DRIVING **SUSTAINABLE GROWTH**

ANNUAL REPORT **2022**

BUMIARMADA

Registration No: 199501041194
(370398-X)

TABLE OF CONTENTS

VISION

To be the preferred provider of offshore production and support services to our clients.

MISSION

- To operate and deliver on our commitments to the satisfaction of our stakeholders, safely, on time and within budget.
- To add value by effectively managing risks through a hands-on approach.
- To continuously improve our capabilities and to apply the lessons learnt to the way we work.
- To ensure good governance in all our practices, reduce our environmental footprint and support and promote social sustainability awareness wherever we operate.

ABOUT BUMI ARMADA

At Bumi Armada Berhad ("BAB" or "Company"), we strive to meet, and where possible exceed, all our clients' expectations and values within the ever changing Oil, Gas and Energy industry. We focus on developing the correct technologies to further grow and keep our sustainability goals in balance.

BAB is a Malaysia-based international offshore energy facilities and services provider with global experience spread across 5 continents - Oceania, South America, Asia, Europe & Africa. The extensive experience and cultural diversity of over 900 people from over 18 nationalities empowers diverse solution solving within our global team to safely deliver a world class performance for our various assets - Floating Production Storage Offloading ("FPSO"), Liquified Natural Gas ("LNG"), Offshore Support Vessels ("OSV") and derrick lay barges.

We offer a range of capabilities including field development support, production facilities, installation & operations, pipe-laying, hook-up & commissioning. We are committed to bringing innovative solutions to provide high quality and reliable facilities and services while incorporating leading and proven technologies for a sustainable tomorrow.

OUR BEGINNING

In December 1995, the Company was incorporated as a public limited company (under the Companies Act, 1965). The Bumi Armada Group ("the Group") includes diversified subsidiaries as well as joint venture companies.

Since then, our businesses have evolved from managing smaller tonnage vessels to being able to design, build and operate FPSOs with increasing complexity, functional capability and size.

Drawing on our decades of experience, we have developed a positive reputation for our project management capabilities. We deliver innovative solutions and quality facilities that incorporate leading and proven technologies to cater for the needs of our clients.

SCAN HERE

Kindly scan this QR Code to download our Annual Report 2022

CORE VALUES

SAFE

We care for the safety of each other and lead by example. We aim to take a proactive approach in protecting the environment, maintaining our assets and safeguarding information.

UNITED

We place a high importance on working as one team and want to pursue and achieve results together. We seek the participation of others in resolving problems, encourage mutual respect and always welcome feedback.

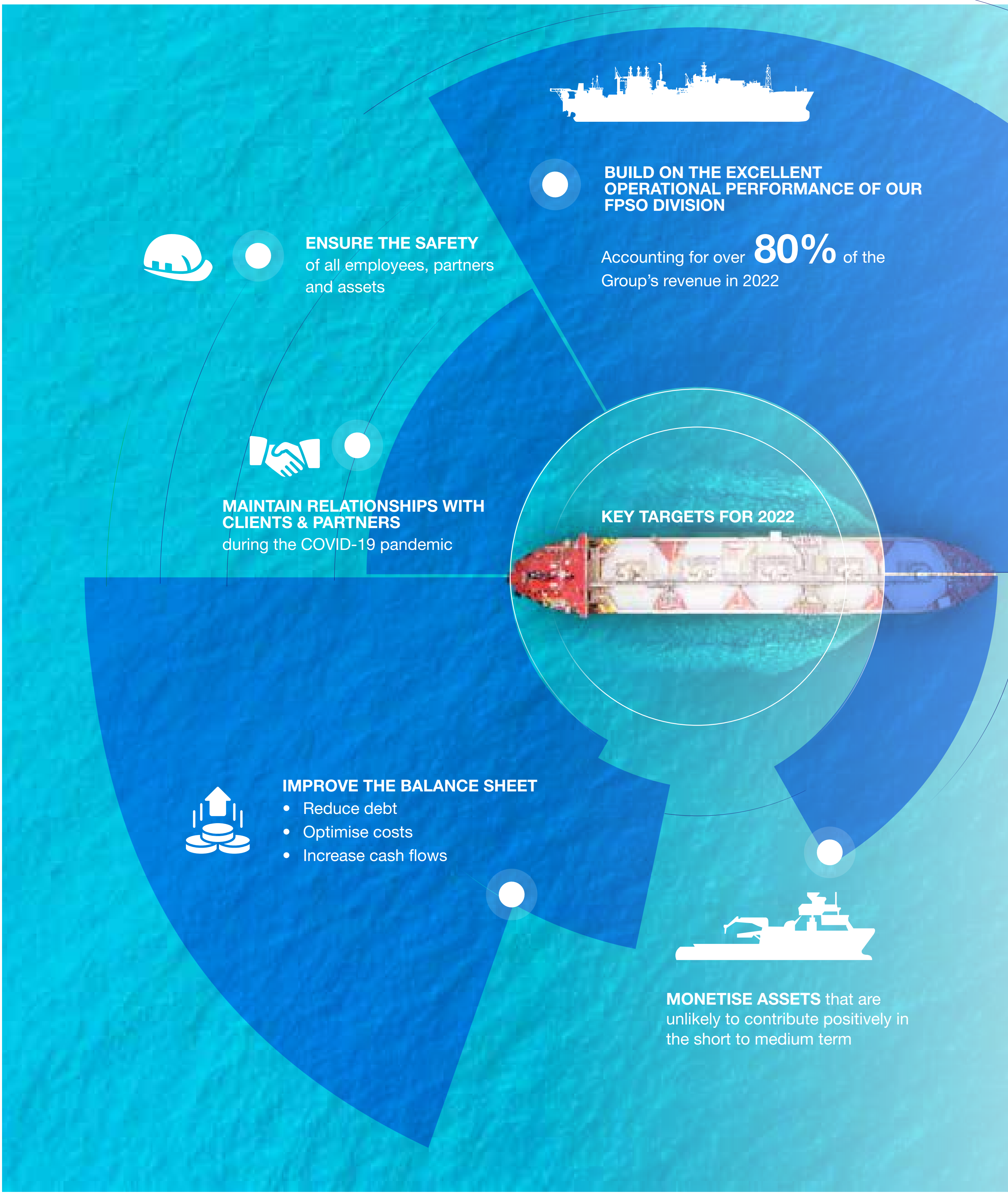
RESPONSIBLE

We take responsibility in always delivering on our promises and we commit ourselves personally in adding with value to our stakeholders. We want to conduct our business in good governance and a strong moral compass.

EXCELLENT

We are driven by our ambition to continuously improve. We seek to learn from others, we challenge others constructively and have the discipline to make the extra effort each time.

2022 AT A GLANCE



2022 AT A GLANCE

PERFORMANCE 2022

REVENUE
from continuing operations
RM**2.41** billion
2021: RM2.16 billion

TOTAL ASSETS
RM**11.73** billion
2021: RM12.07 billion

MARKET CAPITALISATION
RM**2.84** billion
2021: RM2.78 billion

SHARE PRICE
(as at 31 December)
RM**0.48**
2021: RM0.47

NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY
from continuing operations
RM**732.41** million
2021: RM659.23 million

FPSO UPTIME
99%
2021: 99%

TOTAL EQUITY
RM**5.10** billion
2021: RM3.92 billion

LOST TIME INJURY RATE
0.53 per million man-hours
2021: 0.55 per million man-hours

EMPLOYEES (as at 31 December 2022)

OFFSHORE

2021	578
2022	521

ONSHORE

2021	350
2022	358

ONSHORE NATIONALITIES

2021	16
2022	18

ONSHORE FEMALE EMPLOYEES

2021	43%
2022	43%

ABOUT THIS REPORT

Welcome to Bumi Armada's 2022 Annual Report. As you read through the following pages, you will find a comprehensive review of our Group's performance, including both opportunities and challenges faced during the financial year ended 31 December 2022.

SCOPE

This report covers the governance, strategy, financial performance and business of the Group. Split into 8 sections, Sections 1 - 4 (namely About Bumi Armada, 2022 At a Glance, An Overview of Bumi Armada and Strategy & Sustainability) provide a narrative of our business whilst Sections 5 - 8 (namely How We Are Governed, Our Numbers, Other Information and Annual General Meeting Information) provide all the material information relevant to our stakeholders, including the consolidated annual financial statements.

GUIDELINES

The financial statements have been audited by our external auditors, PricewaterhouseCoopers PLT, and were prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 ("CA 2016") in Malaysia.

Other sections of this report have been prepared in accordance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Malaysian Code on Corporate Governance 2017 ("MCCG"), Bursa Securities Sustainability Reporting Guidelines, and Corporate Governance Guide (4th Edition) ("CG Guide").

ENQUIRY

In ensuring that we report on the issues that matter to our stakeholders, please provide any questions pertaining to this report or questions that you would like answered at our upcoming Annual General Meeting to enquiry@bumiarmada.com

Note:

The information stated in this Annual Report is as at 31 December 2022 unless stated otherwise.

On behalf of the Board:

TUNKU ALI REDHAUDDIN IBNI TUANKU MUHRIZ

GARY NEAL CHRISTENSON

WHERE WE OPERATE

BUMI ARMADA BERHAD OPERATIONS

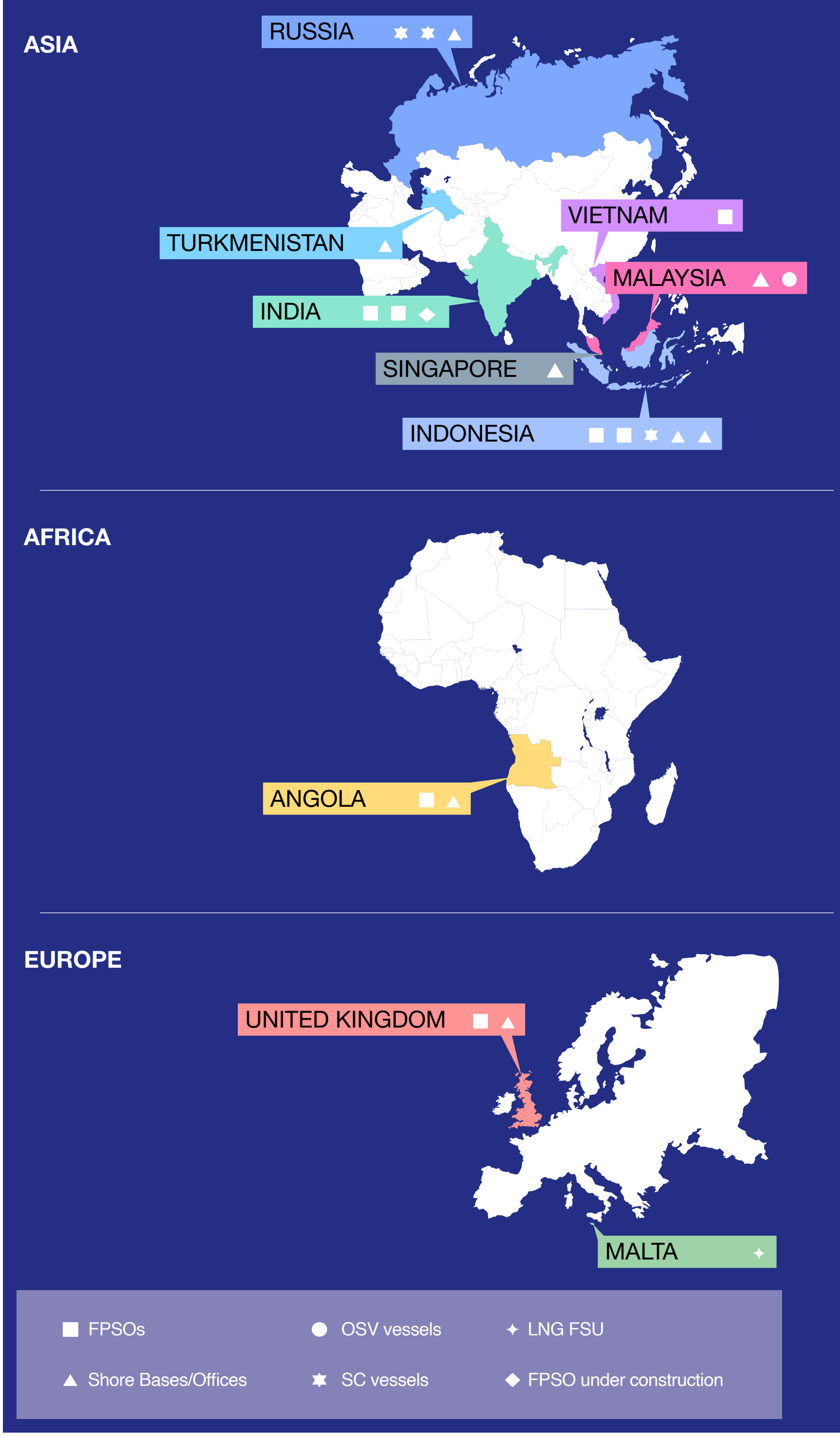
The BAB Operations business unit specialises in the operations of oil and gas development and production facilities that meet the specific requirements of clients.

Bumi Armada currently has the following facilities:

CHANGES TO THE BUSINESS STRUCTURE

In 2022, the Group reorganised the business activities by integrating its operational FPSOs, LNG FSU, Subsea Construction ("SC") and OSV vessels into one Operations business unit, while the provision of engineering consultancy and project support services have been segregated as a separate business unit (Technology, Engineering & Projects).

OFFSHORE	ONSHORE	DIVERSITY OF EMPLOYEE NATIONALITIES
521 employees	358 employees	18 nationalities



GROUP CORPORATE STRUCTURE

AS AT 31 MARCH 2023

BUMIARMADA

- 49% less 1 share — ARMADA D1 PTE. LTD. (Singapore)
- ARMADA KAMELIA SDN. BHD. (Malaysia) (In Members' Voluntary Liquidation)
- ARMADA OYO LTD. (BVI)
- BUMI ARMADA AUTOMATION INTERNATIONAL SDN. BHD. (Malaysia)
- BUMI ARMADA CAPITAL MALAYSIA SDN. BHD. (Malaysia)
- BUMI ARMADA CAPITAL OFFSHORE LTD (Labuan)
- BUMI ARMADA ENGINEERING SDN. BHD. (Malaysia)
- BUMI ARMADA NETHERLANDS B.V. (Netherlands)
- BUMI ARMADA HOLDINGS LABUAN LTD (Labuan)
- BUMI ARMADA LABUAN HOLDINGS COMPANY LIMITED (Labuan)
- BUMI ARMADA MARINE HOLDINGS LIMITED (BVI)
- 99% — BUMI ARMADA NAVIGATION SDN. BHD. (Malaysia)
- BUMI ARMADA OFFSHORE HOLDINGS LIMITED (Marshall Islands)
- BUMI ARMADA RUSSIA HOLDINGS LIMITED (Marshall Islands)
- BUMI ARMADA SINGAPORE HOLDINGS PTE. LTD. (Singapore)
- BUMI ARMADA (SINGAPORE) PTE. LTD. (Singapore)
- 30% — SHAPOORJI PALLONJI BUMI ARMADA GODAVARI PRIVATE LIMITED (India)
- 49% less 1 share — SHAPOORJI PALLONJI BUMI ARMADA OFFSHORE PRIVATE LIMITED (India)
- 49% less 1 share — SP ARMADA OIL EXPLORATION PRIVATE LIMITED (India)

Notes:

* All 100% subsidiaries unless stated otherwise

** Remaining 1% equity interest is held by Bumi Armada Russia Holdings Ltd, a related corporation

Indicators:

- Company in the process of being liquidated via members voluntary liquidation
- Joint Ventures ("JV")
- JV subsidiaries
- JV / Associate

GROUP CORPORATE STRUCTURE

CORPORATE INFORMATION

BOARD OF DIRECTORS

1 Tunku Ali Redhauddin ibni Tuanku Muhriz
Chairman
Independent Non-Executive Director

2 Alexandra Elisabeth Johanna Maria Schaapveld
Independent Non-Executive Director

3 Uthaya Kumar a/l K Vivekananda
Independent Non-Executive Director

4 Tunku Alizakri bin Raja Muhammad Alias
Independent Non-Executive Director

5 Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda
Independent Non-Executive Director
(Appointed on 20 April 2023)

6 Chan Chee Beng
Non-Independent Non-Executive Director

7 Maureen Toh Siew Guat
Non-Independent Non-Executive Director

8 Rohan a/l Rajan Rajasooria
Non-Independent Non-Executive Director
(Appointed on 23 November 2022)

9 Gary Neal Christenson
Executive Director/ Chief Executive Officer

AUDIT COMMITTEE

- Uthaya Kumar a/l K Vivekananda (Chairperson)
- Alexandra Elisabeth Johanna Maria Schaapveld
- Maureen Toh Siew Guat

REMUNERATION COMMITTEE

- Alexandra Elisabeth Johanna Maria Schaapveld (Chairperson)
- Maureen Toh Siew Guat
- Uthaya Kumar a/l K Vivekananda
- Tunku Alizakri bin Raja Muhammad Alias

NOMINATION & CORPORATE GOVERNANCE COMMITTEE

- Tunku Ali Redhauddin ibni Tuanku Muhriz (Chairperson)
- Alexandra Elisabeth Johanna Maria Schaapveld
- Chan Chee Beng
- Uthaya Kumar a/l K Vivekananda

RISK MANAGEMENT COMMITTEE

- Uthaya Kumar a/l K Vivekananda (Chairperson)
- Maureen Toh Siew Guat
- Rohan a/l Rajan Rajasooria
(Appointed on 23 November 2022)

COMPANY SECRETARIES

Shamsul Shahrina binti Mohd Hussein
(MAICSA 7047477)
(SSM PC No. 201908002446)

Seuhailey binti Shamsudin @ Azraain
(MAICSA 7046575)
(SSM PC No. 202008001650)

REGISTERED ADDRESS/HEAD OFFICE

Level 21, Menara Perak
24, Jalan Perak
50450 Kuala Lumpur, Malaysia
Tel : +603 2302 9000
Fax : +603 2302 9299
Website : www.bumiarmada.com
Email : enquiry@bumiarmada.com

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Semangat
(Jalan Professor Khoo Kay Kim)
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603 7890 4700
Fax : +603 7890 4670

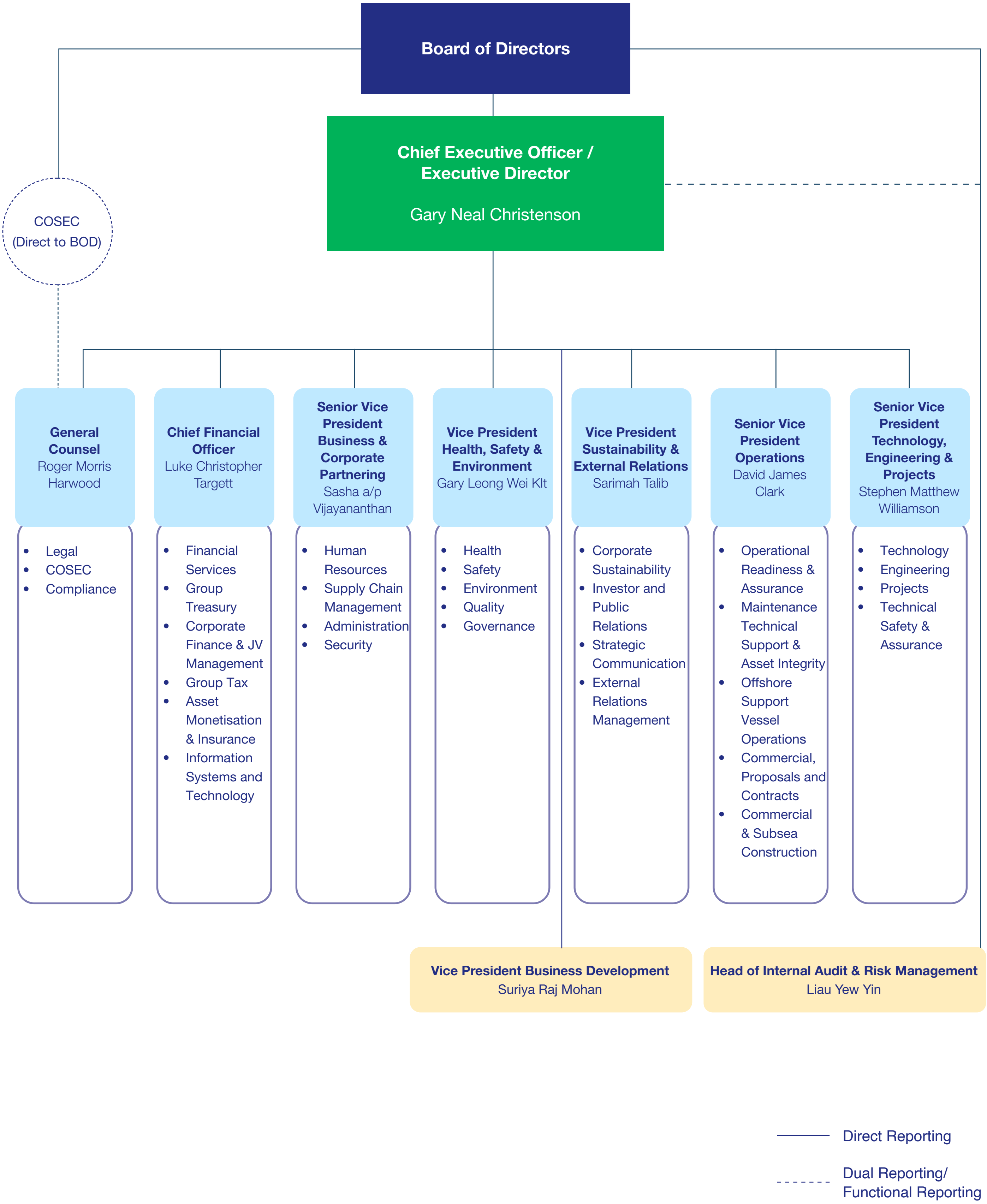
AUDITORS

PricewaterhouseCoopers PLT
Level 10, 1 Sentral, Jalan Rakyat
Kuala Lumpur Sentral
50706 Kuala Lumpur, Malaysia
Tel : +603 2173 1188
Fax : +603 2173 1288

Stock Exchange Listing

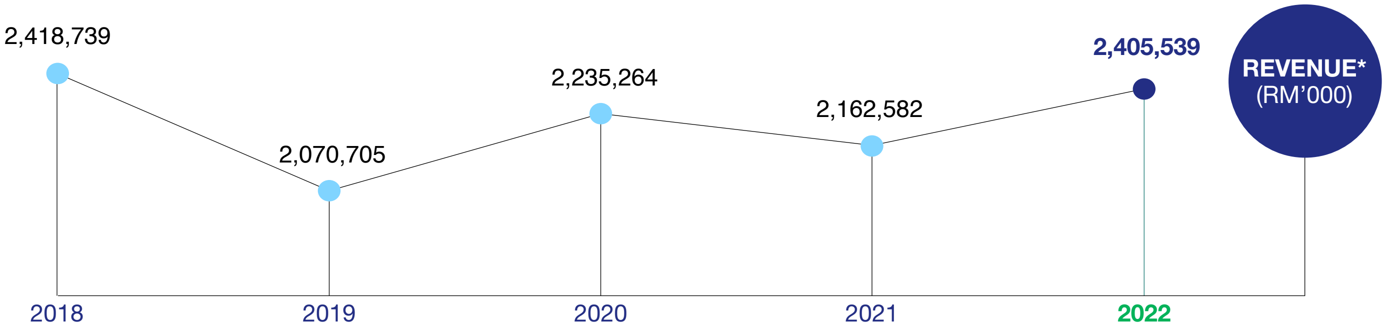
Bursa Malaysia Securities Berhad
(Main Market) Listed since 21 July 2011
Sector : Energy
Sub-sector : Energy Infrastructure Equipment & Services
Stock Code : 5210

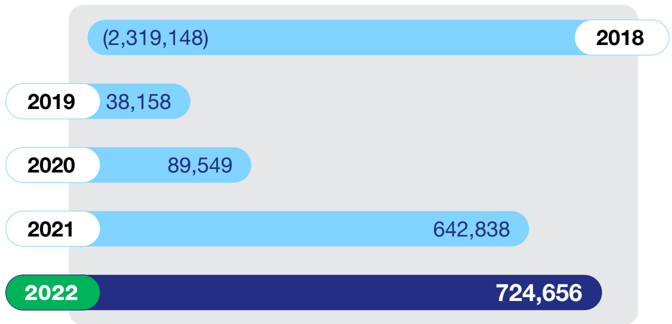
ORGANISATION CHART



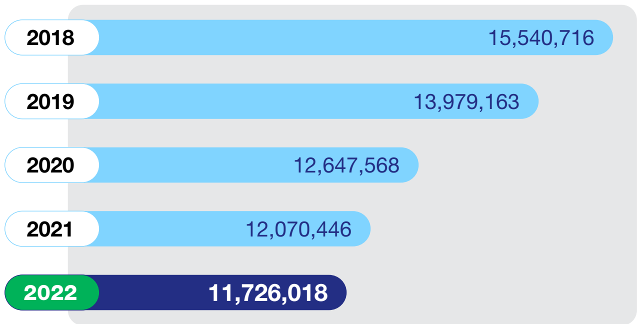
FIVE-YEAR FINANCIAL PERFORMANCE

	2018 (RM'000)	2019 (RM'000)	2020 (RM'000)	2021 (RM'000)	2022 (RM'000)
Revenue *	2,418,739	2,070,705	2,235,264	2,162,582	**2,405,539**
Profit/(Loss) for the financial year *	(2,319,148)	38,158	89,549	642,838	**724,656**
Profit/(Loss) attributable to Owners of the Company *	(2,302,769)	58,618	102,873	659,226	**732,411**
Total assets	15,540,716	13,979,163	12,647,568	12,070,446	**11,726,018**
Total equity	3,370,140	3,213,140	3,125,490	3,921,828	**5,095,550**

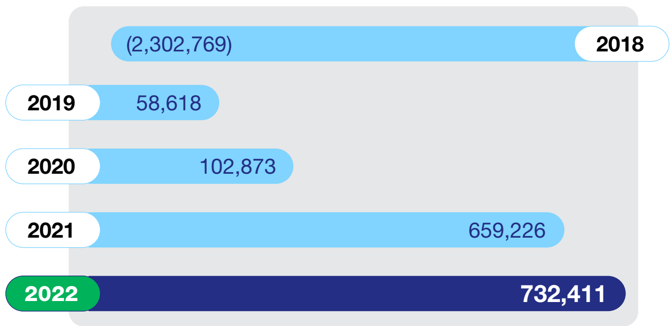




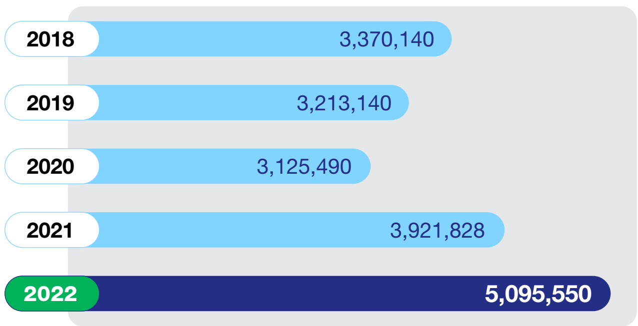
PROFIT/(LOSS) FOR THE FINANCIAL YEAR*
(RM'000)



TOTAL ASSETS
(RM'000)



PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY*
(RM'000)



TOTAL EQUITY
(RM'000)

* Financial results for FY 2020 have been re-presented to exclude discontinued operations

SHARE PRICE PERFORMANCE

PERFORMANCE IN 2022

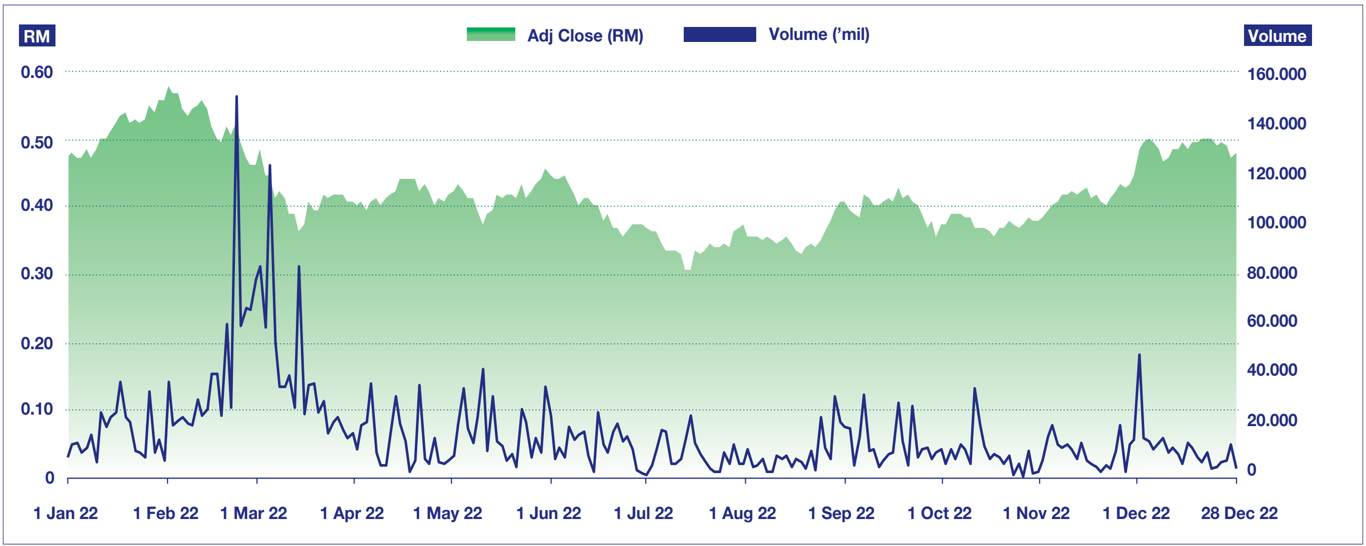
Bumi Armada's share price began the year 2022 positively, climbing to a high of 57.0 sen in February, thereafter, sliding to a year low of 32.5 sen in July before staging a recovery. The share price ended the year virtually unchanged at 48 sen, up half a sen compared to its opening price of 47.5 sen in January. This was a 1.05% increase.

Underpinned by continued improvements in the operational and financial performance of the Group in 2022, Bumi Armada's share price registered a steady climb into the first quarter of 2023.

The benchmark FBM KLCI Index ("Index") ended the year 2022 at 1,495.49 points, which was 3.46% lower compared to the first day of trading for the year. The Index experienced multiple swings, climbing in the first quarter as COVID-19 fears waned, and started to decline when Russia invaded Ukraine. It was further affected by the US Federal Reserve's hawkish stance and domestic political developments.

In the fourth quarter the Index rebounded after the 15th General Election.

BAB SHARE PRICE VS. TRADING VOLUME



FBM KLCI INDEX

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Bumi Armada, I present to you our 2022 Annual Report. With COVID-19 in the rear view mirror, we achieved continued improvement across all aspects of the business in FY 2022, culminating in an increased full year profit attributable to owners of the Company of RM732.4 million. This is also the highest full year net profit recorded by Bumi Armada since its listing on the Main Market of Bursa Malaysia Securities Berhad more than a decade ago in FY 2011.

SAFETY CULTURE

We continue to place a great deal into improving the Group's safety culture but disappointingly, we reported 2 Lost Time Injury ("LTI") cases during the year. We have increased leadership vessel visits and have embedded an additional senior safety expert on our vessels to reinforce our safety culture and resultant behaviours. We continue to put safety as our utmost priority to safeguard our people while protecting our assets and the environment.

TUNKU ALI REDHAUDDIN IBNI TUANKU MUHRIZ
Chairman

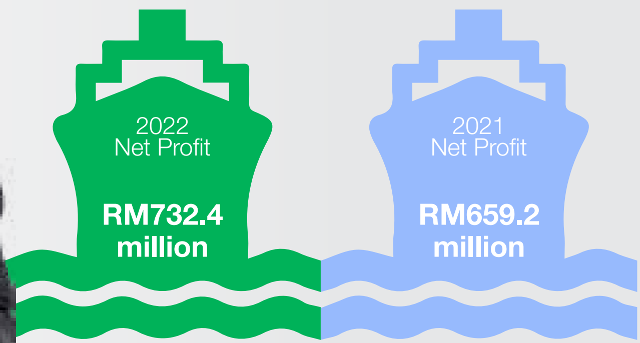
OPERATIONAL PERFORMANCE

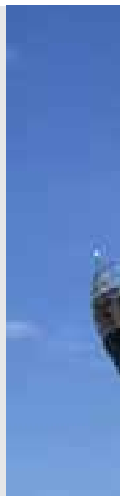
The fleet performed well during 2022 with good uptime. Notably our FPSO vessels remained consistently robust with overall FPSO uptime of 99%, highlighted by increased vessel availability from the Armada Kraken FPSO, compared to 2021. Notwithstanding the Russia-Ukraine conflict, our subsea vessels in the Caspian successfully conducted operations throughout the year. The Kakinada 98/2 FPSO vessel ("Armada Sterling V") of which we own 30% along with our co venturer Shapoorji Pallonji ("SP") Group, moved from the shipyard to its deployment location in India at the end of the year, safely hooked-up, and ready to commence commissioning. In line with our declared strategy, we have almost concluded the full divestment of the OSV business, with 6 vessels sold during the year (including the Ice Class vessels) so that only 1 OSV remains. Our Technical, Engineering & Project division was also busy throughout 2022 conducting engineering work for external clients.

FINANCIAL PERFORMANCE

Our significant increase in revenue was primarily driven by the improved performance from Armada Kraken FPSO and the subsea activity in the Caspian Sea. Despite the highly inflationary environment, we maintained an ongoing focus on costs. As a result, the overall costs have reduced, and gross profit margin has improved. This has contributed to the Group's improved bottom line with a net profit attributable to owners of the Company of RM732.4 million, compared to RM659.2 million the year before. It was a year of consolidation where we delivered on many of our goals including Performance, Relationships, Improving the Balance Sheet, Growth and Sustainability. Operating cash flow remained strong throughout the year at RM1,684.5 million - consistent with the previous year. This enabled the Group to reduce its debt levels and consequently, improve its liquidity ratios.

FINANCIAL PERFORMANCE





CHAIRMAN'S STATEMENT

SUSTAINABILITY

Bumi Armada is fully committed to our sustainability aspirations both in terms of our daily operations, as well as from a strategic viewpoint. We have appointed a Vice President of Sustainability & External Relations who is focused on delivering our transition agenda and in achieving our goal of net zero carbon emission by 2050. Recently, the Board approved our first decarbonisation plan, serving as a transition roadmap encompassing short, medium and long term goals set to create more values for our stakeholders, reduce our carbon footprint, and generate positive social impacts to the communities in countries where we operate. This transition strategy is designed in alignment with global standard frameworks. To this end, we are proud to announce that the company has been reinstated into the Bursa Malaysia FTSE4Good Listing.

In 2022, we achieved a 2.5% reduction in our greenhouse gas ("GHG") emission intensity for FPSO/FSU operations compared to 2021. Although we remain below the International Association of Oil & Gas Producers ("IOGP") 2021 baseline, we will continue to work to enable us to meet our internal stretch targets for reduction.

Through our corporate social responsibility ("CSR") programmes, we have worked with various communities to initiate programmes in alignment with the United Nation Sustainable Development Goals 2030. We focus on biodiversity conservation, community development and educational support. Some of the key programmes include "Rise Against Hunger", donation of computers to Teach For Malaysia, mangrove planting and turtle conservation in Malaysia, 'Befriend A Child', rehabilitation of whales, dolphins, and porpoises (Wildlife Rehabilitation Centre, UK), and scholarship awards with the Ho Chi Minh City University of Vietnam.

OUTLOOK FOR 2023

Notwithstanding the current uncertain times for the global economy, health and safety remain a key focus area for us. We will continue to drive the performance of our existing fleet whilst progressing ongoing projects. Moving forward, our sustainability strategies, which include gas as a transitional energy source, will drive new infrastructure projects. We will also evaluate carbon capture injection and storage projects. This will accelerate our transition towards Net Zero carbon emission by 2050.

Whilst ongoing debt reduction and the strengthening of our balance sheet enable us to explore new projects, we will continue to be financially disciplined and will only pursue opportunities which are mutually beneficial to us and our clients.

IN CONCLUSION

2022 was a further year of improvement for the Group and I am very pleased that after a difficult period, we have had our best financial performance on record. This is particularly gratifying, as I will be retiring at the conclusion of this year's AGM. This will be a period of refresh for Bumi Armada as Alexandra Elisabeth Johanna Maria Schaapveld and Chan Chee Beng will also retire from the Board. I thank them for their invaluable contribution over the years. We welcome Rohan a/l Rajan Rajasooria and Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda who bring a wealth of expertise to the Board. Further additions to the Board will also be announced in the near future.

I also thank the Bumi Armada team for their ongoing commitment and our shareholders, clients, partners and all other stakeholders for their continued support to the Group, and I wish you all the very best for the future.

This is also the highest full year net profit recorded by Bumi Armada since its listing on the Main Market of Bursa Malaysia Securities Berhad more than a decade ago.

MANAGEMENT DISCUSSION & ANALYSIS

GARY NEAL CHRISTENSON

We had a record year in 2022 thanks to the hard work of our Team and excellent collaboration with our partners, clients and contractors.

We exceeded our goals for 2022 as the world recovered from the pandemic. We generated record profits, increased revenue, decreased expenses, and paid back USD397.5 million of debt. Fleet efficiency in 2022 was excellent; the Ice Class vessels in the Caspian were sold, the pipelay vessels in the Caspian were working, and the Armada Sterling V arrived at the location off the east coast of India. In addition, we made excellent progress in preparing for growth in the energy transition sector.

I want to thank our staff, partners, clients, and contractors - we needed everyone working together to achieve the success we had in 2022.

HEALTH, SAFETY, AND ENVIRONMENT ("HSE")

At Bumi Armada, the health and safety of our people is the utmost priority and embedded into our Company's shared value – Safe, United, Responsible, and Excellent ("SURE"). We foster proactive safety culture among our employees through transparency in reporting and high visibility of leadership support at sites. Our belief across the operations is "Everyone must go home safely every day." To better care for our people, the organisation has strengthened its focus on the health and well-being of our employees through improved medical coverage, collaboration with medical centres on health awareness initiatives, and continuous health surveillance of employees across the organisation. While various controls are in place to mitigate the risks in our operations, unfortunately, Armada Kraken and Armada Tuah 501 each had a lost time injury ("LTI") in 2022. The impacted employees have fully recovered and returned to work. The rest of the fleet achieved ZERO LTI. We continue to learn from these incidents and strengthen our HSE management system to prevent a recurrence.

Being in the offshore industry, we recognise the importance of protecting the environment at the locations where we operate. Bumi Armada has its company-wide Corporate Major Accident Prevention Policy ("CMAPP") that drives the necessary operation controls in preventing major incidents that may impact our people, assets, and the environment. Driven by our client, Environment Management Plan ("EMP") is in place across our fleet to prevent environmental disasters and is implemented by our in-country operations team. Our risk-based approach implements the necessary control measures with monitoring of key environmental performance indicators monthly. Operational Risk Assessments ("ORA") are reviewed quarterly, including environmental and climate-related risks for our fleet.

OBJECTIVES AND STRATEGIES

In 2022, we continued with our core business strategy and entered 2023 still focused on that strategy. However, we plan to expand our business capabilities into the energy transition sector. Our expertise in major offshore projects - engineering, construction, and operations - creates substantial leverage in the rapidly growing energy transition market.

OPERATIONS

The FPSO fleet had an excellent year. Operations have been simplified and are more efficient. We sold all but one of the remaining OSVs in 2022. The Caspian pipelay vessels went back to work in 2022. The Armada Sterling V arrived on location offshore India in December. We focused on increased management visits to the fleet and continuing our HSSEQ initiatives across the fleet.

> "Rise early, work hard, find opportunities"
>
> ~ JP Getty

FINANCIALS

The Group recorded further improvement in its FY 2022 financial results compared to previous financial years as we recorded a net profit after tax attributable to owners of the Company from continuing operations of RM732.4 million, an increase of almost 11%. Basic earnings per share increased from 11.18 sen to 12.38 sen for the year.

MANAGEMENT DISCUSSION & ANALYSIS

Revenue increased by RM243.0 million from the previous year to RM2.4 billion, mainly due to an improved performance from the Armada Kraken FPSO and the subsea activities in the Caspian Sea. Our TEP business segment was also busy undertaking engineering works for external clients during the year. Our gross profit margin improved to 47%, which is robust compared to our peers.

Other operating income decreased during the year to RM58.2 million, primarily due to the reduction in management and engineering services charged to joint ventures as the construction of the Armada Sterling V FPSO neared completion.

Despite experiencing cost inflation in 2022, our reported administrative expenses were further reduced by more than 12% compared to the previous year, although unrealised foreign exchange gains influenced this.

During the year, an impairment loss on accrued lease rental of RM88.0 million was recognised as the Group's wholly-owned subsidiary, Armada Balnaves Pte Ltd ("ABPL"), was unsuccessful in its appeal against Woodside Energy Julimar Pty Ltd. There will be no further financial impact from this case going forward.

Our operating profit before impairment for the year improved to RM1,098.0 million, driven by the increase in revenue. Net cash generated from operating activities of continuing operations increased marginally by 2% from the previous year to RM1,428.8 million.

Finance costs of RM366.7 million were higher than we had hoped for due to the significant increase in interest rates. During the year, we made net principal debt repayments totalling USD397.5 million in respect of the Group's direct indebtedness. Proceeds from selling the three Ice Class Vessels and three other OSVs during the year were substantially applied towards debt reduction.

Share of results of joint ventures and associates decreased by RM57.5 million to RM49.2 million, mainly due to the revision of the residual value of the Group's jointly owned FPSO vessels during the year. Cash on hand at year-end was adequate at RM838.8 million, and the Group held net current assets of RM198.2 million at year-end.

RISKS AND OPPORTUNITIES

Significant risks in 2023 include higher interest rates, volatility in the supply chain, lower oil prices, and global climate change policies. Climate change policies have created chaos in the oil and gas industry – a threat and an opportunity.

" In the midst of chaos, there is also opportunity "

~ Sun-Tzu

The main opportunities in 2023 are in the energy transition sector. We are looking at opportunities in gas infrastructure vessels (FSU, FSRU, FLNG, FPU), electrification of offshore vessels with renewable energy, offshore injection of CO_2 to create negative emissions, and capture of CO_2 from produced gas.

We are well-positioned going into 2023, but we must remain vigilant and continue our core strategy of containing costs, increasing operational performance, and lowering debt.

CONCLUSION

I want to thank our Team for their extraordinary commitment and dedication in 2022. I want to thank everyone for their support during a year full of challenges and continued support throughout 2023. We are all looking forward to a very successful year.

GARY NEAL CHRISTENSON
Executive Director/Chief Executive Officer

SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

Sustainability at Bumi Armada is driven by our ambition to achieve net zero carbon emissions by 2050. We are committed to ensure that sustainable business practices exist in everything that we do, and we are guided by the ESG (Environmental, Social, and Governance) aspects taking into consideration of business opportunities and risks. As an international offshore facility and service provider, we are responsible for reducing our carbon footprint, protecting the safety of our employees and business partners, creating positive social impacts on the communities where we operate, and delivering sustainable values to our shareholders. Our shared values of Safe, United, Responsible, and Excellent ("S.U.R.E") drive our sustainability strategy which applies to the way we do our business, together with the principles outlined in our Code of Business Conduct and Ethics.

SCOPE AND BOUNDARY

The information contained in this report includes Bumi Armada's sustainability performance for the fiscal year from 1 January 2022 to 31 December 2022.

The scope of the report covers sustainability performance and initiatives across the entire Group comprising our headquarters in Kuala Lumpur, Malaysia, with operations in 12 countries spreading across three continents including Asia, Africa, and Europe.

REPORTING FRAMEWORK

We are proud to announce that this report is prepared with reference to the updated Global Reporting Initiative (GRI) Standards 2021 and fully aligned with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

FEEDBACK

We welcome feedback on this report at sustainability@bumiarmada.com.

SUSTAINABILITY STATEMENT

OUR COMMITMENT TO SUSTAINABILITY

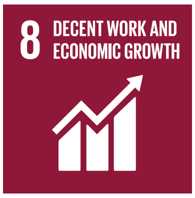
At Bumi Armada, we have established our ESG framework as our foundation. The framework is built based on our ESG core principles which are the drivers for operationalisation. The guiding principles are aligned with the relevant United Nations Sustainable Development Goals 2030.

ENVIRONMENT
(Minimising Operational Impacts)

- To build quality assets (vessels and floating production facilities) that meet international environmental standards and provide environmentally and socially responsible operations.
- To minimize our ecological footprint on the environment, including the prevention of pollution, sustainable resource use and the conservation of energy and resources.

SOCIAL
(Safeguarding Our Stakeholders)

- To participate in the social and economic upliftment of the people and communities in the areas where we operate in.
- To provide a safe and equitable working environment for our people that is conducive to their professional development and to enhance employer-employee relationships, in line with our core values.

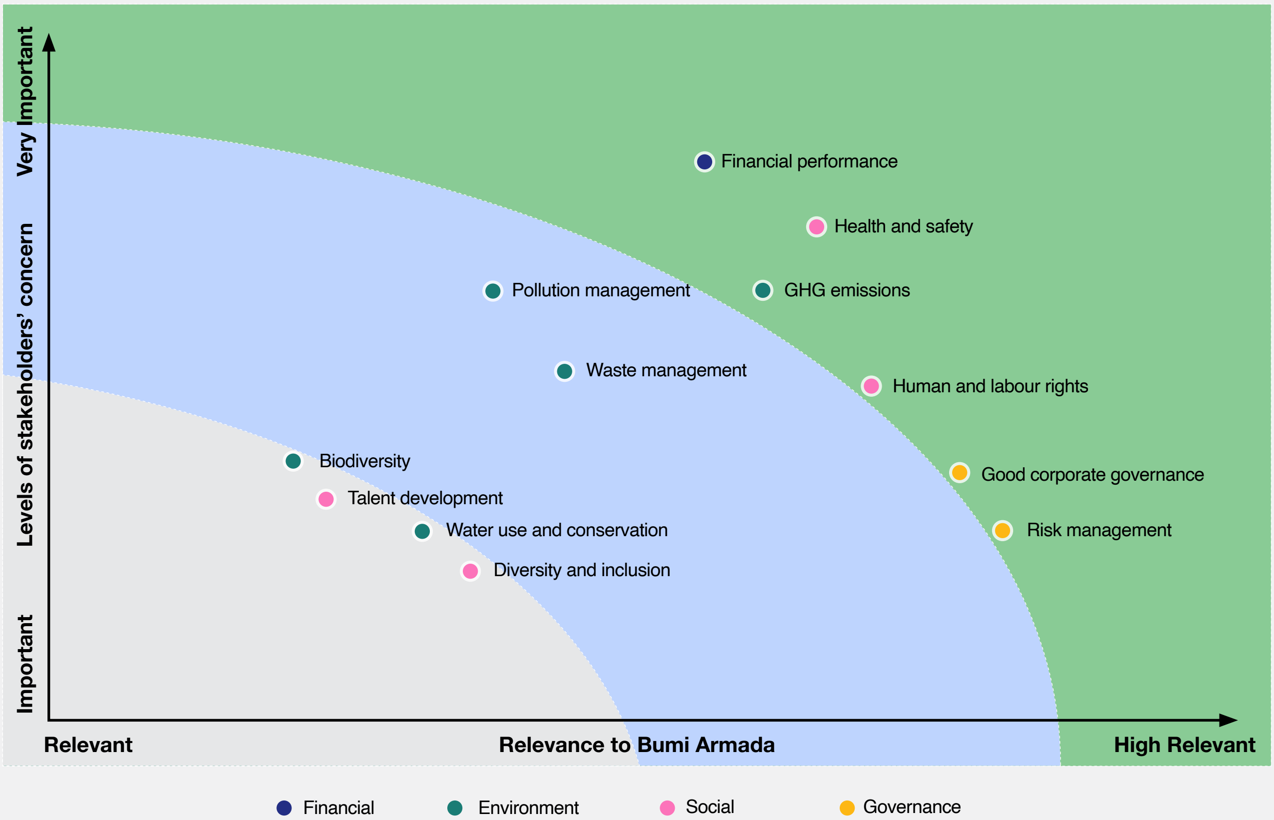


GOVERNANCE
(Corporate Accountability)

- To conduct and manage our business operations in a responsible manner with safety, reliability, good corporate governance, and transparency as overriding principles.
- To work towards engaging and building trust with stakeholders through two-way dialogues, understanding expectations, communicating our Company's goals, and where possible, collaborating for mutual benefit.

SUSTAINABILITY MATERIAL AREAS

Bumi Armada has identified our ESG material matters in our business through a materiality assessment process. Identifying our material sustainability matters is an important step towards recognising the ESG elements that are embedded in our value chain. By obtaining feedback from our internal stakeholders and benchmarking our performance against industry peers, we have shortlisted 12 material matters and categorised them into three groups based on their levels of importance.



VERY HIGH IMPORTANCE	HIGH IMPORTANCE	MODERATE IMPORTANCE
• Financial Performance • Health and Safety • GHG Emissions • Human and Labour Rights • Good Corporate Governance • Risk Management	• Pollution Management • Waste Management	• Biodiversity • Talent Development • Water Use and Conservation • Diversity and Inclusion

SUSTAINABILITY STATEMENT

ESG metrics and targets were set based on prioritisation of the material matters as follows:

ESG Area	UN SDG	Descriptions	Metrics
Environment	6 CLEAN WATER AND SANITATION	• Water Scarcity/Water Use and Conservations	• Water Consumption for Vessel
	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• Responsible Consumption and Production	• Energy Consumption for Vessel • Electricity Consumption for Offices • Bunker Fuel Consumption
	13 CLIMATE ACTION	• Biodiversity • Carbon/Greenhouse Gas (GHG) Emissions • Toxic Emissions	• Disclosure of Engagement on efforts to reduce Loss of Biodiversity • GHG Emissions (Scope 1, 2 & 3) • Air Pollutants Emissions
	14 LIFE BELOW WATER	• Effluent/Produced Water Discharge • Waste Management	• Average Oil Concentration in Produced Water Discharge • Produced Water Discharge • Total oil discharged • Hazardous Waste Disposal
Social	2 ZERO HUNGER	• Public Health and Safety	• Social Agenda for Community Development
	3 GOOD HEALTH AND WELL-BEING	• Ensuring Health and Demographic Risk • Occupational Health and Safety	• Percentage of Employee Insured • Lost Time Injury Rate (LTIR) • Total Reportable Injury Rate (TRIR)
	5 GENDER EQUALITY	• Diversity, Equity and Inclusion	• Onshore Female Staff Percentage
	8 DECENT WORK AND ECONOMIC GROWTH	• Compensation and Benefits	• Voluntary Attrition Rates
	10 REDUCED INEQUALITIES	• Human Rights • Labour Rights Management	• Training Hours per Employees • Onshore Local Staff Percentage
Governance	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	• Anti-Bribery and Corruption • Business Ethics • Corporate Governance • Emergency Preparedness • Risk Management	• No. of Whistleblowing Cases • No. of Internal Audit Reports, Findings and Unclosed Issues • Emergency Exercises • Risk Assessment Review

OUR SUSTAINABILITY PERFORMANCE

At Bumi Armada, we have established our performance management system to identify material ESG indicators (based on the GRI framework), set up a monitoring process and continuously improve our ESG performance sustainably. These indicators were identified based on a materiality assessment conducted. Strategic initiatives were identified and ESG targets were set for operationalisation.

OUR RESPONSE TO CLIMATE CHANGE AND SAFEGUARDING THE ENVIRONMENT

To achieve our net zero ambition, Bumi Armada is collaborating with our clients to engineer solutions that maximises the sustainable value of their assets while reducing the environmental impact of their operations.

AMBITION	ACTIVITY	PROGRESS	CUSTODIAN	ACHIEVEMENT
INNOVATION	Embedding climate change risks and sustainable design of our vessels.	Conduct climate-related risk assessment for all FPSO and FSU vessels. Commit to disclosure to Carbon Disclosure Project (CDP) database.	HSE	
	Collaborating with clients in providing cleaner and more reliable energy solutions through the adoption of green technology.	Evaluate design options for GHG emissions reduction and preparation of GHG emissions report for Cameia CLOA/ VE phase for Total Energies.	Technology, Engineering & Project	
	Apply emergent green technologies on new projects where applicable and practicable.	Collaborating to explore the potential for exporting LCO from Grain CCGT Power Plant, UK via ship into the FCSIU for injection into a depleted gas reservoir.	Technology, Engineering & Project	
	Continue to fund progress engineering studies and pursue business developments for: Zero GHG emissions FPSO and FLNG vessels. Post-combustion carbon capture and storage facilities.	Conduct pre-FEED study for the offshore production of Blue Ammonia. Investigate electric driven liquefaction trains for FLNG. Incorporating marine carbon capture and storage into new proposals.	Technology, Engineering & Project	
OPERATION	Innovate, collaborate, and drive efficiencies to reduce GHG emissions.	Extend scope of emissions monitoring to include air pollutants. Extend GHG emissions scope from fuel consumption with the inclusion of flaring across the fleet.	HSE/OPS	
	Accurately measure emissions, prioritising and incentivising GHG reductions.	Pilot Emission.AI solution in Armada Kraken to improve emissions monitoring leading to opportunities in the reduction of emission loadings.	HSE/OPS	
	Engaging our employees on climate change issues and the actions they can take to help reduce GHG emissions.	Inclusion of climate change as part of BAB annual Environment Campaign. Conduct ESG training for employees.	HSE/OPS	
	Ensure GHG emissions management plan are prioritised across the business.	Conduct quarterly review as part of HSSE management review. Conduct annual Integrated Management System (IMS) audit on Environment Management System (EMS).	HSE/OPS	

Legend In progress Completed/ On track In planning

SUSTAINABILITY STATEMENT

AMBITION	ACTIVITY	ACHIEVEMENT	CUSTODIAN	PROGRESS
VALUE CHAIN	Prioritise minimum lifecycle carbon footprint throughout our supply chain.	Supply Chain plans to implement an evaluation of ESG guidelines/ criteria/ statistics of suppliers and subcontractors while conducting supplier Pre-Qualification / Evaluation by Q2 2023.	Supply Chain	In progress
	Collaborate with our clients and contractors to help reduce GHG from their operations.	Continue with monthly reporting of GHG emissions to clients to ensure emission is within allowable permits.	HSE/OPS	Completed/ On track
	Prioritise the development of offshore carbon sequestration business.	This is being done through engagement with Societe Generale.	Technology, Engineering & Project	In progress
	Expand our LNG re-gas business to drive cleaner energy alternatives.	Continue to identify new low-carbon fuel growth demand. Invitation to present at FSRU 2023 on the topic of 'Examining the Technology, Strategy, and Innovation that Drives Successful FSRU Conversions'.	Technology, Engineering & Project	In progress
COMPLIANCE & TRANSPARENCY	Ensuring compliance with all applicable environmental laws and regulations.	Continue to conduct an annual management review of environmental laws and regulations across the fleet. Continue to conduct an annual evaluation of compliance with regulatory requirements and marine legal requirements across the fleet.	HSE	Completed/ On track
	Reporting regularly to our shareholders on our progress in sustainability and stewardship of our business.	Strategic Sustainability matters are presented by the Vice President of Sustainability and External Relations to the Board for approval.	Sustainability & External Relations	Completed/ On track
	Develop strategic partnerships with clients and business partners.	Supply Chain is in the process of Implementing a plan for evaluating ESG guidelines/statistics of all the new suppliers and subcontractors. Upon evaluating such subcontractor statistics, it plans to present to the management the potential opportunities for long-term collaboration with contractors that commit to COP26 criteria.	Supply Chain/ OPS	In planning

Legend In progress Completed/ On track In planning

GREENHOUSE GAS (GHG) EMISSIONS

Greenhouse gas (GHG) emissions have severely impacted the environment, especially the oil and gas industry which has contributed, directly and indirectly, to 42% of the total global GHG production[1]. Being mindful of such impacts, Bumi Armada strives to reduce our carbon footprint and aims to achieve a greener environment. As part of our short-term goals, Bumi Armada will continue to leverage on IOGP baseline as our GHG reduction target in the next 5 years (2021-2026). In 2022, we set a target for our FPSO/FSU carbon intensity of 119 tonnes CO_2e/thousand tonnes production (IOGP baseline) and we achieved 115 tonnes CO_2e/thousand tonnes production which is 2.5% lower than in 2021. However, in terms of absolute GHG emissions, there was an increment of 2.2% for the Scope 1 emission in 2022. This is due to an increase in fuel consumption resulting from higher production rates and new projects in the Subsea Construction business.

Note:
(1) McKinsey - https://www.mckinsey.com/industries/oil-and-gas/our-insights/the-future-is-now-how-oil-and-gas-companies-can-decarbonize

“GHG emissions intensity reduction of 2.5% from in 2022”

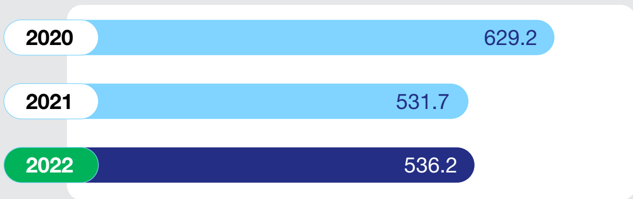
Greenhouse Gas (GHG) Reduction

Bumi Armada is committed to climate-positive progress to achieve Net Carbon Emissions by 2050. The Group continues to monitor and report our CO_2 emissions for opportunities to reduce GHG emissions to As Low as Reasonably Practicable (“ALARP”). In 2022, the Group has successfully achieved a 2.5% reduction in GHG emissions intensity through improved operational efficiency and enhanced flare management across the fleet.

The Group monitors and reports its CO_2 emissions across all its operating vessels (100%) for opportunities to reduce emissions to ALARP. As part of improvement measures on CO_2 emission monitoring, the Group has extended its emission monitoring in 2022 to include the Scope 3 emission on business air travel and inclusion of flaring into Scope 1 emission.

In FY 2022, energy consumption, and bunker fuel consumption increased by 0.8% and 1.3% respectively from FY 2021 while the amount of FPSO energy consumption per unit hydrocarbon is reduced by 0.7% from the previous year.

ELECTRICITY CONSUMPTION
(MWh)



BUNKER FUEL CONSUMPTION
(Million litres)

FPSO ENERGY CONSUMPTION PER UNIT HYDROCARBON
(GJ per tonne production)

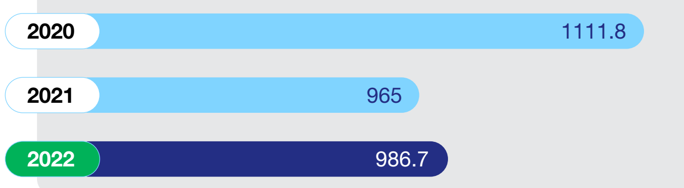
In FY 2022, the Group improved our monitoring by including the CO_2 emission from the FPSO vessels flaring activities into the Scope 1 emission, on top of fuel consumption. The absolute Scope 1 CO_2 emission has increased by 2.5% compared to FY 2021. In terms of CO_2 emission intensity, the Group has managed to reduce GHG emissions intensity by 2.5% compared to FY 2021 and continues to meet our target based on the IOGP baseline of 119 tonnes CO_2 per thousand tonnes production.

The absolute Scope 2 CO_2 emission remained constant while methane emission decreased by 13.6% compared to FY 2021[2]. In addition, the Group has started to monitor the Scope 3 emission for the business air travel category in FY 2022. The total CO_2 emission for this category was 675 tonnes CO_2-e. The data obtained in FY 2022 will serve as the baseline for setting our reduction target in the future.

“Methane emission reduction of 13.6% in 2022”

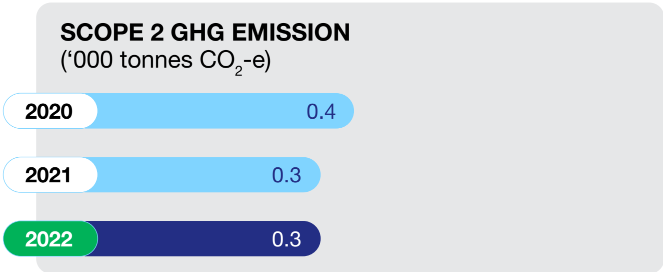
The Group has committed to further improving energy management across the fleet as part of the effort to reduce our GHG. We have completed our gap assessment on ISO 50001 Energy Management System standard and are currently working to improve our internal management system. This has been kicked off with awareness training among key employees in May 2022. Currently, we are working on closing the gaps before the certification by external parties.

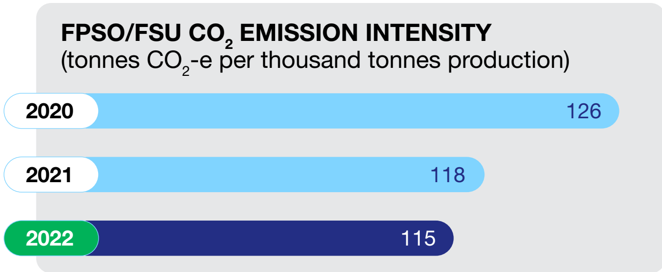
SCOPE 1 GHG EMISSION
(‘000 tonnes CO_2-e)

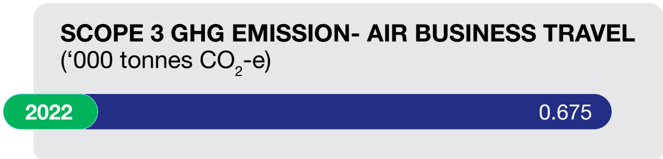


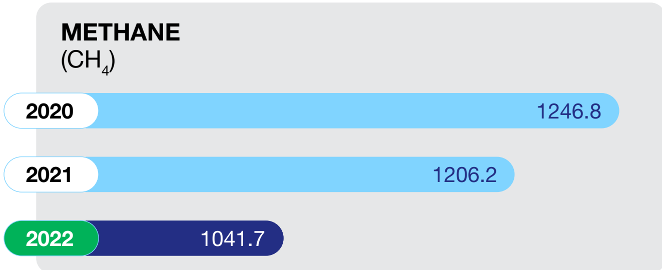
SUSTAINABILITY STATEMENT

[2] Note:
- Scope 1 ('000 tonnes CO_2 equivalent) is based on consumption of bunker fuel, fuel gas, crude oil and flaring from FPSO. The Group has included the CO_2 emission from flaring into the Scope 1 emission resulting in higher emission value compared to 2021 report.
- Scope 2 ('000 tonnes CO_2 equivalent) is based on electricity consumption from offices in Astrakhan, Indonesia, Malaysia, Singapore and UK. In 2022, there was electricity increment in the KL office due to hybrid work arrangement practices compared to full working from home in 2021.
- In 2022, Scope 1 GHG, Bunker Fuel Consumption and Water Consumption data reported represent 100% coverage from our operating assets. We recorded Zero cases of spills released to sea by our FPSO fleet. Our FPSO fleet contributed to 94% of GHG Scope 1, 92% of Bunker Fuel and 90% of water consumed.
- Bunker Fuel data recorded in 2022 was higher compared to 2021 due to higher production rate in our FPSO fleet.
- Environmental performance indicators set for different type of assets were calculated based on specific operational indicators i.e.running hours, man hours and hydrocarbon production. These data were used for internal monitoring.
- On non-hazardous waste, the Group has added data for Armada Kraken FPSO which was previously not included in FY 2021 report.
- The Group improves its Environment disclosure to include data on flaring into Scope 1 emission, Scope 3 emission on business air travel category and other environmental data i.e. total oil discharge and volume of produced water discharge.

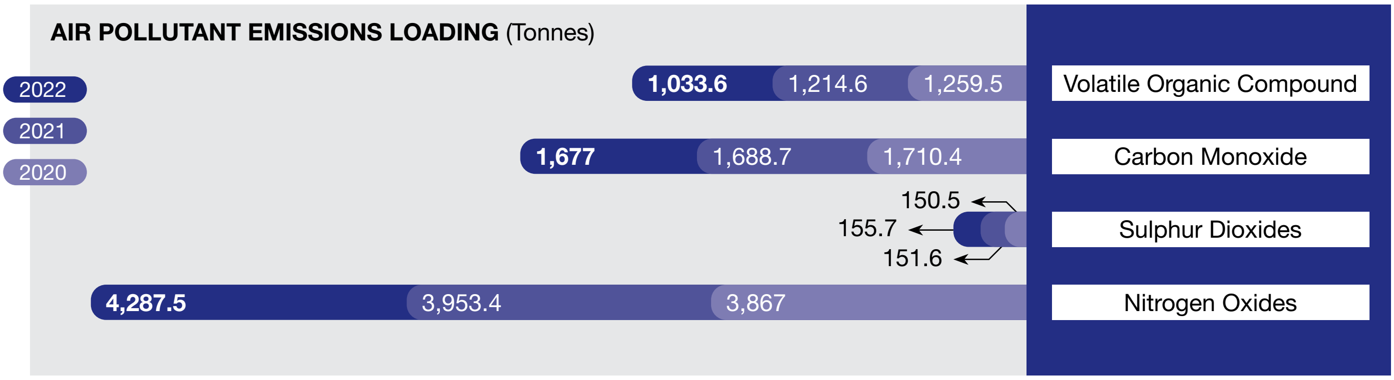








Nitrogen oxides account for the highest emission in FY 2022 compared to the other air pollutants and project an increasing trend year-on-year. Carbon monoxide is the second highest pollutant, followed by volatile organic compounds and sulphur dioxide respectively.



ENVIRONMENTAL MANAGEMENT

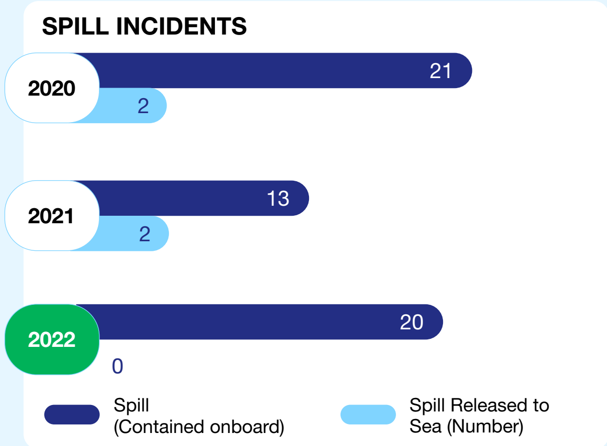
As an operator in the offshore energy sector across three continents globally, environmental stewardship is at the core of our business. We ensure strict compliance with the requirements of the International Marine Organisation ("IMO") on marine pollution and the local governing bodies in the countries where we operate. Our objective is to prevent and minimise the environmental impacts from ships both from normal and abnormal operations. The key areas include the reduction of GHG emissions across our operations.

In recognition of our environmental performance, we have achieved the ISO 14001:2015 Environmental Management System certification, which covers all our operating FPSO, FSU, OSV, and Subsea Construction vessels (100%). The system we developed ensures that the identified environmental impacts are mitigated and monitored with periodical audits carried out to identify any areas of non-compliance.

SPILL MANAGEMENT

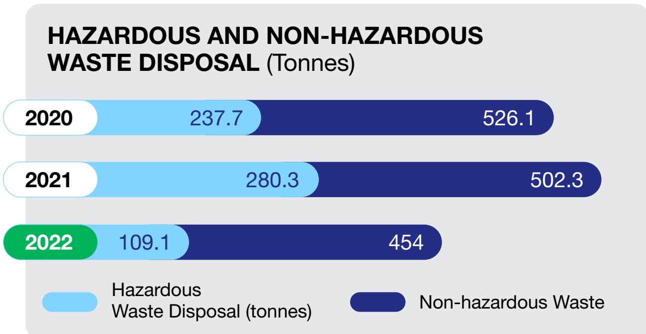
In 2022, we recorded Zero incidents of spills released to the surrounding marine waters by our FPSO fleet. In addition, no fines or penalties concerning spills, or any other form of environmental pollution were recorded in 2022. We continue to drive a positive reporting culture among our offshore crew members to proactively mitigate the risks of escalation in our spill management program. To achieve our goal of Zero Spills to the sea, we continuously explore opportunities for improvement and lessons learnt in spill prevention.

No spills to the sea in 2022



WASTE MANAGEMENT

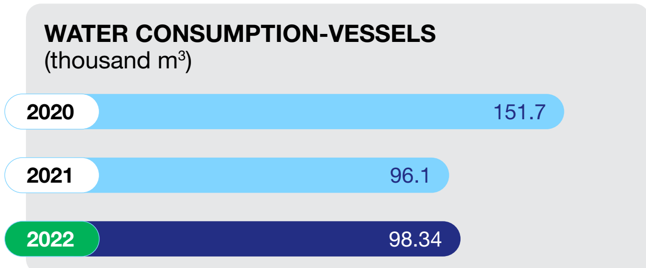
Proper waste management is essential in reducing negative impacts on the environment. We categorised our waste into hazardous and non-hazardous. All our vessels have a garbage management plan in place to ensure waste that was produced is managed in a responsible manner and compliant with the requirements under MARPOL. In FY 2022, there was a reduction in the total waste generated and the Group is committed to continuously improve our waste management system across the fleet.

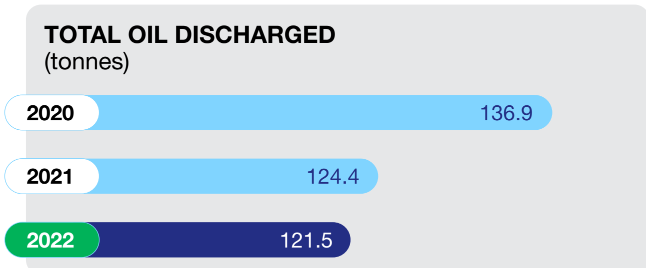


WATER AND EFFLUENTS

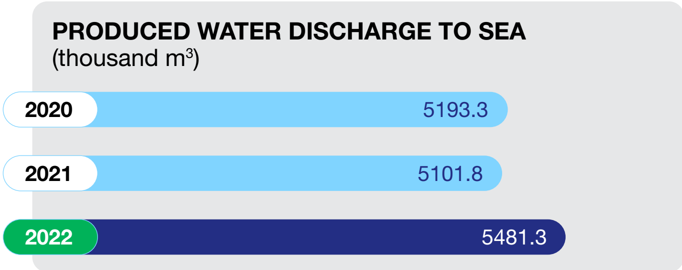
Water is mainly used as potable water and utility for operational processes in our vessels. Where possible, we have tried to minimise our water consumption. In FY 2022, we saw a 2.3% increase in water consumption on our vessels from FY 2021 due to increase in the production of hydrocarbon.

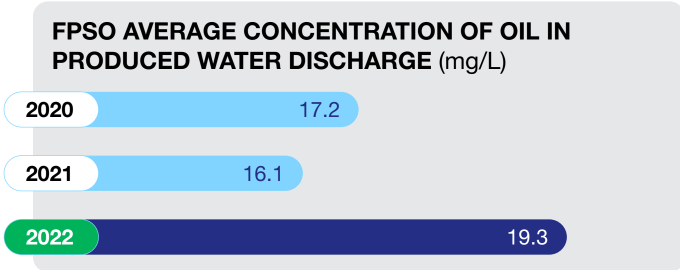
The effluent from our FPSO operation consists of produced water discharge. The produced water is treated before being released into the environment. In FY 2022, the total produced water discharge to the sea from our vessels has increased 7.4% compared to FY 2021, however, the oil discharged with produced water has shown a reduction of 2.3%; 121.5 tonnes compared to 124.4 tonnes in FY 2021. The average oil concentration in produced water discharge recorded by our FPSO vessels was 19.3 mg/L which is above our KPI target of 17.1 mg/L.





SUSTAINABILITY STATEMENT





BIODIVERSITY

Being in the oil and gas industry, we acknowledge that we have a role to play in conserving and preserving the natural habitat and we strive to bring meaningful contributions to biodiversity, especially in the locations we operate in. In this undertaking, we have adopted UN SDG 14 – Life Below Water, to demonstrate our resolve in protecting marine life while also furthering our efforts to minimise risks and consequences to aquatic habitats from our operations. Bumi Armada's potential impact on biodiversity is included in the oilfield operator's environmental impact assessments and monitoring programs, which are subject to local regulatory approvals.

Bumi Armada cooperates with its clients to comply with their environmental management and monitoring plans. During the development phase, environmental impact assessments and supporting studies are performed by the client to identify and validate the potential impacts of the development on the environment. These assessments and studies define the environmental design performance criteria of the asset. Bumi Armada ensures these performance criteria are incorporated into the design of the vessel through its standard engineering practices and Best Available Techniques ("BAT") economically achievable.

14 LIFE BELOW WATER

Bumi Armada's commitments to sustainable business practices include protecting the biodiversity of marine life where we operate. In Malaysia, we strive for the improvement of the marine ecosystem through a 3-year commitment (2023 to 2025) with the Department of Fisheries Malaysia to the conservation and management of sea turtles, at the Turtle Conservation and Information Centre, in Cherating, Pahang. The Group has collaborated with ECONinja (local NGO) to plant 250 mangrove seedlings at the Tanjung Piai National Park, Johor in Malaysia. This is part of Bumi Armada's 5-years commitment to ECONinja in their mangrove forest rehabilitation effort in the region.

In Malta, we contributed to a non-profit environmental NGO, Nature Trust Malta, in partnership with the Malta Ministry for the Environment, Climate Change, and Planning to transform Marsaxlokk, a small, traditional fishing village in the South-eastern Region into Malta's first Wildlife Rehabilitation Centre.

We continue to review our ESG risks for opportunities where we can contribute to protecting the local biodiversity, as well as to strengthen our environment management system across the locations where we operate.

SOCIAL AGENDA

EMPLOYEES AND COMMUNITY DEVELOPMENT

AMBITION	ACTIVITY	ACHIEVEMENT	PROGRESS
HEALTH, SAFETY, SECURITY AND ENVIRONMENT	To protect our employees, assets, and the working environment in all locations that are within our management and operational controls.	Certifications: 1. ISO 45001:2018 – International Standard related to Occupational Health and Safety Management System 2. ISO 14001:2015 – International Standard related to Environment Management System 3. ISO 9001:2015 – International Standard related to Quality Management System 4. International Safety Management Code (ISM) 5. International Ship and Port Facility (ISPS) Code 6. Marine Labour Convention, 2006 (MLC 2006)	
EMPLOYEE DEVELOPMENT	To develop a training development plan to achieve professional and personal growth.	2022 recorded 86% increase in the training hours per employee from the previous reporting year.	
DIVERSITY, EQUITY AND INCLUSION	To promote diversity and inclusion and improve employee morale and work efficiency.	Zero-tolerance policy against bullying and discrimination of any form. All employees and potential recruits are afforded the same opportunities regardless of race, ethnicity, gender, sexual orientation, or religion.	
COMMUNITY DEVELOPMENT	To develop Bumi Armada Social Agenda	Focus on education, health, and the underprivileged.	
HUMAN RIGHTS	To establish human rights guidelines.	Due diligence and Know-Your-Counterparty ("KYC") to ensure this culture is promoted across the business. Speak Up Policy (Whistleblowing) that ensures a safe environment for employees and other parties to raise their concerns without fear of retaliation. Referenced to the UK Modern Slavery Act 2015 and the Human Rights Commission of Malaysia Act 1999.	

Legend In progress Completed/ On track In planning

OCCUPATIONAL HEALTH AND SAFETY

HEALTH, SAFETY AND ENVIRONMENT ("HSE")

In Bumi Armada, the HSE department is responsible for the functions of health, safety, environment, quality and operations security. Throughout this report, the term HSE refers to the scope of health, safety, environment, quality and operations security.

Bumi Armada, in alignment with the Company's Health, Safety, Security, and Environment (HSSE) Policy commits to protecting the people, assets, and the environment in all work locations that are within our management and operational controls. The Company recognises the importance of building a proactive culture to reduce HSSE risks to ALARP and prevent escalation of any near misses identified. As Safety is one of our shared core values, the Company continues to drive improvement initiatives that elevate the safety culture across the organisation.

QUALITY MANAGEMENT

With the focus to improve quality assurance and quality control across our operation, Bumi Armada has launched its Quality Management Policy across the organisation. This is part of our commitment to achieving our business objectives efficiently and effectively through the application of quality management principles and systems that are aligned with international standards, to provide performance assurance to our stakeholders. The quality function is imbedded in the HSE department, as part of the Integrated Management System.

SUSTAINABILITY STATEMENT

HSE MANAGEMENT

The Company's HSE Management System is imbedded as part of its Integrated Management System, which incorporates requirements from ISO as well as applicable regulations, standards, and guidelines. The Company's HSE department work closely with interdepartmental and in-country focal to ensure its regulatory compliance register is reviewed on an annual basis to drive operational compliance management across the organisation. The following rules & regulations govern design, procurement, fabrication, installation, commissioning, and operations of the Company's FPSO facilities:

- International Association of Lighthouse Authorities (IALA), recommendation for the Marking of Offshore Structure, 1984 (as amended 1989 and 1992),
- International Convention on Load Lines 1966, As Amended By IMO Regulations A231 (VII), A319 (IX), A411 (XI), A513 (XIII) and A514 (XIII)
- International Convention for Safety of Life At Sea (SOLAS) 1974, Consolidated Edition 1997 including 1996 and 1997/8 Amendments
- International Convention for Prevention of Collision at Sea 1972, with amendments 1981
- International Convention for Prevention of Pollution from Ships 1973 and Protocol 1978, and amendments (MARPOL 73/78, Consolidated Edition 1991) and 1992 amendments to Appendix I
- International Convention on Tonnage Measurements of Ships 1969, as amended by IMO Resolution A493 (XII) And A494 (XII)
- International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM Code), in force from July 2002
- International Safety Management (ISM) Code (2010)
- IMO Resolution A468 (XII), Code of Noise Levels on board Ships
- VDI 2056 Criteria for Assessment of Mechanical Vibrations in Machines
- IMO Resolution A272 effective November 1973 / A330 effective 1975, Safe Access to and Working in Large Cargo Tanks and Ballast Spaces
- IMO Regulation A343(IX), Recommendation on Method of Measuring Noise Levels at Listening Posts
- IMO Regulation A686(XVII), Codes on Alarms and Indicators
- IMO MODU Code 1989
- ISO Guidelines No. 6954 - 1984 Guidelines for the Overall Evaluation of Vibration in Merchant Ships
- MARPOL Annex I (Oil)
- MARPOL Annex IV (Sewage)
- MARPOL Annex V (Garbage)
- Radio Regulations of International Telecommunications Union 1990

The above list is not considered exhaustive and does not include country specific HSE regulations. Each country operation team is responsible in driving its regulatory compliance and report its compliance status to the Company's HSE department on annual basis.

INTEGRATED MANAGEMENT SYSTEM ("IMS")

In 2022, we continued to strengthen our HSE governance through an Integrated Management System ("IMS") that is defined by the following International Organisation for Standardisation ("ISO") standards and mandatory International Maritime Codes:

1. **ISO 45001:2018**
   International Standard related to Occupational Health and Safety Management System
2. **ISO 14001:2015**
   International Standard related to Environment Management System
3. **ISO 9001:2015**
   International Standard related to Quality Management System
4. **International Safety Management** (ISM)
5. **International Ship and Port Facility** (ISPS) **Code**
6. **Marine Labour Convention, 2006** (MLC 2006)

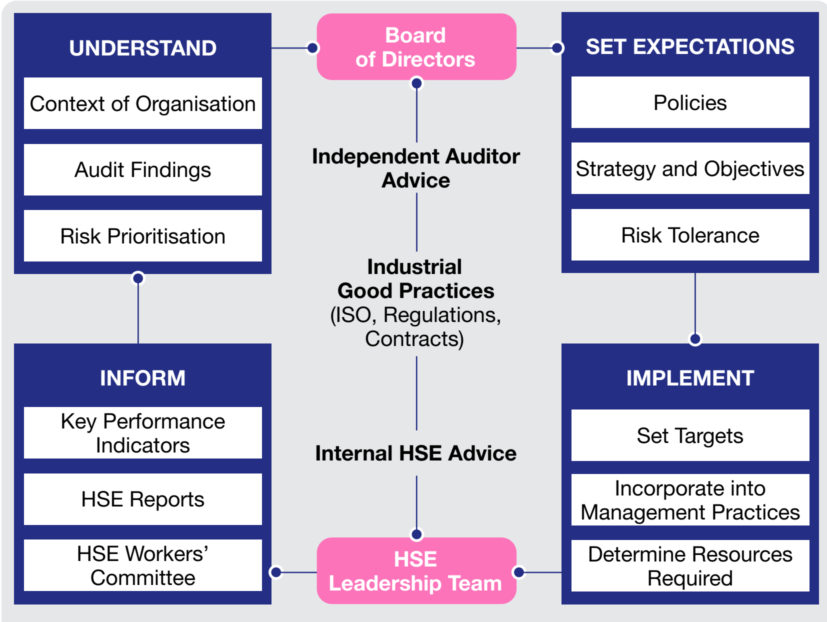
The ISO certifications, which were renewed for the period 2021 to 2024, reflect our commitment to our clients to ensure all our assets and services are of high quality and on par with industrial practices in the management of the following:

- Engineering/ Engineering Design Consultancy
- Procurement
- Construction
- Commissioning
- Operations and Maintenance (O&M)

As part of the certification process, an annual internal and external audit were conducted on the mentioned ISO management systems as part of the assurance /compliance check process to ensure the organisation maintains its industrial standard in HSE, as well as Quality Management system. The management systems apply to all our operating sites (100%) including FPSO & FGS Facilities, Offshore Pipelines & Structures, New Build, Ship Management & Marine Operations, Transportation, and Installation Vessels, as well as Chartering Services. The Company has completed its gap assessment on ISO50001:2018 Energy Management System and currently progressing to fill the gaps, as part of its readiness for certification process.

HSE GOVERNANCE

Bumi Armada's Board of Directors, led by our Chairman has a holistic oversight on HSE-related matters within the Company, including environment (inclusive of climate and biodiversity) related risks and issues. The Board conducts a quarterly review of the Company's HSE performance and provides strategic direction to the Management Team to address identified risks and issues. The HSE department acts as the governing body that monitors and manages the compliance of the Company against our HSE related policies, standards, procedures, and guidelines, as well as contractual requirements and relevant regulatory requirements. Our HSE governance framework strives to enable both the Management Team and employees to participate and contribute to driving HSE excellence across the organisation.



HSE Governance Framework

In 2022, we continued to drive continuous improvements in our governance framework through our established governance team, including workers' participation via our Corporate HSE Workers Committee. The HSE Workers Committee empowers our employees with a platform to raise HSE related matters and opportunities for improvement, which will be brought to the Bumi Armada leadership team for forward actions. The Committee meets quarterly with the participation of both managerial and non-managerial representatives from various departments, including Administrative, Human Resources, HSE, Operation, Supply Chain Management, and Insurance. For our offshore crew, a weekly safety meeting is held to enable the crew members to raise HSE-related concerns, as well as for the HSE team to continuously raise awareness among the crew.

HSE Leadership Team Structure

As the Company continues to strive for continuous improvements, we benchmark our HSE performance against international standards in the industry (i.e., IOGP offshore and IMCA offshore). To ensure we are aligned with the evolution of international standards, we remain an active member of the IMO, International Marine Contractors Association ("IMCA"), and Malaysia Oil & Gas Services Council (MOGSC). Our involvement in these organisations enables the Company to have access to international best practices and industrial lessons learned for ongoing improvement initiatives.

SUSTAINABILITY STATEMENT

HSE RELATED POLICIES

We encourage continuous improvement of our HSE related policies to ensure our Company-wide programs and processes are focused and aligned with any changes in the industry. The policies are adopted across our global operations in collaboration with our Joint-Venture partners and clients to ensure key business objectives are communicated and achieved. These policies include, amongst others:

- Asset Integrity Management Policy
- Corporate Major Accident Prevention Policy ("CMAPP")
- Drug and Alcohol Policy
- Heath, Safety, Security and Environment ("HSSE") Policy
- Quality Management Policy
- Stop Work Policy
- Smoking Policy

All such policies are cascaded to all our operating vessels (100%), as well as the respective Environment Management Plan ("EMP") with our commitments on:

- Protecting the environment through risk mitigation to ALARP
- Continuously creating environmental awareness across both onshore and offshore staff
- Implementing an environment management system – ISO 14001:2015
- Using natural resources or energy more efficiently
- Reducing emissions, releases, and waste
- Managing or reducing effluent (i.e., produced water)
- Monitoring the company's environmental issues
- Reporting regularly on environmental issues
- Consulting with our stakeholders on environmental issues

These policies are made available for reference on our public website (www.bumiarmada.com) and reviewed on a yearly basis during the HSSEQ Management Team Committee (MT) meeting.

In line with the Company's HSSEQ Policies, we continue to make improvements that drive and deliver HSSEQ initiatives throughout all levels of the organisation. These Policies and commitments apply to all internal and external stakeholders, including contractors and vendors. We actively encourage both leadership and employee participation to sustain a proactive Safety culture among the employees. This area remains relevant and essential for Bumi Armada, and initiatives throughout the year included:

- Annual HSE Week;
- Health and crew wellbeing awareness campaign;
- Lesson learned sharing (internal and external);
- Lost Time Injury Safety Milestone Achievement Recognitions;
- Monthly HSE Video Sharing Sessions;
- Quarterly HSE Campaign;
- Participation in Client Safety Programme;
- Safety Observation Card ("SOC") Recognition Campaign;

As part of our Safety Culture program, the Company has standardised our Life-Saving Rules with the IOGP standard. The standardisation of the Life-Saving Rules enables us to:

- Better transfer knowledge, experience, and lessons learned,
- Increase individual awareness and ownership of critical safeguards that can prevent fatalities,
- Step towards an industry-wide and recognised set of Life-Saving Rules, and
- Improve clarity and allow consistent use of practices by contractors and operators doing similar work across our global operations

As HSE and Security are inherent risks within the industry, the Company is committed to consistently improving our preventive measures to safeguard our people, assets and the environment across all our operations. The Company continues to thoroughly investigate and learn from incidents to further strengthen our HSE controls. Part of our HSE improvement plan includes:

- Strengthening the adoption of IOGP practices into our HSE Management System for implementation,
- Establish and instil a Safety Culture program across our operations to promote proactive culture in HSE,
- Improve our near-miss reporting process to encourage proactive reporting of HSE-related events and prevent escalations,
- Increase leadership visibilities at the site through our Integrated Assurance Programme, despite travel restrictions during the pandemic, and
- Strengthen our existing Process Safety Management ("PSM") system through integrations with the IOGP standard to improve Operation Excellence.

HAZARD IDENTIFICATION, RISK ASSESSMENT, AND INCIDENT INVESTIGATION

The Company strives to identify all work-related hazards and implement the needed mitigation measures to remove the hazard and/or reduce the identified risks to As Low As Reasonably Practicable (ALARP). Hazards are identified and captured in the Hazard Identification, Risk Assessment, and Determining Control (HIRADC) register as well as in the Operation Safety Cases. Control measures are established through collaboration of HSE, Operations, Engineering and Project team to ensure holistic mitigation measures are in place at our worksites.

For our operations, Task Risk Assessment (TRA) is conducted prior to the commencement of operation activities. Where applicable, tasks are governed by our Permit-to-Work (PTW) process to ensure all hazards are mitigated prior to approval for starting work. All identified operational risks are reviewed on quarterly basis, while high risk items will be escalated to Risk Management Committee (RMC) as the governing body to ensure the risks have been mitigated to ensure safe operations across the fleet.

A robust incident investigation process is in place across all the fleet to ensure both onshore and offshore incidents are promptly reported, investigated with the necessary lesson learnt, followed by implementation of action plan to prevent recurrence of the incident. The Company's incident reporting process is established based on requirements from country regulations, client's requirements, industrial standards such as IOGP and ISO certification requirements. The incident investigation process is complimented by thorough root cause analysis using the Kelvin Topset methodology.

To ensure our employees are competent in executing these processes, the Company has established a structured training matrix for all offshore staff, as well as onshore employees whose role requires them to be involved in the incident investigation process. The Company's STOP WORK policy empowers our employees to remove themselves from work situations that they believe could expose them to harm that may result in injury or ill-health.

In 2022, the Company's Loss Time Injury Rate (LTIR) is above IOGP Offshore industrial average. We are committed to learning from these incidents and have improved our preventive measures to safeguard our people. In Africa, Russia & Central Asia regions, our operations maintained zero Lost Time Injury ("LTI") throughout 2022 but we remain diligent in our control measures to ensure our people are safe at work.

Year	2020	2021	2022
IOGP LTIR	0.22	0.22	-
IOGP Offshore LTIR	0.35	0.40	-
IMCA LTIR	0.31	0.35	-
BAB LTIR	0.00	0.55	0.53

[1] At the time of this report, IMCA and IOGP have yet to release their industrial safety statistic on Lost Time Injury Rate ("LTIR") for 2022

No fatalities have occurred in the last three years. Despite our efforts, in 2022, the Company reported two (2) LTI cases, related to hand and leg injury respectively. Both incidents happened during maintenance work activities. Fortunately, both crew members have fully recovered and returned to normal work. The Company is committed to learn from these events and further strengthen our control measures to prevent reccurrences.

The Company continue to put Safety as our utmost priority. In 2022, the Company has increased HSE related trainings, its awareness program, and intensity of senior management visits to all the vessels.

SUSTAINABILITY STATEMENT

Year	2020	2021	2022
Total Manhours (Millions) – Bumi Armada only [(1)]	4.38	3.66	3.80
Number of employees trained in HSE standards	1014	1324	1441
HSE Training Manhours	30,147	30,618	33,583
Leading Indicators (per 200,000 manhours)			
Safety Observation Rate	986.23	1,045.43	942.92
Near Miss Reporting Rate [(2)]	4.79	3.94	2.69
Management Visit Ratio	2.15	3.39	3.95
Lagging Indicators (per 1 million manhours)			
Fatal Accident Rate (FAR)	0.00	0.00	0.00
Number of Fatalities (employee)	0	0	0
Number of Fatalities (contractors)	0	0	0
Lost Time Injury Rate (LTIR)	0.00	0.55	0.53
Total Recordable Injury Rate (TRIR)	0.46	1.37	1.58
First Aid Case Rate (FACR)	2.28	4.65	4.21
Process Safety Event ("PSE") Tier 1	0	0	0
Process Safety Event ("PSE") Tier 2	2	0	3

Note:
(1) The leading and lagging indicators are based on Bumi Armada Manhours only.
(2) Lower near miss reporting rate in 2022 as compared to previous years due to intensify verification exercise by HSE Panel Reviewer to encourage correct incident classification reporting.

In 2022, the Company embarked into online incident, non-conformance, audit and assurance management modules to improve the reporting process from onshore and offshore operating sites to the management. We have also successfully planned and implemented an integrated internal audit/assurance management schedule (based on *ISO, **ISM, ***ISPS and ****MLC 2006 requirements) to cover the specific operating sites where HSE team collaborated with the Operations team. New additional HSE KPIs were established and monitored which include GHG Scope 3 and Air Pollutants Emission loading.

*ISO - International Organisation of Standardisation
**ISM - International Safety Management Code
***ISPS - International Ship and Port Facility Security Code
****MLC 2006 – Marine Labour Convention, 2006

The Company trained more than 1000 offshore staff on safety critical and competency-based training last year with above 30,000 HSE related training manhours spent, whilst over 200 of onshore staff have been trained on general health and safety related trainings. This translates to an increase of approximately 10% of HSE related training manhours companywide in 2022 compared to 2021, which is part of Bumi Armada's continuous commitment on prioritising the importance of HSE knowledge and competency among our staff. For the completed trainings, employees receive an evaluation form to provide voluntary feedback on the training courses. These evaluations and training effectiveness are discussed during the HSE quarterly review meeting with considerations on opportunities for improvement. All classroom and web based HSE trainings are conducted during working hours.

OCCUPATIONAL HEALTH MANAGEMENT

The Company has incorporated its Occupational Health Management into its Integrated Management System (IMS). The function of Occupational Health Management is under the responsibility of its HSE department supported by the Human Resources (HR) department. To protect the confidentiality of employees' personal health related information, the Company engaged approved medical facilities at the respective countries where applicable to provide medical services to our employees when needed. In the event that the Company requires to access employee's personal health information, the Human Resources department acts as the focal to gain consent from employee and is responsible to maintain the confidential information in a secured database that complies with Malaysia's Personal Data Protection Act (PDPA) 2010.

To encourage a healthy workforce, both HSE and HR department collaborates to drive a structured non-occupational medical and health services for the employees, including:

Medical insurance coverage for employees	Monthly HSE Video Sharing
Annual Health Campaign	Weekly Mental Health Tips
Monthly allowance for fitness club membership	Health Talks from medical centres

COVID-19 RESPONSES

In 2022, Bumi Armada continues to maintain its preventive controls on COVID-19 infections based on local requirements and recommendations from World Health Organisation, International SOS, U.S. Centres for Disease Control and Prevention, and local regulations in countries where we operate.

The Company maintains its Global Health Surveillance strategy encompassing all our people and all countries where we operate. Through continuous collaboration between HSE and HR, we have extended our support to our employees' well-being through the inclusion of Mental Health support into our employee medical insurance coverage. In addition, we have strengthened our travel risk management with the inclusion of health advisory support for our business travellers, where needed.

HSE DIGITALISATION PROCESS

Progressing with the improvement of our management system, the Company has embarked on the digitalisation of its Incident Management and Audit Management processes. This initiative aims to better improve the predictive analysis of HSE and audit data to further reduce operational risks to as low as reasonably practicable.

In Armada Kraken, the Company is piloting a digital solution "Emission.AI" that contextualises operational emissions and leverages engineering first principles, analytics, and artificial intelligence (AI) to identify opportunities to lower CO2 emissions and improve energy efficiency.

The Company is committed to explore further digitalisation opportunities that can improve its management system to better safeguard the people, assets, and the environment.

INDUSTRIAL COLLABORATION IN HSE

In Malaysia, Bumi Armada continues to collaborate with MOGSC, an independent organisation that drives professional development and raises the competency of the industrial workforce in the region. Together with MOGSC, we drive the HSE Workgroup to establish an online lesson learnt database for members to share preventive measures across the industry and prevent similar incidents from reoccurring.

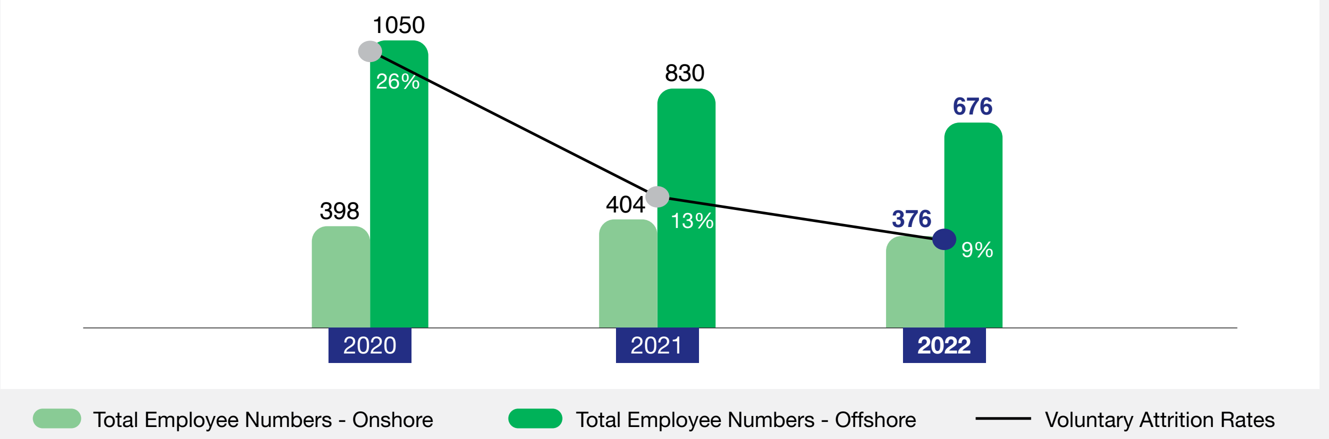
Bumi Armada is also an active member of the MOGSC Sustainable Development Workgroup, which aims to support the Oil and Gas services companies in Malaysia to address sustainability, including climate-related risks and issues. Through this workgroup, Bumi Armada participates in its quarterly meeting to discuss with technical experts on nature-based solutions and green technologies that are feasible for organisations to achieve their ESG goals and mitigate climate-related issues.

We actively participate in the MOGSC Sustainable Development Workgroup to elevate the industrial commitments in the region.

SUSTAINABILITY STATEMENT

LABOUR RIGHTS MANAGEMENT

TOTAL EMPLOYEES (ONSHORE & OFFSHORE) VS VOLUNTARY ATTRITION RATE



The Company actively focuses on engaging with our people, promoting employee well-being through activities that promotes health and fitness. These initiatives are driven through our "Bumi Life" program represented by employees from various departments, which takes the lead in organising various sports, recreational and fun packed activities for our employees. In addition, the Company also subsidises gym membership to encourage employees to take ownership of working out and inculcating a fitness culture. Health Awareness Talks are being conducted in collaboration with local medical centres to raise awareness on global health issues.

In line with the International Labour Standard for Decent Work, the Company benchmarks its employee remuneration through a robust benchmarking exercise. Our talent is sourced globally based on the fit for the role complying with all Local and International Labour Regulations and Standards. We recognise the capabilities and performance of our employees objectively and our employees are rewarded on a meritocracy basis.

At Bumi Armada, we believe in cultivating and developing our employees through training and development to achieve professional and personal growth. This year, we are proud to report an 86% increase in the training hours per employee from the previous reporting year.

TRAINING HOURS PER EMPLOYEE

DIVERSITY, EQUITY, AND INCLUSION

Bumi Armada strongly believes that promoting diversity and inclusion is not only imperative to our sustained business growth but also improves employee morale and work efficiency. We have a zero-tolerance policy against bullying and discrimination of any form. All employees and potential recruits are afforded the same opportunities regardless of race, ethnicity, gender, sexual orientation, or religion.

In 2022, Bumi Armada has no employee with disability.

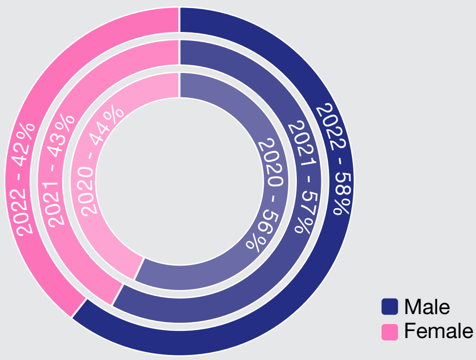
5 GENDER EQUALITY

Bumi Armada continues to embrace diversity by building teams of people from diverse backgrounds, nationalities, skills, and experiences across the globe to create sustainable value for the organisation. The Company believes in creating career opportunities for the local talents where it operates and inclusiveness at the workplace where everyone feels valued and heard. The Employee Handbook also highlights the Company's equal opportunities and diversity standards in hiring and working, as well as the expected behaviour of employees towards all other employees regardless of their gender, race, colour, nationality, religion, or any other factor.

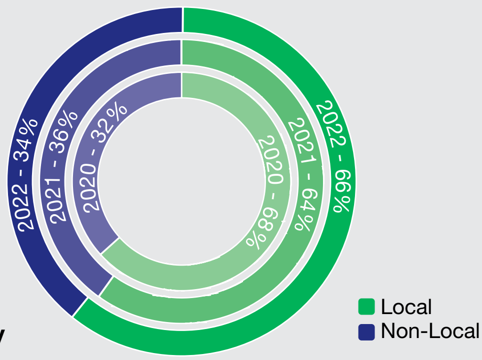
10 REDUCED INEQUALITIES

The Company's employment policy is governed by various national requirements and regulations, based on the specific location of the role. In Malaysia, employees' rights are covered by the regulations set out under the Malaysian Employment Act, while the Company is guided by the Malaysian Employers' Federation. In other countries where the Company operates, our employees are covered by the local regulations governing employee rights in those jurisdictions.

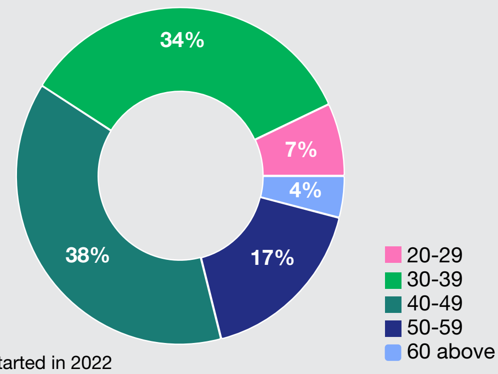
ONSHORE STAFF DISTRIBUTION (%)



Gender



Nationality



Age Group

Note: Data collection started in 2022

COMMUNITY INVESTMENT AND PHILANTHROPY

Bumi Armada strongly believes that promoting diversity and inclusion is not only imperative to our sustained business growth but also improves employee morale and work efficiency. We have a zero-tolerance policy against bullying and discrimination of any form. All employees and potential recruits are afforded the same opportunities regardless of race, ethnicity, gender, sexual orientation, or religion.

4 QUALITY EDUCATION

Education

The Company collaborated with Teach for Malaysia ("TFM") to provide support on IT equipment required to enable remote learning to low-income family members in Malaysia. In Indonesia, our Joint Venture, PT Armada Gema Nusantara (AGN) has collaborated with the local authority to build 3 reading corners for children around the beach, to support the development of education facilities in local communities.

6 CLEAN WATER AND SANITATION

Health

In India, the Joint Venture partnership between Shapoorji Pallonji and Bumi Armada Offshore Private Limited supported the AAKAR Charitable Trust, which has been working over the years to provide access to fresh water in the rural hinterlands of India. In 2021- 2022, the Company contributed to the construction of 3 check dams to harvest rainwater in the Alwar district, Rajasthan, and contributed to water purification initiatives in rural India

2 ZERO HUNGER

The Underprivileged

In Malaysia, the Company has made contribution to the Rise Against Hunger ("RAH") and Ecotourism & Conservation Society to provide food aid to the Indigenous Community in Malaysia (i.e., Orang Asli). Our contribution to RAH provided support to the Orang Asli communities as well as the Refugees school children in the country and the extremely poor communities in the country. In the UK, our Bumi Armada United Kingdom entity has contributed and sponsored child in needs collaborated with the NGO 'Be Friend A Child' to provide warm winter clothing to disadvantaged children and young people in the local communities who are affected by poverty, illness, neglect or have additional needs.

HUMAN RIGHTS

Bumi Armada resolves to uphold human rights and integrate them into all aspects of the Company's operations, including cascading forward to our counterparties. Our commitment includes, but is not limited to:

- Ensuring people's safety and health
- Respecting community structures and freedom of association
- Encouraging equal opportunities
- Eliminating inequality, harassment, exploitation, and violence
- Protecting equality of human rights

The Company prohibits any dealings with parties that indulge in human rights offenses, including:

- Human trafficking and exploitation
- Slavery, servitude, and forced or compulsory labour
- Child labour

We commit to respect and protect against human rights abuse including abuse of:

- Women's rights
- Freedom of expression
- Indigenous peoples' rights
- Freedom of religion

In addition to our commitment to Human Rights, Bumi Armada conducts due diligence and Know-Your-Counterparty ("KYC") to cascade this culture across the value chain. The Company also has a Speak Up Policy (Whistleblowing) that ensures a safe environment for employees and other parties to raise their concerns without fear of retaliation, including matters related to human rights. Bumi Armada's commitment to human rights can be further referenced to the UK Modern Slavery Act 2015 and the Human Rights Commission of Malaysia Act 1999.

GOVERNANCE

SUSTAINABILITY GOVERNANCE

AMBITION	ACTIVITY	ACHIEVEMENT	PROGRESS
Sustainability Structure	To establish a new structure to focus on sustainability.	Successfully established the Sustainability and External Relations Division headed by the Vice President of Sustainability and External Relations	
Sustainability Governance	To establish proper governance to manage ESG.	Climate change risk management Code of Conduct Whistle Blowing Policy Anti-Bribery and Corruption Policy	

Legend In progress Completed/ On track In planning

Bumi Armada has strengthened its sustainability governance with the appointment of its new Board member, Tunku Alizakri bin Raja Muhammad Alias, who brings along his extensive experience in the sustainability field at the Board level. The Chairman, Tunku Ali Redhauddin ibni Tuanku Muhriz, is a sustainability philanthropist. He served as Chairman of WWF Malaysia for 8 years before becoming President of WWF Malaysia. Our ED/CEO, Gary Neal Christenson, is also a sustainability enthusiast who has been involved in ESG for more than 30 years in his career. ESG focused division, the Sustainability and External Relations Division was set up in December 2022 and headed by an industry expert, Sarimah Talib, who has more than 16 years of experience in managing sustainability to spearhead the ESG strategies for the Group.

HSE RISK MANAGEMENT

Bumi Armada's Board of Directors has direct oversight and responsibility for identifying climate-related risks across our business. The directive from our Board is cascaded down to our HSE Management Team Committee, which comprises the Management Team members from across the departments. The Management Team is supported by the Risk Management Committee ("RMC"), which ensures our climate-related risk management is holistic and aligns with our ERM framework. The HSE Management Team Committee conducts an annual review to ensure our management system continues to remain sufficient in driving governance and mitigating identified risks to as low as reasonably practicable ("ALARP").

In 2022, Bumi Armada conducted a climate-related risk assessment across 100% of our Floating, Production, and Operation (FPO) assets across the globe.

SUSTAINABILITY STATEMENT

CLIMATE-RELATED RISK MANAGEMENT

In 2022, Bumi Armada conducted a climate-related risk assessment across 100% of our Floating, Production, and Operation (FPO) and Subsea assets across the globe. Our risk assessment approach is in line with the methodology used in the Carbon Disclosure Project (CDP). The key climate risk factors that are considered include:

COUNTRY	ASSETS	KEY CLIMATE RISK FACTORS
Angola	• Armada Olombendo	• Acute Physical – Coastal flooding • Emerging regulations • Technology
India	• Armada Sterling I • Armada Sterling II	• Acute Physical – Typhoon • Chronic Physical – Changing temperature (air, freshwater, marine water) • Emerging regulation – Mandates on and regulation of existing products and services • Reputation – Increased stakeholders concern or negative feedback • Shift in consumer preferences
Indonesia	• Karapan Armada Sterling III (KASIII)	• Acute Physical – Severe weather rainstorm and high wave • Chronic Physical – Sea level rise, heat stress, wind pattern • Emerging regulations • Market – Changing customer behaviour
Malta	• Armada LNG Mediterrana ("ALM")	• Increased frequency of severe weather (e.g. vessel has to move off)
Russia	• Armada Installer • Armada Constructor	• Acute Physical – Typhoon, heat wave • Chronic Physical – Changing temperature (air, freshwater, marine water)
United Kingdom	• Armada Kraken	• Acute Physical – Severe weather • Policy/Legislation change
Vietnam	• Armada TGT-1	• Acute Physical – Severe weather - typhoon, coastal flooding

BUSINESS ETHICS

Bumi Armada's commitment to sustainability starts at the top with the Board of Directors providing comprehensive oversight of the management and governance of the Company including ESG issues. We have established a governance structure and implemented policies and practices that foster a culture of accountability. With a Zero-Tolerance policy towards bribery and corruption, the Board has mandated that every employee is governed by the Anti-Bribery and Corruption Policy ("ABC Policy"). The ABC Policy is supported by several ancillary policies, namely:

1. The Code of Business Conduct and Ethics for Employees
2. The Code of Business Conduct and Ethics for Directors
3. The Gifts and Hospitality Policy
4. The Speak-Up (Whistle-blowing) Policy
5. Know Your Counterparty (KYC) Procedure
6. Other Company policies

These policies outline the professional standards of mindset and behaviour expected by all employees within the Company during the execution of their daily business activities. In addition, the ABC Policy covers extensively a range of compliance and business integrity areas, as well as the legal implications concerning illegal payments, gifts, or entertainment. Compulsory training and awareness sessions are assigned to both directors and employees to strengthen their understanding of our ABC Policy with an annual refresher session being conducted and signed off. Directors and employees are also required to submit annual declarations about any potential conflict of interest.

While the ABC Policy covers the Company's expected business behaviours internally, the Company also expects a similar standard of ethics and integrity from our business partners and suppliers, covering all these areas of mindset and behaviour including human rights and relevant labour laws.

CORPORATE GOVERNANCE

Bumi Armada is committed to executing our business with full compliance with applicable laws and regulations as well as any relevant contractual requirements imposed by our customers. To sustain safe and high-performance services to our clients, we consistently strive for continuous improvement while fulfilling the requirements of our ISO certifications. In addition, our offshore operational assets are required to comply with various international standards and regulations which are auditable by recognised certification and classification bodies. These standards are recognised in the industry and set by the following classification societies:

ABS	American Bureau of Shipping
BKI	Biro Klasifikasi Indonesia
BV	Bureau Veritas
DNV.GL	Det Norske Veritas
IRS	Indian Register of Shipping
RMRS	Russian Maritime Register of Shipping
VR	Vietnam Ship Register

Our FPSO assets must comply with the requirements of the International Safety Management and the International Ship and Port Facility Security ("ISPS") Codes as well as the Mobile Offshore Drilling Unit Code for floating production units. In addition, our vessels comply with the International Convention for the Prevention of Pollution from Ships ("MARPOL") especially the requirements stipulated under MARPOL 73/78 including the stringent management of effluent discharges, emissions, and waste management.

TAX TRANSPARENCY

As a socially responsible corporation, Bumi Armada is committed to engaging in good tax governance and conducting our tax affairs in compliance with all applicable tax laws and pays all taxes legally due in all jurisdictions in which we operate.

OUR APPROACH TO TAX

We are committed to observing all applicable laws, rules, and regulations in meeting the Group's tax compliance and reporting responsibilities in all jurisdictions where the business operates and ensuring that appropriate management structures are put in place to meet those obligations.

The Board of Directors of Bumi Armada via the Audit Committee ("AC") and RMC have oversight of the Group's tax governance and tax risk management matters. Our approach to tax is based on the following objectives:

- Complying in good faith with all applicable tax laws and regulations in all countries we operate in.
- Committed to timely and accurate registration, filing of accurate tax returns by due dates, and payment of tax obligations when legally due.
- Applying diligence and care in the management of the processes and procedures by which tax activities are undertaken.
- Develop and maintain a good, transparent, and collaborative working relationship with the relevant tax authorities and undertake all dealings based on the concepts of integrity, collaboration, and mutual trust.

TAX GOVERNANCE, CONTROL AND RISK MANAGEMENT

Group Tax together with the finance team in each entity and location is responsible for ensuring timely compliance with local tax laws and obligations. In addition, Group Tax works closely with various business units and the relevant stakeholders to undertake tax risk assessments to manage tax risk exposures and ensure that the relevant tax implications are considered in arriving at business decisions.

We manage tax risk in the same manner as any other business risk and apply internal review and control procedures based on materiality, uncertainty, and reputational impact, in accordance with our ERM Framework. The framework for managing tax risks is set out below: -

SUSTAINABILITY STATEMENT

- Roles and responsibilities are well defined with an appropriate level of delegation of authority and accountability in managing tax affairs.
- Various tax checklists and controls have been implemented to manage tax risk proactively and to achieve overall tax compliance.
- Tax risks are identified, evaluated, monitored, and regularly reviewed on a case-by-case basis with diligent professional care and judgement to ensure they remain in line and consistent with the ERM Framework established.
- Professional due care is exercised when adopting any tax technical positions. Where there is uncertainty as to the application or interpretation of tax law, written advice evidencing the facts, risks, and conclusions is taken from external advisers to support and substantiate the internal decision-making process.
- Utilisation of tax incentives that support a genuine business purpose and commercial activity and are aligned with the intended policy objectives of the regulators that introduced the incentives.
- A structured tax training program is conducted by experienced trainers to increase tax awareness and technical skillsets of tax personnel. In addition, the tax function is equipped with access to international tax databases and attends external training regularly to keep abreast with the latest tax developments.

The AC, RMC, and the Board receive regular updates on tax issues and our approach to tax risk management. Material tax issues, if any, will immediately be escalated and reported to senior management or the Board. The Board deliberates on and approves Bumi Armada's financial reporting, including the review of tax matters that are material to the financial statements. The Company discloses details of its tax position in the notes to its audited accounts via its annual filing release to Bursa Securities and in its annual report to shareholders. This reporting methodology is in-line, and in full compliance, with the Company's reporting standards.

APPROACH TO OPEN DIALOGUE OR ENGAGEMENT WITH TAX AUTHORITIES

Bumi Armada is committed to working positively, pro-actively, and transparently with tax authorities to minimise the extent of disputes, to achieve early agreement on disputed issues when they arise, and achieve certainty, wherever possible.

Bumi Armada maintains the highest standard of professional ethics in all our dealings with the tax authorities. We seek and maintain an open and collaborative professional relationship with tax authorities and regulators by: -

- responding to their questions and enquiries in a timely manner;
- engaging with respect to emerging legislation either directly or via industry bodies. We will request rulings/confirmation on technical positions, where applicable; and
- resolving issues with the tax authorities amicably in respect of disputed matters.

Where the opportunity arises, we endeavour to participate in tax consultations or open dialogue with the tax authorities or any regulatory bodies that impact our business or industry sustainability to ensure that our views are considered.

CYBER SECURITY RISK MANAGEMENT

In line with Bumi Armada's Cyber Security Risk Management Standard, the Company continues to implement safeguards that protect our IT environment from cyber risks across both onshore and offshore operations. The standard covers the risk management process for both Operational Technology ("OT") and Information Technology ("IT") identified across the Company. We build cyber awareness across the organisation through the IMCA "Cyber Aware at Sea" program, as part of an ongoing capability development program in this space.

STAKEHOLDER ENGAGEMENT

At Bumi Armada, we believe in building strong relationships with our stakeholders as it is through collaboration and partnerships that we accelerate sustainability. Effective and frequent engagements with key groups not only address our sustainability issues but provide insight into their expectations of our ESG performance. By maintaining effective and transparent lines of communication with our stakeholders, we aim to improve our performance in a collaborative manner that meets both stakeholders' interests and the Company's vision for sustainable growth.

SUSTAINABILITY STATEMENT

The table below presents a description of our stakeholders, their areas of interest as well as our methods and frequency of engagement.

STAKEHOLDER GROUP	DESCRIPTION	AREAS OF INTEREST	ENGAGEMENT	EXAMPLES OF ENGAGEMENT
Shareholders & Financial Community	A person, company or institution that owns a certain percentage of Company's equity including lenders and investors	• Company financial performance • Business strategy	Regular	• Direct engagement meetings • Annual General Meeting (AGM) • Conference calls • Quarterly results briefings
Employees	A person employed for wages or salary	• Employee welfare • Career development	Regular	• Employee Inductions • Health, Safety and Environment (HSE) meetings and awareness sessions • Vessels and site visits by Management • Performance appraisals • Quality Management Review • Security Management Review
Regulators & Government Agencies	A public organisation or government agency that is set up to exercise a regulatory function	• Compliance with laws and regulations • Labour practices and health issues	As required	• Certification/ Compliance reviews/ audits • Formal engagement or dialogues • HSE audits • Regulatory training
Clients & Business Associates	A person or organisation who buys product or services from the company	• Support services • Service quality and safety	Regular	• Conference calls • Operational reviews • Know Your Counterparty (KYC) reviews/ updates • New business/ pre-qualification discussions
Suppliers & Contractors	A person or organisation from which the products or services are purchased	• Pricing and service • Supplier training	Regular	• Compliance reviews • Know Your Counterparty (KYC) reviews/ updates • HSE audits or reviews • Lesson learnt and feedback
Community	A group of people residing in the area where the business is located	• Charity and fundraising events • Employment opportunity	As required	• Community support • CSR activities • Local content reviews/ audits • Local partnerships
Media & External Parties	Mass communication platform to disseminate news to external parties	• Company's reputation	Regular	• Corporate updates/ announcements • Quarterly results announcements

BEYOND 2022

As 2022 is the period where we set the ESG foundation, a brighter future awaits us ahead. Bumi Armada is now set to spearhead ESG advancing to setting our short-term, medium, and long-term targets for our ESG key indicators. Equipped with established sustainability governance, ESG will be at the forefront of our key business strategies that will enable us to explore sustainable opportunities for growth. We will continue to work with our clients and business associates to achieve our net zero ambition by 2050.

SUSTAINABILITY STATEMENT

GRI CONTENT INDEX

GRI Disclosure 2022	Disclosure Title	Page Number	Explanation
General Disclosure			
2-1	Organisational details	3 to 9, 19	-
2-2	Entities included in the organisation's sustainability reporting	3 to 9, 19	-
2-3	Reporting period, frequency and contact point	4, 19	-
2-4	Restatements of information	Not Applicable	No restatement of previous report
2-5	External assurance	4, 31	-
2-6	Activities, value chain, and other business relationships	5 to 7	-
2-7	Employees	36	-
2-8	Workers who are not employees	36	-
2-9	Governance structure and composition	8 to 9, 38, 54	-
2-10	Nomination and selection of the highest governance body	49, 54 to 66	-
2-11	Chair of the highest governance body	54	-
2-12	Role of the highest governance body in overseeing the management of impacts	47 to 64	-
2-13	Delegation of responsibility for managing impacts	47 to 64	-
2-14	Role of the highest governance body in sustainability reporting	38	-
2-15	Conflicts of interest	66	-
2-16	Communication of critical concerns	71 to 73	-
2-17	Collective knowledge of the highest governance body	64	-
2-18	Evaluation of the performance of the highest governance body	65 to 66	-
2-19	Remuneration policies	70, 152 to 153	-
2-20	Process to determine remuneration	70, 152 to 153	-
2-22	Statement on sustainable development strategy	21 to 22	-
2-23	Policy commitments	30, 68 to 70, 75 to 77, 84 to 87	-
2-24	Embedding policy commitments	30, 68 to 70, 75 to 77, 84 to 87	-
2-25	Processes to remediate negative impacts	39 to 41, 71 to 77, 87	-
2-26	Mechanisms for seeking advice and raising concerns	38, 41, 77, 89	-
2-27	Compliance with laws and regulations	28 to 29, 39 to 41, 75	-
2-28	Membership associations	33	-
2-29	Approach to stakeholder engagement	41	-
Specific Disclosure			
201-1	Direct Economic value generated and distributed	127 to 156	-
201-2	Financial implication and other risk and opportunities due to climate change	Not Applicable	The Group implement its control measures based on Environment Management Plan (EMP) that is under site owner's management control

SUSTAINABILITY STATEMENT

GRI Disclosure 2022	Disclosure Title	Page Number	Explanation
Specific Disclosure			
201-3	Defined benefit plan obligations and other retirement plans	109	-
201-4	Financial assistance received from government	Not applicable	No financial assistance received from government
203-1	Infrastructure investments and services supported	Not applicable	No infrastructure investments and services supported
203-2	Significant indirect economic impacts	Not applicable	The Group' nature of business has no significant indirect economic impacts
205-2	Communication and training about anti-corruption policies and procedures	38 to 39	-
205-3	Confirmed incidents of corruption and actions taken	Confidentiality Constraints	-
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	22, 76	-
207-1	Approach to tax	39	-
207-2	Tax governance, control, and risk management	39	-
207-3	Stakeholder engagement and management of concerns related to tax	39 to 41	-
207-4	Country-by-country reporting	Not Applicable	The Group revenue threshold less than EUR 750 million (or an equivalent amount in domestic currency)
301-1	Material used by weight or volume	Information incomplete	The Group is improving its centralised database to incorporate in-country data for disclosure
301-2	Recycled input materials used	Information incomplete	The Group is improving its centralised database to incorporate in-country data for disclosure
301-3	Reclaimed products and their packaging materials	Not applicable	Not applicable to the Group's nature of business
302-1	Energy consumption within the organization	23	-
302-2	Energy consumption outside of the organization	Not applicable	Not applicable to the Group's nature of business
302-3	Energy Intensity	23	-
303-1	Interactions with water as a shared resource	Not applicable	Not applicable to the Group's nature of business
303-2	Management of water discharge related impacts	25 to 26	-
303-3	Water withdrawal	Not applicable	Not applicable to the Group's nature of business
303-4	Water Discharges	25 to 26	-
303-5	Water consumption	25 to 26	-
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable	The Group does not own the operational sites

SUSTAINABILITY STATEMENT

GRI Disclosure 2022	Disclosure Title	Page Number	Explanation
Specific Disclosure			
304-2	Significant impacts of activities, products, and services on biodiversity	26	-
304-3	Habitats protected or restored	Not applicable	Environment Management Plan (EMP) is under the site owner, while the Group implement control measures based on requirements in the EMP
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable	Environment Management Plan (EMP) is under the site owner, while the Group implement control measures based on requirements in the EMP
305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	22 to 24	-
305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	22 to 24	-
305-3	Other indirect GHG emissions (Scope 3)	22 to 24	-
305-4	GHG emission intensity	22 to 24	-
305-5	Reduction of GHG emissions	22 to 24	-
305-7	Nitrogen oxides (NOx), Sulphur Oxides (SOx), and other significant air emissions	24	-
306-2	Management of significant waste-related impacts	25 to 26	-
306-3	Waste generated	25 to 26	-
306-4	Waste diverted from disposal	Information incomplete	The Group is improving on the waste segregation data across the assets
306-5	Waste directed to disposal	25 to 26	-
308-1	New suppliers that were screened using environmental criteria	22	-
308-2	Negative environmental impacts in the supply chain and actions taken	Information incomplete	The Group's Supply Chain plans to implement an evaluation of ESG guidelines/ criteria/ statistics of suppliers and subcontractors
401-1	Employee Turnover rate	34	-
403-1	Occupational health and safety management system	27 to 29	-
403-2	Hazard identification, risk assessment, and incident investigation	31	-
403-3	Occupational health services	32 to 33	-
403-4	Worker participation, consultation, and communication on occupational health and safety	29	-
403-5	Worker training on occupational health and safety	32	-
403-6	Promotion of worker health	32 to 33	-
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	27 to 33	-

GRI Disclosure 2022	Disclosure Title	Page Number	Explanation
Specific Disclosure			
403-8	Workers covered by an occupational health and safety management system	27 to 33	-
403-9	Occupational Health and Safety	31 to 33	-
403-10	Work-related ill health	32 to 33	
413-1	Operations with local community engagement, impact assessments, and development programs	Not applicable	The Group does not own the operational sites
413-2	Operations with significant actual and potential negative impacts on local communities	Not applicable	The Group does not own the operational sites
414-1	New suppliers that were screened using social criteria	Information incomplete	The Group's Supply Chain plans to implement an evaluation of ESG guidelines/ criteria/ statistics of suppliers and subcontractors
414-2	Negative social impacts in the supply chain and actions taken	Information incomplete	The Group's Supply Chain plans to implement an evaluation of ESG guidelines/ criteria/ statistics of suppliers and subcontractors
415-1	Political contributions	Not applicable	No political contribution

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Dear Shareholders,

On behalf of the Board of Directors ("Board"), I am pleased to present BAB 2022 Corporate Governance Overview Statement ("Overview"). This Overview summarises the work of the Board and its Committees and describes the governance structures and practices that have been put in place within the Group.

At BAB, corporate governance rests on our principles of sustainability, where we recognise the close relationship between business, society and environment. We are cognisant of the pervasive interconnections that reside between what we do as a responsible Company and the various social and environmental influences in the ecological systems in which we operate.

The Board applies the Group's Environmental, Social and Governance ("ESG") aspects in the Group's business operations, which include building quality assets that meet international environmental standards and providing environmentally and societally responsible operations; conducting and managing business operations in a responsible manner with safety, reliability, good governance and transparency as over-riding principles; minimising our carbon footprint on the environment including prevention of pollution, sustainable resource use and conservation of energy and resources; enhancing employer-employee relationships in line with BAB's core values, providing a safe and equitable work environment for BAB's employees that is conducive to their professional development, and engaging with and building trust with stakeholders through understanding expectations, communicating BAB's goals, and when possible collaborating for mutual benefit.

Corporate governance's definition and scope continually evolves. COVID-19 has revealed the intricate ecosystems in which we work. Businesses are still baffled by the interdependencies and potential impact drivers in the midst of so much uncertainty. The role of the Board needs to be

CORPORATE GOVERNANCE OVERVIEW STATEMENT

agile and adapt to the changing environment. For many pre-pandemic business leaders, good governance was all about conformity, flexibility, and the pursuit of shareholder interests and returns. The new reality is that, in addition to shareholder returns, boards must now base their decisions on a variety of factors or considerations that drive stakeholder value. The Board must exhibit strong leadership that both protects and enhances value for all stakeholders, not just shareholders.

The stress test of corporate governance systems continued throughout the year as the pandemic's unprecedented circumstances tested leadership, organisational resilience, and risk management.

There has never been a greater push from institutional investors for ESG compliance and ESG integration into business recovery and growth models. The Securities Commission Malaysia ("Securities Commission") added management of ESG risks and opportunities for the first time to the Malaysian Code on Corporate Governance ("MCCG"). According to the MCCG 2021 update, a company's corporate strategies and plans must take sustainability into account as a whole in order to support its long-term success. This entails assigning a

specific person to oversee sustainability at the management level and including sustainability risk management in the performance reviews of senior leadership.

BAB appointed its Vice President of Sustainability & External Relations in December 2022 and linked top management compensation to sustainability KPIs in order to support the MCCG 2021 requirement. This essentially means that the Executive Director/Chief Executive Officer and Senior Management performance scorecards now include specific duties and KPIs for promoting and managing ESG.

The Group was able to reduce its CO_2 emissions (tonnes CO_2e per thousand tonnes of hydrocarbon) from 118 in 2021 to 115 in 2022 (2.5% reduction), putting us 3.4% below the 2021 baseline (119 tonnes CO_2e per thousand tonnes of hydrocarbon) benchmarked to the International Association of Oil & Gas Producers ("IOGP") targets. In line with our Sustainable Quality Progress strategy, BAB continues to explore opportunities to achieve its commitment on Net Zero Emission by 2050.

Such developments necessitate increased Board accountability for ESG governance, which promotes investor confidence and shareholders' interests. To put it in another way, corporate governance using an exhaustive ESG lens helps to improve risk management systems and get a company ready for opportunities in a dynamic market.

However, given the unusual circumstances created by the pandemic and the Russia-Ukraine conflict, our focus this past year had been on mobilising, monitoring, and managing our business continuity and crisis management plans. The Board's focus had been on facilitating decisions that assured safety of employees and customers, while minimising disruptions to productivity and our ability to serve customers efficiently. Financial risks were assessed for resilience in an uncertain economy, and management strategies were revised with a focus on business continuity.

Finally, I would like to reiterate our commitment that ESG goals will continue to be prioritised at the Board level. Our immediate responsibilities and actions are motivated by the expectations of our stakeholders, business resilience, and long-term value creation that extend beyond our balance sheet. The Board will remain alert to the volatile circumstances of the present and near future. Our goal will be to strengthen our corporate governance mechanisms, which will enable us to not only survive, but thrive as a leading Malaysia-based international offshore energy facilities and services provider dedicated to advancing customers and society by "**Driving Sustainable Growth**" across our business.

TUNKU ALI REDHAUDDIN IBNI TUANKU MUHRIZ
Chairman

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Throughout the FY 2022, the ongoing COVID-19 pandemic and Russia-Ukraine conflict presented challenges for the industry. Increased stakeholder demands, growing regulatory expectations, and supply chain uncertainties have challenged the Board's decision-making process.

Our existing corporate governance framework, which is based on competent leadership, structured operational controls, strong risk culture and accountability, and a robust reporting structure, has aided our Board in the deliberation and consideration of issues that are not typically straightforward.

The Board is persistent in its endeavors to apply good corporate governance, which ultimately will develop values for all BAB stakeholders. Our corporate governance framework is based on the following important legal requirements, industry standards, rules, and regulations:

Companies Act, 2016 ("CA 2016")	Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities")	MCCG 2021 issued by the Securities Commission	Corporate Governance Guide 4th Edition published by Bursa Securities	Guidelines on Conduct of Directors of Listed Corporations and their subsidiaries published by the Securities Commission

This Overview aims to provide insights into BAB's corporate governance practices for FY 2022 based on the MCCG's 3 key corporate governance principles:

- **Board leadership and effectiveness (27 practices and 3 step-ups)**
- **Effective audit and risk management (8 practices and 3 step-ups)**
- **Integrity in corporate reporting and meaningful relationship with stakeholders (8 practices)**

This Overview has been prepared in accordance with the Listing Requirements and should be read in tandem with BAB's Corporate Governance Report 2022, which is available on BAB's website and accessible online at www.bumiarmada.com. The Corporate Governance Report details how BAB implemented each practice outlined in the MCCG 2021 during FY 2022.

KEY PRINCIPLES

The Directors' attendance for all meetings held in 2022 were as follows:

BOARD ATTENDANCE

Independent Non-Executive Directors ("INED")	Tunku Ali Redhauddin ibni Tuanku Muhriz (Chairman)	13 / 13	
Independent Non-Executive Directors ("INED")	Alexandra Elisabeth Johanna Maria Schaapveld	12 / 13	
Independent Non-Executive Directors ("INED")	Uthaya Kumar a/l K Vivekananda	13 / 13	
Independent Non-Executive Directors ("INED")	Donald Allan Chudanov	3 / 3	*(Resigned on 31 March 2022)*
Independent Non-Executive Directors ("INED")	Tunku Alizakri bin Raja Muhammad Alias	12 / 13	
Non-Independent Non-Executive Directors ("NINED")	Chan Chee Beng	13 / 13	
Non-Independent Non-Executive Directors ("NINED")	Maureen Toh Siew Guat	13 / 13	
Non-Independent Non-Executive Directors ("NINED")	Rohan a/l Rajan Rajasooria	1 / 1	*(Appointed on 23 November 2022)*
Executive Director ("ED")/Chief Executive Officer ("CEO")	Gary Neal Christenson	13 / 13	

BOARD COMMITTEE ATTENDANCE

Nomination & Corporate Governance Committee ("NC")

Tunku Ali Redhauddin ibni Tuanku Muhriz	5 / 5	INED (Chairman)
Alexandra Elisabeth Johanna Maria Schaapveld	5 / 5	INED (Member)
Uthaya Kumar a/l K Vivekananda	5 / 5	INED (Member)
Chan Chee Beng	5 / 5	INED (Member)

Remuneration Committee ("RC")

Alexandra Elisabeth Johanna Maria Schaapveld	5 / 5	INED (Chairman)
Maureen Toh Siew Guat	5 / 5	NINED (Member)
Uthaya Kumar a/l K Vivekananda	5 / 5	INED (Member)
Tunku Alizakri bin Raja Muhammad Alias	5 / 5	INED (Member)

Audit Committee ("AC")

Uthaya Kumar a/l K Vivekananda	6 / 6	INED (Chairman)
Alexandra Elisabeth Johanna Maria Schaapveld	6 / 6	INED (Member)
Maureen Toh Siew Guat	6 / 6	NINED (Member)

Risk Management Committee ("RMC")

Uthaya Kumar a/l K Vivekananda	8 / 8	INED (Chairman)
Donald Allan Chudanov *(Resigned on 31 March 2022)*	2 / 2	INED (Member)
Maureen Toh Siew Guat	8 / 8	NINED (Member)
Rohan a/l Rajan Rajasooria *(Appointed on 23 November 2022)*		NINED (Member)

* No RMC meeting for the rest of 2022 after 13 October 2022

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board Charter sets out 8 principal roles and responsibilities of the Board:

BOARD LEADERSHIP AND EFFECTIVENESS

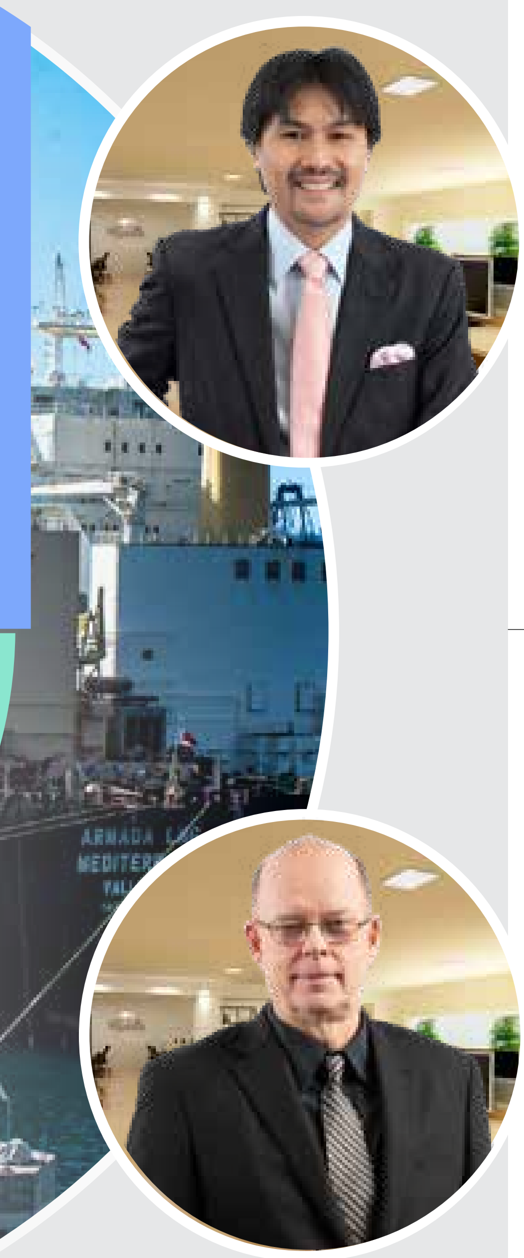
1. **Setting the Group's strategic aims, reviewing, adopting and monitoring the implementation of a strategic plan for the Group;**
2. **Overseeing the conduct of the Group's business;**
3. **Identifying principal risks and ensuring the implementation of appropriate controls and mitigation measure;**
4. **Succession planning;**
5. **Overseeing the development and implementation of a shareholders' communications policy for the Group;**
6. **Reviewing the adequacy and the integrity of management and internal control systems of the Group;**
7. **Providing leadership and assurance on effective management and monitoring of sustainability matters and risks related to Health, Safety and Environment ("HSE"), as well as security and quality management across the business; and**
8. **Promoting good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour.**

The Board has a formal schedule of matters reserved for its decision and delegated matters, details of which can be found in our Board Charter which is available on BAB's corporate website at

www.bumiarmada.com

TUNKU ALI REDHAUDDIN IBNI TUANKU MUHRIZ

SEPARATION OF ROLES OF THE CHAIRMAN AND ED/CEO



Tunku Ali Redhauddin ibni Tuanku Muhriz, an INED, chairs the Board and is responsible for ensuring the Board works efficiently and fully discharges its legal and regulatory responsibilities. As Chairman, he also leads the Board in overseeing management and instilling the right culture, values, and behaviours at the top and throughout the organisation.

The Chairman sets the tone for Board discussions and deliberations with a view to promoting effective decision-making by encouraging active participation and dissenting views to be freely expressed. He also ensures Board decisions are made on a sound and well-informed basis. Additionally, the Chairman sets the tone for the Company's values and standards to ensure the obligations to its shareholders and other stakeholders are understood and met.

The Chairman together with the Board, will review the organisational structure including the composition of Board Committees, to ascertain if they serve the needs of the Company and determine the nature and extent of risk appetite of the Group.

The Board recognises the significance of a distinct line of authority between the Chairman and the ED/CEO. Therefore, in order to ensure the best balance, the respective roles of the Chairman and ED/CEO are clearly outlined in the Board Charter. This increases accountability and improves decision-making.

MR GARY NEAL CHRISTENSON

DELEGATION BY THE BOARD TO ED/CEO

Mr Gary Neal Christenson, the ED/CEO, is responsible to the Board for the overall business and day-to-day management of BAB. The ED/CEO is responsible for leading management and making and implementing operational decisions as approved by the Board, with assistance from the Management Team.

In FY 2022, the Management Team continued to provide a platform for the ED/CEO to review the performance and key strategic matters of the Group's entities and business divisions in various jurisdictions. This allows the ED/CEO to track and measure the performance of project implementation against the agreed strategies and roadmap and provide regular feedback to management and ensure all business issues are dealt with in a timely manner and informed basis.

He also collaborates with and advises the Board on the Group's strategic, corporate, and commercial goals. He is also directly responsible for the Group's financial performance and organisational effectiveness, which include business operations, financial management and controls, project execution, supply chain management, human resource development, investor relations and brand equity building, operational excellence, supporting and managing the Company's HSE, security and quality management system and quality performance initiatives.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

DELEGATION BY THE BOARD TO THE BOARD COMMITTEES

The Board has delegated authority to various Board Committees so that they may supervise particular tasks in accordance with their terms of reference. The duties of each Board Committee, meeting procedures (including quorum requirements), voting requirements, and Board Committee membership are outlined in the terms of reference for each Board Committee. All of our Board Committees are made up solely of non-executive directors. Any modification to a Board Committee's mandate requires Board approval.

All Board members receive copies of the minutes of Board Committee meetings, which detail the major discussions and decisions made during these meetings. The Chairman of each Board Committee updates the Board on significant issues discussed at the Board Committee meetings, which are typically scheduled before any Board meeting.

BOARD SUPPORT

The Board has appointed the Company Secretary, who is accountable to the Chairman, for all matters pertaining to the proper functioning of the Board, as well as facilitating effective information flows within the Board and Board Committees, and as between Senior Management and Non-Executive Directors. The Company Secretary is accessible to the directors independently. All Board meetings are attended by the Company Secretary, and minutes are prepared to record key deliberations and decisions made during the meetings. The Company Secretary facilitates communication between the Board, its committees and management, and generally assists Directors in the discharge of their duties. The Company Secretary assists with the induction of new Directors, and the appointment and removal of the Company Secretary is subject to the approval of the Board of Directors. The role of the Company Secretary is outlined in the Board Charter.

BOARD MEETINGS

The Chairman oversees the setting of the agenda for Board meetings prior to each meeting to ensure that there is enough information and time to address all agenda items. When necessary, the agenda allows for flexibility. All materials for Board and Board committee meetings are uploaded to a secure portal on a timely basis and can be accessed on the Directors' tablet devices.

For better planning of the Board meeting agenda, the Board Annual Outline Agenda is prepared at the end of the current year for the next year which sets out the area of focus by the Board. The meeting agenda is prepared with input from the ED/CEO and finalised with the Chairman and respective Board Committees Chairperson taking into account the Schedule of Matters Reserved for the Board. The annual agenda for meetings of the Board Committees are also planned at the end of the current year for the following year.

The minutes of meetings record the key discussion points of the meeting and the decisions made by the Board and Board Committees including whether any Director abstained from voting or deliberating on a certain matter. The minutes are circulated to Directors for review after the meeting and Directors provide comments either before the meeting or at the next meeting when the minutes of previous meetings are tabled for confirmation.

The decisions or extract of minutes of the meetings are communicated to Management immediately after the meetings. Action items are followed-up after the meetings and those which remain open will be tabled as matters arising at the subsequent meetings until each issue is closed.

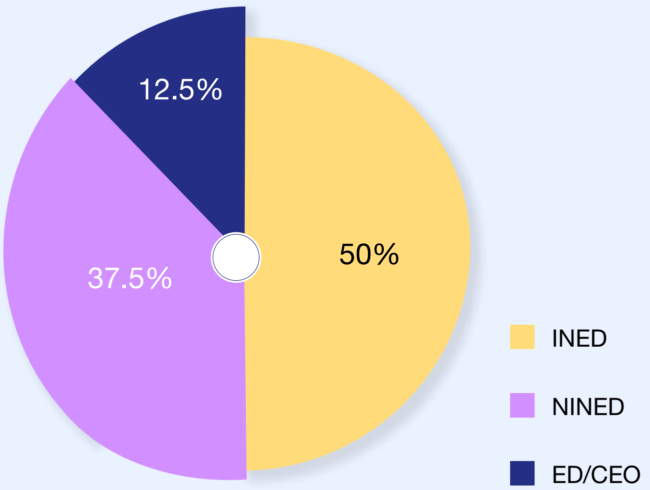
The Board meets on a regular basis, with at least 7 meetings scheduled per financial year. The dates of these scheduled meetings are determined well in advance before the start of the new financial year to enable the Directors to plan ahead. In addition to scheduled meetings, Special Meetings may be called as needed. During FY 2022, all Directors attended more than 90% of all Board meetings. The Movement Control Order was lifted in October 2021. Since then, the Board and Management Team have begun to physically attend the Board and Committees meetings.

The Board has direct oversight and responsibility for sustainability. On an annual basis, the Company identifies areas that are material to the business and are considered by Board members when making strategic and business planning decisions. The directive from the Board is cascaded down via ED/CEO to the Management Team, who are responsible for implementing the sustainability strategies, priorities and targets.

On a quarterly basis, the Board meetings are held to discuss the progress of approved strategic initiatives and directives are made to address identified risks and opportunities.

BOARD SIZE, COMPOSITION AND DIVERSITY

As at 31 December 2022, the Board consist of 8 members:

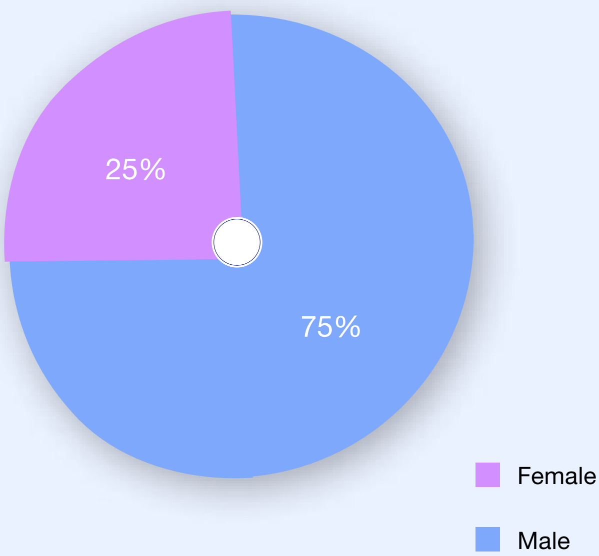


All the Independent Directors meet the criteria for independence as provided under the Listing Requirements and the Company's Policy on Assessment of the Independence of Directors. The Independent Directors have also provided the annual declaration/ confirmation on their independence to the Company in February 2023. The current Board composition is adequate to exercise oversight of the Company and Management.

Board Size, Composition & Diversity			
Composition	INED	4	50%
	NINED	3	37.5%
	ED/CEO	1	12.5%
Age	46 – 50	1	12.5%
	51 – 55	2	25%
	56 – 60	1	12.5%
	61 – 65	1	12.5%
	66 - 70	3	37.5%
Gender	Male	6	75%
	Female	2	25%
Ethnicity	Malay/ Bumiputera	2	25%
	Chinese	2	25%
	Indian	2	25%
	Others	2	25%
Nationality	Malaysian	6	75%
	Foreigner	2	25%

As at 31 December 2022, 4 out of 8 members of the Board are INEDs.

DIRECTOR COMPOSITION



6 Male **2 Female**

As at 31 December 2022, the Board consist of 6 male Directors (75%) and 2 female Directors (25%). The Board's 2 female directors are namely Ms Alexandra Elisabeth Johanna Maria Schaapveld (the Senior INED) and Ms Maureen Toh Siew Guat, a NINED. The Board recognises the importance of gender boardroom diversity and is always mindful that any gender representation should be in the best interest of the Company. In support of Practice 5.9 of the MCCG 2021, the Board will continue to encourage and support more female participation on the Board whenever a vacancy arises.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board of Directors' Profile

TUNKU ALI REDHAUDDIN IBNI TUANKU MUHRIZ

Chairman/Independent Non-Executive Director/
Chairperson of Nomination &
Corporate Governance Committee

46

NC Nomination & Corporate Governance

Dates of Appointment:
Director – 17 January 2013
Chairman – 18 June 2013

Qualifications:
- BA (Hons) in History and Social & Political Sciences from the University of Cambridge
- Masters in Public Administration from the John F Kennedy School of Government, Harvard University

Listed Companies:
- Taliworks Corporation Berhad
- Astro Malaysia Holdings Berhad

Other Public Companies:
- Bangkok Bank Berhad
- Sun Life Malaysia Assurance Berhad

Skills and Experience:
Tunku Ali Redhauddin ibni Tuanku Muhriz ("Tunku Ali") brings over 20 years of corporate experience to the Board with extensive governance, strategy consulting and principal investing knowledge across different sectors.

He serves as an Independent Non-Executive Chairman of Taliworks Corporation Berhad, a listed infrastructure services company and Astro Malaysia Holdings Berhad, a listed integrated consumer media entertainment group. He is also a director of Bangkok Bank Berhad and Sun Life Malaysia Assurance Berhad, both of which are regulated by Bank Negara Malaysia.

Tunku Ali serves on the boards of several TPG portfolio companies, including Cardiac Vascular Sentral (Kuala Lumpur) Sdn Bhd, a specialist heart hospital, Pathology Asia Holdings Pte Ltd, a South East Asian provider of diagnostic laboratory services, and Columbia Asia Healthcare Sdn Bhd, a hospital group. He is also a Director on Board of IMU, Chairman of the Malaysian XCL Education Group and a Partner at Vynn Capital.

He is Chairman and Founding Trustee of Teach for Malaysia, Chairman and Trustee for Cancer Research Malaysia, President of WWF Malaysia, Chairman of the Board of Governors of Marlborough College Malaysia, and Pro Chancellor of Universiti Sains Islam Malaysia. He is also Chairman of Yayasan Munarah and a Trustee of Amanah Warisan Negara, Tsinghua Education Foundation Malaysia.

Previously, Tunku Ali was a Director of Investments at Khazanah Nasional Berhad and a management consultant at McKinsey & Company.

Tunku Ali has no family relationship with any Director and/or major shareholder of the Company and he has no conflict of interest with the Company.

He has not been convicted of any offence within the past 5 years nor been imposed any penalty by the relevant regulatory bodies during FY 2022.

ALEXANDRA ELISABETH JOHANNA MARIA SCHAAPVELD

Independent Non-Executive Director/
Chairperson of Remuneration Committee/ Member of Audit,
and Nomination & Corporate Governance Committees

64

AC Audit
RC Remuneration
NC Nomination & Corporate Governance

Date of Appointment:
8 June 2011

Qualifications:
- Degree in Politics, Philosophy and Economics from Oxford University, United Kingdom
- Master in Development Economics from Erasmus University, The Netherlands

Listed Companies:
- Société Générale S.A.
- 3i PLC

Other Public Companies:
- Nil

Skills and Experience:
Alexandra Elisabeth Johanna Maria Schaapveld ("Alexandra Schaapveld") started her career at ABN AMRO Bank in 1984 in corporate banking and subsequently in investment banking: equity capital markets and mergers and acquisitions.

She has always been a strong advocate of client relations at the Bank. In 2001, she was made Senior Executive Vice President responsible for sector expertise and in 2004 she became the head of the global clients and investment banking units. After the acquisition of ABN AMRO Bank by a consortium of banks, she became head of Europe for Royal Bank of Scotland in 2008.

Alexandra Schaapveld has no family relationship with any Director and/or major shareholder of the Company and she has no conflict of interest with the Company.

She has not been convicted of any offence within the past 5 years nor been imposed any penalty by the relevant regulatory bodies during FY 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board of Directors' Profile

UTHAYA KUMAR A/L K VIVEKANANDA

Independent Non-Executive Director/
Chairperson of Audit and Risk Management Committees/
Member of Remuneration and Nomination & Corporate Governance Committees

69

AC Audit
RC Remuneration
NC Nomination & Corporate Governance
RMC Risk Management

Date of Appointment:
10 April 2017

Qualifications:
- Fellow of the Institute of Chartered Accountants in England & Wales
- Chartered Accountant of Malaysian Institute of Accountants
- Member of Malaysian Association of Certified Public Accountants

Listed Companies:
- Sri Lanka Telecom Plc
- Maxis Berhad

Other Public Companies:
- Nil

Skills and Experience:
Uthaya Kumar a/l K Vivekananda ("Uthaya Kumar") was with PricewaterhouseCoopers for nearly 36 years. He has led and worked on some of the most challenging and complex assignments, both in Malaysia and globally, working with multinational and blue-chip national clients in audit, business advisory, mergers and acquisitions, valuations, privatisations, IPOs and cross-border transactions.

Uthaya Kumar has no family relationship with any Director and/or major shareholder of the Company and he has no conflict of interest with the Company.

He has not been convicted of any offence within the past 5 years nor been imposed any penalty by the relevant regulatory bodies during FY 2022.

TUNKU ALIZAKRI BIN RAJA MUHAMMAD ALIAS

Independent Non-Executive Director
Member of Remuneration Committee

53

RC Remuneration

Date of Appointment:
15 July 2021

Qualifications:
- Bachelor of Law (Honours) from King's College University of London
- Barrister-at-Law, Honourable Society of Lincoln's Inn (London)
- Master in Business Administration (MBA) from Cornell University

Listed Companies:
- Petronas Dagangan Berhad

Other Public Companies:
- Malaysia Venture Capital Management Berhad
- Prudential BSN Takaful Berhad
- Malaysia Aviation Group Berhad
- Malaysia Airlines Berhad

Skills and Experience:
Tunku Alizakri bin Raja Muhammad Alias ("Tunku Alizakri") has more than 20 years' experience at senior management and board level roles in multiple sectors and industries which include retirement fund, financial services, central banking, healthcare, media and telecommunications, plantation, oil & gas and property development. His last executive role was as the Chief Executive Officer of the Employees Provident Fund ("EPF"), the 7th largest global retirement fund with around USD250 billion asset under management. His areas of expertise include sustainability, enterprise digitalisation and transformation, corporate strategy and fund management.

Prior to joining EPF, Tunku Alizakri was the Chief Marketing Officer and Chief Operating Officer of the Iclif Leadership and Governance Centre. He has also held the positions of Director of Strategic Management at Bank Negara Malaysia, Director and Head of Strategy and Corporate Affairs at DiGi Telecommunications Berhad, and Vice-President and Head of Group Strategic Planning at Malayan Banking Berhad.

Tunku Alizakri has no family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company.

He has not been convicted of any offence within the past 5 years nor been imposed any penalty by the relevant regulatory bodies during FY 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board of Directors' Profile

RAJA TAN SRI DATO' SERI ARSHAD BIN RAJA TUN UDA

Independent Non-Executive Director

76

Date of Appointment:
20 April 2023

Qualifications:
- Fellow of the Institute of Chartered Accountants in England and Wales
- Member of the Malaysian Institute of Accountants
- Member of the Malaysian Institute of Certified Public Accountants

Listed Companies:
- Icon Offshore Berhad

Other Public Companies:
- Ekuiti Nasional Berhad

Skills and Experience:
Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda ("Raja Tan Sri Arshad") is currently the Chairman of Binariang GSM Sdn. Bhd., Ekuiti Nasional Berhad, Icon Offshore Berhad, Yayasan Amir and Yayasan Raja Muda Selangor and a Director of Yayasan DayaDiri. He is also the Chancellor of University Selangor and a member of Council of Royal Court, Selangor.

He was formerly a Director of Khazanah Nasional Berhad. He was also formerly Executive Chairman of PricewaterhouseCoopers (PwC) Malaysia, Chairman of the Leadership Team of PwC Asia 7, Chairman of the Malaysian Accounting Standards Board and Danamodal Nasional Berhad. His previous international appointments include being a member of the PwC Global Leadership Team, the PwC Global IFRS Board and the Standards Advisory Council of the International Accounting Standards Board.

His previous public appointments include being a member of the Securities Commission, the Malaysian Communications and Multimedia Commission, the Investment Panel of the Employees Provident Fund and the Board of Trustees of the National Art Gallery.

Raja Tan Sri Arshad has no family relationship with any Director and/or major shareholder of the Company and he has no conflict of interest with the Company.

He has not been convicted of any offence within the past 5 years nor been imposed any penalty by the relevant regulatory bodies during FY 2022.

CHAN CHEE BENG

Non-Independent Non-Executive Director/
Member of Nomination & Corporate Governance Committee

67

NC Nomination & Corporate Governance

Date of Appointment:
2 June 2003

Qualifications:
- Degree in Economics and Accounting from the University of Newcastle-upon-Tyne, United Kingdom
- Fellow of the Institute of Chartered Accountants in England and Wales

Listed Companies:
- Sri Lanka Telecom Plc

Other Public Companies:
- Maxis Communications Berhad Group

Skills and Experience:
Chan Chee Beng has more than 44 years of experience in general and financial management, investment banking and accounting including stints with Ernst & Young and Morgan Grenfell & Co. Ltd prior to joining the Usaha Tegas Sdn Bhd ("UTSB") Group in 1992 as Head of Corporate Finance. He is currently a Director of UTSB Management Sdn Bhd.

He serves on the boards of several other companies in which UTSB has significant interests, such as Sri Lanka Telecom Plc, Binariang GSM Sdn Bhd (holding company of Maxis Berhad) and Maxis Communications Berhad, having an operational base in Malaysia.

Chan Chee Beng has no family relationship with any Director and/or major shareholder of the Company and he has no conflict of interest with the Company.

He has not been convicted of any offence within the past 5 years nor been imposed any penalty by the relevant regulatory bodies during FY 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board of Directors' Profile

MAUREEN TOH SIEW GUAT

Non-Independent Non-Executive Director/
Member of Audit, Risk Management and Remuneration Committees

57

AC Audit
RC Remuneration
RMC Risk Management

Date of Appointment:
23 April 2014

Qualifications:
- Bachelor of Law (LL.B) from University Malaya, Malaysia
- Master of Law (LL.M) from Harvard Law School, United States of America

Listed Companies:
- Nil

Other Public Companies:
- Nil

Skills and Experience:
Maureen Toh Siew Guat ("Maureen Toh") has more than 25 years of legal experience, primarily in corporate, commercial and banking matters and equity/capital markets, including stints with law firms in Kuala Lumpur and Singapore.

She is a Director of UTSB, a Malaysian based investment holding company which has significant interests in companies operating across diverse industries such as telecommunications, media and entertainment, energy and real estate and leisure, including the following companies which are listed on Bursa Securities – Maxis Berhad (integrated communications services group) and Astro Malaysia Holdings Berhad (integrated consumer media entertainment group). She was previously the Group General Counsel of UTSB.

Maureen Toh has no family relationship with any Director and/or major shareholder of the Company and she has no conflict of interest with the Company.

She has not been convicted of any offence within the past 5 years nor been imposed any penalty by the relevant regulatory bodies during FY 2022.

ROHAN A/L RAJAN RAJASOORIA

Non-Independent Non-Executive Director/
Member Risk Management Committee

51

RMC Risk Management

Date of Appointment:
23 November 2022

Qualifications:
- Bachelor of Science in Accounting from University of Hull
- Master's in Business Administration (MBA) from University of Chicago Booth School of Business

Listed Companies:
- Nil

Other Public Companies:
- Maxis Communications Berhad

Skills and Experience:
Rohan a/L Rajan Rajasooria ("Rohan") has more than 25 years' experience in financial management and operational roles. Rohan is currently the Group Treasurer of UTSB Group where he has worked on complex financing structures over the last 14 years and also serves on several boards of companies which UTSB has interests in.

Rohan has no family relationship with any Director and/or major shareholder of the Company and he has no conflict of interest with the Company.

He has not been convicted of any offence within the past 5 years nor been imposed any penalty by the relevant regulatory bodies during FY 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board of Directors' Profile

GARY NEAL CHRISTENSON
Executive Director/Chief Executive Officer

Dates of Appointment:
Non-Executive Director – 2 May 2018
Executive Director/Chief Executive Director – 16 May 2019

Qualifications:
- Bachelor of Arts, Geology from Hamline University, USA
- Ph.D. programme in Structural Geology (thesis not completed) from Cornell University, USA
- Stanford Executive Programme (SEP), from Stanford University, USA
- United States Air Force ("USAF") and USAF Reserve, Aircrew for C-130A Hercules aircraft

Listed Companies:
- Nil

Other Public Companies:
- Black Platinum Energy Ltd

Skills and Experience:
Gary Neal Christenson ("Gary Christenson") has over 37 years of technical and managerial experience in the petroleum exploration and production industry with a focus on South East Asia and Africa. His experience includes management positions at Tenneco Oil E&P, British Gas Indonesia, Unocal Indonesia Co. ("Unocal") and Santos Indonesia ("Santos").

At Unocal he was the Senior Vice President of Unocal E&P Indonesia and President of Unocal Makassar and developed and produced the West Seno field utilising a min-TLP, semisubmersible TAD and a barge hull FPU. At Santos he was the President of Santos Indonesia and developed and produced the Maleo and Oyang fields. He was the Chairman and CEO of Black Gold Energy in partnership with Goldman Sachs and Temasek.

Gary Christenson has no family relationship with any Director and/or major shareholder of the Company and he has no conflict of interest with the Company.

He has not been convicted of any offence within the past 5 years nor been imposed any penalty by the relevant regulatory bodies during FY 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Senior Management Team's Profile

GARY NEAL CHRISTENSON
Executive Director/Chief Executive Officer

67

Please refer to his profile in the Board of Directors' profile section.

LUKE C. TARGETT
Chief Financial Officer

56

Date of Appointment:
29 October 2018

Qualifications:
- Member of Chartered Accountants Australia and New Zealand
- Bachelor of Commerce Degree from Melbourne University
- Graduate Diploma in Applied Finance and Investment

Directorship in Listed Issuers and Public Companies:
- Nil

Skills and Experience:
Luke C. Targett ("Luke") is responsible for leading Bumi Armada's current operations and growth trajectory through Financial Services, Treasury, Corporate Finance & JV Management, Group Tax, Information Systems & Technology and Insurance.

He has more than 30 years' experience in financial advisory roles which include restructuring, mergers & acquisitions, pre-lending reviews, transaction advisory, independent business reviews and non-performing loan management in numerous jurisdictions including London, Singapore, Indonesia, Myanmar and Thailand. Luke started his career with Coopers & Lybrand, Melbourne in 1988 and subsequently spent more than 12 years at Ernst & Young. In 2005, he joined Interra Resources Limited, a dual SGX and ASX listed oil & gas producer and explorer as CEO in Singapore for 4 years. Prior to joining Bumi Armada, he was a Partner in Melbourne at Cor Cordis, an Australian national business advisory firm.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Senior Management Team's Profile

SASHA A/P VIJAYANANTHAN

Senior Vice President Business & Corporate Partnering

Date of Appointment:
10 June 2019

Qualifications:
- Malaysian Institute of Accountants
- CPA Australia
- Bachelor of Commerce (Accounting) from Monash University, Australia

Directorship in Listed Issuers and Public Companies:
- Nil

Skills and Experience:
Sasha a/p Vijayananthan ("Sasha") is responsible for the Supply Chain Management, Human Resources, Administration and Security functions of Bumi Armada. In this role she is responsible for all people matters for the organisation that covers both the HR Business Partnering aspects as well HR Operations and Compensation & Benefits. The Supply Chain Management portfolio under her care includes responsibilities and accountabilities over the areas of vendor quality management, procurement, logistics management, inventory management etc. She is also responsible for all general administration and security matters at the corporate level.

Prior to her appointment to this role, Sasha was the Head of Internal Audit and Risk. This was a position that she held from March 2016 to June 2019. It was during her tenure as Head of Internal Audit that she built her in-depth knowledge of the processes within Bumi Armada working to enhance governance and process improvements in various areas.

She has over 26 years' experience in governance, risk and control and was Vice President of Group Risk Management at Sime Darby Berhad, before joining Bumi Armada.

Sasha was previously an auditor at Ernst & Young, starting as an associate and working her way up to Director level. She has a wealth of experience, specialising in governance reviews, financial control framework implementations, transformation projects, internal and external auditing for a broad range of industries including the oil and gas industry.

ROGER M. HARWOOD

General Counsel

Date of Appointment:
15 June 2020

Qualifications:
- LL. B (Hons) from Victoria University of Wellington, New Zealand (1987)
- Admitted as Barrister and Solicitor of High Court of New Zealand (1988)
- Admitted as a Solicitor of England and Wales (2006)

Directorship in Listed Issuers and Public Companies:
- Nil

Skills and Experience:
Roger M. Harwood ("Roger") has primary responsibility for the Legal, Compliance and Corporate Secretarial functions at Bumi Armada. He provides direction, solutions and advice to the Board and Management on all aspects of legal, regulatory and contractual risk.

Roger has over 30 years of international experience in legal advisory work and has held senior management roles in the oil and gas industry. He has worked in both the upstream E&P space and within the full spectrum of the oil & gas services sector.

After qualifying and working in private practice in New Zealand, Roger moved to the UK in 1991 where he began a 20-year career with Hess Corporation. During this time, he advised Hess on its developments in North-West Europe, South America, South East Asia, Australia, Africa and Central Asia. From 2001-2004 Roger was based in Hess's KL office, where he established a regional legal team for the group.

Prior to joining Bumi Armada, Roger was Group Head of Legal at Petrofac where he led a global team of lawyers and had responsibility for the management of the group's legal risk.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Senior Management Team's Profile

DAVID JAMES CLARK
Senior Vice President Operations

Date of Appointment:
1 July 2021

Qualifications:
- Master Mariner Class 1 Certificate of Competency
- Higher National Diploma in Nautical Science
- Post Graduate diploma in Business Administration

Directorship in Listed Issuers and Public Companies:
- Nil

Skills and Experience:
David James Clark ("Dave") is responsible for Bumi Armada's Operations Division. This Division encompasses all aspects of production operations for new and existing project developments.

Dave has over 30 years of wide-ranging experience in the oil and gas industry and has held senior positions both offshore and onshore, with extensive knowledge of Floating Production Systems and significant involvement in developing industry best practice for FPSOs through involvement with the Oil Companies International Marine Forum and the Society of International Gas Tanker and Terminal Operations.

Dave is passionate about delivering operational excellence through the positive development of teams focused on the delivery of World Class HSE performance, optimised profitability and productivity.

Before joining Bumi Armada Berhad, he held senior operational managements positions at various global locations with SBM Offshore, Maersk and BW Offshore.

STEPHEN MATTHEW WILLIAMSON
Senior Vice President Technology, Engineering and Projects

Date of Appointment:
1 December 2019

Qualifications:
- Class 1 Marine Engineer General and Motor Diploma in Engineering

Directorship in Listed Issuers and Public Companies:
- Nil

Skills and Experience:
Stephen Matthew Williamson ("Steve") is responsible for Bumi Armada`s technical capability. Delivering multi-disciplined expert support for the operated assets and providing technical expertise for new business development and project execution.

Steve has 38 years of experience of technical operations and risk management in the shipping and oil and gas industry.

He started his career as a sea going engineer officer, serving predominantly on tanker vessels. In 2001 he moved to BP where he held several technical and senior operations management roles over a period of 17 years. These included; Engineering Standards Superintendent, Technical Authority and Regional Fleet Manager (East) based in Singapore.

Prior to joining Bumi Armada, he had spent the previous 4 years as Manager of the BP Gas Fleet, based in the UK.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Senior Management Team's Profile

GARY LEONG

Vice President of Health, Safety & Environment

Date of Appointment:
15 March 2018

Qualifications:
- Bachelor (First Class), Chemical Engineering with Environmental Protection from Loughborough University
- Certified Sustainability Reporting Specialist (CSRS), License No. S-MY28-2210-001

Directorship in Listed Issuers and Public Companies:
- Nil

Skills and Experience:
Leong Wei Kit ("Gary") is responsible for overseeing the strategy, governance and implementation of Bumi Armada's Health, Safety, Environment and Quality management system, as well as Operation Security across the organisation. Since 2020, Gary has been the chairman of HSEQ Working Group for the Malaysia Oil & Gas Services Council (MOGSC) in collaboration with fellow MOGSC members to support the industry in elevating HSE standards in Malaysia.

Before joining the Company, Gary was the Head of Health, Safety, Security & Environment ("HSSE") Performance at PETRONAS where he was responsible for HSSE performance management, sustainability reporting, digitalisation of HSSE performance management and C-level reporting to PETRONAS Executive Leadership Team and Board.

Gary also worked with DuPont and Accenture, where he held various positions in driving HSSE excellence for clients in the energy and mining industry across Asia, Australia, Brazil and South Africa. His experiences span across strategy development, governance audits, risks assessment, safety culture transformation, organisation improvement, project management and performance improvement in the realm of HSSE.

SHAMSUL SHAHRINA MOHD HUSSEIN

General Manager/ Head Corporate Secretarial Services

Date of Appointment:
11 October 2021

Qualifications:
- Fellow of the Institute of Chartered Secretaries and Administrators (ICSA), UK
- MSC in Corporate Governance from London South Bank University
- Graduate Global Women on Board from Lead Women

Directorship in Listed Issuers and Public Companies:
- Nil

Skills and Experience:
Shamsul Shahrina Mohd Hussein ("Shahrina") is responsible for the corporate secretarial services of Bumi Armada. This includes advising the Board and Management on the compliance with relevant regulations and best practices on corporate governance besides managing and monitoring the provision of corporate secretarial services by service providers in the key markets that Bumi Armada operates. She also drives the strategic development, implementation and continuous improvement of Group Secretarial Services activities for BAB Group.

Shahrina has 26 years of corporate secretarial experience in several public listed companies from various sectors including, financial services, plantation, investment holding, and airport operator. Before joining Bumi Armada, she was the Company Secretary of Syarikat Takaful Malaysia Keluarga Berhad.

SARIMAH TALIB

Vice President Sustainability & External Relations

Date of Appointment:
1 December 2022

Qualifications:
- Bachelor of Chemical and Process Engineering from National University of Malaysia (UKM)
- Master of Environmental Engineering from National University of Malaysia (UKM)

Directorship in Listed Issuers and Public Companies:
- Nil

Skills and Experience:
Sarimah Talib ("Sarimah") is responsible for Bumi Armada's Sustainability and External Relations Division. Her portfolio encompasses corporate sustainability, communication, corporate social responsibility, and external relations.

Sarimah has been spearheading sustainability since 2007 in diverse industries including oil and gas, mining and logistic, property and real estate, plantations, and others. She has been the change agent in shaping the sustainability policies across multinational organisations.

Sarimah has been the key driver in orchestrating sustainability agenda, operationalization, and management of the environment, social & governance (ESG) performance both at corporate and operational levels mainly at PETRONAS, Sime Darby, Vale, and UEM Sunrise. She has vast experience in external relations management working with global institutions including the Global Reporting Initiative (GRI), the World Business Council of Sustainable Development (WBCSD) and the World Economic Forum (WEF) among others.

She is passionate in championing transformation towards a sustainable growth.

GOVERNANCE FRAMEWORK

Bumi Armada Shareholders

THE BOARD

Ultimate responsibility for the management of the Group rests with the Board. The Board focuses primarily on strategic and policy issues and is responsible for:

- Leadership of the Group
- Implementing and monitoring effective controls to assess and manage risk
- Supporting the Management Team to formulate and execute the Group's strategy
- Monitoring the performance of the Group
- Setting the Group's values and standards

There is a specific schedule of matters reserved for the Board. These matters can be found in our Board Charter which is accessible online at www.bumiarmada.com.

AUDIT COMMITTEE

Reviews the Group's financial reporting process, the system of internal control and management of enterprise risk, the audit process, the Group's process for monitoring compliance with law and regulations and its own code of business conduct.

NOMINATION & CORPORATE GOVERNANCE COMMITTEE

Reviews the composition of the Board and Board Committees, selection of Directors and key managment, succession planning for Board and key management, assesses the annual performance of Directors and Board, ensures continuous training for Directors and best practices on corporate governance for the Group.

REMUNERATION COMMITTEE

Reviews policies and procedures on remuneration for Directors and key management, remuneration for Executive Director based on annual performance, share scheme for employees as well as long term incentive plans.

RISK MANAGEMENT COMMITTEE

Oversees the Group's risk managment systems, practices and procedures to ensure Enterprise Risk Managment ("ERM") processes and culture are embedded throughout the Group, and promotes a Group-wide governance culture with respect to risk managment and internal controls.

Internal Audit

Chief Executive Officer

Risk Management

Management

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD MEETING FOCUS DURING 2022

GOVERNANCE & RISK

- Identified principal risks relating to the business and operations and ensured the implementation of appropriate internal controls and mitigation measures with oversight from the RMC;
- Deliberated on litigation cases involving the Group and the strategies in managing these cases;
- Maintained robust regulatory compliance at all times with oversight from the AC, including adherence to the provisions of anti-corruption legislation such as the Malaysian Anti-Corruption Commission Act, U.S. Foreign Corrupt Practices Act and UK Bribery Act;
- Strengthened the Company's Integrated Management System ("IMS") with governance and operational controls that are in line with ISO 45001:2018 Occupational Safety and Health Management System, ISO 14001:2015 Environmental Management System and ISO 9001:2015 Quality Management System across all wholly-owned assets and operations;
- Discussed HSE, Operation Security and Quality performance and related matters at each Board meeting to identify opportunities for improvement that could further elevate the safety culture in the Company; and
- Reviewed sustainability matters that are material to the organisation with consideration of ESG risks.

STRATEGY

- Reviewed and approved the strategy and business plans of the Group for FY 2022 based on input from the various heads of departments;
- Considered the strategy and business plans which were in line with the Company's vision and mission, reviewed the action plans, resource requirements and timelines for implementation of the plans;
- Reviewed the operations of key assets including technical matters;
- Reviewed the ongoing corporate streamlining exercise which included the voluntary liquidation and dissolution of inactive companies in the Group; and
- Discussed and approved the sustainability initiatives for FY 2022.

FINANCIAL

- Reviewed and approved the budget for FY 2023 with key assumptions based on the FY 2022 strategy and business plan;
- Reviewed the corporate debt refinancing exercise and funding requirements of the Group;
- Reviewed proposals on new projects including JVs in line with the business plan as well as the respective project financing;
- Reviewed quarterly operational review reports;
- Reviewed related party transactions;
- Reviewed and approved the quarterly financial results for FY 2022 and the full year financial results for FY 2022 and their release to Bursa Securities as recommended by the AC to the Board; and
- Considered and approved the contents of the Company's FY 2022 Annual Report, which included the AC Report, Corporate Governance Overview Statement, Corporate Governance Report, Statement on Risk Management and Internal Control and Directors' Responsibility Statement.

BOARD MEETING FOCUS DURING 2022

LEADERSHIP & PEOPLE

- Ensured that there are programmes in place for succession planning for Management Team with monitoring from the NC as well as participated in interviews of potential candidates for new Independent Directors;
- Deliberated on the annual increment for the Group's employees for FY 2022 as per the recommendation of the RC;
- Deliberated and approved the offer, grant and/or allotment of shares to the ED pursuant to the Management Incentive Plan as per the recommendation of the RC, as well as recommended the proposal to shareholders for approval; and
- Discussed COVID-19 and Russia-Ukraine conflict impact to the Group including mitigation measures to safeguard our people and operations.

SHAREHOLDERS & ENGAGEMENT

- Ensured effective implementation of shareholders and stakeholders communication which enabled feedback received to be considered when making business decisions; and
- Ensured information used in communication material or statements is balanced and representative of the Company's performance.

SUCCESSION PLANNING

The oversight on the overall composition of the Board and Board Committees resides within the NC. The NC comprises 4 Members of whom 3 Members (including Tunku Ali Redhauddin ibni Tuanku Muhriz, the Chairperson) are Independent Directors. In searching for new Independent Directors, the Board obtains profiles of candidates from external sources such as independent search firms. The criteria of the candidates are shared with the firms and the shortlisted profiles are deliberated at the NC and Board. The NC is guided by the following process when assessing the suitability of Directors for nomination:

- Identify the attributes needed on the Board and the vacancies to be filled
- Determine the desired and resultant size of the Board
- Draw up the specifications for the positions to be filled
- Initiate the search for candidates via internal and external means
- Introduce shortlisted candidates to the Chairman, the NC and other Board members
- Deliberate recommendation by NC to the Board
- Decision making by the Board on the appointment

BOARD EFFECTIVENESS AND EVALUATION

The NC conducts an annual assessment to determine whether the Board and Board Committees are performing effectively and to identify areas for improvement. The NC obtains an independent perspective on the Board's effectiveness every 3 years to gain insights on the Board's performance in comparison to peer boards and best practices. An external firm was engaged to conduct the Board performance evaluation for FY 2021. For FY 2022, the assessment was carried out internally using the same evaluation questionnaires as in FY 2020.

The questionnaire included questions on understanding the Company's business, financial performance, strategy development, reviewing strategic plans, Board governance and oversight, Board composition, boardroom conduct and dynamics, Board management and operation. Each Director was asked to complete the questionnaire and submit it to the Company Secretary, who compiled the responses and produced a summary report for the NC. The NC reviewed the report and presented the Board with its findings and action plans.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

DIRECTORS' TRAINING

Directors participated in a variety of training sessions in FY 2022 to make sure they had the abilities and knowledge needed to carry out their responsibilities.

Courses/ Seminars/ Programmes/ Workshops/ Conference Attended	Date	Name of Directors	Company Sponsoring/ Organiser
Technology Risks & Opportunities	26 January 2022	AS	3i PLC
Anti-Bribery and Corruption	28 January 2022	MT	Malaysian Jet Services Sdn Bhd
Asia Energy Transition	10 February 2022	MT	Hogan Lovells
30% Club DEI Conversations: Elevating Investability	2 March 2022	MT	30% Club Malaysia
Driving Better Business - Are you Clear on What Corporate Transparency Looks Like	15 March 2022	MT	Chambers & Partners /Interlaw
Crypto Assets & Blockchain	6 April 2022	AS	Societe Generale
Audit Oversight Board's Conversation with Audit Committees	7 April 2022	VU, MT	BAB
Emerging Trends Talk #2: Cyber Kill Chain and Security Capabilities	28 April 2022	MT	BAB
New Paradigm in Climate Change	4 May 2022	AS	Societe Generale
Steward Leadership: The 21st Century Model for Profitable Growth	5 May 2022	TZ	Singapore Institute of Directors
Recent Court Decisions & Orders Impacting Commercial Contracts	10 May 2022	MT	Wong & Partners
SC Engagement, Internal Training for Board of Directors and Shariah Committee	24 May 2022	TZ	PRU BSN
Singapore Healthcare and Laboratory Facilities	27 May 2022	TZ	IHH Healthcare Berhad
SIDC's Sustainable and Responsible Investment (SRI) Virtual Conference 2022. Preserving the Climate Through Sustainable Business and Living	22 - 23 June 2022	TZ	Securities Industry Development Corporation
AML/CFT & Targeted Financial Sanctions: Compliance a need to protect business	30 June 2022	TA	Bangkok Bank Berhad
Cyber Risk & Awareness	30 June 2022	TA	Bangkok Bank Berhad
FCD Series Module A: Board Strategy & Risk Management Oversight	27 & 28 July 2022	CCB	BAB
The Role of the Risk Management Committee in Managing Risk	3 August 2022	MT, GC	BAB
Requirement Under Bank Negara Malaysia Guideless Applicable to Petronas Dagangan Berhad	16 August 2022	TZ	Petronas Dagangan Berhad
PETRONAS Board Conversation Series: A session with Dr. Fiona Wild, VP Sustainability & Climate Change at BHP	29 August 2022	TZ	Petronas Nasional Berhad
"The Way Forward." Forbes Global CEO Conference 2022	27 September 2022	TA	Forbes
Emerging ESG Themes	28 September 2022	AS	Ernst & Young
Miken Institute Asia Summit 2022	28 – 30 September 2022	TA	Miken Institute
Bloomberg New Economy Forum 2022	16 & 17 November 2022	TA	Bloomberg
Environmental Social & Governance (ESG) Part 1	22 November 2022	VU, CCB, MT, GC,	BAB
Environmental Social & Governance (ESG) Part 2	23 November 2022	TA, CCB, MT, GC,	BAB
Anti-Corruption Training	15 December 2022	AS	Societe Generale

Mr Rohan who was appointed on 23 November 2022, completed his Mandatory Accreditation Programme with Institute of Corporate Directors Malaysia on 7 February 2023 to 9 February 2023.

TA – Tunku Ali Redhauddin ibni Tuanku Muhriz
TZ – Tunku Alizakri bin Raja Muhammad Alias
CCB – Chan Chee Beng
MT – Maureen Toh Siew Guat
VU – Uthaya Kumar a/l K Vivekananda
AS – Alexandra Elisabeth Johanna Maria Schaapveld
GC – Gary Neal Christenson

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Nomination and Corporate Governance Statement

TUNKU ALI REDHAUDDIN IBNI TUANKU MUHRIZ

Dear Shareholders,

As Nomination & Corporate Governance Committee Chair ("NC"), I am pleased to present the NC Report for 2022.

The NC examines the Board's structure, size, and composition, as well as the composition of its Committees, and makes recommendations to the Board on any changes deemed necessary in the identification and nomination of new Directors, reappointment of existing Directors, and appointment of members to the Board's Committees. It also evaluates the roles of the current Directors in office to ensure that the Board remains balanced in terms of skills, knowledge, experience, and diversity. The NC reviews the Group's senior leadership needs in order for it to function effectively and advises the Board on succession planning for Executive Director appointments, recognising that the Board itself is ultimately responsible for succession.

The NC has standing items that it considers on a regular basis in accordance with its terms of reference ("TOR"). For instance, the NC reviews its own TOR annually, or as otherwise necessary, to reflect changes to the MCCG 2021 or as a result of changes in regulations, as well as conducting quarterly reviews of the Board and Board Committee composition.

2022 KEY ACTIVITIES

The NC assisted the Board in evaluating potential new Independent Directors, led the annual evaluation of the Board and Board Committees, reviewed succession planning and talent management for key positions, and provided guidance on corporate governance issues affecting the Board and Company.

The NC deliberated on the following matters during 2022

- reviewed the Board and Board Committees' composition and the eligibility, skills, competencies and experience of potential candidates nominated for appointment to the Board and those seeking election/re-election to the Board;
- reviewed the annual Board evaluation for FY 2022 and proposed an Actionable Improvement Programme ("AIMP");
- discussed talent review and succession planning for Senior Management and their direct reports;
- reviewed the TOR of the Committee;
- set a timeline and facilitated the FY 2022 Board and Board Committees assessment process including assessing, reviewing, and reporting the findings and making the appropriate recommendations to the Board;
- assessed the training needs of Directors further to a formal analysis done and recommended the Directors' Training Plan 2022 which included the continued practice of briefing to Directors by reputable external experts on relevant topics; and
- reviewed policies, initiatives, measures and procedures to strengthen and give effect to matters pertaining to corporate governance, having regard to provisions of the MCCG 2021 and ASEAN CG Scorecard in line with best practices; and
- considered the appointment of Mr Rohan a/l Rajan Rajasooria as a new NINED.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Nomination and Corporate Governance Statement

COMMITTEE EVALUATION

The annual evaluation of the NC was conducted alongside the evaluation of the Board and other Board Committees. Based on feedback from Committee members and other Directors via a self-assessment questionnaire, it was concluded that the Committee performed its duties in accordance with its TOR.

DIVERSITY AND INCLUSION

We are a people company. Our strength stems from an inclusive and welcoming environment in which we recognise that the experiences and perspectives that distinguish us are reflected in our shared values and vision. We believe that the more our employees reflect the diversity of our stakeholders, the better equipped we will be to meet their needs. Our approach to appointing new Directors and senior executives reflects our Board Diversity Policy, which views diversity as a crucial component in forming the Board's structure. Criteria such as gender, age, ethnicity and cultural background are considerations that are assessed as the Board strives to establish a perfect balance on our Board and Board Committees.

As a Board, we strive to create an environment that is welcoming to people of all backgrounds, and in identifying suitable candidates, we:

Keep in mind the corporate governance best practices recommendation of 30% female representation on Boards;

Consider candidates from a wide range of backgrounds; and

Consider candidates on merit and against objective criteria, ensuring that appointees have sufficient time to devote to the position, in light of other potentially significant commitments. The NC's aim is for the Board to consist of individuals with diverse experience who can add value to Board debates and contribute to the progression of our strategic objectives.

RE-ELECTION OF DIRECTORS

The Board, on the recommendation of the NC, is satisfied that the Directors standing for election or re-election will continue to share their knowledge, experience, and skills and contribute effectively to the Board's discussions, deliberations, and decisions based on their performance thus far as well as their skills and competencies.

NC AT A GLANCE

Committee Membership and Meeting Attendance

The NC members and the number of meetings they each attended during the year were as follows:

Name	Designation	Attended
Tunku Ali Redhauddin ibni Tuanku Muhriz	INED (Member)	5 / 5
Alexandra Elisabeth Johanna Maria Schaapveld	INED (Member)	5 / 5
Uthaya Kumar a/l K Vivekananda	INED (Member)	5 / 5
Chan Chee Beng	NINED (Member)	5 / 5

Tunku Ali Redhauddin ibni Tuanku Muhriz, an INED, is the Chairman of the Committee. The majority of the NC members (3 out of 4) are Independent Directors, and all members are Non-Executives.

ROLES AND RESPONSIBILITIES

The NC's foremost priority is to advise the Board on the Group's leadership and develop a clear plan for both ED and Non-Executive Director ("NED") succession. Its primary focus is, therefore, to concentrate on the strength of the Board, for which appointments will be made on merit against objective criteria, selecting the best candidate for the post. The NC advises the Board on these appointments, and also on retirements and resignations from the Board, and its other Committees.

The NC will regularly review its succession planning based on the Board's balance of skills and overall diversity.

PROCESS FOR BOARD APPOINTMENT

Key factors that are considered by the NC in conducting succession planning or appointing new members to the Board are, as follows:

a The Right Boardroom Balance

The NC assesses the Board on a yearly basis to identify the performance level of directors as well as to understand areas of improvement within the Board.

The NC uses the results of the annual board effectiveness evaluation to ensure that candidates are able to address the gaps identified in order to improve the Board composition.

b Industry Trends Knowledge/Expertise

The Board of Directors is aware of the constantly changing business landscape. Directors appointed to the Board must be knowledgeable about the industry and the marketplace.

c Tenure of Board Members

A key consideration is the tenure of INEDs. The NC ensures potential candidates are identified to replace INEDs when approaching the 12-year tenure limit.

In accordance with Practice 5.3 of the MCCG 2021, justification is provided, and approval is sought at the annual shareholders' meeting for the reappointment of INEDs who have served for more than 9 years.

The NC, will when appropriate, utilise the services of an independent executive search firm to identify appropriate candidates. A list of potential appointees will then be reviewed, followed by the shortlisting of candidates for interview, based upon the objective criteria identified at inception. Care is taken to ensure that all proposed appointees will have sufficient time to devote to the role and any conflicts of interest are disclosed and properly managed. The NC will recommend a preferred candidate and the Directors will meet the candidate. Following these meetings, and assuming acceptance, the NC will make a formal recommendation to the Board on the appointment.

The NC TOR can be found at www.bumiarmada.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Remuneration Committee Report

ALEXANDRA ELISABETH JOHANNA MARIA SCHAAPVELD

Dear Shareholders,

On behalf of the Board and in my capacity as the Chairperson of the Remuneration Committee ("RC"), I am pleased to present to you the RC report for 2022.

The Board sets the Company's Remuneration Policy, and the RC recommends specific remuneration packages and employment terms and conditions for members of the Board (including the ED/CEO) and the Chief Financial Officer ("CFO"). The RC ensures that the Board members receive appropriate incentives to improve the Group's performance and to recognise their personal contributions to the Company's success. The RC reviews the remuneration arrangements for the ED/CEO and administers the Company's Management Incentive Plan ("MIP").

When evaluating executive compensation packages, the RC considers the organisation's overall remuneration philosophy. The Board as a whole decides on the CEO's remuneration, and the remuneration (fees and benefits) for NEDs is recommended by the Board to the shareholders for approval. At the general meeting where the proposal is tabled, directors will not vote on any proposal regarding their own remuneration packages. The RC maintains an open dialogue with shareholder representatives and considers their perspectives when developing policies. The full TOR for the RC can be found at www.bumiarmada.com

2022 KEY ACTIVITIES

The determination of the remuneration of Directors is a matter for the Board as a whole based on the recommendation of the RC.

The RC deliberated on the following matters during 2022

- deliberated on the performances of the CEO and CFO for 2022 and recommended their performance based incentives to the Board;
- reviewed and recommended the proposal on the MIP for allotment of shares to the CEO which was approved by the shareholders at the Annual General Meeting ("AGM") in May 2022;
- reviewed the criteria and measurement of KPIs for the Management team for FY 2022;
- reviewed the broad parameters and criteria for employee increments and bonuses for FY 2022;
- reviewed the remuneration framework for NEDs based on an internal benchmarking exercise;
- reviewed the cost-to-company for all business units and office locations for the past few years in considering appropriate cost-saving measures relating to employees;
- assessment of succession planning for key positions and aligning them to the Company's strategy and streamlined structure; and
- reviewed the organisation's pay practices supported by robust market insights through benchmarking, aligning internal equity to ensure market competitiveness and as part of talent retention strategy.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Remuneration Committee Report

RC AT A GLANCE

Committee Membership and Meeting Attendance

The RC members and the number of meetings they each attended during the year were as follows:

Member	Designation	Attendance
Alexandra Elisabeth Johanna Maria Schaapveld	INED (Chairperson)	Attended 5 / 5
Uthaya Kumar a/l K Vivekananda	INED (Member)	Attended 5 / 5
Tunku Alizakri bin Raja Muhammad Alias	INED (Member)	Attended 5 / 5
Maureen Toh Siew Guat	NINED (Member)	Attended 5 / 5

The Chairperson of the RC is Ms Alexandra Elisabeth Johanna Maria Schaapveld, an INED. All of the Committee members are Non-Executives and a majority of members (3 out of 4) are Independent Directors.

ROLES AND RESPONSIBILITIES

The RC is charged with the following primary duties:

- recommend to the Board the policy and framework for Directors' remuneration as well as the remuneration and terms of service of the ED/CEO and the CFO;
- evaluate the annual performance and reward of the CEO/ Executive Director;
- review Management remuneration policies and proposals; and
- review and endorse broad parameters and criteria for the determination of eligibility and basis and criteria for allocations and grant of options under the Company's MIP.

OVERVIEW OF THE REMUNERATION POLICY

The objective of the Group's policy on Directors' remuneration is to attract, retain and incentivise Directors with the right experience, expertise and calibre needed to manage the Group successfully. In this regard, the RC is responsible to review and recommend to the Board the policy and framework for Directors' remuneration as well as the remuneration and terms of service of the ED/CEO and the CFO.

The policy on remuneration of Directors was stated under the Explanatory Note 2 to the Notice of the 27th AGM and posted on BAB's website. Briefly, the NEDs' remuneration comprises fees and meeting allowances. The Board Chairman also receives a monthly car allowance.

The ED/CEO's remuneration is structured in such a way that rewards are linked to individual responsibilities as well as corporate and individual performance. The ED/CEO remuneration package includes a base salary, benefits-in-kind/emoluments such as a company car, driver, and health insurance premium coverage, and a variable component that includes short-term incentives in the form of a performance-based bonus and long-term incentives in the form of performance-based share allotment. The ED/CEO is not entitled to any fees or meeting allowances for attending Board or Board Committee meetings.

The remuneration of the Management Team is similarly structured so as to link rewards to individual responsibilities and to corporate and individual performance.

The remuneration for the NEDs reflects their experience and expertise as well as their level of responsibility and duties as members of the Board and Board Committees. The Board may seek advice from independent consultants in determining remuneration.

The payment of Directors' fees and benefits requires the approval of shareholders at a general meeting in line with the CA 2016.

On 23 May 2016, the Company's shareholders approved the creation of the MIP, allowing the grant of shares to qualified employees and the ED/CEO of the Company and its subsidiaries, which will be awarded annually and/or every three years.

Under the By-Laws of the MIP, the total number of shares which may be made available under the MIP shall not when aggregated with the total number of new shares allotted and issued under the ESOS exceed 10% of the issued and paid-up share capital of the Company (excluding treasury shares) at any time during the duration of the MIP. In addition, the total number of shares which may be made available under the MIP to the ED/CEO and Management Team shall not exceed in aggregate 50% of the total number of shares to be issued under the MIP and ESOS ("Total Permissible Allocation").

Since the commencement of the ESOS and the MIP up to 31 December 2022, the options granted under the ESOS and shares under the MIP which have been offered to the ED/CEO and Management Team were 0.05% of the Total Permissible Allocation and 0.005% of the total issued and paid-up share capital of the Company as at 31 December 2022.

The Company is seeking shareholders' approval on the offer and grant of shares under the MIP to the ED/CEO at the forthcoming AGM.

REMUNERATION OF DIRECTORS

The details of Directors' Remuneration (both Executive and Non-Executive) is shown under Note 7 of the Company's Audited Financial Statements for the FY 2022 on pages 154 to 155 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Audit Committee Report

UTHAYA KUMAR K VIVEKANANDA

Dear Shareholders,

The role of the Audit Committee ("AC") is to assist the Board of Directors of the Company ("Board") to fulfill its statutory and fiduciary responsibilities under the Companies Act 2016 ("CA 2016"), the Main Market Listing Requirements ("MMLR") and the Corporate Governance Guide (4th edition) ("CG Guide") issued by Bursa Malaysia Securities Berhad ("Bursa Securities"). We are pleased to present our report to you.

The CG Guide sets out the following key roles and responsibilities of the AC:

1. Overseeing financial reporting
2. Assessing the internal control environment
3. Evaluating the internal audit process
4. Evaluating the external audit process
5. Reviewing conflict of interest situations and related party transactions
6. Reviewing independence of external auditors

To discharge its responsibilities, the AC also monitors the management of financial risk processes of Bumi Armada Berhad and its subsidiaries ("Group") and their accounting and financial reporting practices. The AC also has oversight of the Enterprise Risk Management Framework and compliance of the anti-bribery and fraud controls.

My role as AC Chairman includes acting as the key contact between the AC members, the Board members, key Management, and Internal Audit and the External Auditors ("EA"). During the year, I had a significant number of meetings with all these stakeholders to ensure that key matters are being highlighted, action plans are implemented and to understand and assess the main areas in the Group that need the guidance and be the focus of the AC. I met the Head of IAD regularly to deliberate on matters arising from internal audits, investigative reviews as well as to decide on the most effective way that we can ensure compliance of good governance and internal controls in the organisation. In addition to the AC meetings, I also meet the EA to discuss accounting and audit issues that require significant deliberation.

I have kept in regular contact with the CEO to be appraised of business issues that have an impact on audit and accounting.

In a Group with operations in various territories and considering the nature of the Group's transactions, it is a constant focus and challenge to review the anti-bribery and fraud mechanisms applied by the Group.

In 2022, while the extreme uncertainties created by COVID-19 pandemic had gradually abated, the operations of the Group have stabilised and improved favourably compared to 2021. Nevertheless, some risks have remained with respect to supply chain disruptions, people safety, business continuity and volatile energy prices.

The Group's operations in Russia involve the engineering, procurement, construction, and installation of a subsea multiphase pipeline at the V. Grayfer field located in the Caspian Sea, Russia. The contract value is approximately USD50.0 million. The ongoing Russia-Ukraine conflict has had an effect but hopefully the offshore construction work is expected to complete without any major risks impacting the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Audit Committee Report

The issues that presented significant challenges to the Group and were the focus of the AC are:

- **Governance and internal controls** – ensured the successful implementation of the Corporate Compliance programme, which included the update of the Know Your Counterparty ("KYC") Procedure, the incorporation of anti-bribery provisions in contracts with counterparties and the enhancement of various corporate policies relating to Governance.
- **Improvement of controls and efficiency** of the Supply Chain function.
- **Reviewing the refinancing progress of the A98/2 project** and the effect that COVID-19 had on the vessel construction timelines, costs and funding.
- **Assessment and impairment of Subsea Construction ("SC") Assets** – reviewing the impairment assessments and the reasonableness of key judgements and estimates in arriving at the recoverable amount of the SC assets.
- **Monitoring the performance and operations** of FPSO vessels on quarterly basis to ensure vessel performance and uptime are maintained as per contractual requirements.
- **Improving the financial reporting** of subsidiaries, joint ventures and associates.
- **Reviewing the effectiveness of cybersecurity reporting and safeguards** to ensure the Group's IT environment is adequately protected from cyber risks across both onshore and offshore operations.
- **Assessing the risk and compliance culture** within the Group and ensuring the compliance policies and procedures are communicated effectively throughout the Group.
- **Following up and, where relevant, investigating whistleblowing reports** from the Group's various whistleblowing channels.

The AC is pleased to report that over the last three years, despite the challenges arising from the COVID-19 pandemic, the Group has continued to improve and maintain strong internal controls. There have been no contentious issues in corporate reporting that has been raised by external auditors.

Overall, there has been significant progress by Management in governance and financial reporting. Having said that, there will always be room for improvement and the AC will continue to be active to discharge its obligations.

Uthaya Kumar K Vivekananda
Chairman of the Audit Committee

ROLES AND RESPONSIBILITIES

The AC is governed by its own terms of reference ("TOR") which is subject to annual review. The TOR was amended in 2022 to reflect the changes made to the MMLR, the MCCG and the CG Guide. The TOR is available on the Company's website at www.bumiarmada.com.

The function of the AC is to assist the Board in fulfilling its oversight responsibilities. The AC has been tasked with reviewing the risks relating to financial reporting, internal controls including anti-bribery and fraud controls, and audits. The AC's oversight includes the following:

The System of Internal Controls and Management of Enterprise Risk

- Review systems of risk management
- Review systems of internal controls

BAB Group's Financial Reporting Process

- Review financial statements
- Review other accounting, audit and financial matters
- Review related party transactions
- Review conflict of interest situations and internal investigations

The Audit Process

Internal Audit

- Review independence of internal auditors
- Review internal audit plans
- Review internal audit reports
- Review internal audit department's performance
- Appointment/Termination of Head of Internal Audit or senior internal audit staff
- Take cognisance of internal auditors resignation
- Approve the internal audit charter

External Audit

- Appointment, resignation and dismissal of external auditors
- Review independence of external auditors
- Review external audit plans
- Conduct of external audits
- Review external audit results
- Review recommendations of external auditors
- Review performance of external auditors

The Group's Process for Monitoring Compliance with Law and Regulations and its own Code of Business Conduct

- Review the process for monitoring compliance with legal, regulatory and statutory requirements
- Assessing fraud and corruption risks

Other Matters

- Compliance reports
- Speak Up/Whistleblowing arrangements
- Group's Statement on Internal Control
- Efficiency and efficacy of operations of the Group and any other matters which would improve governance
- Other matters as deemed appropriate as defined by the Board

COMPOSITION AND ATTENDANCE

The AC members as at 31 December 2022 and the number of meetings they each attended during the year were as follows:

Member	Designation	Attended
Uthaya Kumar K Vivekananda	INED (Chairman))	6 / 6
Alexandra Elisabeth Johanna Maria Schaapveld	INED (Member)	6 / 6
Maureen Toh Siew Guat	NINED (Member)	6 / 6

The AC presently comprises three members, all of whom are NEDs and two are independent. The AC Chairman is Mr Uthaya Kumar K Vivekananda, an Independent NED. He also chairs the Risk Management Committee ("RMC").

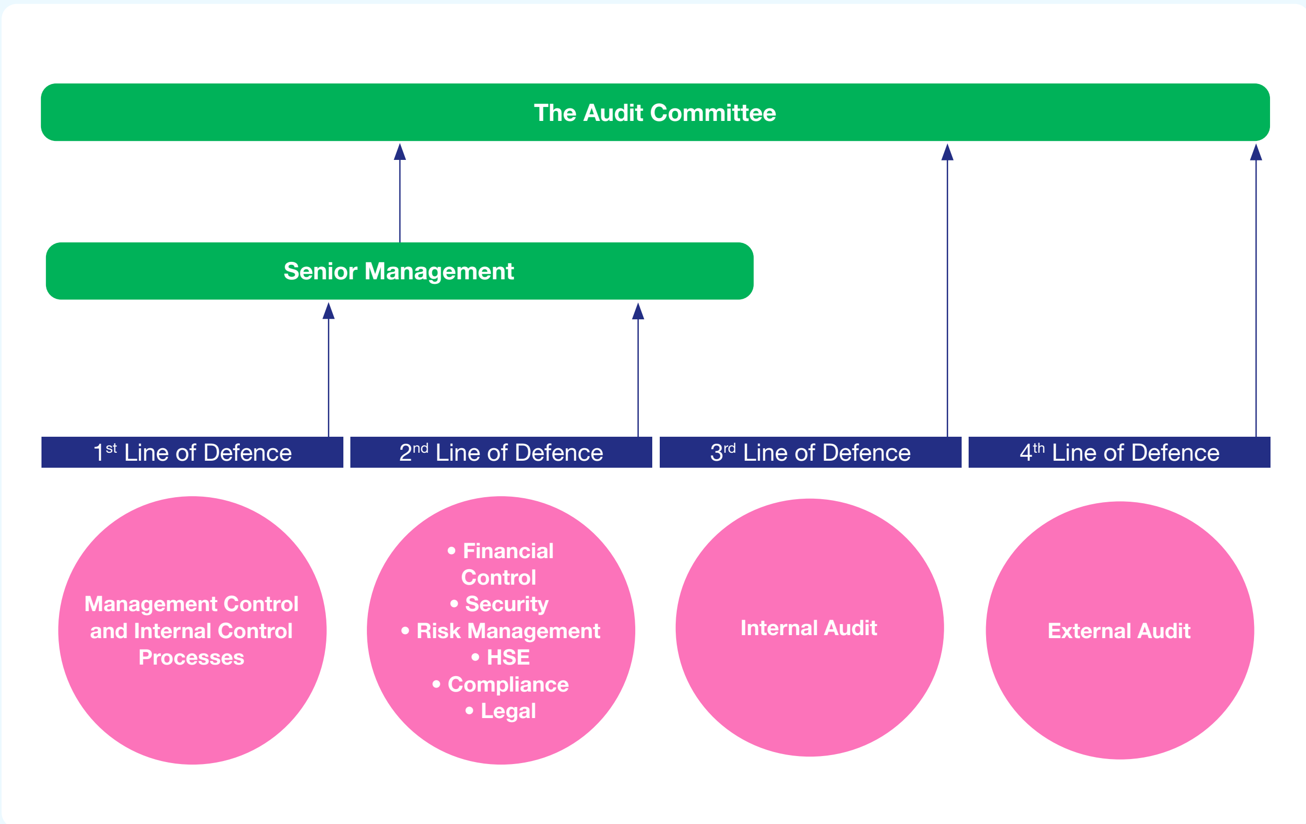
The current composition of the AC complies with Paragraph 15.09(1) of the MMLR which requires all members to be NEDs, with a majority of them being independent and at least one member fulfilling the requisite qualification under Paragraph 15.09(1)(c) of the MMLR

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Audit Committee Report

THE AC REPORTING FRAMEWORK

The AC Reporting Framework ensures there are clear lines of responsibility and accountability. The AC Reporting Framework and the matters that are reported via this framework to the AC have been mapped to the TOR of the AC to ensure that all areas of responsibility and accountability are covered and to enhance the quality of reporting.



Quarterly Reporting to the Audit Committee

1. Finance report on consolidated results of the Group
2. External Auditors' report upon request
3. Internal Auditors' report
4. Finance controls and compliance report:
   - Financial reporting process
   - IT controls
   - Limits of Authority
   - Contractual arrangements – avoidable loss
   - Cash flow, debt, financing & treasury matters
   - Tax compliance
5. Joint Venture management report
6. Risk Management – finance process and financials
7. Compliance reports
8. General Counsel report
9. Related Party Transactions
10. CEO / CFO representation
11. Whistleblowing reports

The Agenda of all AC meetings is developed according to the matters listed above and reports are done by respective Management with ultimate responsibility of the CEO.

SUMMARY OF THE WORK DONE BY THE AC FOR FY 2022

Financial Reporting

- Reviewed and recommended to the Board for approval the quarterly results for announcements to Bursa Securities. The review was to ensure compliance with applicable approved Malaysian Financial Reporting Standards ("MFRS") issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRS"), MMLR and other relevant regulatory requirements.
- Reviewed the audited financial statements of the Group prior to submission to the Board for the Board's consideration and approval upon the AC being satisfied that, inter alia, the audited financial statements were drawn up in accordance with the provisions of the CA 2016 and the applicable approved MFRS issued by MASB.
- Reviewed the status of accounting provisions and estimates, changes in accounting policies and significant judgemental accounting matters affecting the interim and audited financial statements.

Governance & Internal Controls

- Reviewed the effectiveness of the system of internal controls, taking account of findings from internal and external audit reports as well as the reports of any investigative or special reviews.
- Reviewed and suggested improvements to the Group's contracting processes.
- Reviewed improvements on the procurement process and tracked the progress of these improvements.
- Reviewed the status and changes in material litigation, law and regulations, compliance with loan covenants and regulatory updates where applicable.
- Reviewed whistleblower reports.
- Reviewed and made recommendations to the Board on proposed related party transactions.
- Reviewed the Statement on Risk Management and Internal Controls ("SORMIC"), which was supported by an independent limited assurance review by the EA.

Internal Audit

- Reviewed and approved the Internal Audit Charter.
- Reviewed the annual internal audit plan for the year including its scope, basis for assessment and actions taken and accountability assigned for actions to the relevant parties. In reviewing the audit plan, consideration was also given to the risk ratings in relation to the various auditable areas proposed in the plan.
- Reviewed and deliberated on reports of all audits that were conducted by the IAD.
- Provided oversight and guidance for all forensic, fraud or speak up investigation reviews led by the IAD.
- Reviewed all corrective actions on audit findings identified by the IAD via reporting done from the Internal Audit Monitoring Mechanism. This included the monitoring of all action items until resolution and closure.
- Appointed the new Head of Internal Audit.

External Audit

- Reviewed the EA's audit strategy and scope for the agreed-upon procedures for the second quarter of FY 2022 and statutory audit of the Company's financial statements for FY 2022.
- Reviewed with the EA the results of the statutory audit and the audit report, including key audit matters.
- Reviewed and endorsed the proposed fees of the EA.
- Reviewed and approved the non-audit services provided by the EA while ensuring that there was no impairment of independence or objectivity. This included monitoring the fees of the non-audit work carried out by the EA.
- Reviewed the performance of the EA and their independence.
- Discussed the need for rotation of EA.

Compliance Programme

- Supervised the compliance training and awareness sessions among the employees and stressing on the importance of having a compliance culture within the organisation, including implementing e-learning on Anti-Bribery and Corruption ("ABC") policy for all staff.
- Monitored the status of internal misconduct cases reported to the Board and AC on a quarterly basis, including ongoing investigations, in accordance with the Company's Code of Business Conduct and Ethics and other governing documents.
- Deliberated on the results of compliance cases and directed Management to implement and/or enhance controls to prevent a recurrence, conducting education programs to increase awareness.
- Discussed and endorsed the appointment of the new Head of Compliance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Audit Committee Report

INTERNAL AUDIT

The internal audit process for the Group is conducted by its IAD. The IAD is independent of the activities it audits. Internal Audit Reports are tabled at the AC meetings. The AC reviewed, assessed and approved internal audit plans and provided guidance to the IAD.

The AC also reviewed and monitored the responsiveness of Management to significant audit findings and the recommendations of the IAD. To ensure that Management effectively close out all significant audit findings in a timely manner, Management's annual key performance indicators include the proper close out of key audit findings.

The IAD also assists the Group to accomplish its goals by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the various processes and controls within the Group. The IAD maintains its impartiality and proficiency and due professional care by having its plans and reports directly under the purview of the AC.

IA resources are focused on high-risk and high value areas such as the activities of major joint-ventures entities, procurement and accounts payable, Anti-Bribery and Corruption, operations in Russia and supply chain management.

The audits and reviews conducted for the Group during the financial year under review were as follows:

1. Finance Manual Journals review – Head Office
2. A98/2 Review – Finance
3. Angola Operations – Underwater Inspection in Lieu of Dry-Docking (UWILD) review
4. Corporate Health, Safety and Environment review
5. Russia Operations
6. Supply Chain Management at Head Office
7. Time Writing Process and Cost Allocation for Technology, Engineering and Projects Division

Apart from the audits and reviews that are listed above, there were ad-hoc reviews and investigations that were conducted by the IAD throughout the year. The outcome from the planned audit and ad-hoc reviews/investigations performed were findings around the areas of operations, finance, supply chain management, and human resource management. These areas are all being monitored closely by IAD via the monitoring mechanism and improvements are being implemented by the respective Business Units ("BU") and Departments.

The reports from any reviews performed by the IAD were also shared with the Head of the BU, the CEO and CFO. Management is responsible for ensuring that corrective actions are taken within the stipulated time frame and all outstanding/open items are reported.

The IAD adopts the main standards and principles outlines in the International Professional Practices Framework of The Institute of Internal Auditors and this has been incorporated in the practical IAD methodology that is used to guide the ways of working of the IAD.

The Department is staffed by 3 personnel and is headed by the Head of Internal Audit who are from a diverse background of audit, engineering and finance. The IAD undertakes to ensure that staff are competent and adequately equipped in carrying out their duties and responsibilities by providing them with the relevant training.

Total costs incurred in FY 2022 for the Group's internal audit function amounted to RM1.8 million.

EXTERNAL AUDITORS

A full assessment was done on the EA in early 2022. Issues and areas of improvement were discussed and communicated to them. These areas included ensuring that the EA focus was directed at critical and material issues and improving communication with Management in order to resolve these issues expeditiously and satisfactorily. Such areas of improvement have been implemented by the EA. The assessment also covered independence, objectivity and professional skepticism, financial stability, risk and audit strategy, communication and interaction, audit finalisation and level of knowledge, capabilities and experience and sufficiency of resources was completed in March 2022.

The AC also reviewed the EA's representation on its quality control procedures with respect to engagement performance which included the involvement of a quality review partner, access to the EA's accounting technical support on complex accounting matters, periodic assurance quality reviews by the EA's Global Assurance Quality Review team, internal guidance on accounting standards interpretation and application and International Standards of Auditing guidelines.

The AC also held private sessions with the lead engagement partner from the EA at least once a year, without the presence of Management. These sessions allowed the AC and the EA to focus on areas that might not have been specifically addressed as part of the audit and where the EA can provide additional confidential comments to the AC. Some of the matters discussed include the EA's assessment of the quality of financial reporting and the cooperation from various levels of Management and IA.

The AC remains satisfied with the level of independence of the EA and is of the view that they have not been impaired by any event or services that give rise to conflict of interest.

Rotation of EA was a topic of discussion at the AC and a final decision as to whether a proposal for audit for 2024 will be made by 3rd quarter 2023.

The amount of non-audit fees incurred for services rendered by the EA to the Company and its subsidiaries for FY 2022 was RM0.9 million.

MOVING FORWARD – THE AC'S KEY FOCUS FOR 2023

For FY 2023, the key priorities of the AC will continue to be focused on strengthening the governance process, particularly in overseas locations, taking into consideration the challenging environment in which the Group operates. Emphasis will also be placed on conducting integrated audits with a stronger focus on operational efficiency and cost-saving measures.

The Group continuously strives to enhance its Corporate Compliance Framework and Policies. The AC will focus on assessing the risk and compliance culture within the Group and ensuring the following enhanced policies and procedures are adhered to Groupwide and communicated effectively:

1. ABC Policy
2. Code of Business Conduct and Ethics for Employees ("Code")
3. Speak Up Policy
4. Gifts and Hospitality ("G&H") Policy
5. Know Your Counterparty ("KYC") Procedure

In 2023, the AC will continue to focus on the following areas:

1. Instilling a compliance culture within the Group, in particular Angola and Indonesia
2. Ensuring adherence to the ABC Policy, G&H Policy, the Code, and the KYC Procedure, including addressing any sanctions risks
3. External audit efficacy and efficiency
4. Cost optimisation and process improvements
5. Cash flow management and reporting
6. Collection initiatives
7. Group financial close and reporting
8. Subsidiary and joint venture reporting
9. Governance and oversight
10. Due diligence and risk assessment on potential/new businesses

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Relationship with Stakeholders

INVESTOR RELATIONS

The Group has an investor relations programme in place to make sure that current and potential shareholders, as well as financial analysts, are kept up to date on the Group's performance and have appropriate access to Management to understand the Company's business and strategy.

The Board believes it is essential to keep communication with shareholders open and fruitful and for them to be given the chance to express their opinions to the Board. Regular interactions between the ED/CEO and the CFO and financial analysts occur, usually after the release of the Group's quarterly financial results.

The Board is kept up to date on all aspects of investor relations, including a summary of share price performance, shareholder composition, and feedback from any investor meetings.

The Company maintains a corporate website at www.bumiarmada.com, which provides access to corporate information about the Group, including, among other things, an overview of the business and operations, profiles of Directors and Management Team, sustainability initiatives, previous financial results announcements, annual reports, and investor presentations.

Investors may direct their queries regarding the Group to ir@bumiarmada.com.

ANNUAL GENERAL MEETING

The Directors view the Company's Annual General Meeting ("AGM") as an important opportunity for all shareholders to interact directly with the Board. At the AGM, shareholders have the opportunity to ask the Board questions, either in person or by submitting written questions in advance.

The 26th AGM was held on 25 May 2022 as a fully virtual meeting via live streaming. All Directors attended the meeting. Apart from Directors, several members of Senior Management and the Company's external auditors were also present to provide the necessary support during the AGM proceedings.

The ED/CEO presented an overview of the Company's performance for FY 2021 before the audited financial statements were tabled to the AGM. The questions submitted in advance by the Minority Shareholders Watch Group were also shared with the shareholders.

At the AGM, Directors are allocated responsibility to respond to questions that may be raised by shareholders in accordance with their Board or Board Committee roles.

ADDITIONAL COMPLIANCE INFORMATION

Material Contracts

Save as disclosed in the financial statements and below, there are no other material contracts entered into by the Company and its subsidiaries which involved the interest of Directors and major shareholders, either still subsisting at the end of FY 2022 or entered into since the end of FY 2021:

A 3-year term loan facility of up to

USD 30.0 Million

between Bumi Armada 98/2 Holdings Pte. Ltd. and Mezzanine Equities N.V. ("MENV") together with option agreements and security documents as announced by the Company on 26 September 2019.

A 6-year term loan facility of up to

USD 45.0 Million

between Armada Floating Gas Storage Malta Ltd. and MENV together with security documents as announced by the Company on 26 September 2019 and 11 October 2019.

Usaha Tegas Sdn Bhd ("UTSB"), via its wholly-owned subsidiary, Objektif Bersatu Sdn Bhd is a major shareholder of BAB. MENV is a subsidiary of UTSB.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board is pleased to provide this Statement on Risk Management and Internal Control which outlines the nature of risk management and internal controls within the Group for the financial year ended 31 December 2022 ("FY 2022").

This Statement is made pursuant to Paragraph 15.26(B) of the MMLR where the Board of Directors of public companies are required to publish a statement about the state of internal controls.

BOARD'S RESPONSIBILITY

The Board acknowledges its responsibility for having sound risk management and strong internal controls. This responsibility is addressed, managed and discharged by Board Committees, namely the Risk Management Committee ("RMC") and the Audit Committee ("AC"). These Committees report to the Board who provides an oversight on their performance.

The Group has in place an ongoing process for identifying, evaluating, monitoring and managing all significant risks faced by the Group and continues to take measures towards enhancing the adequacy and effectiveness of the risk management and internal control system.

There is a system of internal controls that is being applied by the Group. This system, whilst addressing the inherent and identified gaps, only provides reasonable but not absolute assurance against material misstatement or losses or the occurrence of unforeseeable circumstances.

The risks relating to financial reporting, internal controls, and audits fall under the responsibility of the AC. These risks are dealt with separately in the AC report.

RISK MANAGEMENT FUNCTION

The Board affirms its overall responsibility for the Group's system of internal control and risk management. Each Business Unit ("BU") or Department implements its own internal control and risk management process under the stewardship of the Chief Executive Officer ("CEO"), who is the overall risk owner of the Group.

The risk management function is governed by five pillars, namely the:

- **A** Corporate Risk Management Department;
- **B** Risk Management Committee of the Board;
- **C** Enterprise Risk Management ("ERM") Framework;
- **D** Health, Safety & Environment ("HSE") Department; and
- **E** Corporate Compliance Department

A Corporate Risk Management Department

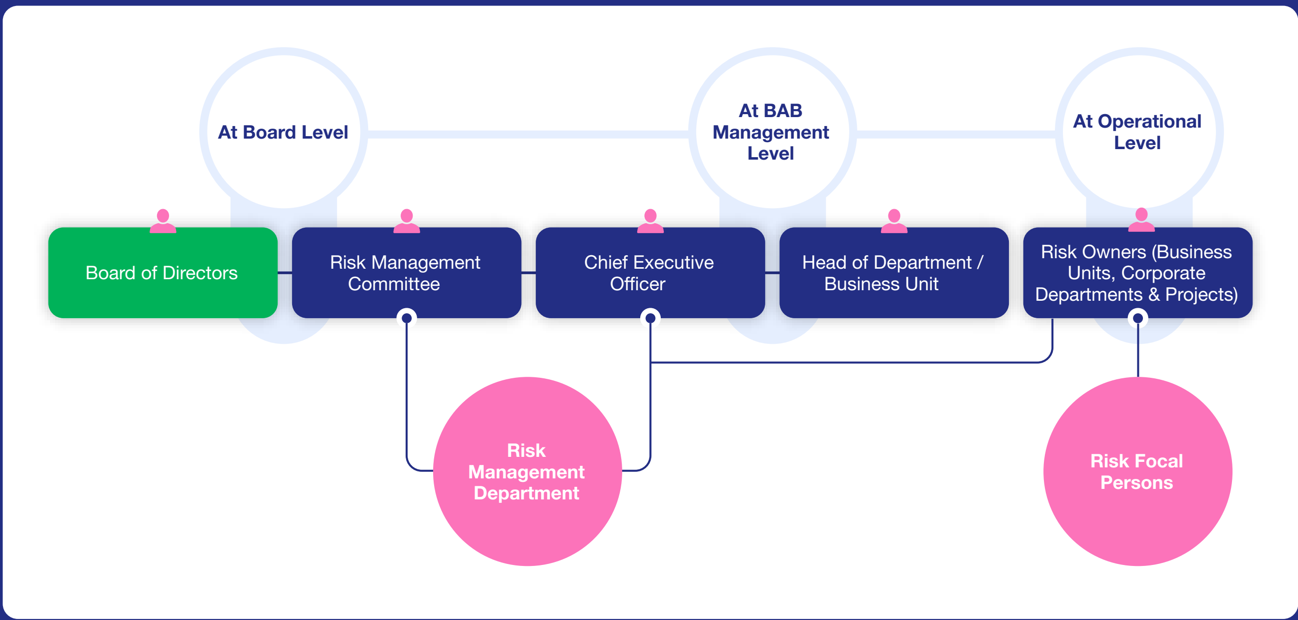
The Corporate Risk Management Department ("RMD") is headed by the Head of Risk Management and functionally reports to the CEO, with oversight by the RMC.

The RMD establishes the processes that need to be complied by the Group and is guided by the approved ERM Framework and Risk Assessment Procedures. It is also primarily responsible for facilitating and implementing the ERM Framework in the Company. Amongst others, the RMD is also responsible for:

- promoting the ERM Framework across the Group, including facilitating the development of risk profiles within all BUs and subsidiaries;
- recommending ERM policies, including defining roles and responsibilities, risk assessment process and the risk-reporting process for the RMC's consideration;
- fostering the integration of the ERM with other business planning and management activities;
- facilitating respective BUs in developing risk reporting protocols, including quantitative and qualitative thresholds, and monitoring the reporting process including installing appropriate tools and capabilities for risk assessment, quantification and management;
- reporting to the RMC on the progress and status of the enterprise risks; and
- providing risk management training to Risk Focal Persons and Risk Owners whenever required.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Group's ERM Organisational structure is as depicted below:



The CEO includes risk management as a permanent agenda item during his weekly meetings with Heads of BUs and Departments. The CEO also liaises with the RMC on any risks that require the RMC's attention.

B Risk Management Committee

The RMC's role is primarily to provide oversight and set the tone and culture towards managing key risks. The RMC ensures that there is an ERM Framework which identifies significant risks and addresses them.

High risk matters are brought to the RMC by the CEO for deliberation, advice and endorsement of mitigation plans prior to the RMC recommending these matters to the Board for approval.

This ERM Framework includes the necessary policies and mechanisms to manage and monitor the overall risk exposure of the Group including the need to establish a risk awareness and response culture. Additionally, the RMC reviews the effectiveness of the ERM Framework and the results of risk assessments of the various BUs within the Group.

The Group RMD reports to the CEO and assists the RMC in discharging its responsibilities. The ERM Framework allows risk information flow for effective oversight of risk management at all levels. Risks are reviewed at various levels namely the various shore base operations including the Joint Ventures, BUs and the Corporate Departments and then at the CEO level from a collation of Enterprise Risks standpoint.

During the year, the RMC met 8 times.

C Enterprise Risk Management Framework

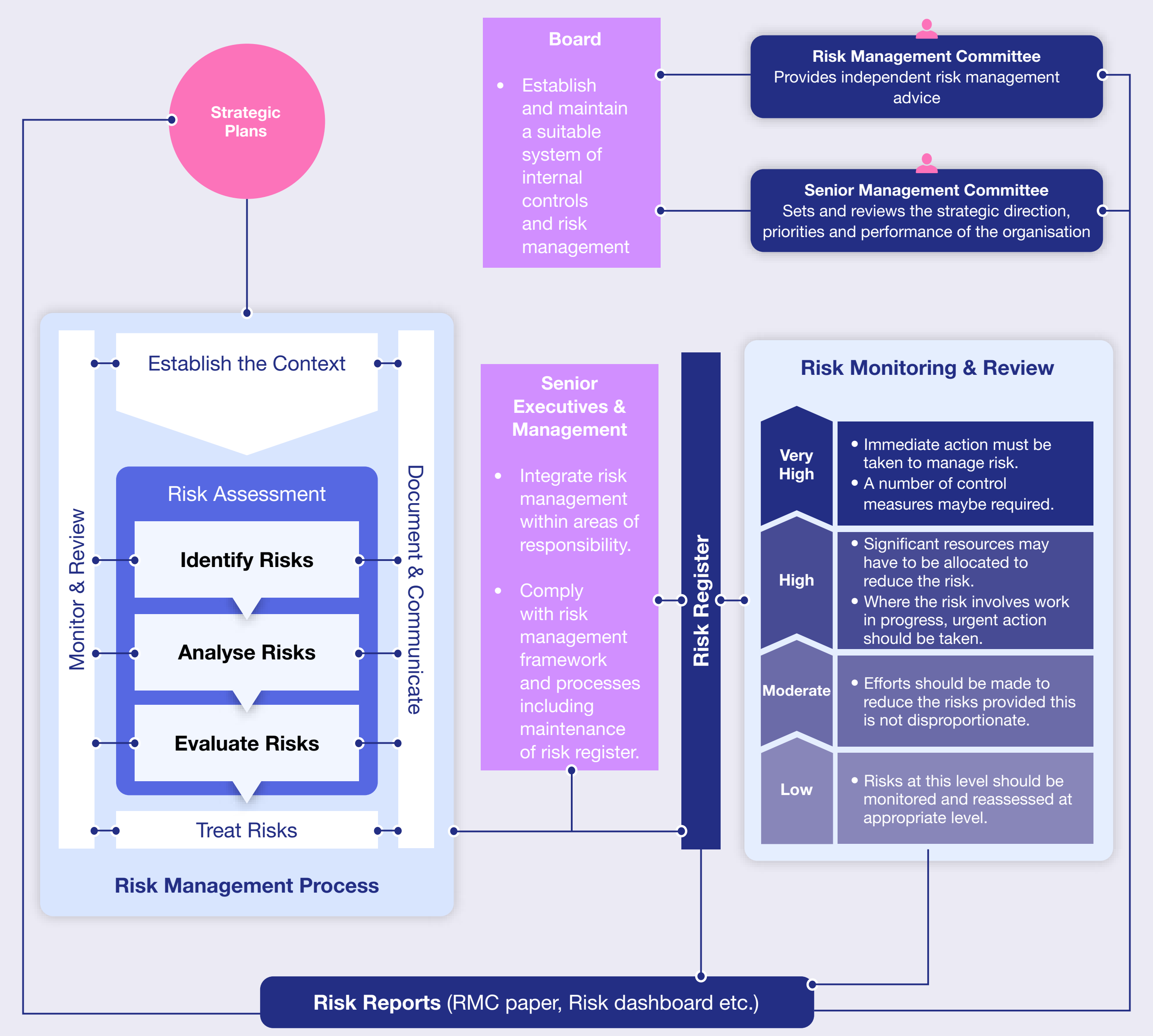
The Group has a ERM Framework adopted from the ISO 31000:2018 that is integrated and embedded into the day-to-day business activities and management decision-making of the various BUs and functions of the Group. The ERM Framework also aims to provide a consistent approach for identifying, evaluating and managing the significant risks faced by the Group and facilitating a reasonably accurate perception of the acceptable risks. Managing risks is the responsibility of the CEO and line management. The Board provides oversight on this role. This is integrated within the Group's governance, business processes and operations.

The Group's ERM Framework as endorsed by the RMC contains the following key elements:

- Risk Focal Persons ("RFPs") in each BU to spearhead the coordination of risk management activities. These RFPs are responsible for ensuring the timely updating of risks, controls, issues and action plans within their own BUs. Their updates are then independently validated by the RMD.
- Specified roles and responsibilities at each level of management in the Group in relation to Risk Management.
- Guidance on risk reporting. Risk reports are prepared for the RMC and include an assessment of risks, actions to mitigate the risks and their status.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The ERM Framework includes an overview of how the steps in the ERM Framework process interrelate to the Group's planning, reviewing and reporting cycle. Risk governance components of the ERM Framework, and the actions required from the risk monitoring and reviewing process are as depicted below:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

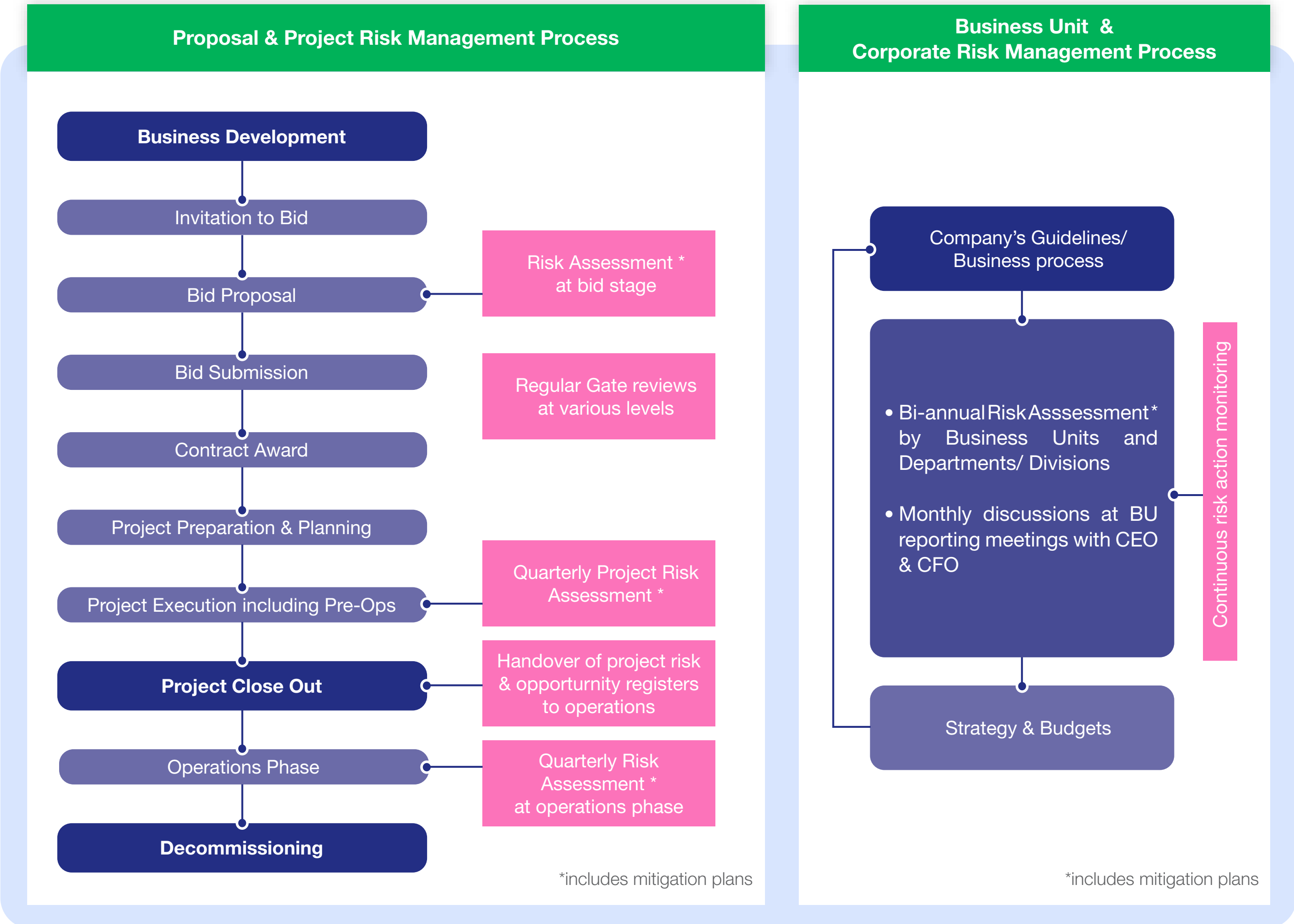
Management Responsibilities

The CEO is the overall risk owner of the Group while Management is responsible for implementing the approved frameworks, policies and procedures on risk management and internal control. Management acknowledges their responsibility to identify and evaluate the risks faced and to monitor the achievement of business goals and objectives within the risk appetite parameters as discussed and approved by the Board.

In line with these, key Management responsibilities would include setting the right examples through behaviours and actions, encouraging and reinforcing the importance of good business behaviours and applying the required rules and regulations.

All key risks and mitigation plans identified are submitted by Management to the RMC for deliberation. All action plans arising from these meetings are actioned by the BU or Corporate functions and the RMD tracks and follows up until closure by the RMD.

An overview of the ERM Framework requirements for the BUs and Corporate functions is as depicted below:



D Health, Safety and Environment ("HSE") Department

The Bumi Armada Group HSE Department acts as the governing body that monitors the HSE management systems and related regulatory compliance requirements across the Group. Our HSE management systems are implemented through our company policies, standards, procedures and guidelines, based on global industry standards as well as contractual and relevant regulatory requirements. A HSE governance framework that spans from top management to all workers strives to enable consultations among onshore and offshore workers at all levels to drive continuous improvement in HSE across the organisation. More information on HSE efforts and initiatives can be found in the Sustainability Statement Section of this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

E Corporate Compliance Department

The Bumi Armada Corporate Compliance Department acts as the governing body that monitors the compliance program of the Group, which includes ensuring the Anti-Bribery & Corruption ("ABC") Policy is adhered to. This includes driving the ABC training program within the Group, ensuring employees conduct their annual declarations and assisting Management in the Know Your Counterparty ("KYC") process.

The Corporate Compliance Department reports all compliance-related matters to the AC.

Key Risk Management Activities for FY 2022

The following key activities pertaining to risk management were undertaken during FY 2022. The Group:

- intensified focus on COVID-19 preventive measures and initiatives driven by the Group HSE, which is in addition to the continued implementation of HSE controls and initiatives onsite. As a result, the Group managed to keep operations minimally uninterrupted throughout the pandemic period;
- intensified management visits to offshore vessels to inspect their operations and compliance with our safety protocols following relaxation of travel restrictions globally;
- continued to focus on mitigating and addressing the risks which were highlighted in FY 2021, in particular relating to Armada Kraken operations and high levels of debt. As a result of the implementation of various action plans to address these risks, we have managed to reduce the exposure of these risks to the Group;
- established the Sustainability Workgroup to drive implementation of sustainability related policies and Environmental, Social and Governance ("ESG") commitments that are material to our organisation;
- had frequent RMC meetings with detailed risk presentations by the various BUs and Departments. Risks and their action plans were discussed, deliberated and challenged in detail during those meetings;
- regularly monitored the 98/2 Project progress and financing via the RMC. This includes understanding the risks behind the delays in the project and the financing obligations. Continuous engagements were also held with the joint venture partner to resolve any delays to the project;
- monitored the execution and progress of the Grayfer Project, including consequential impact from continuing Russia-Ukraine conflict, and performed detailed screening of all counterparties to ensure compliance with applicable sanctions; and
- reviewed in detail all potential bids, including identifying risks associated with such bids and mitigating actions to address such risks.

Despite the ERM Framework and mechanism that has been put in place, a number of key risks to the Group arose during FY 2022 due to either internal or external factors which have resulted in significant issues to the Group. Below is the list of specific risks to the Group:

RISK CONTEXT	CURRENT STATE & MITIGATION
Safety, security, reliability and integrity in the delivery of projects and operations are key to our success	**Risk** In FY 2022, the Group registered 2 LTI cases. As HSE and security are inherent risks within the industry, the Group is committed and consistently prioritising the safety and security aspects of all our operations. **Actions** The Group continues to thoroughly investigate and review any incidents including near-miss cases to improve our HSE management system. The Group has a Groupwide HSE plan in place, aimed at minimising HSE risks, and complying with the applicable global HSE standards, such as ISO, ISM and ISPS standards, while making reference to the International Oil & Gas Producers (IOGP) guidelines. In addition, the Group has dedicated in-country HSE teams at the operational sites who ensure stringent safety standards are followed by all our staff. Management has taken on board the need to improve the safety culture of the Group in FY 2023. This will be done by increasing leadership visibility onsite through vessel inspection visits and audits, strengthening HSE controls at site especially in process safety management, and identifying opportunities for improvements in processes from quarterly HSE reviews. In addition, the Group has embarked on the digitisation of Incident Management and Audit Management process, as part of process improvement to elevate predictive analytics of HSE data across the organisation.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK CONTEXT	CURRENT STATE & MITIGATION
Climate related risk assessment is an integral part of the Group's operation	**Risk** The Group has conducted an internal climate related risk assessment across its fleet based on the Carbon Disclosure Project (CDP) methodology. The risk assessment incorporated inputs from the in-country HSE and operations team to identify climate related risks to our operations. **Actions** The Group is committed to review the identified risks as part of its periodic operational risk assessment process and ensure mitigation measures are in place to safeguard our operations across the globe. The Group will continue to make disclosure in CDP on the outcome of its climate related risk assessment for FY 2023, and will implement the mitigation measures identified to safeguard its people, assets and the environment wherever it operates.
Liquidity position of the Group and access to capital are keys to continued successful operations	**Risk** As a result of the capital-intensive nature of the Group's FPSO projects, the Group had to incur significant borrowings to fund the construction of our vessels and operating expenses. This has resulted in high levels of corporate debt which put the liquidity position of the Group at risk should repayment obligations for such debt and other loan covenants not be met. Inability to finance new projects may hamper the Group's continued growth and success. As the Group's gearing remains at high levels and in the current economic situation, access to capital for any accelerated growth is a challenge. **Actions** The Group continues to manage costs and monitor cash flows very closely to ensure that all payment obligations are met. In parallel, the Group continues to actively pursue its asset monetisation and OSV divestment programmes. The Group will also continue to enter into JVs with reputable partners as and when the need arises in order to mitigate the project financing risks and reduce the full exposure to project-related risks. In addition, the Group also remains selective in new projects it will enter, in terms of jurisdiction and clients.
It has been crucial to maintain the expected level of performance for Armada Kraken and Karapan Armada Sterling III ("KASIII")	**Risk** Historically, Armada Kraken and Karapan Armada Sterling III ("KASIII") faced various technical issues that affected their performance, thus affecting the ability to generate revenue at expected levels. **Actions** In FY 2022, Management focused on resolving most of the technical and contractual issues. The Group has developed an improved maintenance management and more effective maintenance strategies for Armada Kraken and improved design of several modules for KASIII are in progress. The vessels' performances are constantly monitored, and Management remains vigilant in ensuring that vessel performance and uptime continue to be maintained. The vessels managed to improve their performances in FY 2022. Management will continue to ensure close monitoring of their reliability and integrity in 2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

An overview of other general material risks is as summarised below:

RISK CONTEXT	CURRENT STATE & MITIGATION
Legal and Contractual requirements in our contracts, and managing them effectively and efficiently are key drivers	Our charter contracts are broadly in line with industry practice. Key terms of these charter contracts would include key milestones on the construction and delivery schedules, as well as operational performance of the facilities. Failure to meet material contract terms will expose the Group to potential penalty payments, liquidated damages and in a worst-case, termination of contract. The Group has established "Golden Contracting Rules" which set out the guiding principles to be adopted for contracts. Any deviations from these rules will require Board approval. The Group Legal Department monitors all charter contracts to ensure that we are compliant with our contractual obligations. In addition, as the Group emphasises on service delivery to our clients, compliance with the contract terms and conditions are important for the success of the Group. This in turn would translate to repeat orders from our clients. The Group has a dedicated contract management team at the BU level to manage clients. They are supported by Corporate Departments such as Legal, Corporate Finance and JV Management.
A high level of operational performance and excellence are critical to our continued success	The success of our operations is dependent on the operating efficiency and reliability of our vessels in terms of vessel performance, people capability as well as HSE performance. The compromise of any of these could have an adverse impact to the Group both monetarily and reputationally. The Operations BUs continue work via the shore base offices and the offshore crew continues to ensure that the vessels are performing as per contractual requirements and that all technical issues that arise are investigated and solutions developed for resolution.
Access to capital, capital allocation and management of financial risks underpin our business performance	Over the last three years, the Group focused on: 1. stabilising operations 2. monetising assets 3. paying-off debt To move forward, there is a need to access capital to grow the Group. The Board and Management are aware of this and are addressing strategic options to grow the Group. The Group also closely monitors our debt and repayment obligations. Cash flows are regularly reviewed by Management and the Board to ensure debt can be serviced and future funding requirements can be met. The Group also closely monitors our compliance with existing debt covenants.
Political and security risks affecting business around the world	Political and security risks include expropriation, capital controls, adverse regulatory changes, as well as war, terrorism, and civil disturbance. The Group is constantly monitoring the world's political development and security advisories are shared whenever necessary by our Corporate Security personnel. The Group is also continuously monitoring the situation in Russia and Ukraine. The Group is evaluating and addressing risks emanating as a result of this conflict and paying particular attention to the Group's operations in Russia.
Proper and well-structured project execution is vital for the success of a project	When there is a project in progress, monthly project reviews are held between Project Managers and Management to highlight risks and issues that have arisen, so that they can be dealt with on a timely manner. We have implemented a robust process which is applied at a very early stage where proposals are made and where schedules and budgets are developed. Risk assessments at the pre and post award are also performed to identify and mitigate any potential risks. After contract award, the project team follows through until the end of the contract, where lessons learned are identified and recorded as feedback for any future contracts.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK CONTEXT	CURRENT STATE & MITIGATION
Our business relies on a variety of information technology systems	The Group has a cyber security programme in place to mitigate any potential data breach vulnerabilities internally or from external sources. In addition, as part of the governance and reporting process, the Head of IT presents to the Board the IT strategy, plan, risks and mitigation plans. The IT systems have also been audited by the IAD and EA, and findings are presented to the Board. There is also an IT Disaster Recovery Plan ("DRP") to recover critical IT systems in the event of a major disruption and the DRP is tested on a yearly basis for effectiveness and improvement if needed.
Proper execution of business model is the key for success	The Group has optimised its business model to maintain sustainability and generate a good return to our shareholders. This includes collaborating with reputable partners to ensure project risks are spread among the partners. The Group continues to focus on: 1. Health and safety; 2. Client service; and 3. Risk management and compliance in delivering excellent service to our clients.
Increased compliance obligations and inculcation of compliance culture	With the introduction of Section 17A of the MACC (Amendment) Act 2018 on the Corporate Liability provisions and the associated Guidelines on Adequate Procedures issued by the Government of Malaysia, all companies in Malaysia must comply with the updated law and increase their compliance initiatives. The Group established and enhanced its Anti-Bribery and Corruption Policy ("ABC Policy"), Gifts and Hospitality Policy, Code of Business Conduct and Ethics, Speak Up (Whistleblowing) Policy, and Know Your Counterparty ("KYC") Procedure as part of its commitment towards good governance. In addition, the Group has shared the ABC Policy with its counterparties. Continuous learning and awareness on compliance is also important to inculcate a compliance culture across the Group.
Managing Environmental, Social and Governance ("ESG") requirements	ESG is becoming more important as investors and financiers are increasingly applying these non-financial factors as part of their analysis process to identify material risks and growth opportunities. In light of the increasing ESG importance to the Group, the Group is dedicated to ensuring its business is conducted in a sustainable manner by incorporating sustainability in its day-to-day operations, driven by the Board of Directors. In addition, a dedicated corporate sustainability department that reports directly to the CEO has been established to oversee all ESG activities. This department is headed by a Vice President of Sustainability & External Relations who will focus on delivering the Group's transition agenda in achieving the goal towards net zero carbon emission by 2050. In addition, the Company has been reinstated into the FTSE4Good Bursa Malaysia Index.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK CONTEXT	CURRENT STATE & MITIGATION
Regulatory risks, especially anti-bribery and corruption and sanctions risks	The Group is operating globally and with the heightened focus on regulatory risk and more scrutiny by the regulators around the world, it is vital for us to maintain our effort to comply with all the applicable laws and regulations governing our operations. The Group's Legal and Corporate Compliance Departments are tasked with managing all the regulatory risks including anti-corruption and sanctions issues. We have updated our KYC Procedure to include a more rigorous screening process for all our existing and potential counterparties. In February 2022, as a result of the Russia–Ukraine conflict, a certain number of countries have imposed sanctions on certain Russian citizens and enterprises. The continuation of the conflict may trigger a series of additional sanctions which could cause an adverse effect on the Group's operations in Russia. The Group is also continuously monitoring its operations in Russia. As there is continued uncertainty over the duration and magnitude of this conflict, the Group will take appropriate and timely actions to address any operational impact arising from the potential disruptions. In addition, the Group will continue to diligently screen counterparties on a continuous basis to mitigate the risks.

PLANS FOR 2023

In 2023, the Group will continue to focus on the key risks that have been realised and the mitigation actions to ensure that these risks are managed to acceptable levels. Key areas of focus will be on the safety and security of operations, capability of people in line with the strategy of the Group and the financial position of the Group. In addition, the Group will continue to enhance our practices and instill a culture of risk management and compliance within the Group. A few of the improvements expected in 2023 are:

- Continued focus on safety and security management where robust HSE plans for vessel operations and offices continue to be implemented with aim to achieve zero LTI.
- Integrated Assurance program between HSE and Operations team to improve collaboration in addressing challenges that may expose our people, process and asset to hazard.
- Increase management visibility onboard vessels to instill proactive safety culture among crew members.
- Strengthening of climate related risk assessment across the fleet with action plan to safeguard our people, environment, asset and reputation.
- Continuation of the ERM Framework driven by the CEO with the full support from BAB Risk Owners and all BU/ Department Heads.
- Implementation of automated ERM system for data integrity, efficiency and reporting purposes.
- Enhancement of compliance management framework – continuous enhancement of compliance-related policies and procedures which includes enforcement initiatives via the Compliance Department.
- Promote a compliance culture within the Group through staff engagement and training, increased risk management and compliance awareness.
- Continued excellent and safe operations of all our vessels.
- Inculcate a safety culture across all our fleet.
- Continued focus on our existing projects/ operations to fulfil our clients' requirements and expectations.
- Reinforce the Group's commitment and readiness towards ESG by promoting responsible growth while contributing to a more sustainable future for our communities, employees and other stakeholders.
- Continuously monitoring any sanctions risks arising from the countries where the Group operates.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL ENVIRONMENT

Board

The Board meets at least once a quarter, in order to maintain its full and effective oversight of the overall governance of the Group. In arriving at any decisions, based on recommendations by Management, thorough deliberations and discussion by the Board is a prerequisite. The Board reviews all significant issues arising from changes in the business or operating landscape of the Group which may result in significant risks.

Audit Committee

The AC comprises wholly of NEDs, the majority of whom are independent Directors. The AC assists the Board in fulfilling the Board's responsibilities by focusing on the integrity of the Group's financial reporting process, management of governance, financial risks, internal control systems, external and internal audit processes, compliance with legal and regulatory matters as well as the Bumi Armada Code of Business Conduct and Ethics ("Code"). The detailed activities of the AC are detailed in the AC Report.

Internal Audit

The Board recognises that the IAD is an integral part of the governance process of the Group. The IAD provides independent assurance on the adequacy and effectiveness of the internal control systems implemented by the Group and reports its findings directly to the AC. The IAD reviews the Group's system of internal controls, its operations and selected key activities based on the risk assessment and in accordance with the annual audit plan that is approved by the AC.

The AC receives and reviews all IA reports including the agreed actions that are to be taken in order to mitigate and close the highlighted control gaps. All issues raised and action plans to close gaps are monitored via the monitoring mechanism that has been developed until closure and the status is reported on a quarterly basis to the AC. The key activities of the IAD during the year comprised audits and investigations. These are set out in the AC Report.

External Auditors

The external auditors provide the AC with a report on the internal control environment of the Group during the 3rd quarter and the 4th quarter of the year under review. The external auditors are also continuously challenged by the AC to provide value-added recommendations around the area of internal controls and potential enhancements that could heighten the level of governance in the Group.

Code of Business Conduct and Ethics

The Code governs our business practices and provides guidance for ethical decision making. As integrity and honesty are the building blocks of our Core Values, these principles are also the foundation of our Code. The Code outlines the standards that each employee and those working with the Group are expected to comply with. As the Group works globally with a wide variety of business challenges, it is important that all employees are aware of the challenges that are linked to business ethics and the associated risks and exposures. The Code includes references to relevant policies and procedures which provide the information and guidance specific to issues that may arise.

Organisation Structure

The organisation structure of the Group defines the formal lines of responsibility and the lines of accountability of our Management. The structure also defines the lines of authority that is in place to assist in implementing the Group's strategies and day-to-day business activities. The Group has a Management team that meets weekly to discuss pertinent issues. The RMC also provides guidance to the CEO in accomplishing the vision, mission, strategies and objectives that have been set for the Group.

Budgeting, Monitoring & Reporting

The various BUs and departments in the Group collaborate closely to prepare the Group's budget on an annual basis. The budget is then subject to a review process by CFO, CEO and the relevant Management team members prior to submission to the AC and the Board for approval. The Group's approved budget is then monitored monthly against the actual performance of the Group. A reporting system which highlights significant variances against the budget is in place to track and monitor performance. On a quarterly basis, the results are presented to and reviewed by the AC and Board to enable them to gauge the Group's overall performance against the budget and prior periods.

Limits of Authority

A documented Limits of Authority ("LOA") with clear lines of accountability and responsibility serves as a tool of reference to identify the appropriate approving authority at various levels of management including matters that require the approval of the RMC, AC and the Board. The LOA is reviewed and updated periodically to reflect business, operational and structural changes and needs.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Health, Safety and Environment ("HSE")

The Corporate HSE Department is responsible for setting the overall direction on HSE implementation within the Group and drives strategies and monitors performance to ensure HSE risks are managed to as low as reasonably practicable. During FY 2022, the Group registered two LTIs.

The Group is committed to improve the statistics and achieve zero LTI in the future as the safety of our people is the utmost important factor in our operations.

The overall management of Group security falls under the purview of the Head of Business and Corporate Partnering. It is the policy of the Company to ensure the protection of all Company-related interests against negative security incidents that have the potential to adversely impact the Group's personnel, assets and the business. Such protective activities are conducted in a manner consistent with international best practices and statutory compliance. The systems and processes adopted promote compliance with local regulations and respect for local cultures. Ultimately, the Company considers security a major business enabler, facilitating operational integrity and business continuity across the Group's global portfolio.

Related Party Transactions

The AC and the Board reviews and deliberates on any new related party transactions to ensure that the terms and conditions are commercially based, and the terms are at arm's length. All relevant related party transactions are reviewed and disclosed in the financial statements and quarterly announcements to ensure compliance with the MMLR.

FPSO Tendering Procedure

The Group has in place a FPSO Tendering Procedure to ensure that all tenders participated in by the Group for potential contracts and projects with clients have been reviewed and evaluated for appropriate balance in risk and reward and is consistent with the Group's strategy and risk profile, and reviewed in line with the Group's "Golden Contracting Rules". Such procedure provides guidelines to mitigate risks and unplanned events which would jeopardise the successful execution and financial outcome of projects. All proposed tenders are required to be comprehensively and thoroughly reviewed by Management at various phases via a gate review process in order to make an early assessment of the merits of submitting a tender, assigning appropriate management resources setting accountabilities, procuring timely approvals, and ensuring optimum project outcome. The Company's LOA specifies the various authority levels for approval, with the Board having the ultimate responsibility. However, at this point in time, there is very selective participation in tenders.

Golden Contracting Rules

The Group has established "Golden Contracting Rules" which set out the guiding principles to be adopted for its FPSO contracts. These rules are monitored by the Group Legal Department and any material deviations will require Board approval.

ABC Policy, Code of Business Conduct and Ethics and Speak Up Policy

The Group updated its ABC Policy in FY 2021 and has enhanced the Code as well as the Speak Up (Whistleblowing) Policy. These documents are made accessible to all employees of the Group as well as to the public via the Group's intranet and official website at www.bumiarmada.com respectively. These ABC Policy and the Code place significant importance in upholding the principles of integrity, discipline, good conduct and professionalism that are critical to the success and well-being of the Group. The ABC Policy and the Code include our zero-tolerance policy towards bribery and corruption in all our business dealings and include policy statements on the standards of behaviour and ethical conduct expected of each individual to whom the ABC Policy and the Code apply.

The Group also expects that contractors, sub-contractors, consultants, agents and representatives and any other entity or person performing work or services for or on behalf of any of the companies in the Group to comply with the ABC Policy, which expressly prohibits improper solicitation, bribery and other corrupt activity not only by employees and Directors but also by any third party that is performing work or services for or on behalf of any of the companies in the Group.

In line with the ABC Policy and the Code, the Group has also established the Speak Up (Whistleblowing) Policy which provides a confidential and secure avenue for employees and the public to disclose any improper conduct committed or about to be committed in accordance with procedures as provided under the Policy. The Group has also implemented an independent external speak-up hotline to receive any complaints.

Risk Management

The role of risk management for internal control is separately discussed.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

ASSURANCE FROM MANAGEMENT

The CEO and CFO have provided their assurance to the RMC, the AC and the Board that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects, for FY 2022 and up to the date of approval of this statement.

Based on Management's assurance as well as input from the relevant assurance providers, the Board is of the view that the Group's risk management and internal control systems are operating adequately and effectively. There will also be continuous improvement in this area and the systems and processes of the Group in all material respects, as appropriate.

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

CONCLUSION

For the year under review, and up to the date of approval of this Statement, based on inquiry, presentations during the year and information and assurances provided by the CEO and CFO, the Board is of the view that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects. There were no significant internal control weaknesses that have not been reported based on the risk management and internal control system of the Group. The internal control procedures of the Group will continue to be reviewed in order to improve and strengthen the system to ensure adequacy, integrity and effectiveness to safeguard the Group's assets and shareholders' investments.

This Statement is made in accordance with a resolution of the Board of Directors dated 23 March 2023. This statement has been updated up to 19 April 2023 to take into account any subsequent risks to the Group.

DIRECTORS' RESPONSIBILITY STATEMENT

Below is the Director's Responsibility Statement for your attention:

Directors of the Company are required to prepare financial statements for each financial year in accordance with the requirements of the Companies Act, 2016 ("CA 2016"), Malaysian Financial Reporting Standards and International Financial Reporting Standards, and to lay these before the Company at its Annual General Meeting. In addition, the MMLR requires that a listed issuer prepares the annual audited financial statements on a consolidated basis.

Directors are also responsible to ensure that the financial statements provide a true and fair view of the financial position of the Group and the Company as at the financial year ended 31 December 2022 and of their financial performance for the said financial year.

The Act also requires the Directors to keep such accounting and other records that will enable them to sufficiently explain the transactions and financial position of the Group and the Company, and to prepare true and fair financial statements and any documents required to be attached thereto, as well as to keep such records in such manner as to enable them to be conveniently and properly audited.

The Directors have used certain key accounting estimates and assumptions in preparing the financial statements for FY 2022 as well as exercised their judgement in applying the appropriate and relevant accounting policies.

The Directors have also relied on the internal control systems to ensure that the assets of the Company are safeguarded against loss from unauthorised use or disposition and all transactions authorised and recorded for the preparation of the financial statements are true and fair and are free from material misstatement.

Incorporated on pages 97 to 217 of this Annual Report are the financial statements of the Group and the Company for the financial year ended 31 December 2022.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors are pleased to present their report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. The principal activities of the Group consist of Floating Production Storage and Offloading ("FPSO") operations and engineering and maintenance services to offshore oil and gas companies. The provision of marine transportation has been reduced as part of the Group's divestment plan. Further details are provided in Note 13 to the financial statements.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year attributable to:		
- Owners of the Company	732,411	34,144
- Non-controlling interests	(7,755)	-
	724,656	34,144

DIVIDENDS

No dividend has been paid or declared since 31 December 2021. The Board of Directors does not recommend any dividend to be paid for the financial year ended 31 December 2022.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES

During the financial year, the Company issued 11,002,400 shares pursuant to the Management Incentive Plan ("MIP" or "Plan") to eligible employees and the Executive Director of the Group. The salient features and other terms of the Plan are disclosed in Note 34 to the financial statements.

MANAGEMENT INCENTIVE PLAN

On 23 May 2016, the Company's shareholders approved the establishment of the MIP for eligible employees and the Executive Director of the Company and its subsidiaries by the grant of shares which will be awarded annually and/or every 3-year period. The Plan was made effective on 10 October 2016 following the submission of the final copy of the by-laws governing the Plan to Bursa Malaysia Securities Berhad, the receipt of all required approvals and compliance with the requirements pertaining to the Plan by the Company.

The salient features and other terms of the Plan are disclosed in Note 34 to the financial statements.

DIRECTORS' REPORT

DIRECTORS

The Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are as follows:

Tunku Ali Redhauddin ibni Tuanku Muhriz	
Alexandra Elisabeth Johanna Maria Schaapveld *	
Chan Chee Beng	
Maureen Toh Siew Guat	
Uthaya Kumar a/l K Vivekananda	
Gary Neal Christenson	
Tunku Alizakri Bin Raja Muhammad Alias	
Rohan Rajan a/l Rajasooria	(Appointed on 23 November 2022)
Donald Allan Chudanov	(Resigned on 31 March 2022)

* She is also referred to as Alexandra Schaapveld in the other sections of this report and the financial statements

The names of the Directors of the Company's subsidiaries are set out in the respective subsidiaries' financial statements, where applicable, and the said information is deemed incorporated herein by such reference and made a part thereof.

DIRECTORS' BENEFITS

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 7 to the financial statements and the premium paid for the Directors and Officers Liability insurance for the year 2022/2023 amounting to RM 0.2 million with a coverage of RM250.0 million (2021/2022: premium paid amounted to RM0.3 million with a coverage of RM250.0 million)) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Neither during nor at the end of the financial year was the Company or any of its subsidiaries a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate other than shares granted under the MIP.

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests of the Directors in office at the end of the financial year, in shares and options over unissued shares in the Company or its subsidiaries during the financial year are as follows:

In the Company - Direct Interests

	Number of ordinary shares			
	As at 1.1.2022	Acquired	Disposed	As at 31.12.2022
Tunku Ali Redhauddin ibni Tuanku Muhriz (1)	20,000	-	-	20,000
Alexandra Schaapveld (2)	900,000	-	-	900,000
Chan Chee Beng (3)	2,511,200	-	-	2,511,200
Gary Neal Christenson	23,150,900	7,651,400 (4)	-	30,802,300

(1) Held through a nominee, namely Maybank Securities Nominees (Tempatan) Sdn Bhd
(2) Held through a nominee, namely CIMSEC Nominees (Asing) Sdn Bhd
(3) Held through a nominee, namely CIMSEC Nominees (Tempatan) Sdn Bhd
(4) Acquired through vesting of shares pursuant to the MIP

DIRECTORS' REPORT

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses; and

(b) to ensure that any current assets, other than debts, which were unlikely to be realised in the ordinary course of business, including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets 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 allowance for impairment losses in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

OTHER STATUTORY INFORMATION

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 affect the ability of the Group and of the Company to meet their 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 of 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 of the Company which has arisen since the end of the financial year.

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

In the opinion of the Directors:

(a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in the financial statements; 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 or of the Company for the financial year in which this report is made.

SUBSIDIARIES

Details of subsidiaries and subsidiaries' holding of shares in other related corporations are set out in Note 13 to the financial statements.

DIRECTORS' REPORT

AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in Note 5 to the financial statements.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on 23 March 2023. Signed on behalf of the Board of Directors:

GARY NEAL CHRISTENSON
DIRECTOR

UTHAYA KUMAR A/L K VIVEKANANDA
DIRECTOR

Kuala Lumpur

PREFACE TO THE FINANCIAL STATEMENTS

Sections A to E form part of the notes to the financial statements and provide the general information, basis of preparation and underlying considerations used in preparing the financial statements of the Group and the Company.

A GENERAL INFORMATION

The principal activities of the Company are investment holding and provision of management services. The principal activities of the Group consist of Floating Production Storage and Offloading ("FPSO") operations and engineering and maintenance services to offshore oil and gas companies. The provision of marine transportation has been reduced as part of the Group's divestment plan. Further details are provided in Note 13 to the financial statements.

The Company is incorporated and domiciled in Malaysia and is listed and quoted on the Official List of the Main Market of Bursa Malaysia Securities Berhad.

The address of the registered office and principal place of business of the Company is as follows:

Level 21, Menara Perak
24, Jalan Perak
50450 Kuala Lumpur
Malaysia.

B BASIS OF PREPARATION

The financial statements of the Group and the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies as stated in Section C.

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenue and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgements are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Section D.

(a) Amendments to published standards and interpretations that are effective

(i) Amendments to MFRS and annual improvements which are applicable to the Group and the Company beginning on or after 1 January 2022:

- Amendments to MFRS 116 "Property, Plant and Equipment" – Proceeds before Intended Use
- Amendments to MFRS 137 "Provisions, Contingent Liabilities and Contingent Assets" – Onerous Contracts – Costs of Fulfilling a Contract
- Amendments to Annual Improvements to MFRS Standards 2018 – 2020
    - Annual Improvements to MFRS 9 'Fees in the '10 per cent' test for Derecognition of Financial Liabilities'
    - Annual Improvements to Illustrative Example accompanying MFRS 16 Leases: Lease Incentives
- Amendments to References to the Conceptual Framework in MFRS Standards
    - Amendments to MFRS 3 "Business Combinations"

The adoption of the above amendments to MFRS and annual improvements did not have any significant impact on the financial statements of the Group and the Company.

PREFACE TO THE FINANCIAL STATEMENTS

B BASIS OF PREPARATION (CONTINUED)

(b) Amendments to published standards and interpretations that have been issued but are not yet effective

(i) Amendments to MFRS which are applicable to the Group and the Company beginning on or after 1 January 2023:

- Amendments to MFRS 101 "Presentation of Financial Statements" – Classification of Liabilities as Current or Non-current, and Disclosure of Accounting Policies
- Amendments to MFRS 108 "Accounting Policies, Changes in Accounting Estimates and Errors" – Definition of Accounting Estimates
- Amendments to MFRS 112 "Income Taxes" – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

(ii) Amendments to MFRS which are applicable to the Group and the Company beginning on or after 1 January 2024:

- Amendments to MFRS 101 "Presentation of Financial Statements" – Non-current Liabilities with Covenants

The adoption of the above amendments to MFRS may result in a change in accounting policy. The Group and the Company will quantify the effect of adopting these amendments when the full amendments are effective.

C SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combination. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The excess of the consideration and the fair value of previously held equity interests over the fair value of the Group's share of identifiable net assets acquired at the acquisition date is recognised as goodwill. Any gain from bargain purchase is recognised directly in profit or loss.

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

PREFACE TO THE FINANCIAL STATEMENTS

C SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Consolidation (continued)

(i) Subsidiaries (continued)

Intercompany transactions, balances and unrealised gains on transactions between companies within the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of income, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

(iii) Disposal of subsidiaries

When the Company ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

(iv) Joint arrangements

A joint arrangement is an arrangement in which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

The Group's interests in joint ventures are accounted for in the consolidated financial statements using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the joint venture in profit or loss, and the Group's share of movements in other comprehensive income of the joint venture in other comprehensive income.

Dividends received or receivable from a joint venture are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture, including any long-term interests that, in substance, form part of the Group's net investment in the joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

PREFACE TO THE FINANCIAL STATEMENTS

C SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Consolidation (continued)

(iv) Joint arrangements (continued)

The Group determines at each reporting date whether there is any objective evidence that the investment in joint venture is impaired. An impairment loss is recognised in profit or loss for the amount by which the carrying amount of the joint venture exceeds its recoverable amount.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interests in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to equity account its joint venture because of a loss of joint control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

(v) Associates

An associate is an entity in which the Group is in a position to exercise significant influence but not control or joint control. Significant influence is the power to participate in the financial and operating policy decisions, but not control those policies.

The Group's interests in associates are accounted for in the consolidated financial statements using the equity method, similar to the accounting policy disclosed in Section C(a)(iv).

(b) Investments in subsidiaries, joint ventures and associates in separate financial statements

In the Company's separate financial statements, investments in subsidiaries, joint ventures and associates are carried at cost less accumulated impairment losses (see the accounting policy disclosed in Section C(d)). On disposal of investments in subsidiaries, joint ventures and associates, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

The amounts due from subsidiaries of which the Company does not expect repayment in the foreseeable future and has no contractual terms of repayment are considered as part of the Company's capital contribution in subsidiaries (net investments).

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, assets dismantling costs, and restoration costs for the site. Costs also include borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (see the accounting policy disclosed in Section C(f)).

PREFACE TO THE FINANCIAL STATEMENTS

C SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment (continued)

Drydocking expenditures represent major inspection and overhaul costs and are depreciated to reflect the consumption of benefits, which are to be replaced or restored by the subsequent drydocking generally performed. The Group has included these drydocking costs as a component within vessel costs in accordance with MFRS 116 “Property, Plant and Equipment”.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Gains or losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

Property, plant and equipment are depreciated on a straight-line basis to allocate the cost of the assets to their residual values over their estimated useful lives. Depreciation on assets under construction commences when the assets are ready for their intended use.

The estimated useful lives of the categories of property, plant and equipment are summarised as follows:

Office premise	25 years
Drydocking expenditure	2 years
Vessels	10 to 25 years
Equipment, furniture, fittings and office equipment	2 to 10 years
Spare parts	1 to 3 years
Motor vehicles	5 years

Residual values and useful lives of the assets are reviewed, and adjusted if appropriate, at the end of each reporting period.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see the accounting policy disclosed in Section C(d)).

(d) Impairment of non-financial assets

Assets that have an indefinite useful life (e.g. goodwill) are not subject to amortisation and are tested annually for impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (“cash-generating units”). Assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserves.

PREFACE TO THE FINANCIAL STATEMENTS

C SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Non-current assets (or disposal groups) held-for-sale

Non-current assets (or disposal groups) are classified as assets held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell, except for assets such as deferred tax assets and financial assets, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held-for-sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held-for-sale continue to be recognised.

Non-current assets classified as held-for-sale and the assets of a disposal group classified as held-for-sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held-for-sale are presented separately from other liabilities in the statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of comprehensive income.

(f) Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between initial recognised amount and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(g) Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customers. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, value added tax, returns, rebates and discounts.

Revenue from contracts with customers measured at its transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct goods or services promised in the contract. Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

When there is a change order, variation or amendment to the contract, the Group will account for it as a separate contract if there is an increase in the scope of work with distinct performance obligations.

PREFACE TO THE FINANCIAL STATEMENTS

C SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Revenue recognition (continued)

The Group recognises revenue as follows:

(i) Vessel charter fees and support services

Floating Production Storage Offloading and Floating Gas Solutions

The Group is contracted to provide charter of vessels and support services such as operation and maintenance of the vessels. Charter of vessels are accounted in accordance to lease accounting as disclosed in Section C(i)(i).

The contracts may include vessel demobilisation services and major maintenance works which are treated as distinct performance obligations and will be satisfied in the period when the services are performed. The transaction price of the contracts is allocated to these performance obligations based on its standalone selling price, estimated by using the expected costs to be incurred and a rate of return which is applicable to the individual performance obligation.

The contracts of the Group are negotiated separately for charter of vessels and for support services. The Group treats vessel demobilisation services to be part of the contract for charter of vessels. The Group treats major maintenance works to be part of the contract for support services. These performance obligations are measured and recognised over time when the services are performed.

Any supplementary payments included in contracts are assessed as part of variable considerations and adjusted to the transaction price of the contracts.

Offshore Marine Services

The Group is contracted to provide time charter services using offshore support vessels fleets. Time charter services relates to short-term vessel charter operated by the Group.

The Group determines time charter services as a single performance obligation. Other scope of work includes provision of meals, accommodation, ship management services, agency services, mobilisation and demobilisation services which are considered as separate performance obligations and are recognised over time when services are rendered to the customers. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices specific to each offshore support vessels fleet and is recognised on a straight-line basis over the tenure of the contract.

(ii) Construction work

The Group enters into construction contracts with customers specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose for use.

The Group has regarded the construction contracts as a single performance obligation. When one of the following criteria is met, the Group recognises revenue from construction work over time:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

PREFACE TO THE FINANCIAL STATEMENTS

C SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Revenue recognition (continued)

Revenue from contracts with customers (continued)

The Group recognises revenue as follows: (continued)

(ii) Construction work (continued)

The transaction price of the contracts will be recognised as revenue progressively based on the percentage of completion determined by reference to the costs incurred to date relative to the total expected costs.

The Group provides warranties on completed projects against potential defects and do not treat these warranties as a separate performance obligation.

(iii) Sale of goods

Sale of goods such as scraps are recognised at a point in time upon delivery of products and customer acceptance, net of sales taxes and discounts, and after eliminating sales within the Group.

(iv) Central overhead fees

The Company earns central overhead fees from its subsidiaries and joint ventures. Central overhead fees are recognised over time when services are rendered.

(v) Management fees

The Group earns management fees from its subsidiaries and joint ventures. Management fees are recognised over time when services are rendered.

(vi) Engineering services

The Group earns revenue from engineering services and cost recovery, net of discounts and rebates, which are recognised over time when the services are rendered.

Revenue from other sources

Specific revenue recognition criteria for other revenue and income earned by the Group are as follows:

(i) Dividend income

Dividend income is recognised when the Group's right to receive payment is established. This applies even if they are paid out of pre-acquisition profits.

(ii) Interest income

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised as part of other operating income in the profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

PREFACE TO THE FINANCIAL STATEMENTS

C SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Revenue recognition (continued)

Contract assets and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. In the case of vessel charter contracts and construction contracts, contract asset is the excess of cumulative revenue earned over the billings to-date.

The impairment loss of contract assets is charged to profit or loss (see the accounting policy disclosed in Section C(t)(iv)).

Contract liability is the obligation to transfer goods or services to a customer for which the Group has received the consideration in advance or has billed the customer. In the case of vessel charter contracts and construction contracts, contract liability is the excess of the billings to-date over the cumulative revenue earned.

Costs incurred in obtaining a contract

Prior to securing a contract with customers, the Group will undergo a project bidding process. Costs incurred during the project bidding process are determined as costs to obtain a contract. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer in which case, it will be recognised as an asset. The asset recognised will be amortised on a systematic basis consistent with the transfer of goods or services to the customer to which the asset relates.

(h) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements of the Group and the Company are presented in Ringgit Malaysia, which is the Company's functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. However, exchange differences are deferred in other comprehensive income when they arose from qualifying cash flow hedges or are attributable to items that form part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within administrative expenses.

Translation difference on non-monetary financial assets, such as equities classified as financial assets at fair value through other comprehensive income ("FVOCI"), are included in other comprehensive income.

PREFACE TO THE FINANCIAL STATEMENTS

C SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Foreign currencies (continued)

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

Intercompany loans where settlement is neither planned nor likely to occur in the foreseeable future with no contractual terms of repayment, are treated as part of the parent's capital contribution in subsidiaries (net investment in foreign entities). On consolidation, exchange differences arising from translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income.

On the disposal of a foreign operation, all of the exchange differences relating to that foreign operation recognised in other comprehensive income and accumulated in the separate component of equity are reclassified to profit or loss, as part of the gain or loss on disposal. In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and is not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in joint ventures that do not result in the Group losing joint control), the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

(i) Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

(i) Accounting by lessor

As a lessor, the Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Finance leases

Leases where the Group has transferred substantially risks and rewards incidental to ownership of the leased assets to the lessees, are classified as finance leases.

The leased asset is derecognised and the present value of the lease receivable (net of initial direct costs for negotiating and arranging the lease) is recognised in the statement of financial position as "finance lease receivables". The finance lease receivables is subject to MFRS 9 impairment (refer to the accounting policy disclosed in Section C(t)(iv)). The difference between the gross receivable and the present value of the lease receivable is recognised as unearned finance income.

PREFACE TO THE FINANCIAL STATEMENTS

C SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Leases (continued)

(i) Accounting by lessor (continued)

Finance leases (continued)

Each lease payment received is applied against the gross investment in the finance lease receivables to reduce both the principal and the unearned finance income. The finance income is recognised in profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivables.

Any direct costs incurred by the Group in negotiating and arranging finance leases are added to finance lease receivables and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

When there is a change in estimates, renewal and modification of a lease agreement that does not result in reclassification of the lease, the Group will apply MFRS 9 derecognition guidance to decide whether the lease receivable should be de-recognised and the modified agreement accounted for as a new lease.

Operating leases

Leases where the Group retains substantially the risks and rewards incidental to ownership of the leased assets are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

Sublease classification

When the Group is an intermediate lessor, it assesses the lease classification of a sublease with reference to the right-of-use ("ROU") asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then the Group classifies the sublease as an operating lease.

Separating lease and non-lease components

If an arrangement contains lease and non-lease components, the Group allocates the consideration in the contract to the lease and non-lease components based on the stand-alone selling prices in accordance with the principles in MFRS 15 (See the accounting policy disclosed in Section C(g)).

(ii) Accounting by lessee

Leases are recognised as a ROU asset and a corresponding liability at the date on which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. The Group accounts for the non-lease components by applying other applicable standards.

PREFACE TO THE FINANCIAL STATEMENTS

C SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Leases (continued)

(ii) Accounting by lessee (continued)

Lease term

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group reassesses the lease term upon the occurrence of a significant event or change in circumstances that

- is within the control of the Group; and
- affects whether the Group is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities.

ROU assets

ROU assets are initially measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentive received;
- any initial direct costs; and
- decommissioning or restoration costs.

ROU assets are subsequently measured at cost less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

ROU assets are presented within property, plant and equipment in the statement of financial position.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivables;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the Group's incremental borrowing rate is used, i.e. the Group's weighted average borrowing rate at the inception of the lease.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

PREFACE TO THE FINANCIAL STATEMENTS

C SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Leases (continued)

(ii) Accounting by lessee (continued)

Lease liabilities (continued)

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The Group presents the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in the statement of income.

Reassessment of lease liabilities

The Group is also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

A change in lease payments (except for COVID-19 related rent concessions), other than those arising from a change in amounts expected to be payable under residual value guarantees or in an index or rate used to determine lease payments, is accounted for as a lease modification if it is not part of the original terms and conditions of the lease. The lease modification is accounted for as either a new lease or as a remeasurement of an existing lease liability, depending on the criteria set in MFRS 16.

Short-term leases and leases of low-value assets

Short-term leases are leases with a lease term of 12 months or less. Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

(j) Taxation

Taxation for the period comprises current, withholding and deferred taxes. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group operates and generates taxable income.

The Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is recognised on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred tax are recognised for all temporary differences associated with investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

PREFACE TO THE FINANCIAL STATEMENTS

C SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Employee benefits

(i) Short-term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as other payables and accruals in the statement of financial position.

(ii) Defined contribution plan

The Group's contributions to defined contribution plans are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further financial obligations.

(iii) Share-based payment

The Group operates an equity-settled, share-based compensation plan ("Management Incentive Plan" or "MIP") under which the Group receives services from employees as consideration for the grant of ordinary shares of the Company. The fair value of the shares granted in exchange for the services of the employees are recognised as employee benefit expense with a corresponding increase to share option reserve within equity. The total amount to be expensed is determined by reference to the fair value of the shares granted:

- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Non-market vesting conditions and service conditions are included in assumptions about the number of shares that are expected to vest.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of the reporting period, the Group revises its estimates of the number of shares that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to share option reserve in equity.

The Company issues new shares on vesting of the shares granted under the MIP. If the employment is terminated or ceased prior to the vesting date, the Group revises its estimates of the number of shares and recognises the impact of the revision to original estimates in profit or loss, with a corresponding adjustment to share option reserve in equity.

If the terms of an equity-settled amount are modified, at a minimum, an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity award is cancelled by forfeiture, when the vesting conditions (other than market conditions) have not been met, any expense not yet recognised for that award, as at the date of forfeiture, is treated as if it had never been recognised. At the same time, any expense previously recognised on such cancelled equity awards are reversed from the accounts effective as at the date of forfeiture.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

PREFACE TO THE FINANCIAL STATEMENTS

C SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Employee benefits (continued)

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of MFRS 137 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(l) Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance (see the accounting policy disclosed in Section C(t)(iv)).

(m) Trade payables and accruals

Trade payables and accruals represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid. Trade payables and accruals are classified as current liabilities unless payment is not due within 12 months after the reporting period. If not, they are presented as non-current liabilities.

Trade payables and accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(n) Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of past events, where it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Where the Group expects a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management’s best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance costs.

The Group recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

PREFACE TO THE FINANCIAL STATEMENTS

C SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Contingent assets and liabilities

The Group does not recognise contingent assets and liabilities, but disclose their existence in the financial statements, if any.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts. A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group.

(p) Cash and cash equivalents

For the purpose of the statement of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(q) Share capital

(i) Classification

Ordinary shares are classified as equity.

(ii) Share issue costs

Incremental costs directly attributable to the issue of new shares or options are deducted against equity.

(iii) Dividends

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

(r) Earnings per share

Basic earnings per share (“EPS”) is calculated by dividing the Group’s profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year and excluding treasury shares.

Diluted earnings per share adjusts the figures in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer. The Chief Executive Officer, who is responsible for allocating resources and assessing performance of the operating segments, has been identified to make strategic decisions. Segment revenue and expenses are those directly attributable to the segments and include any expenses where a reasonable basis of allocation exists.

PREFACE TO THE FINANCIAL STATEMENTS

C SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

(ii) Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ("SPPI").

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in other operating income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in the statement of income together with foreign exchange gains and losses. Impairment losses are presented within the statement of income.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in other operating income using the effective interest rate method. Foreign exchange gains and losses are presented in administrative expenses and impairment expenses are presented within the statement of income and statement of comprehensive income as applicable.

- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within the statement of income in the period in which it arises.

PREFACE TO THE FINANCIAL STATEMENTS

C SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Financial assets (continued)

(iii) Measurement (continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other operating income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in profit or loss as applicable.

(iv) Impairment of financial assets

Impairment for debt instruments

The Group assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost and at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group expects to receive, over the remaining life of the financial instrument. For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group expects to receive from the holder, the debtor or any other party.

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(a) Simplified approach for trade receivables, accrued lease rental and contract assets

The Group applies the MFRS 9 simplified approach to measure ECL, which uses a lifetime ECL for trade receivables, accrued lease rental and contract assets.

(b) General 3-stage approach for all financial assets except trade receivables, accrued lease rental and contract assets

At each reporting date, the Group measures ECL through loss allowance at an amount equal to 12-month ECL if credit risk on financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

Section E – Credit risk sets out the measurement details of ECL.

PREFACE TO THE FINANCIAL STATEMENTS

C SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Financial assets (continued)

(iv) Impairment of financial assets (continued)

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information, incorporating indicators such as significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of the debtor in the Group and changes in the operating results of the debtor.

A significant increase in credit risk is presumed if a debtor is more than 180 days past due in making a contractual payment, which the Group determined based on historical repayment trends before risk of default is heightened.

Definition of default and credit-impaired financial assets

The Group defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

(a) Quantitative criteria

The Group defines a financial instrument as default, when the counterparty fails to make contractual payments within a year of when they fall due.

(b) Qualitative criteria

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group considers the following instances:

- The debtor is in breach of financial covenants;
- Concessions have been made by the lender relating to the debtor's financial difficulty;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- Continuous default in the repayment plan;
- The debtor is insolvent.

Financial instruments that are credit-impaired are assessed on an individual basis.

Individual assessment basis for ECL measurement

Financial assets are assessed on an individual basis for ECL measurement, as credit risk information is obtained and monitored based on each debtor, joint venture, associate and subsidiary.

PREFACE TO THE FINANCIAL STATEMENTS

C SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Financial assets (continued)

(iv) Impairment of financial assets (continued)

Write-off

Financial assets are written off when the Group has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

Impairment losses are presented as net impairment losses within cost of sales in the profit or loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

(v) De-recognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

(u) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

(v) Financial guarantee contracts

Financial guarantee contracts are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued and the liability is initially measured at fair value.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the expected credit loss model under MFRS 9 "Financial Instruments" and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15 "Revenue from Contracts with Customers", where appropriate.

(w) Derivative and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair values at the end of each reporting period.

PREFACE TO THE FINANCIAL STATEMENTS

C SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Derivative and hedging activities (continued)

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as FVTPL and accounted for in accordance with the accounting policy set out in Section C(t). Derivatives that qualify for hedge accounting are designated as a cash flow hedge of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 32. Movements in the hedging reserve in shareholders' equity are shown in the statement of changes in equity. Where a portion of a derivative financial instrument is expected to be realised within 12 months after the end of the reporting period, that portion should be presented as a current asset or liability, and the remainder of the derivative financial instrument should be shown as non-current asset or liability.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within finance costs.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects the profit or loss. The gain or loss relating to the effective portion of interest rate swaps and cross currency interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance costs.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, the accounting of any cumulative deferred gain or loss and deferred costs of hedging included in equity depends on the nature of the underlying hedge transaction. For cash flow hedge which resulted in the recognition of a non-financial asset, the cumulative amount in equity shall be included in the initial cost of the asset. For other cash flow hedges, the cumulative amount in equity is reclassified to profit or loss in the same period that the hedged cash flows affect profit or loss. When hedged future cash flows or forecast transactions are no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that was reported in equity is immediately reclassified to profit or loss within finance costs.

Hedge documentation

The Group documents at the inception of the hedge relationship, the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Costs of hedging requirements: Foreign currency basis spread of cross currency interest rate swap

When swaps are used to hedge forecast transactions, the Group generally designates only the change in fair value of the swaps related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the swaps are recognised in the cash flow hedge reserve within equity. The deferred amounts are reclassified to profit or loss in the same period that the hedged item affects profit or loss. The change in the foreign currency basis spread of the swaps that relates to the hedged item ('aligned forward element') is recognised within other comprehensive income ("OCI") in the costs of hedging reserve within equity which is reclassified to profit or loss upon expiry of the hedge contract.

PREFACE TO THE FINANCIAL STATEMENTS

D CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(a) Classification of lease contracts

The following are the areas of judgement applied in determining the classification of lease contracts between finance lease and operating lease under MFRS 16 "Leases":

(i) Determination of lease term

The Group determines the lease term based on the "non-cancellable period" for which the Group has contracted to lease the asset together with any further terms for which the lessee has the option to continue to lease the asset, when at lease inception it is reasonably certain that the lessee will exercise the option.

(ii) Determination of purchase option

The lessee's purchase option is considered in classifying the lease contract. At lease inception, if it is not reasonably certain that the option will be exercised, the option will not be a part of the basis for classification. If the lessee has an option to purchase the asset at a price that is expected to be sufficiently lower than fair value at the date the option becomes exercisable, the exercise of the option is regarded as reasonably certain. The evaluation of the term "reasonably certain" involves judgement.

(b) Revenue

<u>Allocation of total consideration to performance obligation</u>

Contracts for leasing and operation of vessels are usually negotiated together. As the consideration for the leasing component and operation component of vessels are contracted together, they may not represent the fair value of the individual component separately. The total consideration paid is allocated between each component based on fair value of each component. This requires estimation based on expected costs to be incurred and a rate of return which is applicable to the performance obligation to be determined at lease inception.

<u>Finance lease income – unguaranteed residual value</u>

Finance lease income recognised over the lease term of an asset is dependent on the unguaranteed residual value at the end of the lease term. Assumptions about the unguaranteed residual value are based on prevailing market conditions and expected value to be obtained for these assets at the end of the lease term. These assumptions by their nature may differ from the actual outcome.

PREFACE TO THE FINANCIAL STATEMENTS

D CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(c) Impairment of non-financial assets

Property, plant and equipment and non-current assets classified as held-for-sale

The recoverable amount of each vessel is determined based on the higher of its value-in-use and its fair value less costs to sell.

The value-in-use of the vessels is based on estimates and judgements with respect to key assumptions such as contract margins, probability of securing new contracts, utilisation rates, daily charter rates and discount rate. Several of the Group's contracts are long-term in nature and there can be no certainty that the continuity of these contracts will not be materially affected by conditions such as a deterioration in the oil and gas market or a specific client's financial condition. Should the actual conditions be different to those in our assumptions, there may be an adverse effect on the recoverable amount of property, plant and equipment or non-current assets classified as held-for-sale.

The fair value less costs to sell of the vessels is estimated based on a market approach which takes into consideration the recent supply and demand for vessels of similar type and age in the market. The expected selling price less costs to sell is assessed based on the assumption that the vessels are charter-free, free of encumbrances, maritime liens and other debts, and is based on a willing buyer and willing seller basis.

Investment in subsidiaries

The recoverable amounts of investment in subsidiaries have been determined based on value-in-use calculations and is based on estimates and judgements with respect to key assumptions such as revenue growth, ability to secure future contracts, funding requirements and discount rate. The calculations of projected future cash flows from the subsidiaries are inherently judgemental and susceptible to change from period to period due to the assumptions stated above.

(d) Impairment of financial assets

The Group measures impairment of financial assets through the ECL model which incorporates elements of a probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money, and information about past events, current conditions and forecasts of future economic conditions. The loss allowance for financial assets is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of the reporting period.

In assessing the ECL of amounts due from subsidiaries, joint ventures and associates, the Company further considers strategies of repayment and expected future cash flows to fully recover the amount outstanding. The calculations of projected future cash flows of the subsidiaries, joint ventures and associates are inherently judgemental and susceptible to change from period to period due to the assumptions made.

(e) Vessels' useful lives and residual values

Depreciation depends on the estimated useful lives of the vessels and residual values at the end of their useful lives. The estimated useful lives are based on previous experience, knowledge and condition of the vessels owned by the Group and is normally equal to the design life of the vessel. Assumptions about residual value are based on prevailing market conditions and expected value to be obtained for these vessels at the end of their useful lives. These assumptions by their nature may differ from the actual outcome.

(f) Liquidated damages ("LD") and supplementary payments

The Group is subject to LD and supplementary payments arising from delays in completion of Floating Production Storage and Offloading conversion projects. The assessment of likelihood of LD requires significant judgement relating to the time of completion, the contracted costs to be incurred upon finalisation of the projects and outcome of negotiation with customers.

PREFACE TO THE FINANCIAL STATEMENTS

E FINANCIAL AND CAPITAL RISK MANAGEMENT OBJECTIVES AND POLICIES

This section presents information about the Group's and the Company's exposure to risks resulting from its use of financial instruments, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Board of Directors identifies and evaluates the financial risks in close co-operation with the Group's management.

Foreign currency exchange risk

The Group is exposed to various currencies, primarily, United States Dollar ("USD") (2021: USD and Russian Ruble ("RUB")). The Group's foreign currency exchange risk arises from balances relating to trade receivables, deposits, cash and bank balances and trade payables and accruals.

The objectives of the Group's foreign currency exchange risk management policies are to allow the Group to effectively manage the foreign exchange fluctuation that may arise from future commercial transactions and recognised assets and liabilities through foreign currency exchange forward contracts and cross currency interest rate swap contracts.

The Group's exposure to foreign currency at the end of the financial year is as follows:

	Denominated in currencies other than functional currencies				
	United States Dollar RM'000	Russian Ruble RM'000	Others RM'000	Denominated in functional currencies RM'000	Total RM'000
At 31 December 2022					
Trade receivables	**2,452**	**-**	**6,877**	**497,616**	**506,945**
Deposits, cash and bank balances	**67,770**	**5,657**	**11,767**	**753,653**	**838,847**
Trade payables and accruals	**(3,518)**	**-**	**(15,965)**	**(163,139)**	**(182,622)**
	66,704	**5,657**	**2,679**	**1,088,130**	**1,163,170**
At 31 December 2021					
Trade receivables	642	-	12	493,632	494,286
Deposits, cash and bank balances	67,685	56,567	9,493	661,101	794,846
Trade payables and accruals	(5,463)	(32)	(28,556)	(124,877)	(158,928)
	62,864	56,535	(19,051)	1,029,856	1,130,204

PREFACE TO THE FINANCIAL STATEMENTS

E FINANCIAL AND CAPITAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Foreign currency exchange risk (continued)

The sensitivity of profit or loss to changes in the exchange rates arises mainly from USD and RUB (2021: USD and RUB) denominated balances as illustrated in the following table:

Currency	Strengthened by	Impact on profit before taxation [Increase] 2022 RM'000	2021 RM'000
USD	10%	**6,670**	6,286
RUB	10%	**566**	5,654

A similar percentage decrease in the exchange rate would have an equal but opposite effect.

The Company's exposure to foreign currency at the end of the financial year is as follows:

	Denominated in currency other than functional currency		
	United States Dollar RM'000	Denominated in functional currency RM'000	Total RM'000
At 31 December 2022			
Deposits, cash and bank balances	**30,667**	**34,569**	**65,236**
At 31 December 2021			
Deposits, cash and bank balances	62,846	11,290	74,136

The sensitivity of profit or loss to changes in the exchange rates arises mainly from USD (2021: USD) denominated balances as illustrated in the following table:

Currency	Strengthened by	Impact on profit before taxation [Increase] 2022 RM'000	2021 RM'000
USD	10%	**3,067**	6,285

A similar percentage decrease in the exchange rate would have an equal but opposite effect.

PREFACE TO THE FINANCIAL STATEMENTS

E FINANCIAL AND CAPITAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Foreign currency exchange risk (continued)

The Group is exposed to foreign currency exchange risk on intercompany balances, where the balances are not denominated in functional currencies of the entities involved. Foreign currency exchange differences arising from net investments in foreign operations are recognised in other comprehensive income.

Foreign currency exchange differences arising from the translation of financial position of Group entities which have a functional currency different from Ringgit Malaysia are also recognised in other comprehensive income.

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to the Group's borrowings with floating interest rates which vary based on London Interbank Offer Rate ("LIBOR"). To manage interest rate risks, the floating interest rates of certain long-term loans are hedged in accordance with the Group's policy by fixed rate swaps to mirror the maturity period. Short-term facilities which bear interest at floating interest rates are not hedged.

The use of LIBOR as a benchmark for floating interest rates will cease in June 2023. The alternative reference rate is Secured Overnight Financing Rate ("SOFR"). Risks arising from the transition relate principally to the potential impact that the rates move by different amounts. This could result in hedge ineffectiveness. The Group has commenced preliminary discussions with lenders and swap counterparties for all LIBOR-linked financial instruments to reprice LIBOR-referenced contracts and to execute the necessary amendments to the contractual terms of the relevant loan agreements and the associated interest rate swaps before June 2023.

The contractual interest rates on borrowings and derivative financial instruments are disclosed in Notes 31 and 32 respectively.

As at the reporting date, the interest rate profile of the Group's interest-bearing financial instruments is as follows:

Group	2022 RM'000	2021 RM'000
Variable rate instruments		
Financial liabilities, comprising term loans	**3,974,219**	5,388,168
Less: Interest rate swap contracts	**(2,035,384)**	(2,527,819)
Total variable rate instruments not hedged	**1,938,835**	2,860,349

PREFACE TO THE FINANCIAL STATEMENTS

E FINANCIAL AND CAPITAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk (continued)

The sensitivity of the Group's profit before taxation for the financial year and equity to a reasonable possible change in interest rates with all other factors held constant and based on composition of liabilities with floating interest rates as at the reporting date is as follows:

	Impact on profit before taxation [Increase/(Decrease)]		Impact on equity [(1)] [Increase/(Decrease)]	
Group	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
- increased by 0.5% (2021: 0.5%)	**(9,893)**	(14,557)	**(10,177)**	(12,639)
- decreased by 0.5% (2021: 0.5%)	**9,893**	14,557	**10,177**	12,639

(1) Represents hedging reserve

The impact on profit before taxation for the financial year is mainly as a result of interest expenses on floating interest rate borrowings not in a designated hedging relationship. For borrowings in a designated hedging relationship, as these are effectively hedged, the interest rate movements will not have any impact on profit or loss.

Credit risk

Credit risk arises from contractual cash flows of favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to external customers and related parties, including outstanding receivables.

The Group's activities limit the exposure and credit risk concentration to a few major customers. The Group employs a credit policy that ensures customers are subjected to credit checks and outstanding accounts are followed up on a timely basis.

Several of the Group's contracts are long-term. The Group's credit risk continues for the entire contractual period. There can be no guarantee that the financial position of the Group's major customers will not materially change during the contracted period. Given the limited number of major customers of the Group and the significant portion they represent to the Group's income, the inability of one or more of them to make full payment may have a significant adverse impact on the financial position of the Group.

The Company is exposed to credit risk arising from financial guarantee contracts given to banks for subsidiaries' borrowings where the maximum credit risk exposure is the amount of borrowings utilised by the subsidiaries and the interest charged on the borrowings.

Measurement of ECL Model

The Group and the Company have the following financial assets and contract assets that are subject to the ECL model:

- Finance lease receivables
- Accrued lease rental
- Trade receivables
- Other receivables and deposits excluding prepayments
- Contract assets
- Amounts due from joint ventures
- Amounts due from associates
- Amounts due from subsidiaries

While deposits, cash and bank balances are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

PREFACE TO THE FINANCIAL STATEMENTS

E FINANCIAL AND CAPITAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

Measurement of ECL Model (continued)

Simplified approach for trade receivables, accrued lease rental, contract assets and amounts due from subsidiaries

Debtors are segregated into 5 credit ratings (A to E) based on financial position, expected risk of default on payments, and receivables aging as at the reporting date. Accrued lease rental and contract assets are similarly categorised together with the debtors based on assigned credit ratings.

The expected loss rates are based on payment profiles over a period of 5 years before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on conditions specific to the debtors which may affect their ability to settle the receivables.

The Group has considered expected oil price and geographical area which the debtor operates in and concluded that the effect of expected changes in these factors does not significantly affect the historical loss rates. No significant changes to estimation techniques or assumptions were made during the reporting period.

General 3-stage approach for all financial assets except trade receivables, accrued lease rental, contract assets and amounts due from subsidiaries

The Group uses the following categories which reflect their credit risk and how the loss allowance is determined for each of these categories.

Category	Group's definition of category	Basis for recognition of ECL provision
Performing	Debtors have low risk of default and a strong capacity to meet contractual cash flows	12-month ECL
Underperforming	Debtors for which there is a significant increase in credit risk or significant credit risk is presumed if repayments are 180 days past due	Lifetime ECL
Non-performing	Repayments are 365 days past due and there is evidence indicating the asset is credit-impaired	Lifetime ECL
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount	Asset is written off

Based on the above, loss allowance is measured on either 12-month ECL or lifetime ECL using a PD x LGD x EAD methodology as follows:

- PD ("probability of default") – the likelihood that the debtor would not be able to repay during the contractual period;
- LGD ("loss given default") – the percentage of contractual cash flows that will not be collected if default happens; and
- EAD ("exposure at default") – the outstanding amount that is exposed to default risk.

PREFACE TO THE FINANCIAL STATEMENTS

E FINANCIAL AND CAPITAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

Measurement of ECL Model (continued)

General 3-stage approach for all financial assets except trade receivables, accrued lease rental, contract assets and amounts due from subsidiaries (continued)

In deriving the PD and LGD, the Group considers historical data and assesses forward-looking macroeconomic data which may be applicable to each debtor. The Group has considered expected oil price and geographical area which the debtor operates in and concluded that the effect of expected changes in these factors does not significantly affect the historical loss rates. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

For amounts due from subsidiaries which are repayable on demand, the ECL is based on the assumption that repayment of the loan is demanded at reporting date. The Company assesses the recovery strategies of repayment from the subsidiaries in the event the amount is demanded to be repaid and if the Company is expected to fully recover the amount outstanding, the ECL will be limited to the effect of discounting the amount due from the subsidiary at an effective interest rate of 0% if the loan is interest free. Impairment would be recognised if the Company does not expect to fully recover the amount outstanding.

Reconciliation of loss allowance

The loss allowance for trade receivables, accrued lease rental and amounts due from subsidiaries as at the reporting periods which was assessed using the simplified approach reconciles to the opening loss allowance as disclosed in Note 21, Note 22 and Note 25 respectively.

The loss allowance for amounts due from joint ventures and other receivables and deposits, as at the reporting periods which was assessed using the general 3-stage approach is disclosed in Note 18 and Note 23 respectively.

PREFACE TO THE FINANCIAL STATEMENTS

E FINANCIAL AND CAPITAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

Measurement of ECL Model (continued)

Analysis of credit risk exposure

The following table contains an analysis of credit risk exposure of the Group's financial assets and contract assets that are subject to the ECL model, where the carrying amount represents the maximum credit risk exposure:

Group	Performing RM'000	Under-performing RM'000	Non-performing RM'000	Total RM'000
At 31 December 2022				
Gross carrying amount				
Finance lease receivables	4,628,477	-	-	4,628,477
Trade receivables	506,945	-	57,368	564,313
Other receivables and deposits excluding prepayments	11,495	-	3,402	14,897
Contract assets	32,156	-	-	32,156
Amounts due from joint ventures	22,077	67,629	-	89,706
Amounts due from associates	332,815	40,193	-	373,008
Deposits, cash and bank balances	838,847	-	-	838,847
	6,372,812	107,822	60,770	6,541,404
Loss allowance				
Trade receivables	-	-	(57,368)	(57,368)
Other receivables and deposits excluding prepayments	-	-	(3,402)	(3,402)
Amounts due from joint ventures	-	(39,344)	-	(39,344)
	-	(39,344)	(60,770)	(100,114)
Net carrying amount	6,372,812	68,478	-	6,441,290

PREFACE TO THE FINANCIAL STATEMENTS

E FINANCIAL AND CAPITAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

Measurement of ECL Model (continued)

Analysis of credit risk exposure (continued)

The following table contains an analysis of credit risk exposure of the Group's financial assets and contract assets that are subject to the ECL model, where the carrying amount represents the maximum credit risk exposure: (continued)

Group	Performing RM'000	Under-performing RM'000	Non-performing RM'000	Total RM'000
At 31 December 2021				
Gross carrying amount				
Finance lease receivables	4,628,808	-	-	4,628,808
Accrued lease rental	-	329,794	-	329,794
Trade receivables	494,286	-	105,277	599,563
Other receivables and deposits excluding prepayments	37,531	-	3,595	41,126
Contract assets	12,480	-	-	12,480
Amounts due from joint ventures	106	73,711	-	73,817
Amounts due from associates	309,763	22,813	-	332,576
Deposits, cash and bank balances	794,846	-	-	794,846
	6,277,820	426,318	108,872	6,813,010
Loss allowance				
Accrued lease rental	-	(246,464)	-	(246,464)
Trade receivables	-	-	(105,277)	(105,277)
Other receivables and deposits excluding prepayments	-	-	(3,595)	(3,595)
Amounts due from joint ventures	-	(27,835)	-	(27,835)
	-	(274,299)	(108,872)	(383,171)
Net carrying amount	6,277,820	152,019	-	6,429,839

The Company's financial assets that are subject to the ECL model are classified within the Performing category and have not been impaired, except for amounts due from subsidiaries, which is classified within the Under-performing category. The carrying amount represents the maximum credit risk exposure.

PREFACE TO THE FINANCIAL STATEMENTS

E FINANCIAL AND CAPITAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Group and the Company may encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's objectives are to manage its debt maturity profile, operating cash flows and the availability of funding in order to ensure that all operating and financing requirements are met.

The table below analyses the Group's non-derivative financial liabilities and net settled derivative financial instruments into relevant maturity groupings based on the remaining period as at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

Group	Within 1 year RM'000	More than 1 year and within 2 years RM'000	More than 2 years and within 5 years RM'000	Total RM'000
At 31 December 2022				
Borrowings	1,405,203	3,177,529	1,756,817	6,339,549
Amounts due to joint ventures	1,441	-	-	1,441
Amount due to an associate	2,945	-	-	2,945
Net settled derivative financial instruments				
- interest rate swaps	(52,054)	(30,286)	(20,752)	(103,092)
- cross currency interest rate swaps	9,675	449,760	-	459,435
Trade payables and accruals	182,622	-	-	182,622
Other payables and accruals *	218,642	20,795	5,114	244,551
Lease liabilities	2,667	1,501	788	4,956

* Excludes non-refundable advances from customers and statutory liabilities.

PREFACE TO THE FINANCIAL STATEMENTS

E FINANCIAL AND CAPITAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

The table below analyses the Group's non-derivative financial liabilities and net settled derivative financial instruments into relevant maturity groupings based on the remaining period as at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows: (continued)

Group	Within 1 year RM'000	More than 1 year and within 2 years RM'000	More than 2 years and within 5 years RM'000	More than 5 years RM'000	Total RM'000
At 31 December 2021					
Borrowings	1,624,532	1,144,983	4,317,747	521,343	7,608,605
Amounts due to joint ventures	1,358	-	-	-	1,358
Amount due to an associate	1,987	-	-	-	1,987
Net settled derivative financial instruments					
- interest rate swaps	28,272	10,718	14,138	2,979	56,107
- cross currency interest rate swaps	7,043	11,196	442,339	-	460,578
Trade payables and accruals	158,928	-	-	-	158,928
Other payables and accruals *	177,103	19,618	25,475	-	222,196
Lease liabilities	2,738	2,460	1,968	-	7,166

* Excludes non-refundable advances from customers and statutory liabilities.

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period as at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

Company	Within 1 year RM'000	More than 1 year and within 2 years RM'000	More than 2 years and within 5 years RM'000	Total RM'000
At 31 December 2022				
Other payables and accruals excluding statutory liabilities	**23,175**	**-**	**-**	**23,175**
Amounts due to subsidiaries	**42,282**	**-**	**-**	**42,282**
Amount due to a joint venture	**1,345**	**-**	**-**	**1,345**
Amount due to an associate	**1**	**-**	**-**	**1**
Lease liabilities	**1,201**	**35**	**43**	**1,279**

PREFACE TO THE FINANCIAL STATEMENTS

E FINANCIAL AND CAPITAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period as at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows: (continued)

Company	Within 1 year RM'000	More than 1 year and within 2 years RM'000	More than 2 years and within 5 years RM'000	Total RM'000
At 31 December 2021				
Other payables and accruals excluding statutory liabilities	18,449	-	-	18,449
Amounts due to subsidiaries	35,898	-	-	35,898
Amount due to a joint venture	1,257	-	-	1,257
Amount due to an associate	1	-	-	1
Lease liabilities	1,047	1,201	78	2,326

Corporate guarantees are financial guarantees given to banks for credit facilities granted to subsidiaries. The maximum amount of the financial guarantees issued by the Company to the banks for subsidiary companies' borrowings is limited to the amount utilised by the subsidiary companies and the interest charged on the borrowings, amounting to RM2,798.8 million as at 31 December 2022 (2021: RM3,969.1 million). The earliest period that the financial guarantees can be called upon by the banks is upon an event of default which could not be remedied. The Company believes that the liquidity risk in respect of the financial guarantees is minimal as it is unlikely that the subsidiary companies will not make payment to the banks when due.

Capital risk management

The Group's and the Company's objectives when managing capital, are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain the capital structure, the Company may issue new shares or issue new debt and return capital to shareholders or adjust the amount of dividends paid to shareholders.

The capital structure of the Group and the Company consists of borrowings (excluding cash and cash equivalents) and total equity, comprising issued share capital, reserves and non-controlling interests.

The Group is required to maintain a certain ratio of total net debt to adjusted earnings before interest, taxation, depreciation, amortisation and impairment, as defined in the facilities agreements. During the financial year, the Group has complied with these requirements.

STATEMENTS OF INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000 Restated	2022 RM'000	2021 RM'000 Restated
Continuing operations					
Revenue	2	**2,405,539**	2,162,582	**165,351**	275,681
Cost of sales		**(1,275,399)**	(1,242,986)	**(95,434)**	(79,154)
Gross profit		**1,130,140**	919,596	**69,917**	196,527
Other operating income	3	**58,226**	145,494	**1,096**	554
Selling and distribution costs		**(5,559)**	(4,648)	**-**	-
Administrative expenses		**(84,826)**	(96,901)	**(36,314)**	(22,436)
Operating profit before impairment		**1,097,981**	963,541	**34,699**	174,645
(Impairment)/Reversal of impairment	5				
- Accrued lease rental		**(88,010)**	-	**-**	-
- Others		**16,577**	(5,211)	**(1,230)**	(19,099)
Operating profit		**1,026,548**	958,330	**33,469**	155,546
Finance costs	4	**(366,698)**	(397,122)	**(405)**	(392)
Share of results of joint ventures and associates	14,15	**49,151**	106,688	**-**	-
Profit before taxation	5	**709,001**	667,896	**33,064**	155,154
Taxation	8	**15,655**	(25,058)	**1,080**	(134)
Profit from continuing operations		**724,656**	642,838	**34,144**	155,020
Discontinued operations					
Loss from discontinued operations	9	**-**	(85,160)	**-**	-
Profit for the financial year		**724,656**	557,678	**34,144**	155,020

STATEMENTS OF INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000 Restated	2022 RM'000	2021 RM'000 Restated
Attributable to:					
Owners of the Company					
- from continuing operations		**732,411**	659,226		
- from discontinued operations		**-**	(85,160)		
		732,411	574,066		
Non-controlling interests					
- from continuing operations		**(7,755)**	(16,388)		
		724,656	557,678		
Basic earnings per share (sen)	10				
- from continuing operations		**12.38**	11.18		
- from discontinued operations		**-**	(1.44)		
		12.38	9.74		
Diluted earnings per share (sen)	10				
- from continuing operations		**12.38**	11.18		
- from discontinued operations		**-**	(1.44)		
		12.38	9.74		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit for the financial year	**724,656**	557,678	**34,144**	155,020
Continuing operations				
Other comprehensive income/(expense):				
Items that may be reclassified subsequently to profit or loss:				
- Cash flow hedges	**290,247**	110,875	**-**	-
- Costs of hedging	**(32,746)**	12,979	**-**	-
- Foreign currency translation differences	**170,122**	107,269	**-**	-
- Share of other comprehensive income of joint ventures	**2,555**	2,688	**-**	-
Items that will not be reclassified to profit or loss:				
- Financial assets at fair value through other comprehensive income				
- Gain/(Loss) on fair value change	**14,342**	(1,817)	**-**	-
Other comprehensive income for the financial year, net of tax, from continuing operations	**444,520**	231,994	**-**	-
Discontinued operations				
Other comprehensive income for the financial year, net of tax, from discontinued operations	**-**	1,055	**-**	-
Other comprehensive income for the financial year, net of tax	**444,520**	233,049	**-**	-
Total comprehensive income for the financial year	**1,169,176**	790,727	**34,144**	155,020
Total comprehensive income/(expense) attributable to:				
Owners of the Company				
- from continuing operations	**1,179,275**	892,063		
- from discontinued operations	**-**	(84,105)		
	1,179,275	807,958		
Non-controlling interests				
- from continuing operations	**(10,099)**	(17,231)		
	1,169,176	790,727		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	2022 RM'000	2021 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	**4,011,548**	4,212,753
Investment in joint ventures	14	**1,030,763**	1,031,331
Investment in associates	15	**39,276**	33,383
Financial assets at fair value through other comprehensive income	16	**27,816**	12,651
Finance lease receivables	17	**4,350,572**	4,403,444
Accrued lease rental	22	**-**	83,330
Amount due from a joint venture	18	**26,748**	31,994
Amount due from an associate	19	**357,317**	322,801
Derivative financial instruments	32	**46,522**	364
Deferred tax assets	20	**9,339**	28,326
TOTAL NON-CURRENT ASSETS		**9,899,901**	10,160,377
CURRENT ASSETS			
Finance lease receivables	17	**277,905**	225,364
Trade receivables	21	**506,945**	494,286
Other receivables, deposits and prepayments	23	**32,804**	82,909
Contract assets	24	**32,156**	12,480
Amounts due from joint ventures	18	**23,614**	13,988
Amounts due from associates	19	**15,691**	9,775
Derivative financial instruments	32	**50,843**	487
Tax recoverable		**40,713**	20,469
Deposits, cash and bank balances	26	**838,847**	794,846
		1,819,518	1,654,604
Non-current assets and disposal group classified as held-for-sale	27	**6,599**	255,465
TOTAL CURRENT ASSETS		**1,826,117**	1,910,069
TOTAL ASSETS		**11,726,018**	12,070,446

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	2022 RM'000	2021 RM'000
LIABILITIES			
LESS: CURRENT LIABILITIES			
Trade payables and accruals	28	**182,622**	158,928
Other payables and accruals	29	**316,785**	285,129
Contract liabilities	24	**21,634**	34,219
Amounts due to joint ventures	18	**1,441**	1,358
Amount due to an associate	19	**2,945**	1,987
Leases	30	**63,861**	61,263
Borrowings	31	**1,018,411**	1,404,128
Derivative financial instruments	32	**9,737**	35,671
Taxation		**10,461**	9,586
		1,627,897	1,992,269
Liabilities directly associated with non-current assets and disposal group classified as held-for-sale	27	**-**	53,579
TOTAL CURRENT LIABILITIES		**1,627,897**	2,045,848
NET CURRENT ASSETS/(LIABILITIES)		**198,220**	(135,779)
LESS: NON-CURRENT LIABILITIES			
Other payables and accruals	29	**50,211**	86,528
Contract liabilities	24	**27,949**	27,268
Leases	30	**2,941**	4,072
Borrowings	31	**4,486,369**	5,514,202
Derivative financial instruments	32	**424,684**	455,577
Deferred tax liabilities	20	**10,417**	15,123
TOTAL NON-CURRENT LIABILITIES		**5,002,571**	6,102,770
NET ASSETS		**5,095,550**	3,921,828
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	33	**4,332,376**	4,328,432
Reserves	35	**814,152**	(365,725)
		5,146,528	3,962,707
NON-CONTROLLING INTERESTS		**(50,978)**	(40,879)
TOTAL EQUITY		**5,095,550**	3,921,828
NET ASSETS PER SHARE (RM) *		**0.86**	0.66

* Based on 5,918,047,144 (2021: 5,907,044,744) ordinary shares in issue as at 31 December 2022.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 RM'000	2021 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	**2,796**	4,293
Investment in subsidiaries	13	**2,404,818**	2,040,536
Investment in joint ventures	14	**35,488**	38,242
Investment in an associate	15	**19**	19
Deferred tax assets	20	**4,543**	3,474
TOTAL NON-CURRENT ASSETS		**2,447,664**	2,086,564
CURRENT ASSETS			
Other receivables, deposits and prepayments	23	**5,488**	11,192
Amounts due from subsidiaries	25	**134,574**	433,905
Amounts due from joint ventures	18	**1,059**	1,106
Amount due from an associate	19	**16**	-
Tax recoverable		**2,982**	3,489
Deposits, cash and bank balances	26	**65,236**	74,136
		209,355	523,828
Non-current asset classified as held-for-sale	27	**2,754**	-
TOTAL CURRENT ASSETS		**212,109**	523,828
TOTAL ASSETS		**2,659,773**	2,610,392
LIABILITIES			
LESS: CURRENT LIABILITIES			
Other payables and accruals	29	**24,923**	20,062
Amounts due to subsidiaries	25	**42,282**	35,898
Amount due to a joint venture	18	**1,345**	1,257
Amount due to an associate	19	**1**	1
Leases	30	**1,025**	642
TOTAL CURRENT LIABILITIES		**69,576**	57,860
NET CURRENT ASSETS		**142,533**	465,968

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 RM'000	2021 RM'000
LESS: NON-CURRENT LIABILITY			
Leases	30	**75**	1,100
TOTAL NON-CURRENT LIABILITY		**75**	1,100
NET ASSETS		**2,590,122**	2,551,432
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	33	**4,332,376**	4,328,432
Reserves	35	**(1,742,254)**	(1,777,000)
TOTAL EQUITY		**2,590,122**	2,551,432
NET ASSETS PER SHARE (RM) *		**0.44**	0.43

* Based on 5,918,047,144 (2021: 5,907,044,744) ordinary shares in issue as at 31 December 2022.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		Attributable to Owners of the Company									
	Note	Number of shares 33 '000	Share capital 33 RM'000	Foreign exchange reserve 35(a) RM'000	Share option reserve 35(b) RM'000	Hedging reserve 35(c) RM'000	Other reserve 35(d) RM'000	Accu-mulated losses RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
2022											
At 1 January		5,907,045	4,328,432	1,255,466	4,657	(125,401)	(1,742)	(1,498,705)	3,962,707	(40,879)	3,921,828
Profit/(Loss) for the financial year		-	-	-	-	-	-	732,411	732,411	(7,755)	724,656
Other comprehensive income/ (expense) for the financial year, net of tax		-	-	172,466	-	260,056	14,342	-	446,864	(2,344)	444,520
Total comprehensive income/ (expense) for the financial year, net of tax		-	-	172,466	-	260,056	14,342	732,411	1,179,275	(10,099)	1,169,176
Transactions with owners:											
- Shares issued pursuant to the management incentive plan	34	11,002	3,944	-	(3,944)	-	-	-	-	-	-
- Management incentive plan granted	34	-	-	-	4,546	-	-	-	4,546	-	4,546
At 31 December		5,918,047	4,332,376	1,427,932	5,259	134,655	12,600	(766,294)	5,146,528	(50,978)	5,095,550

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Attributable to Owners of the Company								Non-controlling interest	Total equity
		Number of shares 33 '000	Share capital 33 RM'000	Foreign exchange reserve 35(a) RM'000	Share option reserve 35(b) RM'000	Hedging reserve 35(c) RM'000	Other reserve 35(d) RM'000	Accu-mulated losses RM'000	Total RM'000	RM'000	RM'000
2021											
At 1 January		5,885,896	4,321,351	1,146,299	6,127	(251,943)	75	(2,072,771)	3,149,138	(23,648)	3,125,490
Profit/(Loss) for the financial year		-	-	-	-	-	-	574,066	574,066	(16,388)	557,678
Other comprehensive income/ (expense) for the financial year, net of tax		-	-	109,167	-	126,542	(1,817)	-	233,892	(843)	233,049
Total comprehensive income/ (expense) for the financial year, net of tax		-	-	109,167	-	126,542	(1,817)	574,066	807,958	(17,231)	790,727
Transactions with owners:											
- Shares issued pursuant to the management incentive plan	34	21,149	7,081	-	(7,081)	-	-	-	-	-	-
- Management incentive plan granted	34	-	-	-	5,611	-	-	-	5,611	-	5,611
At 31 December		5,907,045	4,328,432	1,255,466	4,657	(125,401)	(1,742)	(1,498,705)	3,962,707	(40,879)	3,921,828

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Number of shares 33 '000	Share capital 33 RM'000	Share option reserve 35(b) RM'000	Accumulated losses RM'000	Total RM'000
2022						
At 1 January		**5,907,045**	**4,328,432**	**4,657**	**(1,781,657)**	**2,551,432**
Total comprehensive income for the financial year, net of tax		**-**	**-**	**-**	**34,144**	**34,144**
Transactions with owners:						
- Shares issued pursuant to the management incentive plan	34	**11,002**	**3,944**	**(3,944)**	**-**	**-**
- Management incentive plan granted	34	**-**	**-**	**4,546**	**-**	**4,546**
At 31 December		**5,918,047**	**4,332,376**	**5,259**	**(1,747,513)**	**2,590,122**

	Note	Number of shares 33 '000	Share capital 33 RM'000	Share option reserve 35(b) RM'000	Accumulated losses RM'000	Total RM'000
2021						
At 1 January		5,885,896	4,321,351	6,127	(1,936,677)	2,390,801
Total comprehensive income for the financial year, net of tax		-	-	-	155,020	155,020
Transactions with owners:						
- Shares issued pursuant to the management incentive plan	34	21,149	7,081	(7,081)	-	-
- Management incentive plan granted	34	-	-	5,611	-	5,611
At 31 December		5,907,045	4,328,432	4,657	(1,781,657)	2,551,432

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000 Restated	2022 RM'000	2021 RM'000 Restated
OPERATING ACTIVITIES					
Continuing operations					
Profit for the financial year		**724,656**	642,838	**34,144**	155,020
Adjustments for non-cash items:					
Share of results of joint ventures and associates		**(49,151)**	(106,688)	**-**	-
Depreciation of property, plant and equipment	5	**342,661**	465,772	**2,917**	2,714
Fair value gain on ineffective portion of cash flow hedges	4	**(2,875)**	(682)	**-**	-
Net loss/(gain) on disposal of property, plant and equipment and non-current assets classified as held-for-sale	3,5	**14,268**	(27,535)	**(60)**	(18)
Gain on disposal of investment in a subsidiary	3	**-**	-	**(10)**	-
Impairment (net)	5	**71,433**	5,211	**1,230**	19,099
Unrealised foreign exchange (gain)/loss	5	**(45,693)**	1,866	**9,659**	580
Share-based payment		**4,546**	5,611	**4,546**	5,611
Interest income	3	**(29,394)**	(17,981)	**(983)**	(471)
Interest expense	4	**364,390**	393,692	**-**	-
Accretion of interest	4	**5,183**	4,112	**405**	392
Dividend income	2	**-**	-	**(61,176)**	(182,026)
Taxation	8	**(15,655)**	25,058	**(1,080)**	134
Operating profit/(loss) before changes in working capital		**1,384,369**	1,391,274	**(10,408)**	1,035
Changes in working capital:					
Inventories		**-**	4,060	**-**	-
Finance lease receivables		**265,752**	194,788	**-**	-
Trade and other receivables		**40,463**	60,141	**5,761**	1,556
Trade and other payables		**32,975**	20,124	**4,857**	645
Intercompany balances		**-**	-	**(70,426)**	(228,555)
Joint ventures and associates		**(39,068)**	(8,139)	**32**	171
Cash from/(used in) operations		**1,684,491**	1,662,248	**(70,184)**	(225,148)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group 2022 RM'000	Group 2021 RM'000 Restated	Company 2022 RM'000	Company 2021 RM'000 Restated
OPERATING ACTIVITIES (continued)					
Continuing operations (continued)					
Interest paid	E	**(334,197)**	(370,366)	**(405)**	(392)
Tax refunded/(paid) (net)		**60**	(9,034)	**518**	(83)
Dividends received from subsidiaries and joint ventures		**78,414**	115,096	**61,165**	193,929
Operating cash flow from/(used in) continuing operations		**1,428,768**	1,397,944	**(8,906)**	(31,694)
Operating cash flow from discontinued operations		**-**	77,598	**-**	-
NET CASH FLOWS GENERATED FROM/ (USED IN) OPERATING ACTIVITIES		**1,428,768**	1,475,542	**(8,906)**	(31,694)
INVESTING ACTIVITIES					
Continuing operations					
Purchase of property, plant and equipment	A	**(1,486)**	(13,004)	**(1,529)**	(286)
Proceeds from disposal of property, plant and equipment and non-current assets classified as held-for-sale		**99,517**	180,332	**169**	19
Interest received		**28,531**	18,424	**926**	532
Investment in a joint venture		**(1,815)**	(1,919)	**-**	-
Proceeds from disposal of investments in subsidiaries		**137,922**	-	**-**	-
Proceeds from redemption of redeemable preference shares	B	**-**	8,245	**-**	-
Repayment from a joint venture		**5,329**	2,064	**-**	-
Advances to an associate		**-**	(116,091)	**-**	-
Investing cash flow from/(used in) continuing operation		**267,998**	78,051	**(434)**	265
Investing cash flow from discontinued operation		**-**	391	**-**	-
NET CASH FLOWS GENERATED FROM/ (USED IN) INVESTING ACTIVITIES		**267,998**	78,442	**(434)**	265

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000 Restated	2022 RM'000	2021 RM'000 Restated
FINANCING ACTIVITIES					
Continuing operations					
Repayment of borrowings		**(1,747,294)**	(1,651,493)	**-**	-
Repayment of lease liabilities		**(2,631)**	(4,151)	**(642)**	(2,964)
Financing cash flows used in continuing operations		**(1,749,925)**	(1,655,644)	**(642)**	(2,964)
Financing cash flows used in discontinued operations		**-**	-	**-**	-
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**(1,749,925)**	(1,655,644)	**(642)**	(2,964)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(53,159)**	(101,660)	**(9,982)**	(34,393)
CURRENCY TRANSLATION DIFFERENCES		**48,634**	50,251	**1,082**	1,533
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		**843,372**	894,781	**74,136**	106,996
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	C	**838,847**	843,372	**65,236**	74,136

Notes to the statements of cash flows:

A Additions to property, plant and equipment (Note 12) which were acquired during the financial year were as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash	**1,486**	13,004	**1,529**	286
Movement in property, plant and equipment creditors and lease liabilities	**158**	(5,603)	**-**	158
	1,644	7,401	**1,529**	444

B Redemption of redeemable preference shares

During the financial year, the Group redeemed RM22.1 million (2021: RM8.2 million) redeemable preference shares in Armada C7 Pte Ltd. The redemption amount of RM22.1 million was received subsequent to the financial year ended 31 December 2022.

The Company did not redeem any redeemable preference shares during the financial year and the previous financial year.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Notes to the statements of cash flows: (continued)

C Cash and cash equivalents consist of:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and bank balances	**82,812**	119,442	**20,794**	517
Deposits with licensed banks	**756,035**	723,930	**44,442**	73,619
	838,847	843,372	**65,236**	74,136
Cash and cash equivalent:				
- from continuing operations	**838,847**	794,846	**65,236**	74,136
- from discontinued operations	**-**	48,526	**-**	-
	838,847	843,372	**65,236**	74,136

D Non-cash transactions

During the financial year, the Company designated certain amounts owing from subsidiaries of RM364.3 million (2021: Nil) as capital contribution in subsidiaries. The amounts designated as capital contribution are unsecured, interest-free and any repayment is at the discretion of the subsidiaries upon notification by the subsidiaries to the Company.

E Included in the Group's interest paid in the current financial year is interest arising from interest rate swaps amounting to RM10.8 million (2021: RM46.1 million).

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Notes to the statements of cash flows: (continued)

F This section sets out an analysis of liabilities from financing activities for the financial year.

Group	Note	Liabilities from financing activities Borrowings 31 RM'000	 Lease liabilities 30 RM'000	Total RM'000
2022				
Net liabilities from financing activities as at 1 January		**6,918,330**	**6,144**	**6,924,474**
Interest expense/(income)	4	**361,801**	**-**	**361,801**
Interest (paid)/received		**(322,641)**	**(738)**	**(323,379)**
Accretion of interest	30	**-**	**738**	**738**
Repayment of bank borrowings		**(1,747,294)**	**-**	**(1,747,294)**
Repayment of lease liabilities		**-**	**(2,631)**	**(2,631)**
Remeasurement		**-**	**2,425**	**2,425**
Foreign exchange differences		**294,584**	**(177)**	**294,407**
Net liabilities from financing activities as at 31 December		**5,504,780**	**5,761**	**5,510,541**
2021				
Net liabilities from financing activities as at 1 January		8,306,435	9,001	8,315,436
Interest expense/(income)	4	347,809	-	347,809
Interest (paid)/received		(323,432)	(786)	(324,218)
Accretion of interest	30	-	786	786
Repayment of bank borrowings		(1,651,493)	-	(1,651,493)
Repayment of lease liabilities		-	(4,151)	(4,151)
Additions during the year	12	-	(189)	(189)
Remeasurement		-	1,477	1,477
Foreign exchange differences		239,011	6	239,017
Net liabilities from financing activities as at 31 December		6,918,330	6,144	6,924,474

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Notes to the statements of cash flows: (continued)

F This section sets out an analysis of liabilities from financing activities for the financial year. (continued)

Company	Note	Liabilities from financing activities Lease liabilities 30 RM'000
2022		
Net liabilities from financing activities as at 1 January		**1,742**
Interest paid		**(405)**
Accretion of interest	30	**405**
Repayment of lease liabilities		**(642)**
		1,100
2021		
Net liabilities from financing activities as at 1 January		4,548
Interest paid		(392)
Accretion of interest	30	392
Repayment of lease liabilities		(2,964)
Addition during the year		158
		1,742

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

1 SEGMENT INFORMATION

With effect from 1 January 2022, the Group reorganised its segments to reflect the nature of activities carried out by its business units, in line with the Group's divestment of the Offshore Support Vessel ("OSV") sub-segment through its asset monetisation programme. The Group's reportable segments are as follows:

(i) Operations – provision of FPSO vessels, Floating Gas Solutions unit, OSV vessels, Subsea Construction assets and marine related services.

(ii) Others – consists of the following:

- Technology, Engineering and Projects – provision of engineering consultancy and project support services.
- Corporate and others – Management services and corporate support services provided to subsidiaries which are considered incidental to the Group's operating business.

The comparative segment information has been restated accordingly.

The external revenue reported to the Chief Executive Officer is measured in a manner consistent with the Group's statement of income. The cost of sales and allocation of expenses attributable to each segment is based on management's internal allocation basis and may not individually be consistent with the Group's statement of income. Inter-segment revenue comprises mostly of engineering services provided to the marine charter hire companies and central overhead fees allocated within the Group. These transactions are conducted based on terms and conditions negotiated with related parties.

	Operations RM'000	Others RM'000	Elimination RM'000	Group RM'000
2022				
Continuing operations				
Revenue	2,315,371	90,168	-	2,405,539
Inter-segment revenue	-	61,090	(61,090)	-
Total revenue	2,315,371	151,258	(61,090)	2,405,539
Results				
Segment results	1,327,219	55,197	-	1,382,416
Depreciation of property, plant and equipment	(339,314)	(3,347)	-	(342,661)
Impairment (net)	(66,272)	(5,161)	-	(71,433)
Share of results of joint ventures and associates	46,687	2,464	-	49,151
Subtotal	968,320	49,153	-	1,017,473
Other operating income				58,226
Finance costs				(366,698)
Taxation				15,655
Profit from continuing operations				724,656
Discontinued operations				
Loss from discontinued operations				-
Profit for the financial year				724,656

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

1 SEGMENT INFORMATION (CONTINUED)

	Operations RM'000 Restated	Others RM'000 Restated	Elimination RM'000 Restated	Group RM'000 Restated
2021				
Continuing operations				
Revenue	2,057,592	104,990	-	2,162,582
Inter-segment revenue	-	57,801	(57,801)	-
Total revenue	2,057,592	162,791	(57,801)	2,162,582
Results				
Segment results	1,275,508	8,311	-	1,283,819
Depreciation of property, plant and equipment	(462,679)	(3,093)	-	(465,772)
Impairment (net)	(5,211)	-	-	(5,211)
Share of results of joint ventures and associates	93,982	12,706	-	106,688
Subtotal	901,600	17,924	-	919,524
Other operating income				145,494
Finance costs				(397,122)
Taxation				(25,058)
Profit from continuing operations				642,838
Discontinued operations				
Loss from discontinued operations				(85,160)
Profit for the financial year				557,678

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

1 SEGMENT INFORMATION (CONTINUED)

The Group is managed in Malaysia, and operates in the following main geographical areas:

- Asia (excluding Malaysia), Africa and Europe - mainly charter hire of vessels and construction work.
- Malaysia - mainly charter hire of vessels, marine engineering and consultancy services.

Revenue by locations of the Group's operations are analysed as follows:

	Group	
	2022 RM'000	2021 RM'000
Continuing operations		
Malaysia	**123,093**	145,190
Asia (excluding Malaysia)	**399,866**	214,660
Africa	**876,102**	905,824
Europe	**1,006,478**	872,657
Latin America	**-**	24,251
	2,405,539	2,162,582

The Group's largest customers (by revenue contribution) are in the Operations segment (2021: Operations segment). In 2022, 2 customers (2021: 2 customers), on an individual basis, contributed revenue exceeding 10% of total revenue for the financial year, amounting to RM943.2 million and RM874.2 million respectively (2021: RM882.0 million and RM809.9 million respectively).

2 REVENUE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations				
Revenue from contract with customers				
Vessel charter fees and support services rendered	**578,255**	606,503	**-**	-
Construction work	**183,962**	81,501	**-**	-
Central overhead fees	**-**	-	**100,206**	83,112
Management fee income	**-**	-	**3,969**	10,543
	762,217	688,004	**104,175**	93,655
Revenue from other sources				
Finance lease income	**637,624**	655,692	**-**	-
Operating lease income	**1,005,698**	818,886	**-**	-
Dividend income	**-**	-	**61,176**	182,026
	2,405,539	2,162,582	**165,351**	275,681

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

2 REVENUE (CONTINUED)

Disaggregation of the Group's revenue from contracts with customers

The Group derives revenue by satisfying the performance obligation over time in the following segment:

	Operations RM'000	Others RM'000	Total RM'000
2022			
Vessel charter fees and support services rendered	**488,909**	**89,346**	**578,255**
Construction and conversion work	**183,140**	**822**	**183,962**
	672,049	**90,168**	**762,217**
Timing of revenue recognition:			
- Over time	**672,049**	**90,168**	**762,217**

	Operations RM'000 Restated	Others RM'000 Restated	Total RM'000 Restated
2021			
Vessel charter fees and support services rendered	572,821	33,682	606,503
Construction and conversion work	10,193	71,308	81,501
	583,014	104,990	688,004
Timing of revenue recognition:			
- Over time	583,014	104,990	688,004

During the financial year, the Group has recognised revenue from contracts with customers amounting to RM33.1 million (2021: RM9.8 million) that was included in contract liabilities at the beginning of the reporting period (Note 24).

The Company recognises revenue over time.

Revenue from other sources

The Group's revenue from finance leases and operating leases falls within the scope of MFRS 16 "Leases".

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

3 OTHER OPERATING INCOME

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations				
Gain on disposal of property, plant and equipment and non-current assets classified as held-for-sale	**3,613**	27,856	**60**	18
Gain on disposal of investment in a subsidiary	**-**	-	**10**	-
Interest income				
- deposits with licensed banks	**13,331**	4,296	**983**	471
- joint venture	**-**	659	**-**	-
- associate	**16,063**	13,026	**-**	-
Management and engineering services charged to joint ventures	**13,400**	90,529	**-**	-
Insurance claim	**5,998**	5,922		
Others	**5,821**	3,206	**43**	65
	58,226	145,494	**1,096**	554

4 FINANCE COSTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations				
Interest expense on borrowings	**361,801**	347,809	**-**	-
Cash flow hedge reclassified from OCI	**2,589**	45,883	**-**	-
Interest expense	**364,390**	393,692	**-**	-
Accretion of interest	**5,183**	4,112	**405**	392
Fair value gain on ineffective portion of cash flow hedges	**(2,875)**	(682)	**-**	-
	366,698	397,122	**405**	392

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

5 PROFIT/(LOSS) BEFORE TAXATION

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations				
Profit/(Loss) before taxation is arrived at after charging/(crediting):				
Auditors' remuneration:				
- fees for statutory audit:				
- PricewaterhouseCoopers PLT Malaysia				
- current year	**1,140**	1,172	**251**	195
- member firms of PricewaterhouseCoopers International Limited	**916**	996	**-**	-
- non-PwC member firms	**355**	232	**-**	-
- fees for audit related services:				
- PricewaterhouseCoopers PLT Malaysia	**87**	80	**87**	80
- fees for non-audit services:				
- PricewaterhouseCoopers PLT Malaysia	**268**	442	**162**	313
- member firms of PricewaterhouseCoopers International Limited	**617**	603	**-**	12
Loss on disposal of property, plant and equipment	**17,881**	321	**-**	-
Depreciation of property, plant and equipment (Note 12)	**342,661**	465,772	**2,917**	2,714
Travel and freight	**24,106**	17,079	**3,042**	1,019
Repairs and maintenance	**104,545**	119,911	**7,714**	7,731
Management fees	**20,928**	19,811	**7,633**	7,310
Insurance	**35,374**	38,433	**-**	-
Fuel and oil	**16,159**	5,093	**-**	-
Staff costs (Note 6)	**340,210**	304,524	**87,207**	73,296
Other crew costs	**38,506**	31,074	**-**	-
Vessel hiring costs	**82,159**	55,979	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

5 PROFIT/(LOSS) BEFORE TAXATION (CONTINUED)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations (continued)				
Profit/(Loss) before taxation is arrived at after charging/(crediting): (continued)				
Net foreign exchange (gain)/loss:				
- realised	**(292)**	(2,857)	**89**	(1,634)
- unrealised	**(45,693)**	1,866	**9,659**	580
Survey fees	**5,735**	9,114	**-**	-
Consultancy fees	**11,012**	29,498	**761**	1,379
Communication expenses	**10,653**	9,983	**1**	-
Withholding tax	**78,716**	44,809	**423**	-
Impairment/(reversal of impairment) of				
- Property, plant and equipment (Note 12)	**-**	19,116	**-**	-
- Trade receivables (Note 21)	**(26,513)**	(13,940)	**-**	-
- Other receivables and deposits (Note 23)	**-**	1,007	**-**	-
- Accrued lease rental (Note 22)	**88,010**	-	**-**	-
- Amount due from a joint venture (Note 18)	**9,936**	(972)	**-**	-
- Amounts due from subsidiaries (Note 25)	**-**	-	**1,230**	19,099

6 STAFF COSTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations				
Wages, salaries and bonuses	**282,717**	244,062	**72,130**	59,751
Defined contribution plan	**9,953**	7,682	**5,070**	4,052
Share-based payments	**4,546**	5,611	**4,546**	5,611
Termination benefits	**152**	5,734	**152**	915
Other staff related costs	**42,842**	41,435	**5,309**	2,967
Total staff costs	**340,210**	304,524	**87,207**	73,296

Executive Director's remuneration as disclosed in Note 7 is included in staff costs.

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

7 DIRECTORS' REMUNERATION

The aggregate amounts of emoluments received and receivable by Directors from the Group and the Company during the financial year were as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-Executive Directors:				
- fees	**2,220**	2,197	**2,220**	2,197
- allowances	**437**	398	**437**	398
Executive Director:				
- salaries, bonuses, allowances and other staff related costs	**6,783**	5,500	**6,783**	5,500
- share-based payments [1]	**4,405**	4,616	**4,405**	4,616
	13,845	12,711	**13,845**	12,711

[1] Share-based payments for the Executive Director are expenses recognised to the profit or loss over the vesting period for MIP in accordance with Section C(k)(iii).

	Non-Executive Directors' remuneration for financial year ended 31 December			
		Other emoluments		
	Fees RM'000	Meeting allowance [1] RM'000	Car allowance RM'000	Total RM'000
2022				
Tunku Ali Redhauddin Ibni Tuanku Muhriz	**517**	**41**	**153**	**711**
Alexandra Schaapveld	**330**	**66**	**-**	**396**
Chan Chee Beng	**210**	**23**	**-**	**233**
Maureen Toh Siew Guat	**375**	**50**	**-**	**425**
Uthaya Kumar a/l K Vivekananda	**480**	**47**	**-**	**527**
Donald Allan Chudanov	**63**	**21**	**-**	**84**
Tunku Alizakri Bin Raja Muhammad Alias	**218**	**34**	**-**	**252**
Rohan a/l Rajan Rajasooria	**27**	**2**	**-**	**29**
	2,220	**284**	**153**	**2,657**
2021				
Tunku Ali Redhauddin Ibni Tuanku Muhriz	488	28	144	660
Alexandra Schaapveld	330	54	-	384
Chan Chee Beng	210	16	-	226
Maureen Toh Siew Guat	354	42	-	396
Uthaya Kumar a/l K Vivekananda	480	40	-	520
Donald Allan Chudanov	252	66	-	318
Tunku Alizakri Bin Raja Muhammad Alias	83	8	-	91
	2,197	254	144	2,595

[1] Meeting allowance includes the allowance for travel days to attend meetings.

The Non-Executive Directors did not receive any benefits-in-kind ("BIK") during the financial year and previous financial year.

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

7 DIRECTORS' REMUNERATION (CONTINUED)

	Executive Director's [1] remuneration - Gary Neal Christenson	
	2022 RM'000	2021 RM'000
Salary	**2,976**	2,647
Bonus	**3,782**	2,835
Shares benefit under MIP	**4,405**	4,616
BIK	**25**	18
	11,188	10,116

[1] The Executive Director did not receive director's fees and meeting allowances.

8 TAXATION

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations				
Income tax:				
- Malaysian tax	**(181)**	(113)	**(11)**	(185)
- foreign tax	**(30,466)**	28,088	**-**	-
Deferred tax (Note 20)	**14,992**	(2,917)	**(1,069)**	319
	(15,655)	25,058	**(1,080)**	134
Income tax:				
- current financial year	**11,695**	37,952	**-**	113
- over provision in respect of prior financial years	**(42,342)**	(9,977)	**(11)**	(298)
	(30,647)	27,975	**(11)**	(185)
Deferred tax:				
- origination and reversal of temporary differences (Note 20)	**14,992**	(2,917)	**(1,069)**	319
	(15,655)	25,058	**(1,080)**	134

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

8 TAXATION (CONTINUED)

The explanation of the relationship between Malaysian tax rate and average effective tax rate is as follows:

	Group		Company	
	2022 %	2021 %	2022 %	2021 %
Continuing operations				
Malaysian tax rate	**24**	24	**24**	24
Tax effects of:				
- exempt income	**(40)**	(42)	**(44)**	(28)
- difference in tax rates in other countries	**3**	13	**-**	-
- share of results of joint ventures and associates	**(1)**	(4)	**-**	-
- foreign sourced income	**1**	4	**-**	-
- expenses not deductible for tax purposes	**7**	8	**13**	4
- deferred tax assets not recognised	**8**	3	**3**	-
- utilisation of deferred tax assets not recognised	**(1)**	(1)	**-**	-
- (over)/under provision in prior years	**(3)**	(1)	**1**	(0)
	(2)	4	**(3)**	0

The Group's effective tax rate for the financial year ended 31 December 2022 was negative 2% (2021: 4%), as compared to the Malaysian statutory tax rate of 24%. The difference in the effective tax rate and the Malaysian statutory tax rate is mainly due to exempt income arising from contributions from the subsidiaries incorporated in Marshall Islands and difference in tax rates in other countries.

The Company's effective tax rate for the financial year ended 31 December 2022 was negative 3% (2021: less than 1%) compared to the statutory tax rate of 24% as the Company's dividend income was not subject to tax and the impairment of amounts due from subsidiaries was not deductible for tax purposes.

9 DISPOSAL OF SUBSIDIARIES DURING THE FINANCIAL YEAR

On 19 January 2022, the Group via its subsidiaries, namely Bumi Armada Singapore Holdings Pte Ltd, Bumi Armada Offshore Contractor Limited and Bumi Armada Russia Holdings Limited entered into a sale and purchase agreement for the disposal of the entire issued and paid-up share capital of the following wholly-owned indirect subsidiaries to AC Management Company Limited and K.N. Holding Limited Liability Company for a total cash consideration of USD44.5 million (equivalent to approximately RM186.6 million) ("Disposal Transaction"):

(i) Bumi Armada Marine Uray Pte. Ltd.;
(ii) Bumi Armada Marine Pokachi Pte. Ltd.;
(iii) Bumi Armada Marine Naryan Mar Pte. Ltd.; and
(iv) Bumi Armada Marine LLC.

(collectively, the "Ice Class Vessel Companies").

The Disposal Transaction was completed on 20 January 2022 whereby the Ice Class Vessel Companies ceased to be a part of the Group. The Group ceased consolidation of the results from the Ice Class Vessel Companies with effect from 1 January 2022 as the contribution from operations carried out during the period up to completion of the Disposal Transaction was deemed to be immaterial.

As at 31 December 2021, the Disposal Transaction satisfied the criteria in MFRS 5 "Non-current assets held-for-sale and discontinued operations". As a result, the financials of the Ice Class Vessel Companies are separately presented in the consolidated financial statements for the financial year ended 31 December 2021 as disposal group classified as held-for-sale (Note 27) and discontinued operations.

Details of the assets, liabilities and net cashflow arising from the Disposal Transaction are as follows:

	As at completion date RM'000
Property, plant and equipment	186,406
Trade receivables	1,895
Cash and cash equivalent	48,526
Other assets	1,972
Trade payables	(8,192)
Deferred tax liabilities	(27,709)
Other liabilities	(17,678)
Net assets	185,220
Less: Net consideration received from disposal of subsidiaries	(186,448)
Foreign exchange differences	1,228
Net impact to profit or loss	-

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

9 DISPOSAL OF SUBSIDIARIES DURING THE FINANCIAL YEAR (CONTINUED)

The financial performance and cash flow information of the discontinued operations during the financial year ended 31 December 2021 are as follows:

	Group 2021 RM'000
Statement of income	
Revenue	88,339
Cost of sales	(65,175)
Gross profit	23,164
Other operating income	415
Administrative expenses	(1,443)
Operating profit before impairment	22,136
Impairment	(119,844)
Loss before taxation	(97,708)
Taxation	12,548
Loss for the financial year	(85,160)
Statement of comprehensive income	
Loss for the financial year	(85,160)
Other comprehensive income/(expense):	
Items that may be reclassified subsequently to profit or loss:	
- Foreign currency translation differences	1,055
Other comprehensive income for the financial year, net of tax	1,055
Total comprehensive expense for the financial year	(84,105)
Statement of cash flows	
Net cash flows generated from operating activities	77,598
Net cash flows generated from investing activities	391
Net cash flows generated from financing activities	-
Net increase in cash and cash equivalents	77,989

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

9 DISPOSAL OF SUBSIDIARIES DURING THE FINANCIAL YEAR (CONTINUED)

Significant operating expenses of the discontinued operations during the financial year ended 31 December 2021 are as follows:

	Group 2021 RM'000
Significant operating expenses	
Depreciation of property, plant and equipment (Note 12)	25,720
Impairment of property, plant and equipment (Note 12)	119,844
Taxation	
Income tax	2,983
Deferred tax (Note 20)	(15,531)
	(12,548)

The associated assets and liabilities of the discontinued operations during the financial year ended 31 December 2021 are as follows:

	Group 2021 RM'000
Property, plant and equipment	186,406
Trade receivables	1,895
Cash and cash equivalent	48,526
Other assets	1,972
Trade payables	(8,192)
Deferred tax liabilities	(27,709)
Other liabilities	(17,678)
Net assets	185,220

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

10 EARNINGS PER SHARE

Basic

The basic earnings per share ("EPS") is calculated by dividing the Group's profit/(loss) attributable to the Owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

Diluted

Diluted EPS adjusts the figures used in the determination of basic EPS to take into account the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares from the MIP.

The impact of the above to the diluted EPS is insignificant.

	Basic		Diluted	
	2022	2021	2022	2021
Profit/(Loss) attributable to the Owners of the Company for the financial year ended 31 December (RM'000)				
- from continuing operations	**732,411**	659,226	**732,411**	659,226
- from discontinued operations	**-**	(85,160)	**-**	(85,160)
	732,411	574,066	**732,411**	574,066
Weighted average number/adjusted weighted average number of ordinary shares in issue for basic and diluted EPS ('000)	**5,913,796**	5,897,874	**5,913,796**	5,897,874
Basic and diluted EPS (sen)				
- from continuing operations	**12.38**	11.18	**12.38**	11.18
- from discontinued operations	**-**	(1.44)	**-**	(1.44)
	12.38	9.74	**12.38**	9.74

11 DIVIDENDS

The Board of Directors does not recommend any dividend to be paid for the financial year ended 31 December 2022.

12 PROPERTY, PLANT AND EQUIPMENT

Group	Office premise RM'000	Total vessel costs [1]: Vessels and vessel equipment RM'000	Total vessel costs [1]: Dry-docking RM'000	Total vessel costs [1]: Total RM'000	Motor vehicles RM'000	Equipment, furniture and fittings, and office equipment RM'000	Spare parts RM'000	Right-of-use assets RM'000	Total RM'000
2022									
Net book value									
At 1 January	5,801	4,195,533	774	4,196,307	1,294	1,684	1	7,666	4,212,753
Additions	-	-	-	-	348	1,296	-	-	1,644
Disposal	-	(38,945)	-	(38,945)	(108)	(1)	-	-	(39,054)
Remeasurement	-	-	-	-	-	-	-	2,425	2,425
Depreciation charge (Note 5)	(273)	(336,028)	(773)	(336,801)	(368)	(782)	-	(4,437)	(342,661)
Transfer to non-current assets classified as held-for-sale (net) (Note 27)	-	(56,057)	-	(56,057)	-	-	-	-	(56,057)
Exchange differences	331	232,255	-	232,255	56	59	-	(203)	232,498
At 31 December	5,859	3,996,758	1	3,996,759	1,222	2,256	1	5,451	4,011,548
At 31 December 2022									
Cost	6,840	10,294,938	6,233	10,301,171	3,280	34,779	3,627	23,756	10,373,453
Accumulated depreciation	(981)	(4,050,034)	(6,232)	(4,056,266)	(2,058)	(32,523)	(3,626)	(18,305)	(4,113,759)
Accumulated impairment	-	(2,248,146)	-	(2,248,146)	-	-	-	-	(2,248,146)
Net book value	5,859	3,996,758	1	3,996,759	1,222	2,256	1	5,451	4,011,548

[1] The net book value of vessels at 31 December 2022 under operating lease agreements with charterers was RM3.4 billion.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2022

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Office premise RM'000	Total vessel costs [1]: Vessels and vessel equipment RM'000	Total vessel costs [1]: Dry-docking RM'000	Total vessel costs [1]: Total RM'000	Motor vehicles RM'000	Equipment, furniture and fittings, and office equipment RM'000	Spare parts RM'000	Right-of-use assets RM'000	Total RM'000
2021									
Net book value									
At 1 January	5,848	4,918,806	7,738	4,926,544	597	1,676	1	10,429	4,945,095
Additions	-	799	4,693	5,492	1,241	479	-	189	7,401
Disposal	-	(18)	(1,097)	(1,115)	(50)	(35)	-	(82)	(1,282)
Remeasurement	-	-	-	-	-	-	-	1,477	1,477
Depreciation charge (Note 5 and 9)	(257)	(473,892)	(11,860)	(485,752)	(481)	(530)	-	(4,472)	(491,492)
Impairment (Note 5 and 9)	-	(138,960)	-	(138,960)	-	-	-	-	(138,960)
Transfer to non-current assets classified as held-for-sale (net) (Note 27)	-	(85,164)	(7,435)	(92,599)	-	-	-	-	(92,599)
Transfer to disposal group classified as head-for-sale (Note 28)	-	(186,406)	-	(186,406)	-	-	-	-	(186,406)
Exchange differences	210	160,368	8,735	169,103	(13)	94	-	125	169,519
At 31 December	5,801	4,195,533	774	4,196,307	1,294	1,684	1	7,666	4,212,753
As at 31 December 2021									
Cost	6,470	10,002,853	24,762	10,027,615	3,043	95,454	3,117	22,413	10,158,112
Accumulated depreciation	(669)	(3,612,293)	(16,642)	(3,628,935)	(1,749)	(93,770)	(3,116)	(14,747)	(3,742,986)
Accumulated impairment	-	(2,195,027)	(7,346)	(2,202,373)	-	-	-	-	(2,202,373)
Net book value	5,801	4,195,533	774	4,196,307	1,294	1,684	1	7,666	4,212,753

[1] The net book value of vessels at 31 December 2021 under operating lease agreements with charterers was RM3.5 billion.

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Right-of-use assets RM'000	Total RM'000
2022				
Net book value				
At 1 January	**595**	**150**	**3,548**	**4,293**
Additions	**1,181**	**348**	**-**	**1,529**
Disposal	**(1)**	**(108)**	**-**	**(109)**
Depreciation charge (Note 5)	**(411)**	**(65)**	**(2,441)**	**(2,917)**
At 31 December	**1,364**	**325**	**1,107**	**2,796**
At 31 December 2022				
Cost	**26,367**	**361**	**14,235**	**40,963**
Accumulated depreciation	**(25,003)**	**(36)**	**(13,128)**	**(38,167)**
Net book value	**1,364**	**325**	**1,107**	**2,796**
2021				
Net book value				
At 1 January	463	200	5,901	6,564
Additions	286	-	158	444
Disposal	(1)	-	-	(1)
Depreciation charge (Note 5)	(153)	(50)	(2,511)	(2,714)
At 31 December	595	150	3,548	4,293
At 31 December 2021				
Cost	73,509	263	14,235	88,007
Accumulated depreciation	(72,914)	(113)	(10,687)	(83,714)
Net book value	595	150	3,548	4,293

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Fixed charges have been created over certain vessels of the Group with net book values amounting to approximately RM3.0 billion (2021: RM3.4 billion) as security for term loans (Note 31).

(b) The FPSO contracts include options for the charterers to purchase the respective FPSO vessels or to extend their charter periods beyond the initial lease period. The purchase option values are based on declining agreed prices, which are in excess of the current net book values of the FPSO vessels as at the reporting date.

(c) Impairment assessment on property, plant and equipment during the financial year ended 31 December 2022

During the financial year, an impairment assessment was performed on the recoverable amount of certain vessels with projects ending in the next financial year to determine whether the carrying values of these vessels are recoverable. The Group considers the vessels as a cash-generating unit ("CGU") on the basis that the business model considers the vessels to be complementary in executing projects for the Group.

The recoverable amount of the vessels was determined based on value-in-use ("VIU") with the following key assumptions:

- The cash flow projections are based on historical contract margins, expected period of securing new projects (contract values ranging from RM50.0 million to RM2,400.0 million) and probability of securing the contracts considering necessary idle time; and
- Discount rate of 11.9% is applied.

Based on the assessment, the recoverable amount was in excess of the vessels' carrying value. If the Group does not secure the project with the highest contribution included in the VIU, it may result in an impairment of property, plant and equipment of up to RM155.0 million.

(d) Impairment of property, plant and equipment during the financial year ended 31 December 2021

During the previous financial year, an impairment charge of RM139.0 million was recognised for certain OSV vessels, of which RM119.8 million was in relation to the vessels of discontinued operations (refer to Note 9). The impairment assessment was carried out as a result of decline in vessel utilisation and day rates.

The Group considered each of these vessels as a CGU. However, they are grouped together for disclosure purposes. The recoverable amount for these vessels of which an impairment charge was made during the financial year was RM259.5 million, and was determined based on fair value less costs to sell ("FVLCTS").

The fair values of the vessels have been assessed based on expected sale transaction as stated on the contracts. The sales comparison approach was used as it took into consideration the recent supply and demand for vessels of similar type and age.

The recoverable amount which is determined based on FVLCTS is classified as level 3 under the fair value hierarchy.

(e) During the financial year, the Group revised the residual value of all FPSO vessels down to the vessels' expected scrap values at the end of their useful lives. In addition, the Group also revised the useful life of a FPSO vessel (2021: certain OMS vessels) based on the expected period of future economic benefits of the vessel. The revision was accounted for as a change in accounting estimate and was made effective on 1 July 2022 (2021: 1 January 2021). As a result, there is marginal decrease in depreciation charge during the financial year (2021: increased by RM8.4 million).

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(f) Operating leases as a lessor

The category 'Vessels and vessel equipment' includes vessels leased to third parties under operating lease agreements with remaining lease terms between 2 years to 20 years.

The following table sets out the maturity analysis of the undiscounted lease payments to be received after the reporting date:

	Group	
	2022 RM'000	2021 RM'000
Within 1 year	**878,115**	857,589
More than 1 year and less than 5 years	**1,630,880**	2,167,368
More than 5 years	**3,104,401**	3,142,705
	5,613,396	6,167,662

13 INVESTMENT IN SUBSIDIARIES

	Company	
	2022 RM'000	2021 RM'000
Unquoted shares, at cost	**24,106**	24,140
7% Cumulative Redeemable Preference Shares, at cost	**16,000**	16,000
Less: Accumulated impairment losses	**(18,332)**	(18,332)
	21,774	21,808
Capital contribution in subsidiaries	**5,181,091**	4,816,775
Less: Accumulated impairment losses	**(2,798,047)**	(2,798,047)
	2,383,044	2,018,728
	2,404,818	2,040,536

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

13 INVESTMENT IN SUBSIDIARIES (CONTINUED)

The Group's effective interest in its subsidiaries, their respective principal activities and country of incorporation are shown below:

Name of company	Principal activities	Group's effective interest 2022 %	Group's effective interest 2021 %	Country of incorporation
Direct subsidiaries:				
Armada TGT Ltd (1) & (9)	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	-	100	Republic of The Marshall Islands
Bumi Armada (Singapore) Pte Ltd ("BASPL") (2)	Provision of manpower support, engineering services and project management services	**100**	100	Singapore
Bumi Armada Automation International Sdn Bhd	Provision of agency services to its holding company	**100**	100	Malaysia
Bumi Armada Engineering Sdn Bhd	Provision of engineering consultancy services	**100**	100	Malaysia
Bumi Armada Navigation Sdn Bhd ("BAN")	Provision of marine transportation and support services to offshore oil and gas companies	**99**	99	Malaysia
Bumi Armada Offshore Holdings Limited ("BAOHL") (1)	Investment holding	**100**	100	Republic of The Marshall Islands
Bumi Armada Holdings Labuan Ltd	Provision of loans, advances and other facilities, cash and debt management services, investment and financial risk management, and other treasury management services to the Bumi Armada Group of companies	**100**	100	Federal Territory of Labuan, Malaysia
Bumi Armada Capital Offshore Ltd	Obtaining non-ringgit financing and providing cash and debt management services, investment and financial risk management services and other treasury management services to the Bumi Armada Group of companies	**100**	100	Federal Territory of Labuan, Malaysia

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

13 INVESTMENT IN SUBSIDIARIES (CONTINUED)

The Group's effective interest in its subsidiaries, their respective principal activities and country of incorporation are shown below: (continued)

Name of company	Principal activities	Group's effective interest 2022 %	Group's effective interest 2021 %	Country of incorporation
Direct subsidiaries: (continued)				
Bumi Armada Capital Malaysia Sdn Bhd	Facilitating the issuance of RM1.5 billion Sukuk Murabahah and providing advances and other facilities to the Bumi Armada Group of companies	**100**	100	Malaysia
Bumi Armada Marine Holdings Limited ("BAMHL") (1)	Investment holding	**100**	100	The British Virgin Islands
Bumi Armada Singapore Holdings Pte Ltd ("BASH") (3)	Investment holding	**100**	100	Singapore
Bumi Armada Holdings B.V. ("BAHB") (1)	Investment holding	**100**	100	Netherlands
Bumi Armada Labuan Holdings Company Limited ("BALHCL") (9)	Investment holding	**100**	-	Federal Territory of Labuan, Malaysia
Armada Oyo Ltd (1)	Dormant	**100**	100	The British Virgin Islands
Armada Kamelia Sdn Bhd (In Members' Voluntary Liquidation) (4)	Dormant	**100**	100	Malaysia
Bumi Armada Russia Holdings Limited (1)	Dormant	**100**	100	Republic of The Marshall Islands
Subsidiary of BALHCL:				
Armada TGT Ltd (1) & (9)	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	-	Republic of The Marshall Islands

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

13 INVESTMENT IN SUBSIDIARIES (CONTINUED)

The Group's effective interest in its subsidiaries, their respective principal activities and country of incorporation are shown below: (continued)

Name of company	Principal activities	Group's effective interest 2022 %	Group's effective interest 2021 %	Country of incorporation
Subsidiaries of BAOHL:				
Angoil Bumi JV, LDA ("ABJV") (1) & (5)	Service provider to the oil and gas industry, especially for repair and maintenance of FPSO and OSV companies	**49**	49	Angola
Abaco Offshore Limited ("ABACO") (1) & (5)	Provision of offshore support services	**49**	49	Republic of The Marshall Islands
Bumi Armada Offshore Contractor Limited ("BAOCL") (1)	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	100	Republic of The Marshall Islands
Armada Kraken Pte Ltd (2)	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	100	Singapore
Armada Cabaca Ltd (1)	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	100	Republic of The Marshall Islands
Bumi Armada UK Limited (2)	Offshore oil and gas marine services	**100**	100	United Kingdom
Armada Floating Gas Services Malta Ltd (3)	Provision of services to oil and gas companies to operate, maintain and repair floating gas solution units	**100**	100	Malta
Armada Floating Gas Storage Malta Ltd (3)	Ship owners, charterers, manager of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	100	Malta

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

13 INVESTMENT IN SUBSIDIARIES (CONTINUED)

The Group's effective interest in its subsidiaries, their respective principal activities and country of incorporation are shown below: (continued)

Name of company	Principal activities	Group's effective interest 2022 %	Group's effective interest 2021 %	Country of incorporation
Subsidiaries of BAOHL: (continued)				
Armada Offshore OSV Limited [1]	Dormant	**100**	100	Republic of The Marshall Islands
Armada Offshore MPSV Limited [1]	Dormant	**100**	100	Republic of The Marshall Islands
Bumi Armada Ghana Limited [3]	Provision of marine transportation, floating production storage and offload and offshore supply vessels	**60**	60	Ghana
Armada Etan Limited [1]	Provision of business development services to the Bumi Armada Group of Companies	**100**	100	Republic of The Marshall Islands
Armada Balnaves Pte Ltd [2]	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	100	Singapore
Bumi Armada 98/2 Holdings Pte Ltd [2]	Investment holding	**100**	100	Singapore
Subsidiary of BASPL:				
Bumi Armada Nigeria Limited [3]	Dormant	**100**	100	Federal Republic of Nigeria
Subsidiaries of BAOCL:				
Bumi Armada Caspian LLC [3]	Activities related to oil and gas industry	**100**	100	Russia
Bumi Armada Marine LLC [3] & [7]	Provision of marine support and other services to oil and gas companies	**-**	100	Russia

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

13 INVESTMENT IN SUBSIDIARIES (CONTINUED)

The Group's effective interest in its subsidiaries, their respective principal activities and country of incorporation are shown below: (continued)

Name of company	Principal activities	Group's effective interest 2022 %	Group's effective interest 2021 %	Country of incorporation
Subsidiaries of BASH:				
Armada Marine Contractors Caspian Ltd ("AMCCL") (1)	Investment holding	**100**	100	The British Virgin Islands
Armada Constructor Pte Ltd (3)	Ship owners, charterers, managers of ships and vessels, marine support and other services to oil and gas companies	**100**	100	Singapore
Armada Marine Contractors Caspian Pte Ltd ("AMCCPL") (2) & (6)	Chartering of ships, barges and boats with crew	**100**	100	Singapore
Armada Ship Management (S) Pte Ltd (2)	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	100	Singapore
Armada Marine Angola (SU), Lda (1)	Provision of finance and other related support services to companies in the Bumi Armada Group operating in Angola	**100**	100	Angola
Bumi Armada Marine Ghana Limited (3)	Provision of offshore support vessel services to oil and gas industry in Ghana	**60**	60	Ghana
Bumi Armada (Labuan) Ltd	To carry out shipping on time charter basis	**100**	100	Federal Territory of Labuan, Malaysia
Bumi Armada Navigation Labuan Limited	Shipping on bare boat or time charter basis	**100**	100	Federal Territory of Labuan, Malaysia
Bumi Armada Navigation Labuan International Limited	Shipping on bare boat or time charter basis	**100**	100	Federal Territory of Labuan, Malaysia

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

13 INVESTMENT IN SUBSIDIARIES (CONTINUED)

The Group's effective interest in its subsidiaries, their respective principal activities and country of incorporation are shown below: (continued)

Name of company	Principal activities	Group's effective interest 2022 %	Group's effective interest 2021 %	Country of incorporation
Subsidiaries of BASH: (continued)				
Bumi Armada Marine Naryan Mar Pte Ltd (3) & (7)	Ship owners, charterers, manager of ships and vessels, marine support and other services to offshore oil and gas companies	-	100	Singapore
Bumi Armada Marine Pokachi Pte Ltd (3) & (7)	Ship owners, charterers, manager of ships and vessels, marine support and other services to offshore oil and gas companies	-	100	Singapore
Bumi Armada Marine Uray Pte Ltd (3) & (7)	Ship owners, charterers, manager of ships and vessels, marine support and other services to offshore oil and gas companies	-	100	Singapore
Bumi Armada Ship Management Sdn. Bhd. ("BASM") (In Members' Voluntary Liquidation) (8)	Dormant	**100**	100	Malaysia
Offshore Marine Ventures Sdn Bhd ("OMV") (In Members' Voluntary Liquidation) (8)	Dormant	**100**	100	Malaysia
Subsidiary of BAN:				
Bumi Care Offshore Production Sdn Bhd (1)	Dormant	**59**	59	Malaysia
Subsidiary of BAHB:				
Bumi Armada Holdings Netherlands B.V. ("BAHNB") (1)	Investment holding	**100**	100	Netherlands

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

13 INVESTMENT IN SUBSIDIARIES (CONTINUED)

The Group's effective interest in its subsidiaries, their respective principal activities and country of incorporation are shown below: (continued)

Name of company	Principal activities	Group's effective interest 2022 %	Group's effective interest 2021 %	Country of incorporation
Subsidiary of BAHNB:				
Bumi Armada Netherlands B.V. ("BANB") [1]	Investment holding	**100**	100	Netherlands

[1] These companies are not required by their local laws to appoint statutory auditors.

[2] These companies are audited by member firms of PricewaterhouseCoopers International Limited, which are separate and independent legal entities from PricewaterhouseCoopers PLT, Malaysia.

[3] The financial statements of these companies are audited by firms other than member firms of PricewaterhouseCoopers International Limited.

[4] On 29 October 2019, a Special Resolution was passed to give effect to the members' voluntary winding-up of Armada Kamelia Sdn Bhd ("AKSB") pursuant to Section 439(1) of the Companies Act, 2016. Accordingly, a Liquidator was appointed for the purpose of the winding-up of AKSB.

[5] Notwithstanding that the Group is holding less than 50% equity interest, the investments in ABJV and ABACO are classified as subsidiaries (not as joint ventures) due to the Group's control pursuant to the shareholders' agreement governing the operations of these companies.

[6] On 13 April 2021, in line with the Group's streamlining exercise, ownership of all shares under AMCCPL was transferred from AMCCL to BASH.

[7] The Ice Class Vessel Companies have been disposed on 20 January 2022 as disclosed in Note 9.

[8] On 30 December 2021, a Special Resolution was passed to give effect to the members' voluntary winding up of OMV and BASM pursuant to Section 439(1) of the Companies Act, 2016. Accordingly, a Liquidator was appointed for purpose of the winding-up.

[9] On 18 October 2022, Bumi Armada Labuan Holdings Company Limited ("BALHCL") was incorporated in Labuan with an issued and paid-up capital of USD1. BALHCL was incorporated as an investment holding company. On 22 November 2022, Armada TGT Ltd was transferred from the Company to BALHCL.

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

14 INVESTMENT IN JOINT VENTURES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unquoted shares, at cost	**338,897**	344,317	**35,488**	38,242
Share of net assets	**722,251**	716,119	**-**	-
Unrealised profit on transactions with joint ventures	**(30,385)**	(29,105)	**-**	-
Interests in joint ventures	**1,030,763**	1,031,331	**35,488**	38,242

The joint ventures are private companies and there are no quoted market prices available for their shares.

Details of the joint ventures are as follows:

Name of company	Principal activities	Group's effective interest 2022 %	Group's effective interest 2021 %	Country of incorporation
Armada C7 Pte Ltd	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	**50**	50	Singapore
Armada D1 Pte Ltd	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	**50**	50	Singapore
Shapoorji Pallonji Bumi Armada Offshore Private Limited ("SPBAOPL") [1]	Charterers, managers of ships and vessels, logistics and maritime transportation services to the oil and gas industry	**50**	50	India
Forbes Bumi Armada Limited	Ship owners, charterers, managers of ships and vessels, logistics and maritime transportation services to the oil and gas industry	**49**	49	India
PT Armada Gema Nusantara	Ship owner and operator	**50**	50	Indonesia

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

14 INVESTMENT IN JOINT VENTURES (CONTINUED)

Details of the joint ventures are as follows: (continued)

		Group's effective interest		
Name of company	**Principal activities**	**2022 %**	**2021 %**	**Country of incorporation**
SP Armada Oil Exploration Private Limited	Charterers, managers of ships and vessels, logistics and maritime transportation services to the oil and gas industry	**50**	50	India
Bumi Armada Shapoorji Pallonji Ghana Limited	Floating, production, storage and offloading development	**45**	45	Ghana
Karapan Armada Madura Pte Ltd	To provide support and facilitate credit enhancement of an FPSO facility	**49**	49	Singapore
PT Ionasea Marine Services	To provide offshore and marine support services	**50**	50	Indonesia
SP Armada Clean Energy Ventures Private Limited ("SPACEVPL") (2)	To set-up, operate and maintain a floating storage and regasification unit	**50**	50	India
Shapoorji Pallonji Armada Oil And Gas Services Private Limited ("SPAOGS") (3)	Operations, maintenance and other support services to offshore fields	**40**	40	India

(1) On 28 February 2023, the Company entered into a sale and purchase agreement for the disposal of its interest in SPBAOPL to Shapoorji Pallonji Energy Private Limited ("SPEPL") (formerly known as Shapoorji Pallonji Oil and Gas Private Limited). The sale transaction was completed on 2 March 2023.

As a result, the Group and the Company's investment in SPBAOPL has been reclassified to non-current asset held-for-sale as at 31 December 2022 as disclosed in Note 27.

(2) On 2 April 2021, Bumi Armada Netherlands B.V., a wholly-owned indirect subsidiary of the Company, acquired 49% equity interest in SPACEVPL. The remaining 51% equity interest is held by SPEPL.

SPACEVPL was incorporated for the purpose of entering into a License Agreement with the Board of Trustees for the Port of Mumbai (formerly the Bombay Port Trust) to set-up, operate and maintain a floating storage and regasification unit in Mumbai harbour for a period of 30 years.

(3) On 12 October 2021, BAOHL, BASPL, SPEPL and SPAOGS entered into a new shareholders' agreement ("SHA") for the operations and maintenance of a FPSO and to reflect BASPL's and SPEPL's joint control over SPAOGS, whilst maintaining economic interest in SPAOGS at 40% and 60% respectively.

As a result of the new SHA, BASPL's investment in SPAOGS has been classified as an investment in joint venture.

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

14 INVESTMENT IN JOINT VENTURES (CONTINUED)

In the opinion of the Directors, the joint ventures which are material to the Group as at 31 December 2022 and 31 December 2021 are as follows:

- Armada D1 Pte Ltd ("Armada D1")
- Armada C7 Pte Ltd ("Armada C7")
- PT Armada Gema Nusantara ("PT AGN")

Set out below are the summarised financial information of the joint ventures of the Group:

Group	Armada D1 RM'000	Armada C7 RM'000	PT AGN RM'000	Others RM'000	Total RM'000
2022					
Current assets	53,510	327,325	490,555	348,477	1,219,867
Non-current assets	652,828	598,774	1,393,851	78,315	2,723,768
Current liabilities	(87)	(188,354)	(373,857)	(325,282)	(887,580)
Non-current liabilities	(54,627)	(39,851)	(792,146)	(43,900)	(930,524)
Net assets	651,624	697,894	718,403	57,610	2,125,531
The above net assets include the following:					
Cash and cash equivalents	29,622	102,317	226,380	50,266	408,585
Current financial liabilities excluding trade and other payables	(66)	(184,895)	(367,097)	(270,704)	(822,762)
Non-current financial liabilities excluding trade and other payables	(54,627)	(39,851)	(792,146)	(43,900)	(930,524)
Revenue	154,887	36,567	244,884	154,649	590,987
Other expenses	(11,116)	(21,793)	(151,020)	(118,758)	(302,687)
Interest income	67	-	576	378	1,021
Depreciation	(53,400)	-	(553)	(4,390)	(58,343)
Finance costs	(4,032)	(18,087)	(108,765)	(77)	(130,961)
Taxation	(1,194)	-	1,564	(2,625)	(2,255)
Profit/(Loss) after taxation	85,212	(3,313)	(13,314)	29,177	97,762
Other comprehensive income	-	5,111	-	-	5,111
Total comprehensive income/(expense)	85,212	1,798	(13,314)	29,177	102,873

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

14 INVESTMENT IN JOINT VENTURES (CONTINUED)

Set out below are the summarised financial information of the joint ventures of the Group: (continued)

Group	Armada D1 RM'000	Armada C7 RM'000	PT AGN RM'000	Others RM'000	Total RM'000
2021					
Current assets	37,076	271,852	194,237	150,635	653,800
Non-current assets	667,651	778,068	1,767,657	518,754	3,732,130
Current liabilities	(25,322)	(156,529)	(284,501)	(350,084)	(816,436)
Non-current liabilities	(47,857)	(193,241)	(944,370)	(261,168)	(1,446,636)
Net assets	631,548	700,150	733,023	58,137	2,122,858
The above net assets include the following:					
Cash and cash equivalents	16,913	92,666	127,839	48,712	286,130
Current financial liabilities excluding trade and other payables	(25,246)	(153,162)	(269,234)	(297,268)	(744,910)
Non-current financial liabilities excluding trade and other payables	(47,857)	(193,241)	(944,370)	(261,168)	(1,446,636)
Revenue	145,871	87,853	285,552	98,580	617,856
Other expenses	(37,582)	(20,097)	(109,644)	(126,296)	(293,619)
Interest income	797	-	462	42	1,301
Depreciation	(47,234)	-	(238)	(3,407)	(50,879)
Finance costs	(7,033)	(21,728)	(79,797)	(116)	(108,674)
Taxation	-	-	(18,797)	(7,064)	(25,861)
Profit/(Loss) after taxation	54,819	46,028	77,538	(38,261)	140,124
Other comprehensive income	-	5,376	-	-	5,376
Total comprehensive income/(expense)	54,819	51,404	77,538	(38,261)	145,500

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

14 INVESTMENT IN JOINT VENTURES (CONTINUED)

Reconciliation of financial information:

Group	Armada D1 RM'000	Armada C7 RM'000	PT AGN RM'000	Others RM'000	Total RM'000
2022					
Net assets	**651,624**	**697,894**	**718,403**	**57,610**	**2,125,531**
Group share in %	**50%**	**50%**	**50%**		
Group share	**325,812**	**348,947**	**359,202**	**27,187**	**1,061,148**
Unrealised profit	**-**	**(8)**	**(30,377)**	**-**	**(30,385)**
Net carrying amount	**325,812**	**348,939**	**328,825**	**27,187**	**1,030,763**
2021					
Net assets	631,548	700,150	733,023	58,137	2,122,858
Group share in %	50%	50%	50%		
Group share	315,774	350,075	366,512	28,075	1,060,436
Unrealised profit	-	(369)	(28,736)	-	(29,105)
Net carrying amount	315,774	349,706	337,776	28,075	1,031,331

The Group's share of profit, total comprehensive income, dividends received and net assets of the joint ventures, after adjustments for equity accounting are as follows:

	Group	
	2022 RM'000	2021 RM'000
Profit for the financial year	**46,295**	92,069
Total comprehensive income for the financial year	**48,850**	94,757
Dividend income	**82,726**	107,955
Net assets	**1,030,763**	1,031,331

During the financial year, the Group revised the residual values and unguaranteed residual values of its jointly-owned FPSO vessels down to the vessels' expected scrap values at the end of their useful lives and lease terms. The revision was accounted for as a change in accounting estimate and was made effective on 1 July 2022. As a result, share of results of joint ventures during the financial year decreased by RM48.0 million (including a one-off impact of RM45.1 million).

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

15 INVESTMENT IN ASSOCIATES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unquoted shares, at cost	**158**	151	**19**	19
Share of net assets	**39,118**	33,232	**-**	-
	39,276	33,383	**19**	19

Details of the associates are as follows:

		Group's effective interest		
Name of company	Principal activities	2022 %	2021 %	Country of incorporation
Shapoorji Pallonji Bumi Armada Godavari Private Limited	The contracting of the design, fabrication, installation, charter, deployment, operations and maintenance of an FPSO facility	**30**	30	India
Armada 98/2 Pte. Ltd.	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil & gas companies	**30**	30	Singapore
Armada Madura EPC Limited ("AMEL")	Provision of FPSO engineering, procurement, conversion, construction, completion, installation and commissioning services	**30**	30	Republic of The Marshall Islands

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

15 INVESTMENT IN ASSOCIATES (CONTINUED)

In the opinion of the Directors, the associate which is material to the Group as at 31 December 2022 is AMEL (2021: AMEL).

Set out below are the summarised financial information of the associates of the Group:

Group	AMEL RM'000	Others RM'000	Total RM'000
2022			
Current assets	514,904	1,058,102	1,573,006
Non-current assets	-	5,199,852	5,199,852
Current liabilities	(383,984)	(5,211,367)	(5,595,351)
Non-current liabilities	-	(1,057,115)	(1,057,115)
Net assets/(liabilities)	130,920	(10,528)	120,392
The above net assets/(liabilities) include the following:			
Cash and cash equivalents	168,252	539,679	707,931
Current financial liabilities excluding trade and other payables	(110)	(4,522,508)	(4,522,618)
Non-current financial liabilities excluding trade and other payables	-	(1,057,115)	(1,057,115)
Revenue	10,000	-	10,000
Other expenses	13	(714)	(701)
Interest income	3,260	-	3,260
Finance costs	-	(3,333)	(3,333)
Profit/(Loss) after taxation/Total comprehensive income/(expense)	13,273	(4,047)	9,226

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

15 INVESTMENT IN ASSOCIATES (CONTINUED)

Set out below are the summarised financial information of the associates of the Group: (continued)

Group	AMEL RM'000	Others RM'000	Total RM'000
2021			
Current assets	160,127	331,620	491,747
Non-current assets	-	3,497,763	3,497,763
Current liabilities	(48,850)	(282,756)	(331,606)
Non-current liabilities	-	(3,553,606)	(3,553,606)
Net assets/(liabilities)	111,277	(6,979)	104,298
The above net assets/(liabilities) include the following:			
Cash and cash equivalents	63,643	311,169	374,812
Current financial liabilities excluding trade and other payables	(504)	(134,977)	(135,481)
Non-current financial liabilities excluding trade and other payables	-	(3,553,606)	(3,553,606)
Revenue	45,799	30,480	76,279
Other expenses	311	(26,236)	(25,925)
Interest income	1,454	269	1,723
Finance costs	-	(3,447)	(3,447)
Taxation	-	(1,185)	(1,185)
Profit/(Loss) after taxation/Total comprehensive income/(expense)	47,564	(119)	47,445

Reconciliation of financial information:

Group	AMEL RM'000	Others RM'000	Total RM'000
2022			
Net assets	**130,920**	**(10,528)**	**120,392**
Group share in %	**30%**		
Group share	**39,276**	**(3,158)**	**36,118**
Reclassification to:			
- amounts due from associates	**-**	**213**	**213**
- amount due to an associate	**-**	**2,945**	**2,945**
Net carrying amount	**39,276**	**-**	**39,276**

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

15 INVESTMENT IN ASSOCIATES (CONTINUED)

Reconciliation of financial information: (continued)

Group	AMEL RM'000	Others RM'000	Total RM'000
2021			
Net assets	111,277	(6,979)	104,298
Group share in %	30%		
Group share	33,383	(2,094)	31,289
Reclassification to:			
- amounts due from associates	-	107	107
- amount due to an associate	-	1,987	1,987
Net carrying amount	33,383	-	33,383

The Group's share of profit and net assets of the associates, after adjustment for equity accounting are as follows:

	Group	
	2022 RM'000	2021 RM'000
Profit for the financial year	**2,856**	14,619
Net assets before reclassification to amount due from/to associates	**36,118**	31,289

16 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group	
	2022 RM'000	2021 RM'000
Quoted equity securities, outside Malaysia:		
At 1 January	**12,651**	13,964
Fair value gain/(loss) recognised in equity	**14,342**	(1,817)
Exchange differences	**823**	504
At 31 December	**27,816**	12,651

The fair value of quoted equity securities is determined by reference to published price quotations.

The Group has made an irrevocable election at initial recognition to account for these instruments as equity investments at FVOCI as they are strategic investments of the Group and are not held for trading purposes.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2022

17 FINANCE LEASE RECEIVABLES

	Group	
	2022 RM'000	**2021 RM'000**
Current	**277,905**	225,364
Non-current	**4,350,572**	4,403,444
	4,628,477	4,628,808

As at 31 December 2022, finance lease receivables relate to the leases of the following vessels:

(i) Armada LNG Mediterrana, which started production in January 2017, has a remaining charter of 13 years; and
(ii) Armada Olombendo FPSO, which started production in February 2017, has a remaining charter of 16 years.

The finance lease receivables are expected to be invoiced to the lessee within the following periods:

	Group	
	2022 RM'000	**2021 RM'000**
Within 1 year	**904,214**	855,354
In the 2nd year	**906,691**	855,354
In the 3rd year	**904,214**	857,697
In the 4th year	**904,214**	855,354
In the 5th year	**904,214**	855,354
After 5 years	**4,828,936**	5,423,357
Gross receivables	**9,352,483**	9,702,470
Less: Unearned finance income	**(4,724,006)**	(5,073,662)
	4,628,477	4,628,808

During the financial year, the decrease of finance lease receivables is due to the following reasons:

	2022 RM'000	**2021 RM'000**
Balance as at 1 January	**4,628,808**	4,678,603
Lease payments billed during the financial year, net of finance income earned	**(265,597)**	(218,395)
Exchange differences	**265,266**	168,600
Balance as at 31 December	**4,628,477**	4,628,808

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

17 FINANCE LEASE RECEIVABLES (CONTINUED)

The unguaranteed residual values included in the finance lease receivables as at 31 December 2022 amount to RM154.3 million (2021: RM553.5 million). During the financial year, the Group revised the unguaranteed residual value of its FPSO vessels down to the vessels' expected scrap value at the end of their lease terms. The revision was accounted for as a change in accounting estimate and was made effective on 1 July 2022. As a result, finance lease income during the financial year decreased by RM27.5 million (including a one-off impact of RM25.9 million).

As at 31 December 2022, no allowances for uncollectible minimum lease payments were provided.

There was no contingent rent recognised during the financial year.

18 AMOUNTS DUE FROM/(TO) JOINT VENTURES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current				
Gross amount due from a joint venture				
- interest bearing	**56,956**	58,878	**-**	-
Less: Loss allowance	**(30,208)**	(26,884)	**-**	-
Net amount due from a joint venture	**26,748**	31,994	**-**	-
Current				
Gross amounts due from joint ventures				
- non-interest bearing	**32,750**	14,939	**1,059**	1,106
Less: Loss allowance	**(9,136)**	(951)	**-**	-
Net amounts due from joint ventures	**23,614**	13,988	**1,059**	1,106
Amounts due to joint ventures	**(1,441)**	(1,358)	**(1,345)**	(1,257)
	48,921	44,624	**(286)**	(151)

The amounts due from joint ventures classified as current which are non-interest bearing are unsecured and have credit terms ranging from no credit terms to 30 days (2021: no credit terms to 30 days). The amount due from a joint venture classified as non-current is interest bearing and bears interest at a rate of 6% (2021: 6%).

During the financial year, a net allowance for impairment losses of RM9.9 million was provided for (2021: RM1.0 million was written back) regarding amounts due from joint ventures due to a change in expected timing of recovery from the joint ventures.

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

18 AMOUNTS DUE FROM/(TO) JOINT VENTURES (CONTINUED)

The loss allowance for amounts due from joint ventures which was assessed using the general 3-stage approach is as follows:

	Group	
	2022 RM'000	2021 RM'000
At 1 January	**27,835**	27,786
Increase/(Decrease) in loss allowance recognised in profit or loss during the year (Note 5)	**9,936**	(972)
Exchange differences	**1,573**	1,021
At 31 December	**39,344**	27,835

The amounts due to joint ventures classified as current are interest free and repayable on demand.

19 AMOUNTS DUE FROM/(TO) ASSOCIATES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current				
Amount due from an associate				
- interest bearing	**357,317**	322,801	**-**	-
Current				
Amounts due from associates				
- non-interest bearing	**15,691**	9,775	**16**	-
Amount due to an associate	**(2,945)**	(1,987)	**(1)**	(1)
	12,746	7,788	**15**	(1)

The amount due from an associate classified as non-current is interest bearing, due and receivable within three years from the end of the financial year and bears interest at a rate of 5% (2021: 5%).

The amounts due from associates classified as current which are non-interest bearing are unsecured and have credit terms ranging from no credit terms to 30 days (2021: no credit terms to 30 days).

There was no loss allowance for the amounts due from associates which was assessed using the general 3-stage approach.

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

20 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when deferred taxes relate to the same tax authority.

The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Deferred tax assets	**9,339**	28,326	**4,543**	3,474
Deferred tax liabilities	**(10,417)**	(15,123)	**-**	-
Subject to income tax:				
Deferred tax assets				
- property, plant and equipment	**-**	4,513	**-**	115
- payables	**4,618**	3,793	**4,618**	3,793
- unutilised capital allowance	**-**	172	**-**	-
- undistributed profits from subsidiaries	**4,796**	20,871	**-**	-
	9,414	29,349	**4,618**	3,908
Offsetting	**(75)**	(1,023)	**(75)**	(434)
Deferred tax assets (after offsetting)	**9,339**	28,326	**4,543**	3,474
Deferred tax liabilities				
- property, plant and equipment	**(10,492)**	(16,146)	**(75)**	(434)
	(10,492)	(16,146)	**(75)**	(434)
Offsetting	**75**	1,023	**75**	434
Deferred tax liabilities (after offsetting)	**(10,417)**	(15,123)	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2022

20 DEFERRED TAXATION (CONTINUED)

The movements during the financial year relating to deferred taxation are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 January	**13,203**	(31,783)	**3,474**	3,793
(Charged)/Credited to profit or loss (Note 8 and Note 9):				
- property, plant and equipment	**1,773**	21,638	**244**	(502)
- payables	**825**	182	**825**	183
- unutilised capital allowance	**(171)**	(5,161)	**-**	-
- undistributed profits from subsidiaries	**(17,419)**	1,789	**-**	-
	(14,992)	18,448	**1,069**	(319)
Transfer to liabilities directly associated with non-current assets and disposal group classified as held-for-sale (Note 27)	**-**	27,709	**-**	-
Exchange differences	**711**	(1,171)	**-**	-
At 31 December	**(1,078)**	13,203	**4,543**	3,474

The unabsorbed capital allowances, unutilised tax losses and other deductible temporary differences (which have no expiry date other than as disclosed below) for which no deferred tax asset is recognised in the statement of financial position as it is not probable that taxable profit will be available against which these temporary differences can be utilised are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unutilised tax losses	**1,760,388**	1,650,227	**63,914**	60,742
Unabsorbed capital allowances	**561,066**	461,780	**10,519**	10,041
Other deductible temporary differences	**3,030**	7,466	**-**	-

Under the Malaysia Finance Act 2021 gazetted on 31 December 2021, unutilised tax losses accumulated up to year of assessment 2018 can now be carried forward for ten consecutive years of assessment until year of assessment 2028.

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

20 DEFERRED TAXATION (CONTINUED)

The unutilised tax losses brought forward from year of assessment 2021 and 2022 will expire in the following year of assessments:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Year of assessments				
2028	**266,903**	284,395	**55,020**	55,020
2030	**13,795**	13,919	**5,722**	5,722
2031	**3,440**	3,440	**-**	-
2032	**3,172**	-	**3,172**	-
	287,310	301,754	**63,914**	60,742

21 TRADE RECEIVABLES

	Group	
	2022 RM'000	2021 RM'000
Trade receivables from:		
- contracts with customers	**202,812**	176,076
- lease contracts	**361,501**	423,487
	564,313	599,563
Less: Loss allowance	**(57,368)**	(105,277)
	506,945	494,286

The trade receivables have credit terms ranging from 0 to 60 days (2021: 0 to 60 days).

During the financial year, trade receivables with an amount of RM26.5 million (2021: RM13.9 million) were written back and recognised in the profit or loss. As at 31 December 2022, the amount of the loss allowance was RM57.4 million (2021: RM105.3 million). The individually impaired receivables mainly relate to a number of customers which were in an unexpectedly difficult financial position due to the current industry conditions and change in the expected timing and quantum of recovery of the trade receivables.

During the financial year, trade receivable with an amount of RM25.3 million was written off upon dismissal by the High Court of Australia of the application made by Armada Balnaves Pte Ltd ("ABPL") for special leave to appeal part of the judgment of the Court of Appeal of the Supreme Court of Western Australia which was delivered on 24 June 2022 in favour of Woodside Julimar Pty Ltd ("WEJ") as disclosed in Note 40.

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

21 TRADE RECEIVABLES (CONTINUED)

The loss allowance for trade receivables which was assessed using the simplified approach reconciles to the opening loss allowance as follows:

	Group	
	2022 RM'000	2021 RM'000
At 1 January	**105,277**	116,451
Decrease in loss allowance recognised in profit or loss during the year (Note 5)	**(26,513)**	(13,940)
Write off	**(25,624)**	(575)
Exchange differences	**4,228**	3,341
At 31 December	**57,368**	105,277

22 ACCRUED LEASE RENTAL

	Group	
	2022 RM'000	2021 RM'000
Non-current		
Accrued lease rental	-	329,794
Less: Loss allowance	-	(246,464)
	-	83,330

As at 31 December 2021, an amount of RM246.5 million was impaired and provided for based on expected timing and quantum of recovery, following the judgment delivered by the Supreme Court of Western Australia on 24 January 2020 in favour of WEJ, which is further disclosed in Note 40. The recoverability of the residual balance of USD20.0 million was subject to the appeal against the decision of the Supreme Court and was significantly lower than the damages claimed by ABPL.

During the financial year, the residual balance of USD20.0 million was impaired and provided for following judgment by the Court of Appeal on 24 June 2022 which was in favour of WEJ. The full amount of the accrued lease rental was subsequently written off upon dismissal by the High Court of Australia of the application made by ABPL for special leave to appeal part of the judgment of the Court of Appeal of the Supreme Court of Western Australia as disclosed in Note 40.

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

22 ACCRUED LEASE RENTAL (CONTINUED)

The loss allowance for accrued lease rental which was assessed using the simplified approach reconciles to the opening loss allowance as follows:

	Group	
	2022 RM'000	2021 RM'000
At 1 January	**246,464**	237,816
Increase in loss allowance recognised in profit or loss during the year (Note 5)	**88,010**	-
Write off	**(348,633)**	-
Exchange differences	**14,159**	8,648
At 31 December	**-**	246,464

23 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current				
Other receivables	**13,241**	39,446	**69**	17
Deposits	**1,656**	1,680	**1,240**	1,248
Prepayments	**21,309**	45,378	**4,179**	9,927
	36,206	86,504	**5,488**	11,192
Less: Loss allowance	**(3,402)**	(3,595)	**-**	-
	32,804	82,909	**5,488**	11,192

Included in the current other receivables is an amount recognised from pre-contract costs incurred to obtain or fulfil a contract with customers. The pre-contract costs as at 31 December 2022 are Nil (2021: RM18.8 million).

Other receivables and deposits are interest free, unsecured and have no fixed term of repayment.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2022

23 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

The loss allowance for other receivables and deposits which was assessed using the general 3-stage approach is as follows:

	Group	
	2022 RM'000	2021 RM'000
At 1 January	**3,595**	2,498
Increase in loss allowance recognised in profit or loss during the year (Note 5)	**-**	1,007
Write off	**(183)**	-
Exchange differences	**(10)**	90
At 31 December	**3,402**	3,595

24 CONTRACT ASSETS/(LIABILITIES)

The Group has recognised the following assets and liabilities related to contracts with customers:

	Group	
	2022 RM'000	2021 RM'000
Current contract assets		
Vessel charter fees and support services rendered	**1,226**	2,081
Construction work (Note (a))	**30,930**	10,399
Total contract assets	**32,156**	12,480
Non-current contract liabilities		
Vessel charter fees and support services rendered	**(27,949)**	(27,268)
Current contract liabilities		
Vessel charter fees and support services rendered	**(21,634)**	(34,219)
Total contract liabilities	**(49,583)**	(61,487)

(a) Construction work

The construction work represents the construction contracts with customers where there are timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect certain stages of physical completion of the contracts.

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

24 CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

(b) Significant changes in contract assets/(liabilities)

The following table shows the movement of the Group's contract assets/(liabilities) during the financial year:

	Contract assets		Contract liabilities	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Opening balance as at 1 January	**12,480**	54,299	**(61,487)**	(51,634)
Increase as a result of performance obligation fulfilled but not yet billed	**183,993**	81,501	**-**	-
Decrease due to billings made during the financial year	**(164,911)**	(125,150)	**-**	-
Revenue recognised during the financial year that was included in the contract liabilities balance as at 1 January (Note 2)	**-**	-	**33,102**	9,753
Increase due to billings made excluding amounts recognised as revenue during the financial year	**-**	-	**(17,939)**	(17,749)
Exchange differences	**594**	1,830	**(3,259)**	(1,857)
Closing balance as at 31 December	**32,156**	12,480	**(49,583)**	(61,487)

(c) Contract value yet to be recognised as revenue

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date, are as follows:

	Group				
	Within 1 year RM'000	More than 1 year and within 2 years RM'000	More than 2 years and within 5 years RM'000	More than 5 years RM'000	Total RM'000
2022					
Vessel charter fees and support services rendered	**211,219**	**199,842**	**603,706**	**633,478**	**1,648,245**
2021					
Vessel charter fees and support services rendered	209,519	198,350	564,830	772,677	1,745,376

The Group applied the practical expedient in MFRS 15 and did not disclose information about unsatisfied performance obligation for certain contracts, where the transaction price corresponds directly with the Group's level of performance in the future.

(d) There was no loss allowance for contract assets which was assessed using the simplified approach.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2022

25 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2022 RM'000	2021 RM'000
Current		
Gross amounts due from subsidiaries	**154,903**	453,004
Less: Loss allowance	**(20,329)**	(19,099)
Net amounts due from subsidiaries	**134,574**	433,905
Amounts due to subsidiaries	**(42,282)**	(35,898)
	92,292	398,007

The amounts due from subsidiaries are unsecured, interest free and have no fixed term of repayment. During the financial year, an amount of RM1.2 million was impaired (2021: RM19.1 million was impaired) due to a change in expected timing and quantum of recovery from subsidiaries.

The loss allowance for amounts due from subsidiaries which was assessed using the simplified approach is as follows:

	Company	
	2022 RM'000	2021 RM'000
At 1 January	**19,099**	-
Increase in loss allowance recognised in profit or loss during the year (Note 5)	**1,230**	19,099
At 31 December	**20,329**	19,099

The amounts due to subsidiaries classified as current are interest free and repayable on demand.

26 DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and bank balances	**82,812**	73,992	**20,794**	517
Deposits with licensed banks	**756,035**	720,854	**44,442**	73,619
	838,847	794,846	**65,236**	74,136

Bank balances are deposits held at call with banks.

The weighted average interest rates per annum of deposits with licensed banks that were effective as at the reporting date were as follows:

	Group		Company	
	2022 %	2021 %	2022 %	2021 %
Deposits with licensed banks	**3.82**	0.69	**2.99**	0.22

Deposits with licensed banks of the Group and the Company at the end of the reporting period have an average maturity of 36 and 38 days (2021: 37 days and 20 days) respectively.

Bank deposits are mainly deposits with banks which have high credit ratings as determined by international credit rating agencies.

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

27 NON-CURRENT ASSETS AND DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE

		Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current assets classified as held-for-sale					
- property, plant and equipment	(a)	-	16,666	-	-
- investment in a joint venture	(a)	6,599	-	2,754	-
Disposal group classified as held-for-sale	(b)				
- property, plant and equipment		-	186,406	-	-
- other assets		-	52,393	-	-
		6,599	255,465	2,754	-
Disposal group classified as held-for-sale	(b)				
- liabilities		-	(53,579)	-	-
At 31 December		6,599	201,886	2,754	-

(a) The non-current assets classified as held-for-sale as at 31 December 2022 relates to the Group and the Company's investment in a joint venture, SPBAOPL, where the Company has entered into an agreement to dispose of the investment on 28 February 2023. The sale transaction was completed on 2 March 2023.

The non-current assets classified as held-for-sale as at 31 December 2021 relate to OSV vessels, where the sale was completed during the financial year ended 31 December 2022.

The movements during the financial year relating to non-current assets classified as held-for-sale are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Net book value				
At 1 January	16,666	51,421	-	-
Transfer from property, plant and equipment (Note 12)	56,057	92,599	-	-
Transfer from investment in joint ventures (Note 14)	6,599	-	2,754	-
Disposals	(73,675)	(128,549)	-	-
Exchange differences	952	1,195	-	-
	6,599	16,666	2,754	-

(b) The disposal group classified as held-for-sale relates to the Ice Class Vessel Companies, where the disposal was completed on 20 January 2022. The details of the disposal are disclosed in Note 9.

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

28 TRADE PAYABLES AND ACCRUALS

	Group	
	2022 RM'000	2021 RM'000
Trade payables	**28,458**	13,485
Trade accruals	**154,164**	145,443
	182,622	158,928

The trade payables have credit terms ranging from 0 to 90 days (2021: 0 to 90 days).

29 OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current				
Advances from customers	**23,417**	22,152	**-**	-
Other payables	**154,995**	161,332	**3,493**	1,970
Accruals	**74,852**	63,728	**21,430**	18,092
Accruals for contractual obligations to charterer	**63,521**	37,917	**-**	-
	316,785	285,129	**24,923**	20,062
Non-current				
Advances from customers	**29,271**	49,839	**-**	-
Accruals for contractual obligations to charterer	**20,940**	36,689	**-**	-
	50,211	86,528	**-**	-
	366,996	371,657	**24,923**	20,062

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

30 LEASES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current				
Deferred charter revenue (a)	**61,041**	59,191	**-**	-
Lease liabilities (b)	**2,820**	2,072	**1,025**	642
	63,861	61,263	**1,025**	642
Non-current				
Lease liabilities (b)	**2,941**	4,072	**75**	1,100
	66,802	65,335	**1,100**	1,742

(a) Deferred charter revenue – The Group as a Lessor

As at 31 December 2022, the deferred charter revenue relates to the lease of one of the FPSOs which has a remaining charter of 2 years, and arose from higher contractual lease payments received to-date as compared to the lease income recognised on a straight-line basis.

No contingent rent is recognised during the financial year.

(b) Lease liabilities – The Group and the Company as a Lessee

The Group and the Company lease various offices and warehouses, and office equipment with remaining durations varying from <1 to 4 years and <1 to 4 years respectively (2021: <1 to 5 years and 2 to 5 years respectively).

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Certain lease contracts may contain variable payment terms, extension and termination options. In cases where the Group and the Company are not reasonably certain to exercise an optional extended lease term, payments associated with the optional period are not included within lease liabilities. There are no residual value guarantees provided in these lease contracts.

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

30 LEASES (CONTINUED)

(b) Lease liabilities – The Group and the Company as a Lessee (continued)

The following table sets out the information about right-of-use ("ROU") assets, expenses and cash flows related to the leases:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Carrying amounts of ROU assets by class of underlying assets:				
- Offices and warehouses	**5,348**	7,533	**1,004**	3,414
- Office equipment	**103**	133	**103**	134
	5,451	7,666	**1,107**	3,548
Depreciation charge of ROU assets by class of underlying assets:				
- Offices and warehouses	**4,406**	4,369	**2,410**	2,410
- Office equipment	**31**	103	**31**	101
	4,437	4,472	**2,441**	2,511
Accretion of interest	**738**	786	**405**	392
Total cash outflow for leases	**(3,369)**	(4,937)	**(1,047)**	(3,356)
Expenses related to short-term leases *	**83,990**	66,765	**-**	-

* There are no expenses incurred which are related to the lease of low-value assets during the financial year.

As at the end of the financial year, there are no leases not yet commenced to which the lessee is committed.

The following table sets out the maturity analysis of undiscounted lease payments after the reporting date:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Within 1 year	**2,667**	2,738	**1,201**	1,047
In the 2nd year	**1,501**	2,460	**35**	1,201
In the 3rd year	**780**	1,294	**35**	35
In the 4th year	**8**	666	**8**	35
In the 5th year	**-**	8	**-**	8
	4,956	7,166	**1,279**	2,326

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

31 BORROWINGS

	Group	
	2022 RM'000	2021 RM'000
Current		
Term loans – secured [1]	**985,537**	1,060,827
Term loans – unsecured	**2,220**	312,908
Sukuk Murabahah – unsecured [2]	**30,654**	30,393
	1,018,411	1,404,128
Non-current		
Term loans – secured	**2,040,884**	2,755,319
Term loans – unsecured	**945,578**	1,259,114
Sukuk Murabahah – unsecured [2]	**1,499,907**	1,499,769
	4,486,369	5,514,202
Total borrowings	**5,504,780**	6,918,330

(1) Included in the current secured term loans is a 3-year secured term loan of USD30.0 million (RM132.1 million) from MENV, a wholly-owned subsidiary of Usaha Tegas Sdn Bhd ("UTSB") which was reclassified as current liabilities during the financial year as the repayment is due within 12 months from the balance sheet date. The Group is currently in discussion with MENV to extend the repayment date for this secured term loan.

(2) The Sukuk Murabahah was issued by Bumi Armada Capital Malaysia Sdn Bhd under the Shariah principle of Murabahah (via a Tawarruq arrangement) for the full aggregate nominal value of RM1.5 billion for a tenure of 10 years, at a profit rate of 6.35% per annum.

The weighted contractual interest/profit rates per annum of borrowings that were effective as at the end of the financial year are as follows:

	Group	
	2022 %	2021 %
Term loans	**7.84**	3.55
Sukuk Murabahah	**6.35**	6.35

31 BORROWINGS (CONTINUED)

Group	Interest/Profit rate terms	Currency exposure	Total carrying amount RM'000	Maturity profile < 1 year RM'000	1-2 years RM'000	2-5 years RM'000	>5 years RM'000
At 31 December 2022							
Unsecured:							
- term loans	Floating rates vary based on London Interbank Offer Rate ("LIBOR")	USD	**947,798**	**2,220**	**945,578**	**-**	**-**
- Sukuk Murabahah	Fixed rate for a tenure of 10 years	RM	**1,530,561**	**30,654**	**1,499,907**	**-**	**-**
Secured:							
- term loans	Floating rates vary based on LIBOR	USD	**3,026,421**	**985,537**	**482,609**	**1,558,275**	**-**
			5,504,780	**1,018,411**	**2,928,094**	**1,558,275**	**-**
At 31 December 2021							
Unsecured:							
- term loans	Floating rates vary based on London Interbank Offer Rate ("LIBOR")	USD	1,572,022	312,908	83,330	1,175,784	-
- Sukuk Murabahah	Fixed rate for a tenure of 10 years	RM	1,530,162	30,393	-	1,499,769	-
Secured:							
- term loans	Floating rates vary based on LIBOR	USD	3,816,146	1,060,827	824,715	1,422,720	507,884
			6,918,330	1,404,128	908,045	4,098,273	507,884

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2022

32 DERIVATIVE FINANCIAL INSTRUMENTS

	Group			
	2022		2021	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Derivatives used for hedging:				
- Interest rate swaps	**97,102**	**-**	364	(55,493)
- Cross currency interest rate swaps	**263**	**(434,421)**	487	(435,755)
Total	**97,365**	**(434,421)**	851	(491,248)
Non-current				
Derivatives used for hedging:				
- Interest rate swaps	**46,522**	**-**	364	(27,278)
- Cross currency interest rate swaps	**-**	**(424,684)**	-	(428,299)
	46,522	**(424,684)**	364	(455,577)
Current				
Derivatives used for hedging:				
- Interest rate swaps	**50,580**	**-**	-	(28,215)
- Cross currency interest rate swaps	**263**	**(9,737)**	487	(7,456)
	50,843	**(9,737)**	487	(35,671)

The Group has entered into interest rate swaps ("IRS") to hedge its exposure to interest rate risk on borrowings, and cross currency interest rate swaps ("CCIRS") to hedge against fluctuations of foreign currency exchange on forecasted USD receipts by a subsidiary whose functional currency is in RM that are highly probable.

The following table sets out the maturity profile of the notional amount and average fixed interest rate of the IRS and CCIRS:

Group	Average fixed interest rate	Total notional amount RM'000	< 1 year RM'000	1 – 2 years RM'000	2 – 5 years RM'000	> 5 years RM'000
2022						
IRS	**1.83%**	**2,035,384**	**633,356**	**320,265**	**1,081,763**	**-**
CCIRS	**5.51%**	**1,500,000**	**-**	**1,500,000**	**-**	**-**
2021						
IRS	1.76%	2,527,819	602,419	599,132	966,578	359,690
CCIRS	5.51%	1,500,000	-	-	1,500,000	-

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

33 SHARE CAPITAL

	Group and Company			
	Number of shares		Share capital	
	2022 '000	2021 '000	2022 RM'000	2021 RM'000
Issued and fully paid:				
Ordinary shares				
At 1 January	**5,907,045**	5,885,896	**4,328,432**	4,321,351
Shares issued pursuant to the management incentive plan	**11,002**	21,149	**3,944**	7,081
At 31 December	**5,918,047**	5,907,045	**4,332,376**	4,328,432

34 MANAGEMENT INCENTIVE PLAN

The Company established a Management Incentive Plan ("MIP" or "Plan") which came into effect on 10 October 2016 for a period of 10 years to 9 October 2026 and is administered by the MIP Committee. The MIP is governed by the By-Laws which were approved by the shareholders on 23 May 2016.

The main features of the Plan are as follows:

(a) The grant of shares is subject to certain vesting conditions and after fulfilment of certain performance targets and/or other conditions as determined by the MIP Committee in accordance with the By-Laws. The MIP Committee may in its absolute discretion permit the vesting of the unvested shares (or any part thereof) to the MIP participants subject to such terms and conditions as may be prescribed notwithstanding that:

   (i) the vesting date is not due or has not occurred; and/or
   (ii) other terms and conditions set forth in the grant have not been fulfilled/satisfied.

(b) In the event of termination or cessation of employment prior to the relevant vesting date, any unvested granted shares shall forthwith cease to be capable of vesting.

(c) The new shares to be allotted and issued pursuant to the vesting of the grant under the MIP shall, upon allotment and issuance, rank equally in all respects with the then existing issued shares. The new shares to be allotted and issued pursuant to the vesting of the grant under the MIP shall not be entitled to any voting rights, dividends, rights, allotments, distributions and/or any other entitlements, for which the entitlement date is prior to the date on which the new shares are credited into the Central Depository System ("CDS") accounts of the respective grantees.

(d) The maximum number of the Company's shares which may be made available under the Plan shall not, when aggregated with the total number of new shares allotted and issued and/or to be allotted and issued under the existing Employee Share Option Scheme ("ESOS"), exceed 10% of the total number of shares of the Company (excluding treasury shares) at any point of time within the duration of the MIP for a period of 10 years commencing from 10 October 2016 during the MIP period ("Maximum Shares").

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

34 MANAGEMENT INCENTIVE PLAN (CONTINUED)

The main features of the Plan are as follows: (continued)

(e) The maximum number of shares that are to be allocated to any one category or designation of selected employees shall be determined by the MIP Committee from time to time. The allocation to any individual selected employee who, either singly or collectively through persons connected with him/her, holds 20% or more of the total number of shares of the Company (excluding treasury shares), shall not exceed 10% of the Maximum Shares.

2017 MIP Grant (“2017 Grant”)

On 2 June 2017, the Company offered and granted 41,152,400 shares under the Plan, comprising of annual grant of up to 26,237,800 shares and a 3-year grant of up to 14,914,600 shares.

The fair value as at grant date of the 2017 Grant shares offered and granted under the Plan was RM0.7543 per share, based on the Volume Weighted Average Price (“VWAP”) of the Company’s shares on the Main Market of Bursa Malaysia Securities Berhad (“Main Market”), on the grant date, as reported on Bloomberg.

During the financial year ended 31 December 2018, 14,002,900 shares for annual grant were awarded to eligible employees and the Executive Director of the Group upon fulfilment of certain performance targets and/or other conditions as determined by the MIP Committee in accordance with the By-Laws. These shares will be vested annually over a period of 10 years and forfeited in the event of termination or cessation of employment prior to the next vesting date.

The movement of the number of eligible shares for annual grant under the 2017 Grant during the financial year is as follows:

	Group and Company				
	Number of shares awarded as at 1 January ‘000	Awarded ‘000	Vested ‘000	Forfeited ‘000	Number of shares awarded as at 31 December ‘000
2022					
MIP 2017 grant:					
Annual grant	**537**	**-**	**(139)**	**(120)**	**278**
2021					
MIP 2017 grant:					
Annual grant	1,033	-	(345)	(151)	537

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

34 MANAGEMENT INCENTIVE PLAN (CONTINUED)

2019 MIP Grant ("2019 Grant")

On 1 July 2019, the Company further offered and granted 47,214,600 shares under the Plan, comprising of annual grant of 14,964,200 shares and a 2-year grant of 19,952,300 shares to the CEO of the Company, as well as a 3-year share plan of up to 12,298,100 shares to eligible key management and employees.

The fair value as at grant date of the 2019 Grant shares offered and granted under the Plan was RM0.2095 per share, based on the VWAP of the Company's shares on the Main Market on the grant date, as reported on Bloomberg.

The movement of the number of eligible shares for annual grant under the 2019 Grant during the financial year is as follows:

	Group and Company				
	Number of shares awarded as at 1 January '000	Awarded '000	Vested '000	Forfeited '000	Number of shares awarded as at 31 December '000
2022					
MIP 2019 grant:					
3-year share plan	**3,212**	**-**	**(3,212)**	**-**	**-**
2021					
MIP 2019 grant:					
Annual grant	5,437	-	(5,437)	-	-
3-year share plan	7,448	-	(3,090)	(1,146)	3,212

2020 MIP Grant ("2020 Grant")

During the financial year ended 31 December 2021, the 2-year grant of 19,952,300 shares offered under the 2019 Grant was replaced by an annual grant under the 2020 Grant which vested immediately upon award.

On 29 June 2021, the Company granted and awarded 12,276,900 shares under the 2020 Grant to the CEO of the Company at the fair value of RM0.4101 per share, based on the VWAP of the Company's shares on the Main Market, on the grant date, as reported on Bloomberg.

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

34 MANAGEMENT INCENTIVE PLAN (CONTINUED)

2020 MIP Grant ("2020 Grant") (continued)

The movement of the number of eligible shares for annual grant under the 2020 Grant during the financial year is as follows:

	Group and Company				
	Number of shares awarded as at 1 January '000	Awarded '000	Vested '000	Forfeited '000	Number of shares awarded as at 31 December '000
2021					
MIP 2020 grant:					
Annual grant	-	12,277	(12,277)	-	-

In 2022 and 2021, no new grant was offered to the key management and employees.

Annual Incentive ("AI") and Completion Incentive ("CI")

The Company may offer the CEO of the Company an AI up to USD1.5 million which may be partly offered in shares and partly in cash subject to the CEO achieving certain key performance indicators ("KPIs").

During the financial year, an AI equivalent to USD1.5 million was awarded and paid to the CEO which was partly offered in shares and partly in cash upon achieving certain KPIs for the financial year ended 31 December 2021.

The movement of the number of eligible shares for AI during the financial year is as follows:

	Group and Company				
	Number of shares awarded as at 1 January '000	Awarded '000	Vested '000	Forfeited '000	Number of shares awarded as at 31 December '000
2022					
Annual incentive	**-**	**7,651**	**(7,651)**	**-**	**-**

A CI of up to USD 1.5 million may be awarded to the CEO upon completion of his full contract term.

35 RESERVES

(a) Foreign exchange reserve

Foreign exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of entities whose functional currencies are different from the Group's presentation currency.

(b) Share option reserve

Share option reserve comprises the cumulative value of employee services received for the issue of share options by the Company. The fair value measured at grant date of the share options granted to these employees is recognised as an employee expense in profit or loss with a corresponding increase in equity over the period that the employees become unconditionally entitled to the options.

(c) Hedging reserve

Hedging reserve includes the cash flow hedge reserve and the costs of hedging reserve.

The Group defers the changes in the forward element of CCIRS in the costs of hedging reserve.

The Group's hedging reserve relates to the following hedging instruments:

		Cash flow hedge reserve		
	Costs of hedging reserve RM'000	Spot component of CCIRS RM'000	IRS RM'000	Total hedging reserve RM'000
2022				
At 1 January	(33,904)	(35,119)	(56,378)	(125,401)
Other comprehensive income ("OCI"):				
Change in fair value of hedging instrument recognised in OCI during the financial year	-	33,857	149,266	183,123
Reclassified from OCI to profit or loss	-	107,090	2,589	109,679
	-	140,947	151,855	292,802
Costs of hedging deferred in OCI	(32,746)	-	-	(32,746)
At 31 December	(66,650)	105,828	95,477	134,655

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

35 RESERVES (CONTINUED)

(c) Hedging reserve (continued)

The Group's hedging reserve relates to the following hedging instruments: (continued)

		Cash flow hedge reserve		
	Costs of hedging reserve RM'000	Spot component of CCIRS RM'000	IRS RM'000	Total hedging reserve RM'000
2021				
At 1 January	(46,883)	(60,551)	(144,509)	(251,943)
Other comprehensive income ("OCI"):				
Change in fair value of hedging instrument recognised in OCI during the financial year	-	(40,352)	42,248	1,896
Reclassified from OCI to profit or loss	-	65,784	45,883	111,667
	-	25,432	88,131	113,563
Costs of hedging deferred in OCI	12,979	-	-	12,979
At 31 December	(33,904)	(35,119)	(56,378)	(125,401)

(d) Other reserve

Other reserve represents the fair value change in financial assets at FVOCI amounting to RM12.6 million (2021: RM1.7 million).

36 COMMITMENTS

Capital expenditure for property, plant and equipment not provided for in the financial statements is as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Authorised and contracted	-	231	-	123
Authorised but not contracted	**2,381**	5,397	**353**	2,605
	2,381	5,628	**353**	2,728

37 SIGNIFICANT RELATED PARTY DISCLOSURES

The related parties of the Group and the Company are:

(a) Subsidiaries

Details of the subsidiaries are shown in Note 13.

(b) Joint ventures

Details of the joint ventures are shown in Note 14.

(c) Associates

Details of the associates are shown in Note 15.

(d) Key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel of the Group and of the Company include the Executive Director of the Company and certain members of senior management of the Group and of the Company.

UTSB is a party related to the Company by virtue of its substantial equity interest in Objektif Bersatu Sdn. Bhd. ("OBSB"), a substantial shareholder of the Company. The ultimate holding company of UTSB is PanOcean Management Limited ("PanOcean"). PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of Ananda Krishnan Tatparanandam ("TAK") and foundations including those for charitable purposes. Although PanOcean and TAK are deemed to have an interest in the shares of the Company through UTSB's deemed interest in OBSB, they do not have any economic or beneficial interest in such shares as such interest is held subject to the terms of such discretionary trust.

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

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

37 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

		Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
(i)	Management and engineering assistance services charged to joint ventures and associates				
	- revenue	**(4,630)**	(12,311)	**-**	-
	- other operating income	**(13,400)**	(90,529)	**-**	-
(ii)	Telecommunication expenses to Maxis Broadband Sdn. Bhd. [(2)]	**285**	473	**-**	-
(iii)	Rental expenses to Malaysian Landed Property Sdn. Bhd. [(3)]	**3,806**	3,705	**3,806**	3,705
(iv)	Transaction with UTSB Management Sdn. Bhd. [(1)]				
	- management fees	**7,383**	7,060	**7,383**	7,060
(v)	Transactions with Mezzanine Equities N.V. [(1)]				
	- interest expense	**17,946**	14,661	**-**	-
(vi)	Transaction with a joint venture				
	- interest income	**-**	(659)	**-**	-
(vii)	Transactions with an associate				
	- advances	**-**	(116,091)	**-**	-
	- interest income	**(16,063)**	(13,026)	**-**	-
(viii)	Transaction with key management:				
	Key management personnel compensation:				
	- Non-executive Directors' fees and allowances	**2,657**	2,595	**2,657**	2,595
	- consultancy fees	**282**	-	**282**	-
	- salaries, bonus, allowances and other staff related costs	**19,223**	14,885	**19,223**	13,983
	- defined contribution plan	**268**	351	**268**	247
	- share-based payment	**4,533**	5,492	**4,533**	5,492
(ix)	Management fees charged to subsidiaries				
	- revenue	**-**	-	**(3,969)**	(10,543)
(x)	Redemption of redeemable preference shares	**22,062**	8,221	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

37 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

		Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
(xi)	Central overhead fees charged:				
	- subsidiaries	**-**	-	**(99,559)**	(82,642)
	- joint ventures	**(647)**	(470)	**(647)**	(470)
(xii)	Dividend income from:				
	- subsidiaries	**-**	-	**(11)**	(94,493)
	- joint ventures	**(82,726)**	(107,955)	**(61,165)**	(87,533)
(xiii)	Payment on behalf of:				
	- subsidiaries	**-**	-	**1,682**	2,571
	- joint ventures	**735**	721	**735**	655
(xiiii)	Repayment on behalf by subsidiaries	**-**	-	**(1,380)**	(3,672)

(1) Subsidiary of UTSB, a substantial shareholder of the Company.
(2) Subsidiary of a joint venture, in which UTSB has a significant equity interest.
(3) Subsidiary of a company in which TAK has a 100% equity interest.

38 FAIR VALUES

The Group and the Company classifies fair value measurement using the fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as price) or indirectly (that is, derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value of financial instruments traded in active markets is based on the quoted market price at the reporting date. This instrument is included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques such as estimated discounted cash flows that are used to determine fair value for the derivative financial instruments. The fair value of cross currency interest rate swaps and interest rate swaps is calculated as the present value of the estimated future cash flows.

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

38 FAIR VALUES (CONTINUED)

The following table presents the Group's financial assets and liabilities that were measured at fair value:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 December 2022				
Financial assets:				
Derivatives used for hedging				
- Interest rate swaps	**-**	**97,102**	**-**	**97,102**
- Cross currency interest rate swaps	**-**	**263**	**-**	**263**
Financial assets at fair value through other comprehensive income	**27,816**	**-**	**-**	**27,816**
Financial liabilities:				
Derivatives used for hedging				
- Interest rate swaps	**-**	**-**	**-**	**-**
- Cross currency interest rate swaps	**-**	**(434,421)**	**-**	**(434,421)**
31 December 2021				
Financial assets:				
Derivatives used for hedging				
- Interest rate swaps	-	364	-	364
- Cross currency interest rate swaps	-	487	-	487
Financial assets at fair value through other comprehensive income	12,651	-	-	12,651
Financial liabilities:				
Derivatives used for hedging				
- Interest rate swaps	-	(55,493)	-	(55,493)
- Cross currency interest rate swaps	-	(435,755)	-	(435,755)

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

38 FAIR VALUES (CONTINUED)

The carrying amounts of financial assets and financial liabilities of the Group and the Company as at the reporting date approximated their fair values except as set out below:

Group	Carrying amount 2022 RM'000	Carrying amount 2021 RM'000	Fair value 2022 RM'000	Fair value 2021 RM'000
Finance lease receivables	**4,628,477**	4,628,808	**5,235,744**	5,219,676
Amount due from a joint venture	**26,748**	31,994	**46,339**	47,513
Amount due from an associate	**357,317**	322,801	**310,571**	317,745
Fixed rate Sukuk Murabahah (Note 31)	**1,530,561**	1,530,162	**1,510,773**	1,543,054

The fair value of finance lease receivables, amount due from a joint venture, amount due from an associate and fixed rate Sukuk Murabahah are within Level 3 of the fair value hierarchy.

The Group estimates the fair value of the above items by discounting future contractual cash flows at the current market interest rate available to the Group for similar financial instruments. The discount rates used to determine fair value range between 6.0% and 11.0% (2021: 3.9% and 11.0%).

39 CONTINGENT LIABILITIES

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Bank guarantees extended to third parties	**48,695**	44,283	**48,695**	44,283

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

40 MATERIAL LITIGATION

Save as disclosed below, as at 31 December 2022, neither the Company nor any of its subsidiaries were involved in any material litigation, claims or arbitration, and the Company and its subsidiaries are not aware of any material litigation, claims or arbitration pending or threatened against the Company and its subsidiaries:

In the Supreme Court of Western Australia between Armada Balnaves Pte Ltd and Woodside Energy Julimar Pty Ltd

The matter arose out of a dispute between Armada Balnaves Pte Ltd ("ABPL"), our wholly-owned subsidiary, and Woodside Energy Julimar Pty Ltd ("WEJ") in relation to a contract for the provision of floating production storage and offloading services dated 30 September 2011 ("Contract"). On 4 March 2016, WEJ sought to terminate the Contract by issuing a notice of termination to ABPL which ABPL considered as a repudiation of the Contract, which entitled ABPL to damages.

On 14 March 2016, ABPL commenced a writ action in the Supreme Court of Western Australia ("Supreme Court") against WEJ for, inter alia, (i) a declaration that WEJ was in repudiatory breach of the Contract and (ii) damages for WEJ's breach of the Contract. On 24 January 2020, the Supreme Court delivered its judgment in favour of WEJ on ABPL's main claim of repudiation of the Contract.

On 11 March 2020, ABPL filed an appeal against the Supreme Court's decision at the Court of Appeal of the Supreme Court of Western Australia ("Court of Appeal"). On 24 June 2022, the Court of Appeal delivered its judgment in favour of WEJ.

On 10 November 2022, the High Court of Australia dismissed an application made by ABPL for special leave to appeal part of the judgment of the Court of Appeal. This decision brings this matter to a conclusion.

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

41 FINANCIAL INSTRUMENTS BY CATEGORY

Analysis of the financial instruments for the Group is as follows:

	Financial assets at amortised cost RM'000	Derivatives used for hedging RM'000	FVOCI RM'000	Total RM'000
At 31 December 2022				
Financial assets:				
Finance lease receivables	4,628,477	-	-	4,628,477
Derivative financial instruments	-	97,365	-	97,365
Financial assets at fair value through other comprehensive income	-	-	27,816	27,816
Trade receivables	506,945	-	-	506,945
Other receivables and deposits excluding prepayments	11,495	-	-	11,495
Amounts due from joint ventures	50,362	-	-	50,362
Amounts due from associates	373,008	-	-	373,008
Deposits, cash and bank balances	838,847	-	-	838,847
	6,409,134	97,365	27,816	6,534,315

	Other financial liabilities at amortised cost RM'000	Derivatives used for hedging RM'000	Total RM'000
At 31 December 2022			
Financial liabilities:			
Trade payables and accruals	182,622	-	182,622
Other payables and accruals excluding non-refundable advances from customers and statutory liabilities	234,302	-	234,302
Lease liabilities	5,761	-	5,761
Borrowings	5,504,780	-	5,504,780
Amounts due to joint ventures	1,441	-	1,441
Amount due to an associate	2,945	-	2,945
Derivative financial instruments	-	434,421	434,421
	5,931,851	434,421	6,366,272

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

41 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

Analysis of the financial instruments for the Group is as follows: (continued)

	Financial assets at amortised cost RM'000	Derivatives used for hedging RM'000	FVOCI RM'000	Total RM'000
At 31 December 2021				
Financial assets:				
Finance lease receivables	4,628,808	-	-	4,628,808
Accrued lease rental	83,330	-	-	83,330
Derivative financial instruments	-	851	-	851
Financial assets at fair value through other comprehensive income	-	-	12,651	12,651
Trade receivables	494,286	-	-	494,286
Other receivables and deposits excluding prepayments	37,531	-	-	37,531
Amounts due from joint ventures	45,982	-	-	45,982
Amounts due from associates	332,576	-	-	332,576
Deposits, cash and bank balances	794,846	-	-	794,846
	6,417,359	851	12,651	6,430,861

	Other financial liabilities at amortised cost RM'000	Derivatives used for hedging RM'000	Total RM'000
At 31 December 2021			
Financial liabilities:			
Trade payables and accruals	158,928	-	158,928
Other payables and accruals excluding non-refundable advances from customers and statutory liabilities	208,304	-	208,304
Lease liabilities	6,144	-	6,144
Borrowings	6,918,330	-	6,918,330
Amounts due to joint ventures	1,358	-	1,358
Amount due to an associate	1,987	-	1,987
Derivative financial instruments	-	491,248	491,248
	7,295,051	491,248	7,786,299

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

41 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

Analysis of the financial instruments for the Company is as follows:

	2022 RM'000	2021 RM'000
Financial assets measured at amortised cost:		
Other receivables and deposits excluding prepayments	**1,309**	1,265
Amounts due from subsidiaries	**134,574**	433,905
Amounts due from joint ventures	**1,059**	1,106
Amount due from an associate	**16**	-
Deposits, cash and bank balances	**65,236**	74,136
	202,194	510,412
Financial liabilities measured at amortised cost:		
Other payables and accruals excluding statutory liabilities	**23,175**	18,449
Lease liabilities	**1,100**	1,742
Amounts due to subsidiaries	**42,282**	35,898
Amount due to a joint venture	**1,345**	1,257
Amount due to an associate	**1**	1
	67,903	57,347

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

42 MATERIAL EVENTS DURING THE FINANCIAL YEAR

No material events have arisen during the financial year except as follows:

(a) On 19 January 2022, the Group entered into a sale and purchase agreement for the disposal of the entire issued and paid-up share capital of its wholly-owned subsidiaries, the Ice Class Vessel Companies (as defined in Note 9) to AC Management Company and K.N. Holding Limited Liability Company for a total cash consideration of USD44.5 million (equivalent to approximately RM186.6 million). The disposal was completed on 20 January 2022 where the Ice Class Vessel Companies ceased to be a part of the Group.

The details of the disposal are disclosed in Note 9 to the financial statements.

(b) As a result of the Russian-Ukrainian conflict since February 2022, a number of countries have imposed sanctions on certain Russian citizens and enterprises, which could cause an adverse effect on the Group's operations in Russia.

The operations in Russia form a minor part of the Group's operations. A subsidiary in Russia is involved in the design, procurement, construction, and installation of a 16-inch subsea multiphase pipeline at the V. Grayfer field located in the Caspian Sea, Russia. The contract value is approximately USD50.0 million. Barring unforeseen circumstances, the contract is expected to be completed in 2023.

The Group's day-to-day operations in Russia continue without being materially affected during the financial year. In view that the situation is currently still unfolding and there is continued uncertainty over the duration and magnitude of this conflict, the Group continues to monitor the situation closely and will take appropriate and timely actions to address the following:

(i) To minimise any adverse operational impact arising from the potential disruptions to local supply chain and logistics, continued compliance with restrictions on the execution of transactions with certain Russian financial institutions, entities and individuals, volatility in foreign exchange rates, inflationary pressures on raw materials and energy and other restrictions; and

(ii) To continuously assess the impact of the situation on the Group's financial performance including, but not limited to, the likelihood of increase in expected credit losses of financial assets, the decline in the recoverable amount of the vessels and the impact on earnings.

43 EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 28 February 2023, the Company entered into a sale and purchase agreement for the disposal of its interest in SPBAOPL to SPEPL. The sale transaction was completed on 2 March 2023.

As a result, the Group and the Company's investment in SPBAOPL has been reclassified to non-current asset held-for-sale as at 31 December 2022 as disclosed in Note 27.

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

44 COMPARATIVE FIGURES

The following comparative figures of the Group and the Company have been reclassified to conform with current financial year's presentation, which more appropriately reflects the nature of relevant transactions.

(a) Allowance for impairment losses previously classified as Cost of sales (Company: Administrative expenses) has been reclassified as Impairment to conform with current year's presentation.

	Previously reported 31.12.2021 RM'000	Effect of reclassification RM'000	As restated 31.12.2021 RM'000
Statements of Income			
Group			
Cost of sales	(1,229,081)	(13,905)	(1,242,986)
Impairment - Others	(19,116)	13,905	(5,211)
Company			
Administrative expenses	(41,535)	19,099	(22,436)
Impairment - Others	-	(19,099)	(19,099)

(b) The Group and the Company earn dividends as part of their operating activities from joint ventures and subsidiaries. Dividends received from these joint ventures and subsidiaries which were previously classified as cash generated from investing activities in the statement of cash flows have been reclassified as cash generated from operating activities to better reflect the source of funds which are managed centrally.

	Previously reported 31.12.2021 RM'000	Effect of reclassification RM'000	As restated 31.12.2021 RM'000
Statements of Cash Flows			
Group			
Net cash flows generated from operating activities	1,360,446	115,096	1,475,542
Net cash flows generated from investing activities	193,538	(115,096)	78,442
Company			
Net cash flows used in operating activities	(225,623)	193,929	(31,694)
Net cash flows generated from investing activities	194,194	(193,929)	265

45 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 23 March 2023.

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Gary Neal Christenson and Uthaya Kumar a/l K Vivekananda, two of the Directors of Bumi Armada Berhad, state that, in our opinion, the financial statements set out on pages 97 to 217 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and financial performance of the Group and of the Company for the financial year ended 31 December 2022 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 23 March 2023.

GARY NEAL CHRISTENSON
DIRECTOR

UTHAYA KUMAR A/L K VIVEKANANDA
DIRECTOR

Kuala Lumpur

STATUTORY DECLARATION PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, Luke Christopher Targett, being the officer primarily responsible for the financial management of Bumi Armada Berhad, do solemnly and sincerely declare that the financial statements set out on pages 97 to 217 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.

LUKE CHRISTOPHER TARGETT

Subscribed and solemnly declared by the abovenamed Luke Christopher Targett in Kuala Lumpur on 23 March 2023, before me:

PESURUHJAYA SUMPAH
No. W790
Nama: ZAINUL ABIDIN
BIN AHMAD
MALAYSIA
No. 59, Jalan Telawi
Bangsar Baru
59100 Kuala Lumpur

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUMI ARMADA BERHAD

(Incorporated in Malaysia)
Registration No. 199501041194 (370398-X)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Bumi Armada Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 97 to 217.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUMI ARMADA BERHAD (CONTINUED)

(Incorporated in Malaysia)
Registration No. 199501041194 (370398-X)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Refer to the Preface to the financial statements section C – Summary of significant accounting policies, Preface to the financial statements section D – Critical accounting estimates and judgements, Note 12 – Property, plant and equipment As at 31 December 2022, the carrying amounts of vessels and vessel equipment are RM3,997 million, representing 34% of the Group's total assets.	Evaluated and validated management's assessment for impairment indicators for the vessels. We held discussions with management on future prospects of the business. With regard to key assumptions used by management in developing the cash flow projections: Understood the probability of securing contacts/extensions and checked the information to bidding documents, correspondences with potential customers and scope of work of similar projects performed by the Group;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUMI ARMADA BERHAD (CONTINUED)

(Incorporated in Malaysia)
Registration No. 199501041194 (370398-X)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
Management identified the lack of long term contracts as a trigger in relation to certain vessels. An impairment assessment was performed in accordance with the requirements of MFRS 136 "Impairment of Assets" ("MFRS 136"). The recoverable amounts of vessels were determined based on value-in-use ("VIU") and no impairment loss was recognised during the year. We focused on this area since significant judgements are involved in determining key assumptions underlying cash flow projections used in determining recoverable amounts based on VIU. The key assumptions include probability of securing contracts, expected margins, and discount rates.	Compared management's discount rates against the industry's weighted average cost of capital with the assistance of our internal experts; Corroborated margins with historical trends and available market information;and Verified sensitivity of impairment to possible loss of contract with the highest contributions to the cash flows. Verified that appropriate disclosures are made in the financial statements. Based on the procedures performed above, we did not find any material exceptions.

We have determined that there are no key audit matters to report for the Company.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report, Audit Committee Report and Statement of Risk Management and Internal Control, which we obtained prior to the date of this auditors' report, and other sections of the 2022 Annual Report, which is expected to be made available to us after that date. Other information does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUMI ARMADA BERHAD (CONTINUED)

(Incorporated in Malaysia)
Registration No. 199501041194 (370398-X)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUMI ARMADA BERHAD (CONTINUED)

(Incorporated in Malaysia)
Registration No. 199501041194 (370398-X)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 13 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

ONG CHING CHUAN
02907/11/2023 J
Chartered Accountant

Kuala Lumpur
23 March 2023

ANALYSIS OF SHAREHOLDINGS
AS AT 31 MARCH 2023

Issued Shares : 5,918,047,144
Voting Rights : One vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS BASED ON THE RECORD OF DEPOSITIORS

	No. of Shareholders		No. of Issued Shares		% of Issued Shares	
Size of Shareholdings	**Malaysian**	**Foreign**	**Malaysian**	**Foreign**	**Malaysian**	**Foreign**
Less than 100	557	10	8,311	280	0.00	0.00
100 - 1,000	2,113	19	1,182,265	9,200	0.02	0.00
1,001 - 10,000	9,226	70	50,786,474	426,125	0.86	0.01
10,001 - 100,000	6,128	108	214,589,317	4,420,485	3.63	0.07
100,001 - 294,294,781 *	1,199	248	1,767,781,243	1,328,250,444	29.87	22.44
295,902,357 and above **	2	-	2,550,593,000	-	43.10	-
Total	19,225	455	4,584,940,610	1,333,106,534	77.48	22.52

* Less than 5% of Issued Shares
** 5% and above of Issued Shares

ANALYSIS BY CATEGORY OF SHAREHOLDERS BASED ON THE RECORD OF DEPOSITORS

	No. of Shareholders		No. of Issued Shares		% of Issued Shares	
Category of Shareholders	**Malaysian**	**Foreign**	**Malaysian**	**Foreign**	**Malaysian**	**Foreign**
Individual	14,615	158	501,349,061	50,139,453	8.47	0.85
Banks/Finance Companies	21	1	769,899,000	408,300	13.01	0.01
Investment Trusts/ Foundation/Charities	2	-	49,000	-	0.00	-
Other Types of Companies	142	7	2,472,287,650	34,643,400	41.78	0.59
Government Agencies/ Institutions	1	-	750,000	-	0.01	-
Nominees	4,443	289	840,605,893	1,247,915,381	14.20	21.09
Others	1	-	6	-	0.00	-
Total	19,225	455	4,584,940,610	1,333,106,534	77.47	22.53

ANALYSIS OF SHAREHOLDINGS
AS AT 31 MARCH 2023

DIRECT AND DEEMED INTERESTS IN THE COMPANY AND/OR ITS RELATED CORPORATIONS

Direct and deemed interests in the issued shares and options over unissued shares in the Company and in its related corporations as at 31 March 2023 are set out below:

Directors

	Direct		Deemed	
	No. of Issued Shares	% of Issued Shares	No. of Issued Shares	% of Issued Shares
Tunku Ali Redhauddin ibni Tuanku Muhriz	20,000 (1)	0.000	-	-
Alexandra Schaapveld	900,000 (2)	0.015	-	-
Chan Chee Beng	2,511,200 (3)	0.042	-	-
Gary Neal Christenson	30,802,300	0.520	-	-
	34,233,500	0.578	-	-

(1) Held through a nominee, namely Maybank Securities Nominees (Tempatan) Sdn Bhd

(2) Held through a nominee, namely CGS-Nominees (Asing) Sdn Bhd

(3) Held through a nominee, namely CIMSEC Nominees (Tempatan) Sdn Bhd

Senior Management

The Senior Management have indirect interest in the securities of the Company by virtue of their shares under the Management Incentive Plan ("MIP")

	Shares Granted	Shares vested	% shares issued	Balance Shares unvested (1)
Luke Christopher Targett	Up to 877,100	877,100	0.015	-
Sasha a/p Vijayananthan	Up to 1,231,100	1,133,400	0.019	97,700
Stephen Matthew Williamson	Up to 534,600	534,600	0.009	-

Name	MIP (Year)	Grant & Offer (No. of Shares)	Awarded (No. of Shares)	Vested in FY 2018 (No. of Shares)	Vested in FY 2019 (No. of Shares)	Vested in FY 2020 (No. of Shares)	Vested in FY 2021 (No. of Shares)	Vested in FY 2022 (No. of Shares)	Balance as at 31 Dec 2022 (No. of Shares)
Gary Neal Christenson	AIP 2019	up to 14,964,200	10,874,000	-	-	(5,437,000)	(5,437,000)		-
	AIP 2020	up to 12,276,900	12,276,900	-	-		(12,276,900)		-
	AIP 2021	up to 7,651,400	7,651,400					(7,651,400)	-
TOTAL VESTED			**30,802,300**						
Luke Christopher Targett	RSP 2019	up to 877,100	877,100			(263,100)	(263,100)	(350,900)	-
TOTAL VESTED			**877,100**						
Stephen Matthew Williamson	RSP 2019	up to 534,600	534,600			(160,300)	(160,300)	(214,000)	-
TOTAL VESTED			**534,600**						
Sasha a/p Vijayananthan	AIP 2017	up to 742,500	644,800	(247,500)	(165,000)	(110,000)	(73,400)	(48,900)	**97,700**
	RSP 2019	up to 488,600	488,600			(146,500)	(146,500)	(195,600)	-
TOTAL VESTED			**1,133,400**						
									97,700

ANALYSIS OF SHAREHOLDINGS
AS AT 31 MARCH 2023

SUBSTANTIAL SHAREHOLDERS' INTERESTS

The direct and deemed interests of the Substantial Shareholders in the issued shares of the Company as at 31 March 2023, based on the Register of Substantial Shareholders of the Company are set out below:

	Direct		Deemed	
	No. of Issued Shares	% of Issued Shares	No. of Issued Shares	% of Issued Shares
Objektif Bersatu Sdn Bhd	2,048,288,000	34.61	-	-
AmanahRaya Trustees Berhad Amanah Saham Bumiputera	502,305,000	8.49	-	-
Saluran Abadi Sdn Bhd	-	-	360,002,600 (1)	6.08
Farah Suhanah Binti Ahmad Sarji	-	-	360,002,600 (2)	6.08
Mutu Saluran Sdn Bhd	-	-	2,048,288,000 (3)	34.61
Usaha Tegas Sdn Bhd	-	-	2,048,288,000 (4)	34.61
Pacific States Investment Limited	-	-	2,048,288,000 (5)	34.61
Excorp Holdings N.V.	-	-	2,048,288,000 (6)	34.61
PanOcean Management Limited	-	-	2,048,288,000 (6)	34.61
Ananda Krishnan Tatparanandam	-	-	2,048,288,000 (7)	34.61

(1) Deemed interest by virtue of its shareholdings in the Saluran Abadi Sdn. Bhd. ("SASB") subsidiaries, Karisma Mesra Sdn. Bhd., Wijaya Baiduri Sdn. Bhd. and Wijaya Sinar Sdn. Bhd. (collectively, "SASB Subsidiaries") pursuant to Section 8 of the CA 2016. The Shares held via the SASB subsidiaries are held under discretionary trusts for Bumiputera objects. As such, SASB does not have any economic interest in the Shares held by the SASB subsidiaries, as such interest is held subject to the terms of the discretionary trusts.

(2) Deemed interest by virtue of her shareholding in SASB pursuant to Section 8 of the CA 2016. However, she does not have any economic interests in the Shares held via the SASB Subsidiaries as such interest is held subject to the terms of discretionary trusts for Bumiputera objects. See Note (1) above for SASB deemed interest in the Shares.

(3) Deemed interest by virtue of its shareholding in Objektif Bersatu Sdn. Bhd. pursuant to Section 8 of the CA 2016.

(4) Usaha Tegas Sdn. Bhd. ("UTSB") is deemed to have an interest in all of the Shares in which Mutu Saluran Sdn. Bhd. ("MSSB") has an interest, by virtue of UTSB being entitled to exercise 100% of the votes attached to the voting shares of MSSB. See Note (3) above for MSSB's deemed interest in the Shares.

(5) Pacific States Investment Limited ("PSIL") is deemed to have an interest in all of the Shares in which UTSB has an interest, by virtue of PSIL being entitled to exercise 99.999% of the votes attached to the voting shares of UTSB. See Note (4) above for UTSB's deemed interest in the Shares.

(6) The shares in PSIL are held by Excorp Holdings N.V. which is in turn held 100% by PanOcean Management Limited ("PanOcean"). See Note (5) above for PSIL's deemed interest in the Shares. PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of Ananda Krishnan Tatparanandam ("TAK") and foundations including those for charitable purposes. Although PanOcean is deemed to have an interest in the Shares, it does not have any economic or beneficial interest over such Shares, as such interest is held subject to the terms of the discretionary trust.

(7) TAK is deemed to have an interest in the Shares, by virtue of his deemed interest in PanOcean. See Note (6) above for PanOcean's deemed interest in the Shares. Although TAK is deemed to have an interest in the Shares, he does not have any economic or beneficial interest over such Shares, as such interest is held subject to the terms of the discretionary trust referred to in Note (6) above.

ANALYSIS OF SHAREHOLDINGS
AS AT 31 MARCH 2023

TOP 30 SECURITIES ACCOUNT HOLDERS

No.	Name	No. of Issued Shares	% of Issued Shares
1	Objektif Bersatu Sdn Bhd	2,048,288,000	34.61
2	AmanahRaya Trustees Berhad Amanah Saham Bumiputera	502,305,000	8.49
3	Karisma Mesra Sdn Bhd	236,278,650	3.99
4	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank New York (Norges Bank 19)	120,803,600	2.04
5	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank New York (Norges Bank 14)	117,901,500	1.99
6	AmanahRaya Trustees Berhad Amanah Saham Malaysia	96,321,600	1.63
7	AmanahRaya Trustees Berhad Amanah Saham Malaysia 2 - Wawasan	83,519,800	1.41
8	Wijaya Sinar Sdn Bhd	78,759,550	1.33
9	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for AIA Bhd.	76,039,500	1.28
10	AmanahRaya Trustees Berhad Amanah Saham Bumiputera 2	65,000,000	1.10
11	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank New York (Norges Bank 22)	60,000,000	1.01
12	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Emerging Markets Stock Index Fund	50,375,928	0.85
13	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Total International Stock Index Fund	49,856,805	0.84
14	HSBC Nominees (Asing) Sdn Bhd J.P. Morgan Securities PLC	47,045,262	0.79
15	Wijaya Baiduri Sdn Bhd	44,964,400	0.76
16	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund TCT9 for California State Teachers Retirement System	41,045,400	0.69
17	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Ombak Damai Sdn Bhd (PB)	36,000,000	0.61
18	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund ZVY5 for State Street Emerging Markets Small Cap Active Non-lending QIB Common Trust Fund	34,010,500	0.57
19	IFAST Nominees (Tempatan) Sdn Bhd Global Success Network Sdn Bhd	33,572,000	0.57

ANALYSIS OF SHAREHOLDINGS
AS AT 31 MARCH 2023

No.	Name	No. of Issued Shares	% of Issued Shares
20	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (LSF)	32,208,700	0.54
21	Cartaban Nominees (Tempatan) Sdn Bhd PAMB for Prulink Equity Fund	30,823,400	0.52
22	Gary Neal Christenson	30,802,300	0.52
23	HSBC Nominees (Asing) Sdn Bhd JPMSE Lux for Stichting Depositary APG Emerging Markets Equity Pool	30,631,600	0.52
24	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kong Kok Choy	30,500,000	0.52
25	HSBC Nominees (Asing) Sdn Bhd Exempt AN for Morgan Stanley & Co. LLC (Client)	29,712,500	0.50
26	Citigroup Nominees (Asing) Sdn Bhd CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group INC	28,496,650	0.48
27	Citigroup Nominees (Asing) Sdn Bhd UBS AG	27,479,283	0.46
28	HSBC Nominees (Asing) Sdn Bhd BNPP FFT/2S for BAYVK A3-FONDS	26,336,600	0.45
29	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Manulife Insurance Berhad (Equity Fund)	25,126,600	0.42
30	IFAST Nominees (Asing) Sdn Bhd Robert Lichota	24,130,700	0.41

GLOSSARY OF TECHNICAL AND OTHER TERMS

Term	Description
AC	Audit Committee
AIMP	Actionable Improvement Programme
Board/BOD	Board of Directors
BAB	Bumi Armada Berhad
BSC	British Safety Council
BU	Business Unit
Bursa Securities	Bursa Malaysia Securities Berhad CA 2016
CA 2016	Companies Act 2016
CEO	Chief Executive Officer
CG Guide	Corporate Governance Guide 3rd Edition
Code	Code of Business Conduct and Ethics
COVID-19	Coronavirus
EES	Economic, Environmental and Social
ERM	Enterprise Risk Management
ED	Executive Director
ESG	Environment, Society and Governance
ESOS	Employee Share Option Scheme
EA	External Auditor
FPO	Floating Production & Operations
FPSO	Floating Production Storage Offloading
FSU	Floating Storage Unit
FVLCTS	Fair Value Less Cost To Sell
GHG	Green House Gas
HSE	Heath, Safety and Environment
HSSEQ	Health, Safety, Security, Environment and Quality
IAD	Internal Audit Department
IMCA	International Marine Contractors Association
IMO	International Marine Organisation
IMS	Integrated Management System ALARP - As Low As Reasonably Practicable
Index	FBM KLCI
JV	Joint Venture
LOA	Limits of Authority
LNG	Liquified Natural Gas
LTI	Lost Time Injury
MACC	Malaysian Anti-Corruption Commission Act
MARPOL	Prevention of Pollution from Ships
MASB	Malaysian Accounting Standard Board
MCCG	Malaysian Code on Corporate Governance
MFRS	Malaysian Financial Reporting Standards
MIP	Management Incentive Plan
MOGSC	Malaysia Oil & Gas Services Council
MMLR	Main Market Listing Requirements of Bursa Malaysia Securities Berhad
NC	Nomination & Corporate Governance Committee
NED	Non-Executive Director
OMS	Offshore Marine Services
OSV	Offshore Support Vessel
PSE	Process Safety Event
PwC	PricewaterhouseCoopers PLT
RC	Remuneration Committee
RMC	Risk Management Committee
RMD	Risk Management Department
SC	Subsea Construction
TOR	Terms of Reference
VIU	Value-In-Use

NOTICE OF ANNUAL GENERAL MEETING

The 27th AGM will be conducted on a virtual basis via Remote Participation and Electronic Voting ("RPEV"). A virtual general meeting is conducted online, without a physical meeting venue, and shareholders will participate remotely by audio and/or video capabilities. The only venue involved is the broadcast venue (as set out below) which is the main venue where only the essential individuals are physically present to organise the virtual general meeting. The broadcast venue is strictly for the purpose of complying with Section 327 (2) of the Companies Act, 2016 ("CA 2016") which stipulates that the Chairman shall be present at the main venue of the meeting. Hence, NO SHAREHOLDERS/PROXY(IES)/CORPORATE REPRESENTATIVES will be physically present at the broadcast venue on the day of the meeting.

NOTICE IS HEREBY GIVEN that the 27th AGM of BUMI ARMADA BERHAD ("BAB" or "the Company") will be conducted virtually through live streaming and online RPEV facility from the Broadcast Venue at Angola Room, Level 7, Menara Perak, 24 Jalan Perak, 50450 Kuala Lumpur, Malaysia on Thursday, 25 May 2023 at 3.30 p.m. for the following purposes.

AS ORDINARY BUSINESS

1. To consider the Audited Financial Statements of the Company for the financial year ended 31 December 2022 and the Reports of the Directors and Auditors therein.
(Please see Explanatory Note 1)

2. To approve the payment of fees and benefits to the Non-Executive Directors of an amount of up to RM3.25 million from 25 May 2023 until the conclusion of the next Annual General Meeting ("AGM") of the Company to be held in 2024. **Ordinary Resolution 1**
(Please see Explanatory Note 2)

3. To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Directors to fix their remuneration for that year. **Ordinary Resolution 2**
(Please see Explanatory Note 3)

4. To re-elect Mr Uthaya Kumar a/l K Vivekananda who retires by rotation in accordance with Rule 131.1 of the Company's Constitution, and who being eligible, offers himself for re-election as a Director of the Company. **Ordinary Resolution 3**
(Please see Explanatory Note 4)

5. To re-elect Mr Rohan a/l Rajan Rajasooria who retires in accordance with Rule 116 of the Company's Constitution, and who being eligible, offers himself for re-election as a Director of the Company. **Ordinary Resolution 4**
(Please see Explanatory Note 4)

6. To re-elect Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda who retires in accordance with Rule 116 of the Company's Constitution, and who being eligible, offers himself for re-election as a Director of the Company. **Ordinary Resolution 5**
(Please see Explanatory Note 4)

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions, with or without modifications:

7. Authority to issue and allot new ordinary shares pursuant to Sections 75 and 76 of the CA 2016 and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") **Ordinary Resolution 6**

   "THAT pursuant to Sections 75 and 76 of the CA 2016 and subject to the Constitution of the Company, the MMLR and the approvals of the relevant regulatory authorities, where such approvals are required, the Directors be and are hereby empowered to issue and allot shares in the Company from time to time, at such price, upon such terms and conditions, to such persons 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 ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being and that such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company, AND THAT the Directors be authorised to do all such things as they deem fit and expedient in the best

NOTICE OF ANNUAL GENERAL MEETING

interest of the Company to give effect to the issuance of new shares under this resolution including making such applications to Bursa Securities for the listing of and quotation for the additional shares so issued on Bursa Securities pursuant to this resolution."
(Please see Explanatory Note 5)

8. Proposed offer, grant and/or allotment in respect of ordinary shares in the Company ("Bumi Armada Shares") to Mr Gary Neal Christenson, Executive Director/Chief Executive Officer pursuant to the Company's Management Incentive Plan ("MIP") – Annual Incentive. **Ordinary Resolution 7**

THAT authority be and is hereby given to the Directors of the Company to:

(i) make and/or award, offer and grant pursuant to the MIP, to Mr Gary Neal Christenson, Executive Director/ Chief Executive Officer of the Company, at any time and from time to time, commencing from the date of the shareholders' approval ("Approval Date") and expiring at the conclusion of the annual general meeting ("AGM") of the Company commencing next after the Approval Date or at the expiry of the period within which the next AGM of the Company is required to be held after the Approval Date, whichever is the earlier ("AI Mandate Period"), such number of Bumi Armada Shares with a value of up to USD1,500,000 or its equivalent amount in Ringgit Malaysia (converted using the middle rate of Bank Negara Malaysia foreign exchange) based on the 5-day volume weighted average market price of the Bumi Armada Shares preceding the date of the offer as traded on Bursa Malaysia Securities Berhad (rounded up to the nearest 100 Bumi Armada Shares), subject always to the terms and conditions of, and/or any adjustments which may be made pursuant to the provisions of the By-Laws of the MIP;

(ii) issue and allot to him, such number of Bumi Armada Shares (whether during or after the AI Mandate Period) comprised in the offers and grants made and/or awarded to him during the AI Mandate Period; and

(iii) take all such actions that may be necessary and/or desirable to give effect to this resolution and to execute, sign and deliver on behalf of the Company, all such documents as they may deem necessary, expedient and/or appropriate, with full powers to assent to any condition, modification, variation and/or amendment thereto as the Directors of the Company may deem fit and in the best interest of the Company.
(Please see Explanatory Note 6)

By Order of the Board

Shamsul Shahrina binti Mohd Hussein
(MAICSA7047477)(SSM PC No. 201908002446)

Seuhailey binti Shamsudin @ Azraain
(MAICSA7046575)(SSM PC No. 202008001650)
Joint Company Secretaries
Kuala Lumpur
26 April 2023

NOTICE OF ANNUAL GENERAL MEETING

Instructions for Appointment of Proxy

1. A member is encouraged to go online, participate and vote at the 27th AGM using RPEV facilities. If a member is not able to participate via the online meeting, a member can appoint the Chairman of the meeting as proxy and indicate the voting instructions in the proxy form. The appointment of proxy may be done in the manner as detailed in Note 5 below. A member of the Company entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend, participate, speak and vote for him/her subject to the following provisions:

   (i) save as provided for in Note 2, the CA 2016 and any applicable law, each member shall not be permitted to appoint more than two (2) proxies; and
   (ii) where a member appoints more than one (1) proxy, the appointment shall be invalid unless it/he/she specifies the proportion of the member's shareholdings to be represented by each proxy.

2. For the avoidance of doubt and subject always to Note 1, the CA 2016 and any applicable law:

   (i) where a member of the Company is an authorised nominee, it may appoint at least one (1) proxy in respect of each securities account it holds to which ordinary shares in the Company are credited. Each appointment of proxy by an authorised nominee shall be made separately or in one instrument of proxy which shall specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting;
   (ii) where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

3. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.

4. The instrument appointing a proxy shall:

   (i) in the case of an individual, be signed by the appointor or by his/her attorney; and
   (ii) in the case of a corporation, be either under its common seal or signed by its attorney or by an officer on behalf of the corporation.

5. The instrument appointing a proxy must be submitted to the Company's Share Registrars, Boardroom Share Registrars Sdn. Bhd. in any one of the following manner:

   (i) by hand or post, at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, or
   (ii) electronically via email at BSR.Helpdesk@boardroomlimited.com; or
   (iii) electronically via the Share Registrars website, Boardroom Smart Investor Portal. Kindly follow the link at https://investor.boardroomlimited.com to log in and deposit your proxy form electronically

   in each case, not less than 24 hours before the time appointed for the taking of the poll at the 27th AGM or adjourned meeting (i.e. the proxy form needs to be submitted no later than 24 May 2023 at 3.30 p.m. or 24 hours before the time appointed for the adjourned meeting). Otherwise, the instrument of proxy shall not be treated as valid and the person so named shall not be entitled to vote in respect thereof.

6. The resolutions put to the votes at the 27th AGM shall be determined by poll. A proxy may vote on a poll. If the form of proxy is returned without an indication as to how the proxy shall vote on any particular matter, the proxy may exercise his/her discretion as to whether to vote on such matter and if so, how. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to raise questions at the meeting.

7. The lodging of a form of proxy does not preclude a member from attending and voting at the meeting should the member subsequently decide to do so.

Members Entitled to Attend

8. For the purpose of determining members who shall be entitled to attend the 27th AGM, only the Company's members whose names appear in the Record of Depositors of the Company maintained by Bursa Malaysia Depository Sdn Bhd on 17 May 2023 shall be entitled to attend the said meeting or appoint proxies to attend on their behalf.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES

1. Audited Financial Statements and the Reports of the Directors and Auditors thereon

The audited Financial Statements and the Reports of the Directors and Auditors therein for the financial year ended 31 December 2022 ("FY 2022"), will be laid before the Company at the 27th AGM for consideration of the members pursuant to the CA 2016. There is no requirement for the members to approve them and hence, the matter will not be put forward for voting.

2. Directors' Remuneration

Section 230(1) of the CA 2016 provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. As such, the Board of Directors of the Company ("Board") shall seek shareholders' approval at the 27th AGM for the fees and benefits payable to the Directors.

At the Company's AGM in May 2022, the shareholders had approved the payment of fees and benefits to the Non-Executive Directors ("NEDs") of up to an amount of RM3.25 million from 25 May 2022 until the conclusion of the next AGM. The payment of remuneration to the NEDs for the said period did not exceed RM3.25 million. The details of the remuneration of Directors for FY 2022 are disclosed on pages 154 to 155 of the Annual Report 2022.

The Directors' fees and benefits comprise fees, meeting allowances and other emoluments payable to the Chairman and members of the Board and Board Committees. The NEDs' current remuneration framework is as set out below which came into effect on 1 July 2014 and updated in 2018:

Description	Chairman	NEDs
(i) Director Fee		
• Monthly fixed allowance	RM40,667	RM15,000
• Board Committees (Audit and Risk Management Committees)	RM10,000	RM6,000
• Board Committees (Remuneration and Nomination & Corporate Governance Committees)	RM4,000	RM2,500

Description	Board Chairman	Member (based in Malaysia)	Member (based outside Malaysia)
(ii) Meeting allowance (per meeting day) *			
• For meetings in Malaysia	RM3,500	RM2,000	USD1,000
• For meetings outside Malaysia	USD1,500	USD1,000	USD1,000
(iii) Other Benefits			
• Monthly car allowance	RM12,000	-	-

* The meeting allowance includes the allowance for travel days to attend meeting.

The proposed amount of up to RM3.25 million for the payment of fees and benefits to the NEDs for the period from 25 May 2023 to the next AGM comprise the estimated total fees of RM2.5 million and estimated total benefits of RM750,000.

3. Re-appointment of Auditors

Messrs. PricewaterhouseCoopers PLT, the auditors of the Company have expressed their willingness to continue in office as auditors of the Company for the financial year ending 31 December 2023. The Board has approved the Audit Committee's recommendation that they be retained after taking into account relevant feedback on their experience, performance and independence following a formal assessment.

NOTICE OF ANNUAL GENERAL MEETING

4. Re-election/Election of Directors

Pursuant to Rule 131.1 of the Company's Constitution, at least one-third (1/3) of Directors should retire by rotation or if that number is not a multiple of three (3), then the number nearest to one-third (1/3) should retire. Further, any Director of the Company appointed by the Board pursuant to Rule 116 shall not be taken into account in determining the Directors who are to retire by rotation. Presently, we have nine (9) Directors on the Board.

Accordingly, Mr Uthaya Kumar a/l K Vivekananda ("Mr Kumar") and Ms Alexandra Elisabeth Johanna Maria Schaapveld, who are both Independent Non-Executive Directors ("INEDs") are due for retirement by rotation at the 27th AGM. Mr Uthaya Kumar a/l K Vivekananda being eligible, has offered himself for re-election as Director of the Company. However, Ms Alexandra Elisabeth Johanna Maria Schaapveld, will not be seeking re-election and accordingly will retire at the conclusion of this 27th AGM.

Mr Rohan a/l Rajan Rajasooria ("Mr Rohan") who was appointed as a Non-Independent Non-Executive Director ("NINED") on 23 November 2022 and Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda ("Raja Tan Sri Arshad") who was appointed as an INED of the Company on 20 April 2023, are required to submit themselves for re-election at the 27th AGM pursuant to Rule 116 of the Company's Constitution. On being eligible, they have offered themselves for re-election. Their appointments were based on the Nomination & Corporate Governance Committee's ("NC") recommendation after considering relevant criteria in respect of their appointments including their experiences, qualifications, potential contributions and time commitment. The Board is also satisfied that their appointments will further strengthen the composition of the Board.

Mr Kumar, Mr Rohan and Raja Tan Sri Arshad who have offered themselves for re-election have consented to the same.

Mr Kumar, Mr Rohan and Raja Tan Sri Arshad have abstained from deliberations and decision on their own eligibility and suitability to stand for re-election at the relevant NC and Board meetings.

For details of the Directors who are standing for re-election under proposed Ordinary Resolutions 3, 4 and 5, please refer to the Directors' Profiles on page 55 to 57 of the Annual Report 2022.

5. Authority to issue and allot new ordinary shares pursuant to Sections 75 and 76 of the CA 2016 and the MMLR

Proposed Resolution 6 is to seek a renewal of the general authority pursuant to Sections 75 and 76 of the CA 2016 and the MMLR for the issue and allotment of new ordinary shares in the Company ("Bumi Armada Shares").

The proposed Resolution 6, if passed, will give a new mandate to the Directors of the Company, from the date of the 27th AGM, to issue and allot Bumi Armada Shares from time to time subject to the total number of Bumi Armada Shares to be issued pursuant to such mandate not exceeding in the aggregate ten per centum (10%) of the total number of issued Bumi Armada Shares (excluding treasury shares). This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

Should there be a decision to issue and allot Bumi Armada Shares after the said authority has been given, the Company will make the appropriate announcement on the purpose and/or utilisation of proceeds arising from such issuance and allotment.

The passing of this resolution would avoid any delay and cost involved in convening a general meeting to specifically approve the issuance of Bumi Armada Shares.

NOTICE OF ANNUAL GENERAL MEETING

6. **Proposed offer, grant and/or allotment of ordinary shares in the Company to Mr Gary Neal Christenson, Executive Director/Chief Executive Officer pursuant to the Company's Management Incentive Plan ("MIP")**

   Proposed Ordinary Resolution 7 is to seek authority in respect of the proposed offer, grant and/or allotment of Bumi Armada Shares under the MIP to Mr Gary Neal Christenson ("Mr Christenson"), Executive Director/Chief Executive Officer.

   On 23 May 2016, we had obtained your approval for the establishment of the MIP including the authority to offer, grant and/ or allot shares to employees and executive directors who fulfil the criteria of eligibility for participation in the MIP.

   The proposal is intended to, amongst others, serve as an incentive plan that aligns the Executive Director's interests with the long-term objectives and business strategies of our Group.

   Proposed Ordinary Resolution 7, if passed, would enable the Company to grant to Mr Christenson, during the AI Mandate Period, Bumi Armada Shares with a value of up to USD1,500,000 or its equivalent amount in Ringgit Malaysia, where such shares are to be vested over a 3-year period from the date of grant.

   The details on the MIP are set out in the Directors' Report and Note 34 to the financial statements.

   Mr Christenson will abstain from voting on the proposed Ordinary Resolution 7 and will ensure that persons connected to him will also abstain from voting.

Additional Notes:

Please refer to the Administrative Guide for the remote participation access and electronic voting at the 27th AGM of the Company.

This page has been intentionally left blank

FORM OF PROXY

BUMI ARMADA BERHAD
(Registration No. 199501041194 (370398-X))
(Incorporated in Malaysia)

*I/*We, ________________________________ *NRIC No. (new and old)/*Passport No./*Registration No. ______________
[FULL NAME AS PER NRIC/FORM OF INCORPORATION IN BLOCK LETTERS] [COMPULSORY]

of ________________________________ and telephone no. ______________
[FULL ADDRESS]

being a member of Bumi Armada Berhad (the "Company"), hereby appoint ________________________________
[FULL NAME AS PER NRIC IN BLOCK LETTERS] [COMPULSORY]

*NRIC No./*Passport No. ______________ of ________________________________
[COMPULSORY] [FULL ADDRESS]

____

and/or ________________________________ *NRIC No./*Passport No. ______________
[FULL NAME AS PER NRIC IN BLOCK LETTERS] [COMPULSORY]

of ________________________________
[FULL ADDRESS]

____
[EMAIL ADDRESS/TEL.NO]

or failing *him/*her, THE CHAIRMAN OF THE MEETING as *my/*our *proxy/*proxies to vote for *me/*us and on *my/*our behalf at the **27th Annual General Meeting of the Company to be conducted virtually via remote participation and electronic voting on Thursday, 25 May 2023 at 3.30 p.m., through the live streaming from the Broadcast Venue at Angola Room, Level 7, Menara Perak, 24 Jalan Perak, 50450 Kuala Lumpur, Malaysia** and at any adjournment thereof.

** Please delete the words "the Chairman of the meeting" if you wish to appoint some other person to be your proxy.*

* I/*We indicate with an "X" in the spaces below how *I/*we wish *my/*our vote to be cast:

No.	Resolutions	For	Against	Abstain
Ordinary Resolutions				
1	To approve the payment of fees and benefits to the Non-Executive Directors of up to an amount of RM3.25 million from 25 May 2023 until the conclusion of the next Annual General Meeting of the Company to be held in 2024.			
2	To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Directors to fix their remuneration for that year.			
3	To re-elect Mr Uthaya Kumar a/l K Vivekananda who retires by rotation in accordance with Rule 131.1 of the Company's Constitution, and who being eligible, offers himself for re-election as a Director of the Company.			
4	To re-elect Mr Rohan a/l Rajan Rajasooria who retires in accordance with Rule 116 of the Company's Constitution, and who being eligible, offers himself for re-election as a Director of the Company.			
5	To re-elect Raja Tan Sri Dato' Seri Arshad Bin Raja Tun Uda who retires in accordance with Rule 116 of the Company's Constitution, and who being eligible, offers himself for re-election as a Director of the Company.			
6	To authorise the Directors to issue and allot new ordinary shares pursuant to Sections 75 and 76 of the Companies Act, 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.			
7	To offer, grant and/or allot ordinary shares in the Company to Mr Gary Neal Christenson, Executive Director/Chief Executive Officer pursuant to the Company's Management Incentive Plan – Annual Incentive.			

Subject to the above stated voting instructions, *my/*our *proxy/*proxies may vote or abstain from voting on any resolutions as *he/*she/*they may think fit.

If appointment of proxy by an individual or a corporation is under hand ______________________________ (beneficial owner) Signed by *individual member/*officer or attorney of member/*authorised nominee of ______________________________ (beneficial owner)	No. of shares held: ____________________ Securities Account No.: ________________ (CDS Account No.) Date:	The proportions of *my/*our holding to be represented by *my/*our *proxy/*proxies are as follows: **First Proxy** No. of shares: Percentage: %
If appointment of proxy by a corporation is under seal The Common Seal of ____________________ ______________________________ was hereto affixed in accordance with its Articles of Association/Constitution in the presence of :- ______________________________ Director *Director/*Secretary in its capacity as *member/*attorney of member/*authorised nominee of ______________________________ (beneficial owner)	Seal No. of shares held: ____________________ Securities Account No.: ________________ (CDS Account No.) Date:	**Second Proxy** No. of shares: Percentage: ______________________________ %

** Delete if inapplicable.*

NOTES:

1. A member is encouraged to go online, participate and vote at the 27th annual general meeting ("AGM") using remote participation and electronic voting facilities. If a member is not able to participate via the online meeting, a member can appoint the Chairman of the meeting as proxy and indicate the voting instructions in the proxy form. The appointment of proxy may be done in the manner as detailed in Note 5 below. A member of the Company entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend, participate, speak and vote for him/her subject to the following provisions:

   (i) save as provided for in Note 2, the Companies Act 2016 ("CA 2016") and any applicable law, each member shall not be permitted to appoint more than two (2) proxies; and
   (ii) where a member appoints more than one (1) proxy, the appointment shall be invalid unless it/he/she specifies the proportion of the member's shareholdings to be represented by each proxy.

2. For the avoidance of doubt and subject always to Note 1, the CA 2016 and any applicable law:

   (i) where a member of the Company is an authorised nominee, it may appoint at least one (1) proxy in respect of each securities account it holds to which ordinary shares in the Company are credited. Each appointment of proxy by an authorised nominee shall be made separately or in one instrument of proxy which shall specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting;
   (ii) where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

3. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.

4. The instrument appointing a proxy shall:

   (i) in the case of an individual, be signed by the appointor or by his/her attorney; and
   (ii) in the case of a corporation, be either under its common seal or signed by its attorney or by an officer on behalf of the corporation.

5. The instrument appointing a proxy must be submitted to the Company's Share Registrars, Boardroom Share Registrars Sdn Bhd in any one of the following manner:

   (i) by hand or post, at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia; or
   (ii) electronically via email at BSR.Helpdesk@boardroomlimited.com; or
   (iii) electronically via the Share Registrars website, Boardroom Smart Investor Online Portal. Kindly follow the link at https://investor.boardroomlimited.com to log in and deposit your proxy form electronically.

   in each case, not less than 24 hours before the time appointed for the taking of the poll at the 27th AGM or adjourned meeting (i.e. the proxy form needs to be submitted no later than 24 May 2023 at 3.30 p.m. or 24 hours before the time appointed for the adjourned meeting). Otherwise, the instrument of proxy shall not be treated as valid and the person so named shall not be entitled to vote in respect thereof.

6. The resolutions put to the votes at the 27th AGM shall be determined by poll. A proxy may vote on a poll. If the form of proxy is returned without an indication as to how the proxy shall vote on any particular matter, the proxy may exercise his/her discretion as to whether to vote on such matter and if so, how. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to raise questions at the meeting.

7. The lodging of a form of proxy does not preclude a member from attending and voting at the meeting should the member subsequently decide to do so.

8. Personal Data Privacy

   By submitting the duly executed form of proxy, a member of the Company (i) consents to the processing, including collection, use and disclosure of the member's personal data by the Company (or its agents) for all matters relating to or in connection with the AGM (including any adjournment thereof) and for the Company's (or its agents') compliance with any applicable laws, rules or regulations and guidelines (collectively the "Purposes"); and (ii) warrants that the member has obtained the prior consent of its proxy(ies) and/or representatives for the processing, including collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes.

This flap for sealing

STAMP

THE SHARE REGISTRARS OF
BUMI ARMADA BERHAD
(Company No. 199501041194 (370398-X))

Boardroom Share Registrars Sdn. Bhd.
Registration number: 199601006647 (378993-D)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor, Malaysia

1st fold here

www.bumiarmada.com

BUMI ARMADA BERHAD (370398-X)
Level 21, Menara Perak, 24, Jalan Perak, 50450 Kuala Lumpur, Malaysia
Tel +603 2171 5799
Fax +603 2163 5799