

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2016

**29 RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)****Liquidity risk (continued)**

The Group uses various funded facilities provided by banks and its own financial assets to fund the above mentioned financial liabilities.

**Capital management**

The Group's policy is to maintain a healthy capital base to sustain future growth and maximise shareholder value.

The Group seeks to optimise shareholder returns by maintaining a balance between debt and capital and monitoring the efficiency of its capital structure on a regular basis.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the year ended 31 December 2016 and 31 December 2015. Equity comprises share capital, net unrealised (losses)/gains on derivatives, foreign currency translation reserve, share based payment reserve and retained earnings, and is measured at US\$ 698,156 thousand as at 31 December 2016 (2015: US\$ 563,921 thousand).

**30 SUBSIDIARIES AND JOINT ARRANGEMENTS**

At 31 December 2016, the Group had investments in the following subsidiaries and joint arrangements:

<i>Name of company</i>	<i>Country of incorporation</i>	<i>Proportion of nominal value of issued shares controlled by the Company</i>	
		2016	2015
<i>Active subsidiaries</i>			
Petrofac Algeria EURL	Algeria	*100%	*100%
Petrofac Engineering India Private Limited	India	100%	*100%
Petrofac Engineering Services India Private Limited	India	*100%	*100%
Petrofac Information Services Private Limited	India	100%	100%
PT. Petrofac IKPT International	Indonesia	72%	51%
Petrofac (JSD6000) Limited	Jersey	100%	100%
Petrofac E&C Sdn Bhd	Malaysia	100%	100%
Petrofac Engineering Services (Malaysia) Sdn. Bhd.	Malaysia	70%	70%
PFMAP Sdn. Bhd.	Malaysia	100%	100%
Petrofac Mexico SA de CV	Mexico	100%	100%
Petrofac Mexico Servicios SA de CV	Mexico	100%	100%
H&L/SPD Americas S de R.L.de CV	Mexico	100%	100%
Operadora de Compas del Noreste SA de CV			
(previously Petrofac Mexico Operaciones SA de DV)	Mexico	100%	100%
Petrofac Netherlands Cooperatief UA	Netherlands	99%	99%
PTS BV	Netherlands	100%	100%
Petrofac Netherlands Holding BV	Netherlands	100%	100%
Petrofac Kazakhstan BV	Netherlands	100%	100%
Petrofac Treasury BV	Netherlands	100%	100%
Petrofac Mexico Holdings BV	Netherlands	100%	100%
Petrofac Norge BV	Netherlands	100%	100%
Petrofac Oman BV (formerly Petrofac Russia BV)	Netherlands	100%	100%
Petrofac Nigeria BV	Netherlands	100%	100%
Petrofac Kazakhstan Ventures BV	Netherlands	100%	100%
Petrofac International (Nigeria) Limited	Nigeria	**40%	**40%
Petrofac Energy Services Nigeria Limited	Nigeria	100%	100%
Petrofac Holding AS	Norway	100%	100%
Petrofac E&C Oman LLC	Oman	*100%	*100%
Petrofac Saudi Arabia Company Limited	Saudi Arabia	*100%	*100%
Petrofac Emirates LLC (note 12)	United Arab Emirates	75%	75%
Petrofac E & C International Limited	United Arab Emirates	*100%	*100%
Petrofac FZE	United Arab Emirates	*100%	*100%
Petrofac International (UAE) LLC	United Arab Emirates	*100%	*100%
Petrofac International (Bahrain) S.P.C	Bahrain	100%	*100%
Petrofac International South Africa (Pty) Limited	South Africa	100%	*100%