

BERJUNTAI TIN DREDGING BERHAD  
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors present their report together with the audited financial statements of the Company and of the Group for the year ended 30 April 2002.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding. With the curtailment of tin dredging operations, the Company is seeking new business opportunities, in particular, in the supply and service of equipment and spare parts to the oil and gas industry.

The Company's subsidiary, PBT Sdn. Bhd., disposed of its cement brick plant during the year and remains dormant.

FINANCIAL RESULTS

	<u>GROUP</u> RM	<u>COMPANY</u> RM
Loss for the year	(2,364,032)	(1,956,828)
Accumulated losses brought forward	<u>(45,877,326)</u>	<u>(46,318,425)</u>
Accumulated losses carried forward	<u>(48,241,358)</u>	<u>(48,275,253)</u>

There were no material transfers to or from reserves or provisions during the year.

In the opinion of the Directors, the results of the operations of the Company and of the Group during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

No dividend was paid during the year and the Directors do not recommend any dividend to be paid for the year ended 30 April 2002.

## DIRECTORS

The names of the Directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Mohd. Hanafiah Omar, Chairman	
Datuk Haji Abu Bakar bin Lajim	
Haji Mokty bin Dato' Mahmood	
Mohamed Jamal bin Dato' Mohd. Ramli	(Appointed on 6.11.2001;Resigned on 8.7.2002)
Dato' Ismail Shahudin	(Appointed on 1.8.2002)
Phan Leong Kim	(Resigned on 8.10.2001)
Datuk Ab. Sukor Shahar	(Resigned on 18.1.2002)

In accordance with the Articles of Association of the Company, Datuk Haji Abu Bakar bin Lajim retires by rotation. Dato' Ismail Shahudin, who was appointed during the year, also retires at the forthcoming Annual General Meeting. Both of the Directors, being eligible, offer themselves for re-election.

Tuan Haji Mokty bin Dato' Mahmood has indicated that he does not wish to seek re-appointment at the forthcoming Annual General Meeting of the Company.

## DIRECTORS' INTERESTS

None of the Directors held any beneficial interest in the shares of the Company or its subsidiary during the financial year ended 30 April 2002.

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby Directors might 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 of the Company has received or become entitled to receive any benefits (other than a benefit included in the aggregate amount of fees received or due and receivable by the Directors as shown in the Group financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member or with a company in which the Director has a substantial financial interest required to be disclosed by Section 169(8) of the Companies Act, 1965.

## SUBSTANTIAL INTEREST IN THE CAPITAL OF THE COMPANY

As at the date of this report, Malaysia Mining Corporation Berhad has beneficial interest in 8,742,885 shares representing 28.64% of the issued share capital of the Company.

## SIGNIFICANT EVENTS DURING THE YEAR

- (a) On 24 August 2001, the Company announced to the Kuala Lumpur Stock Exchange ("KLSE") that it had embarked on a restructuring scheme, which upon completion would transform the Company into a property development company.

The said scheme involved the proposed acquisition of three development companies and land in Kuala Lumpur in respect of which sale and purchase agreements have been signed. The scheme also involves the proposed restricted issue of new shares in Berjantai Tin Dredging Berhad ("BTD") to Malaysia Mining Corporation Berhad ("MMC") and the proposed conversion of debts owing by the Company to MMC into new shares in the Company. However, despite several discussions between the Company and various land bank owners in an attempt by the Company to comply with the Securities Commission ("SC") minimum land bank requirement, the Company had not been able to succeed in acquiring suitable land bank for the said purpose. As a result, the said Scheme was terminated.

- (b) With the termination of the aforesaid proposals, the Board of Directors, on 30 April 2002, announced to KLSE a revised restructuring scheme. The revised scheme would transform the Company into a Company involved in the supply and service of equipment and spare parts to the oil and gas industry. The revised scheme involves:-
- (i) the proposed capital reduction exercise pursuant to Section 64 of the Companies Act, 1965 to reduce the existing issued and paid-up share capital of the Company from RM30,526,200 comprising 30,526,200 of the Company shares to RM15,263,100 comprising 30,526,200 Ordinary Shares of 50 sen each by the cancellation of RM0.50 of the par value of the Company's shares and thereafter, the consolidation of 2 Ordinary Shares of RM0.50 each in the Company into 1 ordinary share of RM1.00 each, resulting in an issued and paid-up share capital of RM15,263,100 comprising 15,263,100 BTD shares, and
- (ii) the proposed conversion of RM20,600,000 debt owed by the Company to Malaysia Mining Corporation Berhad ("MMC") as at 30 April 2002 into 11,444,444 new BTD shares at RM1.80 per share instead of the conversion of RM18,097,714 debt owed by the Company to MMC as at 30 April 2001 into 16,452,467 new BTD shares at RM1.10 as previously announced by the Company on 24 August 2001.

SIGNIFICANT EVENTS DURING THE YEAR (CONTD.)

- (b) (iii) the proposed acquisition by the Company of the entire issued and paid-up capital of Enserv Sdn. Bhd. comprising 1,000,000 ordinary shares of RM1.00 each from Dato' Annuar bin Mohd. Tasin, Mohd. Shamshir bin Mohd. Ibrahim, Tan Sri Mohamed bin Ngah Said, Tengku Patimah binti Sultan Ibrahim and Hatijah binti Yusof (collectively the "Enserv Vendors") for a purchase consideration of RM60,000,000 to be wholly satisfied by the issue of 33,333,333 new BTB shares at an issue price of RM1.80 per share.
- (c) The Company's last dredge was sold during the year.
- (d) The cement brick plant belonging to PBT Sdn. Bhd., a wholly-owned subsidiary of the Company was disposed during the year.

OTHER STATUTORY INFORMATION

- (a) Before the income statements and balance sheets of the Company and of the Group were made out, the Directors took reasonable steps:
  - (i) 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 there were no known bad debts and that adequate provision for doubtful debts had been made; and
  - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:-
  - (i) it necessary to write off any debts or the amount of the provision for doubtful debts in the Company and the Group inadequate to any extent; and
  - (ii) the values attributed to current assets in the financial statements of the Company and of the Group misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company and of the Group misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Company and of the Group which would render any amount stated in the financial statements and consolidated financial statements misleading.

OTHER STATUTORY INFORMATION (CONTD.)

(e) As at the date of this report, there does not exist:-

- (i) any charge on the assets of the Company or of the Group which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liabilities in respect of the Company or of the Group which have arisen since the end of the financial year.

(f) In the opinion of the Directors:-

- (i) no contingent liability 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 will or may affect the ability of the Company or of the Group to meet its obligations as and when they fall due; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company or of the Group for the financial year in which this report is made.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

On behalf of the Board,

DATO' MOHD. HANAFIAH OMAR                    )  
  )  
  ) DIRECTORS  
  )  
  )  
HAJI MOKTY BIN DATO' MAHMOOD            )

Kuala Lumpur, Malaysia  
19 August, 2002

BERJUNTAI TIN DREDGING BERHAD  
(Incorporated in Malaysia)

INCOME STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2002

	Note	<u>GROUP</u>		<u>COMPANY</u>	
		<u>2002</u> RM	<u>2001</u> RM	<u>2002</u> RM	<u>2001</u> RM
REVENUE		-	-	-	-
OTHER OPERATING INCOME	4	950,289	1,085,861	950,289	1,085,861
ADMINISTRATIVE EXPENSES	5	(1,662,644)	(734,139)	(1,437,478)	(708,519)
OTHER OPERATING EXPENSES	6	(246,988)	(304,321)	(216,877)	(155,581)
(LOSS)/PROFIT FROM OPERATIONS		(959,343)	47,401	(704,066)	221,761
FINANCE COSTS	7	(1,467,103)	(1,418,902)	(1,467,103)	(1,418,902)
INVESTMENT INCOME	8	63,000	42,000	63,000	42,000
LOSS BEFORE TAXATION AND EXCEPTIONAL ITEMS		(2,363,446)	(1,329,501)	(2,108,169)	(1,155,141)
EXCEPTIONAL ITEMS	9	-	(1,915,309)	151,927	(3,000,012)
LOSS BEFORE TAXATION		(2,363,446)	(3,244,810)	(1,956,242)	(4,155,153)
TAXATION	10	(586)	8,529	(586)	8,529
LOSS ATTRIBUTABLE TO SHAREHOLDERS		(2,364,032)	(3,236,281)	(1,956,828)	(4,146,624)
LOSS PER SHARE (SEN)	11	(8)	(11)		

The annexed notes form an integral part of these financial statements.

BERJUNTAI TIN DREDGING BERHAD  
(Incorporated in Malaysia)

BALANCE SHEETS AS AT 30 APRIL 2002

	Note	<u>GROUP</u>		<u>COMPANY</u>	
		<u>2002</u> RM	<u>2001</u> RM	<u>2002</u> RM	<u>2001</u> RM
PROPERTY, PLANT AND EQUIPMENT	12	526,099	1,332,826	485,629	890,126
SUBSIDIARY COMPANY	13	-	-	1	1
ASSOCIATED COMPANY	14	49	49	49	49
INVESTMENTS	15	1,245,000	1,245,000	1,245,000	1,245,000
<b>CURRENT ASSETS</b>					
Debtors	16	696,847	727,445	696,847	727,445
Fixed deposits with licensed financial institutions	17	965,433	63,296	965,433	63,296
Cash and bank balances		192,723	278,666	192,723	278,666
		<u>1,855,003</u>	<u>1,069,407</u>	<u>1,855,003</u>	<u>1,069,407</u>
<b>CURRENT LIABILITIES</b>					
Creditors	18	<u>21,221,309</u>	<u>18,878,408</u>	<u>21,214,735</u>	<u>18,876,808</u>
NET CURRENT LIABILITIES		<u>(19,366,306)</u>	<u>(17,809,001)</u>	<u>(19,359,732)</u>	<u>(17,807,401)</u>
		<u>(17,595,158)</u>	<u>(15,231,126)</u>	<u>(17,629,053)</u>	<u>(15,672,225)</u>
<b>FINANCED BY:</b>					
SHARE CAPITAL	19	30,526,200	30,526,200	30,526,200	30,526,200
CAPITAL RESERVE (NON-DISTRIBUTABLE)	20	120,000	120,000	120,000	120,000
ACCUMULATED LOSSES		<u>(48,241,358)</u>	<u>(45,877,326)</u>	<u>(48,275,253)</u>	<u>(46,318,425)</u>
		<u>(17,595,158)</u>	<u>(15,231,126)</u>	<u>(17,629,053)</u>	<u>(15,672,225)</u>

The annexed notes form an integral part of these financial statements.

BERJUNTAI TIN DREDGING BERHAD  
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 APRIL 2002

	<u>Share Capital</u> RM	<u>Capital Reserve</u> RM	<u>Accumulated Loss</u> RM	<u>Total</u> RM
<u>GROUP</u>				
At 1 May 2000	30,526,200	120,000	(42,641,045)	(11,994,845)
Loss for the year	<u>-</u>	<u>-</u>	<u>(3,236,281)</u>	<u>(3,236,281)</u>
At 30 April 2001	30,526,200	120,000	(45,877,326)	(15,231,126)
Loss for the year	<u>-</u>	<u>-</u>	<u>(2,364,032)</u>	<u>(2,364,032)</u>
At 30 April 2002	<u>30,526,200</u>	<u>120,000</u>	<u>(48,241,358)</u>	<u>(17,595,158)</u>
<u>COMPANY</u>				
At 1 May 2000	30,526,200	120,000	(42,171,801)	(11,525,601)
Loss for the year	<u>-</u>	<u>-</u>	<u>(4,146,624)</u>	<u>(4,146,624)</u>
At 30 April 2001	30,526,200	120,000	(46,318,425)	(15,672,225)
Loss for the year	<u>-</u>	<u>-</u>	<u>(1,956,828)</u>	<u>(1,956,828)</u>
At 30 April 2002	<u>30,526,200</u>	<u>120,000</u>	<u>(48,275,253)</u>	<u>(17,629,053)</u>

The annexed notes form an integral part of these financial statements.



BERJUNTAI TIN DREDGING BERHAD  
(Incorporated in Malaysia)

CASH FLOW STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2002

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2002</u> RM	<u>2001</u> RM	<u>2002</u> RM	<u>2001</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before taxation	(2,363,446)	(3,244,810)	(1,956,242)	(4,155,153)
Adjustments for:				
Provision for retirement benefits	2,429	2,338	2,429	2,338
Provision for retrenchment benefits	2,211	2,132	2,211	2,132
Loss on disposal of property, plant and equipment	254,464	-	52,344	-
Dividend income	(63,000)	(42,000)	(63,000)	(42,000)
Depreciation of property, plant and equipment	98,753	152,405	68,642	6,605
Loss arising from impairment of property, plant and equipment	-	432,135	-	-
Interest income	(2,395)	(2,096)	(2,395)	(2,096)
Interest expense	1,467,103	1,418,902	1,467,103	1,418,902
Provision for doubtful debts	136,299	3,129	136,299	3,129
Write-back of provision for doubtful debts	(84,853)	(74,008)	(84,853)	(74,008)
Joint venture land development costs written off	-	1,483,174	-	1,483,174
Provision for amount due from subsidiary company	-	-	-	1,516,838
Write-back of provision for retirement benefit	(92,902)	-	(92,902)	-
Write-back of provision for quit rent	(177,056)	-	(177,056)	-
Write-back of provision for amount due from subsidiary	-	-	(151,927)	-
Operating (loss)/profit before working capital changes	(822,393)	131,301	(799,347)	159,861

BERJUNTAI TIN DREDGING BERHAD  
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CASH FLOW STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2002 (CONTD.)

	Note	<u>GROUP</u>		<u>COMPANY</u>	
		<u>2002</u> RM	<u>2001</u> RM	<u>2002</u> RM	<u>2001</u> RM
Operating profit/(loss) before working capital changes		(822,393)	131,301	(799,347)	159,861
Changes in working capital:					
Debtors		(20,272)	(161,555)	(20,272)	(161,555)
Creditors		83,977	15,932	79,004	15,846
Cash (used in)/generated from operations		(758,688)	(14,322)	(740,615)	14,152
Retrenchment benefits paid		(3,004)	-	(3,004)	-
Taxes refunded		-	14,409	-	14,409
Taxes paid		(586)	(5,880)	(586)	(5,880)
Net cash (used in)/generated from operating activities		<u>(762,278)</u>	<u>(5,793)</u>	<u>(744,205)</u>	<u>22,681</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	(a)	(13,105)	(95,923)	(13,105)	(95,923)
Proceeds from sale of property, plant and equipment		491,000	-	321,000	-
Dividend received		63,000	42,000	63,000	42,000
Interest income		2,395	2,096	2,395	2,096
Fixed deposit pledged		(2,137)	(3,296)	(2,137)	(3,296)
Net cash generated from/(used in) investing activities		<u>541,153</u>	<u>(55,123)</u>	<u>371,153</u>	<u>(55,123)</u>
Balance carried forward		(221,125)	(60,916)	(373,052)	(32,442)

BERJUNTAI TIN DREDGING BERHAD  
(Incorporated in Malaysia)

CASH FLOW STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2002 (CONTD.)

	Note	<u>GROUP</u>		<u>COMPANY</u>	
		<u>2002</u> RM	<u>2001</u> RM	<u>2002</u> RM	<u>2001</u> RM
Balance brought forward		(221,125)	(60,916)	(373,052)	(32,442)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Repayment from/(advance to) subsidiary company		-	-	151,927	(28,474)
Advance from a shareholder		<u>1,035,182</u>	<u>37,489</u>	<u>1,035,182</u>	<u>37,489</u>
Net cash generated from financing activities		<u>1,035,182</u>	<u>37,489</u>	<u>1,187,109</u>	<u>9,015</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		814,057	(23,427)	814,057	(23,427)
CASH AND CASH EQUIVALENTS AS AT 1 MAY		<u>278,666</u>	<u>302,093</u>	<u>278,666</u>	<u>302,093</u>
CASH AND CASH EQUIVALENTS AS AT 30 APRIL	(b)	<u><u>1,092,723</u></u>	<u><u>278,666</u></u>	<u><u>1,092,723</u></u>	<u><u>278,666</u></u>

Note (a): Purchase of property, plant and equipment by way of:

	<u>GROUP/COMPANY</u>	
	<u>2002</u> RM	<u>2001</u> RM
Cash	13,105	95,923
Advances from a corporate shareholder	<u>244,077</u>	<u>-</u>
	<u><u>257,182</u></u>	<u><u>95,923</u></u>

Note (b): Cash and cash equivalents consist of:

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2002</u> RM	<u>2001</u> RM	<u>2002</u> RM	<u>2001</u> RM
Cash and bank balances	192,723	278,666	192,723	278,666
Fixed deposits with licensed financial institutions	<u>900,000</u>	<u>-</u>	<u>900,000</u>	<u>-</u>
	<u><u>1,092,723</u></u>	<u><u>278,666</u></u>	<u><u>1,092,723</u></u>	<u><u>278,666</u></u>

BERJUNTAI TIN DREDGING BERHAD  
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS- 30 APRIL 2002

1. FUNDAMENTAL ACCOUNTING CONCEPT

The financial statements have been prepared under the going concern concept as the significant shareholder has agreed not to demand repayment of the amount owing by the Company during the next twelve months or until the completion of the restructuring exercise (referred to in Note 24), whichever is earlier, except in so far as the funds of the Company permit repayment and such repayment will not adversely affect the ability of the Company to meet its liabilities as and when they fall due and excepting further any repayment by way of allotment and issuance of the Company's shares.

2. GENERAL

The registered office is located at Level 10, Block B, Wisma Semantan, 12, Jalan Gelenggang, Bukit Damansara, 50490 Kuala Lumpur.

The principal place of business is located at Batang Berjuntai, 46500, Batang Berjuntai, Selangor Darul Ehsan.

The principal activity of the Company is that of investment holding. With the curtailment of tin dredging operations, the Company is seeking new business opportunities, in particular, in the supply and service of equipment and spare parts to the oil and gas industry.

The Company disposed of its last dredge during the year.

The Company's subsidiary, PBT Sdn. Bhd., disposed of its cement brick plant during the year and remains dormant.

The financial statements of the Company and consolidated financial statements of the Group are expressed in Ringgit Malaysia.

The number of employees of the Company as at 30 April 2002 is 11 (2001: 10).

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Accounting

The financial statements of the Group and of the Company are prepared under the historical cost convention modified to include the revaluation of investments and comply with applicable approved accounting standards issued by the Malaysian Accounting Standards Board.

#### (b) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary for the year ended 30 April 2002.

Where subsidiary companies are acquired or sold during the year, their results are included from the date of acquisition or excluded from the date of sale.

The difference between the consideration paid for the shares in the subsidiary companies and the fair value of attributable net assets acquired, at the date of acquisition, represents goodwill or reserve arising on consolidation. Goodwill arising on consolidation was amortised over a period which the Directors estimate to be the useful life.

From this year, goodwill is stated at cost as the Directors consider that the policy will more fairly reflect the continuing value of the companies acquired. There is no impact on the financial statements for the year arising from the change in policy.

#### (c) Subsidiary Company

A subsidiary company is a company in which long term equity interest of more than 50% is held and where the Group is in a position to exercise significant influence through management participation.

The investment in the subsidiary company is stated at cost, and provision is made in the event of any permanent diminution in value.

#### (d) Associated Company

An associated company is one in which the Company has a long term equity interest of between 20% and 50% and participates in its management through board representation. Share of the post-acquisition results and reserves of an associated company (if any) is equity accounted based on the latest audited or management accounts of the Company concerned.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(e) Property, Plant and Equipment

Freehold property is not depreciated. All other property, plant and equipment are included at cost less accumulated depreciation. These are depreciated over their estimated useful lives (after making due allowance for estimated residual value) using the straight line method as follows:-

Buildings	10%
Office equipment	10% - 50%
Plant and machinery	10%
Motor vehicles	10% - 25%

(f) Investments

Quoted investments held on a long term basis are shown at Directors' valuation. Any surplus on revaluation, net of previous deficits, is credited to a capital reserve while any deficit on revaluation, net of previous surpluses, is taken to the income statement.

Income arising on these investments is taken to the income statement as and when received.

(g) Debtors

Debtors are recognised and carried at original invoice amounts less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is subject to uncertainty. Bad debts are written off when so determined.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(h) Retirement benefits

The Company provides benefits to an approved retirement trust fund to finance retirement benefits payable to employees in accordance with contribution plans as set out in the previous union agreements.

(i) Retrenchment Benefits

Provision is made in the financial statements for retrenchment benefits in accordance with contribution plans set out in the previous union agreements.

(j) Deferred Taxation

Deferred taxation is provided on the liability method for all timing differences except where no liability is expected to arise in the foreseeable future. Deferred tax benefits are only recognised when there is a reasonable expectation of realisation in the near future.

(k) Cash and Cash Equivalents

Cash and cash equivalents as stated in the cash flow statement comprise cash and bank balances including fixed deposits with licensed financial institutions available on demand against which overdraft balances, if any, are deducted. Pledged fixed deposits are excluded.

(l) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. When the significant risks and rewards of ownership of the goods have passed to the buyer, revenue is recognised.

Dividend income from investment in the subsidiary company is accrued when declared. Interest income is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectibility is in doubt.

(m) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a realisable estimate can be made of the amount of the obligation.

## 4. OTHER OPERATING INCOME

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	RM	RM	RM	RM
Tribute income	253,344	320,865	253,344	320,865
Rental income	110,000	150,000	110,000	150,000
Interest income	2,395	2,096	2,395	2,096
Others	584,550	612,900	584,550	612,900
	<u>950,289</u>	<u>1,085,861</u>	<u>950,289</u>	<u>1,085,861</u>

## 5. ADMINISTRATIVE EXPENSES

Directors' fees	41,318	39,038	41,318	39,038
Auditors' remuneration				
- statutory audit	17,500	17,500	16,000	16,000
- non audit	260,000	12,785	260,000	12,785
Staff costs	302,393	205,355	302,393	205,355
Rental expense	3,356	11,100	3,356	11,100
Provision for doubtful debts	136,299	3,129	136,299	3,129
Provision for retirement benefits	2,429	2,338	2,429	2,338
Provision for retrenchment benefits	2,211	2,132	2,211	2,132
Loss on sale of property, plant and equipment	254,464	-	52,344	-
Restructuring exercise costs	797,629	292,640	797,629	292,640
Write-back of provision for doubtful debts	(84,853)	(74,008)	(84,853)	(74,008)
Write-back of provision for retrenchment benefit	(92,902)	-	(92,902)	-
Write-back of provision for quit rent	(177,056)	-	(177,056)	-
Others	199,856	222,130	178,310	198,010
	<u>1,662,644</u>	<u>734,139</u>	<u>1,437,478</u>	<u>708,519</u>



6. OTHER OPERATING EXPENSES

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	RM	RM	RM	RM
Depreciation of property, plant and equipment	98,753	152,405	68,642	6,605
Management fee	60,000	60,000	60,000	60,000
Others	88,235	91,916	88,235	88,976
	<u>246,988</u>	<u>304,321</u>	<u>216,877</u>	<u>155,581</u>

7. FINANCE COSTS

Interest expense on loan from a significant shareholder	<u>1,467,103</u>	<u>1,418,902</u>	<u>1,467,103</u>	<u>1,418,902</u>
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8. INVESTMENT INCOME

	<u>GROUP/COMPANY</u>	
	<u>2002</u>	<u>2001</u>
	RM	RM
Gross dividend from investment quoted in Malaysia	<u>63,000</u>	<u>42,000</u>

9. EXCEPTIONAL ITEMS

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	RM	RM	RM	RM
Write-back of provision for amount due from subsidiary company	-	-	151,927	-
Joint venture land development costs written off	-	(1,483,174)	-	(1,483,174)
Provision for amount due from subsidiary company	-	-	-	(1,516,838)
Loss arising from impairment of property, plant and equipment	-	(432,135)	-	-
	<u>-</u>	<u>(1,915,309)</u>	<u>151,927</u>	<u>(3,000,012)</u>

10. TAXATION

	<u>GROUP/COMPANY</u>	
	<u>2002</u>	<u>2001</u>
	RM	RM
Malaysian taxation based on results for the year:		
- current year	-	5,880
- under/(over) provision in prior year	586	(14,409)
	<u>586</u>	<u>(8,529)</u>

The taxation charge for the year is in respect of dividend income.

Subject to agreement by the Inland Revenue, the deferred taxation benefit on estimated unutilised tax losses and other provisions of the Group and the Company not dealt with in the financial statements are RM42,815,000 (2001: RM43,536,000) and RM41,836,000 (2001: RM42,364,000) respectively.

11. LOSS PER SHARE

The calculation of loss per share is based on the loss for the year of RM2,364,032 (2001 : RM3,236,281) for the Group and on 30,526,200 shares of RM1.00 each in issue throughout the two years ended 30 April 2002.

## 12. PROPERTY, PLANT AND EQUIPMENT

	Freehold property RM	Short term leasehold property RM	Nos. 3 dredge RM	Buildings, office equipment and others RM	Plant and machinery RM	Renovation in progress RM	Motor vehicles RM	Total 2002 RM	Total 2001 RM
<u>GROUP</u>									
At 1 May, net of accumulated depreciation	121,941	-	357,000	340,242	294,509	74,836	144,298	1,332,826	1,821,443
Impairment	-	-	-	-	-	-	-	-	(432,135)
Additions	-	-	-	255,382	1,800	-	-	257,182	95,923
Disposals	-	-	(357,000)	(282,339)	(250,000)	-	(75,817)	(965,156)	-
Reclassifications	-	-	-	74,836	-	(74,836)	-	-	-
Depreciation	-	-	-	(67,979)	(150)	-	(30,624)	(98,753)	(152,405)
At 30 April, net of accumulated depreciation	121,941	-	-	320,142	46,159	-	37,857	526,099	1,332,826
At cost/valuation	121,941	167,669	-	3,306,868	585,105	-	333,188	4,514,771	9,869,286
Accumulated depreciation	-	(167,669)	-	(2,986,726)	(538,946)	-	(295,331)	(3,988,672)	(8,536,460)
	121,941	-	-	320,142	46,159	-	37,857	526,099	1,332,826

12. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	<u>Freehold property</u> RM	<u>Short term leasehold property</u> RM	<u>Nos. 3 dredge</u> RM	<u>Buildings, office equipment, and others</u> RM	<u>Plant and machinery</u> RM	<u>Renovation in progress</u> RM	<u>Motor vehicles</u> RM	<u>Total</u> <u>2002</u> RM	<u>2001</u> RM
<u>COMPANY</u>									
At 1 May, net of accumulated depreciation	121,941	-	357,000	262,158	44,505	74,836	29,686	890,126	800,808
Additions	-	-	-	255,382	1,800	-	-	257,182	95,923
Disposals	-	-	(357,000)	(219,693)	-	-	(16,344)	(593,037)	-
Reclassifications	-	-	-	74,836	-	(74,836)	-	-	-
Depreciation	-	-	-	(55,998)	(150)	-	(12,494)	(68,642)	(6,605)
At 30 April, net of accumulated depreciation	<u>121,941</u>	<u>-</u>	<u>-</u>	<u>316,685</u>	<u>46,155</u>	<u>-</u>	<u>848</u>	<u>485,629</u>	<u>890,126</u>
At cost/valuation	121,941	167,669	-	3,299,936	585,103	-	259,166	4,433,815	9,131,460
Accumulated depreciation	<u>-</u>	<u>(167,669)</u>	<u>-</u>	<u>(2,983,251)</u>	<u>(538,948)</u>	<u>-</u>	<u>(258,318)</u>	<u>(3,948,186)</u>	<u>(8,241,334)</u>
	<u>121,941</u>	<u>-</u>	<u>-</u>	<u>316,685</u>	<u>46,155</u>	<u>-</u>	<u>848</u>	<u>485,629</u>	<u>890,126</u>

13. SUBSIDIARY COMPANY

	<u>COMPANY</u>	
	<u>2002</u> RM	<u>2001</u> RM
Unquoted shares, at cost	8,300,003	8,300,003
Amount written off	<u>(8,300,002)</u>	<u>(8,300,002)</u>
	1	1
Amount due from subsidiary company	<u>1,364,911</u>	<u>1,516,838</u>
	1,364,912	1,516,839
Amount provided for	<u>(1,364,911)</u>	<u>(1,516,838)</u>
	<u>1</u>	<u>1</u>

<u>Company</u>	<u>Percentage held</u>		<u>Country of incorporation</u>	<u>Principal activity</u>
	<u>2002</u> %	<u>2001</u> %		
PBT Sdn. Bhd.	100.00	100.00	Malaysia	Dormant

14. ASSOCIATED COMPANY

	<u>GROUP/COMPANY</u>	
	<u>2002</u> RM	<u>2001</u> RM
Unquoted shares, at cost	<u>49</u>	<u>49</u>

<u>Company</u>	<u>Percentage held</u>		<u>Country of incorporation</u>	<u>Principal activity</u>
	<u>2002</u> %	<u>2001</u> %		
* Wangsa Struktur Sdn. Bhd.	49.00	49.00	Malaysia	Dormant

As the company is dormant, the results of this Company have not been equity accounted for during the financial year.

\* Not audited by Ernst & Young

15. INVESTMENTS

	<u>GROUP/COMPANY</u>	
	<u>2002</u>	<u>2001</u>
	RM	RM
Quoted in Malaysia, as revalued	<u>1,245,000</u>	<u>1,245,000</u>
Market value of quoted shares	<u>2,226,000</u>	<u>1,246,000</u>
Quoted shares stated at Directors' valuation continues to be stated on the basis of the 1993 revaluation.		

16. DEBTORS

Other debtors	855,747	856,467
Provision for doubtful debts	<u>(158,900)</u>	<u>(129,022)</u>
	<u>696,847</u>	<u>727,445</u>

17. FIXED DEPOSIT

Included in the balance is a fixed deposit amounting to RM65,433 (2001: RM63,296) placed with a licensed bank as security for bank guarantee facilities granted to the Company.

18. CREDITORS

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	RM	RM	RM	RM
Other creditors	21,071,309	18,637,717	21,064,735	18,636,117
Provision for retrenchment benefits	<u>150,000</u>	<u>240,691</u>	<u>150,000</u>	<u>240,691</u>
	<u>21,221,309</u>	<u>18,878,408</u>	<u>21,214,735</u>	<u>18,876,808</u>

Included in other creditors is an amount of RM20,600,000 (2001: RM18,097,714) advanced from a significant shareholder who has agreed not to demand repayment during the next twelve months or until the completion of the restructuring exercise (referred to in Note 24), which ever is earlier, except in so far as the funds of the Company permit repayment and such repayment will not adversely affect the ability of the Company to meet its liabilities as and when they fall due and excepting further any repayment by way of allotment and issuance of the Company's shares. The said advance is secured by a debenture creating a fixed and floating charge over all the Company's present and future properties, assets and undertakings and bears interest at 1.5% above the prevailing bank lending rate amounting to 7.9% (2001:8.3%) per annum.

19. SHARE CAPITAL

	<u>GROUP/COMPANY</u>	
	<u>2002</u>	<u>2001</u>
	RM	RM
Authorised:		
35,000,000 ordinary shares of RM1 each	<u>35,000,000</u>	<u>35,000,000</u>
Issued and fully paid:		
30,526,200 ordinary shares of RM1 each	<u>30,526,200</u>	<u>30,526,200</u>

20. CAPITAL RESERVE

Capital reserve relates to a revaluation carried out in 1993 of the Group's quoted investments based on the prevailing market prices.

21. CONTINGENT LIABILITIES

The Group have contingent liabilities which are not readily ascertainable in respect of filling and levelling conditions on the Group's mining leases.

22. SIGNIFICANT RELATED PARTY TRANSACTIONS

	<u>COMPANY</u>			
		Amount outstanding as at		Amount outstanding as at
	<u>2002</u>	<u>2002</u>	<u>2001</u>	<u>2001</u>
	RM	RM	RM	RM
With a wholly-owned subsidiary of the significant shareholder:				
-Pernas Charter Management Sdn. Bhd.				
-Professional services rendered	60,000	-	60,000	-
-Rental receivable	(30,000)	-	(30,000)	-
-Reimbursable expenses payable	31,746	41,405	34,021	14,120
With the significant shareholder:				
-Malaysia Mining Corporation Bhd.				
-Reimbursable expenses payable	1,035,183	9,739,933	357,589	8,704,750
-Interest charged on loan	<u>1,467,103</u>	<u>10,860,067</u>	<u>1,418,902</u>	<u>9,392,964</u>

The Directors of the Company are of the opinion that the above transactions were conducted in the normal course of business and are under terms that are no less favourable than those arranged with third parties.

23. FUTURE CAPITAL COMMITMENTS

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	RM	RM	RM	RM
Consultancy fees in respect of restructuring scheme	500,000	1,000,000	500,000	1,000,000
Capital expenditure in respect of office renovation in progress	-	118,164	-	118,164
	<u>500,000</u>	<u>1,118,164</u>	<u>500,000</u>	<u>1,118,164</u>

24. SIGNIFICANT EVENTS DURING THE YEAR

- (a) On 24 August 2001, the Company announced to the Kuala Lumpur Stock Exchange ("KLSE") that it had embarked on a restructuring scheme, which upon completion would transform the Company into a property development company.

The said scheme involved the proposed acquisition of three development companies and land in Kuala Lumpur in respect of which sale and purchase agreements had been signed. The scheme also involved the proposed restricted issue of new shares in Berjantai Tin Dredging Berhad ("BTD") to Malaysia Mining Corporation Berhad ("MMC") and the proposed conversion of debts owing by the Company to MMC into new shares in the Company. However, despite several discussions between the Company and various land bank owners in an attempt by the Company to comply with Securities Commission ("SC") requirement, the Company had not been able to succeed on the acquisition of suitable land bank for the said purpose. As a result, the said scheme was terminated.

- (b) With the termination of the aforesaid proposals, the Board of Directors, on 30 April 2002, announced to KLSE a revised restructuring scheme. The revised scheme would transform the Company into a Company involved in the supply and service of equipment and spare parts to the oil and gas industry. The revised scheme involves:-

- (i) the proposed capital reduction exercise pursuant to Section 64 of the Companies Act, 1965 ("Act") to reduce the existing issued and paid-up share capital of the Company from RM30,526,200 comprising 30,526,200 of the Company Share to RM15,263,100 comprising 30,526,200 Ordinary Shares of 50 sen each by the cancellation of RM0.50 of the par value of the Company's shares and thereafter, the consolidation of 2 Ordinary Shares of RM0.50 each in the Company into 1 ordinary share of RM1.00 each, resulting in an issued and paid-up share capital of RM15,263,100 comprising 15,263,100 BTD shares, and



24. SIGNIFICANT EVENTS DURING THE YEAR (CONTD.)

- (ii) the proposed conversion of RM 20,600,000 debt owed by the Company to Malaysia Mining Corporation Berhad ("MMC") as at 30 April 2002 into 11,444,444 new BTD shares at RM1.80 per share instead of the conversion of RM18,097,714 debt owed by the Company to MMC as at 30 April 2001 into 16,452,467 new BTD shares at RM1.10 as previously announced by the Company on 24 August 2001.
- (iii) the proposed acquisition by the Company of the entire issued and paid-up capital of Enserv Sdn. Bhd. comprising 1,000,000 ordinary shares of RM1.00 each from Dato' Annuar bin Mohd. Tasin, Mohd. Shamshir bin Mohd. Ibrahim, Tan Sri Mohamed bin Ngah Said, Tengku Patimah binti Sultan Ibrahim and Hatijah binti Yusof (collectively the "Enserv Vendors") for a purchase consideration of RM 60,000,000 to be wholly satisfied by the issue of 33,333,333 new BTD shares at an issue price of RM1.80 per share.
- (c) The Company's last dredge was sold during the year.
- (d) The cement brick plant belonging to PBT Sdn. Bhd., a wholly-owned subsidiary of the Company has been disposed during the year.

25. SEGMENTAL INFORMATION

There is no disclosure of segmental information as required by MASB Standard No. 22, Segment Reporting, as the Company operates principally within one industry and within the country.



Company No: 852-D

REPORT OF THE AUDITORS TO THE MEMBERS OF  
BERJUNTAI TIN DREDGING BERHAD

We have audited the financial statements set out on pages 6 to 25. 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 applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:-

- (a) the financial statements and consolidated financial statements are properly drawn up 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 financial position of the Company and of the Group as at 30 April 2002 and of the results and the cash flows of the Company and of the Group for the year then ended; and
  - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements and consolidated financial statements.
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary company of which we are auditors have been properly kept in accordance with the provisions of the Act.

Company No: 852-D

REPORT OF THE AUDITORS TO THE MEMBERS OF

BERJUNTAI TIN DREDGING BERHAD  
(CONTD.)

We are satisfied that the financial statements of the subsidiary which 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' Report on the financial statements of the subsidiary was not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Companies Act, 1965.

ERNST & YOUNG AF: 0039  
Chartered Accountants

Kua Choo Kai 2030/03/04(J)  
Partner

Kuala Lumpur, Malaysia  
19 August, 2002