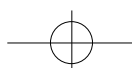
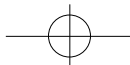


turning adversity into achievement

17	Directors' Report
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DIRECTORS' REPORT

The directors have pleasure in submitting their report together with the audited accounts of the Group and the Company for the financial year ended 31 December 1999.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiary companies are set out in Note 11 to the accounts. There have been no significant changes to these activities during the financial year.

FINANCIAL RESULTS

	<u>Group</u> RM'000	<u>Company</u> RM'000
Profit after taxation	44,535	16,583

DIVIDENDS

The amount of dividends paid by the Company since 31 December 1998 are as follows:

RM

In respect of the financial year ended 31 December 1998:

Final dividend of 2 sen per share, less income tax of 28%, paid on 23.7.1999	907,200
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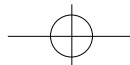
In respect of the financial year ended 31 December 1999:

Interim dividend of 10 sen per share, tax exempt, paid on 22.12.1999	6,300,000
--	-----------

The directors do not recommend the payment of a final dividend for the financial year ended 31 December 1999.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year other than as disclosed in the accounts.



DIRECTORS' REPORT (CONTINUED)

DIRECTORS

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

Wan Ariff Wan Hamzah	
Dato' Abdul Karim Bin Ahmad Tarmizi	
Dr. Ahmad Fauzi Bin Mustapha	
Vice Admiral (Rtd) Dato' Mohamed Zain Bin Mohd Salleh	
Tan Sri Mohd Shariff Bin Ishak	(Deceased on 14.4.2000)
Mohamed Tarmizi Bin Ismail	(Appointed on 22.12.1999)
Ahmad Abu Bakar	(Resigned on 22.12.1999)

In accordance with Article 102 of the Company's Articles of Association, Dato' Abdul Karim bin Ahmad Tarmizi 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 Tarmizi Bin Ismail retires at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, 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.

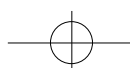
Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits as disclosed in Note 5 to the accounts) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

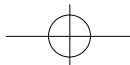
DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company were as follows:

<u>Bumi Armada Berhad</u>	<u>At 1 January 1999</u>	<u>Number of ordinary shares of RM1 each</u>			<u>At 31 December 1999</u>
		<u>Bought</u>	<u>Sold</u>		
Wan Ariff Wan Hamzah	13,963,577	10,221	-		13,973,798
Dato' Abdul Karim Bin Ahmad Tarmizi	80,261	84,360	-		164,621
Dr. Ahmad Fauzi Bin Mustapha	10,000	-	-		10,000
Vice Admiral (Rtd) Dato' Mohamed Zain Bin Mohd Salleh	10,000	-	(2,000)		8,000
Tan Sri Mohd Shariff Bin Ishak	8,000	-	-		8,000

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





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DIRECTORS' REPORT (CONTINUED)

STATUTORY INFORMATION ON THE ACCOUNTS

Before the profit and loss accounts and balance sheets of the Group and the Company were made out, the directors took reasonable steps:

- (a) to ascertain that 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 have been written down to an amount which they might be expected so to realise.

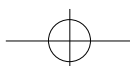
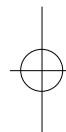
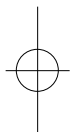
At the date of this report, the directors are not aware of any circumstances:

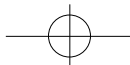
- (a) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the accounts of the Group and the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the accounts of the Group and the 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.





DIRECTORS' REPORT (CONTINUED)

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 accounts which would render any amount stated in the accounts misleading.

In their opinion,

- (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 29 to the accounts.

YEAR 2000 COMPLIANCE

The Group did not face any setback on the year 2000. The efforts taken by the Group has proven to be sufficient and effective in ensuring no material exposure to the year 2000 risk.

AUDITORS

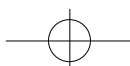
The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

On behalf of the Board

WAN ARIFF WAN HAMZAH
DIRECTOR

DR.AHMAD FAUZI BIN MUSTAPHA
DIRECTOR

Kuala Lumpur



financial statements

PROFIT AND LOSS ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 1999

	Note	Group		Company	
		<u>1999</u> RM'000	<u>1998</u> RM'000	<u>1999</u> RM'000	<u>1998</u> RM'000
TURNOVER	4	<u>223,613</u>	<u>192,200</u>	<u>16,300</u>	<u>907</u>
PROFIT BEFORE TAXATION	5	<u>44,664</u>	<u>26,914</u>	<u>16,638</u>	<u>909</u>
TAXATION	6	<u>(129)</u>	<u>(968)</u>	<u>(55)</u>	<u>-</u>
PROFIT AFTER TAXATION		<u>44,535</u>	<u>25,946</u>	<u>16,583</u>	<u>909</u>
MINORITY INTERESTS		<u>(218)</u>	<u>2,130</u>	<u>-</u>	<u>-</u>
		<u>44,317</u>	<u>28,076</u>	<u>16,583</u>	<u>909</u>
DIVIDENDS	7	<u>(6,300)</u>	<u>(907)</u>	<u>(6,300)</u>	<u>(907)</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>38,017</u>	<u>27,169</u>	<u>10,283</u>	<u>2</u>
RETAINED PROFITS/ (ACCUMULATED LOSSES) BROUGHT FORWARD		<u>27,587</u>	<u>418</u>	<u>(364)</u>	<u>(366)</u>
RETAINED PROFITS/ (ACCUMULATED LOSSES) CARRIED FORWARD	21	<u>65,604</u>	<u>27,587</u>	<u>9,919</u>	<u>(364)</u>
EARNINGS PER SHARE	8	<u>70.35 sen</u>	<u>44.56 sen</u>		

The notes on pages 26 to 50 form part of these accounts.

BALANCE SHEETS - 31 DECEMBER 1999

	Note	Group		Company	
		<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
		RM'000	RM'000	RM'000	RM'000
FIXED ASSETS	9	338,119	356,176	47	62
DEFERRED EXPENDITURE	10	2,037	1,924	-	-
INVESTMENT IN SUBSIDIARY COMPANIES	11	-	-	43,835	43,835
CURRENT ASSETS					
Stocks and work in progress	12	3,393	2,988	-	-
Gross amount due from customers	13	4,790	7,174	-	-
Trade debtors	14	49,911	43,394	-	-
Other debtors, deposits and prepayments	15	6,859	8,203	10,054	21
Amounts due from subsidiary companies		-	-	63,281	63,846
Fixed deposits with licensed banks	16	4,344	2,639	-	-
Cash and bank balances		3,771	5,456	135	40
		73,068	69,854	73,470	63,907
CURRENT LIABILITIES					
Trade creditors		15,700	15,560	-	-
Other creditors and accruals	17	22,707	25,391	3,488	3,363
Hire purchase creditors	18	202	345	-	-
Short term borrowings	19	91,530	111,372	-	-
Provision for taxation		1,244	1,671	47	-
Proposed dividend		-	907	-	907
		131,383	155,246	3,535	4,270
NET CURRENT (LIABILITIES)/ASSETS		(58,315)	(85,392)	69,935	59,637
		281,841	272,708	113,817	103,534



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BALANCE SHEETS - 31 DECEMBER 1999 (CONTINUED)

	Note	Group		Company	
		<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
		RM'000	RM'000	RM'000	RM'000
Financed by:					
SHARE CAPITAL	20	63,000	63,000	63,000	63,000
RESERVES	21	72,098	34,081	50,817	40,534
		<u>135,098</u>	<u>97,081</u>	<u>113,817</u>	<u>103,534</u>
LONG TERM LIABILITIES	22	139,249	168,408	-	-
DEFERRED TAXATION	23	310	392	-	-
MINORITY INTERESTS		7,184	6,827	-	-
		<u>281,841</u>	<u>272,708</u>	<u>113,817</u>	<u>103,534</u>

The notes on pages 26 to 50 form part of these accounts.

CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 1999

	<u>Note</u>	<u>1999</u> RM'000	<u>1998</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		44,664	26,914
Adjustments for:			
Amortisation of deferred expenditure		482	586
Depreciation of fixed assets		27,210	25,437
Effects of exchange rate changes		152	506
Gain on disposal of fixed assets		-	(11,194)
Interest income		(187)	(341)
Interest expense		20,557	28,003
Unrealised foreign exchange loss		-	559
Unrealised foreign exchange gain		-	(2,089)
		<u>92,878</u>	<u>68,381</u>
(Increase)/decrease in stocks and work in progress		(405)	2,739
Decrease in gross amount due from customers		2,384	-
(Increase)/decrease in trade and other debtors		(5,173)	1,961
(Decrease)/increase in trade and other creditors		(2,543)	3,293
Increase in fixed deposits		257	-
		<u>87,398</u>	<u>76,374</u>
Cash generated from operations			
Interest paid		(20,557)	(28,269)
Income tax paid		(638)	(197)
NET CASH FROM OPERATING ACTIVITIES		<u>66,203</u>	<u>47,908</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase and construction of fixed assets		(9,270)	(78,004)
Proceeds from disposal of fixed assets		107	59,950
Interest received		187	341
Payment for deferred expenditure		(599)	-
NET CASH USED IN INVESTING ACTIVITIES		<u>(9,575)</u>	<u>(17,713)</u>

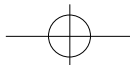


financial statements

CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 1999 (CONTINUED)

	<u>Note</u>	<u>1999</u> RM'000	<u>1998</u> RM'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank borrowings		6,723	51,826
Repayment of bank borrowings		(49,998)	(71,745)
Repayment of hire purchase liabilities		(349)	(408)
Dividends paid to Company's shareholders		(7,207)	-
NET CASH USED IN FINANCING ACTIVITIES		<u>(50,831)</u>	<u>(20,327)</u>
NET INCREASE IN CASH AND CASHEQUIVALENTS		5,797	9,868
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		<u>(16,534)</u>	<u>(26,402)</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	24	<u><u>(10,737)</u></u>	<u><u>(16,534)</u></u>

The notes on pages 26 to 50 form part of these accounts.



NOTES TO THE ACCOUNTS - 31 DECEMBER 1999

1 PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiary companies are set out in Note 11 to the accounts. There have been no significant changes to these activities during the financial year.

2 BASIS OF ACCOUNTING

The accounts are prepared under the historical cost convention as modified by the revaluation of investment in a subsidiary company and building under short lease in accordance with the applicable approved Accounting Standards in Malaysia.

3 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated accounts include the accounts of the Company and all its subsidiary companies made up to the end of the financial year. 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 subsidiaries of BAN and Haven Group are consolidated using the acquisition method of accounting in the respective group accounts.

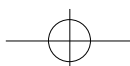
Under the acquisition method of accounting, the results of the subsidiaries acquired or disposed of during the financial year are included from the date of acquisition or up to the date of disposal respectively.

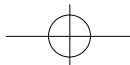
Goodwill arising on consolidation represents the excess of the purchase price over the fair value of the net assets of the subsidiary companies at the date of acquisition. Goodwill on consolidation is written off in the financial year of acquisition.

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.





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NOTES TO THE ACCOUNTS - 31 DECEMBER 1999 (CONTINUED)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Fixed assets and depreciation

Fixed assets are stated at cost or valuation less accumulated depreciation. Depreciation of fixed assets 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	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.

(d) Interest capitalisation

Interest related to fixed assets are capitalised until the assets are ready for their intended use.

(e) Stocks and work in progress

Stocks (other than work in progress) 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.

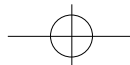
Work in progress represents unbilled costs at the financial year end. Cost comprise direct labour, materials and expenses.

(f) Gross amount due from customers

Gross amount due from customers comprise all contracts in progress at the end of the financial year for which costs incurred plus recognised profits (less recognised losses) exceed progress billings.

(g) Gross amount due to customers

Gross amount due to customers comprise all contracts in progress at the end of the financial year for which progress billings exceed costs incurred plus recognised profits (less recognised losses).



NOTES TO THE ACCOUNTS - 31 DECEMBER 1999 (CONTINUED)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Income recognition

(i) Charter hire income

Charter hire income is recognised upon services rendered to customers.

(ii) 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 is ascertained in the proportion of contract costs incurred for work performed as at the balance sheet date to the estimated total contract costs.

(iii) Interest and dividend income

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

(iv) Other income

Revenue is recognised upon sale of goods or services rendered to customers.

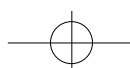
(i) Foreign currencies

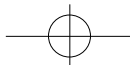
Transactions in foreign currencies are converted into Ringgit Malaysia at exchange rates ruling at the transaction dates. Foreign currency denominated monetary assets and liabilities at balance sheet date are translated into Ringgit Malaysia at exchange rates ruling at that date. All exchange differences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

For the purpose of consolidation, the accounts of the foreign entities have been translated into Ringgit Malaysia as follows:

All assets and liabilities	-	at year end rate
Share capital and reserves	-	at historical rate
Revenue and expenses	-	at average rate for the financial year

Exchange differences arising from the translation of the accounts of the subsidiary companies are taken directly to the Translation Reserve Account.





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NOTES TO THE ACCOUNTS - 31 DECEMBER 1999 (CONTINUED)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) **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 not recognised in the accounts unless there is reasonable expectation of their realisation in the foreseeable future.

(k) **Hire purchase and 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 accounts. The finance expenses of the lease rentals are charged to the profit and loss accounts over the period of the lease on a straight-line method.

Operating lease rentals are charged to the profit and loss accounts in the period in which they are incurred.

(l) **Receivables**

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

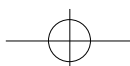
(m) **Deferred expenditure**

Deferred expenditure consist of preliminary expenses, license fees and special drydocking expenses which are stated at cost. The preliminary expenses and licence fees are amortised over a period of 10 years through the profit and loss accounts upon commencement of operations. The special drydocking expenses are amortised over a period of 5 years.

In the previous years, the special drydocking expenses were charged to profit and loss accounts as and when incurred. The change in the accounting policy has no material effect on the accounts of the Group and the Company.

(n) **Cash and cash equivalents**

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



NOTES TO THE ACCOUNTS - 31 DECEMBER 1999 (CONTINUED)

4 TURNOVER

Turnover for the Group represents the aggregate of:

- invoiced value for services rendered
- invoiced value of goods sold less discounts and returns
- contract value plus approved variation orders in proportion to the stage of completion.

Turnover for the Company represents dividend income from subsidiary companies.

5 PROFIT BEFORE TAXATION

	Group		Company	
	1999	1998	1999	1998
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Amortisation of deferred expenditure	482	586	-	-
Auditors' remuneration	195	186	4	4
Depreciation of fixed assets	27,210	25,437	20	17
Directors' remuneration				
- fees	272	288	272	288
- other emoluments	618	939	66	265
Interest expense on:				
term loans	19,046	25,567	-	-
bank overdrafts and bankers' acceptances	1,360	2,235	-	-
hire purchase and finance lease	69	83	-	-
others	82	118	-	-
Loss on foreign exchange	814	2,316	-	-
Rental of equipment	57	47	-	-
Rental of premises	1,298	1,046	-	-
Dividend income received and receivable from subsidiary companies	-	-	(16,300)	(907)
Gain on foreign exchange	(620)	(2,897)	-	-
Gain on disposal of fixed assets	-	(11,194)	-	-
Interest income on:				
- fixed deposits	(87)	(341)	-	-
- others	(100)	-	-	-
Rental income	(37)	(28)	-	-

The cost of sales of the Group are RM128,365,604 (1998: RM92,308,802).



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NOTES TO THE ACCOUNTS - 31 DECEMBER 1999 (CONTINUED)

6 TAXATION

The taxation charge of the Group and the Company are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
	RM'000	RM'000	RM'000	RM'000
Estimated tax payable:				
Malaysian	-	(1,055)	-	-
(Under)/over provision in prior years:				
Malaysian	(51)	4	(55)	-
Foreign	(160)	-	-	-
	<u>(211)</u>	<u>(1,051)</u>	<u>(55)</u>	<u>-</u>
Deferred taxation (Note 23)	<u>82</u>	<u>83</u>	<u>-</u>	<u>-</u>
	<u>(129)</u>	<u>(968)</u>	<u>(55)</u>	<u>-</u>

No provision has been made for income for financial year ended 31 December 1999 pursuant to Section 8 of the Income Tax (Amendment) Act, 1999.

Income arising from Malaysian sea-going ships of certain subsidiary companies are exempted under Section 54A of the Income Tax Act, 1967.

Subject to agreement by the tax authorities, the Group has tax exempt income available to frank tax exempt dividends amounting to approximately RM101,747,000 (1998: RM90,322,000).

7 DIVIDENDS

	<u>Group and Company</u>	
	<u>1999</u>	<u>1998</u>
	RM'000	RM'000
Final dividend of nil (1998: 2 sen per share less income tax at 28%)	-	907
Interim dividend of 10 sen per share, tax exempt (1998: nil)	<u>6,300</u>	<u>-</u>
	<u>6,300</u>	<u>907</u>

8 EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the Group profit after taxation and minority interests of RM44,317,467 (1998: RM28,075,631) by the weighted average number of ordinary shares of the Company in issue during the financial year of 63,000,000 (1998: 63,000,000).

NOTES TO THE ACCOUNTS - 31 DECEMBER 1999 (CONTINUED)

9 FIXED ASSETS

	At 1 January 1999 RM'000	Additions RM'000	Disposals RM'000	Reclassification RM'000	Exchange adjustments RM'000	At 31 December 1999 RM'000
Group - 1999						
Cost						
Freehold land	210	-	-	-	-	210
Building	240	-	-	-	-	240
Short leasehold land and buildings	401	-	-	-	-	401
Building under short lease - at 1995 valuation	4,127	-	-	-	(11)	4,116
Vessels	402,153	897	-	37,980	-	441,030
Plant and machinery	5,760	522	(7)	2,002	(1)	8,276
Office equipment, furniture and fittings	6,389	1,241	(122)	-	(3)	7,505
Motor vehicles	990	122	(66)	230	-	1,276
Assets under hire purchase:						
Plant and machinery	2,002	-	-	(2,002)	-	-
Motor vehicles	1,697	-	(88)	(230)	-	1,379
Vessel under construction	31,492	6,488	-	(37,980)	-	-
	<u>455,461</u>	<u>9,270</u>	<u>(283)</u>	<u>-</u>	<u>(15)</u>	<u>464,433</u>



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NOTES TO THE ACCOUNTS - 31 DECEMBER 1999 (CONTINUED)

9 FIXED ASSETS (CONTINUED)

	At 1 January 1999 RM'000	Charge for the year RM'000	Disposals RM'000	Reclassification RM'000	Exchange adjustments RM'000	At 31 December 1999 RM'000
Group - 1999						
Less: Accumulated depreciation						
Building	24	8	-	-	-	32
Short leasehold land and buildings	34	7	-	-	-	41
Building under short lease - at 1995 valuation	604	94	-	-	(2)	696
Vessels	88,850	24,734	-	-	-	113,584
Plant and machinery	4,235	812	(5)	1,707	(1)	6,748
Office equipment, furniture and fittings	2,577	1,099	(47)	-	(2)	3,627
Motor vehicles	751	110	(66)	192	-	987
Assets under hire purchase:						
Plant and machinery	1,707	-	-	(1,707)	-	-
Motor vehicles	503	346	(58)	(192)	-	599
	<u>99,285</u>	<u>27,210</u>	<u>(176)</u>	<u>-</u>	<u>(5)</u>	<u>126,314</u>
						31 December 1999 RM'000
Net book value						
Freehold land						210
Building						208
Short leasehold land and buildings						360
Building under short lease - at 1995 valuation						3,420
Vessels						327,446
Plant and machinery						1,528
Office equipment, furniture and fittings						3,878
Motor vehicles						289
Assets under hire purchase:						
Plant and machinery						-
Motor vehicles						780
Vessels under construction						-
						<u>338,119</u>

NOTES TO THE ACCOUNTS - 31 DECEMBER 1999 (CONTINUED)

9 FIXED ASSETS (CONTINUED)

	At 1 January 1998 RM'000	Acquisition of a subsidiary company RM'000	Additions RM'000	Disposals RM'000	Reclassification RM'000	Exchange adjustments RM'000	At 31 December 1998 RM'000
Group - 1998							
Cost							
Freehold land	210	-	-	-	-	-	210
Building		240	-	-	-	-	240
Short leasehold land and buildings	401	-	-	-	-	-	401
Building under short lease - at 1995 valuation	4,142	-	6	-	-	(21)	4,127
Vessels	392,690	-	3,488	(24,967)	30,942	-	402,153
Plant and machinery	4,998	-	780	(16)	-	(2)	5,760
Office equipment, furniture and fittings	5,100	327	1,728	(759)	-	(7)	6,389
Motor vehicles	980	-	98	(88)	-	-	990
Assets under hire purchase:							
Plant and machinery	2,002	-	-	-	-	-	2,002
Motor vehicles	1,685	-	110	(98)	-	-	1,697
Vessels under construction	21,582	-	40,852	-	(30,942)	-	31,492
	<u>434,030</u>	<u>327</u>	<u>47,062</u>	<u>(25,928)</u>	<u>-</u>	<u>(30)</u>	<u>455,461</u>



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NOTES TO THE ACCOUNTS - 31 DECEMBER 1999 (CONTINUED)

9 FIXED ASSETS (CONTINUED)

	At 1 January <u>1998</u> RM'000	Acquisition of a subsidiary <u>company</u> RM'000	<u>Additions</u> RM'000	<u>Disposals</u> RM'000	<u>Exchange</u> <u>adjustments</u> RM'000	At 31 December <u>1998</u> RM'000
Group - 1998						
Less: Accumulated depreciation						
Building	16	-	8	-	-	24
Short leasehold land and buildings	27	-	7	-	-	34
Building under short lease						
- at 1995 valuation	469	-	138	-	(3)	604
Vessels	73,282	-	23,020	(7,452)	-	88,850
Plant and machinery	3,641	-	595	-	(1)	4,235
Office equipment, furniture and fittings	2,045	138	952	(554)	(4)	2,577
Motor vehicles	589	-	250	(88)	-	751
Assets under hire purchase:						
Plant and machinery	1,474	-	233	-	-	1,707
Motor vehicles	289	-	234	(20)	-	503
	<u>81,832</u>	<u>138</u>	<u>25,437</u>	<u>(8,114)</u>	<u>(8)</u>	<u>99,285</u>

NOTES TO THE ACCOUNTS - 31 DECEMBER 1999 (CONTINUED)

9 FIXED ASSETS (CONTINUED)

	31 December 1998 RM'000
Net book value	
Freehold land	210
Building	216
Short leasehold land and buildings	367
Building under short lease - at 1995 valuation	3,523
Vessels	313,303
Plant and machinery	1,525
Office equipment, furniture and fittings	3,812
Motor vehicles	239
Assets under hire purchase:	
Plant and machinery	295
Motor vehicles	1,194
Vessels under construction	31,492
	<u>356,176</u>

	At 1 January 1999 RM'000	Additions RM'000	At 31 December 1999 RM'000
Company - 1999			
Cost			
Office equipment, furniture and fittings	80	6	86
	<u>80</u>	<u>6</u>	<u>86</u>
	At 1 January 1999 RM'000	Charge for the year RM'000	At 31 December 1999 RM'000
Less: Accumulated depreciation			
Office equipment, furniture and fittings	18	21	39
	<u>18</u>	<u>21</u>	<u>39</u>
			At 31 December 1999 RM'000
Net book value			
Office equipment, furniture and fittings			47
			<u>47</u>



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NOTES TO THE ACCOUNTS - 31 DECEMBER 1999 (CONTINUED)

9 FIXED ASSETS (CONTINUED)

	At 1 January <u>1998</u> RM'000	<u>Additions</u> RM'000	At 31 December <u>1998</u> RM'000
Company - 1998			
Cost			
Office equipment, furniture and fittings	35	45	80
	<u> </u>	<u> </u>	<u> </u>
	At 1 January <u>1998</u> RM'000	Charge for <u>the year</u> RM'000	At 31 December <u>1998</u> RM'000
Less: Accumulated depreciation			
Office equipment, furniture and fittings	1	17	18
	<u> </u>	<u> </u>	<u> </u>
Net book value			At 31 December <u>1998</u> RM'000
Office equipment,furniture and fittings			62
			<u> </u>

- (a) Certain fixed assets of the Group have been charged as security for short term borrowings and term loans (Notes 19 and 22).
- (b) Interest capitalised as part of the cost of vessels under construction of the Group is RM274,457 (1998: RM745,157).
- (c) 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.

NOTES TO THE ACCOUNTS - 31 DECEMBER 1999 (CONTINUED)

10 DEFERRED EXPENDITURE

	Group	
	<u>1999</u>	<u>1998</u>
	RM'000	RM'000
Preliminary expenses:		
As at 1 January	208	553
Incurred during the financial year	-	14
	<u>208</u>	<u>567</u>
Less: Amortised during the financial year	(176)	(359)
As at 31 December	<u>32</u>	<u>208</u>
Licence fee:		
As at 1 January	1,716	1,955
Less: Amortised during the financial year	(229)	(227)
Effects of exchange rate changes	(4)	(12)
As at 31 December	<u>1,483</u>	<u>1,716</u>
Special dry-docking expenses:		
Incurred during the financial year	599	-
Less: Amortised during the financial year	(77)	-
As at 31 December	<u>522</u>	<u>-</u>
	<u>2,037</u>	<u>1,924</u>



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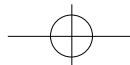
NOTES TO THE ACCOUNTS - 31 DECEMBER 1999 (CONTINUED)

11 INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	<u>1999</u>	<u>1998</u>
	RM'000	RM'000
Unquoted shares, at cost	<u>43,835</u>	<u>43,835</u>

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

<u>Name of company</u>	<u>Principal activities</u>	Group's equity interest		<u>Country of incorporation</u>
		%	%	
		<u>1999</u>	<u>1998</u>	
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	Ship management	100	100	Malaysia



NOTES TO THE ACCOUNTS - 31 DECEMBER 1999 (CONTINUED)

11 INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

<u>Name of company</u>	<u>Principal activities</u>	<u>Group's equity interest</u>		<u>Country of incorporation</u>
		<u>% 1999</u>	<u>% 1998</u>	
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
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	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	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.

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NOTES TO THE ACCOUNTS - 31 DECEMBER 1999 (CONTINUED)

12 STOCKS AND WORK IN PROGRESS

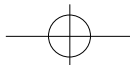
	Group	
	<u>1999</u>	<u>1998</u>
	RM'000	RM'000
Spares and supplies	3,635	3,626
Food and beverage	95	57
	<u>3,730</u>	<u>3,683</u>
Less: Provision for stock obsolescence	(800)	(695)
	<u>2,930</u>	<u>2,988</u>
Work in progress	463	-
	<u>3,393</u>	<u>2,988</u>

13 GROSS AMOUNT DUE FROM CUSTOMERS

Aggregate costs incurred todate	41,841	24,839
Add: Attributable profit	4,934	1,872
Less: Recognised losses	-	-
	<u>46,775</u>	<u>26,711</u>
Less: Progress billings	(41,985)	(19,537)
	<u>4,790</u>	<u>7,174</u>

14 TRADE DEBTORS

Trade debtors	54,258	47,317
Less: Provision for doubtful debts	(4,347)	(3,923)
	<u>49,911</u>	<u>43,394</u>



NOTES TO THE ACCOUNTS - 31 DECEMBER 1999 (CONTINUED)

15 OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

Included in other debtors, deposits and prepayments of the Group is loan to a director of a subsidiary company amounting to RM147,414 (1998: RM157,099) 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, deposits and prepayments of the Company is dividend receivable from a subsidiary amounting to RM10,000,000.

16 FIXED DEPOSIT WITH LICENSED BANKS

Included in the fixed deposits with licensed banks is an amount of RM800,000 (1998: RM800,000) pledged as security for credit facilities granted to a subsidiary company.

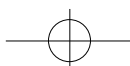
17 OTHER CREDITORS AND ACCRUALS

	Group		Company	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
	RM'000	RM'000	RM'000	RM'000
Sundry creditors	4,773	9,275	63	-
Accrued operating expenses	14,613	12,795	104	42
Amount due to a substantial shareholder	3,321	3,321	3,321	3,321
	<u>22,707</u>	<u>25,391</u>	<u>3,488</u>	<u>3,363</u>

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18 HIRE PURCHASE CREDITORS

	Group	
	<u>1999</u>	<u>1998</u>
	RM'000	RM'000
Total amount outstanding	462	811
Less: Portion repayable within 12 months (current portion)	(202)	(345)
Non current portion (Note 22)	<u>260</u>	<u>466</u>



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NOTES TO THE ACCOUNTS - 31 DECEMBER 1999 (CONTINUED)

19 SHORT TERM BORROWINGS

	Group	
	<u>1999</u>	<u>1998</u>
	RM'000	RM'000
Secured:		
Bank overdrafts (Note 24)	18,052	23,572
Revolving credits	37,100	37,100
Long term loans - portion repayable within 12 months (Note 22)	36,378	50,700
	<u>91,530</u>	<u>111,372</u>

The borrowings are secured as follows:

- Fixed charges over certain vessels of certain subsidiary companies.
- First fixed and floating charges over all the assets of certain subsidiary companies.
- Joint and several guarantee given by all directors of certain subsidiary companies.
- Corporate guarantee by certain subsidiary companies totalling SGD7.4 million.
- Personal guarantee by a director of certain subsidiary companies.
- Lien on fixed deposit of RM800,000 of a subsidiary company.
- Assignment of contract proceeds at 80% margin of advance for a subsidiary company.

The short term borrowings bear interest at rates ranging from 5.00% to 10.70% per annum (1998: 7% to 19.81%).

20 SHARE CAPITAL

	Group and Company	
	<u>1999</u>	<u>1998</u>
	RM'000	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

NOTES TO THE ACCOUNTS - 31 DECEMBER 1999 (CONTINUED)

21 RESERVES

	At 1 January RM'000	Retained profit for the year RM'000	At 31 December RM'000
Group - 1999			
Non-distributable			
Share premium	40,898	-	40,898
Capital reserve	764	-	764
Reserve on consolidation	256	-	256
Translation reserve	1,811	-	1,811
Merger reserve	(37,235)	-	(37,235)
Distributable			
Retained profits	27,587	38,017	65,604
	<u>34,081</u>	<u>37,531</u>	<u>72,098</u>

	At 1 January RM'000	Share premium created/ (utilised) during the year RM'000	Retained profit for the year RM'000	Movement in the year RM'000	At 31 December RM'000
Group - 1998					
Non-distributable					
Share premium	40,930	(32)	-	-	40,898
Capital reserve	533	-	-	231	764
Reserve on consolidation	256	-	-	-	256
Translation reserve	1,826	-	-	(15)	1,811
Merger reserve	(37,235)	-	-	-	(37,235)
Distributable					
Retained profits	418	-	27,169	-	27,587
	<u>6,728</u>	<u>(32)</u>	<u>27,169</u>	<u>216</u>	<u>34,081</u>



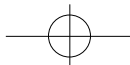
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NOTES TO THE ACCOUNTS - 31 DECEMBER 1999 (CONTINUED)

21 RESERVES (CONTINUED)

	At <u>1 January</u> RM'000	Retained profit for <u>the year</u> RM'000	At <u>31 December</u> RM'000
Company - 1999			
Non-distributable			
Share premium	40,898	-	40,898
Distributable			
Accumulated losses	(364)	10,283	9,919
	<u>40,534</u>	<u>10,283</u>	<u>50,817</u>

	At <u>1 January</u> RM'000	Share premium created during <u>the year</u> RM'000	Retained profit for <u>the year</u> RM'000	At <u>31 December</u> RM'000
Company - 1998				
Non-distributable				
Share premium	40,930	(32)	-	40,898
Distributable				
Accumulated losses	(366)	-	2	(364)
	<u>40,564</u>	<u>(32)</u>	<u>2</u>	<u>40,534</u>



NOTES TO THE ACCOUNTS - 31 DECEMBER 1999 (CONTINUED)

21 RESERVES (CONTINUED)

Pursuant to the requirements of subsection 365(1A) of the Companies Act, 1965, the future distribution of dividends out of the Company's retained profits may only be declared for a financial year up to an amount not exceeding the after-tax profit of that financial year, or not exceeding the average dividends declared in respect of the two financial years immediately preceding that financial year, whichever is the greater.

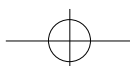
The difference between the nominal value of shares of the Company issued as consideration and the nominal value of BAN and Haven's shares transferred to the Company has been classified as a merger deficit and included in non-distributable reserves in the consolidated accounts.

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:

	<u>31 December 1995</u> RM'000
Merger reserves	
BAN	32,705
Haven	4,530
	<u>37,235</u>
	<u>RM'000</u>

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)
	<u>(37,235)</u>
	<u></u>



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NOTES TO THE ACCOUNTS - 31 DECEMBER 1999 (CONTINUED)

22 LONG TERM LIABILITIES

	Group	
	<u>1999</u>	<u>1998</u>
	RM'000	RM'000
Secured:		
Term loans	175,367	218,642
Portion repayable within 12 months (Note 19)	(36,378)	(50,700)
	<u>138,989</u>	<u>167,942</u>
Hire purchase creditors (Note 18)	260	466
	<u>139,249</u>	<u>168,408</u>

The term loans 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.

The term loans bear interest at rates ranging from 5.00% to 10.70% (1998: 7% to 19.81%) per annum and are repayable by fixed monthly or quarterly instalments. The repayment periods are analysed as follows:

	Group	
	<u>1999</u>	<u>1998</u>
	RM'000	RM'000
Within one year	36,378	50,700
Between one and two years	35,045	59,289
Between two and five years	79,480	76,319
More than five years	24,464	32,334
	<u>175,367</u>	<u>218,642</u>

NOTES TO THE ACCOUNTS - 31 DECEMBER 1999 (CONTINUED)

23 DEFERRED TAXATION

	Group	
	<u>1999</u>	<u>1998</u>
	RM'000	RM'000
At beginning of the financial year	392	477
Transfer to profit and loss account (Note 6)	(82)	(83)
At end of the financial year	<u>310</u>	<u>392</u>

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

The amount of timing differences of the Group not provided for are approximately RM12.1 million (1998: RM7.6 million).

24 CASH AND CASH EQUIVALENTS

	Group	
	<u>1999</u>	<u>1998</u>
	RM'000	RM'000
Cash on hand and balances with banks	3,771	5,456
Fixed deposits with licensed banks maturing within 3 months	3,544	1,582
Bank overdrafts (Note 19)	(18,052)	(23,572)
	<u>(10,737)</u>	<u>(16,534)</u>

25 NON-CANCELLABLE OPERATING LEASE COMMITMENTS

	Group	
	<u>1999</u>	<u>1998</u>
	RM'000	RM'000
Payable within one year	375	455
Payable later than one year, not later than two years	368	558
Payable later than two years	470	827
	<u>1,213</u>	<u>1,840</u>

26 CAPITAL COMMITMENTS

	Group	
	<u>1999</u>	<u>1998</u>
	RM'000	RM'000
Authorised capital expenditure for fixed assets not provided for in the accounts:		
- approved and contracted for	-	6,265



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NOTES TO THE ACCOUNTS - 31 DECEMBER 1999 (CONTINUED)

27 SIGNIFICANT RELATED PARTY DISCLOSURES

The related parties of the Company and their relationship are as follows:

<u>Company</u>	<u>Relationship</u>
Bumi Armada Navigation Sdn. Bhd.	Direct subsidiary company.
Haven Automation Industries Sdn. Bhd.	Direct subsidiary company.
Land & General Berhad	Substantial shareholder of Bumi Armada Berhad.

Significant related party transactions

The significant related party transactions between the Company and these entities are described below:

	<u>Group</u>		<u>Company</u>	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Administrative expenses payable to a substantial shareholder	-	3,314	-	3,314
Reimbursement of administrative expenses receivable from subsidiary companies	-	-	1,418	1,475

The above related party transactions have been entered into in the normal course of business and transacted at prices agreed between parties.

Significant related party balances

The net amount due from/(to) related parties are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Amounts due from subsidiary companies	-	-	63,281	63,846
Amount due to a substantial shareholder	(3,221)	(3,221)	(3,221)	(3,221)

NOTES TO THE ACCOUNTS - 31 DECEMBER 1999 (CONTINUED)

28 SEGMENTAL INFORMATION

The Group's operations are substantially conducted within Malaysia:

	(Profit/(loss) before taxation		Assets employed
	Turnover RM'000	RM'000	RM'000
By industry - 1999			
Marine transportation, tanker operations and support services to oil and gas industry	135,821	41,678	65,198
Engineering and maintenance	87,792	2,648	7,103
Investment holding	-	338	69,981
	<u>223,613</u>	<u>44,664</u>	<u>142,282</u>
By industry - 1998			
Marine transportation, tanker operations and support services to oil and gas industry	118,304	31,192	39,504
Engineering and maintenance	73,896	(4,280)	4,705
Investment holding	-	2	59,699
	<u>192,200</u>	<u>26,914</u>	<u>103,908</u>

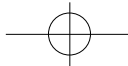
50

29 SUBSEQUENT EVENTS

On 27 January 2000, Bumi Armada Navigation Sdn. Bhd., a wholly owned subsidiary of Bumi Armada Berhad entered into a RM80 million Murabahah Notes Issuance/Islamic Medium Term Notes facility arranged by a discount house. The loan will be utilised to repay part of the existing loans amounting to RM43.5 million and repayment of advances to a substantial shareholder of RM3.3 million whilst the balance of the proceeds would be utilised to fund the working capital requirements of the Group.

On 27 January 2000, Haven Automation Industries Sdn. Bhd., a wholly owned subsidiary of Bumi Armada Berhad, disposed its 51% owned subsidiary, Haven Technologies Sdn. Bhd. for a cash consideration of RM1 million.





financial statements

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 accounts set out on pages 21 to 50 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 1999 and of the results of the Group and the Company and the cash flows of the Group for the financial year ended on that date in accordance with the applicable approved Accounting Standards in Malaysia.

On behalf of the Board

WAN ARIFF WAN HAMZAH
DIRECTOR

DR. AHMAD FAUZI BIN MUSTAPHA
DIRECTOR

Kuala Lumpur

51

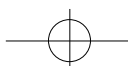
DECLARATION PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

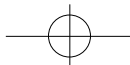
I, Zubaidah Abd Karim, the officer primarily responsible for the financial management of Bumi Armada Berhad, do solemnly and sincerely declare that the accounts set out on pages 21 to 50 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by 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
, before me .

COMMISSIONER FOR OATHS
REPORT OF THE AUDITORS TO THE MEMBERS OF





BUMI ARMADA BERHAD
(Company No. 370398 X)

We have audited the accounts set out on pages 21 to 50. These accounts are the responsibility of the company's directors. Our responsibility is to express an opinion on these accounts 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 accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting of the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and significant estimates made by directors, as well as evaluating the overall accounts presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the accounts give a true and fair view of the state of affairs of the Group and the Company as at 31 December 1999 and of the results of the Group and the Company and cash flows of the Group for the year ended on that date in accordance with the applicable approved Accounting Standards in Malaysia, and comply with the Companies Act, 1965; and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries 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 11 to the accounts. We have considered the accounts of these subsidiaries and the auditors' reports thereon.

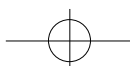
We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's accounts are in form and content appropriate and proper for the purposes of the preparation of the consolidated accounts and we have received satisfactory information and explanations required by us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

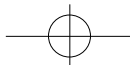
The auditors' reports on the accounts of the subsidiary companies were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Public Accountants

GUMURI BIN HUSSAIN
(No. 892/4/00 (J))
Partner of the firm

Kuala Lumpur





notice of annual general meeting

NOTICE IS HEREBY GIVEN that the 4th ANNUAL GENERAL MEETING of Bumi Armada Berhad will be held at Mahkota Ballroom III, BR Floor, Hotel Istana, 73 Jalan Raja Chulan, 50200 Kuala Lumpur on Thursday 29 June 2000, at 10:00 a.m. for the following purposes :-

1. To receive and adopt the Audited Accounts for the year ended 31 December 1999 and the Report of the Directors' and Auditors' thereon.

(Resolution 1)

2. To approve the payment of Directors' fees.

(Resolution 2)

3. To re-elect the following Director:-

- Dato' Abdul Karim Ahmad Tarmizi

(Resolution 3)

4. To re-appoint PricewaterhouseCoopers as Auditors of the Company and to authorize the Directors to fix their remuneration.

(Resolution 4)

5. As Special Business

To consider and if thought fit, to pass the following Ordinary Resolution:-

"THAT pursuant to Section 132D of the Companies Act 1965, the Directors be and are hereby authorized to issue shares in the company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotments and issues"

6. To transact any other business for which due notice shall have been given.

(Resolution 5)

BY ORDER OF THE BOARD

MOHD FAIZAL ABD AZIZ

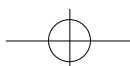
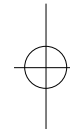
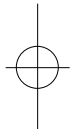
Secretary
(LS 6978)

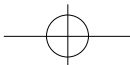
Kuala Lumpur
12 June 2000

NOTES:

1. A Member entitled to attend and vote at this Meeting is entitled to appoint a Proxy to attend and vote in his stead. A proxy need not be a member of the Company. Where a member appoints two proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
2. 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.
3. The Proxy Form, duly completed, must be deposited at the Registered Office of the Company, 1st Floor, Rumah Rohas, 61, Jalan Raja Abdullah, Kampong Baru, 50300 Kuala Lumpur not less than 48 hours before the time set for holding the Meeting or any adjournment thereof
4. **Resolution pursuant to Section 132D of the Companies Act 1965.**

The Ordinary Resolution proposed under item 5, if passed will give the directors of the Company, from the date of the above Meeting, authority to allot and issue ordinary shares from the unissued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in General Meeting, expire at the next Annual General Meeting.





proxy form

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 4th
ANNUAL GENERAL MEETING OF THE COMPANY to be held at Mahkota Ballroom III, BR Floor, Hotel Istana,
73 Jalan Raja Chulan, 50200 Kuala Lumpur on Thursday, 29 June 2000 at 10.00 am and at any adjournment thereof.

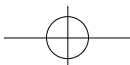
	RESOLUTION	FOR	AGAINST
No.1	Adoption of Reports and Accounts		
No.2	Payment of Directors' Fees		
	Re-election of a Director		
No.3	Dato' Abdul Karim Bin Ahmad Tarmizi		
No.4	Re-appointment of Auditors		
No.5	Approval of Section 132D, Companies Act,1965		

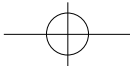
No of Shares	
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Signature: _____
Date: _____

(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 appoints 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.
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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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