,817</u>	<u>427,005</u>
1999			
Marine transportation, tanker operations and support services to oil and gas industry	150,912	41,678	370,427
Engineering and maintenance	87,791	2,648	42,496
Investment holding	–	338	237
	<u>238,703</u>	<u>44,664</u>	<u>413,160</u>

### 30. CONTINGENT LIABILITY – UNSECURED

- (a) The management of a subsidiary company discovered in 1986 certain information indicating that a liability could arise under relevant legislation in respect of payments made in prior years to certain employees. No provision has been made in the financial statement to meet this liability should such liability were to arise. The liability if any and the quantum thereof is still subject to determination by the relevant authorities.

In 1994, the subsidiary company received undertaking from one of its directors and the holding company that should liabilities were to arise as determined by the relevant authorities, such liabilities will be borne in full without limitation by the said director and the holding company.

- (b) As at 31 December 2000, the subsidiary company, Haven Automation Industries Sdn Bhd is contingently liable for guarantees totalling SGD 7,400,000 and USD1,500,000 issued in favour of a foreign bank for banking facilities given to a subsidiary company.
- (c) A Third Party action has been taken against a subsidiary company to indemnify any monies that may become payable by a defendant to a Bank. The estimated claim inclusive interest and cost amounted to RM750,000.
- (d) A writ of summons was served on Bumi Armada Navigation Sdn Bhd a wholly owned subsidiary of the Company, on 13 April 2001 by a third party in respect of a damaged platform. Based on legal opinion obtained, the Directors are of the view that no provision is required in the financial statements.

### 31 COMPARATIVE

The presentation of certain comparative figures has been adjusted or reclassified to conform with the additional disclosure requirements of the thirteen new standards, issued by the Malaysian Accounting Standard Boards ('MASB') that are applicable for the financial year ended 31 December 2000.

The comparative figures in the financial statements have been reclassified to conform with current year's presentation in compliance with the extended disclosure requirements of MASB. The effect of the reclassification are as follows:

	As previously reported RM'000	Effect of reclassification RM'000	As restated RM'000
INCOME STATEMENTS – GROUP			
Revenue	223,613	15,090	238,703
Cost of sales	(128,366)	(26,506)	(154,872)
	95,247	(11,416)	83,831

### 32 SUBSEQUENT EVENTS

- (a) Bumi Armada Navigation Sdn Bhd a wholly owned subsidiary of the Company has entered into a Shareholders Agreement with J Ray McDermott SA on 8 February 2001 to establish a subsidiary company, Barmada McDermott Sdn Bhd, to operate and provide services in oil fields located offshore including services of a derrick barge.
- (b) The Company obtained approval from shareholders on 23 December 2000 for Bumi Armada Navigation Sdn Bhd, a wholly owned subsidiary to acquire 49% equity interest in Armada Tankers Sdn Bhd from Land & General Berhad for a cash consideration of RM5,561,839. The proposed acquisition will be fully completed once Land & General Berhad obtain approval from their shareholders and is expected to be completed by May 2001.

# Statement by Directors

pursuant to Section 169(15) of the Companies Act, 1965

We, Wan Ariff Wan Hamzah and Dr. Ahmad Fauzi Bin Mustapha, two of the directors of Bumi Armada Berhad, state that, in our opinion, the financial statements set out on pages 26 to 52 are drawn up so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 December 2000 and of the results of the Group and the Company and the cash flows of the Group and Company for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia and the provision of the Companies Act, 1965.

In accordance with a resolution of the Board of Directors dated 27 April 2001.

WAN ARIFF WAN HAMZAH  
DIRECTOR

DR. AHMAD FAUZI BIN MUSTAPHA  
DIRECTOR

Kuala Lumpur

# Declaration

pursuant to Section 169(16) of the Companies Act, 1965

I, Zubaidah Abd Karim, the officer primarily responsible for the financial management of Bumi Armada Berhad, do solemnly and sincerely declare that the financial statements set out on pages 26 to 52 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

ZUBAIDAH ABD KARIM

Subscribed and solemnly declared by the abovenamed Zubaidah Abd Karim at Kuala Lumpur on 27 April 2001, before me.

COMMISSIONER FOR OATHS

# Report of the Auditors

to the members of Bumi Armada Berhad (Company No. 370398 X)

We have audited the financial statements set out on pages 26 to 52. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting of the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
  - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
  - (ii) the state of affairs of the Group and of the Company as at 31 December 2000 and of the results and cash flows of the Group and Company for the year ended on that date;

and

- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The names of the subsidiary companies of which we have not acted as auditors are indicated in Note 13 to the financial statements. We have considered the financial statements of these subsidiaries and the auditors' reports thereon.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under subsection (3) of section 174 of the Act.

PRICEWATERHOUSECOOPERS  
(No. AF: 1146)  
Public Accountants

GUMURI BIN HUSSAIN  
(No. 892/04/02 (J))  
Partner of the firm

Kuala Lumpur  
27 April 2001

# Proxy Form



B U M I A R M A D A

**BUMI ARMADA BERHAD**

(370398-X)

I/We, \_\_\_\_\_

of \_\_\_\_\_

being a member/members of BUMI ARMADA BERHAD hereby appoint \_\_\_\_\_

or failing him The Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the 5th ANNUAL GENERAL MEETING OF THE COMPANY to be held at Crystal Ballroom 1 & 2, 1st Floor, Ming Court Vista Hotel, Jalan Ampang, 50450 Kuala Lumpur on Thursday, 21 June 2001 at 10.00 am and at any adjournment thereof.

	RESOLUTION	FOR	AGAINST
No. 1	Adoption of Reports and Accounts		
No. 2	Payment of Directors' Fees		
	Re-election of the following Directors:-		
No. 3	Wan Ariff Wan Hamzah		
No. 4	Mohamed Razeek Md Hussain Maricar		
No. 5	Dr. Abdul Maulud Mohd Yusop		
No. 6	Dato' Dr. Mohamad Zawawi Ismail		
No. 7	Re-appointment of Auditors		
No. 8	Approval of Section 132D, Companies Act, 1965		

No of Shares	
--------------	--

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

(Please indicate with an "x" in the space provided how you wish your votes to be casted on the resolution specified. If you do not do so, the proxy will vote or abstain from voting at his discretion).

## NOTES:

1. A member entitled to attend and vote at this Meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where a member appoint two proxies, the appointment shall be invalid unless he specifies the proportions of his holding to be presented by each proxy.
3. The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney, and in the case of a corporation either under its common seal or signed by its attorney or by an officer on behalf of the corporation.
4. The Proxy Form, duly completed, must be deposited at the Registered Office of the Company, 1st Floor, Rumah Rohas, 61, Jalan Raja Abdullah, Kampung Baru 50300 Kuala Lumpur not less than 48 hours before the time set for holding the Meeting or any adjournment thereof.

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AFFIX  
STAMP

REGISTERED OFFICE  
**BUMI ARMADA BERHAD**  
1st Floor, Rumah Rohas  
61, Jalan Raja Abdullah  
Kampong Baru  
50300 Kuala Lumpur

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